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# TOP COMMITMENT



## Satoshi Yamaguchi

Executive Director, Nippon Prologis REIT,  
Inc. Chief Executive Officer  
Prologis REIT Management K.K.

More than nine years have passed since the inception of Nippon Prologis REIT, Inc. (NPR) in February 2013. To date, NPR and the Prologis Group have demonstrated healthy growth of businesses in Japan and the size of NPR's assets under management (AUM) has now exceeded 800 billion yen, while continuing to successfully maximize NPR's investor value. At the same time, we have been able to maintain a strong focus on our company's values and priorities, including our long-standing commitment to excellence in Environmental, Social and Governance (ESG) performance.

In line with our commitment "to manage modern and efficient distribution facilities by building long-term relationships and supporting our customers, communities, consumer/end users, investors, and other stakeholders," we have been successful in building a sustainable future that creates value for all of our stakeholders.

Over the past four decades, Prologis has embedded ESG practices across our business. In Japan, Prologis has invented what is now the standard for Japanese modern logistics facilities, with a variety of environmental and worker-friendly features. We continue to showcase creativity and innovation by introducing new technologies to make our buildings more sustainable, while promoting the health and well-being of our customers. On a social side, contributing to our local communities has also been at the forefront of efforts and we have been engaged in across a number of initiatives that support multiple charitable causes. Furthermore, we continue to implement strong corporate governance across both NPR and Prologis, ensuring accountability and transparency.

We are proud to be recognized for our performance and accomplishments in connection with our ESG initiatives. In 2021, NPR was awarded a "Five Star" rating (the highest level of recognition) for the seventh consecutive year from GRESB, and continued to be included in the honorable Dow Jones Sustainability World Index as the only J-REIT. In addition, MSCI ESG Rating for NPR has been upgraded to single A and NPR continues to be included in "MSCI Japan ESG Select Leaders Index," which recognize our efforts to further promote various ESG initiatives and improve our ESG disclosure.

Going forward, NPR and the Prologis Group will continue to commit to ESG to realize our long-term vision. I sincerely wish that this website will help you understand our strong passion and commitment towards building a sustainable future.

Sincerely,

September 2022

# ESG POLICY AND MANAGEMENT SYSTEM

## ESG IS IN OUR DNA

The principles of environmental stewardship, social responsibility and governance (ESG) are a natural fit in our long-term strategy. Simply put, ESG is good business. It aligns with our longstanding commitment to be a trusted, valued and long-term partner for our customers and an exemplary citizen, minimizing our environmental impacts and maximizing returns for our stakeholders.

## OUR APPROACH TO ESG

Prologis' longstanding commitment to ESG began with leading-edge governance dating back to our founding almost 40 years ago. Building on this foundation, our deep commitment to environmental stewardship, social responsibility and good governance has made us a leader in our industry and beyond.

### **Prologis' ESG leadership also creates value for our business in a number of ways:**

- Drives innovation by focusing our attention on solving critical challenges.
- Expands our value proposition beyond real estate by addressing our customers' pain points with ESG solutions.
- Deepens our relationships with customers, employees, communities, investors and other key stakeholders.
- Attracts and retains top talent by building a strong, inclusive culture based on common values.
- Reduces our capital costs through ESG-related financing such as green bonds and sustainability-linked loans.

## NPR AND PROLOGIS AS ONE GROUP FOR ESG

NPR functions as a long-term real estate holding vehicle for the Prologis Group's business in Japan. Prologis conducts its global business through one common operating platform that covers all entities in the Prologis group, including NPR. For ESG initiatives, Prologis uses its scale to provide one common ESG platform (ESG objectives, principles, policies, goals and monitoring systems) that covers NPR. In addition, NPR, as a separate public entity, also has distinct, independent ESG management systems especially for its governance.

# NPR'S ESG COMMITTEE

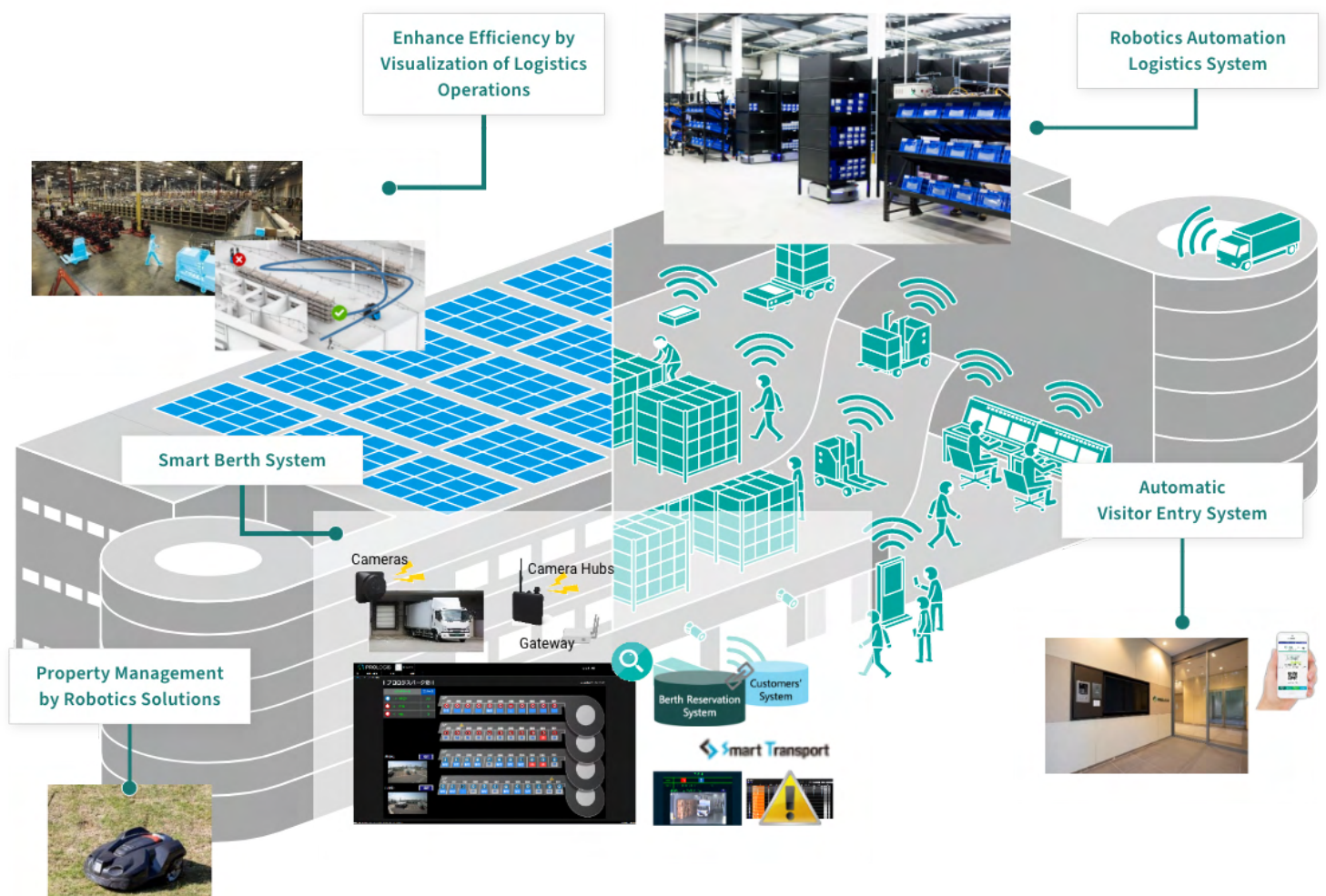
Prologis REIT Management K.K. (PLDRM), the asset manager for NPR, organizes and holds ESG Committee meetings. Chaired by the Chief Executive Officer of PLDRM, the Committee plans and implements various ESG initiatives for NPR. Additionally, the ESG Committee reviews and evaluates feedback from stakeholders on NPR's ESG initiatives and actions with the intention of aligning with Prologis' ESG Policy.

NPR's ESG Committee primarily consists of the key management members of PLDRM:

- Chief Executive Officer (Chief Sustainability Officer)
- Head of Financial Planning/Investor & Public Relations Division (Sustainability Officer)
- Head of Investment & Operations Division (Sustainability Officer)
- Head of General Administration & Accounting Division (Sustainability Officer)
- Compliance Officer
- Other members in charge of sustainability, as applicable.

# CUTTING-EDGE TECHNOLOGIES IN PROLOGIS PARKS

One key focus of Prologis parks in Japan is our cutting-edge solutions to support our customers' sustainable growth. Prologis facilities leverage IoT and AI to help improve the efficiency of logistics operations. These technologies contribute to the allocation of human resources effectively mitigating potential difficulties of a labor shortage.

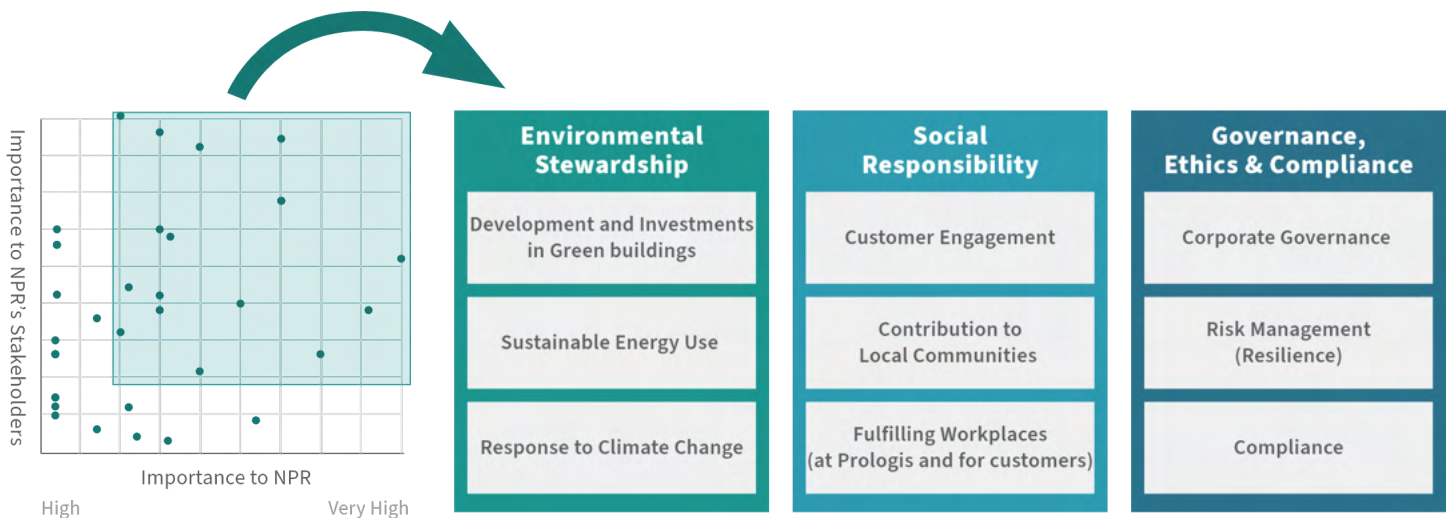


# MATERIALITY AND COMMITMENT TO THE SDGS

## NPR'S MATERIALITY

### Materiality Identified

NPR, Prologis REIT Management K.K. (PLDRM) and Prologis Japan identified nine material issues on ESG in connection with the businesses of the Prologis Group in 2021.










### Materiality Assessment




In 2021, NPR, PLDRM and Prologis Japan identified material issues on ESG in connection with the businesses of the Prologis Group through the following process:

- Step 1: Listing up material ESG issues (visualizing a long list)**  
 We prepared a long list of material issues by referring to measurements of multiple ESG assessments (such as GRESB, etc.), which are highly regarded by global investors, as well as various international norms (such as Sustainable Development Goals (SDGs)) and international disclosure standards (such as GRI and SASB) which are deemed reflecting views and principles of the Prologis Group's multi-stakeholders.
- Step 2: Integrating the degree of impact of listed ESG issues (preparing a middle list)**  
 We clarified material issues, which have a high impact on the Prologis Group's stakeholders and are related with the SDGs prioritized by both NPR and Prologis Japan, by screening the long list and identifying important themes that are commonly contained in the multiple issues within the list.
- Step 3: Weighting and approval (finalizing a short list)**  
 Fully involving the senior management of NPR and Prologis Japan, we have identified nine material issues from the middle list based on the levels of importance/essentiality of each issue. The short list of the nine material issues has been reviewed and approved by the Investment Committee of PLDRM and the Board of Directors of NPR after the deliberations at the ESG Committee of PLDRM and the Management Committee of Prologis Japan.

## KPIs Associated with Materiality and Contribution to SDGs

We have set up the following KPIs for each materiality and will continue to monitor their progress. KPIs for each materiality were identified and its progress is being managed and measured. The KPIs for each materiality are aimed to contribute to the SDGs.

Materiality	KPIs (unit)	Progress	SDGs
Development and Investments in Green buildings	Ratio of eligible green projects (%) Target: maintain 95% or more (acquisition price basis)	98.1% (As of June 30, 2022)	
Sustainable Energy Use	<ul style="list-style-type: none"> <li>Solar Power Installation Total capacity across the NPR's portfolio (MW) Target: 45 MW by 2022</li> <li>LED lighting installation Floor area basis ratio of the NPR's portfolio (%) Target: 80% or more by 2022</li> </ul>	43.2MW (As of June 30, 2022)  78% (As of June 30, 2022)	
Response to Climate Change	<b>Disclosure aligned with TCFD</b> Under discussion on quantitative targets of the greenhouse gas (GHG) emission	NPR's GHG emission Scope 1 & 2 7,966 tCO <sub>2</sub> e Scope 3 (Category 13) 64,881 tCO <sub>2</sub> e (2021)	
Customer Engagement	Floor area basis green lease contracts ratio of the NPR's portfolio (%) Target: 70% or more by 2026	46% (As of June 30, 2022)	
Contribution to Local Communities	Volunteer hours spent by the employees of PLDRM and Prologis Japan (Hours)	618 Hours (2021)	
Fulfilling Workplaces	<ul style="list-style-type: none"> <li>Percentage of female employees by position Percentage of female employees in management position (%) Target: 20% by 2027 at Prologis Japan</li> <li>Percentage of female candidates for management position (%) Target: 30% by 2027 at Prologis Japan</li> <li>Difference in average employment years between male and female (years) Target: No difference by 2027 at Prologis Japan</li> </ul>	15%  28%  2 years difference (As of December 31, 2021)	  

Materiality	KPIs (unit)	Progress	SDGs
Corporate Governance	<ul style="list-style-type: none"> <li>Percentage of independent directors of the board at NPR (%) Target: Maintain 75% or more</li> <li>NPR's board members' average attendance rate by year (%) Target: 90% or more</li> </ul>	75%	
Risk Management (Resilience)	Risk monitoring conducted by PLDRM (cases) Target: 4 cases or more	4 cases (2021)	
Compliance	Ethics Training Completion Rate (%) Target: 100% completion at PLDRM	100% (2021)	



# GREEN FINANCE

As a member of the Prologis Group, NPR has been strategically engaged in investing in and managing high-quality, energy-efficient, sustainable, modern logistics facilities in line with NPR's strategy in reducing our environmental footprint and striving to minimize our environmental impacts. In addition, the demand for ESG-related capital investment has been significantly increasing, as ESG-related social concerns rise. In light of this recent trend, NPR has established the "Green Bond Framework" and the "Green Equity Framework", capitalizing the high-quality portfolio of [Eligible Green Projects](#), providing the capital market with opportunities for ESG investment. NPR intends to continue our strong commitment to ESG through such "Green Financing" activities, while expanding our investor universe by generating demand for ESG investment.

