

## SUSTAINABILITY-RELATED DISCLOSURE

**Product Name: Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”)**

**Legal entity identifier: 353800DN63EIYS760S59**

*MFLP-REIT promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). MFLP-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 Mitsui Fudosan Logistics REIT Management Co., Ltd. (the “Asset Management Company”), to manage and operate the properties in its portfolio. MFLP-REIT and the Asset Management Company are hereinafter referred to collectively as “we,” “us” or “our.”*

### Summary

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| No sustainable investment objective                              | The financial products offered by MFLP-REIT promote environmental or social characteristics, but do not have as their objective sustainable investment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Environmental or social characteristics of the financial product | <p>Our sponsor, Mitsui Fudosan Co., Ltd. (the “Sponsor”), with its subsidiaries and affiliates (collectively, the “Group”), to which we belong, is committed to social and economic development as well as global environmental preservation under the principles of harmony and coexistence, while working to link diverse values and achieve sustainable society as represented by its “&amp;” corporate logo. Under the Group’s “<span style="font-size: small;">社会環境共生の心</span> &amp; EARTH” principle, the Group recognizes the need to create neighborhoods that remain in tune with global environmental concerns. This principle therefore reflects the Group’s aim to establish a society that enriches both the people and the planet. Pursuant to the Group’s long-term management policy, &amp; INNOVATION 2030, the Group is working to achieve sustainable society by addressing environmental, social and governance, or ESG, issues while driving continual profit growth. We follow the Group’s ESG management principles and are proactively implementing the ESG initiatives such as energy saving and reduction of CO<sub>2</sub> emissions, inclusion of “Green Lease” provisions in our agreements, saving resources, including conservation, and waste reduction, acquisition of Green Building certifications, respect for human rights, efforts for better amenity and safety and security, consideration toward local communities, approach to officers and employees, sustainable procurement, compliance with laws and regulations, information disclosure to unitholders, and building of appropriate relations with interested parties, including the Sponsor, each as described in detail below.</p> |
| Investment strategy                                              | <p>MFLP-REIT invests directly or indirectly through trust beneficiary interests in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable. The investment and due diligence policies as described below are related to real estate and real estate-related assets.</p> <p>We invest primarily in logistics properties with the features mentioned below, with a particular focus on “MFLP properties”, leading-edge logistics properties with Mitsui Fudosan quality. The bulk of MFLP-REIT’s properties are leading-edge logistics properties developed by the Sponsor.</p> <p>MFLP-REIT does not invest in investee companies and has therefore opted to provide information on the governance policies adopted by MFLP-REIT and the Asset Management Company. While there is no third-party rating used to assess</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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|                                                       | our governance practices, MFLP-REIT, along with the Asset Management Company, have introduced the various measures to assess and enhance our governance systems, as described in detail below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Proportion of investments                             | The financial products offered by MFLP-REIT promote environmental or social characteristics, but do not have as their objective sustainable investment. As of July 31, 2026, 98.3% of the properties in MFLP-REIT's portfolio, including properties in which MFLP-REIT holds quasi co-ownership interests, were Green Buildings, and 1.7% were not, based on gross floor area (including properties with expired certifications unless there is reason to believe that such properties are no longer environmentally friendly to the same degree as Green Buildings). We aim to maintain the ratio of Green Buildings to the properties in MFLP-REIT's portfolio based on gross floor area at 95% or higher.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Monitoring of environmental or social characteristics | In order to measure the attainment of the E/S characteristics we promote, we use the indicators such as (i) acquiring environmental certification of MFLP-REIT's properties, (ii) tracking of environmental performance data, (iii) conducting climate change initiatives, (iv) tracking and monitoring ratio of lease agreements with Green Lease provisions, (v) establishment of environmental KPI targets and (vi) conducting social initiatives, each as further described below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Methodologies                                         | The Asset Management Company's Chief Investment Officer (Investment & Operations Division) conducts the due diligence review of target assets to be acquired through our Sustainable Finance Framework. The 3-member Sustainability Promotion Committee of the Asset Management Company, which is chaired by the President & CEO and includes the Chief Investment Officer and the Chief Finance Officer, holds regular meetings at least 4 times a year to deliberate on the following issues: sustainability policies, strategies, systems and targets, whether to join or otherwise participate in efforts made by environmental organizations, sustainability-related disclosure, and ESG finance. In addition, the Chief Compliance Officer may participate in the Sustainability Promotion Committee meeting to express his or her opinions. We evaluate and select investment targets by comprehensively taking into account the deliberations of the Sustainability Promotion Committee and other factors from the perspective of promoting E/S. The Asset Management Company uses the methodologies as described below to monitor and track our ESG performance. |
| Data sources and processing                           | As further described below, the Asset Management Company obtains certain ESG-related data from Mitsui Fudosan and other property managers. In addition, depending on the type of data, the Asset Management Company ensures data accuracy and quality through a third-party organization's external review.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Limitations to methodologies and data                 | <p>As further described below, the primary limitation to the methodology or data source is the necessity of our reliance on Mitsui Fudosan, the logistics manager and the property manager for raw data at the property level.</p> <p>Data at the property level is compiled internally at the Asset Management Company. To ensure data quality and accuracy, the Asset Management Company obtains an assurance report regarding the annually compiled portfolio-level data on energy consumption, CO<sub>2</sub> emissions, water consumption and waste from an independent third-party accounting firm.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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|                                | Limitations to the methodology and data are not expected to affect the attainment of the environmental or social characteristics promoted by MFLP-REIT in any material way.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Due diligence                  | Prior to our investment in a property, the Asset Management Company conducts due diligence review of the property, including environment assessment and evaluation of risks related to building safety, soil contamination, flooding, natural disasters, socioeconomics, transportation, water supply, indoor environmental quality, and health and comfort.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Engagement policies            | The Asset Management Company's investment decision-making process involves assessment of material ESG-related risks and opportunities to ensure that our sustainable investment strategy is implemented. With each acquisition opportunity, we and the Asset Management Company review ESG-related due diligence findings and take into account the acquisition of environmental certifications or future potential to obtain them and energy efficiency assessment. These findings are required to be considered by the Management Committee chaired by the President of the Asset Management Company before a final decision is made on the investment. We will not invest in properties which have environmentally hazardous substances or land pollution beyond an established threshold. |
| Designated reference benchmark | MFLP-REIT has no benchmark index designated as a reference benchmark to meet the environmental or social characteristics promoted by MFLP-REIT.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### **No sustainable investment objective**

