

## PRINCIPAL ADVERSE IMPACT STATEMENT

*The following is the adverse sustainability impact statement of Nippon Prologis REIT, Inc. (“NPR”) pursuant to Regulation (EU) 2019/2088 (“SFDR”). We have no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and rely on Prologis REIT Management. K.K. (the “Asset Manager”) to manage and operate the properties in our portfolio. NPR and the Asset Manager are hereinafter referred to collectively as “we”, “us” or “our”.*

### 1. Summary

We consider principal adverse impacts of our investment decisions on sustainability factors. The present statement is our consolidated statement of the principal adverse impacts on sustainability factors (“PAI”). The statement covers the reference period from June 1, 2022 to December 31, 2022. The statement will be reviewed as needed.

The Prologis Group, including NPR and the Asset Manager, conducts sustainable corporate activities with goals of protecting the environment, contributing to society, and maintaining corporate ethics and governance, as a good corporate citizen. We aim to minimize the impact of the Prologis Group’s business activities on the environment and to maximize the benefit of all stakeholders.

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

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

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

### 2. Description of principal adverse sustainability impacts

Nearly all types of economic activity have the potential to impact various PAI indicators both positively and adversely. We aim to manage the risks connected to PAI from our investment decisions in several ways, including general screening criteria, due diligence and our ESG initiatives. Some of the PAI indicators listed below are currently already being monitored and reported. As the availability of data improves in the future, we intend to add more indicators.

Table 1

## Principal adverse sustainability impacts statement

We do not invest in investee companies, but invest in real estate. As adverse sustainability indicators 1-16 as contained in the Regulatory Technical Standard pertain to investee companies, these are not included in this PAI statement, which pertains to real estate investments.

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact in 2022	Impact in 2021	Explanation	Actions taken
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	We do not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	As of December 31, 2022, 1.8% of our properties were not “Eligible Green Projects” (as defined to the right) based on acquisition price.	As of December 31, 2021, 1.9% of our properties were not “Eligible Green Projects” (as defined to the right) based on acquisition price.	To track the environmental performance of our properties, we rely on certifications issued by third-party organizations such as the Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) certification, Building Energy-efficiency Labeling System (“BELS”) certification, the Development Bank of Japan’s Green Building Certification (“DBJGB”)	We will do our best to obtain appropriate environmental certifications for properties that are not the “Eligible Green Projects” in due course.

					<p>and other equivalent certifications. We call our property that receives any such certifications an “Eligible Green Project”. With respect to CASBEE, we consider a property to have a sufficient environmental certification if it received B+ Rank or higher out of the CASBEE ranking system featuring Rank S (excellent), Rank A (very good), Rank B+ (good), Rank B- (slightly inferior) and Rank C (inferior). With respect to BELS, we consider a property to have a sufficient environmental certification if it received a four stars or higher out of BELS’ five-star ranking system. With respect to DBJGB, we consider a property to have a sufficient environmental certification if it received four stars or higher out of DBJGB’s five-star ranking</p>	
--	--	--	--	--	---	--

					system. We treat properties as the Eligible Green Projects even after their environmental certifications have technically expired.	
--	--	--	--	--	--	--

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric
<b>Indicators applicable to investments in real estate assets</b>		
Energy consumption	<p>19. Energy consumption intensity</p> <p>The energy consumption intensity from our portfolio was 0.0433MWh/m<sup>2</sup> in 2020, 0.0420 MWh/m<sup>2</sup> in 2021 and 0.0437 MWh/m<sup>2</sup> in 2022.</p>	Energy consumption in GWh of owned real estate assets per square meter