## GREEN BOND

NPR may issue green bonds according to the protocols described in Prologis' "Green Bond Framework" with reference to the four elements indicated by the Green Bond Principles stipulated by the International Capital Market Association (ICMA). NPR has obtained a second-party opinion for the eligibility of the "Green Bond Framework" from Sustainalytics, a third-party ESG evaluation agency.

[GREEN BOND FRAMEWORK →](#)

[SECOND-PARTY OPINION →](#)

### Green Bond Framework Overview

#### 1. Use of proceeds

The proceeds will be allocated to new or existing investment or expenditure for the Eligible Green Projects.

#### 2. Process for project evaluation and selection

The projects to which the proceeds will be allocated are evaluated and selected by the Green Bond Committee, which consists of the members of our ESG Committee.

#### 3. Management of proceeds

Green Bond Committee allocates the proceeds to the Eligible Green Project Portfolio.

#### 4. Reporting

NPR reports in its website, within a year of the issuance of applicable green bonds, the status of allocation to "the Eligible Green Projects". Reporting will include the total allocated / unallocated amount of proceeds, the numbers and certification levels of the applicable Eligible Green Projects, to the extent practicable.

## The Allocation Reporting of our Green Bond

The allocation of net proceeds to the Eligible Green Projects regarding our Green Bond is reported below.

GREEN BOND					
	Amount (JPY Million)	Date of Issuance	Date of Redemption	Date of Allocation	Use of Proceeds
7th Unsecured Investment Corporation Bonds	6,000	2018/8/17	2028/8/17	2018/8/20	A portion of the prepayment of the short-term loans (6,300 million yen) borrowed on Aug. 8, 2018, which was a refinancing of loans originally borrowed for the acquisitions of properties on Aug 1, 2017 (Prologis Park Narashino 5, Prologis Park Ibaraki and Prologis Park Koga 2), all of which are the Eligible Green Projects.
8th Unsecured Investment Corporation Bonds	5,000	2020/4/17	2040/4/17	2020/4/20	A portion of the prepayment of the short-term loans (10,000 million yen) borrowed on Feb. 5, 2020, which originally borrowed for the acquisitions of properties on Feb. 5, 2020 (Prologis Park Chiba 1, Prologis Park MFLP Kawagoe and Prologis Park Tsukuba 1-B), all of which are the Eligible Green Projects.
9th Unsecured Investment Corporation Bonds	5,000	2020/4/17	2050/4/15	2020/4/20	A portion of the prepayment of the short-term loans (10,000 million yen) borrowed on Feb. 5, 2020, which originally borrowed for the acquisitions of properties on Feb. 5, 2020 (Prologis Park Chiba 1, Prologis Park MFLP Kawagoe and Prologis Park Tsukuba 1-B), all of which are the Eligible Green Projects.
10th Unsecured Investment Corporation Bonds	7,000	2021/5/31	2031/5/30	2021/6/15	1) A portion of the prepayment of the short-term loans (10,000 million yen) borrowed on Feb. 8, 2021, which originally borrowed for the acquisitions of properties on Feb. 8, 2021 (Prologis Park Chiba New Town, Prologis Park Chiba 2 and Prologis Park Tsukuba 2), all of which are the Eligible Green Projects. 2) A portion of the redemption of the 3rd Unsecured Investment Corporation Bonds (2,000 million yen) issued on Jun. 15, 2017, which originally refinanced previous loans borrowed for the acquisitions of properties on Mar. 3, 2016 (including Prologis Park Kitamoto, Prologis Park Joso and Prologis Park Osaka 5), all of which are the Eligible Green Projects.

	Amount (JPY Million)	Date of Issuance	Date of Redemption	Date of Allocation	Use of Proceeds
11th Unsecured Investment Corporation Bonds	5,000	2021/5/31	2036/5/30	2021/6/15	1) A portion of the prepayment of the short-term loans (10,000 million yen) borrowed on Feb. 8, 2021, which originally borrowed for the acquisitions of properties on Feb. 8, 2021 (Prologis Park Chiba New Town, Prologis Park Chiba 2 and Prologis Park Tsukuba 2), all of which are the Eligible Green Projects. 2) A portion of the redemption of the 3rd Unsecured Investment Corporation Bonds (2,000 million yen) issued on Jun. 15, 2017, which originally refinanced previous loans borrowed for the acquisitions of properties on Mar. 3, 2016 (including Prologis Park Kitamoto, Prologis Park Joso and Prologis Park Osaka 5), all of which are the Eligible Green Projects.
12th Unsecured Investment Corporation Bonds	3,000	2022/6/22	2027/6/22	2022/6/22	A portion of the prepayment of the short-term loans (7,300 million yen) borrowed on Dec. 13, 2021, which was a refinancing of loans originally borrowed for the acquisitions of properties on Dec. 1, 2021 (Prologis Park Inagawa 2, Prologis Park Kobe 5 and Prologis Park Ebina 2), all of which are the Eligible Green Projects.
13th Unsecured Investment Corporation Bonds	2,300	2022/8/17	2028/8/17	2022/8/17	A portion of the prepayment of the short-term loans (7,300 million yen) borrowed on Dec. 13, 2021, which was a refinancing of loans originally borrowed for the acquisitions of properties on Dec. 1, 2021 (Prologis Park Inagawa 2, Prologis Park Kobe 5 and Prologis Park Ebina 2), all of which are the Eligible Green Projects.
<b>Total Green Bond Balance</b>	<b>33,300</b>				

## GREEN EQUITY

NPR conducted a green equity offering in January 2021, the first in the J-REIT industry, according to the protocols described in the “Green Equity Framework” with reference to the four elements indicated by the Green Bond Principles stipulated by the International Capital Market Association (ICMA). NPR has obtained a second-party opinion for the eligibility of the “Green Equity Framework” from DNV, a third-party ESG evaluation agency.

[GREEN EQUITY FRAMEWORK →](#)

[SECOND-PARTY OPINION →](#)

## Green Equity Framework Overview

### 1. Use of proceeds

The proceeds will be allocated to new or existing investment or expenditure for the Eligible Green Projects.

### 2. Process for project evaluation and selection

The projects to which the proceeds will be allocated are evaluated and selected by the ESG Committee.

### 3. Management of proceeds

ESG Committee allocates the proceeds to the Eligible Green Project Portfolio.

### 4. Reporting

NPR reports in its website, within a year of the issuance of new investment units through the green equity offering, the status of allocation to "the Eligible Green Projects". Reporting will include the total allocated / unallocated amount of proceeds, the numbers and certification levels of the applicable Eligible Green Projects, to the extent practicable.

## The Allocation Reporting of our Green Equity Offering

The allocation of net proceeds to the Eligible Green Projects regarding our Green Equity Offering is reported below.

### GREEN EQUITY

	Amount (JPY Million)	Date of Launch	Date of Settlement	Date of Allocation	Use of Proceeds
10th Follow-on Offering	35,604	2021/1/20	2021/2/2	2021/2/8	A portion of the acquisitions of properties on February 8, 2021 (Prologis Park Chiba Newtown, Prologis Park Chiba 2 and Prologis Park Tsukuba 2), all of which are the Eligible Green Projects.
11th Follow-on Offering	29,491	2021/11/29	2021/12/10	2021/12/13	A portion of the prepayment of the short-term loans (57,100 million yen) borrowed on Dec. 1, 2021, which originally borrowed for the acquisitions of properties on Dec. 1, 2021 (Prologis Park Inagawa 2, Prologis Park Kobe 5 and Prologis Park Ebina 2), all of which are the Eligible Green Projects.

# THE ELIGIBLE GREEN PROJECTS

The Eligible Green Projects are assets which meet the following eligible criteria set forth in the “Green Bond Framework” and “Green Equity Framework”.

## THE ELIGIBLE GREEN PROJECTS IN NPR'S PORTFOLIO →

### 1. Green Building

- (i) New, existing or refurbished buildings which have received or scheduled to be received at least one of the following classifications:

(a) LEED	Platinum, Gold, Silver
(b) DGNB	Platinum, Gold, Silver
(c) BREEAM	Outstanding, Excellent, Very Good, Good
(d) HQE	Exceptional, Excellent, Very Good (Very Performant), Good (Performant)
(e) CASBEE	S, A, B+
(f) DBJ Green Building Certification	5, 4
(g) BELS	5, 4

- (ii) Refurbishments to properties in order to significantly improve energy efficiency and/or water efficiency of, or make other environmentally beneficial improvements to a building, building subsystem or land.

### 2. Renewable Energy Projects

Acquisition, development, construction and/or installation of renewable energy production units. Renewable energy and storage projects can include:

- (i) Solar panel installations
- (ii) Wind-related energy projects

### 3. Energy Efficiency

- (i) Energy Storage Systems

# ESG REPORTING

[GRI Content Index](#) ▾[SASB Index](#) ▾

## INFORMATION DISCLOSURE ON ESG

### Information Disclosure Policy and Scope of Reporting

NPR utilizes this ESG Report, ESG website, Earnings Presentation Materials and semiannual reports ([IR Library](#)) as tools to enable communication, disclosing our sustainability initiatives and achievements. In principle, the reporting scope shall be NPR's entire portfolio and ESG website is updated semiannually.

The current reporting period is the fiscal period that started on December 1, 2021 and ended on May 31, 2022, however the report for the fiscal period does include information about past period and different fiscal period.

### Disclosure aligned with international guidances

NPR's disclosure has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. It also reports data using Sustainability Accounting Standards Board (SASB)'s Real Estate Standard.

[GRI Content Index](#) →

[SASB Index](#) →

Our ESG datasheet provides performance data on Prologis' key ESG initiatives.

[VIEW NPR'S ESG DATA](#) →

# PROLOGIS GROUP'S ESG REPORTING



Prologis group's annual ESG report details our progress, updates its data and metrics, and aligns with sustainability reporting frameworks.

**[READ THE 2021-22 PROLOGIS ESG REPORT: EXECUTIVE SUMMARY](#)** →

**[READ THE 2021-22 PROLOGIS ESG FULL REPORT](#)**  
→

## External Assurance

Reporting on Prologis' and NPR's Greenhouse Gas Emissions for the latest year has been externally assured by Lloyd's Register Quality Assurance (LRQA) based on ISO 14065 and ISO/IEC 17021.

**[LRQA INDEPENDENT ASSURANCE STATEMENT](#)** →

## CONTACT

Asset Manager	Prologis REIT Management K.K.
E-mail	NPR_IR@prologis-rm.co.jp

# ESG DATA

All annual data is as of December 31, unless otherwise noted and the coverage shows the latest year's percentage. Nippon Prologis REIT, Inc. (NPR) does not have any employee because of J-REIT regulation and all the employees of Prologis REIT Management K.K. (PLDRM) are on secondment from Prologis Japan (PLD JP).

## CERTIFICATE

	Entity	Unit	Coverage	2018	2019	2020	2021	Target	Target year
Building Certification: CASBEE B+ or above	PLD JP	%	100%	-	100	100	100	100	-
Eligible Green Projects	NPR	%	100%	85.2	88.5	97.8	98.1	95	2020

(Note 1) Acquisition price basis.

## ENERGY

	Entity	Unit	Coverage	2019	2020	2021	Target	Target year
Energy Consumption from NPR's Portfolio <sup>(1)</sup>	NPR	MWh	98%	125,686	160,892	168,240	-	-
Energy Consumption Intensity from NPR's Portfolio <sup>(2)</sup>	NPR	MWh/m <sup>2</sup>	98%	0.0382	0.0433	0.0420	-	-
Solar Power Generation	NPR	MW	100%	-	40.3	43.2	45	2022
LED Lighting <sup>(2)(3)</sup>	NPR	%	100%	-	59	75	80	2022

(Note 1) Coverage is based on gross floor area. Past data revised to improve comparability.

(Note 2) Changed for adjusted rented area basis since 2019.

(Note 3) Net rentable area basis.



# CLIMATE CHANGE

	Entity	Unit	Coverage	2019	2020	2021
Greenhouse Gas (GHG) Emissions from NPR's Portfolio <sup>(2)</sup>	NPR	t-CO2e	98%	58,067	71,597	72,848
GHG Emissions: Scope 1&2 <sup>(3)</sup>	NPR	t-CO2e	100%	7,941	7,926	7,966
GHG Emissions: Scope 3 <sup>(4)</sup>	NPR	t-CO2e	98%	50,126	63,671	64,881
GHG Emissions from NPR's Portfolio Intensity <sup>(5)</sup>	NPR	t-CO2e/m <sup>2</sup>	98%	0.0177	0.0193	0.0182
GHG Emissions Intensity: Scope 1&2	NPR	t-CO2e/m <sup>2</sup>	100%	0.0170	0.0152	0.0143
GHG Emissions Intensity: Scope 3	NPR	t-CO2e/m <sup>2</sup>	98%	0.0178	0.0199	0.0188

(Note 1) Coverage is based on gross floor area. GHG emission factors are based on the ones indicated in the "Energy Saving Act" (Ministry of the Environment in Japan) and "Act on the Promotion of Global Warming Countermeasures" (the Japanese Ministry of Economy, Trade and Industry in Japan) since 2021.

(Note 2) Location-based. Past data revised to improve comparability.

(Note 3) Based on emission from area NPR controls

(Note 4) Category 13: Downstream Leased Assets

(Note 5) Changed for adjusted rented area basis since 2019.

# WATER

	Entity	Unit	Coverage	2019	2020	2021
Water Consumption from NPR's Portfolio	NPR	m <sup>3</sup>	98%	276,094	375,942	385,036
Water Consumption from NPR's Portfolio: Intensity	NPR	m <sup>3</sup> /m <sup>2</sup>	98%	0.084	0.101	0.096

(Note 1) Coverage is based on gross floor area. Past data revised to improve comparability.

# WASTE

	Entity	Unit	Coverage	2019	2020	2021
Waste Disposed from NPR's Portfolio	NPR	t	68%	4,521	3,252	52,784
Waste Recycling Rate from NPR's Portfolio	NPR	%	68%	65.3	67.1	61.5

(Note 1) Coverage is based on gross floor area.

## GREEN LEASE

	Entity	Unit	Coverage	2019	2020	2021	Target	Target year
Green Leasing	NPR	%	100%	0.4	20.9	37.8	70	2026

(Note 1) Net rentable area basis.

