

2021 ESG Report

GLP J-REIT





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Editorial Policy

GLP J-REIT publishes a sustainability website and sustainability reports for our stakeholders in an effort to disclose ESG information that describes our efforts toward realizing a sustainable society.

Our sustainability reports, which we publish once each year, contain straightforwardly organized summaries of information pertaining to GLP J-REIT and the rest of the GLP Group, including our ESG policy, highlights of ESG efforts active during the current year, our level of KPI achievement, and ESG-related data.

Reporting System

On our sustainability website, we leverage the attributes of our website and make comprehensive postings of policies, detailed numerical data, and other information about the Group’s sustainability activities. We consider timeliness among other factors, and operate the website such that it reflects and discloses the latest information. We published our first sustainability report in 2021, and now disclose information in a more systematic, organized manner based on information posted on the sustainability website.

Period in the report

Although the report covers the period from March 2021 to February 2022, it also includes information from outside the period.

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A Message from Our Executives



Yoshiyuki Miura

Executive Director of GLP J-REIT and
President of GLP Japan Advisors Inc.

To begin, please let me express my best wishes for all of our investor clients.

As the COVID-19 pandemic persists without a clear end in sight, I would also like to express my hopes that anyone who may have contracted the disease has a speedy recovery, and my sincere respect and gratitude to all health care workers and others who have sustained the constant battle day after day.

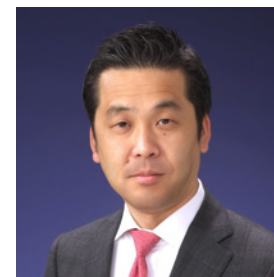
GLP J-REIT is Japan's leading listed real estate investment corporation specializing in logistics facilities. We at GLP J-REIT, together with our asset management firm GLP Japan Advisors Inc., consider it to be our social mission to strive for a sustainable society through our business activities. To that end, we have enhanced our efforts toward sustainability.

Through our endorsement of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) last year, we reinforced our commitment to ESG, demonstrated in part by our achievement of the highest rating in one of the leading ESG metrics—a 5-star GRESB rating—for two consecutive years. Accordingly, we are continuing our proactive efforts toward environmental, social, and corporate governance. Additionally, the GLP Group became a signatory of Principles for Responsible Investment (PRI), and adopted an Environment, Social Governance & Due Diligence (ESG DD) process and made other efforts to incorporate PRI into daily operations. In this way, we are further strengthening our efforts to combat climate change.

Our ESG Committee, which was launched last year and has met seven times, actively discussed and determined our course of action for a variety of ESG-related topics, including investment decisions, measures to enhance environmental considerations, and the execution of new ESG financing that leverages our efforts toward ESG.

GLP J-REIT and our asset management firm will continue to maintain and enhance our sustainability measures, and by disclosing ESG information we will deepen our communication with our various stakeholders from investors, tenants, and members of our supply chain to the wider regional community and employees. We hope to work together with our stakeholders to strive toward a sustainable society.

A Message from CSO



Hisatake Miki

CSO of GLP Japan
Advisors Inc.

Amid an increasing focus on efforts to combat climate change and other environmental issues as well as work style reform, community revitalization, and other social issues, GLP J-REIT and its asset management firm GLP Japan Advisors Inc. take several actions based on our belief in the increasing importance of taking steps to consider ESG in all operations, working together with stakeholders toward such consideration, and actively and appropriately disclosing information about such efforts. We will continue publishing an ESG Annual Report, an effort we started last year, and also launch a new ESG page on our website, improve access to ESG-related information, and consolidate the information to facilitate understanding. Additionally, we have added new ESG-related KPIs in an effort to better visualize the progress of individual efforts.


Our ESG Committee, which we launched last year, takes full advantage of its meetings to share information about the status of individual ESG efforts and discuss matters such as establishing new KPIs; accordingly, we run the committee in such a way as to maximize its functions as a key piece of internal infrastructure.

By further enhancing efforts toward ESG and appropriately disclosing our performance as we continue to invest in and manage logistics facilities, we aim to strengthen trust-based relationships with our stakeholders and achieve a balance between efforts toward worthy endeavors such as environmental consideration and coexistence with local communities on the one hand, and improving the value of our assets over the medium and long term on the other.



A quick overview of GLP J-REIT


- Invests in advanced logistics facilities, and is one of the largest logistics J-REITs in terms of assets
- With the most properties of any logistics J-REIT, its investment area covers the entirety of Japan, centered in the greater Tokyo area and the Kansai area known as excellent locations for logistics but with locations from Hokkaido in the north to Kyushu in the south

 No. of properties owned


86

 Asset size

7,800
billion yen

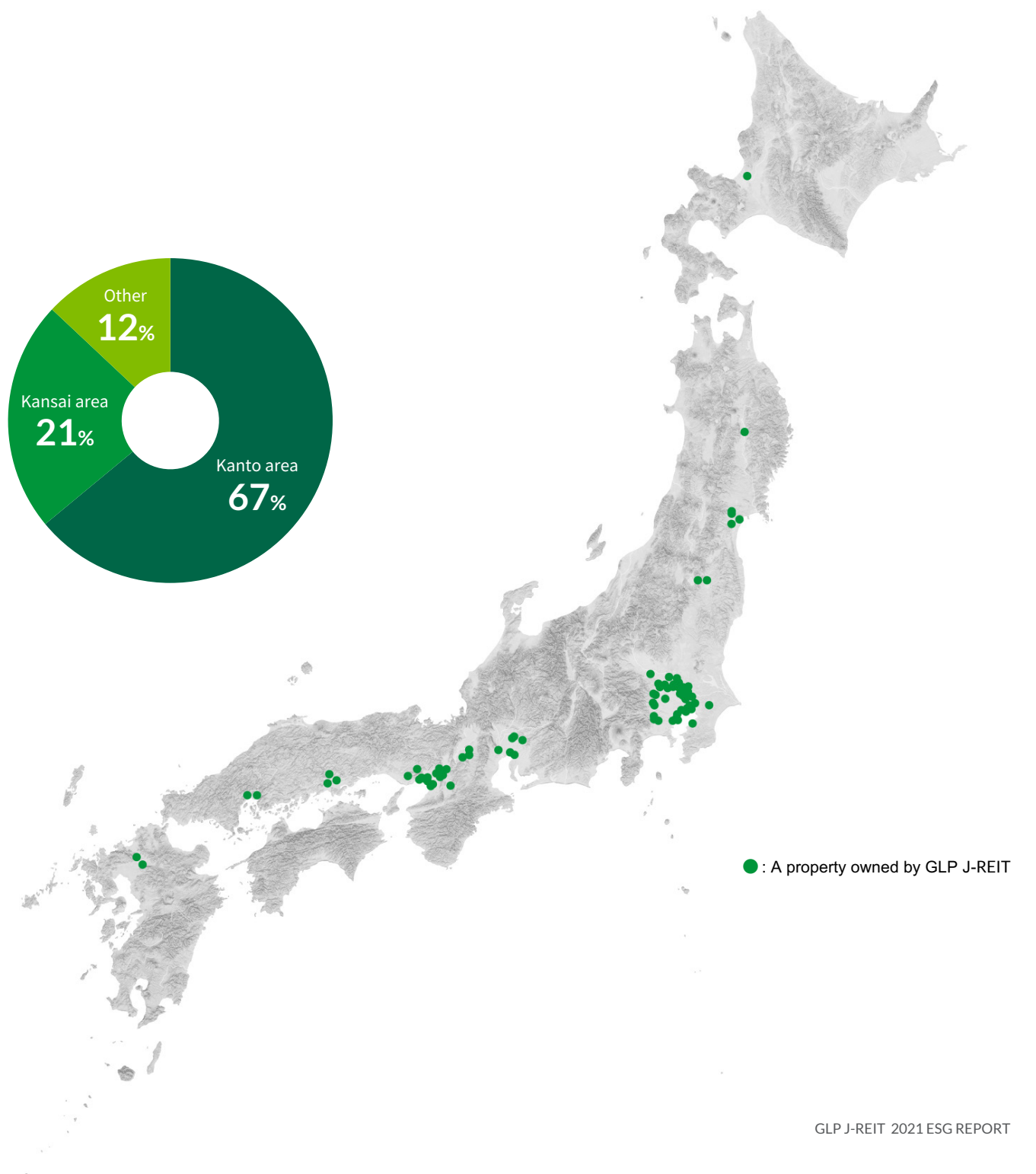
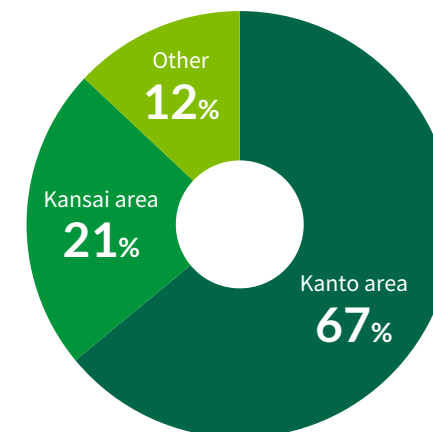
 No. of tenant companies

170

 Operating ratio

99.1

Data is accurate as of February 28, 2022



ESG Committee (GLP Japan Advisors)

ESG Task Force (the GLP Group)

The Group is united in implementing ESG efforts, determining policy and sharing information through the ESG Committee as well as the ESG Task Force, a joint conference entity with sponsors.

Awarded 5 Stars and Green Star, Named Global and Asia Sector Leaders from GRESB



- GLP J-REIT was awarded the prestigious 5 Stars and Green Star in the 2021 GRESB Real Estate Assessment for the second consecutive year.
- GLP J-REIT ranked first among the 34 companies worldwide in the listed logistics real estate sector, and first among the nine logistics J-REITs



- GLP J-REIT was selected as the Global Sector Leader in the listed logistics real estate sector.
- GLP J-REIT was selected as the Regional Sector Leader in the listed and non-listed logistics real estate sector.

Expanded Environmental Certification

- Obtained BELS (Building-Housing Energy-efficiency Labeling System) evaluation certification at GLP Kawashima and seven other properties. Seven of the eight properties obtained a ZEB Ready rating in addition to the 5-star rating, which is the highest rating of BELS.
- Obtained CASBEE certification with ratings of S or A at GLP Urayasu and 12 other properties.
- The number of properties that have acquired CASBEE certification has expanded to 51, and the ratio of environmental certification has increased to 76%.



Endorsed TCFD Recommendations

- Our asset management firm GLP Japan Advisors Inc. endorsed the Recommendations of the TCFD and joined the TCFD Consortium to further promote efforts toward a decarbonized society.



Endorsed Principles for Responsible Investment (PRI)

- The GLP Group endorses the basic concept and approach of PRI, and became a certified signatory in November 2021.

PRI is a global network of investors aiming to achieve the six principles listed below. The network is promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Global Compact (UNGC).

Signatory of:



The six Principles for Responsible Investment

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

Joined the Japan Climate Initiative

- Our asset management firm GLP Japan Advisors became the first J-REIT specializing in logistics to join the Japan Climate Initiative, a network aiming for the cross-sectoral dissemination of information and exchange of opinions between companies, local governments, NGOs, and others working on measures to counter climate change.

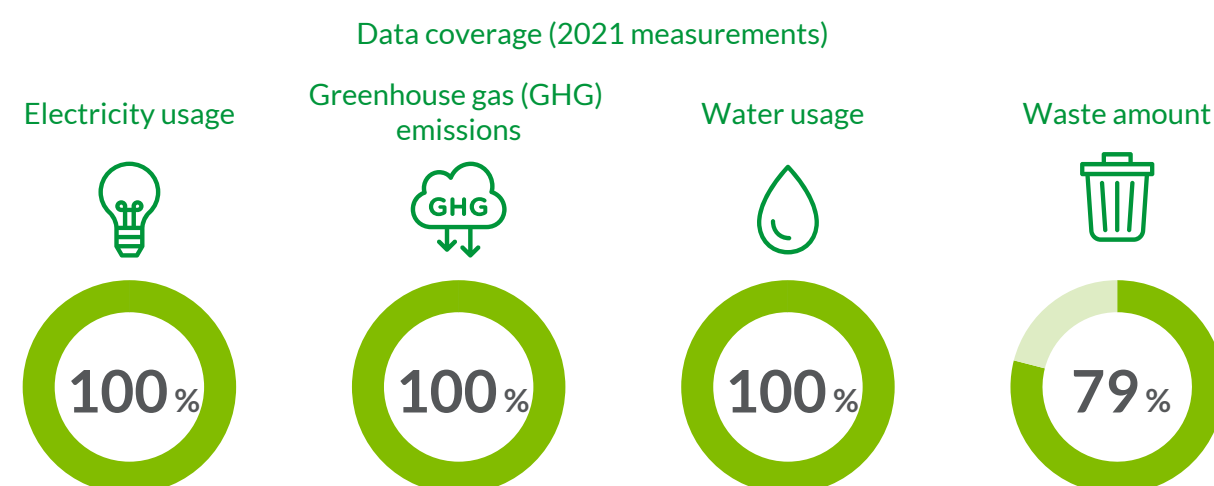


Promoted Green Leases

- GLP J-REIT includes a green lease clause in our standard lease contracts with tenants, and in 2021 concluded more contracts that include environmentally conscious clauses, specifically those aiming to save energy and water, reduce waste, and encourage cooperation in acquiring the ESG target of green building certification.
- GLP J-REIT included green lease clauses in all 53 contracts (Total area: Approximately 850,000 m²) concluded in 2021.
- Actively implemented an educational campaign for tenants through various efforts to reduce environmental impact and save water and electricity, namely promoting the visualization of electricity usage by sending data from meter readings to tenants and urging them save water, conserve electricity, and switch off their car engines when they are not moving.