The financial products offered by MFLP-REIT promote environmental or social characteristics, but do not have as their objective sustainable investment.

### **Environmental or social characteristics of the financial product**

Our sponsor, Mitsui Fudosan Co., Ltd. (the "Sponsor"), with its subsidiaries and affiliates (collectively, the "Group"), to which we belong, is committed to social and economic development as well as global environmental preservation under the principles of harmony and coexistence, while working to link diverse values and achieve sustainable society as represented by its "♻️" corporate logo. Under the Group's "自然・社会・経済の調和とEARTH" principle, the Group recognizes the need to create neighborhoods that remain in tune with global environmental concerns. This principle therefore reflects the Group's aim to establish a society that enriches both the people and the planet. Pursuant to the Group's long-term management policy, & INNOVATION 2030, the Group is working to achieve sustainable society by addressing environmental, social and governance, or ESG, issues while driving continual profit growth.

MFLP-REIT does not have a specific index designated as a reference benchmark to determine whether MFLP-REIT is aligned with the environmental or social characteristics that it promotes.

We follow the Group's ESG management principles and are proactively implementing ESG initiatives. Following its establishment of an ESG policy in November 2017, the Asset Management Company, in collaboration with the Sponsor, has implemented the ESG initiatives described below. Our ESG policy includes our basic policy on how we can contribute to the environment, improve our work environment, ensure effective compliance and governance, achieve transparent ESG disclosure and collaborate with each stakeholder on ESG matters.