## BUSINESS CONTINUITY

	Entity	Unit	Coverage	2017	2018	2019	2020	2021	Target
Agreements with Authorities as “Evacuation Centers”	PLD JP	cases	100%	-	-	-	2	5	-
Multi-tenant Buildings with Business Continuity Features	PLD JP	%	100%	100	100	100	100	100	100

## CUSTOMER RELATIONSHIP

	Entity	Unit	Coverage	2017	2018	2019	2020	2021	Target	Target year
Customer Satisfaction	PLD JP	%	100%	80	81	-	80	81	80	2020
Number of workers in Prologis Facilities in Japan	PLD JP	ppl	100%	-	-	18,952	18,793	18,725	-	-

(Note 1) This survey is not based on the Net Promoter Score (NPS) methodology. It targets customers of properties PLD JP owns, operates and manages including NPR's properties.

## HUMAN CAPITAL DEVELOPMENT

	Entity	Unit	Coverage	2017	2018	2019	2020	2021
Total Personnel Trained	PLD JP	ppl	100%	795	638	695	572	1,254
Total Training Hours	PLD JP	hours	100%	2,658	2,395	2,100	1,747	2,927
Average Training Hours	PLD JP	hours	100%	25	22	18	15	23

(Note 1) Coverage is based on Full-time Employees (FTEs) of PLD JP and PRM.

# EMPLOYEE

	Entity	Unit	Coverage	2017	2018	2019	2020	2021	Target	Target year
Number of Employees (Permanent and Temporary)	PLD JP	ppl	100%	117	114	120	127	133	-	-
Number of Permanent Employees	PLD JP	ppl	100%	108	109	114	120	126	-	-
Number of Permanent Employees: Male	PLD JP	ppl	100%	63	61	63	68	72	-	-
Number of Permanent Employees: Female	PLD JP	ppl	100%	45	48	51	52	54	-	-
Percentage of Permanent Employees: Male	PLD JP	%	100%	58.3	56.0	55.3	56.7	57.1	-	-
Percentage of Permanent Employees: Female	PLD JP	%	100%	41.7	44.0	44.7	43.3	42.9	-	-
Number of Temporary Employees: Male	PLD JP	ppl	100%	0	0	0	0	0	-	-
Number of Temporary Employees: Female	PLD JP	ppl	100%	9	5	6	7	7	-	-
Workforce in Management Positions	PLD JP	ppl	100%	41	41	43	44	47	-	-
Number of Male in Management Positions	PLD JP	ppl	100%	37	36	37	38	40	-	-
Number of Female in Management Positions	PLD JP	ppl	100%	4	5	6	6	7	-	-
Percentage of Male in Management Positions	PLD JP	%	100%	90.2	87.8	86.0	86.4	85.1	-	-
Percentage of Female in Management Positions	PLD JP	%	100%	9.8	12.2	14.0	13.6	14.9	20	2027
Number of Newly Hired Employees	PLD JP	ppl	100%	5	9	9	9	9	-	-
Number of Male in New Hires	PLD JP	ppl	100%	3	2	5	7	6	-	-
Number of Female in New Hires	PLD JP	ppl	100%	2	7	4	2	3	-	-
Male in New Hires	PLD JP	%	100%	60.0	22.2	55.6	77.8	66.7	-	-
Female in New Hires	PLD JP	%	100%	40.0	77.8	44.4	22.2	33.3	-	-
Average Years Employed	PLD JP	years	100%	8	11	9	9	10	-	-
Average Years Employed: Male	PLD JP	years	100%	9	12	10	10	10	-	-
Average Years Employed: Female	PLD JP	years	100%	7	10	8	8	9	-	-

	Entity	Unit	Coverage	2017	2018	2019	2020	2021	Target	Target year
Difference in average employment years between male and female	PLD JP	years	100%	2	2	2	2	1	0	2027
Turnover Rate	PLD JP	%	100%	5.6	7.4	3.6	2.5	2.4	-	-
Employee Engagement <sup>(2)</sup>	PLD JP	points	100%	71	-	-	78	84	-	-
Number of Employees who Took Parental Leave	PLD JP	ppl	100%	4	3	2	4	4	-	-
Number of Male who Took Parental Leave	PLD JP	ppl	100%	0	0	0	1	1	-	-
Number of Female who Took Parental Leave	PLD JP	ppl	100%	4	3	2	3	3	-	-

(Note 1) Coverage is based on FTEs of PLD JP and PRM.

(Note 2) The results of annual engagement survey.

## OCCUPATIONAL HEALTH

	Entity	Unit	Coverage	2017	2018	2019	2020	2021
Fatalities	PLD JP	cases	100%	0	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	PLD JP	n/million hours worked	100%	0	0	0	0	0
Absentee Rate	PLD JP	% of total days scheduled	100%	-	-	0.6	0.5	0.5

(Note 1) Coverage is based on FTEs of PLD JP and PRM.

(Note 2) The results of annual engagement survey.

## SOCIAL RESPONSIBILITY

	Entity	Unit	Coverage	2017	2018	2019	2020	2021
Hours Spent Benefiting Local Communities	PLD JP	hours	100%	1,176	1,311	1,011	241	618
Donation <sup>(1)</sup>	PLD JP	JPY	100%	6,056,458	5,580,000	5,354,322	4,360,000	2,760,000

(Note 1) Including donation from Prologis Japan Foundation

# CORPORATE GOVERNANCE

	Entity	Unit	Coverage	2017	2018	2019	2020	2021	target
Number of Directors on Board	NPR	ppl	100%	3	4	4	4	4	-
Number of Directors on Board: Independent	NPR	ppl	100%	2	3	3	3	3	-
Directors on Board: Independent	NPR	%	100%	66	75	75	75	75	75
Number of Directors on Board: Female	NPR	ppl	100%	0	1	1	1	1	-
Directors on Board: Female	NPR	%	100%	0	25	25	25	25	-
Attendance Rate at Board of Directors' Meetings	NPR	%	100%	-	-	-	-	100	90

# RISK MANAGEMENT

	Entity	Unit	Coverage	2021	target
Risk Monitoring Frequency	PRM	cases	100%	4	4

# COMPLIANCE

	Entity	Unit	Coverage	2017	2018	2019	2020	2021	Target
Ethics Training Completion Rate	PRM	cases	100%	-	-	100	100	100	100
Breach Against the Code of Ethics	PRM	cases	100%	0	0	0	0	0	-
Non-compliance: Environmental Laws <sup>(1)</sup>	PRM	cases	100%	0	0	0	0	0	-
Non-Compliance: Socioeconomics <sup>(1)</sup>	PRM	cases	100%	0	0	0	0	0	-
Political Contribution	PRM	JPY	100%	0	0	0	0	0	-
Contribution to Trade Associations <sup>(2)</sup>	PRM	JPY	100%	4,759,435	4,875,696	5,192,267	5,398,993	5,298,833	-

(Note 1) Non-compliance with laws or regulations liable to significant fines and non-monetary sanctions.

(Note 2) Applicable trade associations are the Association for Real Estate Securitization (ARES) and the Investment Trusts Association, Japan.

# AWARDS AND RECOGNITION

## GRESB ASSESSMENT

NPR has been awarded the prestigious “5 Stars” and “Green Star” for the eighth consecutive year by the 2022 GRESB Real Estate Assessment, demonstrating its outstanding performance in environmental stewardship, social responsibility and governance (ESG). NPR will continue to participate in, and align with, GRESB and will strive to minimize environmental impacts and maximize sustainability through formal programs.



G R E S B  
★ ★ ★ ★ ★ 2022

## ESG INDEX AND OTHER ASSESSMENTS

### Dow Jones Sustainability Index World and Asia Pacific



NPR has been a member of the Dow Jones Sustainability Asia/Pacific Index since 2015 and has been included in the Dow Jones Sustainability World Index since 2020. These indices are benchmarks for investors who wish to consider sustainability in structuring their portfolio, based on the idea that businesses that take into consideration sustainability will realize long-term investor value.

## MSCI Japan ESG Select Leaders Index

### 2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI ESG Ratings by MSCI ESG Research LLC comprise a rating system where companies are rated on a seven-tier scale ranging from 'AAA' (highest) to 'CCC' (lowest) according to their exposure to industry-specific environmental and social, governance (ESG) risks and their ability to manage those ESG risks.

MSCI ESG Ratings are used by over 1300 investors worldwide and is the foundation of over 1000 investment indexes, such as the MSCI Japan ESG Select Leaders Index, which has been selected as an ESG index for passive investment tracking by the Government Pension Investment Fund (GPIF).

## CDP Climate A List



CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Each year CDP supports thousands of companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation. CDP assesses corporate actions being taken against the issue of climate change based on the participants' responses. In terms of assessments, there are eight grades; A, A-, B, B-, C, C-, D, and D-. Prologis and NPR have been recognized for leadership in corporate sustainability and added to its 2020 Climate Change A List.

## ESG Finance Award Japan



NPR has received the "Silver Prize" of the "2022 ESG Finance Awards Japan" from the Minister of Environment for the achievement of the green equity offering which NPR conducted in February 2021 as a green equity offering conducted by a J-REIT for the first time.

## OTHER RECOGNITIONS

### Corporate Knights Global 100 Most Sustainable Corporations



The rigorous assessment by Toronto-based Corporate Knights looked at how 8,080 publicly traded companies measured up against global industry peers on a suite of 24 key performance indicators, including clean revenue, clean investment, carbon productivity and percentage of board gender diversity. Prologis has been included in the list thirteen times since 2010.

### Great Place to Work



For the sixth consecutive year, Prologis Japan has been named Japan's 'Best Workplaces' ranking by the Great Place to Work® Institute. Companies included in the annual ranking are measured by the institute's For All™ methodology—an evaluation of a company's leadership effectiveness, values and trust amongst employees, innovation and financial growth.

### Certified Health and Productivity Management Outstanding Organizations

Certification for "Health & Productivity Management Outstanding Organizations" is a system for recognizing corporations that practice particularly excellent health management, based on the health promotion initiatives promoted by the Japan Health Council and the Ministry of Economy, Trade and Industry. Prologis Japan has been certified for the third consecutive year since 2020.



# ENVIRONMENTAL POLICY

## ENVIRONMENTAL POLICY AND ENVIRONMENTAL MANAGEMENT SYSTEMS

We understand that the logistics real estate industry has a meaningful impact on the environment and can make a significant and lasting contribution to a more sustainable global distribution system.

### Environmental Policy

Our commitment to sustainability extends across our own operations. We address climate change proactively. Prologis is firmly aligned with United Nations Sustainable Development Goal 13 (taking urgent action to combat climate change and its impacts). We intend to lead our industry as we care for the shift toward a net-zero carbon world. We have identified and are implementing strategies to reduce GHG emissions across our business operations, from the energy consumed in our offices to the way we travel to work. We endeavor to use locally sourced materials and hire local contractors in our own supply chain, decreasing transportation and shipping distances, and further diminishing our impacts. All of Prologis' employees are key partners in these efforts. Prologis team members around the world are encouraged and supported in their efforts to champion energy, waste and water-use reductions to save costs and reduce our carbon footprint.

### Environmental Management Systems

In line with our commitment to environmental stewardship, Prologis has gained ISO 14001 certification for our development management activities, which is externally audited by DNV. We have been certified under ISO 14001 in the European Union and UK since 2008, North America since 2016 and Japan since 2018. These series of international standards on environmental management provide a framework for the development of our global Environmental Management System (EMS) and supporting internal audit program.

# ENVIRONMENTAL STEWARDSHIP FACTS



Eligible Green Projects



**53**

Sustainable Building Certified Buildings



**43.2MW**

Solar Energy Installation



**78%**

LED Lighting Installation



**46%**

Green Lease Contracts



**5 STARS AND GREEN STAR**

GRESB

(Note 1)As of June 30, 2022

[VIEW NPR'S ESG DATASHEET →](#)

# INTEGRATION OF ENVIRONMENTAL ASPECTS IN INVESTING

## Strategically Focus on Green Building

As a member of the Prologis Group, NPR has been strategically engaged in investing in and managing high-quality, energy-efficient modern logistics facilities that are sustainable and help protect the global environment. In NPR's investing in new facilities, we ensure the facilities have Green Building Certifications, which requires concrete environmental benefits and high-level energy efficiency.

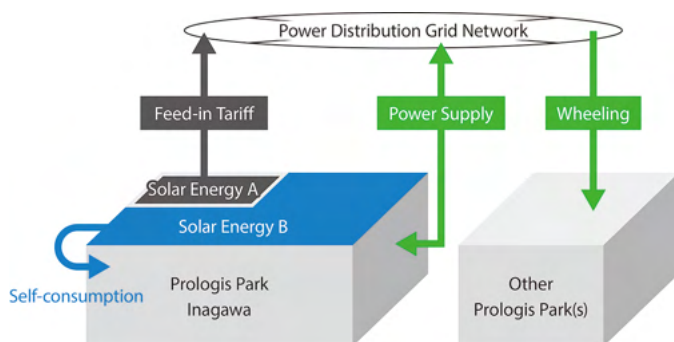
## Environmental Assessments

As part of our due diligence, NPR engages an independent engineering firm to conduct an environmental assessment of every property prior to its acquisition. The assessment includes an on-site inspection of the property, an examination of current and historical uses and environmental conditions of the property, as well as its surrounding sites, compliance to relevant laws and ordinances and discussions with persons in charge of property management. The environmental reviews also cover a wide range of possible sources of environmental issues, including asbestos, lead, PCBs, substances harmful to the ozone layer, water, air, and waste. Based on these reviews, we can ensure that a property we acquire complies with all environmental laws and regulations in Japan across all material respects.

# ENVIRONMENTAL INNOVATION

## On-site Solar Power Generation

Solar power generation facilities totaling 6MW are under consideration for Prologis Park Inagawa 1 and 2. Upon its completion, the electricity generated would be used for both self-consumption (for use within the property) and wheeling (for transmission to other properties under management by Prologis). The facility is also equipped with quick chargers for electric vehicles (EVs), and regular chargers are also being prepared. The facility is designed for future expansion.