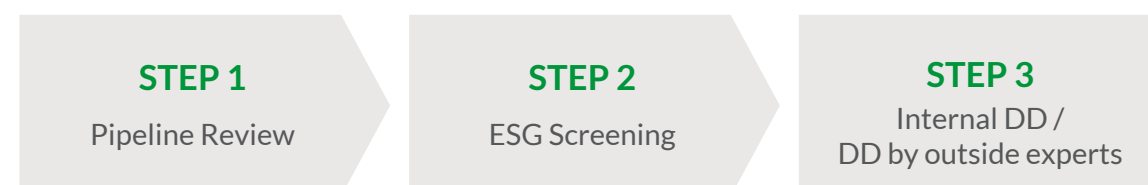
Implemented a System for Ascertaining Data on Utility Usage

- GLP J-REIT is working on various initiatives to collaborate with tenants to save energy and water and reduce waste.
- We have introduced the new system to all GLP J-REIT properties in an effort to realize the centralized, efficient collection of data on utility usage.



Implemented an ESG DD Process

- GLP J-REIT introduced an ESG DD process to check the impact of investment decisions on ESG and established a decision-making process that prevents investments from being executed if they are inappropriate in terms of ESG.
- Formulated and introduced a standard ESG DD process checklist for the entire GLP Group.
- Applied the ESG DD process to the four properties purchased by GLP J-REIT in June 2021 (GLP Zama, GLP Niiza, GLP Sayama-Hidaka I, GLP Rokko IV), and made the purchases after confirming that there were no problems.



Expanded Contributions to Local Communities through Disaster Agreements with Local Governments

- In disaster agreements with local governments, GLP J-REIT agrees to provide assistance for rapid evacuation by opening its properties within the local governments' jurisdictions to local residents as temporary evacuation sites when disasters strike or are imminent.
- In 2021, GLP J-REIT concluded disaster agreements with five new municipalities, bringing the total number to nine.
- GLP J-REIT owns a total of 19 facilities that are not subject to these disaster agreements, and has implemented efforts to provide them as temporary evacuation areas for local residents or to provide portions of the properties as disaster coordination centers (reconstruction support centers or evacuation centers during disasters and emergencies) when requested by the central or local governments.

New Disaster Agreements: Partner Municipalities and Target Properties

Agreement Signed with	Properties	Location	Year/month of agreement
Amagasaki, Hyogo	GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo	2021/10
Ota-ku, Tokyo	GLP Tokyo	2-1-2 Tokai, Ota-ku, Tokyo	2021/12
Hidaka, Saitama	GLP Sayama-Hidaka II	788-1 Myogasawa, Kamikayama, Hidaka-shi, Saitama	2021/12
Soja, Okayama	GLP Soja I/II	4 Nagara, Soja City, Okayama	2022/3
Kanagawa	Properties located in the prefecture	-	2022/3



The four signers of the disaster agreement with the city of Soja in Okayama Prefecture, shown at the signing ceremony
From left: President Miura, GLP Japan Advisors; President Chosa, GLP Japan Inc.; Mayor Kataoka, City of Soja; President Matsuda, Ryobi Holdings

“Corporate Hometown Tax” Donations

- GLP Japan Advisors made “corporate hometown tax” donations to municipalities where GLP J-REIT properties are located
- Made contributions to local communities by donating to businesses that promote employment, implement disaster control measures, and the like

Image from a meeting with the Yokohama Disaster Risk Reduction Learning Center, the recipient of a “corporate hometown tax” donation from GLP Japan Advisors

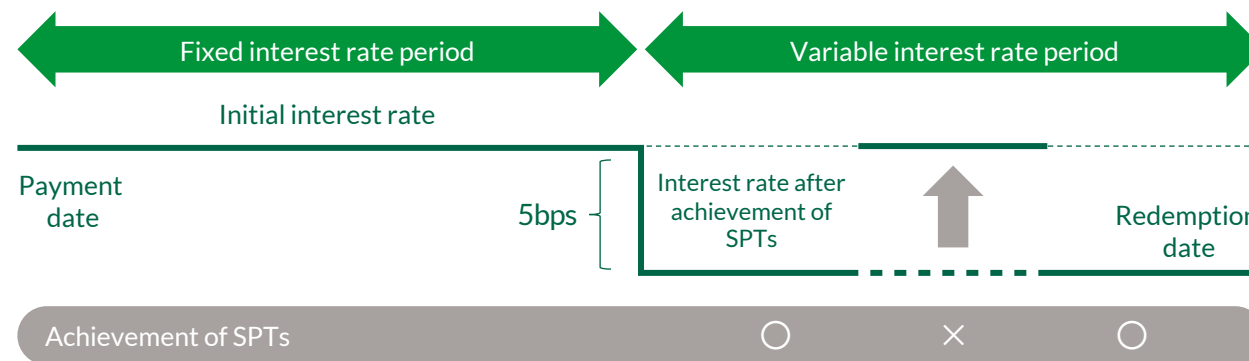


Issued Incentive-Based Interest Rate-Type Sustainability-Linked Bonds

- Issued the world's first incentive-based interest rate-type sustainability-linked bonds in the publicly issued bond market, maintained the highest amount of ESG bonds issued among the 62 listed J-REITs
- Expanded the investor base through proactive new acquisitions with the Dai-ichi Life Group in ESG investment
- Enjoyed a greenium through proactive ESG financing amid ESG bond market expansion

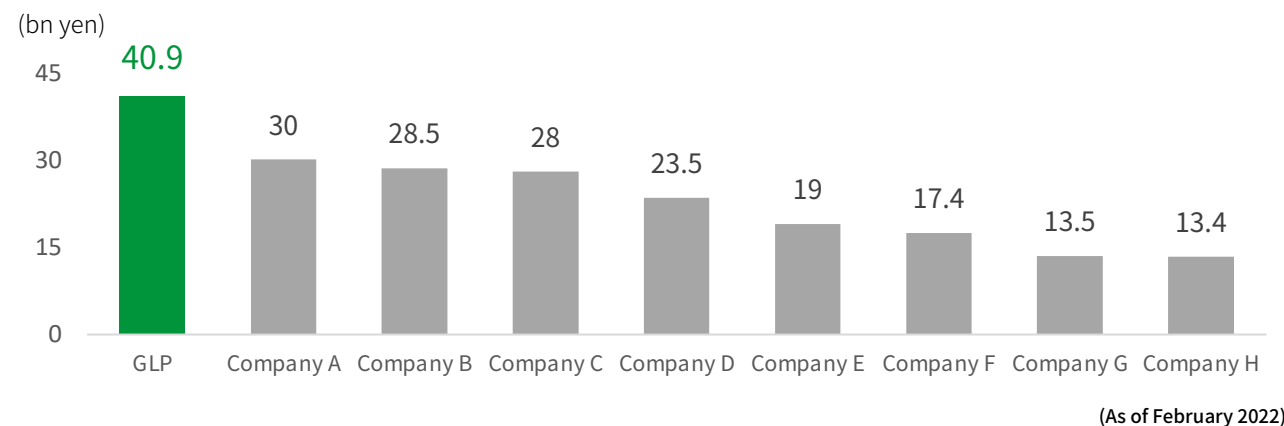
Expansion of CASBEE Certification

Name	18th Unsecured Investment Corporation Bond (Sustainability Link Bond)
Issue Date	September 28, 2021
Issue amount/year	6 billion yen / 7 years
SPTs	Sustainability Performance Targets: <ul style="list-style-type: none"> ■ ESG-related Issuer Targets ■ High-ranking environmental certification for at least 80% of the portfolio (based on gross floor area)
Interest rate	Initial interest rate : 0.284 Interest rate after achievement of SPTs: 0.234% (▲0.05% from initial)



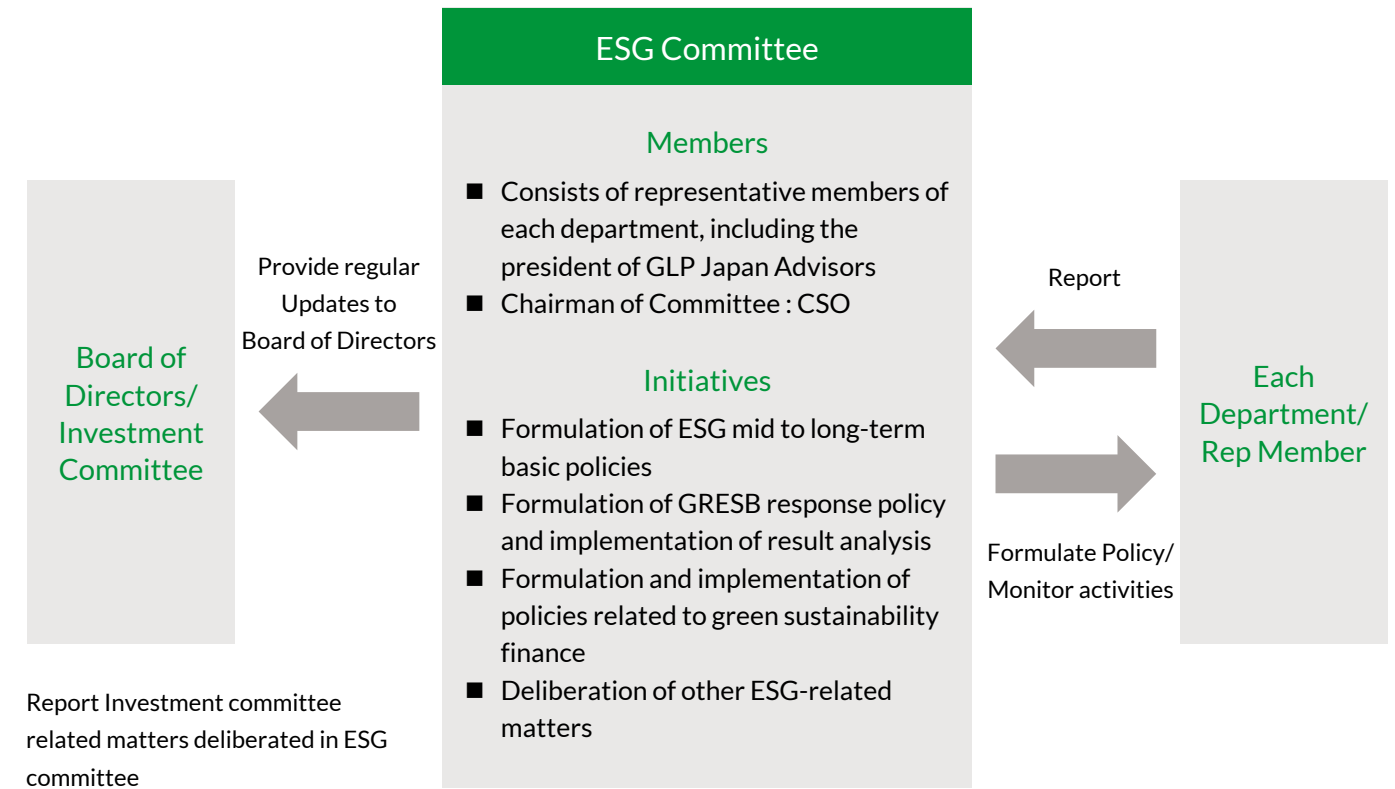
Interest rate will be determined at the end of July and applied in September every year after the end of December 2024.

Outstanding ESG Bonds



Results of ESG Committee Activities

- The ESG Committee, which was established in 2021, fulfilled its functions by consolidating relevant information and discussing and determining policy for initiatives.



Number of meetings	7
Attendance by relevant people	Attendees: President, CFO, CSO, Investment Department Chair (acting CIO), Corporate Planning Department Senior Manager Attendees for specific agenda items: Members of the Investment and Finance departments
Main matters for discussion/policy determination	<ul style="list-style-type: none"> • Determining policy for initiatives in 2022 • Efforts to strengthen information disclosure • Formulating and tracking progress of KPIs that contribute to ESG • Initiatives for new ESG financing • Evaluating assets qualified for ESG bonds and ESG loan procurement
Main matters for reporting/sharing	<ul style="list-style-type: none"> • Reports on details of ESG Task Force discussions • 2020 GRESB evaluation results and issues to tackle in 2021 • ESG due diligence results for the four properties scheduled for acquisition • Status of considerations for new ESG financing • Actual energy usage figures for properties • Status of efforts toward acquiring environmental certification • Status of efforts toward concluding disaster agreements with local governments • Overview and status of efforts for "corporate hometown tax" donations • Creating a new ESG page on the GLP J-REIT website • Reflecting on initiatives in 2021

ESG-Related KPIs of GLP J-REIT

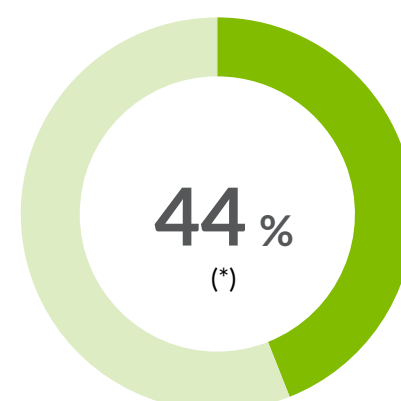
Progress on KPIs Through Last Year

Achieve 100% data coverage
for properties under
GLP J-REIT control



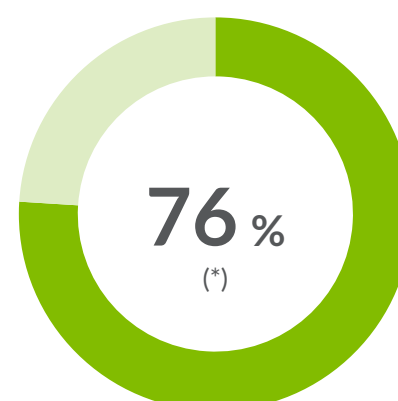
Target achievement year:
FY2021

Include a green lease clause
in all fixed-term
building lease contracts



Target achievement year:
FY2023

Acquire environmental
certification for at least
80% of properties



Target achievement year:
FY2024

(*) As of March 31, 2022

Establishing New KPIs

Transition to
100% LED
lighting in
common areas in
all properties

Target achievement year:
FY2022

Amid our push to strengthen efforts to reduce electricity usage through transitioning to LED lighting, we will complete the transition in common areas under GLP J-REIT control(*) during 2022.