- *Energy saving and reduction of CO<sub>2</sub> emissions.* We are seeking to reduce CO<sub>2</sub> emissions from energy consumption from MFLP-REIT's portfolio with measures that contribute to energy-saving and promote efficient use of energy in MFLP-REIT's properties. These measures include installing LED lightbulbs and roof-top solar panels. We also provide shuttle buses for commuting users, which contributes to decreases in CO<sub>2</sub> emissions by reducing crowding on local public transportation.
- *Inclusion of "Green Lease" provisions in our agreements.* We have standardized environmental provisions, which we refer to as "Green Lease" provisions, in the leases with our tenants. Our Green Lease provisions include a clause for our tenants to collaborate with us to implement measures for energy conservation and environmental preservation. Our Green Lease provisions require our tenants to provide us with data on the use of the property (including, but not limited to, electricity, gas, and water used at the property), and to cooperate with our efforts to save energy and reduce CO<sub>2</sub> emissions, including permitting us to install LED lighting in tenant-managed areas of the properties. We strive to proactively increase the number of lease agreements that have Green Lease provisions by negotiating with new tenants or, at the time of lease renewal, with existing tenants.
- *Saving resources, including conservation, and waste reduction.* To make effective use of limited water resources, we promote efforts to save water and have introduced water-saving equipment in certain properties in MFLP-REIT's portfolio. We also contribute to the establishment of a recycling-oriented society with 3R (reduce, reuse and recycle) efforts to curb the use of wastewater and waste materials discharged from buildings. We are working with tenants to raise awareness of our 3R and water conservation efforts, and we have installed posters toward such ends in certain properties in MFLP-REIT's portfolio.
- *Acquisition of "Green Building" certifications.* To track the environmental performance of MFLP-REIT's properties, we rely on environmental certifications issued by third-party organizations, such as the Development Bank of Japan's ("DBJ") Green Building certification, Building Energy-efficiency Labeling System ("BELS") certification, Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") certification, Zero Energy Building ("ZEB") certification, and other equivalent certifications. We call MFLP-REIT's properties that receive sufficient level (as described below in "Monitoring of environmental or social characteristics") under any of such environmental certifications "Green Buildings".
- *Respect for human rights.* We deeply respect basic human rights in all of our business activities. We have a corporate culture that does not tolerate discrimination, including based on age, sex, origin and race, and acts that impair the dignity of individuals, such as forced labor and harassment. We and the Asset Management Company have adopted the sustainable procurement standards and human rights policy established by the Sponsor. In addition, we and the Asset Management Company support the Universal Declaration of Human Rights and the International Covenant on Human Rights, and support and respect the fundamental rights related to labor set forth in the ILO Declaration on Fundamental Principles and Rights at Work.
- *Efforts for better amenity and safety and security.* We strive to increase customer satisfaction in cooperation with the Group and tenants to provide tenants and other property users with comfortable, safe and secure space. We have established 24-hour shops and rest spaces in certain properties in MFLP-REIT's portfolio for the convenience of our tenants and users and promote long-term tenant retention. Also in certain properties in MFLP-REIT's portfolio, we have adopted seismic isolation technology to not only ensure the safety of users in the event of large-scale earthquake but also mitigate the impact on goods stored in our properties. We have installed emergency power backup capacity at certain properties in MFLP-REIT's portfolio, and contributed to tenants' business continuity plans by ensuring their safety during blackouts.
- *Consideration toward local communities.* We build and maintain healthy relations with local residents, governments and other community members by providing and ensuring a pleasant and safe environment. We work with Group Happy Smile, a non-profit organization that supports persons with disabilities, and provide them with space to introduce and sell their artworks. We provide child-rearing support for both users

of MFLP-REIT's properties and neighboring families by establishing childcare facilities at certain properties in MFLP-REIT's portfolio. We support local communities in the event of disasters by providing certain properties in MFLP-REIT's portfolio as municipality-designated disaster evacuation sites. We provide shuttle buses for commuting users, thereby helping to reduce crowding on local public transportation. We also invite students from local communities for tours of certain properties in MFLP-REIT's portfolio, and organize clean-up activities with local residents. Furthermore, we became a signatory as a supporter to the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") established by the Financial Stability Board and joined the Japan TCFD Consortium in January 2022. We will make disclosures in alignment with TCFD's four core elements.

- *Approach to officers and employees.* The Asset Management Company is focused on creating a comfortable work environment for its employees and working to enhance their work-life balance and welfare programs. The Asset Management Company has introduced flexible working hours, a defined contribution pension plan and a cumulative investment unit investment program, and also promotes telework. Additionally, the Asset Management Company conducts an annual employee satisfaction survey to improve the work environment on an ongoing basis.
- *Sustainable procurement.* In the procurement of goods and services for our businesses, we require vendors in our supply chain not only to efficiently deliver to us goods and services, but also to consider their impact on the environment and society. When purchasing goods or services and/or selecting a vendor, we consider their impact on sustainability and the vendor's sustainability initiatives before making decisions on whether to make the purchase or enter into a relationship with the vendor.
- *Compliance with laws and regulations.* We emphasize ethical business activities in compliance with applicable laws in all of our operations. To raise employees' ESG awareness, the Asset Management Company has held a series of ESG-related training seminars, including addressing antisocial forces and complaints, general compliance, conflicts of interest and other ESG topics.
- *Information disclosure to unitholders.* We make timely and proper disclosure of information necessary for unitholders to make investment decisions. We focus on prompt and transparent information disclosure in a fair and equitable manner, including with respect to non-financial information related to ESG.
- *Building of appropriate relations with interested parties, including the Sponsor.* We make efforts to ensure that our interests and those of the Sponsor are aligned, and we fulfill our fiduciary responsibility to our unitholders by establishing strict decision-making procedures for transactions with interested parties and developing a governance structure that promotes investment in us by the Sponsor.

## **Investment strategy**

MFLP-REIT invests directly or indirectly through trust beneficiary interests in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable. The investment and due diligence policies as described below are related to real estate and real estate-related assets.

We invest primarily in logistics properties with the features mentioned below, with a particular focus on "MFLP properties", leading-edge logistics properties with Mitsui Fudosan quality. The bulk of MFLP-REIT's properties are leading-edge logistics properties developed by the Sponsor.

- *Location* - Has good access to consumption areas, production bases, and traffic infrastructure; has a ready supply of workers.