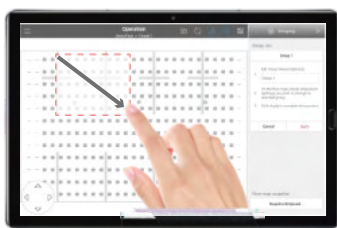
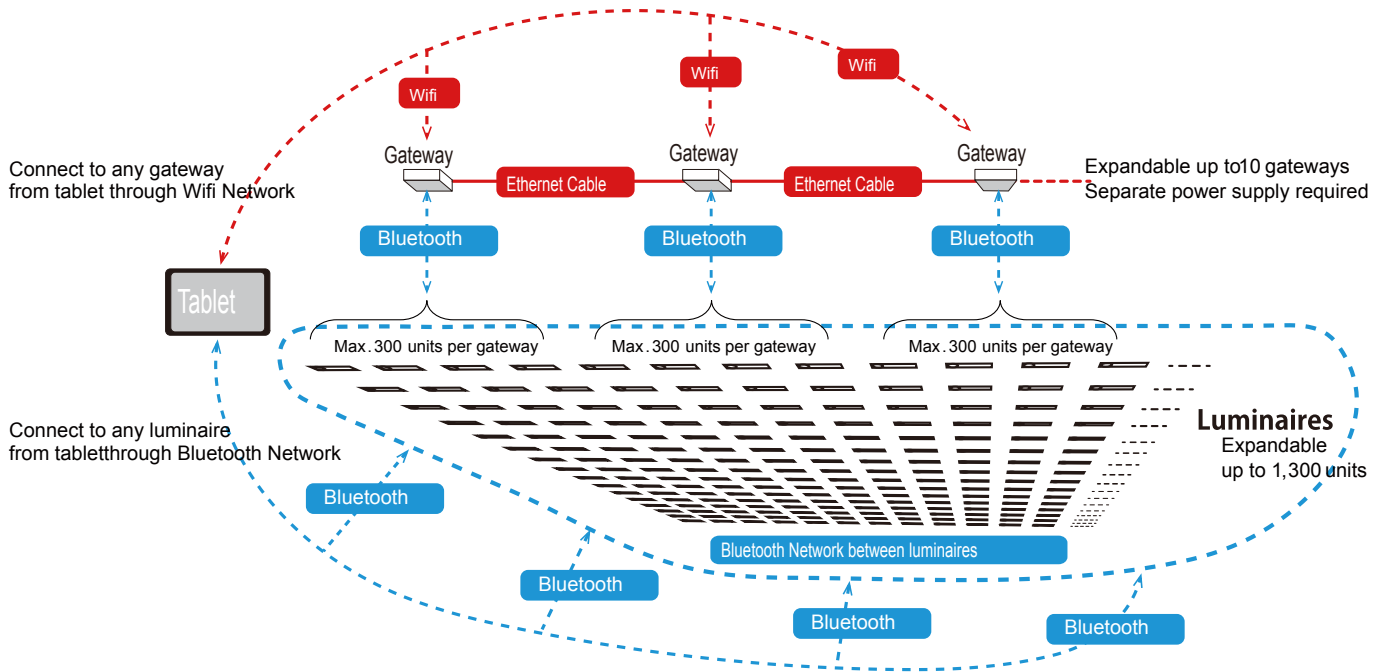
On-site Solar Power Generation System



EV Charger

# Smart LED Luminaire with Motion Sensor

In 2018, Prologis Japan co-developed “LED luminaire with motion sensor”, which detects motion from our customers’ workers and/or forklifts and reduces electricity consumption based on the need for lighting in spaces with activity. Furthermore in 2020, it was upgraded to “Smart LED luminaire with motion sensor” with additional enhancements such as dimming, lighting schedule, grouping and the visualization of the power consumption dashboard controlled by tablets. This product was widely recognized and received the Energy Conservation Grand Prize 2020 by the Energy Conservation Center, Japan. This system, which has already been installed in some of the properties NPR owns, contributes to electricity consumption reduction. We will continue to adopt this Smart LED in NPR’s portfolio.



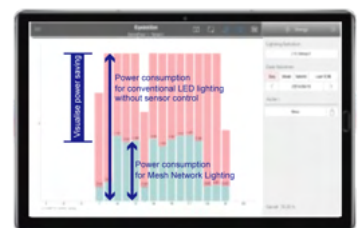
## Grouping

Intuitive lighting configurations by group



## Space Management

Space utilization data → More efficient floor layout → More energy-saving



## Energy Management

Power consumption data by hour, day or month  
Exporting data in csv for secondary use

# INVESTMENT IN GREEN BUILDINGS

## STRATEGICALLY FOCUSING ON INVESTMENT IN GREEN BUILDINGS

As a member of the Prologis Group, NPR has been strategically engaged in investing in and managing high-quality, energy-efficient modern logistics facilities that are sustainable and help protect the global environment. As a result, 98.1% (As of June 30, 2022) of the properties in our portfolio are “Eligible Green Projects” with green building certifications that ensure energy-efficiency and clear environmental benefits.



**Eligible Green Projects**  
**806,413 million**

(Note) As of June 30, 2022

## GREEN BUILDING CERTIFICATION

As a part of our global ESG commitment, Prologis/NPR obtains the following ratings for properties in Japan.

### CASBEE

CASBEE, or the Comprehensive Assessment System for Built Environmental Efficiency, is a comprehensive rating system, 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.

### BELS

BELS, or the Building Energy-Efficiency Labeling System, was established by the Ministry of Land, Transportation and Infrastructure of Japan in 2013 through the enactment of the Assessment Guideline of Indication of Energy Saving Capabilities of Non-residential Buildings, which attempts to improve energy conservation in non-residential buildings in Japan and to indicate applicable energy-related information in various circumstances, including the real estate market.

## DBJ Green Building Certification

DBJ Green Building Certification, a rating program established by the Development Bank of Japan Inc. (DBJ), certifies for real estate properties that meet various stakeholders' social requirements, such as high-quality environmental design, security systems and disaster prevention functions.

## THE ELIGIBLE GREEN PROJECTS

The Eligible Green Projects in NPR's portfolio are listed below.

THE ELIGIBLE GREEN PROJECTS				
Property Name	Acquisition Price (million yen)	CASBEE	BELS	DBJ Green Building Certification
Prologis Park Ichikawa 1	33,900	S <sup>(2)</sup>	★★★	four stars
Prologis Park Zama 1	27,900	S <sup>(2)</sup>	★★★★	four stars
Prologis Park Kawajima	25,600	A <sup>(2)</sup>		
Prologis Park Osaka 2	25,000	S		
Prologis Park Maishima 3	13,500	A		
Prologis Park Kasugai	12,500	S <sup>(2)</sup>	★★★	
Prologis Park Kitanagoya	6,500	S		
Prologis Park Takatsuki	4,410	A <sup>(3)</sup>		
Prologis Park Tosu2	3,030	S		
Prologis Park Tosu4	3,810	A		
Prologis Park Tokyo-Ohta	29,500	A		
Prologis Park Zama 2	21,900	S <sup>(2)</sup>	★★★	four stars
Prologis Park Funabashi 5	9,500	A		
Prologis Park Narita 1-A & B	8,420	A <sup>(2)</sup>		
Prologis Park Narita 1-C	4,810	A <sup>(2)</sup>		
Prologis Park Amagasaki 1	17,600	A <sup>(2)</sup>		
Prologis Park Amagasaki 2	19,200	A <sup>(2)</sup>		four stars
Prologis Park Narashino 4	20,000	A <sup>(2)</sup>		
Prologis Park Tokyo-Shinkiba	13,600	A <sup>(2)</sup>		
Prologis Park Yokohama-Tsurumi	13,800	A <sup>(2)</sup>		
Prologis Park Osaka 4	21,000	S		
Prologis Park Iwanuma	7,113		★★★★	
Prologis Park Kawajima 2	8,180	A		
Prologis Park Ebina	8,250	A		

Property Name	Acquisition Price (million yen)	CASBEE	BELS	DBJ Green Building Certification
Prologis Park Kawanishi	13,600	A		
Prologis Park Amagasaki 3	9,090	A		
Prologis Park Kobe	6,410	A		
Prologis Park Kitamoto	12,600	S		
Prologis Park Joso	7,120	A <sup>(2)</sup>	★★★★	
Prologis Park Osaka 5	17,600	A <sup>(2)</sup>	★★★★	
Prologis Park Narita 3	9,240	S		
Prologis Park Koga 1	7,680		★★★★	
Prologis Park Kobe 2	13,700	A <sup>(3)</sup>	★★★★	
Prologis Park Narashino 5	13,600	A <sup>(2)</sup>	★★★★	
Prologis Park Ibaraki	38,300	S <sup>(2)</sup>	★★★★	
Prologis Park Koga 2	3,930		★★★★	
Prologis Park Ichikawa 3	17,000	A <sup>(2)</sup>	★★★★	
Prologis Park Narita 1-D	5,260		★★★★	
Prologis Park Yoshimi	21,300	A <sup>(2)</sup>	★★★★	
Prologis Park Koga 3	5,440		★★★★	
Prologis Park Tsukuba 1-A	12,900	A	★★★★	
Prologis Park Higashimatsuyama	12,600	A <sup>(2)</sup>	★★★★	
Prologis Park Kyotonabe	35,800	S <sup>(2)</sup>	★★★★	
Prologis Park Kobe 4	5,020	A <sup>(3)</sup>	★★★★	
Prologis Park Chiba 1	31,000	A	★★★★	
Prologis Park MFLP Kawagoe	14,800	A <sup>(2)</sup>	★★★★	
Prologis Park Tsukuba 1-B	13,500	A	★★★★	
Prologis Park Chiba New Town	26,300	A <sup>(2)</sup>	★★★★	
Prologis Park Chiba 2	15,000	A	★★★★	
Prologis Park Tsukuba 2	20,900	A	★★★★	
Prologis Park Inagawa 2	33,000	A		
Prologis Park Kobe 5	9,500	A <sup>(3)</sup>	★★★★	
Prologis Park Ebina 2	15,200	A <sup>(3)</sup>	★★★★	
<b>Total</b>	<b>806,413</b>			

(1) As of June 30, 2022

(2) Certification has already expired as of June 30, 2022.

(3) Not certified by a third-party but an assessment based on self-reporting.

# CLIMATE CHANGE AND ENERGY

TCFD Disclosure ▼

As members of the Prologis Group, NPR and Prologis REIT Management K.K. (PLDRM) recognize that global climate change is a scientific fact. We believe that taking legitimate actions to respond to climate change, which would mitigate various potential risks of our portfolio to be caused by climate change, is one of our material management issues.

Per this understanding, the Prologis Group, NPR and PLDRM have categorized the “response to climate change” as one of our material issues that would certainly significantly impact our future business environment.

## PROLOGIS' CARBON MANAGEMENT APPROACH

Prologis' Carbon Management Approach hits the sweet spot between creating business value and reducing our carbon impact. It also furthers our efforts toward achieving our science-based target (SBT) for reducing greenhouse gas (GHG) emissions. Prologis' carbon emissions footprint covers emissions from our direct operations (Scope 1 and 2) and all other indirect emissions stemming from our global portfolio/construction activities/other aspects of our business (Scope 3). We focus on emissions reduction across our whole business, both direct and indirect, which includes decreasing emissions from energy use in our offices and customer spaces. Subsequently, Prologis purchases carbon offsets and renewable energy credits (RECs) to neutralize the remaining operational emissions (Scope 1 and 2).

In 2022, Prologis group committed to achieve net zero emissions across its entire value chain by 2040.

The goal represents a significant opportunity for Prologis to serve its customers in new and innovative ways on sustainability initiatives. It includes several interim targets:

- 1 GW of solar generation capacity (supported by storage) by 2025
- Carbon neutral construction by 2025
- Net zero for operations by 2030

Prologis' carbon reduction efforts are driven by our customer-centric initiatives. For example, through Prologis Essentials LED, we unlock energy cost savings for our customers, while reducing our indirect emissions (Scope 3). Through other collaborations, such as Prologis' Customer Sustainability Advisory Council (CSAC), we are identifying solutions that help Prologis and our customers reduce our collective carbon impacts. The CSAC forum goes beyond the norm to strengthen customer relationships, while also providing insight into their evolving needs on topics like renewable energy and electric vehicles, among others.

NPR shifted to supplying green electricity in 2022 at Prologis Park Tsukuba 1, Tsukuba 2 and Prologis Park Narashino 4, where customers are provided with electricity derived from renewable energy.



## Renewable Energy

Beyond identifying ways to consume less energy, Prologis is contributing to a low-carbon future by using our properties as a platform to generate large volumes of clean electricity. Over the past decade, Prologis has emerged as a leader in corporate solar deployment. Prologis group's long history of investments in energy-related lines of business include EV charging and on-site solar. The group currently has approximately 200 EV charging stations and 325 MW of rooftop solar as of April 2022.

Our emphasis on renewable energy puts us in alignment with the United Nations Sustainable Development Goal 7 (affordable and clean energy), and we set an ambitious new goal of 1GW of installed capacity by 2025. As our customers pursue their own environmental goals and carbon-reduction targets, deploying Prologis installed solar energy at our warehouses is an example of shared value creation made possible by our experience, scale and core business strength.



Prologis Park Zama 1



Prologis Park Osaka 5

## Initiatives for Energy Efficiency

In cooperation with building management companies, property managers of Prologis Japan periodically analyze monthly energy consumption by usage in our customer's leased area and provide energy saving advice to our customers, which include reducing or dimming lighting fixtures, switching to intermittent operation of ventilation fans, and turning on heat recovery features of ventilators. We also recommend using window blinds and setting the temperature of air conditioners at 28 degrees Celsius for summer and 20 degrees Celsius for winter.

## TCFD DISCLOSURE

### Support for TCFD Recommendations

The Prologis Group has officially expressed its support for the Recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB) to consider how to disclose climate-related information. PLDRM, as the asset manager for NPR, has also officially expressed its support for the Recommendations by TCFD in September 2021.



The TCFD final report recommends that corporates/organizations elaborate the following information in connection with their businesses in their disclosure documents:

Core Elements	Information to be Disclosed
Governance	Organizational governance relating to climate-related risks and opportunities
Strategy	Actual and potential impacts from climate-related risks and opportunities on the organization's businesses, strategies, and financial planning
Risk Management	The organization's climate-related risk identification, assessment, and management processes
Metrics and Targets	Metrics and targets used to assess and manage climate-related risks and opportunities

PLDRM also joined the TCFD Consortium, an organization established to discuss effective disclosure and initiatives that would allow investors to make appropriate judgment of various corporate activities in the area of sustainability. The TCFD Consortium is consisted of corporates/organizations who are the official supporters of TCFD in Japan.

## Governance

Please refer to the "[ESG POLICY AND MANAGEMENT SYSTEM](#)" page for the governance structure of PLDRM that promotes ESG initiatives (including responses to climate change; the same hereafter) of NPR.

## Strategy

### Scenario Analysis

PLDRM conducts scenario analysis to identify the risks and opportunities for NPR to be posed by the climate change, and to assess their potential impact on NPR's business.