(*) Referring to the main common areas of properties in which GLP J-REIT holds a majority interest.

Transition to
100% green
energy as the
source for
electricity used in
common areas

Target achievement year:
FY2025

We will complete a transition to 100% green energy(*) as the source for electricity used in common areas of our properties by 2025. We will also make proposals to tenants to promote efforts to transition to green energy in tenant-controlled areas as well.

(*) Referring to the use of non-fossil certificates etc. to virtually transition to renewable energy sources for electricity.

ESG Policy



Purpose of the ESG Policy Framework

At GLP, we are committed to a broad range of environmental, social and governance (ESG) commitments that elevate our business, create value for our shareholders and investors, support our employees and customers, and show respect to the local communities in which we work. We believe ESG is our corporate responsibility as business builders and investors as well as an opportunity to promote good business ethics and focus on a more sustainable and resilient future.

We focus on improving efficiency across our businesses through the use and integration of data and technology. As a result, we are able to reduce consumption, better manage assets and invest capital more efficiently, which in turn generates better returns for our shareholders and investors, reduces costs for our customers and partners, and helps our global employees by increasing motivation and productivity to enhance an individual's livelihood.

We aim to be a global leader on integrated ESG commitments because we believe that sustainability is an essential part of our long-term success as global corporate citizens. To be a global leader we are committed to continuously improving our ESG policy to meet or exceed evolving standards and expectations of our shareholders, investors, customers, employees and communities.

This ESG Policy Framework has been prepared to support us in developing ESG commitments, integration into our overall business and investment approach, responsibility of implementation and monitoring and reporting framework.

GLP's Sustainability Principles

At GLP, we are committed to making sustainability a core component of our business in order to build a more sustainable and resilient future. The intent of GLP's sustainability commitment is to implement our unique ESG Sustainability Principles that support this ESG Policy Framework:

Build Businesses and Invest Responsibly

At GLP, building businesses and investing responsibly means embedding ESG into our investment and decision-making processes. This helps us to identify and avoid ESG risks and means that:

- we understand and identify how GLP's activities can impact material ESG factors and how these can affect our reputation, capital value and stakeholders;
- we focus on how we can best manage our workforce, whether it is our own employees or contractors and suppliers;
- we recognize how we can work with the communities where we invest and operate businesses and how we can enhance our presence through economic development, limiting our environmental impact and seeking a community's license to operate.

Develop and Manage Sustainable Assets

For GLP, ESG also is considered after the development, acquisition or investment decision. GLP teams across investment management, asset management and corporate management are empowered to prioritise, act, track and monitor the sustainability performance of our assets and in certain instances collaborate with our workforce, partners and communities.

Consistent ESG performance across an asset's lifestyle helps us to actively manage the sustainability of assets.

Improve Efficiency and Enhance Value

As a leading global investment manager and business builder, GLP's mission is to build sustainable businesses and generate attractive risk-adjusted returns to shareholders and investors over the long term, while providing exceptional investment and operational services that enhance value. GLP's asset management teams are responsible for enhancing the value of our assets through effective operations.

Additionally, GLP develops and invests in technologies and innovations that enhance the efficiency of our assets including data analytics, robotics, automated clearance systems, digital loading docks, smart sorting, telematics, energy-efficient fleet management systems, Internet of Things, resource conservation and our transition to renewable energy.

To provide our global customers with increased opportunities to enhance their sustainability endeavours, GLP focuses on sustainability initiatives that increase resource conservation, leverage climate action, improve health and well-being and support local communities.

Govern with High Ethics and Transparency

GLP is committed to maintaining the highest standards of corporate governance as a means of enhancing corporate performance and accountability. To demonstrate its commitment towards excellence in corporate governance, GLP has established a series of well-defined policies and processes to protect its stakeholders' interests. GLP's leadership team

recognizes the importance of strong corporate governance and the maintenance of high standards of accountability to GLP's shareholders and remains firmly committed to seeing that those standards are satisfied through an evolving suite of governance practices that are woven into the fabric of the GLP's business. GLP continually reviews and refines its processes in light of best practice, consistent with the needs and circumstances of the group.

We maintain a zero-tolerance approach to bribery and corruption and require all management and employees to comply with our Code of Business Conduct at all times and provide annual certification.

Promote Well-Being

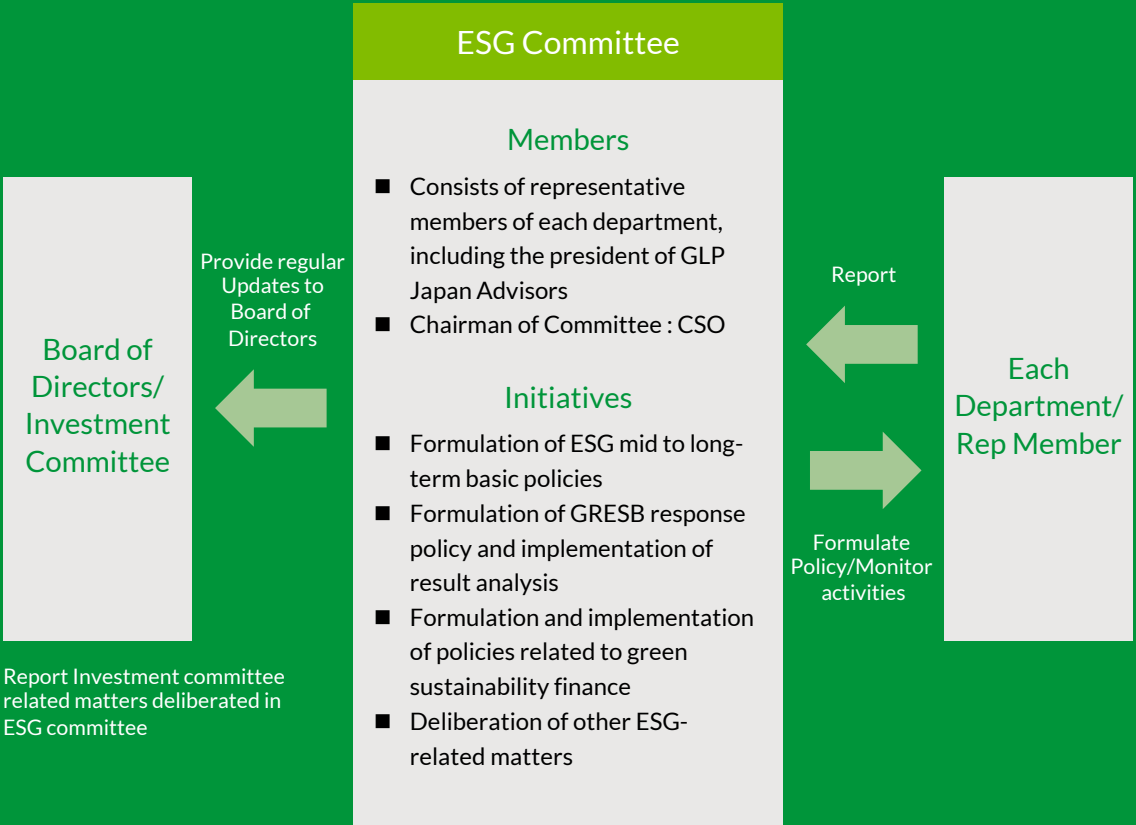
GLP aims to incorporate health and well-being throughout its organization and assets in support of its employees, customers and the communities in which we work. By focusing on promoting well-being we can enhance an individual's livelihood, increase motivation and productivity as well as bring communities together.

We focus on introducing well-being concepts such as creating spaces that encourage physical activity, integrating natural lighting, improving access to nature and providing areas for healthy eating and socializing.

Efforts to achieve the SDGs

ESG Committee

GLP J-REIT has established the ESG Committee at GLP Japan Advisors Inc. to promote its sustainability initiatives. Under the supervision of the Chief Sustainability Officer (CSO), the ESG Committee consists of representative members from each department, including President of GLP Japan Advisors Inc. In addition to formulating medium- and long-term basic ESG policies, the committee promotes sustainability initiatives by setting ESG-related targets, monitoring progress, and deliberating on various initiatives.



Important issues and initiatives in each ESG area

	Important issues	GLP J-REIT's Initiatives
Environment	Reducing the environmental load	<ul style="list-style-type: none">• Initiatives against climate change<ul style="list-style-type: none">-Initiatives in renewable energy-Initiatives in energy saving• Initiatives in water resources<ul style="list-style-type: none">-Using rainwater and well water-Updating toilet equipment and installing saving devices• Initiatives in recycling<ul style="list-style-type: none">-Promoting the reuse of logistics goods through business partnerships-Separating trash in collaboration with tenants
Social	Coexisting with local communities	<ul style="list-style-type: none">• Initiatives in local communities<ul style="list-style-type: none">-Contributing as a local disaster prevention center• Initiatives in BCP<ul style="list-style-type: none">-Seismic isolation structure-Flood and snow damage control-Stockpiling disaster-relief supplies for disaster prevention-Conducting daily COVID-19 countermeasures• Initiatives for tenant employees<ul style="list-style-type: none">-Replete with amenities such as cafeterias and stores-Conducting customer satisfaction surveys• Initiatives for employees<ul style="list-style-type: none">-Promoting paid leave-Promoting remote work and other diverse ways of working-Implementing training programs and supporting certification exams• CSR activities<ul style="list-style-type: none">-Providing work experience opportunities-Trash pickup campaign
	Realizing a sustainable society	
	A work environment that encourages diverse work styles, human resource development, and gender equality	
	Contributing to solving social issues	
Governance	Achieving healthy growth for all stakeholders	<ul style="list-style-type: none">• Reinforcing governance structure<ul style="list-style-type: none">-Governance by general meeting of unitholders, board of directors' meetings, and auditors-Disclosing decision-making processes-Establishing a compliance structure to ensure legal compliance-Eliminating anti-social forces-Pursuing fiduciary responsibility by implementing governance structure for related-party transactions• Pursuing mutual interests with unitholders<ul style="list-style-type: none">-Operating an employee stock ownership plan targeting officers and employees of the sponsor and the asset management company• Timely and appropriate disclosure of information



Basic Policy

The GLP Group's fundamental approach to facility design and operational processes is energy-saving. We strive to improve energy efficiency in both existing facilities and new facility developments. In accordance with the above policy, GLP J-REIT actively owns environmentally friendly buildings and introduces eco-friendly equipment, as well as develops rules for checking sustainability and environment protection items in the due diligence process when considering the purchase of a property. Thus, it takes utmost care in that its asset management operations pay consideration to the sustainability of society and environmental protection. At the facilities it operates, GLP J-REIT sets numerical targets and monitors the amount of energy and water used within the facility as well as the amount of waste. Furthermore, GLP J-REIT not only strives to save energy and reduce waste in common areas but also shares information on the amount of energy used and waste with tenant companies in an effort to reduce environmental load together with tenant companies by issuing an energy-saving guidebook according to energy use and recommending to stop idling engines within facility premises.

Environment

Initiatives against climate change

Initiatives in renewable energy



Solar power generation facilities

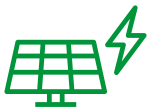


Wind power generation



Number of
solar facilities

21



Annual solar power
generation

28,754 MW
(2020)

Initiatives in energy-saving

GLP J-REIT strives to reduce the use of energy within its logistics facilities by adopting LED lighting and human-presence sensors in its facilities and segmenting light switching in the warehouse areas.



LED lighting



Human-presence sensors

GLP J-REIT also improves energy efficiency within buildings by promoting energy-saving through updates of air-conditioning equipment at facilities and adopting heat-insulating panels on the exterior walls of the facilities that improve heat insulation performance.



Updating air-conditioning
equipment



Heat-insulating panels



Cooperation with tenants

At the facilities it operates, GLP J-REIT sets numerical targets and monitors the amount of energy used within the facility. Furthermore, it not only strives to save energy and reduce waste in the common areas but also makes efforts to reduce environmental load together with tenant companies through initiatives such as issuing an energy-saving guidebook according to the use of energy by the tenants.

Green lease

GLP J-REIT includes green lease clauses in standard lease contracts with tenants to reduce energy and water consumption, waste, and to collaborate in acquiring green building certification.

In addition, we carry out renovations to improve environmental performance in cooperation with tenants. We have been improving environmental performance and reducing running costs of properties through installation of LED lighting, air conditioning upgrades, and other works.

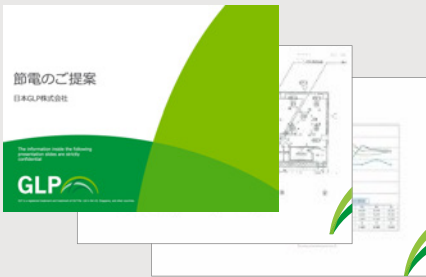
Tenant management programs

In cooperation with tenants, GLP Group takes part in various initiatives that reduce environmental load. We proactively work to increase tenant awareness regarding how to reduce environmental load and cut water and electricity consumption. Specifically, we promote the visualization of electricity consumption by sending meter data to our tenants, encouraging them to turn off their vehicles when stopped, and encouraging them to save water and electricity.

- Visualize electricity consumption in cooperation with tenants
- Provide tenants with information on energy, water, waste, and other consumption and emissions
- Tenant awareness and education activities, etc.



Trash separation



Energy-saving guidebook

Initiatives in water resources

GLP J-REIT makes efforts to save water by updating toilet equipment when tenants move in or leave, and by using rainwater and well water.



Water-saving by updating toilet equipment



Installation of water-saving devices.

