

GLP J-REIT Green Finance Framework

1 Use of Proceeds

1.1 Eligible Green Projects

Eligible Green Projects are assets or projects that satisfy either of the following requirements.

■ Eligible Green Project Criteria

Green buildings (Eligible Green Project category : Green Building)

New, existing or refurbished buildings with at least one certification in the following categories.

- i) DBJ Green Building Certification (Japan): five, four or three stars
- ii) CASBEE (Japan): S, A or B+
- iii) BELS (Japan, FY2016 standard): five, four or three exclude buildings with BEI =under 0.75
- iv) BELS (Japan, FY2024 standard): six, five, four
- v) LEED BD+C (U.S., v4 and later) : Platinum, Gold or Silver
- vi) LEED O+M (U.S.): Platinum, Gold or Silver

■ Power generation facilities utilizing renewable energy

1.2 ESG Policy of GLP J-REIT

GLP J-REIT believes that an integrated ESG approach is required to provide benefits to our community and our shareholders. This will be implemented through the following policy “ESG policy”:

1. Initiatives for environment protection

Continue to pursue innovative initiatives and take effort to execute them which are aimed at minimizing environmental impact fall under our corporate actions to protect global environment and achieve sustainable society

2. Promote actions to achieve Net Zero at GLP J-REIT

Promote energy efficiency and implementation of renewable energy to accelerate actions against climate change and achieve Net Zero

3. Obtain third party evaluation on facility

Target to obtain third party certifications based on the initiatives which are to develop environmentally and workers friendly specifications on facilities we manage

4. Treat biodiversity

Promote taking care of plants and wild animals existing around facility, which is important to respect biodiversity and think highly of ecosystem to achieve sustainable society

5. Water management

Recognize water protection as critical issue and promote efficient usage and management of water by co-work with stakeholders

6. Collaboration with stakeholders

Aim to provide more added value through identification of various issues and implementation of initiatives for solution by collaboration with stakeholders

7. Customer support

Make effort to solve issues in society through customer support, which are to response customer's demand, establish efficient business operations, secure employee's health and safety and provide comfortable working spaces and services

8. Coexistence with local community

Promote chain reactive and sustainable initiatives for coexistence with local community through supporting job creation and proactive actions with local community

9. Maximize employee's capability

Aim to maximize each employee's capability through personnel development, establishing appropriate working environment and building culture respecting individual values

10. Support supply chain

Share our ESG policy with business partners on supply chain and provide continuous support

11. Response to disasters

Aim to improve disaster prevention system not only in facility but for local community through providing facilities well-equipped with safety and various services, BCP initiatives and cooperation with local government

12. Improve productivity and efficiency with technology

Improve productivity and efficiency of social infrastructures through investment, development and proactive use on technologies and innovations

13. Proactive involvement on social contribution activities

Proactively involve on social contribution activities to contribute to local community as a member of society with common acknowledgement of our business impact to society

14. Establish ethical corporate culture

Establish ethical and highly transparent corporate culture by following the ethics codes we define

15. ESG prospects built in process of decision makings

Risk and opportunity on ESG are regularly implemented in process of decision makings for our business

In accordance with the above policy, GLP Japan Advisors, GLP J-REIT's asset manager, engages in asset management of GLP J-REIT. Specifically, efforts are being made to obtain environmental certifications for its properties such as under the DBJ Green Building, CASBEE, BELS, and LEED certification programs.

1.3 Financing Method and Projects to Invest in

Financing method: Green bonds or loans

Projects: Eligible Green Projects, which are defined as those that satisfy the Eligible Green Project Criteria ; Proceeds raised are used as funding for acquiring the projects or for the refinancing of such funding

2 Project Selection Process

2.1 Environmental and Social Goals to be Achieved through Green Finance

GLP J-REIT's Green finance aims to achieve at least one of the following goals of "ESG policy": 1) Initiatives for environment protection, 2) Promote actions to achieve Net Zero at GLP J-REIT, 3) Obtain third party evaluation on facility, 4) Treat biodiversity, 5) Water management, 13) Proactive involvement on social contribution activities and 15) ESG prospects built in process of decision makings.

2.2 Project Evaluation / Selection Process

Eligible Green Projects for green finance investment are evaluated and selected by ESG Committee of GLP Japan Advisors, based on "2.1 Types of Projects Eligible to Green Finance Investment", the Asset Management Guidelines and relevant internal regulations by GLP Japan Advisors, and GLP J-REIT's "ESG policy" as above.

The acquisition of properties is subject to the due diligence process conducted by the Investment Department. It is made mandatory to include items concerning environmental protection (including environmental performance certifications and ratings obtained) in the checklist and evaluate them in the due diligence process.