Scenarios	Overview of Scenarios	References
1.5°C Scenario	Global GHG emissions shall be reduced by the implementation of strict regulations and taxation systems to realize a decarbonizing society. In this scenario, physical risks tend to be low and transition risks tend to be high.	IEA <sup>(1)</sup> NZE2050 IPCC <sup>(2)</sup> RCP2.6
4°C Scenario	Global GHG emissions shall not be materially reduced due to the lack of progress in global decarbonization efforts. In this scenario, natural disasters will likely be severe, and therefore, physical risks will likely be extremely high, while transition risks will likely be relatively small due to the lack of progress in strengthening legal regulations.	IEA SPS IPCC RCP8.5

(Note 1)IEA: International Energy Agency

(Note 2)IPCC: Intergovernmental Panel on Climate Change

## Risks and Opportunities and Countermeasures

PLDRM has assessed the risks and opportunities which would have potential impacts on NPR's business and portfolio. The assessment includes probabilities, possible financial impacts and potential countermeasures of the risks and opportunities as set forth in the following table:

Risk and Opportunity Events			Probability		Financial Impacts Potential Countermeasures				
			1.5°C	4°C	Operating Revenue	Operating Expenses incl. CAPEX	Non-Operating Expenses incl. Capital Cost	Asset Value factored by NCF	Asset Value factored by Cap Rate
Transition Risks	Policies and Laws	Additional expenses incurred based on the amount of GHG emissions such as introducing carbon tax etc.	Middle	Low	-	Small	-	Small	-
		Strengthening of energy-saving standards in real estate operation	Middle	Low	-	Middle	-	Middle	Middle
	Technology	Deterioration in operating portfolio compared with competitors by rapid innovation regarding energy-saving efficiency	Middle	Middle	Middle	Middle	-	Middle	-
		Customer's increasing demand for properties regarding energy efficiency and climate change adaption etc.	High	High	Middle	-	-	Middle	-
	Market / Reputation	Debt/equity investors and lenders' behavior changes in relation to climate change initiatives	High	Middle	-	-	Middle	-	-
		Decrease in appetite for investments on properties adapted to climate change adaption inadequately	High	Low	-	-	-	-	Small

Risk and Opportunity Events			Probability		Financial Impacts Potential Countermeasures				
			1.5°C	4°C	Operating Revenue	Operating Expenses incl. CAPEX	Non-Operating Expenses incl. Capital Cost	Asset Value factored by NCF	Asset Value factored by Cap Rate
Physical Risks	Acute Risks	Damages in operating portfolio by increased/intensified typhoons, heavy rains, river floods etc.	Low	Middle	-	Middle	-	Middle	-
		<ul style="list-style-type: none"> <li>Monitor and assess the amount of risks for each NPR's portfolio property by analyzing the latest hazard maps and discuss the necessity of mitigating construction work</li> <li>Enhance geographical diversification to minimize potential risk for NPR's entire portfolio</li> </ul>							
Physical Risks	Chronic Risks	Submergence of properties located in coastal area due to sea level rise	Low	Low	Large	Large	-	Large	Large
		<ul style="list-style-type: none"> <li>Monitor and assess the seriousness of risks for each of NPR's portfolio properties by analyzing the latest hazard maps and discuss the necessity of asset disposition</li> <li>Enhance geographical diversification to minimize potential risk for NPR's entire portfolio</li> </ul>							
		Increase in costs of energy/insurance premium/raw material etc. in response to climate change and tremendous natural disasters	Middle	Middle	-	Middle	-	Middle	-
<ul style="list-style-type: none"> <li>Continue to procure competitively by diversification of such supplier</li> <li>Minimize natural disaster risk by taking measures for each properties so that we can mitigate potential hike of insurance premium</li> </ul>									

 Events which may bring in positive impacts (opportunities)

## Risk Management

PLDRM intends to control and manage the ESG-related risks for NPR with the following procedures:

### General Climate Change Risks

The risks and opportunities described in the preceding table are discussed by the ESG Committee of PLDRM. The risks and opportunities are monitored by applicable/responsible departments of PLDRM who are in charge of various sustainability initiatives. When countermeasures are needed, an applicable agenda is proposed and discussed at the ESG Committee.

### Investment Decision Making

PLDRM makes decisions for NPR's new investments through PLDRM's Investment Committee. As a part of due diligence for the investment decision making process, PLDRM conducts assessment of the climate change risks. For example, PLDRM investigates the risks of potential floods associated with subject investments, utilizing various hazard maps prepared by municipalities. Also, PLDRM prioritizes acquisitions of properties with the environmental certifications and properties equipped with energy-saving systems, etc.

## Metrics and Targets

PLDRM stipulates key metrics and targets, or major sustainability KPIs, in an attempt to monitor the progress of countermeasures being taken by the Prologis Group and NPR vis-à-vis the climate change problems.

### Sustainability KPIs of the Prologis Group

One of the primary metrics for assessing the climate-related risks and opportunities is represented by the Prologis Group's SBT to reduce Scope 1, 2, and 3 GHG emissions, as follows:

	2025 Targets (2016 baseline)	2040 Targets (2016 baseline)
Scope 1 & 2	21% absolute reduction	56% absolute reduction
Scope 3	15% absolute reduction	40% absolute reduction

### Sustainability KPIs of NPR

In 2021, NPR established the following sustainability KPIs in an attempt to further reduce its environmental footprint which shall contribute to the reduction of GHG emissions.

Goals	Target Years
Installation of solar panels with 45MW power generation capacity	2022
Installation of LED lighting for 80% or more of total net rentable area	2022
Introduction of green lease contracts for 70% or more of total net rentable area	2026
Continuing <a href="#">Eligible Green Project</a> ratio at 95% or more (acquisition price basis)	-

# WATER CONSERVATION

## POLICY AND OUR APPROACH

Logistics facilities generally do not consume much water compared to other types of buildings. Even so, we recognize the environmental and business gains that can be realized for our customers by adopting an integrated approach for how we use and manage resources. Where possible, we design landscaping that captures and recycles runoff or doesn't require high volumes of water. Many of our buildings are equipped with water-saving features, such as low-flow toilets, motion-activated faucets and systems to capture rainwater for irrigation. We also continue to explore sustainable technologies, including a water-saving technology that improves the efficiency of water systems in the building, resulting in lower utility bills for our customers.

## INITIATIVES TOWARDS WATER CONSERVATION

### Rainwater Recycling

At Prologis Park Narita 1, rainwater is collected and kept for general service water in the event of water or power outages by connecting to the emergency generator.

At Prologis Park Osaka 4, industrial water is utilized for landscaping.



### Contribution to Water Efficiency

In collaboration with building management companies, Prologis installs irrigation timers, significantly reducing water usage. Also, when renewing sanitary fixtures in the portfolio, Prologis replaces them with efficient or water-saving fixtures that automatically adjusts the water quantity.

For example, at Prologis Park Kyotanabe, the water-saving sanitary fixtures resulted in water usage reduction as below.

Toilet stool	8.0L/flush → 5.0L/flush
Urinal	1.6L/flush → 0.8L/flush

Also, we procure “Maintenance Free” materials such as non-wax vinyl tile sheets for floors, dust control carpet for floors, and laminated sheets for walls and toilet bowls coated by the latest protective technology enabling us to reduce operating expenses as well as repair costs.

# POLLUTION AND WASTE MANAGEMENT

## POLICY AND ENVIRONMENTAL REVIEW

### Policy

Designing circular operations is critical to Prologis' business, striving to reduce pollution and waste. In Japan, Prologis promotes eliminating pollution and reducing waste. For instance, we develop facilities by leveraging new materials considering the life cycle of products. Additionally, before acquiring any assets, NPR conducts environmental reviews to assess risks related to the sites. As for our assets in our portfolio, Prologis monitors the amount of waste generated as well as its disposal route.

### Environmental Review

All assets owned by NPR undergo environmental reviews conducted by engineering firms based on publicly available documents and other information provided primarily by the former owners and property managers of the properties. The environmental reviews cover a wide range of potential sources of environmental issues, including asbestos, lead, PCBs, substances harmful to the ozone layer, water and air, and waste. Based on these reviews, which are provided to us prior to the acquisition of each property, we ensure that the new properties comply with all environmental laws and regulations in Japan in all material respects.

## INITIATIVES TOWARDS REDUCING WASTE

### Water-retentive Blocks

Utilizing water-retentive blocks, which are made of recycled products, at the entrance and approach to our buildings help to reduce heat-island effect.



## Forklift Guards Using New Material

In partnership with Fukuvi Chemical Industry Co., Ltd., the team in Japan has developed a plastic forklift guard to be used in logistics facilities and warehouses, which is patent pending.

Below are distinct features of this product:



- While comparable guards are made with steel, Prologis' polyvinyl chloride (PVC) version is lighter in weight, easier to handle and costs approximately 40% less.
- The cutting and drilling required for installation can easily be done on site, which contributes to a reduction in labor costs.
- The guards were designed to absorb impact through the use of PVC. Customers will experience cost savings by avoiding the maintenance fee typically required for the wear and tear associated with steel forklift guards.
- The guards can last decades and can be recycled into pallets.





# BIODIVERSITY

## POLICY AND IMPACT ASSESSMENT

### Policy

We strive to ensure that our building designs are sustainable and provide a healthy place for people to work. Similarly, promoting biodiversity and ensuring the health of plants and wildlife in and around the built environment is integral to sustainability. Acting as a good neighbor in the way we develop and manage our properties makes us welcome to do business in communities around the world. Furthermore, by focusing on infill redevelopment, often with legacy contamination issues, we promote biodiversity in two key ways: (1) we clean up potentially harmful ecosystem contaminants; and (2) we recycle land.

### Impact Assessment

Prologis ensures that an Environmental Impact Assessment (EIA) or similar assessment is conducted for development projects we undertake, to determine whether our plans for the site will impact or threaten any species or habitats. This assessment is generally conducted during the land procurement and entitlement process. We work in partnership with relevant agencies and organizations to manage any impacts and go above and beyond requirements to mitigate those impacts where feasible. Our efforts have been well received in the communities where our properties are located.

# PROMOTING ON-SITE GREENERY

## Prologis Park Kawajima

Considering the rich natural environment in the region, the facility’s landscaping was designed to include a variety of plants and trees, such as evergreens, deciduous trees, coned trees, middle trees, shrubs, and ground cover.

Symbol tree to accent intersections

A path to feel the four seasons

Gate creating the image of the facility

Mansion-forest-like outer green

Gradation of tree species

Variety of plantings

## Prologis Park Tokyo-Shinkiba

By installing rooftop greenery and green walls, we are reducing and mitigating the urban heat-island effect. Additionally, we have built a road and a park on the property’s site for the local community to further enhance safety and improve the surrounding environment.

Rooftop Greening

Surrounding greenery

Prologis Park Tokyo-Shinkiba

# SURVEY OF SEA LIFE IN OSAKA BAY

Employees from the Prologis Osaka Office conducted a survey of the creatures that live in Osaka Bay on a beach near Kansai International Airport as a part of our "Impact Day" activities. In collaboration with the Association for the Promotion of Environmental Technology, a non-profit organization, Prologis participated in the survey from 2015 to 2018, at Boude Beach (Hannan City, Osaka Prefecture). Every year, while confirming the best schedule for the activity, we surveyed and recorded the distribution of sea life in the area with researchers, followed by a clean-up of the entire area.

This activity has been conducted since 2007 by the Osaka Bay Environmental Restoration Liaison Committee with the aim of surveying the living organisms in the bay, as the habitat of Osaka Bay deteriorated during the post-war period of economic growth. Various organizations, including government agencies and universities, as well as the local community, participate in this "simultaneous survey" of the entire bay area, and Prologis is the only private company volunteering in this project.



# RESPONSIBILITY FOR STAKEHOLDERS

## BASIC POLICY

Our commitment to social responsibility extends to all our stakeholders, including employees, customers, communities, suppliers and investors. We strive to be a good neighbor and to strengthen the communities where we work and live. Our employees demonstrate their personal commitment by putting time and resources into organizations that promote education, the environment and human welfare.

## Stakeholder Engagement

Prologis is focused on creating shared value for both our stakeholders and our company. Through innovation and a commitment to strong, long-term relationships, we drive benefit throughout our sphere of influence. Four stakeholder groups are particularly relevant for our ESG efforts.

### Employees:



Fostering talent and strong corporate culture is arguably our most important business imperative. From our work creating an inclusive culture and diverse workforce, to learning-and-development opportunities and attractive benefits, we deliver a leading employee experience.

### Customers:



Prologis is an organization that is always looking for new ways to create value for our customers, and our sustainability efforts are no different. Our ESG solutions deliver turnkey energy efficiency and renewable energy solutions and help our customers source and retain labor.

### Communities:



We take pride in being a good neighbor and partner in communities around the world: supporting local charitable organizations, volunteering during times of need, and boosting local employment opportunities through efforts like our Community Workforce Initiative.

### Investors:



Sustainability is essential to our value-creation strategy, delivering benefits to our shareholders both today and for the long term. In addition, we continue to advance our reporting and disclosure practices to provide investors the ESG information they need.

## SOCIAL RESPONSIBILITY FACTS



**80%**

Customer satisfaction<sup>(2)</sup>



**618**

Volunteer hours in local communities<sup>(3)</sup>



**84 POINTS**

Employee Engagement<sup>(4)</sup>



**33.3%**

Women in leadership positions at PRM

(Note 1) As of December 31, 2021, unless otherwise noted

(Note 2) This survey is not based on the NPS methodology.

(Note 3) Based on contribution from employees of PRM and Prologis Japan.

(Note 4) Based on the annual employee engagement survey. The score is calculated with a perfect score of 100 points.

[VIEW NPR'S ESG DATA](#) →

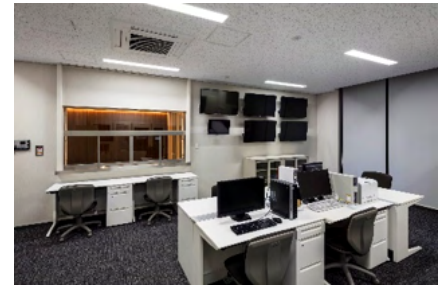
## BUSINESS CONTINUITY IN OUR OPERATIONS

Our commitment to sustainability is equally strong for our own operations. Particularly, Prologis Japan had a business continuity plan (BCP) in place long before the earthquake and tsunami of 2011, in light of the fact that Japan is located in one of the most earthquake-prone regions in the world, experiencing more than 1000 seismic events each year. To ensure safety for our customers, protect our properties and goods stored, and assist our customers in their business continuity we have implemented a variety of earthquake mitigation features and services in our buildings. These include anti-seismic, vibration control and seismic isolation techniques, and we continue to develop buildings with seismic isolation systems. Moreover, Prologis' BCP also addresses the "human" side of surviving a natural disaster, providing food, water, blankets and communication for both customers and Prologis' employees who may be stranded in the building for several days. Prologis is also partnering with the respective local governments in providing some of our buildings as an emergency evacuation center in the occurrence of a natural disaster.

Following are examples of features which support BCP in our facilities.

## 24-hour Security Control Center

Guards monitor the facility 24/7 to maintain a safe and secure environment supporting our customers in their day to day operations, as well as in the event of natural disasters and or accidents.



## Satellite Phone / Earthquake Alert System

The earthquake alert system alarms our customers prior to earthquakes while the satellite phone allows communication when telephone lines and mobile networks are unavailable.



## Emergency Power Generator

The emergency power generator allows maintenance of the security system and provides electricity to the common areas for up to 72 hours after power shortage.



## Seismic Isolation System

With the isolators absorbing the shock generated during an earthquake, the seismic isolation system ensures safety for the people and prevents stored goods from collapsing and being damaged.



## Underground Water Purification System

The system provides potable water when the water supply is suspended.



## Emergency Storage

Our facilities are equipped with food, emergency supplies and portable toilet that can be easily assembled.