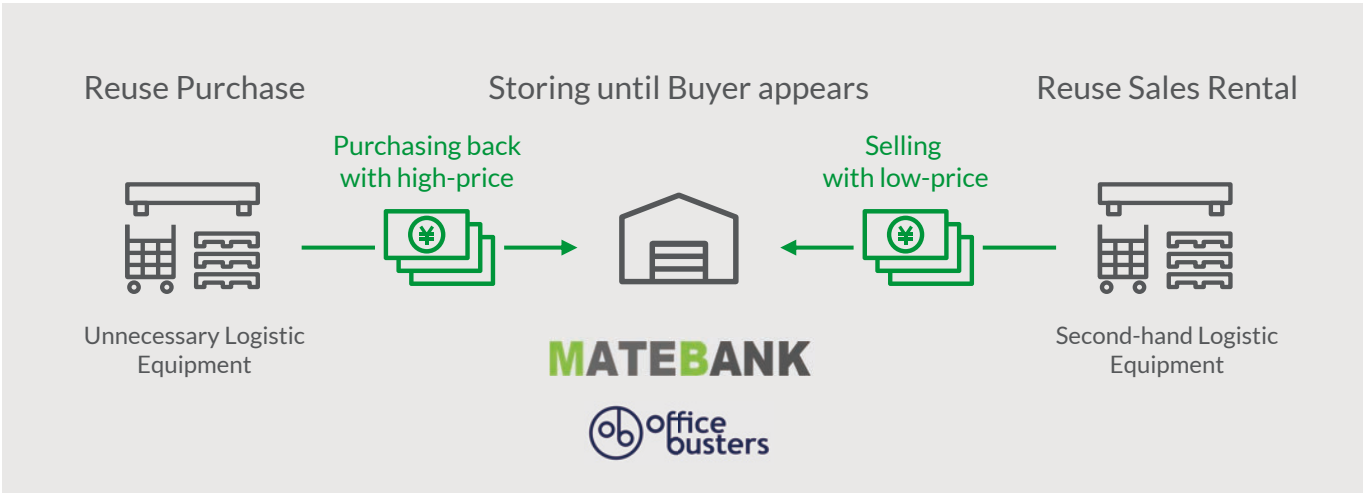


In an effort to save water, well water and rainwater are used to drain toilets as well as to water the plants in the facility.



Initiatives in waste management

Formed a business alliance with Hyperion, the operator of the second-hand logistics equipment purchase site "Matebank," and sold cheaply when moving in (purchase price 5-10% OFF) and expensive purchase when moving out (purchase price 5-10% UP). Realized. We support the cost reduction associated with the relocation and move-out of residents.



Consideration for the environment and regional revitalization in urban development

GLP Group develops facilities that are environmentally friendly and contribute to the regional revitalization.

Reduce environmental load through redevelopment

- Rebuilt and redeveloped an existing facility (B building) at GLP Urayasu II by GLP Group
- Upon redevelopment, the building acquired Rank A certification from CASBEE for Real Estate as it was able to reduce electricity use by installing LED lighting throughout the entire newly developed building and through large ceiling fans in air-conditioned areas



GLP Urayasu II

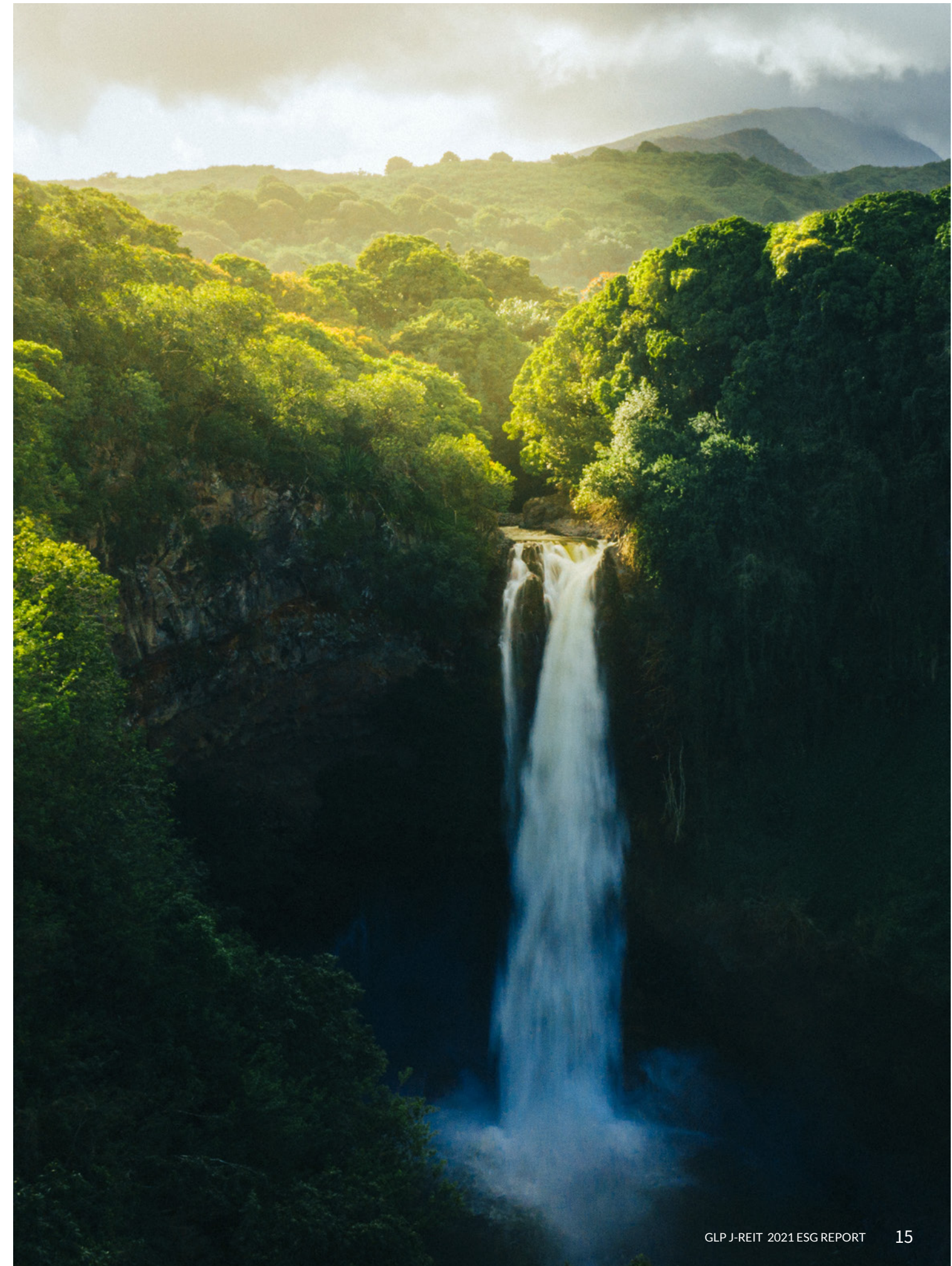
Consideration for the regional revitalization in urban development

- GLP Group is implementing development that will lead to regional revitalization, such as opening cafeteria-style restaurants to local communities, setting up convenience stores and cafes, and securing community spaces, etc.



Pollution Prevention

- When acquiring real-estate-related assets, etc., as a rule, experts conduct an environmental contamination survey prior to the conclusion of a purchase agreement, and the survey results will be evaluated and considered in accordance with the following “soil survey chart” based on the Asset Management Guidelines.
- Moreover, as a rule, our investment targets will be properties that are appropriately treated for soil contamination, etc., in accordance with the Soil Contamination Countermeasures Act (Act No. 53, 2002), other related environmental laws, and municipal ordinances or guidance.
- In addition, GLP Group, including GLP J-REIT, conducts its own ESG due diligence when acquiring land, properties, etc., and checks in advance the impact on the environment and the community.
- When developing logistics facilities in undeveloped areas, it is necessary to consider environmental impact of the development more carefully. GLP Group carefully identifies risks through unique ESG-focused due diligence. Additionally, we have a policy of obtaining green building certifications to reduce the impact on the environment.



Acquisition of environmental certification

GLP J-REIT intends to pursue the acquisition of third-party green building certifications in order to enhance the objectivity and reliability of its efforts to reduce the environmental burden of its properties and to solve environmental issues through the operation of modern logistics facilities. The figure below shows the current percentage of green building certifications in our portfolio. We plan to raise the proportion of green building certification (3rd level from the top or above *) to 80% or higher in our portfolio (based on total floor area) by 2024.

Number of Green Certified Assets	Proportion of Green Certified Assets (based on total floor area)	Proportion of Green Certified Assets (based on Purchase Price)
53 properties	75.6 %	77.5 %
BELS certification	CASBEE certification	LEED certification
18 properties	43 properties	1 property

Certifications of 3rd level from the top or above are green building certifications that meet the following criteria.

- BELS: 3 ★ or above
- CASBEE real estate or construction (new construction):B+ or above
- LEED: Silver or above
- DBJ Green Building certification: 3 ★ or above



GLP Sayama-Hidaka II : ★★★★★ / ZEB Ready

BELS and ZEB

- BELS (Building Energy-efficiency Labeling System) is a public system that evaluates the energy-saving performance of non-residential buildings, which was set by the Ministry of Land, Infrastructure, Transport and Tourism in April 2014. This is a system in which a third-party organization evaluates energy conservation performance based on primary energy consumption based on the Energy Conservation Law (Note) regardless of whether it is a new building or an existing building. The evaluation is based on five levels of energy conservation performance labeling (★~★★★★★) is displayed.
- A Net Zero Energy Building (“ZEB”) is a building that aims at zero energy balance with considerably reduced annual energy consumption by saving as much energy as possible via better heat insulation, solar shading, natural energy and high-efficiency equipment, coupled with creating energy by photovoltaic power generation (or other energy generating methods), while maintaining a comfortable environment. Since the Building Energy Index (BEI), which is used for BELS evaluation, is also used for ZEB evaluation, it is possible to display ZEB evaluation in BELS evaluation. ZEB evaluation can be indicated with four levels, "ZEB," "Nearly ZEB," "ZEB Ready," and "ZEB Oriented," depending on the zero energy achievement status.



GLP Kobe-Nishi : ★★★★★



GLP Atsugi II : ★★★★★



	BELS Certification Rank	ZEB Certification
GLP Kobe-Nishi	★★★★★	
GLP Atsugi II	★★★★★	
GLP Yoshimi	★★★★★	
GLP・MFLP Ichikawa-Yokohama	★★★★★	ZEB Ready
GLP Kawashima	★★★★★	ZEB Ready
GLP Sayama-Hidaka II	★★★★★	ZEB Ready
GLP Kashiwa II	★★★★★	ZEB Ready
GLP Rokko III	★★★★★	ZEB Ready
GLP Niiza	★★★★★	ZEB Ready
GLP Sayama-Hidaka I	★★★★★	ZEB Ready

	BELS Certification Rank	ZEB Certification
GLP Iwatsuki	★★★★★	
GLP Koriyama I	★★★★★	
GLP Misato II	★★★★★	
GLP Sugito	★★★★★	
GLP Tosu I	★★★★★	
GLP Motoyama	★★★★★	
GLP Komaki	★★★★	
GLP Tokyo II	★★★★	

CASBEE

- CASBEE (Comprehensive Assessment System for Built Environment
CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a comprehensive rating system provided by the Institute for Building Environment and Energy Conservation (IBEC), a non-profit organization supervised by the Japanese government, which assesses and evaluates buildings' environmental functions based on various factors including environmentally friendly construction materials and workplace comfort/amenities, and how the building complements the local community and environment.
- CASBEE Certifications are based on a five-scale system ("Rank S (excellent)," "Rank A (very good)," "Rank B+ (good)," "Rank B- (slightly inferior)" and "Rank C (inferior)") for buildings that have been completed for more than one year.



GLP Tokyo : S Rank



GLP Soja I : S Rank

Property with CASBEE evaluation

GLP Koshigaya II	S Rank	GLP Misato III	S Rank	GLP Kazo	A Rank	GLP Fukaehama	A Rank
GLP Sodegaura	S Rank	GLP Komaki	S Rank	GLP Hamura	A Rank	GLP Tokai	A Rank
GLP Urayasu III	S Rank	GLP Soja I	S Rank	GLP Tokyo	A Rank	GLP Hayashima	A Rank
GLP Sugito	S Rank	GLP Soja II	S Rank	GLP Shinsuna	A Rank	GLP Hayashima II	A Rank
GLP-MFLP Ichikawa-Shiohama	S Rank	GLP Osaka	S Rank	GLP Sendai	A Rank	GLP Ebetsu	A Rank
GLP Yoshimi	S Rank	GLP Koriyama III	S Rank	GLP Funabashi II	A Rank	GLP Hiroshima	A Rank
GLP Kobe-Nishi	S Rank	GLP Atsugi II	S Rank	GLP Shiga	A Rank	GLP Urayasu II-Building B	A Rank
GLP Tosu I	S Rank	GLP Noda-Yoshiharu	S Rank	GLP Neyagawa	A Rank	GLP Yachiyo II	A Rank
GLP Sugito II	S Rank	GLP Yokohama	S Rank	GLP Funabashi III	A Rank		
GLP Misato II	S Rank	GLP Urayasu	S Rank	GLP Narashino	A Rank		
GLP Tokyo II	S Rank	GLP Shonan	S Rank	GLP Matsudo	A Rank		
GLP Amagasaki	S Rank	GLP Tomiya	S Rank	GLP Amagasaki II	A Rank		

LEED

- LEED (Leadership in Energy & Environmental Design) was developed and operated by the U.S. Green Building Council (USGBC), the non-profit and reviewed by GBCI for certification, and a system for evaluating the environmental performance of built environments (building and urban environments)
- In order to receive LEED certification, you must meet the mandatory requirements for each certification system (Building Design and Construction (BD+C), Interior Design and Construction (ID+C), Operation and Maintenance of Existing Buildings (O+M), Neighborhood Development (ND), and Housing (HOMES)), and earn points for selected items. Based on the number of points achieved, a project earns one of four LEED rating levels: Platinum (80+ points), Gold (60-79 points), Silver (50-59 points), and Standard Certification (40-49 points).