Table 3

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

<b>SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>		
Adverse sustainability impact	Adverse sustainability impact (qualitative or quantitative)	Metric
<b>Indicators applicable to investments to the Asset Manager or tenants</b>		
Social and employee matters	<p>1. Investments in companies without workplace accident prevention policies</p> <p>Ensuring the safety of all stakeholders such as customers and suppliers, as well as every employee in the Prologis Group, including the Asset Manager, is a priority for us. The Prologis Group has established a safety helpline that allows all stakeholders inside and outside NPR, the Asset Manager and other Prologis Group companies to call out issues that they find at a jobsite or in their work environment where safety practices are not being properly followed. The Safety Helpline is managed by a third party to ensure anonymity and is also available to our tenants.</p>	<p>Share of investments in investee companies without a workplace accident prevention policy</p> <p>The Asset Manager has an accident prevention policy that is also available to the tenants.</p>

	<p>6. Insufficient whistleblower protection</p> <p>The Prologis Group has introduced a whistle-blowing system to provide every employee in the Prologis Group in Japan, including the Asset Manager, with a safe and comfortable working environment. All employees of the Asset Manager can directly contact and consult with the Compliance Officer and the Head of the Personnel and General Administration Division of K.K. Prologis. In addition, the Prologis Group has set up a global whistle-blower system for compliance issues managed by a third party, which ensures anonymity, and all employees of the Asset Manager have access to the system at any time.</p>	<p>Share of investments in entities without policies on the protection of whistleblowers</p> <p>All of the Asset Manager's officers and employees are provided whistleblower protection.</p>
	<p>7. Incidents of discrimination</p> <p>We encourage the advancement of human rights in our relationships with our employees, suppliers, contractors and sub-contractors, business partners, investors, customers and communities in which we work. To that end, the Prologis Group has adopted a comprehensive Global Human Rights Policy that covers such things as health and safety of our workforce and ensures we do not do business with companies that violate human rights laws or engage in human rights abuses. In addition, we require our business partners to adhere to the Prologis Supplier Code of Conduct, which requires adherence to fair employment practices including, for example, work environments free from discrimination and harassment.</p> <p>We have zero tolerance for cyberbullying and the use of social media to intimidate, harass or discriminate against fellow employees or members of our community. We do not use ethnic slurs, personal insults, obscenity or engage in any conduct that would not be acceptable in the workplace, in accordance with the Prologis Code of Ethics and Business Conduct.</p>	<p>1. Number of incidents of discrimination reported in investee companies expressed as a weighted average</p> <p>No incident of discrimination has been reported.</p> <p>2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average</p> <p>No incident of discrimination has been reported.</p>
Human Rights	<p>9. Lack of a human rights policy</p> <p>Please see the following page for our human right policy:</p> <p><a href="https://prologis.getbynder.com/m/28d61f41470def31/original/Prologis-Human-Rights-Policy.pdf">https://prologis.getbynder.com/m/28d61f41470def31/original/Prologis-Human-Rights-Policy.pdf</a></p>	<p>Share of investments in entities without a human rights policy</p> <p>The Asset Manager's ESG Policy includes a human rights policy applicable to all of its officers and employees.</p>
	<p>12. Operations and suppliers at significant risk of incidents of child labor</p>	<p>Share of investments in investee companies</p>