# FOR CUSTOMERS

## BASIC POLICY

In 2019, Prologis launched the 3Cs: Customer Centricity, Change Through Innovation and Operational Excellence, and Culture & Talent. We believe our ESG initiatives further and embolden the 3Cs, and create value for our stakeholders—value that reaches beyond the walls of our real estate. The first initiative “Customer Centricity” has always been at the core of our business, and on the ESG front this past year we expanded our approach to improve the customer experience even further.

## DEVELOPING WORKER-FRIENDLY FACILITIES

Prologis adopts various approaches in designing and upgrading facilities to benefit our customers’ employees.



Self-checkout Convenience Store  
(Prologis Park Ichikawa 3)



Modern Cafeteria  
(Prologis Park Soka)



Bus line extension to our Parks



Free Wi-Fi

# TECHNOLOGY INVESTMENTS IN LABOR SOLUTIONS

## Improvement of Efficiency In Warehousing Operations **Hacobu**

Prologis Park Inagawa 2 facility adopted the Hacobu MOVO Berth truck reception system to boost the efficiency of customer operations in 2021. The tablet-based system allows our customers to easily manage truck entry and exit from a single driver reception area. This includes identifying the appropriate dock as well as coordinating warehousing and delivery work. The system displays arrivals, work status, berth operation status and other details on screen in real time.

The system also collects and displays data on vehicle numbers, wait times and work hours, allowing our customers to make additional operational improvements. The shorter wait times also mean happier drivers, less vehicle idling and reduced emissions.



"Display Showing Berth Occupancy Status"

## Digitalization in the Warehouse KURANDO

Prologis Japan jointly developed a cloud service "Logi Meter" with KURANDO Corporation. This application visualizes everything from sales, operations, inventory and personnel allocation and output, increasing operational and supply chain efficiencies for our customers with the following features:



- Real-time monitoring of work progress by registering work details on the table
- Appropriate allocation of personnel according to the workload is possible - improving work efficiency
- Tracks sales and inventory of products



## Recruitment Support

Prologis Japan invested in Timee Corporation, a provider of work-sharing services. This application helps to secure labor within the logistics industry, which is one of the pain points for our customers. Benefits by using Timee's application are as follows:



- Reduces the cost and time spent on recruiting and interviewing part-time workers by using a one-time job matching application
- By leveraging part-time workers to perform tasks that do not require certain experience or specific skills, our customers are able to reduce the burden on their employees and in turn, lower their turnover rate

For more information about Prologis Ventures, please visit the global site.

<https://www.prologis.com/customers/ventures> 

## PROLOGIS' CONSULTING SERVICES

Prologis provides logistics solution services to support our customer's logistics operations and supply chain efficiencies.

### Support for Introduction of Robotics and New Technology

We support the introduction of unmanned transport robots, such as Geek Plus' "EVE" and Quicktron's "Automatic Guided Vehicle (AGV)". This is in addition to introducing other automation technologies to our customers' operations to further enhance their warehouse operations.

### Logistics center start-up support

We provide advice on project planning and support for overall operations required for the launch of a distribution center, including layout design, role assignment, operation flowchart, training manual, allocation of workers, schedule formulation, etc. Prologis also provides such consulting services to customers seeking to enhance efficiencies in their warehouse operations.

## CUSTOMER SATISFACTION SURVEY

The Net Promoter Score (NPS) is a metric used to measure customer loyalty. NPS is used by the world's leading brands to gauge how companies perform relative to customer expectations. Prologis uses NPS to ask our customers how they feel about their overall experience with us. NPS results are based on customer responses to a single question: *How likely are you to recommend Prologis to a colleague or friend and why?*

# CONTRIBUTIONS TO OUR CUSTOMERS



Summer Festival  
(Prologis Park Ichikawa 1)



BBQ with customers (Osaka)



Customer Appreciation Month (Prologis Park Inagawa 1 and 2)



Customer Appreciation Month (Prologis Park Tokyo-Ohta)

# FOR BUSINESS PARTNERS

## BASIC POLICY

As the provider of well-located, modern, efficient logistics facilities, Prologis is a component in our customers' supply chain, and we can serve to help them make progress toward their own sustainability goals. This includes working with customers to gather data on building performance that is used for reporting and to prioritize investments to improve building efficiency. Our procurement team is positioning the company to better leverage our data, scale and spend on construction, operations, capital and administrative expenses. We are working to ensure consistent standards and practices across our platform, achieve cost savings and share the resulting benefits with our customers.

We hold our suppliers and contractors to high standards. We do this initially through our Supplier Code of Conduct. Furthermore, Prologis engages with a global supply chain risk management evaluator to conduct prequalification assessments of potential suppliers to ensure they meet our standards.

**[READ SUPPLIER CODE OF CONDUCT](#)** →

# SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Prologis commits to supply chain management based on it's the expectations of our Supplier Code of Conduct and this creates a standard known as the "Prologis Way". Prologis defines critical suppliers based on disruption and impact to the business and customer. We actively manage our supply chain, mitigating environmental and social risks at the same time.

## Supply Chain Risk Management

Prologis Japan requires suppliers to adhere to our Environmental Management System (EMS) that is verified to align with the ISO14001 international standard. More specifically, Prologis Japan establishes the following conditions in procurement.

1. Submit the ISO14001 related documents including the below before groundbreaking
  - Environmental targets setting
  - EMS organization chart with emergency contact system
  - Legal compliance check-list during construction
  - Business continuity management including feedback system in emergency
2. Report in each case of amendment of environment-related laws and regulations during contract work
3. Embed EMS items in construction process chart
4. Report the progress towards environmental targets and risks concerning complaints from communities and both natural/human-caused disasters at periodic meetings

## ESG Integration in Procurement

KPIs are specified in terms of efficient use of resources as follows.

1. In applying recycled materials, list the corresponding items including their category and quantity. Target 20 percent of materials come from recycled materials and report the results upon completion of construction.
2. Recycle more than 75 percent of industrial waste from construction.
3. Procure sanitary appliances that have water-saving features with automatic sensors.

# FOR THE LOGISTICS INDUSTRY AND URBAN REDEVELOPMENT

## MITIGATING ENVIRONMENTAL IMPACT WITH URBAN DEVELOPMENT

We cooperate with local governments in redeveloping infill sites, transforming the areas surrounding our properties into an environmentally friendly neighborhood. Also, we remediate historical environmental contamination, put abandoned or brownfield land to higher and better use, and enhance or build new infrastructure. Some of our initiatives are as follows:

### “Humming Road” in Narashino, Chiba Prefecture [🔗](#)

- The Humming Road is a 12-km long greenway that runs from the northeastern part of Narashino City through the center of the city to the sea. Prologis has developed and opened a portion of Prologis Park Narashino 4 (1,330<sup>m</sup>2) as part of this greenway.
- This site is designated as having one of the 100 best views of Mt. Fuji by the Ministry of Land, Infrastructure, Transport and Tourism, and the greenway was developed to meet the needs of the local community, including the construction of a viewing platform.



## Brownfield Development in Koga, Ibaraki Prefecture

- We are planning the phase 2 of the Prologis Koga Project that has a total site area of approximately 175,200 square meters. This will be the largest site in terms of floor space that Prologis has ever developed in Japan.
- We constructed an underground barrier wall around the periphery of the site and then removed the existing highly contaminated soil and buried waste.



Before construction

Rendering of the completion

## DISASTER PREVENTION IN PARTNERSHIP WITH LOCAL AUTHORITY

### Disaster Prevention Agreement

Prologis recognizes that our facilities serve as significant sources of social infrastructure to the communities that we operate in and we continue to explore more proactive ways to contribute to our local communities. One of the initiatives in Japan is to promote partnerships with local authorities in disaster management. To date, we have made agreements with the following municipal governments:

- Inagawa, Hyogo Prefecture, 2019
- Chiba City, Chiba Prefecture, 2020 <sup>(1)</sup>
- Kyotanabe City, Kyoto Prefecture, 2021 <sup>(2)</sup>
- Kanagawa Prefecture, 2021
- Zama City, Kanagawa Prefecture, 2022
- Osaka City, Osaka Prefecture, 2022
- Soka City, Saitama Prefecture, 2022

(Note 1) Prologis provided its parking spaces for the evacuees so that they can spend the night in their cars and avoid contact with others, which has become important recently due to the pandemic.

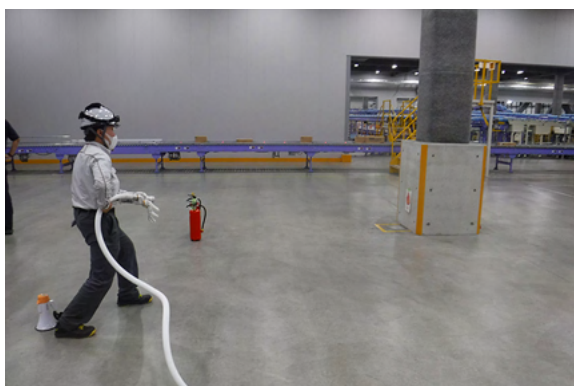
(Note 2) In Kyotanabe, measures to evacuees are critical because of its strategic location that connects major railways and arterial roads in the greater Osaka area.

## Conducting Evacuation Drills

From the standpoint that natural disasters are a critical risk for every stakeholder at Prologis, we conduct evacuation drills in case of emergency such as fire and or other natural disasters such as earthquakes, etc.

### Prologis Park Higashimatsuyama [📄](#)

(July, 2022)



### Prologis Park Ichikawa 1 [📄](#)

(November, 2018: A large-scale drill in cooperation with both Ichikawa and Urayasu cities' fire departments and local fire brigades)



### Prologis Park Inagawa 1・2



# CONTRIBUTIONS TO LOGISTICS INDUSTRY

Aspiring to develop future innovative leaders in the logistics industry in Japan, Prologis established the Prologis Academy in 2019. The program focuses on developing talent in supply chain management and logistics through focused interactive learning, including Prologis facility tours showcasing innovation and technology in action at our distribution facilities.



## Chair Course by Prologis (Waseda University)

Since 2006, Prologis has been sponsoring Waseda University Graduate School of Commerce's "Logistics / Supply Chain Management (SCM) Course". The series of lectures provide insights into the concept of logistics and SCM. In addition, Miki Yamada, President of Prologis Japan (at that time), delivered lectures for undergraduate students at Waseda University in 2017 and 2018.





## Seminars held in collaboration with other companies

### **NIKKEI Real Estate Summit 2022 hosted by Nikkei Inc.**

#### **- Logistics DX and ESG - Evolution in the Logistics Industry (March 2022)**

Four companies, Nomura Real Estate Development, Mitsui Fudosan, Daiwa House Industry, and Prologis, all of which are members of the Logistics Business Committee of the Real Estate Association of Japan, co-sponsored the event. The seminar focused on the challenges facing the logistics industry (truck driver shortage, labor environment, supply chain constraints, etc.) and solutions contributing to the local communities and the environment.

### **Summit on Industrial Real Estate for Hazardous Materials hosted by LOGISTICS TODAY (May 2022)**

Hitachi Transport System, Hitachi Transport System Fine Next, Sanwa Corporation, and Prologis participated in a seminar on hazardous materials warehousing, which has been drawing attention in the Japanese logistics industry against a backdrop of diversification and development of transportation and storage services. The panelists took the stage to exchange views on the causes of scarcity of supply and future strategy.

## Volunteer for the Museum of Logistics

Employees of Prologis Japan regularly participate in volunteering for the Museum of Logistics in Tokyo. Volunteers make patterns by cutting and assembling pieces of cardboard for a children's arts and crafts activity, known as the "vehicles of logistics." The children build and decorate their own toy vehicle, choosing from delivery trucks, steam trains and cargo ships. The team's most recent efforts created enough materials for the museum to use during craft events held for children during summer vacation. We hope to continue our partnership with the museum, which is the only logistics museum in Japan, and by providing the manpower to make these kits for children, the museum can allocate their resources to other initiatives that will help further assist the logistics industry in evolving to the next level.

## RELATIONSHIP WITH TRADE ASSOCIATIONS

As part of Prologis' commitment to the logistics real estate industry, Miki Yamada serves as a chairperson of Industrial Real Estate subcommittee at the Real Estate Companies Association of Japan. Representing the logistics real estate industry, Prologis contributes to further establishing the industrial sector by chairing the subcommittee and recommending regulatory and policy changes ranging from taxation, data collection, etc., and other initiatives.

**[VIEW NPR'S ESG DATA](#)** →

# FOR COMMUNITIES

## IMPACT DAY

IMPACT Day has evolved into a signature event. Every May, the entire Prologis community spends a full day volunteering with charities in our local communities.

In 2022, Prologis' Tokyo office worked with the Japanese Nonprofit Organization (NPO) “[Check a Toilet](#)”. It organizes a project to develop a database about toilets (restrooms) for the vulnerable, which include wheelchair-accessible ones, those with baby rests and/or nursing rooms and parking facilities. The database information is based upon inputs from local governments, facility operators, local NPOs, and individuals.

In 2020, with COVID-19 disrupting our normal approach, associates in Japan participated in the “Healthy steps challenge”, completing 24,113,871 steps. The goal of the challenge was to have each participant average 8,000 steps per day—either during workouts or while conducting household chores, and the Prologis Foundation donated to charitable organizations based on the number of steps the participants accomplished. The basic idea was to encourage our colleagues to stay physically and mentally fit while working from home. As a result, a total of appx 28,000 USD was donated to seven charities focused on social welfare, COVID-19 relief, assistance for underprivileged children and the environment.

The Osaka team spent the day in the Osaka Bay area, working side by side with marine biologists and researchers from an NPO that focuses on environmental conservation.



# SUPPORTING COMMUNITIES DURING THE PANDEMIC

Prologis has been fortunate to be in a position to provide resources and support to our communities and customers, while also being transparent and available to our investors. The following is the achievements in 2020 globally including Japan.

- **\$5 million** global relief fund launched by the Prologis Foundation, providing financial support to nonprofits and community-based organizations on the frontlines of the response.
- **~1.2 million sq. ft. and \$ 9.3 million in 13 markets** of in-kind rent donated to municipal governments, hospitals and relief organizations through our Space for Good program.
- **8.5 million meals** funded by Prologis' donations to Feeding America and the European Food Bank Federation for people in need across the U.S. and Europe.
- **50,000 medical masks + 5,000 sets** of protective clothing donated to Chinese hospitals during early stages of the response.
- **100 face shields** made by employees volunteering in Japan to donate to day-care facilities for the elderly.
- **200 dustclothes** sewed by employees volunteering in Japan to donate to children's houses.



Donating face shields to day-care centers



Sewing dust cloths for use in children's homes

## OTHER CONTRIBUTIONS TO COMMUNITIES

### Educational field trips for junior high and elementary school students



### Internship programs for junior high school students



## COMMUNITY WORKFORCE INITIATIVE

Prologis partners with local workforce organizations to provide training, skills development and job placement with an aim to help our customers build a talent pipeline in the booming logistics field. Our mission is to equip 25,000 individuals with the skills necessary for jobs in transportation, distribution and logistics by the end of 2025.

