

STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Product Name: GLP J-REIT

Legal Entity Identifier: 353800E27V9KA51K2I90

The following is the adverse sustainability impact statement of GLP J-REIT pursuant to Regulation (EU) 2019/2088 (“SFDR”). GLP J-REIT has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan and relies on GLP Japan Advisors Inc. (the “Asset Manager”), to manage and operate the properties in GLP J-REIT’s portfolio. GLP J-REIT and the Asset Manager are hereinafter referred to collectively as “we”, “us” or “our”. References to “fiscal year” or “FY” are to the 12 months began or beginning March 1 of the year specified in line with the fiscal year of GLP J-REIT, unless noted otherwise.

Please note that SFDR requirements, including the scope of their application to issuers outside the European Economic Area, continue to evolve. We are therefore taking a principles-based approach to compliance with the SFDR disclosure standards, which are subject to change.

1. Summary

We consider principal adverse impacts of our investment decisions on sustainability factors. The present statement is our consolidated statement of the principal adverse impacts on sustainability factors (“PAI”). The statement covers the reference period from January 1, 2023, to December 31, 2023, unless noted otherwise. The statement will be reviewed as needed.

We believe that maximizing unitholder value is possible only while preserving sustainable environment and achieving sustainable society. We make our contribution by investing in modern logistics facilities and conducting mid to long-term, stable asset management. Under our sustainability policies and framework, we collaborate with the Asset Manager, to implement a wide range of initiatives promoting environmental, social and governance goals.

We use the definition of PAI as described in Recital 20 of SFDR being “those impacts of investment decisions and advice that result in negative effects on sustainability factors”, with sustainability factors referring to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters as defined in Article 2 (24) of SFDR.

We believe that investment decisions that negatively affect climate or other environment-related resources, or have negative implications for society, can have a significant impact to risk and value creation for GLP J-REIT’s unitholders. To this end, we consider PAI of our investment decisions throughout all major steps of the investment decision and property management process throughout the lifecycle of the properties in GLP J-REIT’s portfolio.

2. Description of principal adverse sustainability impacts

Nearly all types of economic activity have the potential to impact various PAI indicators, both positively and adversely. We aim to manage the risk connected to PAI from our investment decisions in several ways, including general screening criteria, due diligence and our proprietary

ESG risk rating system. Some of the PAI indicators listed below are currently already being monitored and reported. As the availability of data improves, it is our intention that more indicators will be added.

Table 1

Principal adverse sustainability impacts statement

GLP J-REIT does not invest in investee companies, but invests in real estate. As adverse sustainability indicators 1-16 as contained in Table 1 of Annex 1 of the Delegated Regulation C(2022)1931 supplementing SFDR (the “SFDR Delegated Regulation”) pertain to investee companies, these are not included in this PAI statement, which pertains to real estate investments.

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact in 2023 (From January 1, 2023, to December 31, 2023)	Impact in 2022 (From January 1, 2022, to December 31, 2022)	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	GLP J-REIT does not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	As of December 31, 2023, 10.9% of GLP J-REIT’s properties were not “Green Certified Assets” (as defined to the right) based on gross floor area.	As of December 31, 2022, 20.0% of GLP J-REIT’s properties were not “Green Certified Assets” (as defined to the right) based on gross floor area.	To track the environmental performance of GLP J-REIT’s properties, we rely on certifications issued by third-party organizations, such as the Building Energy-efficiency Labeling System (“BELS”), Net Zero Energy Building (“ZEB”), Comprehensive	We will do our best to obtain appropriate environmental certifications for properties that are not the “Green Certified Assets” in due course. We plan to increase the proportion of the Green Certified Assets at 90% or higher of GLP J-REIT’s portfolio based

					<p>Assessment System for Built Environment Efficiency (“CASBEE”) and Leadership in Energy and Environmental Design (“LEED”). For BELS, we consider a logistics facility building to have the environmental certification if it received a certification of three stars or higher out of the five-star ranking system of BELS. For ZEB, we consider a logistics facility building to have the environmental certification if it is certified at least as ZEB Oriented. For CASBEE, we consider a logistics facility building to have the environmental certification if it received a certification of B+ Rank or higher out of the CASBEE ranking system featuring Rank S (excellent), Rank A (very good), Rank B+ (good), Rank B– (slightly inferior) and Rank C</p>	<p>on total gross floor area by the end of FY2025.</p>
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					<p>(inferior). For LEED, we consider a logistics facility building to have the environmental certification if it received a certification of Silver, the third highest certification under LEED ranking system. We call GLP J-REIT's properties that receive any such sufficient environmental certifications "Green Certified Assets".</p>	
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Table 2

Additional climate and other environment-related indicators

GLP J-REIT does not invest in investee companies, but invests in real estate. As additional climate and other environment-related indicators 1-17 as contained in Table 2 of Annex 1 of the SFDR Delegated Regulation pertain to investee companies, these are not included in this PAI statement, which pertains to real estate investments.