Property with LEED evaluation

GLP Zama	Platinum
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GLP Zama : Platinum

Environmental Performance

Through various initiatives, the Investment Corporation is working with tenants to reduce the use of energy, water, and waste.

In 2021, a new system for the collection and understanding of water and utility data is being implemented to ensure uniform and efficient collection of water and utility data.

Electricity usage



	2018	2019	2020
Electricity usage : MWh	130,216	147,615	164,068
Coverage rate : %	<div><div></div></div> 86%	<div><div></div></div> 99%	<div><div></div></div> 100%

Greenhouse gas (GHG) emissions



	2018	2019	2020
Greenhouse gas (GHG) emissions : t-CO2	62,341	71,487	73,011
Coverage rate : %	<div><div></div></div> 84%	<div><div></div></div> 99%	<div><div></div></div> 100%

Renewable Energy Output



	2018	2019	2020
Renewable Energy Output : MWh	26,557	27,458	28,754

Water usage



	2018	2019	2020
Water usage : m³	245,649	299,871	341,267
Coverage rate : %	<div><div></div></div> 80%	<div><div></div></div> 88%	<div><div></div></div> 100%

Waste amount



	2018	2019	2020
Recycling rate : %	51%	39%	61%
Coverage rate : %	<div><div></div></div> 67%	<div><div></div></div> 66%	<div><div></div></div> 79%

Basic Policy

The GLP Group will conduct business management by placing emphasis on ensuring the comfort and health of its employees and customers as well as local communities. In accordance with the above policy, GLP J-REIT actively engages in CSR activities in full coordination with the GLP Group. It also contributes to the BCP of tenant companies by ensuring the safety of tenants, facility users, and local communities as well as that of the stored cargo and employees of tenant companies. Furthermore, it conducts a customer satisfaction survey of tenant companies each year to provide buildings and services that offer comfort to tenants and facility users and makes improvements to its buildings and services on a continuous basis based on the feedback obtained from the survey. It also pays consideration to the surrounding environment through activities such as the planting of trees as well as volunteering and hosting events in an effort to contribute to building a safe and comfortable community. We also carry out various initiatives each year to offer job satisfaction to employees as well, such as conducting an employee satisfaction survey targeting the employees of GLP Japan Advisors.

Information Disclosure and Dialogue with Stakeholders



GLP Group's CSR Activities

The GLP Group is actively engaged in CSR activities, offering support in discovering and nurturing children's possibilities and talents.

Activities in Japan

Sports events



Delivering picture books to children in developing countries



Work experience opportunities



Picking up trash at the coast



Activities abroad

Founded GLP Hope School and provided educational opportunities to around 10,000 students



Disaster response

The GLP Group has entered into agreements with many local governments to use its modern logistics facilities as a reconstruction support base or evacuation point at times of a natural disaster or emergency, building on its highly rated business continuity measures such as seismic isolation structures, backup power supply, and groundwater supply equipment.

The GLP Group has also entered into agreements with local authorities for use of GLP J-REIT facilities as temporary reconstruction support centers and evacuation site in the event of a natural disaster or other emergency. GLP J-REIT multi-tenant properties are available for use as emergency shelters for local residents upon request from the local authority or residents of the afflicted area. Part of the premises can be used as a disaster management base (a temporary reconstruction support center and shelter for the local municipality in the event of a natural disaster or other emergency).

Cooperation agreement on disaster management with local governments



A slope that people can climb at the same time during a disaster



Open cafeterias, etc., as temporary evacuation sites



Distributing and stockpiling of disaster-relief supplies

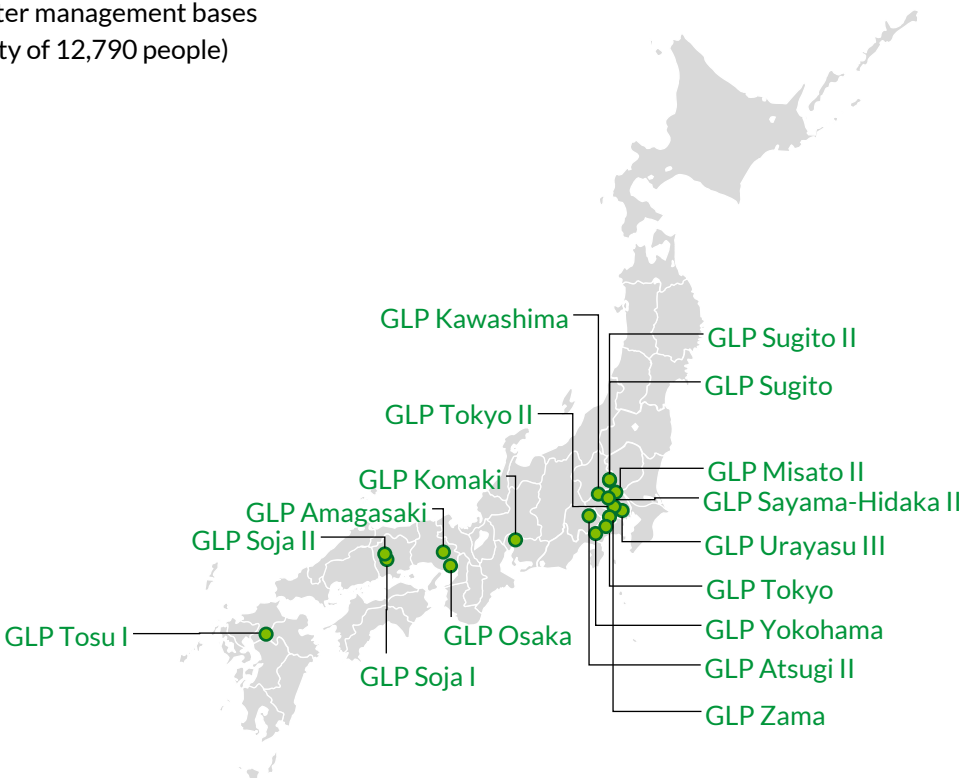


Installing in-elevator fire prevention cabinets



Contribution to local communities as a disaster prevention base

17 properties available as emergency sites or disaster management bases
(Capacity of 12,790 people)



GLP Yokohama (Emergency capacity: 922 people)



GLP Atsugi II



GLP Kawajima
In September 2020, during the approach of Typhoon #12, the local government asked for the use of GLP Kawajima as an emergency shelter based on the disaster agreement.

Contribution to local communities

A logistics facility is more than just a warehouse. When a logistics facility is created, not only does it create a logistics hub, but other things such as new jobs, people-to-people connections, and human flows are created. We also endeavor to create a space that brings out the best in the area.

In consideration of co-existence with local communities and contributing to the development of communities that offer safety and comfort, the GLP Group carries out initiatives such as opening up convenience stores and cafeterias to the neighborhood as shared spaces at some of our facilities, planting trees and installing photocatalytic pavement, as well as having our employees conduct beautification activities around our facilities.

Opening convenience stores as shared space



At some of our facilities, we open up convenience stores and cafeterias to the neighborhood as shared spaces

Planting trees



Photocatalytic pavement



Introduction of reservation-based parking-matching services



Employees conduct beautification activities around our facilities

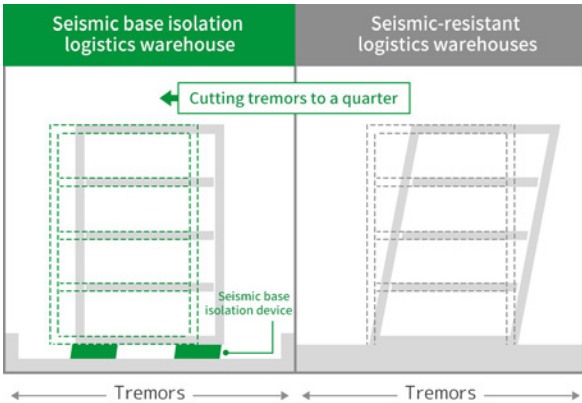


Ensuring tenant safety

The GLP Group makes efforts to provide buildings and services that pays consideration to the safety of tenant companies and facility users. It also contributes to companies' BCPs by ensuring the safety of the stored cargo and the employees of tenant firms.

Seismic isolation structure

We developed and started using our own unique seismic isolation system, the GLP Pile Cap Seismic Isolation Construction Method (Patent No. 4934769), which functions properly even in major earthquakes. Furthermore, in 2015, we developed a new seismic isolation analysis method known as GLP Simultaneous Analysis Method (Patent No. 5698402) that further reduced costs, and it was implemented at GLP Naruohama.



Snow damage control



We deploy light trucks with blade snowplows to remove snow after snowfall.

Flood damage control



We have installed watertight doors that prevent flooding at key facilities.

24-hour security



AEDs



Donation to local governments (GLP Japan Advisors)

GLP Japan Advisors makes tax-deductible donations to local governments where GLP J-REIT properties is located. Contribution to local communities through these donations to businesses working to promote employment, etc.



Meeting with Yokohama City Disaster Prevention Center, recipient of donations



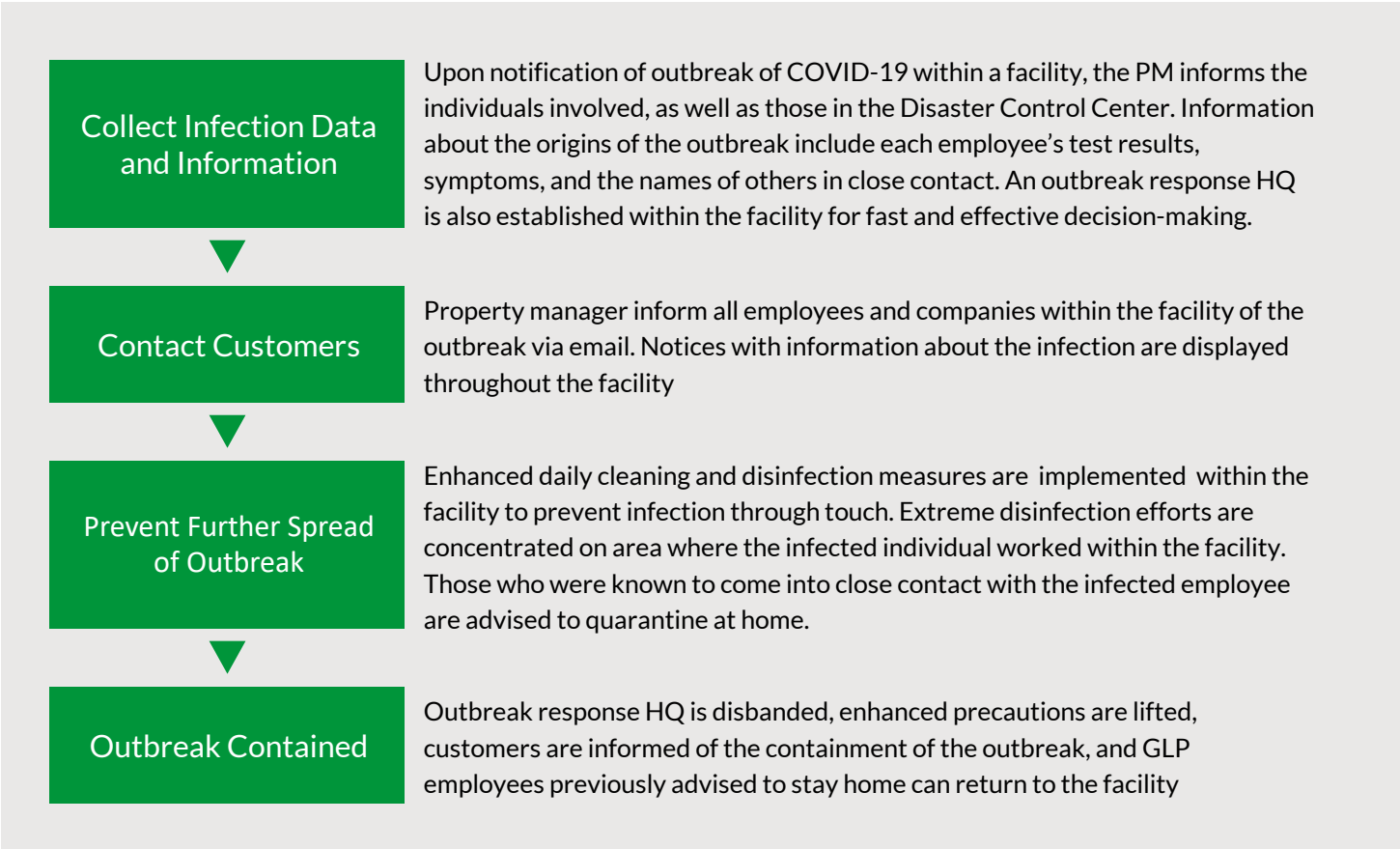
the Meeting with Funabashi City Mayor, recipient of donations



