


PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS (SUMMARY OF SFDR ARTICLE 8 PRE-CONTRACTUAL DISCLOSURE)

What environmental and/or social (“E/S”) characteristics are promoted by Mitsui Fudosan Logistics Park Inc.?

The Mitsui Fudosan Group (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 “&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 vision, VISION 2025, the Group is working to achieve sustainable society by addressing environmental, social and governance, or ESG, issues while driving continual profit growth.

We and Mitsui Fudosan Logistics REIT Management Co., Ltd, our asset manager (the “Asset Manager”), 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 Manager, in collaboration with Mitsui Fudosan Co., Ltd, our sponsor (the “Sponsor”), has implemented the ESG initiatives including energy saving and reduction of CO2 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.

What sustainability indicators are used to measure the attainment of the E/S characteristics promoted by Mitsui Fudosan Logistics Park Inc.?

We use the following indicators to measure the attainment of the E/S characteristics we promote, and the Asset Manager 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 as described below:

- *Environmental certification of our properties.* To track the environmental performance of our properties, we rely on “Green Buildings” certifications. 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. As of July 31, 2021, 91.7% of our properties were Green Buildings and 49.6% of our properties, including properties in which we hold quasi co-ownership interests, had obtained ZEB based on gross floor area.
- *Climate change initiatives – reduction of CO2 emissions:* We track and monitor the number of our properties that have solar panels installed and the aggregate annual power generation from the solar panels installed in our properties. As of July 31 2021, 11 of our properties had solar panels installed. For calendar year 2020, the aggregate power generation from the solar panels installed in our properties at the time was 18 GWh. We also track and monitor the number of our properties that have install LED lighting. As of July 31 2021, the LED light adoption ratio of our properties was 76.5% overall and 88.0% for common areas based on gross floor area. The amount of electricity generated by the solar panels installed at our properties (11 properties) (including the properties in which we hold quasi co-ownership interests) was 18 GWh in 2020.
- *Social initiatives – local community:* We offer certain properties in our portfolio as disaster prevention or evacuation centers for nearby local communities. As of July 31 2021, one of our properties was made available as a disaster prevention or evacuation center with a total capacity of about 1,400 people. The center roadway on the 5th floor of MFLP Sakai has been designated as a tsunami evacuation site.

What investment strategy does Mitsui Fudosan Logistics Park Inc. follow?

We invest primarily in logistics properties, with a particular focus on MFLP properties (leading-edge logistics properties with Mitsui Fudosan quality). The bulk of our properties are leading-edge logistics properties developed by the Sponsor. As the Sponsor emphasizes ESG considerations in its investment strategy and we mainly acquire properties from the Sponsor, we believe we are well-positioned to acquire ESG-conscious properties. We and the asset manager share the Group's ESG management principles and are proactively implementing ESG initiatives.

In January 2021, we strengthened our funding base through the establishment of a Sustainable Finance Framework, which allows us to expand our investor base to include those interested in ESG investment and financing and further promote our sustainability. We issued our first sustainability bond on February 12, 2021 under this framework. We 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. 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).

What is the asset allocation planned for Mitsui Fudosan Logistics Park Inc.?

As of July 31, 2021, 91.7% of the properties in the portfolio, including properties in which we hold quasi co-ownership interests, were Green Buildings, and 8.3% 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). As of July 31, 2021, 91.7% of our properties, including properties in which we hold quasi co-ownership interests, were Eligible Green Assets 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 Eligible Green Assets). We will continue our efforts to maintain the percentage of Eligible Green Assets and to increase the percentage of Green Buildings.

What is the policy to assess good governance practices of investee companies and Mitsui Fudosan Logistics Park Inc.?

We directly invest in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable.

While there is no third-party rating used to assess our governance practices, we, along with the Asset Manager, have introduced the following measures to assess and enhance our governance systems:

- *Adoption of performance-linked asset management fees.* We pay performance-linked fees to the Asset Manager to align the interest of our unitholders and the interest of the Asset Manager.
- *Transparent and appropriate information disclosure.* We take into consideration the transparency of the information and the ease with which the shareholders will understand the information.

REMUNERATION AND SUSTAINABILITY RISKS (SFDR ARTICLE 5 DISCLOSURE)

The Asset Manager has a remuneration policy in place which aims to support its strategy, values and long-term interest, including its interest in sustainability. The Asset Manager'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 Manager'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.