## PROLOGIS FOUNDATION

The Prologis Foundation was established in the United States in 2001, and additionally established in Japan in 2019. Our grant-making focuses on education, the environment and human welfare. The Prologis Japan Foundation provides the following:

- Grants to nonprofits  
Supporting “Kodomo Shokudou”, soup kitchens for underprivileged children and families
- Scholarship program to support undergraduate students raised in orphanages

# FOR EMPLOYEES

## HUMAN CAPITAL STRATEGY

Prologis' global workplaces are inclusive, open and diverse. We seek to create an environment in which every employee feels they can contribute freely to the conversation that drives the success of the organization. As an equal opportunity employer, our goals are consistent, and we apply fair policies that respect cultural differences. We recognize performance based on merit and reward team members for their contributions. To note, since NPR does not have any employees because of J-REIT regulation, below information applies to all employees of Prologis including Prologis REIT Management K.K. (PLDRM).

## PROLOGIS JAPAN'S CULTURE

Prologis Japan has a set of Core Values that guide our communications with customers, investors, local communities, and all of our colleagues at Prologis.

### Prologis Japan's Core Value

#### Teamwork

Striving for team excellence by making the most of everyone's expertise and natural capabilities unique to that person

#### Speed

Speed and agility to provide best solution to stakeholders

#### Quality

Overwhelm stakeholders with our high quality of work, professionalism and expertise

#### "plus 10 percent"

Always a step/level ahead with "plus 10 percent" spirit

## Integrity

Act openly, fairly with humility and integrity

## Learning

Learn from Both Success and Failure

## The Prologis 3Cs

In 2019, Prologis launched the 3Cs to guide our focus and drive success across the organization. Bonus metrics include achievement of the company's 3Cs.



### Customer Centricity

We build lifelong partnerships with our customers. We listen, learn and use the power of our scale to solve our customers' pain points.

### Change Through Innovation and Operational Excellence

Our teams experiment and evolve to uncover and commercialize creative solutions. We believe the best ideas can come from anywhere.

### Culture and Talent

The Prologis culture prioritizes speed and experimentation. We support a workforce of lifelong learners in an atmosphere of responsiveness, reliability and respect.

# INCLUSION & DIVERSITY STRATEGY

Culture & Talent (one of our 3Cs) at Prologis is built on a commitment to leverage Inclusion & Diversity (I&D) to inspire innovation—and it is a tremendous competitive advantage. We continue to make progress on I&D, but we know that our work is not done. Our 2019 I&D survey revealed an opportunity for us to focus even more on hiring diverse candidates, supporting employee development and clarifying criteria for recognition and promotion.

In 2019, Prologis deployed the following action-oriented I&D strategies:

## Talent Acquisition

Added more objectivity and structure to the interview and hiring process, as well as ensured I&D alignment with recruiting agencies to attract diverse candidates.

## Leadership Development

Created coaching strategies to improve leadership development and enhance organizational communication.

## Learning & Development

Started pilots of training courses (e.g., Unconscious Bias training, Crucial Conversations, DiSC) to provide strategies to engage in more inclusive discourse.

## Talent Management

Created a job-leveling framework to create greater transparency for our employees on job growth.

## Reward & Recognition

Developed the 'Traits of the Prologis Team' to emphasize employee abilities and how they are rewarded and recognized.

Our commitment to Inclusion & Diversity is also reflected in the NPR board of directors where one third of the Independent Supervisory Directors are female.

# INVESTING IN PEOPLE THROUGH TRAINING

Prologis' Learning and Development team has built an extensive curriculum focused on five areas:

## Career enrichment

Helping all employees build basic business competencies critical to success, such as presentation skills, effective communication and time management.

## Leadership development

Preparing future leaders, expanding overall leadership capacity and cultivating leadership skills in high-potential employees.

In Japan, every year, leadership training is implemented. For senior leadership, the training includes detailed feedback with scoring sheets that is provided to participants.

## Real estate training

Giving all employees the opportunity to better understand our industry and ensuring ongoing enrichment for those involved in real estate operations.

In Japan, employees are encouraged to acquire qualification related to our business. Below is a list of qualifications and credentials that we help to support employees to complete, subsidizing exam fees and providing learning programs & materials.

- Real Estate Transaction Agent
- ARES Certified Masters
- Real Estate Appraisers
- Certified Building Administrator
- First-class architect
- CASBEE Accredited Professional for Building
- CASBEE Accredited Professional for Real Estate
- Chartered Member of the Securities Analysts Association of Japan

## Systems and technical

Facilitating understanding of core systems.

## HR and talent management

Focusing on topics that include performance management, compliance with local laws and onboarding.

Training is delivered through a combination of classes at Prologis offices, virtual classes and a library of more than 600 self-paced online classes available anytime and anywhere including part-time and contractors.



## OTHER INITIATIVES FOR EMPLOYEES

### Scope of employee investment unit ownership

All employees of Prologis Japan and Prologis REIT Management K.K. are eligible to purchase investment units of NPR on the condition that the purchase is through cumulative stock investments with advance approval by the employer.

### Non-salary benefits and work/life balance

As initiatives in excess of legally required minimum at Prologis Japan, paid nursery leaves are provided for all employees who serve as caregivers for their children of preschool age and elders in their family. The leaves are obtainable for maximum five days and can be taken hourly.

Also, as for the volunteer leave, every employee is eligible to apply for one day each year to contribute to the local community to engage in philanthropy activities.

### Performance appraisals and feedback process

Employees of Prologis Japan undergo feedback process three times a year: initial, interim and final reviews to discuss their targets, progress, next steps and achievements. The evaluation is conducted comprehensively including ESG aspects. In order to secure the fairness and transparency, the final evaluation for promotion is determined by the Human Resources/Compensation Committee.

## ACTIVITIES TOWARDS SUSTAINABLE PATH

In Japan, the Sustainable Path team is organized to promote energy savings and sustainability in our offices including reducing copy paper, as well as collecting plastic bottle caps, providing cases of disposable contact lenses, used stamps, etc. Collection of these used items are sent to charitable organizations for purchasing vaccines for children in developing countries, supporting disabled persons and assisting people in South Asia respectively. These activities not only allow us to be environmentally-friendly while contributing to society, but also enhances employee engagement raising awareness as it relates to ESG issues.

[VIEW NPR'S ESG DATA](#) →

# CORPORATE GOVERNANCE

## NPR'S CORPORATE GOVERNANCE

### Organization of NPR

In accordance with the “Act on Investment Trusts and Investment Corporations (ITA)” of Japan, NPR is incorporated as a Japanese real estate investment trust, or a J-REIT, and governed by unit holders’ meetings and a Board of Directors who represent the interests of our unit holders. Pursuant to the ITA, J-REITs are not permitted to have any employees and are required to outsource all asset management operations. NPR has entered into an asset management agreement with Prologis REIT Management K.K. (PLDRM), the Asset Manager, a joint stock company incorporated under Japanese law.

### General Meeting of Unit Holders

General meetings of unit holders are held in accordance with the ITA and our articles of incorporation. For unit holders residing outside Japan, we send the notice of general meetings to their standing proxy or mailing address in Japan. Except as otherwise provided by law or by our articles of incorporation, unit holders may adopt a resolution at a general meeting of unit holders by a majority vote cast. At a general unit holder meeting, unit holders are entitled to exercise one voting right per investment unit. All of our issued and outstanding units have equal voting rights. We have not issued any investment units that are subject to restrictions on the exercise of voting rights.

General principles of our investment policies are stipulated by our articles of incorporation. Amendment of such general principles of investment policies requires a super-majority vote of our unit holders. Besides such general principles, the manner in which we implement our investment objectives may be enacted by the Board of Directors or delegated by the Board of Directors to the Asset Manager without an approval of our unit holders. Because of this broad discretion, strategies for implementing our investment objectives may be amended without an approval of our unit holders in a way that could potentially be inconsistent with the possible expectations of our unit holders.

### Proposals Approved at General Meeting of Unit Holders

Our articles of incorporation stipulate that our general meetings of unit holders shall be convened on or after August 1st every two years without delay. The articles of incorporation direct us to ensure that a general unit holder meeting is held no later than 25 months after the previous general meeting that was held in accordance with the relevant provisions of our articles of incorporation. At the 6th general meeting of unit holders held on August 26, 2022, the following proposals were submitted and approved.

## Proposals Approved at the 6th General Meeting of Unit Holders

Proposal 1	Partial Amendment of NPR's Articles of Incorporation	The proposal was approved as originally proposed.
Proposal 2	Election of One Executive Director	The proposal was approved as originally proposed and Mr. Satoshi Yamaguchi was elected as NPR's Executive Director.
Proposal 3	Election of One Substitute Executive Director	The proposal was approved as originally proposed and Mr. Atsushi Toda was elected as NPR's Substitute Executive Director.
Proposal 4	Re-election of Three Supervisory Directors	The proposal was approved as originally proposed and Mr. Yoichiro Hamaoka, Ms. Mami Tazaki and Mr. Kuninori Oku were re-elected as NPR's Supervisory Directors.

## Executive, Supervisory Directors and Board of Directors

Our articles of incorporation require that we have one or more Executive Directors and two or more Supervisory Directors.

Our articles of incorporation also require that we have at least one more Supervisory Director than the number of Executive Directors.

The Board of Directors is currently comprised of one Executive Director and three Supervisory Directors. All Directors are elected and appointed at general meetings of our unit holders. The Executive Director represents NPR and has responsibility for the administration of NPR's various activities. The Supervisory Directors are entirely independent of the Asset Manager and its shareholder, the Prologis Group. The Supervisory Directors have a statutory duty to review the Executive Director's administration of NPR's activities. Our Executive Director and Supervisory Directors work together to ensure that we comply with legal, tax and other regulatory requirements, including those arising under the ITA and related to J-REIT regulatory provisions. Certain responsibilities of the Executive Director set out in the ITA, such as convening general meetings of unit holders and entering into or terminating the asset management agreement, require a resolution of the Board of Directors. The quorum for a resolution is a majority of the members of the Board of Directors, and the adoption of a resolution requires a majority of the votes present at the board meetings. If any Director has a conflict of interest with respect to a proposed resolution, the Director is not counted for purposes of achieving a quorum, and he or she is disqualified from voting.

Currently, our Executive Director is Mr. Satoshi Yamaguchi and our Supervisory Directors are Mr. Yoichiro Hamaoka, Ms. Mami Tazaki and Mr. Kuninori Oku. Our articles of incorporation, which is set forth by resolutions at general meetings of our unit holders, defines that the maximum amount of remuneration for the Executive Director is ¥1,000,000 per month and the maximum amount of remuneration for the Supervisory Directors is ¥500,000 per month per person. The Board of Directors is responsible for determining an actual amount of compensation for the Executive Director and the Supervisory Directors in light of macroeconomic environment of Japan and general wage levels of Japanese labors.

All of compensation to be paid to the Directors is fixed remuneration and the amount is not linked with NPR's financial performances, including its profitability and investment unit price, etc.

Our Supervisory Directors have no specific business/economic interests with the Asset Manager and the Prologis Group, and therefore, they shall be able to supervise and review the administration of NPR independently.

The following table summarizes key information pertaining to the Directors:

## Board of Directors (As of May 31, 2022)

Title	Name	Reason for Election	Gender	Number of Units Owned	Attendance at Board of Directors' Meetings (Since September 2020)	Remuneration for Most Recent 6 Month Period (Thousand yen)	Tenure
Executive Director	Masahiro Sakashita <sup>(1)</sup>	Since Mr. Masahiro Sakashita has extensive knowledge of real estate transactions as a real estate appraiser and extensive experiences in the financial and real estate industries, he was appointed as the Executive Director.	Male	51	24 times out of 24 (100%)	-	9 years 6 months
Supervisory Director	Yoichiro Hamaoka	Since Mr. Yoichiro Hamaoka has extensive knowledge of the fairness and transparency of real estate transactions as a real estate broker and has experiences of management and governance of several companies, he was appointed as the Supervisory Director.	Male	0	24 times out of 24 (100%)	2,400	9 years 6 months
Supervisory Director	Mami Tazaki	Since Ms. Mami Tazaki has extensive knowledge of the financial industry and extensive experiences in auditing corporate accounts, she was appointed as the Supervisory Director.	Female	0	24 times out of 24 (100%)	2,400	3 years 8 months
Supervisory Director	Kuninori Oku	Since Mr. Kuninori Oku is well versed in various laws and regulations including real estate transactions as a lawyer, he was appointed as the Supervisory Director.	Male	0	24 times out of 24 (100%)	2,400	1 years 9 months

Title	Name	Knowledge, Skills and Experience					
		Executive Management	Real Estate Management	Real Estate Investment	Finance/Accounting	Audit/Risk Management	Legal/Compliance
Executive Director	Masahiro Sakashita <sup>(1)</sup>	✓	✓	✓	✓		
Supervisory Director	Yoichiro Hamaoka	✓	✓	✓		✓	
Supervisory Director	Mami Tazaki				✓	✓	
Supervisory Director	Kuninori Oku					✓	✓

(Note 1) The tenure of Mr. Masahiro Sakashita for the Executive Director expired August 31, 2022.

The following table summarizes key information of Mr. Satoshi Yamaguchi, the new Executive Director since September 1, 2022:

Title	Name	Reason for Election	Gender
Executive Director	Satoshi Yamaguchi	Since Mr. Satoshi Yamaguchi has extensive knowledge of real estate transactions as a real estate appraiser and has long-term experiences of management of Nippon Prologis REIT, as the Chief Investment Officer of the Asset Manager, he was appointed as the Executive Director.	Male

Title	Name	Knowledge, Skills and Experience					
		Executive Management	Real Estate Management	Real Estate Investment	Finance/Accounting	Audit/Risk Management	Legal/Compliance
Executive Director	Satoshi Yamaguchi	✓	✓	✓	✓		

Please see the link below for the biographies of the directors.

[VIEW BIOGRAPHIES OF NPR'S BOARD OF DIRECTORS](#) →

## Independent Auditors

Under the ITA, we must appoint independent auditors, which must be either certified public accountants or a public accounting firm, who are appointed at a general meeting of our unit holders, except for the first independent auditors that were appointed at our inception. Since our inception, KPMG AZSA LLC (AZSA) has been acting as our independent auditor.

## Engagement Terms of Independent Auditors

AZSA conducts their audit in accordance with auditing standards generally accepted in Japan. AZSA is independent of NPR in accordance with the ethical requirements that are relevant to their audit of the financial statements in Japan, and AZSA fulfills their other ethical responsibilities in accordance with these requirements. AZSA audits the financial statements of NPR for every fiscal period and has been providing opinions since our inception which certifies fair representation, in all material respects, of the financial statement in accordance with accounting principles generally accepted in Japan. Also, AZSA has been providing opinions that they believe that the audit evidences we provide to AZSA is sufficient and appropriate for AZSA to provide a basis for their opinion.