- *Building* - Has a size that enables concentration and integration of logistics functions; offers features that enable efficient storage and cargo handling procedures.
- *Functions* - Has truck berths, slopes, rampways and vertical conveyors that offer sufficient conveying functionality.
- *Environment* - Features considerations for the global environment as well as the interior environment (amenities for employees, etc.).
- *Disaster prevention* - Ensures structural and facility safety against natural disasters such as seismic isolation or quake-resistance, as well as BCP features (emergency power generators, etc.).

### Sustainable Finance Framework

In January 2021, we strengthened our funding base through the establishment of a Sustainable Finance Framework, which is subject to the following requirements.

- *Eligibility Criteria.* The proceeds are allocated towards the acquisition of “Eligible Green Assets” (which meet the following eligible green project criteria) and/or “Eligible Sustainable Assets” (which meet the following eligible green project criteria and eligible social project criteria) and towards refinancing new or existing debt and bonds to acquire these assets. We refer to Eligible Green Assets and Eligible Sustainable Assets collectively as “Eligible Assets”.
  - *Eligible Green Project Criteria.* Assets that have received or are expected to receive any of the following certifications from a third-party certification program.
    - 1) DBJ Green Building Certification: 3 stars or higher (top 3 certification levels)
    - 2) BELS Certification: 3 or more (top 3 certification levels)
    - 3) CASBEE Appraisal: B+ or higher (top 3 certification levels)
    - 4) LEED Certification: Silver, Gold or Platinum (top 3 certification levels)
    - 5) Top 3 certification levels from any other third-party certification program
  - *Eligible Social Project Criteria.* New or existing real estate properties that meet 2 or more of the following criteria:
    - The land contributes to urban development (*machi-zukuri*) of the surrounding area such as by providing recreational green space based on the needs of the local community.
    - Access to essential services for daily life: (i) real estate with adequate countermeasures to disasters such as evacuation centers or has stockpiles of supplies for local residents; or (ii) real estate that contributes to the local community such as by having an authorized nursery center.
    - Socio-economic improvement and empowerment: Contributions to local community and economy such as through job creation by tenants and use of local companies in construction projects.
- *Management of Proceeds.* The upper limit of funds raised through our Sustainable Finance Framework is calculated by multiplying our interest-bearing debt ratio (as of the most recent fiscal period-end prior to the payment date or execution date) by total acquisition price of Eligible Assets (referred to as “Eligible Green Liabilities” if the Eligible Assets are Eligible Green Assets, or “Eligible Sustainable Liabilities” if the Eligible Assets are Eligible Sustainable Assets).

- *Evaluation eligibility and selecting target assets.* The Asset Management Company's Chief Investment Officer (Investment & Operations Division) conducts the due diligence review of target assets to be acquired through our Sustainable Finance Framework. The 3-member Sustainability Promotion Committee, which is chaired by the President & CEO and includes the Chief Investment Officer and the Chief Finance Officer, holds regular meetings at least 4 times a year to deliberate on the following issues: sustainability policies, strategies, systems and targets, whether to join or otherwise participate in efforts made by environmental organizations, sustainability-related disclosure, and ESG finance. In addition, the Chief Compliance Officer may participate in the Sustainability Promotion Committee meeting to express his or her opinions. We evaluate and select investment targets by comprehensively taking into account the deliberations of the Sustainability Promotion Committee and other factors from the perspective of promoting E/S.
- *Acquisition and financing of target assets.* The acquisition and financing of target assets are decided by the Asset Management Company's Management Committee, which is chaired by the President & CEO and includes the full-time directors and the Chief Compliance Officer.
- *Third-party eligibility assessment.* The JCR Sustainable Finance Framework Evaluation is the evaluation of our Sustainable Finance Framework conducted by Japan Credit Rating Agency, Ltd. (JCR). JCR evaluates whether any given project conducted in accordance with our Sustainable Finance Framework may be deemed to be a green project as well as our management/operations and transparency. Our Sustainable Finance Framework was assigned "SU 1 (F)," the highest evaluation grade in the JCR Sustainable Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. (JCR).

We also ensure the investment strategy is implemented on a continuous basis by establishing and maintaining the eligibility criteria under our Sustainable Finance Framework, and ensuring that any proceeds from financing under that framework will be used exclusively toward properties that meet such criteria.

### Governance

MFLP-REIT does not invest in investee companies and has therefore opted to provide information on the governance policies adopted by MFLP-REIT and the Asset Management Company. While there is no third-party rating used to assess our governance practices, MFLP-REIT, along with the Asset Management Company, have introduced the following measures to assess and enhance our governance systems:

- *Adoption of performance-linked asset management fees.* MFLP-REIT pays performance-linked fees to the Asset Management Company to align the interest of its unitholders and the interest of the Asset Management Company.
- *Transparent and appropriate information disclosure.* We take into consideration the transparency of the information and the ease with which the unitholders will understand the information.