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS																						
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric																				
Indicators applicable to investments in real estate assets																						
Greenhouse gas emissions	<p>18. GHG emissions</p> <p>We track and monitor GHG emissions data for 100% of the total gross floor area of GLP J-REIT’s properties. We calculate GLP J-REIT’s tenants’ GHG emissions from energy usage by converting energy usage to CO₂ emissions based on the national average conversion factor for the relevant period published by the Ministry of the Environment of Japan.</p> <p>Based on this method, Scope 1, Scope 2, Scope 3 and total GHG emissions of GLP J-REIT’s portfolio are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Unit</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Scope 1+2</td> <td>(t-CO₂)</td> <td>2,131</td> <td>4,358</td> <td>4,386</td> </tr> <tr> <td>Scope 3</td> <td>(t-CO₂)</td> <td>62,730</td> <td>61,731</td> <td>69,461</td> </tr> <tr> <td>Total</td> <td>(t-CO₂)</td> <td>64,861</td> <td>66,089</td> <td>73,846</td> </tr> </tbody> </table>		Unit	2023	2022	2021	Scope 1+2	(t-CO ₂)	2,131	4,358	4,386	Scope 3	(t-CO ₂)	62,730	61,731	69,461	Total	(t-CO ₂)	64,861	66,089	73,846	Scope 1 GHG emissions generated by real estate assets
			Unit	2023	2022	2021																
		Scope 1+2	(t-CO ₂)	2,131	4,358	4,386																
		Scope 3	(t-CO ₂)	62,730	61,731	69,461																
Total	(t-CO ₂)	64,861	66,089	73,846																		
Scope 2 GHG emissions generated by real estate assets																						
Scope 3 GHG emissions generated by real estate assets																						
Total GHG emissions generated by real estate assets																						
Energy consumption	<p>19. Energy consumption intensity</p> <p>We track and monitor electricity usage data for 100% of the total gross floor area of GLP J-REIT’s properties.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Unit</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Energy Usage</td> <td>(MWh)</td> <td>163,168</td> <td>181,237</td> <td>177,505</td> </tr> <tr> <td>Energy usage intensity</td> <td>(MWh/m²)</td> <td>41.8</td> <td>46.0</td> <td>46.4</td> </tr> </tbody> </table> <p>We aim to reduce energy consumption intensity of GLP J-REIT’s portfolio by installing eco-friendly equipment such as LED lighting, big ceiling fans, highly-insulated sandwich panels, and human sensors.</p>		Unit	2023	2022	2021	Energy Usage	(MWh)	163,168	181,237	177,505	Energy usage intensity	(MWh/m ²)	41.8	46.0	46.4	Energy consumption in GWh of owned real estate assets per square meter					
	Unit	2023	2022	2021																		
Energy Usage	(MWh)	163,168	181,237	177,505																		
Energy usage intensity	(MWh/m ²)	41.8	46.0	46.4																		

Waste	<p>20. Waste production in operations</p> <p>We track and monitor amount of waste generated by tenants at GLP J-REIT's properties and recycling rates for 100% of the total gross floor area of GLP J-REIT's properties for which we provide utility management services. We calculate the recycling rates by taking the percentage of the amount of the waste generated that is recycled out of the total waste generated.</p> <table border="1" data-bbox="467 485 1091 659"> <thead> <tr> <th></th> <th>Unit</th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Data coverage ratio⁽¹⁾</td> <td>(%)</td> <td>98</td> <td>91</td> <td>91</td> </tr> <tr> <td>Recycling Rate</td> <td>(%)</td> <td>64</td> <td>57</td> <td>60</td> </tr> </tbody> </table> <p>Note: (1) Data coverage ratio is the proportion of GLP J-REIT's properties for which we provide utility management services and track waste data in GLP J-REIT's entire portfolio based on gross floor area.</p> <p>We aim to reduce waste and promote recycling by purchasing used material handling equipment from tenants and provide them for other tenants with low price.</p>		Unit	2023	2022	2021	Data coverage ratio ⁽¹⁾	(%)	98	91	91	Recycling Rate	(%)	64	57	60	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
	Unit	2023	2022	2021													
Data coverage ratio ⁽¹⁾	(%)	98	91	91													
Recycling Rate	(%)	64	57	60													