Response to COVID-19

For Customers

COVID-19 GLP Facility Guideline



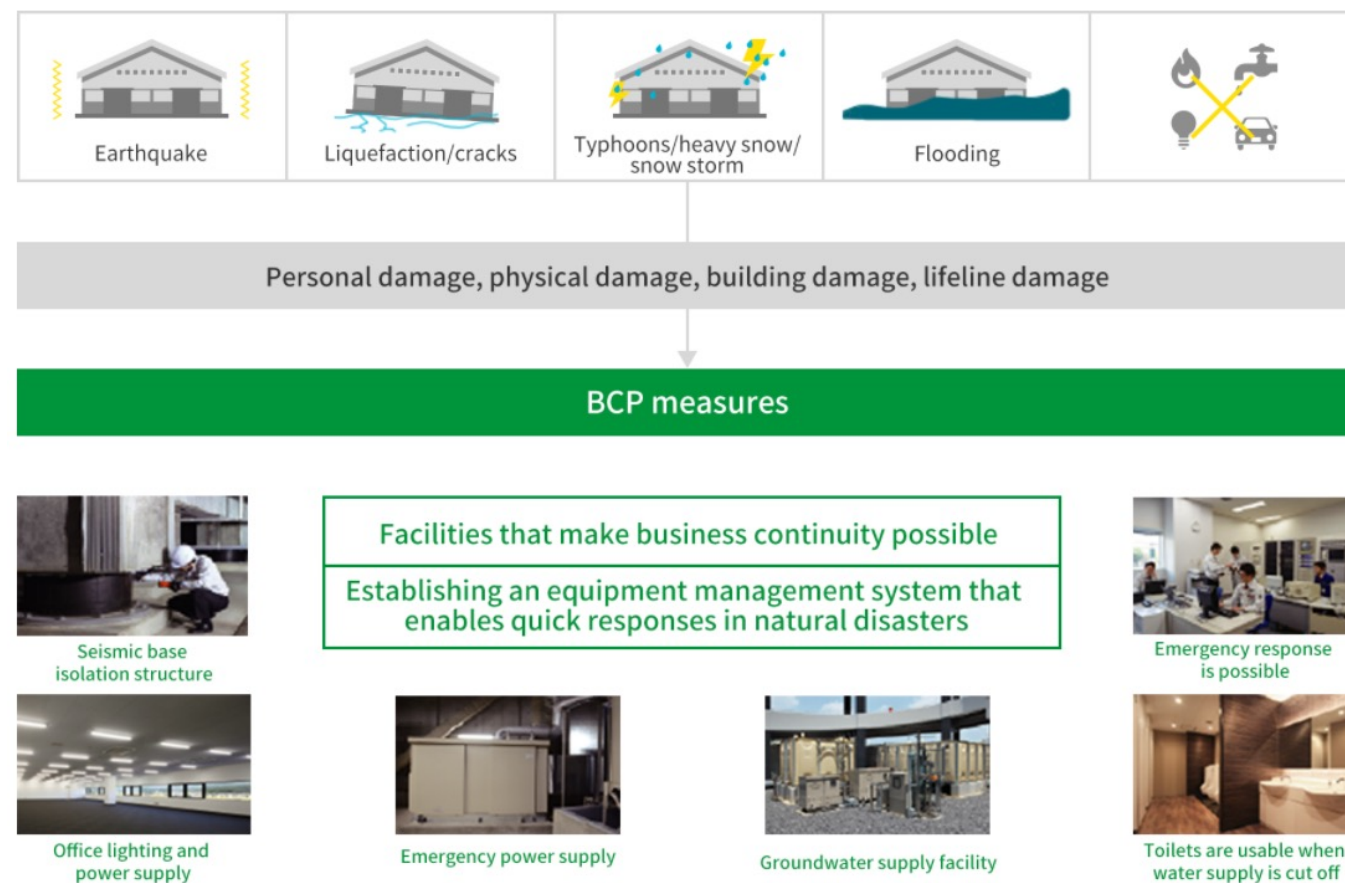
Employee support

Employee support aimed at improving physical and mental health and productivity / efficiency

Ensuring employee health

- | | |
|--|---|
| <div>1</div> <div>Well-being Support
Supporting diverse work styles and physical and mental health</div> | <div>1</div> <div>Ensuring office safety
Installation of partitions on the desk, layout design to maintain social distance</div> |
| <div>2</div> <div>Remote work support
Supports various expenses such as utility costs and communication costs associated with remote work</div> | <div>2</div> <div>Introduction of pulse check (Monthly)
Regularly check the physical and mental health due to changes in the working environment and provide appropriate support.</div> |
| | <div>3</div> <div>Department Manager / Group Leader & Regular Communication of Human Resources
Extract title changes and problems in various work styles and make improvements</div> |
| | <div>4</div> <div>Establishment of consultation desk
Individual employees are confused about how to work ・ Suck up opinions and make improvements</div> |

BCP measures



BCP measures in use

- We have back-up power facilities to ensure security functions throughout all buildings in the event of a power outage by making lighting and electrical outlets available at security systems and some offices
- Groundwater and rainwater supply systems allow use of toilets in the event that water supply is cut off
- Fuel storage bases have been installed at the facilities, and there are plans to provide fuel to tenant companies and neighboring facilities in the event of a disaster
- Digital signage automatically displaying weather warnings and earthquake information has been installed at entrances and cafeterias to ensure access to the latest information in the event of a disaster
- Flood control measures have been implemented to protect power conversion facilities from water damage caused by heavy rains or floods.
- Seismic isolation structures are used to ensure the safety of the building even in a major earthquake
- A4-sized disaster prevention emergency kits have been stockpiled
- Disaster-relief vending machines have been installed

Providing tenants with comfort

The GLP Group aims to provide buildings and services that offer comfort to tenant companies and facility users. It conducts a customer satisfaction survey of tenant companies each year to improve its buildings and services on a continuous basis based on the feedback obtained from the survey. We have also established GLP Concierge, a one-stop consultation desk that cooperates with tenants and business partners to provide a wide range of consultation services for tenants' problems and requests. By helping to solve our customers' issues, we also contribute to solving Japan's logistics issues, all the while strengthening relationships with our tenants who are key stakeholders.

Cafeteria



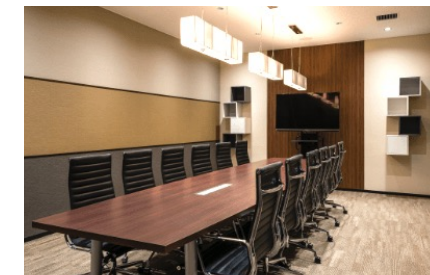
Kitchen



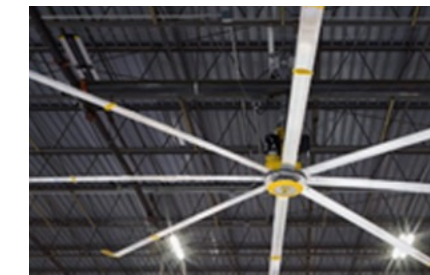
Resting space



Rental conference room



Large ceiling fan



Universal design toilets



Convenience store



Kiosk



Nursery



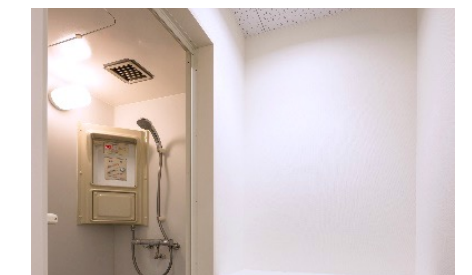
Staffing office



Commuter bus



Shower room



Conducting customer satisfaction surveys

We conduct customer satisfaction surveys to obtain requests and opinions from customers. We entrust an independent research agency with annual satisfaction surveys of our customers housed in multi-tenant logistics facilities. In fiscal 2020, we received a high rating of 98% in our survey titled “Intent to Continue Using GLP Japan.” Furthermore, the PM team of GLP Japan Inc., the sponsor of GLP J-REIT, conducts satisfaction surveys of customers housed in BTS logistics facilities as well.



Conducting tenant communication meetings

In an effort to better manage and operate our facilities and build relationships with our customers, GLP Group’s Property Management Department conducts tenant communication meetings with GLP J-REIT’s facility customers once every quarter.

GLP Tokyo II



GLP Osaka



Solving tenant issues (GLP Concierge)

GLP Group has established GLP Concierge, a one-stop consultation desk that cooperates with tenants and business partners to provide a wide range of consultation services for tenants’ problems and requests by helping to solve our customers’ issues, we contribute to solving Japan’s logistics issues, all the while strengthening relationships with our tenants who are key stakeholders.

The Strength of GLP’s Network
Number of Companies using facilities : **3,000** companies per day
Number of companies with which GLP is in contract : **15,000** companies

Providing solutions to customers’ issues	
Site optimization	Transportation and delivery support
Employment support	Procuring inexpensive Materials and equipment
Facility management support	Progress in automation

Solving logistics issues with cutting-edge technology

With an aim to solve all logistics issues, GLP Group uses advanced technologies to develop and implement various systems.

Shared consignee system

Streamlining overall cargo operations



- Waiting time is clarified by registering trucks of tenant companies on a tablet in the shared consignee room

Haisha Plus

Streamlining vehicle allocation and collection operations



Business partnership with TRANCOM CO.,LTD.

- Significantly reduced the workload of vehicle allocation management
- Visualized and shared the status of vehicle allocation to streamline transportation
- Responding to waves in logistics quantities through quick matching

Truck ledger

Streamlining incoming and outgoing trucks



Business partnership with PASCO CORPORATION

- Solved the problem of long waiting times for trucks
- Reduced workload through application management
- Further streamlining by collecting and analyzing data

Appropriate placement of workers

Streamlining procurement management operations of short-term staff



- Possible to request and confirm responses from many dispatch and placement agencies at the same time
- Avoiding congestion during registration by using tablets to take staff attendance
- Reducing management risks by linking attendance with daily reports by digitizing attendance information

Initiatives for employees

GLP has led the market as a leading provider of modern logistics facilities. And we will continue to innovate beyond people's imagination by keeping on challenging without resting on our laurels. To that end, we are committed to improve the work environment and review the personnel system ahead of the social situation so that employees can enjoy their work, support each other, demonstrate maximum performance, and achieve big goals. We are making efforts to create a work environment with various innovations. To note, since GLP J-REIT does not have any employees because of J-REIT regulation and is virtually managed by officers and employees of the Asset Management Company, below information applies to all employees of GLP including GLP Japan Advisors Inc., the Asset Management company.

Pursuing comfort and health of employees

Support Content	Outline
Health check / human dock assistance	All employees are required to undergo regular medical examinations or human dock examinations once a year, and we are promoting the health of employees by providing cost subsidies.
Mental health care training	Harassment / mental health related webinars (twice) for department heads
Occupational physician interview system	Prevent health risks with expert support

Promotion of diverse work styles

We have introduced the following employee support with the aim of creating diverse work styles that allow each employee to devise ways to maximize productivity and efficiency, including the institutionalization of remote work.

Support Content	Outline
Well-being support	Supporting diverse work styles and physical and mental health
Remote work support	Supports various expenses such as utility costs and communication costs associated with remote work

Improving sophistication of human resources

Introduction of Training System

Based on the independent training program developed by each employee, we have introduced a system to support growth opportunities through seminars, lectures, and courses that will contribute to their careers in the medium to long run (100,000 yen per person per year)

Training overview

Name of training	Target level
Management and leadership training	Managers

Support for certification exams

The asset management company supports its employees in acquiring specialist certifications including as an Association for Real Estate Securitization (ARES) Certified Master (an educational program that systematically teaches practical expert know-how in the fields of real estate and finance) and as a real estate notary. The asset management company bears the costs for the training and exams in acquiring the various certificates as well as for maintaining the certificates and increasing and maintaining expertise through seminars, etc., and all employees and officers have access to funding. The number of ARES Certified Masters and real estate notaries as of the end of December 2019 is as follows.

Name of certification	Number of certifications
ARES Certified Master	6 people
Real estate notary	5 people

Introduction of E-learning platform

GLP Group has introduced an E-Learning platform as part of training for all employees, enabling them to utilize the abundant learning content of over 3000 titles and GLP's unique content, as well as connecting employees on a global level.

Practical training program for young employees and new hires

GLP offers a variety of training and practical training for young employees and new hires. Specifically, we provide OJT training and department briefing sessions in each department, site tours, a mentor system, and regular follow-up interviews after hiring. We support new employees so that they can quickly become familiar with GLP's corporate culture and play an active role in GLP.

Creating a fair and rewarding workplace

Various benefits programs

Item	
Prenatal and postnatal leave	Reemployment of elderly
Child care leave	Employee stock ownership plan
Sick/injured child care leave	Defined contribution pension plan
Family care leave	Company housing system
Cafeteria plan	Health support (EAP) program
Congratulatory or condolence money	Group long-term disability (GLTD) income compensation
Health screening and physical exam assistance	Health insurance association
Welfare pension	Employment insurance
Labor insurance	Special leave
Domestic and international business travel insurance	Comprehensive welfare group term insurance
Corporate rental car agreement	Institutionalization of remote work Other allowances (remote work support allowances, well-being support allowances)

Fair evaluation and compensation

GLP’s personnel evaluation system is a reward-and-evaluate system which strongly encourages each employee to contribute to achieving the mission and vision of the company. The personnel evaluation system is also designed with cross-departmental collaboration, one of GLP’s business characteristics, in mind, and through the administration of the system, all departments, including the revenue and administration departments, are expected to work together to achieve corporate growth. In addition, the system encourages employees to take on new challenges and evaluates them appropriately. This personnel evaluation system has motivated each and every employee to create an organization that takes on challenges and innovates for the rapid growth of the company.

Conducting employee satisfaction surveys

As part of our efforts to establish favorable mutual relations between the employees and the company, we regularly conduct employee satisfaction surveys through Wevox to evaluate job satisfaction levels, work environment satisfaction levels, and other requests to the company (92% response rate). By visualizing organizational issues based on these survey results, we are able to realize the well-being of each of our employees and improve the working environment and the organization.

Diversity & Inclusion

To promote employee diversity, the GLP Group offers over 100 programs on diversity and inclusion in a learning platform for all employees.

Whistleblowing System

GLP Group has introduced a whistleblowing system that accepts whistleblowing not only from all employees but also from employees’ families and business partners etc. The content covers all fields such as various harassment, labor-related issues and environmental issues. Consultations can be made anonymously and are protected in accordance with the Whistleblower Protection Act.



Governance

Since its listing, GLP J-REIT, together with GLP Japan Advisors, has pursued the maximization of unitholder interest by continuously enhancing governance systems to establish a strong relationship that aligns the interests of unitholders, GLP J-REIT and GLP Japan Advisors.

Adoption of performance-linked asset management fee to meet unitholder interest

The asset management fee is a performance-linked fee where approximately two-thirds of asset management remuneration is linked to NOI and EPU.

Introduction of a strict governance structure for related-party transactions

GLP J-REIT is not allowed to carry out related-party transactions without the approval of independent outside expert(s) of the asset management company's Investment Committee and Compliance Committee. The selection of such outside expert(s) requires the approval of the J-REIT board.