### **Proportion of investments**

The financial products offered by MFLP-REIT promote environmental or social characteristics, but do not have as their objective sustainable investment. As of July 31, 2026, 98.3% of the properties in MFLP-REIT's portfolio, including properties in which MFLP-REIT holds quasi co-ownership interests, were Green Buildings, and 1.7% were not, based on gross floor area (including properties with expired certifications unless there is reason to believe that such properties are no longer environmentally friendly to the same degree as Green Buildings). We aim to maintain the ratio of Green Buildings to the properties in MFLP-REIT's portfolio based on gross floor area at 95% or higher.

We use the following indicators to measure the attainment of the E/S characteristics MFLP-REIT promotes, and the Asset Management Company also uses these indicators on an ongoing basis when conducting the due diligence review of target assets to be acquired under our Sustainable Finance Framework:

- *Environmental certification of MFLP-REIT's properties:* To track the environmental performance of MFLP-REIT's properties, we rely on third-party environmental certifications and call MFLP-REIT's properties that receive sufficient level under any of such environmental certifications "Green Buildings". With respect to DBJ certifications, we consider a property to have sufficient environmental certification if it received 3 stars or higher out of DBJ's 5-star ranking system. With respect to CASBEE, we consider a property to have sufficient environmental certification if it received an A 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 (inferior). With respect to BELS, we consider a property to have sufficient environmental certification if it received a 4 stars or higher out of BELS' 5-star ranking system. With respect to ZEB, we consider a property to have sufficient environmental certification if it received ZEB Ready or higher out of the ZEB ranking system featuring ZEB, Nearly ZEB, ZEB Ready, and ZEB Oriented. ZEB Ready is awarded to buildings that achieve primary energy reduction of 50% or higher.
- *Tracking of environmental performance data:* The Asset Management Company tracks and monitors data on energy consumption, CO<sub>2</sub> emissions, water consumption and waste of MFLP-REIT's portfolio (excluding industrial properties).
- *Climate change initiatives – reduction of CO<sub>2</sub> emissions:* We track and monitor the number of MFLP-REIT's properties that have solar panels installed and the aggregate annual power generation from the solar panels installed in such MFLP-REIT's properties. We also track and monitor the number of MFLP-REIT's properties that have installed LED lighting, and the adoption ratio of MFLP-REIT's properties that have installed LED lighting, based on gross floor area.
- *Ratio of lease agreements with Green Lease provisions:* We track and monitor the ratio of the leases with tenants that include our Green Lease provisions to the total leases of the properties of MFLP-REIT's portfolio based on gross floor area.
- *Environmental KPI targets:* In addition to monitoring and tracking the indicators described above, the Asset Management Company has established environmental KPI targets for MFLP-REIT's portfolio, with the objective of mitigating climate-related risks and taking advantage of climate-related opportunities. The current environmental KPI targets are as follows:
  - *Green Building certification ratio:* We aim to maintain the ratio of Green Buildings to the properties in MFLP-REIT's portfolio based on gross floor area at 95% or higher.
  - *Green Lease provisions ratio:* We aim to increase the ratio of leases with our Green Lease provisions to the total leases of the properties in MFLP-REIT's portfolio based on gross floor area to 90% or higher by the end of 2030.
  - *CO<sub>2</sub> emissions intensity:* We aim to reduce CO<sub>2</sub> emissions intensity of MFLP-REIT's portfolio (excluding industrial properties) by 30% by the end of 2030 from the baseline level in the period from January 1, 2021 to December 31, 2021.
  - *Water consumption intensity:* We aim to maintain water consumption intensity of MFLP-REIT's portfolio (excluding industrial properties) at 0.07 m<sup>3</sup>/m<sup>2</sup> or lower.
  - *LED light adoption ratio:* We aim to maintain, as our environmental KPI target, a LED light adoption ratio of the common areas of the properties in MFLP-REIT's portfolio at 100% (based on

gross floor area), and to obtain a 100% LED light adoption ratio of the tenant-controlled areas of the properties in MFLP-REIT's portfolio (based on gross floor area) by the end of 2030.

- *Social initiatives – local community:* We offer certain properties in MFLP-REIT's portfolio as disaster prevention or evacuation centers for nearby local communities. The center roadway on the 5th floor of MFLP Sakai has been designated as a tsunami evacuation site.

## Methodologies

The Asset Management Company's Chief Investment Officer (Investment & Operations Division) conducts the due diligence review of target assets to be acquired through our Sustainable Finance Framework. The 3-member Sustainability Promotion Committee of the Asset Management Company, which is chaired by the President & CEO and includes the Chief Investment Officer and the Chief Finance Officer, holds regular meetings at least 4 times a year to deliberate on the following issues: sustainability policies, strategies, systems and targets, whether to join or otherwise participate in efforts made by environmental organizations, sustainability-related disclosure, and ESG finance. In addition, the Chief Compliance Officer may participate in the Sustainability Promotion Committee meeting to express his or her opinions. We evaluate and select investment targets by comprehensively taking into account the deliberations of the Sustainability Promotion Committee and other factors from the perspective of promoting E/S.