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

GLP J-REIT has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and relies on the Asset Manager to manage and operate the properties in GLP J-REIT's portfolio. Accordingly, additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters in this PAI statement pertain to the Asset Manager and the tenants of the properties in GLP J-REIT's portfolio, to the extent available.

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to the Asset Manager or tenants		
Social and employee matters	<p>5. Lack of grievance/complaints handling mechanism related to employee matters</p> <p>In cooperation with the GLP group and tenants, we conduct a tenant satisfaction survey every year in order to gather feedback, which is used to ensure that GLP J-REIT's properties provide comfortable, safe and secure space for tenants and other facility users.</p> <p>Up to 2023 all of our tenants have been provided grievance/complaints handling mechanism.</p>	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters
	<p>6. Insufficient whistleblower protection</p> <p>The Asset Manager has established internal and external contact points for consultation based on its internal consultation and whistleblowing rule. It enables the Asset Manager's officers and employees to anonymously report organizational or individual behavior that violates applicable laws and regulations or is suspected of violating laws, corporate ethics, and internal rules such as the compliance manual to the Chief Compliance Officer (or for matters concerning the Chief Compliance Officer, the President) or outside counsel. It is designed to help ensure compliance with applicable laws and regulations. We are required to determine and execute appropriate measures for reported matters, and whistleblowers are protected by the Whistleblower Protection Act of Japan.</p> <p>All of the Asset Manager's officers and employees are provided whistleblower protection.</p>	Share of investments in entities without policies on the protection of whistleblowers

	<p>7. Incidents of discrimination</p> <p>The Asset Manager prohibits discrimination or unfair treatment based on nationality, social status, race, belief, gender, age, disability, sexual orientation, gender identity, education, marriage status, employment type or any other reason not related to business. In addition, no harassment in any form is allowed in the workplace.</p> <p>Up to 2023, no discrimination including those leading to sanctions of any kind has been reported by any of the Asset Manager’s officers and employees.</p>	<p>1. Number of incidents of discrimination reported in investee companies expressed as a weighted average</p> <p>2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average</p>
Human Rights	<p>9. Lack of a human rights policy</p> <p>Diversity and inclusion training are and will continue to be conducted across GLP group. There are over 100 programs and courses available on GLP group’s learning platform to upskill and train officers and employees on diversity and inclusion within the workplace.</p>	Share of investments in entities without a human rights policy
	<p>10. Lack of due diligence</p> <p>When we invest in real estate related assets, we conduct ESG due diligence focusing matters such as environment and human rights. The results of ESG due diligence are reported to the ESG Committee, and the Asset Manager’s Investment Committee considers it and makes investment decision.</p> <p>The Asset Manager conducts due diligence on human rights.</p>	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
Anti-corruption and anti-bribery	<p>15. Lack of anti-corruption and anti-bribery policies</p> <p>GLP J-REIT and the Asset Manager have established the Compliance Manual to explicitly prohibit receiving cash or highly redeemable items such as gift certificates in relation to the business, entertainment or gifts exceeding moderation within the company or from business partners or related parties, or accepting, requesting or promising bribes (entertainment or gifts that exceed moderation) to business partners or related parties, or making special arrangements based on the foregoing.</p> <p>The Asset Manager has compliance policies addressing anti-corruption and anti-bribery that apply to all of its officers and employees.</p>	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption

For descriptions of actions which GLP J-REIT takes and will take with respect to the PAI indicators, please refer to our ESG website: https://www.glpjreit.com/en/esg/esg_top.html

3. Description of policies to identify and prioritize principal adverse sustainability impacts

Subject to data availability, we monitor the selected PAI indicators for the existing logistics facilities in GLP J-REIT's portfolio.