The GLP Group's holding of investment units (same boat investment)

GLP J-REIT seeks to improve mutual interest by aligning the interests of GLP J-REIT's unitholders and the interests of the GLP Group by having the GLP Group hold investment units.

Highly transparent and appropriate information disclosure in pursuit of fair disclosure

GLP J-REIT was the first J-REIT to implement information disclosure to a wide range of unitholders by holding a management call meeting for overseas investors in capital increase through public offering.
GLP J-REIT was the first J-REIT to introduce a telephone conference system for the purpose of information disclosure to a wide range of unitholders at the financial presentation meetings.
GLP J-REIT discloses Japanese and English press releases and disclosure material simultaneously.

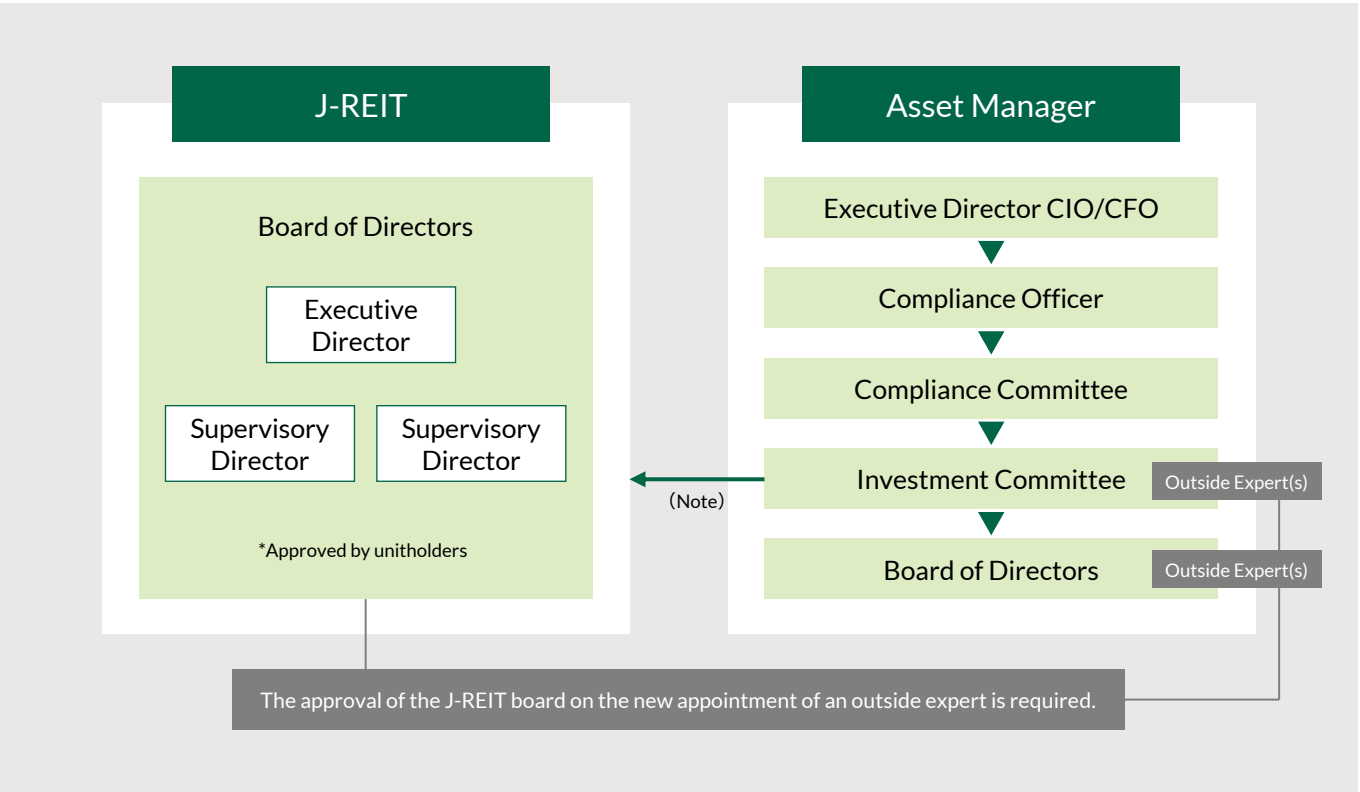
Further enhancing governance through an Employee Stock Ownership Plan (ESOP)

Established ESOP targeting officers and employees of GLP Japan Inc. and the asset management company of GLP J-REIT in May 2020, with a policy to further enhance the alignment of interests with our unitholders.

Implementation of employee training on ethical standards

To strengthen governance structure, we provide training on ethical standards to all employees (including part-time and contract employees) of GLP Japan Inc., Sponsor, and the Asset Management Company every year.

Asset Management Company's Executive Decision-Making Mechanism



- 1. Approval of the J-REIT board is necessary for transactions that require the consent of a J-REIT based on the resolution of the J-REIT board, and reporting to the board is necessary for other cases.
[Click here for more information on decision-making mechanisms:](#)
[\(Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties\)](#)

Outline of the Various Committees

Committee	Item	Details
Investment Committee	Purpose	To deliberate and decide upon matters concerning the management, etc. of the assets of GLP J-REIT
	Constituent members	President, Directors, CIO, CFO, Compliance Officer, one External Officer
	Frequency of meetings	In principle, once every three months, with emergency meetings called as the need arises
Compliance Committee	Purpose	To ensure thorough compliance with laws and ordinances, rules and regulations, and other related matters
	Constituent members	President, Compliance Officer, one External Officer
	Frequency of meetings	In principle, once every three months, with emergency meetings called as the need arises
ESG Committee	Purpose	To deliberate and decide upon matters concerning the promotion of ESG, etc.
	Constituent members	President, CSO, CIO, CFO
	Frequency of meetings	Meetings held regularly, with emergency meetings called as the need arises

Thinking Regarding Compliance

GLP J-REIT (hereinafter referred to as the “Investment Corporation”) and GLP Japan Advisors Inc. (hereinafter referred to as the “Asset Management Company”) are fully cognizant of the significance of the fact that the asset management the Asset Management Company conducts for the assets of the Investment Corporation constitutes the management of the funds of the Investment Corporation’s investors, and the Asset Management Company has prepared internal compliance rules and other necessary rules and has established a Compliance Committee and a position of Compliance Officer as described below to ensure full compliance with applicable laws and regulations in order to ensure the development of an appropriate management structure.

Compliance Structure (structure for ensuring compliance with laws and regulations)

Compliance Committee

In order to establish an appropriate management structure for the Asset Management Company to conduct the asset management of the Investment Corporation, the Asset Management Company has established a Compliance Committee charged with the revision (excluding the correction of errata) of compliance rules; the formulation and revision of a Compliance Manual and Compliance Program (excluding the correction of errata); deciding on corrective measures regarding conduct which is, or is suspected to be, inappropriate from a compliance standpoint; and the review on whether there are issues of compliance with respect to matters concerning transactions with related parties and other matters regarding that the Compliance Officer judges there to be questions in terms of compliance. The Compliance Committee is composed of the Compliance Officer as chairperson, the President, and at least one outside professional designated by the Board of Directors (hereinafter referred to as the “Outside Expert(s) on the Compliance Committee”). When designating the Outside Expert(s) on the Compliance Committee, the approval of the board of directors of the Investment Corporation will be required (but will not be required for reappointment). As of the date of this report, an outside attorney is the one Outside Expert on the Compliance Committee. Furthermore, the General Administration Department has been established under the order by the CFO (Executive Officer) and a member of the General Administration Department will attend

meetings of the Compliance Committee under the role of secretariat to the Compliance Committee to assist the Compliance Officer. In principle, the Compliance Committee meets once every three months as convened by the chairperson, and as otherwise necessary. Decisions of the Compliance Committee require that a majority of all of the members with voting rights and all Outside Expert(s) on the Compliance Committee be present and a majority of those members and all Outside Expert(s) on the Compliance Committee vote their approval. When the Compliance Committee reviews as one of the matters it must decide on whether there are issues of compliance with respect to matters concerning transactions between related parties and the Investment Corporation, a committee member with voting rights who is a related party or a committee member with voting rights who currently holds the position of an officer or employee (including as a concurrent position, but excluding cases when such person has been seconded or transferred to the Asset Management Company) of a related party, which is a corporation, may not participate in the decision. Decisions of the Compliance Committee will be reported regularly to the Board of Directors by the Compliance Officer. When the Compliance Committee reviews and approves matters which the Investment Committee must decide, the substance of the review (including any minority opinion presented during the course of the review) will be reported to the Investment Committee by the Compliance Officer.

Compliance Officer

The Asset Management Company, fully cognizant of the significance of the fact that the asset management it conducts with the assets of the Investment Corporation constitutes the management of the funds of the Investment Corporation’s investors, in order to ensure the development of an appropriate management structure, has established the position of Compliance Officer as the key person responsible for compliance, thereby ensuring the effectiveness of the function of internal oversight of other units. The selection or the dismissal of the Compliance Officer requires the approval of two-thirds or more of the directors in attendance at meeting of the board of directors that is attended by a majority of all the directors with voting rights. The Compliance Officer, as the key person responsible for compliance at the Asset Management Company, is charged with establishing and maintaining the internal compliance structure of the company and raising the level of standards awareness within the company in regard to compliance with all applicable laws, regulations and rules. To those ends, the Compliance Officer prepares a Compliance Manual and Compliance Program through the Compliance Committee, continually monitors to ensure that all operations conducted for the asset management of the Investment Corporation by the Asset Management Company comply with all applicable laws, regulations, rules and the articles of incorporation of the Investment Corporation, and exercises supervision over the overall internal compliance environment in daily operations. The General Administration Department, established under the overall direction and control of the CFO (Executive Officer) and being charged with overall general administrative operations, will assist the work of the Compliance Officer. In view of the importance of the duties of the Compliance Officer, the Compliance Officer at the Asset Management Company devotes him/herself exclusively and on a full-time basis to addressing compliance matters. Only a person having adequate investigative and supervisory capacity for ensuring compliance with all applicable laws, regulations and rules may be appointed as the Compliance Officer. The Compliance Officer is also in charge of internal auditing of the Asset Management Company (However, the internal auditing of the Compliance Officer is conducted by the President.) All internal organization and job classifications are subject to internal audit; audit and other procedures to assess whether the operations and management of all internal organizations comply with all applicable laws, regulations and rules and are being conducted appropriately and efficiently will be carried out on a regular basis based on the Compliance Program and the Internal Audit Rules. When internal audits are conducted all departments must submit and explain all documents, account books or other materials as requested by the Compliance Officer and cooperate fully to ensure the smooth implementation of the internal auditing.

Implementation of internal audit

GLP J-REIT is not allowed to carry out related-party transactions without the approval of independent outside expert(s) of the asset management company’s Investment Committee and Compliance Committee. The selection of such outside expert(s) requires the approval of the J-REIT board.

Whistleblowing System

GLP Group has introduced a whistleblowing system that accepts whistleblowing not only from all employees but also from employees' families and business partners etc. The content covers all fields such as cheating by officers and employees and antisocial behavior. Consultations can be made anonymously and are protected in accordance with the Whistleblower Protection Act.

Anti-Corruption Regulations

GLP Group has established a system to strictly prohibit and prevent corruption that violates laws and regulations such as bribery by formulating "Anti-Corruption Regulations." In addition, as a measure to prevent bribery and corruption, the "Compliance Manual" of the Asset Management Company stipulates that "Employees and officers shall not provide or receive excessive entertainment and gifts to or from the company, business partners, related parties, etc.." An independent Compliance Officer holds Compliance Committee as necessary to supervise such anti-corruption practices. The Asset Management Company has never been involved in serious problems related to bribery and corruption since its establishment.

Risk Management

Definition of risks



Basic stance on risk management

With regard to the management of our company’s inherent risks, we take the following basic stance in our work, with the goal of reinforcing our dual duties of loyalty and care as an asset management fiduciary.

1. Our company, as an asset management firm, is solely devoted to that business, and the greatest risk we face is the risk of degradation of our reputation due to a decline in the value and confidence placed in us by the investment corporations and their investors (including potential investors in the securities market in general), who trust us with the management of their assets.
2. It is essential that we carefully and rigorously manage all risks, including risks regarding the handling and management of assets, operational risks, and legal and compliance risks, as risks such as these are a major potential cause of such declines in value and confidence.

With regard to the management of operational risks of investment corporation assets, we take the following basic stance in our work, with the goal of reinforcing our investment management capability while striving to protect the assets under our management.

1. The primary investment target being real estate, it should be noted that owning real estate or similar specific assets, as opposed to traditional financial assets, comes with its own set of risks, on top of the general risks associated with asset management, such as so-called “market risks.” It is necessary to execute sufficient analysis and countermeasures when handling these kinds of real estate risks.
2. In the management of these risks, we distinguish those risks that can lead to returns from risks that need to be eliminated or mitigated, and we act in a safe and reliable manner with regard to the latter category of risk.
3. We will not engage in any action that deviates from the basic stance set forth in the preceding paragraph or that neglects strict risk management and the appropriate acquisition of profits.