- *Environmental certification of MFLP-REIT's properties:* To assess each property's attainment of environmental characteristics, we rely on third-party environmental certifications, which are issued by third-party organizations, covering various sustainability and environmental performance items for each property and building therein. For the properties that have not acquired an environmental certification, the Asset Management Company, led by the Sustainability Promotion Committee, considers potential measures to meet the standards for obtaining an environmental certification with the aim of maintaining the ratio of Green Buildings to the properties in MFLP-REIT's portfolio based on gross floor area at 95% or higher. The portfolio-level status of environmental certifications is reported to the Sustainability Promotion Committee at least once every three months and disclosed on the website and public documents.
- *Tracking of environmental performance data:* We track and monitor environmental performance data, such as energy consumption, CO<sub>2</sub> emissions, water consumption and waste, of the properties in MFLP-REIT's portfolio (excluding industrial properties), in order to assess our progress in reducing environmental impact of the properties in MFLP-REIT's portfolio and achieving relevant environmental KPI targets described above. The portfolio-level environmental performance data is reported to the Sustainability Promotion Committee at least once every year and disclosed on the website and public documents. To ensure data quality and accuracy, the Asset Management Company obtains an assurance report regarding the annually compiled portfolio-level data on energy consumption, CO<sub>2</sub> emissions, water consumption and waste from an independent third-party accounting firm.
- *Climate change initiatives– reduction of CO<sub>2</sub> emissions:* As part of our climate change initiatives to reduce CO<sub>2</sub> emissions from the properties in MFLP-REIT's portfolio, we have actively pursued installation of solar panels at the properties in MFLP-REIT's portfolio (including acquiring properties with solar panels already installed) and adoption of LED lighting equipment in the common areas of the properties in MFLP-REIT's portfolio. For solar panels, we track and monitor the number of MFLP-REIT's properties that have solar panels installed and the aggregate annual power generation from the solar panels installed in such MFLP-REIT's properties. For LED light adoption, we also track and monitor the number of MFLP-REIT's properties that have installed LED lighting, and the adoption ratio of MFLP-REIT's properties that have installed LED lighting, based on gross floor area, in order to assess our progress in achieving the environmental KPI targets to maintain 100% adoption ratio of the common areas of the properties in MFLP-REIT's portfolio based on gross floor area, and to obtain 100% adoption ratio of the entire properties in MFLP-REIT's portfolio based on gross floor by the end of 2030.

- *Ratio of lease agreements with Green Lease provisions:* Our Green Lease provisions facilitate cooperation from our tenants to implement measures for energy conservation and environmental preservation. We utilize our Green Lease provisions to require our tenants to provide us with data on the use of the property (including, but not limited to, electricity, gas, and water used at the property), and to cooperate with our efforts to save energy and reduce CO<sub>2</sub> emissions, including permitting us to install LED lighting in tenant-managed areas of the properties. We track and monitor the ratio of the leases with tenants that include our Green Lease provisions to the total leases of the properties of MFLP-REIT's portfolio based on gross floor area, in order to assess our progress in achieving the environmental KPI target of the Green Lease adoption ratio of 90% or higher by the end of 2030.
- *Environmental KPI targets:* As described above, the Asset Management Company has established various portfolio-level environmental KPI targets in order to mitigate climate-related risks and to take advantage of climate-related opportunities. The progress for each relevant environmental KPI target, necessity of environmental KPI target renewal and related initiatives is reported to the Sustainability Promotion Committee at least once every year. The Sustainability Promotion Committee reviews progress of each environmental KPI target, necessity of environmental KPI target renewal and related initiatives, and discloses them on the website and public documents as appropriate.
- *Social initiatives – local community:* As described above, we aim to build and maintain healthy relations with local residents, governments and other community members by providing and ensuring a pleasant and safe environment, and support local communities where MFLP-REIT's properties are located by providing certain properties in MFLP-REIT's portfolio as municipality-designated disaster evacuation sites. We track and monitor the number and status of designated evacuation sites in MFLP-REIT's portfolio, and engage with municipal and local governments to help address their needs for disaster planning and additional evacuation sites in local communities.