Final decisions on the acquisition of properties are made through an internal approval process by means of a resolution of the Investment Committee comprised of the President, Directors, CFO, CIO, and Compliance Officer of GLP Japan Advisors, as well as of external members.

2.3 Project Evaluation / Selection Process

Eligible Green Projects are evaluated and selected by the ESG Committee of GLP Japan Advisors which is composed of the President, CFO, CIO and Chief Sustainability Officer (CSO).

The Finance Department proposes the green finance, and ESG Committee will consider the selection of properties for funding and the allocation plan for funds procured through green finance.

The ESG Committee, led by CSO, promotes sustainability initiatives such as setting ESG target, monitoring progress and formulating medium- to long-term ESG policies.

As in the case of ordinary finance (taking out loans, issuance of investment corporation bonds), green finance is executed in the following process:

- Green bonds

Green bonds are issued subject to the adoption of the relevant comprehensive resolution by the Investment Committee of GLP Japan Advisors and the Board of Directors of GLP J-REIT.

- Green loans

Loan agreements are concluded subject to approval by the Investment Committee.

2.4 Measures to Prevent Negative Impacts on the Environment

GLP J-REIT is seeking to minimize the negative impacts its facilities may have on the environment, for instance, requiring the seller of a facility planned for acquisition to take appropriate measures to reduce any negative impact on the environment when there is such concern.

2.5 Disclosure to Investors of the Selection Process

GLP J-REIT plans to disclose the selection process to investors through its news releases as well as in evaluation reports prepared by Japan Credit Rating Agency, Ltd. (JCR) (supplements to the shelf registration statement filed with the local finance bureau in the case of green bonds).

3 Management of Proceeds

3.1 Management of Green Finance Balance

The upper limit of green finance (limit of the "Debts of Eligible Green Projects") shall be the amount calculated by multiplying the total acquisition cost of the Eligible Green Projects by the ratio of actual interest-bearing debt to total assets as of the end of the latest fiscal period that can be calculated on the payment date or loan date of each investment corporation bond, or as of the end of every February.

Eligible Green Projects that also fall under the definition of Eligible Sustainability Projects under GLP J-REIT's Sustainability Finance Framework are included in the total value of Eligible Green Projects as well as that of Eligible Sustainability Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included in calculating the outstanding balance of sustainability finance as well as that of green finance. The presence of such overlaps, i.e., amounts included in the total value and the outstanding balance of finance for both type of eligible assets, is disclosed in notes.

3.2 Appropriation Plan for Fund Raising

GLP J-REIT is committed to allocating all the proceeds from the Green Financing towards funding the acquisition of the Eligible Green Projects or refinancing the relevant fund within one month after the financing.

3.3 Tracking Methodologies of Procurement Funds

Once the proceeds from Green finance are received, the person in charge in the Finance Department will transfer the entire amount to the seller as the funds for the acquisition of the property or transfer the funds for the redemption and repayment of the investment corporation bonds or loans to the account at a predetermined date. In order to carry out the above process, the President made final internal decisions in advance.

The proceeds received will be held in cash or cash equivalent until they are appropriated for the acquisition.

3.4 Internal and External Audits of Fund Procurement

The Asset Management Company regularly conducts internal audits. It also undergoes external audits of its overall accounting of GLP J-REIT.

3.5 Management of Documents Relating to Procurement Fund

The passbooks are held by Mitsubishi UFJ Trust and Banking Corporation, which is the asset custodian. GLP Japan Advisors will check and confirm account activity via electronic banking (GLP Japan Advisors is only authorized to view the account).

4 Reporting

4.1 Reporting on the Status of Proceeds

GLP J-REIT will publish the allocation status of the fund proceeds from Green financing on its website. Their reports will be published once every year till the outstanding balance of the concerned green financing become zero. Further, as long as there remains any outstanding balance in its Green financing, GLP J-REIT will disclose the following benchmarks as of the end of February of each year on its website.

- Total amount of bond proceeds that has been used
- Number of properties under Eligible Green Projects
- Unused amount of bond proceeds

4.2 Reporting on Positive Environmental Impacts

The following information is disclosed on the website:

- a. Green Building
 - Level of various environmental certificates obtained
- b. Power generation facilities utilizing renewable energy
 - Annual CO2 reduction effect of the relevant renewable energy-based power generation facility

4.3 Reporting Procedure in the Event of Material Changes in Status

In the event of non-appropriation of funding, for instance, due to the sale of the Eligible Green Project that was to be financed by the funding, GLP J-REIT discloses such facts on its website upon approval from CFO of GLP Japan Advisors.