Prior to our investment in a property, we conduct due diligence on the property, including ESG due diligence, which includes selected PAI indicators. The due diligence findings related to selected PAI indicators are reported and reviewed by the ESG committee prior to their submission to the investment committee. During the review, the ESG committee considers selected PAI indicators for the target property and creates action plans to reduce adverse impacts and risks related to relevant PAI indicators.

For further information, please refer to our ESG Report:

<https://www.glpjreit.com/en/esg/report.html>.

4. Engagement policies

Due Diligence and Screening

When investing in properties using proceeds from our ESG financing, we do not consider properties that do not meet the criteria under our ESG finance framework. We also do not generally consider investing in properties that are designated as contaminated areas that require government notification under the Soil Contamination Countermeasures Act of Japan or that do not otherwise meet our environmental standards based on their history of land usage and soil contamination, assessment by experts and examination of presence of harmful substances, unless appropriate measures are taken under the Soil Contamination Countermeasures Act or we conclude, after appropriate due diligence review, that any health or other ESG risk is limited. We also review whether the property we may acquire is compliant with applicable law.

In addition, we monitor and track energy consumption, GHG emissions, water consumption and waste generated at GLP J-REIT's properties.

Such data are reviewed by outside experts on a regular basis to reduce our environmental burden. We also conduct a tenant satisfaction survey every year to gather feedback used to ensure that GLP J-REIT's properties provide comfortable, safe and secure space for tenants and other facility users.

We have selected GHG emissions, energy consumption intensity and waste production in operations as our PAI indicators in Table 2 above based on our belief that reduction of environmental burden is one of the major challenges confronted by all of us. We also have selected lack of grievance/complaints handling mechanism related to employee matters, lack of insufficient whistleblower protection, incidents of discrimination and lack of a human rights policy as our PAI indicators in Table 3 above based on our belief that we shall respect human rights as a member of society. We have selected lack of due diligence as one of our PAI indicators based on our belief that ESG considerations should be an integral part of our final investment decision. We have selected lack of anti-corruption and anti-bribery policies as one of our PAI indicators based on our belief that prevention of corruption and bribery among employees is an important governance objective that protects GLP J-REIT's unitholders' interests.

Furthermore, we assume that the occurrence risk of adverse impact is limited, due to high environmental performance of GLP J-REIT's properties and our positive social contribution activities. On the other hand, we believe that it is important to verify adverse impacts. Therefore, the ESG Committee tracks and monitors various ESG-related data, some which are included in the PAI indicators, and promotes and implements initiatives for carbon neutrality, disaster prevention, coexistence with local communities, employees' well-being and the like.

Engagement

We include certain information-sharing and cooperation clauses, which we call "green clauses" in the lease contracts with the tenants at GLP J-REIT's properties in order to monitor energy and other ESG-related consumption data, promote energy saving and water conservation of our tenants and to facilitate and improve ESG certification of the logistics facility buildings in GLP J-REIT's portfolio

Furthermore, we have established the following ESG key performance targets;

- We plan to monitor and track ESG related data, such as energy consumption, in all of the properties in GLP J-REIT's portfolio over which we have management rights. As of December 31, 2023, we have already achieved it and plan to maintain such monitoring and tracking.
- As part of our initiatives to reduce energy consumption and improve energy efficiency of GLP J-REIT's properties, we have already completed the installation of LED lighting in all of the common areas of the properties in GLP J-REIT's portfolio, in line with our target completion date of the end of FY2022.
- We plan to increase the proportion of the Green Certified Assets to 90% or higher of GLP J-REIT's portfolio based on total gross floor area by the end of FY2025. As of December 31, 2023, 89.1% of the properties in GLP J-REIT's portfolio based on total gross floor area were Green Certified Assets, achieving our initial target of having the portion of the Green Certified Assets in GLP J-REIT's portfolio reach 80% or higher based on total gross floor area ahead of the initial target date of the end of FY2024.
- We included green clauses in all of the fixed term lease contracts with our tenants, including the existing lease contracts, which was targeted by the end of FY2023.
- We plan to complete 100% transition to renewable sources for electricity used in the common areas of the properties in GLP J-REIT's portfolio by the end of FY2025.

5. References to international standards

Our ESG objectives are based on the Agenda 2030 for Sustainable Development adopted by the UN Sustainable Development Summit held in September 2015.

6. Historical comparison

See Table 1, Table 2 and Table 3 above.