## **Data sources and processing**

We use the following data sources:

- *Environmental certification of MFLP-REIT's properties:* Mitsui Fudosan Co., Ltd. ("Mitsui Fudosan") is the logistics manager and the property manager for almost all of MFLP-REIT's properties. At the property level, a logistics management and cooperation subcommittee under the Sustainability Promotion Committee is in charge of preparing reports regarding environmental certifications and related matters in cooperation with Mitsui Fudosan and other property managers. Specifically, the logistics management and cooperation subcommittee under the Sustainability Promotion Committee liaises with Mitsui Fudosan and other property managers and collects relevant property-level raw data required by the third-party organizations that issue environmental certifications for the properties in MFLP-REIT's portfolio. In principle, the Sustainability Promotion Committee compiles relevant raw data collected by the logistics management and cooperation subcommittee, Mitsui Fudosan and other property managers, and prepares and submits the required data and supporting materials to the third-party issuing organizations by internally reviewing the accuracy of the compiled data before submission. At the portfolio level, the proportion of the properties that have obtained environmental certifications and/or qualify as Green Buildings in MFLP-REIT's portfolio is calculated and tracked internally by the Sustainability Promotion Committee. The portfolio-level environmental certification reports are reviewed and discussed at the Sustainability Promotion Committee at least once every three months, and are reported to the board of directors meeting of the Asset Management Company.
- *Tracking of environmental performance data:* At the property level, the logistic management and cooperation subcommittee under the Sustainability Promotion Committee liaises with Mitsui Fudosan and other property managers and collects relevant raw environmental performance data, such as energy consumption, CO<sub>2</sub> emissions, water consumption and waste, once a year. At the portfolio level, the Sustainability Promotion Committee compiles relevant raw data collected by the logistics management and cooperation subcommittee, Mitsui Fudosan and other property managers, and internally reviews the

accuracy of the compiled data before publishing the portfolio-level environmental performance data on the website and public documents. In addition, the Asset Management Company obtains an assurance report regarding the annually compiled portfolio-level data on energy consumption, CO<sub>2</sub> emissions, water consumption and waste from an independent third-party accounting firm to ensure data quality and accuracy.

- *Climate change initiatives– reduction of CO<sub>2</sub> emissions:* At the property level, the Asset Management Company considers and implements installation of solar panels and LED lighting equipment based on inputs from an investment criteria examination subcommittee under the Sustainability Promotion Committee, the logistic management cooperation subcommittee under the Sustainability Promotion Committee, Mitsui Fudosan and other property managers. The portfolio-level reports on climate change initiatives and related matters, including the installation status of solar panels and LED lighting, are prepared by the logistic management cooperation subcommittee under the Sustainability Promotion Committee and are reported to the Sustainability Promotion Committee at least once every three months. The Sustainability Promotion Committee reviews such reports and reports any material development and issues to the board of directors meeting of the Asset Management Company.
- *Ratio of lease agreements with Green Lease provisions:* At a property level, the investment criteria examination subcommittee under the Sustainability Promotion Committee, the logistic management cooperation subcommittee under the Sustainability Promotion Committee, Mitsui Fudosan and other property managers are in charge of negotiation with our tenants to promote and include Green Lease provisions in the lease agreements. In case where a tenant disagrees with inclusion of our Green Lease provisions in the lease agreement, our policy is to explain the benefits of our Green Lease provisions and to continue negotiating with the tenant until such Green Lease provisions are included in the lease agreement. The portfolio-level reports on Green Lease provisions and related matters, including status of inclusion of Green Lease provisions in lease agreements, are prepared by the logistic management cooperation subcommittee under the Sustainability Promotion Committee and are reported to the Sustainability Promotion Committee at least once every three months. The Sustainability Promotion Committee reviews such reports and reports any material development and issues to the board of directors meeting of the Asset Management Company.
- *Environmental KPI targets:* At the property level, the investment criteria examination subcommittee under the Sustainability Promotion Committee, the logistic management cooperation subcommittee under the Sustainability Promotion Committee, Mitsui Fudosan and other property managers are in charge of collecting relevant raw data for each environmental KPI and related initiatives. Collected data and progress for each environmental KPI and related initiatives are reported to the Sustainability Promotion Committee, which in turn reviews and analyzes progress for each environmental KPI and related initiatives at the portfolio level, and discloses them as appropriate on the website and public documents.
- *Social initiatives – local community:* At the property level, the investment criteria examination subcommittee under the Sustainability Promotion Committee, the logistic management cooperation subcommittee under the Sustainability Promotion Committee, Mitsui Fudosan and other property managers are in charge of communicating with municipal and local governments and conducting application process for designation of disaster prevention or evacuation centers. The progress of application process is reported to the Sustainability Promotion Committee as appropriate. The Sustainability Promotion Committee reviews and analyzes the portfolio-level progress of such application process and related matters, and tracks the number of properties in MFLP-REIT's portfolio that have been designated as disaster prevention or evacuation centers for nearby local communities.

### **Limitations to methodologies and data**

The primary limitation to the methodology or data source is the necessity of our reliance on Mitsui Fudosan, the logistics manager and the property manager for a vast majority of the properties in MFLP-REIT's portfolio, for raw data at the property level. Like many other real estate investment corporations and asset

managers, we rely on data provided by the tenants through property managers, and independent verification of accuracy of such data provided by the tenants and property managers presents challenges. In addition, data at the property level provided by Mitsui Fudosan and other property managers is generally updated on an annual basis. Accordingly, property-specific data will not always be fully up to date.