	<p>The Prologis Group explicitly prohibits the use of unlawful child labor for our own operations and by our suppliers as part of the Prologis Supplier Code of Conduct. All workers must be of at least the relevant national working age in the markets in which we conduct business. In addition to prohibiting unlawful child labor, the Prologis Group also has a strict prohibition against any kind of forced or indentured labor. This includes protecting workers who may be uniquely vulnerable because of their status as foreign or migrant workers.</p>	<p>exposed to operations and suppliers at significant risk of incidents of child labor exposed to hazardous work in terms of geographic areas or type of operation</p> <p>The Asset Manager prohibits any kind of forced or indentured labor including child labor.</p>
Anti-corruption and anti-bribery	<p>15. Lack of anti-corruption and anti-bribery policies</p> <p>The Asset Manager requires all officers and employees to annually take and pass evaluations of their understanding of the Prologis Code of Ethics, and to pledge to comply with the Code of Ethics. The Prologis Group holds all employees and board members to the highest ethical standards. The Prologis Group maintains high ethical standards required by a global corporate group by applying the Code of Ethics and Business Conduct to all executives and employees of the Prologis Group. In addition, the Prologis Group constantly provides all officers and employees, including the Asset Manager's officers and employees, with various training opportunities to improve their understanding of ethical standards and ethical decision-making abilities.</p> <p>In addition, the Prologis Group, including the Asset Manager, operates in compliance with the U.S. Foreign Corrupt Practices Act (FCPA), which forbids bribery of foreign officials and concealment of such bribery. To ensure FCPA compliance, the Prologis Group has an enterprise-wide FCPA policy and training program. All employees are required to notify our Legal Department if they know of or suspect any possible FCPA violation.</p> <p>Furthermore, the Prologis Group prohibits acts that are suspected of being illegal acts pertaining to politics or government as well as entertainment, gifts and bribery with customers and suppliers that deviate from common sense. All employees always keep these rules in mind and are committed to complying with the Code of Ethics and Business Conduct throughout the Prologis Group.</p> <p>We have never provided any political contributions and there were no critical breaches against the Prologis Code of Ethics.</p>	<p>Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption</p> <p>The Asset Manager has compliance policies addressing anti-corruption and anti-bribery that apply to all of its officers and employees.</p>

For descriptions of actions which NPR takes and will take with respect to the PAI indicators, please refer to our ESG website: <https://www.prologis-reit.co.jp/en/esg/index.html>

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

Subject to data availability, we monitor the selected PAI indicators for the existing properties in our portfolio.

Prior to our investment in a property, we conduct due diligence review of the property, including ESG due diligence, which includes selected PAI indicators. The due diligence findings related to selected PAI indicators are reported and reviewed prior to the investment decision.

In order to realize sustainability in our asset management while maximizing our portfolio value, we consider ESG factors in our investment and asset management processes. In particular, the Asset Manager has established a green finance framework consisting of two parts – one for bonds and one for equity. When determining whether to acquire or invest in properties under our green finance framework, we rely on the CASBEE, BELS and DBJGB certifications. We can use green financing to acquire properties that receive (i) B+ Rank or higher out of the CASBEE ranking system, (ii) four stars or higher out of BELS's five-star ranking system and (iii) four stars or higher out of DBJGB's five-star ranking system.

For further information, please refer to our ESG website: <https://www.prologis-reit.co.jp/en/esg/index.html>

#### **4. Engagement policies**

##### *Due Diligence and Screening*

When investing in properties using proceeds raised through our green finance framework, we do not invest in properties that fail to meet the green eligible criteria under our green finance framework. In addition, we prioritize properties designed and constructed in an environmentally thoughtful way and assessed to have low environmental burdens. We also investigate the presence of harmful substances, the history of past land usages and the existence of soil contamination when investing in properties. We do not invest in properties unless appropriate measures are taken under the Soil Contamination Countermeasures Act of Japan and other environmental laws and ordinances.

We monitor ESG-related data and disclose at least once a year at <https://www.prologis-reit.co.jp/en/esg/datasheet.html>.

##### *Engagement*

We have included in our lease contracts with our tenants Green Lease provisions that require them to collaborate with us to implement various measures including actions for energy savings and disclosure of various environmental data to us. We require our business partners to adhere to the Prologis Supplier Code of Conduct, which requires adherence to fair employment practices including, for example, establishing work environments free from discrimination and harassment. The Prologis Supplier Code of Conduct also explicitly prohibits the use of unlawful child labor for our own operations and by our suppliers

#### **5. References to international standards**

The Prologis Group and the Asset Manager have officially expressed their support for the Task Force on Climate-related Financial Disclosures ("TCFD") as a guiding framework for companies to show how they are responding to climate change and the Asset Manager provides disclosures of our alignment with TCFD's four core elements: governance, strategy, risks & opportunities and targets & metrics. The Asset Manager has provided disclosures in alignment with TCFD's four core elements at <https://www.prologis-reit.co.jp/en/esg/environmental3.html>.