Finance

GLP J-REIT ESG Finance

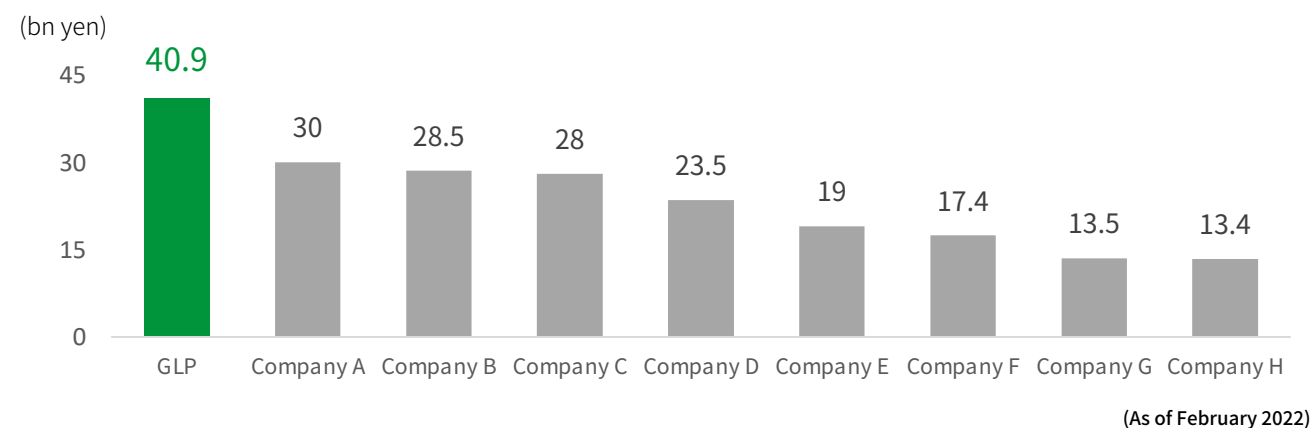
ESG Finance Issuance History

Type	Issuance Date	Amount of issue (mil yen)	Term
Sustainability Bonds	2022/2	3,300	3/10
	2021/12	3,500	15
	2021/3	5,000	20
	2020/9	5,000	10
Sustainability Loans	2022/2	3,000	5
Green Bonds/ Sustainability Linked Bonds	2021/9	6,000	7
	2019/11	5,000	10
	2019/7	8,000	10
Green Bonds	2018/12	5,100	10

Sustainability Loan Initiatives

- Refinancing in February 2022 by procuring GLP J-REIT's first sustainability loan (3 billion yen)

Outstanding ESG Bonds



Sustainability Linked Bonds (Reward Type)

Purpose of Issue

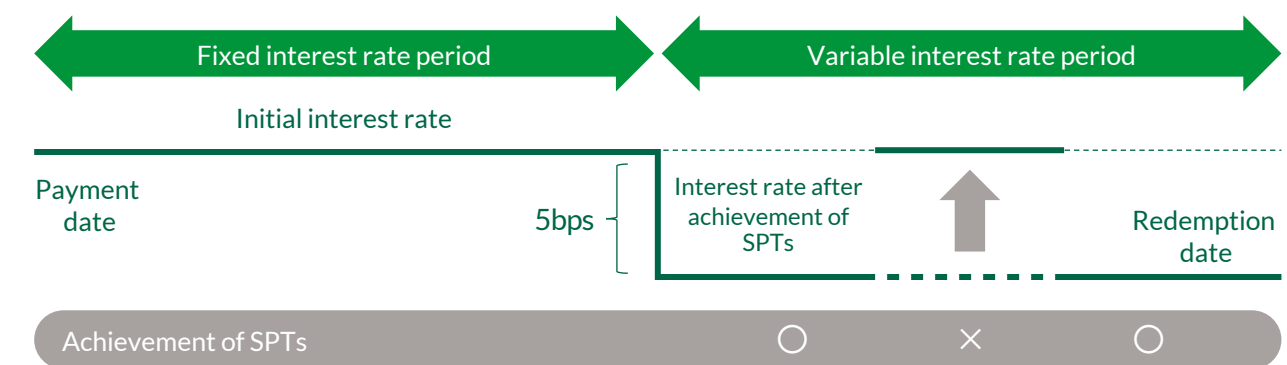
- GLP J-REIT aim to diversify sources of financing and further strengthen the financial base by expanding investor base willing to invest in ESG through the issuance of the Sustainability Linked Bonds (SLB).
- The Sustainability Performance Targets (SPTs) of the SLB are linked with ESG targets on the ESG Report issued by GLP J-REIT in April 2021. GLP J-REIT believes that the issuance of the SLB accelerate GLP J-REIT's ESG activities and contribute to achieve the ESG targets.

Feature

- GLP J-REIT became the world's first issuer of interest rate reward-type SLB in the public bond market
- Expanding the investor base through ESG active investor, with Dai-ichi Life Group
- Enjoying Greenium by active issuance of ESG bonds along with the expansion of ESG bond market

Expansion of CASBEE Certification

Name	18th Unsecured Investment Corporation Bond (Sustainability Link Bond)
Issue Date	September 28, 2021
Issue amount/year	6 billion yen / 7 years
SPTs	Sustainability Performance Targets: <ul style="list-style-type: none"> ESG-related Issuer Targets High-ranking environmental certification for at least 80% of the portfolio (based on gross floor area)
Interest rate	Initial interest rate : 0.284 Interest rate after achievement of SPTs: 0.234% (▲0.05% from initial)



Interest rate will be determined at the end of July and applied in September every year after the end of December 2024.

Sustainability Finance Overview of the Sustainability Framework

Use of Proceeds from Sustainability Finance

The net proceeds from sustainability finance will be used for the acquisition of assets in the Eligible Green Projects as provided for in Eligible Sustainability Projects below, refinancing of loans required for the acquisition of assets in the Eligible Sustainability Projects, and for the redemption of the investment corporation bonds that have already been issued (including sustainability bonds/green bonds) for the acquisition of assets in the Eligible Sustainability Projects.

Eligible Sustainability Projects

Eligible Sustainability Projects are assets or projects that satisfy either of the Eligible Green Project Criteria and the Eligible Social Project Criteria shown below.

Eligible Green Project Criteria

Green buildings

New, existing or renovated buildings that have obtained at least one of the following certifications;

DBJ Green Building Certification (Japan) : five, four or three stars
CASBEE (Japan) : S, A or B+
BELS (Japan) : five, four, or three
LEED (U.S.) : Platinum, Gold, Silver

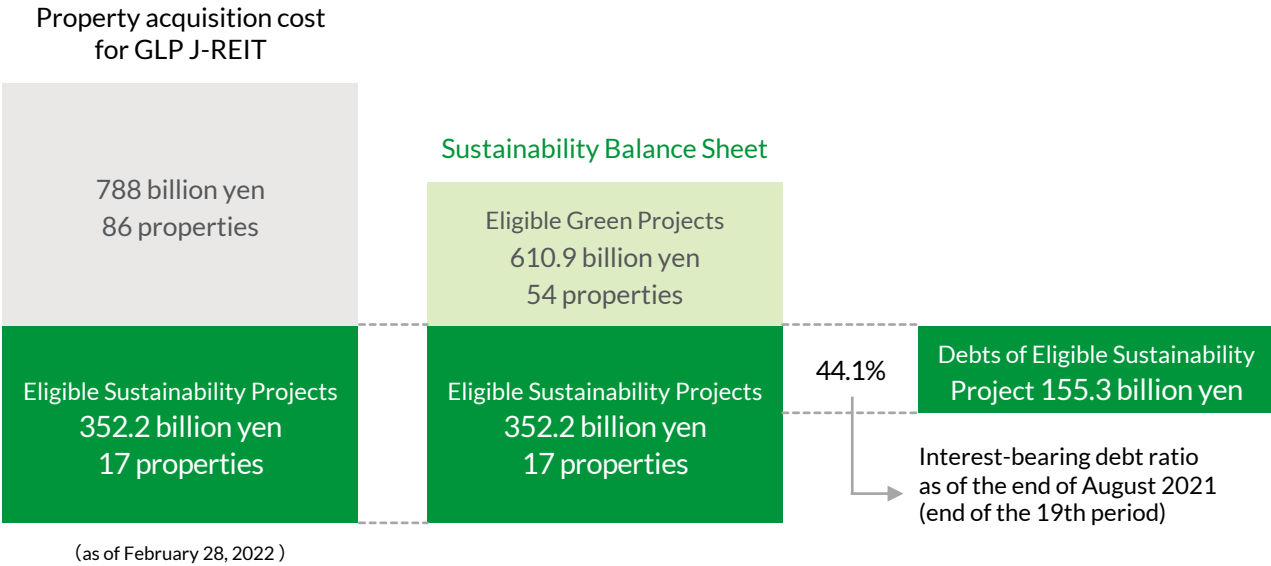
Contribution to the sustainable growth of local communities

New, existing, or refurbished buildings that contribute to either of items a through d shown below:

a. Safety of local residents in times of disaster
b. Development of the local living environment
c. Revitalization of the local community
d. Provision of parenting support

Management of Proceeds

The upper limit of green finance (limit of the "Debts of Eligible Sustainability Projects") shall be the amount calculated by multiplying the total acquisition cost of the Eligible Sustainability 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 Sustainability Projects that also fall under the definition of Eligible Green Projects under GLP J-REIT's Green Finance Framework are included both in the total value of Eligible Sustainability Projects and in that of Eligible Green Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included both in the outstanding balance of sustainability finance and in that of green finance. The amount included in the total value and the outstanding balance overlaps between the two forms of finance.

Reporting on Social Benefits

	Item	Number
Output indicators	Number of properties that are Eligible Green Projects	17
Outcome indicators	Emergency shelter for people affected by disaster	17 properties 12,790 people
	Standby station for Disaster Relief Teams and Emergency Fire Response Teams in the event of a disaster	17 properties
	Backup power supply (72 hours)	8 properties
	Stockpile volume of fuel	19,178 L (15 properties)
	Groundwater facility*	GLP Atsugi II GLP Soja I GLP Zama

※ Some properties have groundwater facilities available for use during a water outage.

Green Finance Overview of the Sustainability Framework

Use of Proceeds from Green Finance

The net proceeds from green finance will be used for the acquisition of assets in the Eligible Green Projects as provided for in Eligible Green Projects below, refinancing of loans required for the acquisition of assets in the Eligible Green Projects, and for the redemption of the investment corporation bonds that have already been issued (including green bonds) for the acquisition of assets in the Eligible Green Projects.

Eligible Green Projects

Eligible Green Projects mean the projects involving assets that meet either of the following requirements.

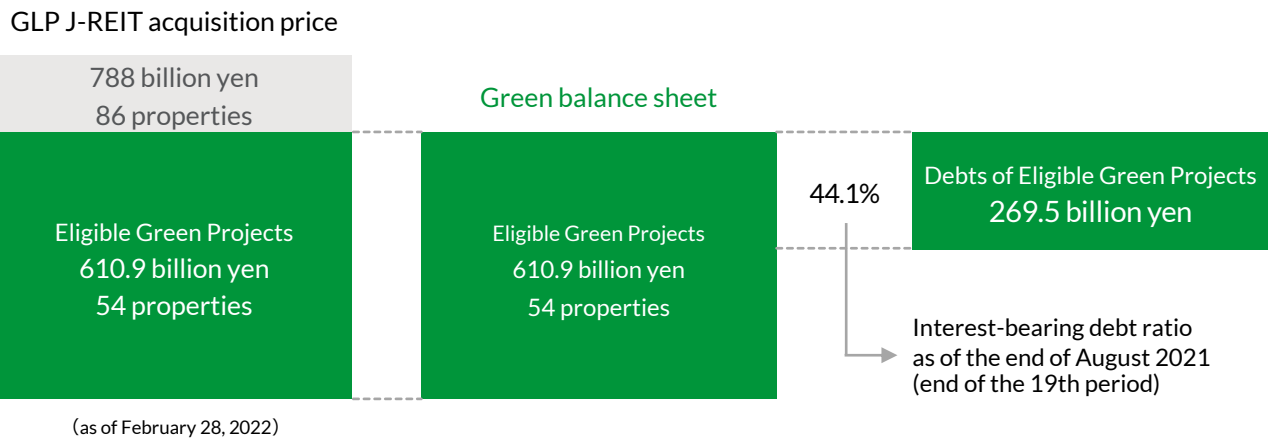
Being a green building

A new, existing or refurbished building for which at least one of the following certifications has been obtained:

DBJ Green Building Certification (in Japan) : five, four or three stars
CASBEE (in Japan) : S, A or B+
BELS (in Japan) : five, four, or three
LEED (in the United States) : Platinum, Gold, Silver

Management of Proceeds

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 Sustainability Projects that also fall under the definition of Eligible Green Projects under GLP J-REIT’s Green Finance Framework are included both in the total value of Eligible Sustainability Projects and in that of Eligible Green Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included both in the outstanding balance of sustainability finance and in that of green finance. The amount included in the total value and the outstanding balance overlaps between the two forms of finance.

Investment corporation bonds

Name	Total Amount (mm yen)	Interest Rate	Term	Issuance Date	Maturity Date
12th Unsecured Bonds (Green Bonds)	5,100	0.680%	10	2018/12/20	2028/12/20
13th Unsecured Bonds (Green Bonds)	8,000	0.608%	10	2019/7/8	2029/7/6
14th Unsecured Bonds (Green Bonds)	5,000	0.550%	10	2019/11/27	2029/11/27
15th Unsecured Bonds (Sustainability Bonds)	5,000	0.510%	10	2020/9/25	2030/9/25
16th Unsecured Bonds (Sustainability Bonds)	3,500	0.750%	15	2020/12/23	2035/12/21
17th Unsecured Bonds (Sustainability Bonds)	5,000	0.970%	20	2021/3/23	2041/3/22
18th Unsecured Bonds (Sustainability Bonds)	6,000	0.284% ¹	7	2021/9/28	2028/9/28
19th Unsecured Bonds (Sustainability Bonds)	2,000	0.130%	3	2022/2/25	2025/2/25
20th Unsecured Bonds (Sustainability Bonds)	1,300	0.520%	10	2022/2/25	2032/2/25

1: Interest rate of 0.284% per annum will be applied during the period from the day immediately following September 28, 2021 through September 28, 2025. Also, interest rate of 0.234% per annum will be applied from the day immediately following September 28, 2025 if the SPTs is achieved as of each Observation date after end of December 2024.

Sustainability Loan Issuance

Name	Total Amount (mm yen)	Interest Rate	Term	Issuance Date	Maturity Date
Sustainability Loan Signed in February 2022	3,000	Base rate + 0.165%	5	2022/2/28	2027/2/26