Data at the property level is compiled internally at the Asset Management Company. To ensure data quality and accuracy, the Asset Management Company obtains an assurance report regarding the annually compiled portfolio-level data on energy consumption, CO<sub>2</sub> emissions, water consumption and waste from an independent third-party accounting firm. However, the assurance report does not provide independent verification of accuracy of raw data at the property level and the challenges associated with our reliance on the tenants and property managers for raw data at the property level remain.

Limitations to the methodology and data are not expected to affect the attainment of the environmental or social characteristics promoted by MFLP-REIT in any material way.

### **Due diligence**

Prior to our investment in a property, the Asset Management Company conducts due diligence review of the property, including environment assessment and evaluation of risks related to building safety, soil contamination, flooding, natural disasters, socioeconomics, transportation, water supply, indoor environmental quality, and health and comfort.

The Asset Management Company's Chief Investment Officer (Investment & Operations Division) conducts the due diligence review of target assets to be acquired through our Sustainable Finance Framework.

### **Engagement policies**

The Asset Management Company's investment decision-making process involves assessment of material ESG-related risks and opportunities to ensure that our sustainable investment strategy is implemented. With each acquisition opportunity, we and the Asset Management Company review ESG-related due diligence findings and take into account the acquisition of environmental certifications or future potential to obtain them and energy efficiency assessment. These findings are required to be considered by the Management Committee chaired by the President of the Asset Management Company before a final decision is made on the investment. We will not invest in properties which have environmentally hazardous substances or land pollution beyond an established threshold.

When investing in properties using proceeds from green financing, we do not consider properties that do not meet the criteria under our Sustainable Finance Framework. We also do not consider investing in properties that do not meet the standards for soil contamination and other environmental contamination in accordance with the Air Pollution Control Act and the Soil Contamination Countermeasures Act of Japan and other environmental laws and ordinances, unless the defects are deemed curable immediately after the investment.

In addition, we have standardized environmental provisions, which we refer to as "Green Lease" provisions, in the leases with our tenants. Our Green Lease provisions include a clause for our tenants to collaborate with us to implement measures for energy conservation and environmental preservation.

### **Designated reference benchmark**

MFLP-REIT has no benchmark index designated as a reference benchmark to meet the environmental or social characteristics promoted by MFLP-REIT.



## **REMUNERATION AND SUSTAINABILITY RISKS (SFDR ARTICLE 5 DISCLOSURE)**

The Asset Management Company has a remuneration policy in place which aims to support its strategy, values and long-term interest, including its interest in sustainability. The Asset Management Company's remuneration policy is consistent with the integration of sustainability risks as follows.

- Each employee's base salary is determined based on several factors including job rank, performance, ability, experience, age of the employee, and in some cases, contribution to sustainability targets.
- Remuneration, methods of calculation and payment, timing of payment, and increases in remuneration are determined according to the Asset Management Company's compensation rules, which are established based on statutory requirements.
- Employees receive remuneration that consists of base salary, commutation allowance, overtime allowance, twice-a-year bonus, and other allowances.
- Each employee may receive twice-a-year bonuses, which are determined based on the company's performance as well as economic and market circumstances.

## **INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF MITSUI FUDOSAN LOGISTICS PARK INC. (SFDR ARTICLE 6 DISCLOSURE)**

As described in further detail above, the Sustainability Promotion Committee generally meets at least 4 times a year to evaluate and select the target assets to be acquired based on the due diligence results and other information. The Sustainability Promotion Committee assesses whether projects eligible for use of proceeds are eligible for use in green finance or sustainability finance through our Sustainable Finance Framework. In addition, how such proceeds are used is determined by the Management Committee chaired by the President of the Asset Management Company.

Under this organizational structure, we have instituted a number of initiatives, at both the portfolio level and the property level, to promote E/S characteristics. Such initiatives include climate change initiatives and energy saving initiatives, which are described in detail above.

While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as a top priority in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns. We present below certain sustainability risks and descriptions of how they could impact the value of and returns generated by MFLP-REIT's portfolio.

- *Earthquake, flood and storm risks:* We are exposed to earthquake, flood and storm risks because some of MFLP-REIT's properties are located in areas that are sensitive to their impact. If a significant earthquake, flood or storm hits any of MFLP-REIT's properties, it will likely have a negative effect on its value. This may include physical damage to the properties and tenants' premises and may result in blocked access to the properties. The Asset Management Company addresses these risks by conducting disaster response training based on our business continuity plan and use of a disaster severity assessment system. We also address the earthquake risk by investing only in properties that meet earthquake resistance standards and the risk of flooding by raising the floor level of MFLP-REIT's properties.