## Compensation for Independent Auditors

Our articles of incorporation, which is set forth by resolution at a general meeting of our unit holders, stipulates that the maximum amount of compensation to our independent auditors, for their audit services, is ¥20,000,000 per fiscal period. The Board is responsible for determining an actual amount of the compensation for our independent auditors. The subject compensation must be paid within three months after the receipt of audit reports and invoices from the independent auditors.

The historical amount of compensation paid to the independent auditors for their audit services and other non-audit services in each fiscal period is as follows:

	Nov. 2019 FP	May 2020 FP	Nov. 2020 FP	May 2021 FP	Nov. 2021 FP	May 2022 FP
Compensation for Audit Services (Thousand yen)	16,500	16,500	15,000	16,500	15,000	16,500
Compensation for Non-Audit Services <sup>(Note)</sup> (Thousand yen)	15,000	17,250	-	17,250	-	15,300

(Note) We have provided compensation to AZSA for non-auditing services, including comfort letter preparation related to issuance of new investment units or investment corporation bonds, and not for any other non-audit services.

## Management by the Board of Directors and Supervision by the Supervisory Directors

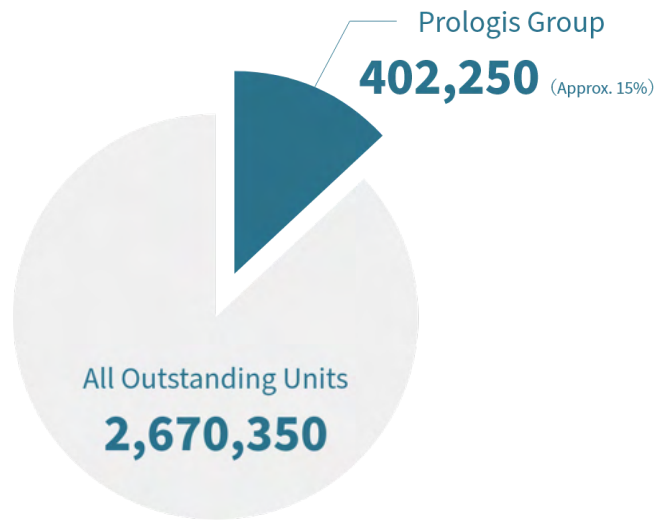
Our business is operated by the Board of Directors, which consists of one Executive Director and three Supervisory Directors. We currently hold a board meeting generally at least once a month. At board meetings, our Executive Director reports the status of operations of the Asset Manager and other matters pertaining to the operations of NPR. Each of our Supervisory Directors receives such reports from the Executive Director, and may request, if deemed necessary, reports pertaining to the status of the asset management operations from the Asset Manager. The Executive Director and the Supervisory Directors may request the officers and other personnel of the Asset Manager, the custodian and the general administrator to attend board meetings and provide explanations regarding the status of the Asset Manager's operations.

## Responsibilities of Supervisory Directors and Independent Auditors for NPR's Financial Statements

Supervisory Directors and AZSA are responsible to appropriately supervise the status of performances of the Executive Director and NPR's financial reporting process. AZSA is also responsible for providing reasonable assurance in connection with whether the financial statements of NPR as a whole are free from material misstatement, fraud or error, and for issuing an auditor's report to the board that contains their independent opinions for every fiscal period of NPR.

## SAME BOAT INVESTMENT BY THE PROLOGIS GROUP

Our sponsor, the Prologis Group, has been holding approximately 15% of our issued and outstanding units since the listing of our units on the Tokyo Stock Exchange in February 2013. Since our listing, the Prologis Group has consistently and publicly expressed its intent to hold our units for the long-term, maintaining the 15% ownership by purchasing an additional 15% of the units to be sold in the future follow-on offerings. Through this ownership, we believe that the interests of the Prologis Group and our unit holders are aligned and the Prologis Group's investment in us will contribute to improvement of unit holder value by strengthening the support we receive from the Prologis Group.



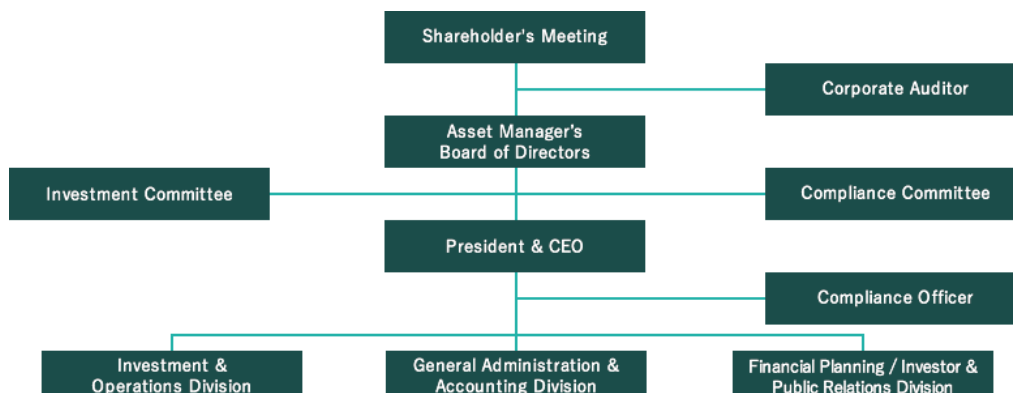
(Note) As of May 31, 2022

## ORGANIZATIONAL AND GOVERNANCE STRUCTURE OF THE ASSET MANAGER

Prologis REIT Management K.K. (PLDRM) is acting as NPR’s Asset Manager based on the bilateral asset management agreement between NPR and PLDRM in accordance with the legal requirement under the ITA. The scope of PLDRM’s role is broad; examples are property acquisitions and disposition, operations/management of NPR’s portfolio, financing and investor relations, reporting to NPR’s board and other ancillary administrative work. PLDRM is a wholly owned subsidiary of the Prologis Group and governed by its own board of directors and organizations described in the below chart. In addition, there are two committees which govern certain areas of PLDRM’s corporate actions in connection with its asset management functions. The Investment Committee is responsible for discussing and approving PLDRM’s asset management plans as well as NPR’s various transactions such as investments, dispositions and capital raising. The Compliance Committee is responsible for discussing and approving various compliance matters related to PLDRM’s corporate actions in certain areas, such as related-party transactions, and its governance. Each of the Investment Committee and the Compliance Committee is required to have at least one independent committee member who has veto rights to the proposed agenda. Our Compliance Officer is Mr. Ryuji Murakami and he is responsible for legal compliance, compliance planning and promoting our compliance activities. The Compliance Officer reviews PLDRM’s administration from the viewpoint of compliance, and if there are some compliance issues that could occur, he has the authority to give necessary opinions or instructions to the officers and other personnel of PLDRM.

Please see the link below for the biographies of the directors.

### VIEW BIOGRAPHIES OF PLDRM’S BOARD OF DIRECTORS, COMPLIANCE OFFICER AND INDEPENDENT COMMITTEE MEMBERS →



# ATTENDANCE AT PLDRM'S COMMITTEES

The following table summarizes the attendance of our Compliance Officer and independent committee members to the Investment Committee and the Compliance Committee:

## Investment Committee

	CY 2019	CY 2020	CY 2021
Number of Meetings	13 times	13 times	12 times
Attendance of Compliance Officer	13 times out of 13 (100%)	13 times out of 13 (100%)	12 times out of 12 (100%)
Attendance of Independent Committee Member	13 times out of 13 (100%)	13 times out of 13 (100%)	12 times out of 12 (100%)

## Compliance Committee

	CY 2019	CY 2020	CY 2021
Number of Meetings	6 times	8 times	6 times
Attendance of Compliance Officer	6 times out of 6 (100%)	8 times out of 8 (100%)	6 times out of 6 (100%)
Attendance of Independent Committee Member	6 times out of 6 (100%)	8 times out of 8 (100%)	6 times out of 6 (100%)



# RISK MANAGEMENT

## NPR'S RISK MANAGEMENT FOR ASSET MANAGEMENT

### Formulation and Compliance to Investment Guidelines and Risk Management Rules

Our risk management system is operated through a combination of multiple platforms. PLDRM has established the "Investment Guidelines" in accordance with NPR's articles of incorporation in order to realize the basic asset management policy. The Investment Guidelines stipulate investment policies, rules for related-party transactions, basic policies regarding the acquisition, disposition, and management of properties. PLDRM oversees risk management for investment management decisions by complying with our Investment Guidelines.

The "Risk Management Rules" define the fundamental framework of PLDRM's risk management, attempting to maintain high levels of risk control that ultimately secure the soundness of PLDRM's management. PLDRM's board of directors, Compliance Officer and the head of each division are ultimately responsible for and supervise PLDRM's risk management efforts.

The head of each division is responsible for the intra-divisional risk control and management. Semiannually, the status of PLDRM's risk management processes is reported to the Compliance Committee and PLDRM's board of directors. Also, PLDRM periodically conducts its own internal audit and the Compliance Officer is in charge of organizing risk controls and monitoring operations.

## RISK ASSESSMENT

### NPR's Risk Assessment

NPR's business environment risks and asset management risks are periodically monitored and assessed according to the risk management categories specified in the "Risk Management Rules" and the "Risk Management Manual" set forth by PLDRM. PLDRM makes efforts to mitigate the potential risks, which are clarified in NPR's risk assessment, in accordance with the policy for managing those risks, and make NPR's investment management system and portfolio more resilient. The risk management categories currently being monitored are as follows:

1. Risks related to investment product design (risks in selecting real estate for investment, etc.)
2. Risks regarding related parties (risks related to the usage status of properties by tenants, etc.)
3. Risks related to the characteristics of assets under management (risks of fluctuations in rent revenue, risk of loss, damage, or deterioration of NPR's portfolio properties due to natural disasters, etc.)
4. Financial risks of NPR (risks related to financing, etc.)
5. Risks related to antisocial forces (risks related to unreasonable demands, etc.)
6. Compliance risks (risks of false disclosure related to legal disclosure of NPR, etc.)

## EMERGING RISKS AND MEASURES IN NPR'S BUSINESS ENVIRONMENT

We are investigating and analyzing situations and changes that may occur within NPR's business environment and the emerging risks associated with them. In particular, we have extracted risks that are likely to have a long-term impact on NPR and are considering new mitigation measures for those risks.

Economic & Financial Risks			
Potential Changes in Business Environment	Emerging Risks	Our Understanding	Potential Countermeasures
Global Financial Crisis	Capital Market Dysfunction	If another global financial crisis occurs, the financing environment for NPR may significantly deteriorate, which may potentially make it difficult to procure funds for NPR's external growth and debt refinancing, and may have a significant negative impact on NPR's financial conditions.	We continue to maintain NPR's loan-to-value ratio at conservative levels, further enhance its strong balance sheet, and secure sufficient liquidity needed to carry out the external growth and refinancing.
Hyperinflation and Interest Rate Spikes	Significant Increase in Debt Financing Costs	As a result of wide spread global monetary/fiscal easing policies, we may encounter significant inflation and rises in interest rates, which may materially increase NPR's debt costs and thereby may deteriorate NPR's financial performances.	We are able to minimize the risks of rising interest rates by extending NPR's debt duration and fixing a substantial portion of the interest rates of NPR's debt.
Further Stagnation of Japanese Economy	Deterioration of Japanese Macroeconomic Environment	NPR's profitability may be negatively impacted by potential deterioration of Japanese macroeconomic environment and possible decline in tenants' financial performances due to various macro factors, including declining birthrate, aging population, delay of Japan's technological innovation and global pandemic.	We may be able to minimize the negative impact on NPR's financial performance from the macroeconomic environment through the diversification of NPR's portfolio properties and tenants.

## Environmental Risks

Potential Changes in Business Environment	Emerging Risks	Our Understanding	Potential Countermeasures
Acceleration of Global Warming	Rise of Sea Level	NPR's portfolio properties located in coastal areas may be damaged by potential floods which may be magnified by the rising sea levels.	We continue to monitor and assess the amount of risks for each of NPR's portfolio properties by analyzing the latest hazard maps provided by local authorities and by judging the necessity of mitigating construction work.
	Outbreak of Abnormal Weather	NPR's portfolio properties may be severely damaged due to massive natural disasters such as super typhoons and ultra-heavy rainfalls at unprecedented scales.	We continue to monitor and assess the risk exposure of NPR's portfolio properties by analyzing the latest hazard maps provided by local authorities and by judging the necessity of mitigating construction work.
	Extreme Heatwaves	Japan is experiencing an increasing number of heatwaves during the summer, which may potentially damage equipment/structure of NPR's portfolio properties and endanger NPR's tenant employees' health conditions/working environment.	We continue to install effective heat insulation materials within the building facades/roofs of NPR's portfolio properties, and continue to install energy-efficient air conditioning systems within warehouse space, especially when we receive such requests from NPR's tenants.
Acceleration of Global Decarbonization	Tightening Regulations Requiring the Reduction of Carbon Emissions	NPR may be required to make a significant investment in achieving carbon emission reduction targets set by laws and regulations. At the same time, NPR may potentially incur penalties and other monetary expenditures if it fails to fulfill the reduction requirements.	We continue to monitor the data of carbon emissions considering the value chain of NPR's business. We also discuss various countermeasures, including, but not limited to, the introduction of an internal carbon pricing system.
	Increase in Cost due to Introduction of New Technologies Related to Energy Saving/Renewable Energy	Laws/regulations in connection with carbon emissions may be tightened, which may expose NPR to risks from a significant increase in investments to adopt new technologies for energy-saving/renewable energy, including investments into "Net Zero Energy Buildings (NZEB)."	We will maintain significant financial capacity within NPR to respond to potential urgent needs to introduce new technologies.

Potential Changes in Business Environment	Emerging Risks	Our Understanding	Potential Countermeasures
Acceleration of Global Decarbonization	Changes in Tenant Preferences	As NPR's tenants become more conscious of decarbonization and avoid logistics facilities with inferior environmental performances, NPR may be exposed to risks of its diminishing portfolio values.	We will maintain exemplary environmental performance across NPR's portfolio properties and continue to acquire green building certifications from reputable authorities.
Large-scale Earthquakes	Infrastructure Outages and/or Severe Human Damages Caused by Earthquakes	If large-scale earthquakes occur in the Tokyo and/or Osaka metropolitan areas, NPR will likely be exposed to risks of physical damages on its portfolio properties and/or risks of suspension of their operations due to potential loss of essential infrastructure, including, but not limited to, communication channels and public transportation.	If such large-scale earthquakes occur, we will promptly turn on the Prologis Group's Business Continuity Management System, confirming the safety of the people (and their families) involved in the operations of NPR and provide them with necessary goods to sustain their lives. At the same time, we will quickly assess the status of damaged properties and work to quickly repair any damage to support business continuity for our customers.

## Social Risks

Potential Changes in Business Environment	Emerging Risks	Our Understanding	Potential Countermeasures
Declining Birthrate and Aging Population in Japan	Chronic Labor Shortage in the Logistics Industry	NPR's tenants may be exposed to risks of not being able to grow their businesses due to continued labor shortages in the logistics industry and worsening business performance due to rising labor costs. If the tenants' financial performance declines in the long-term, NPR may be exposed to risks of decreased profitability.	To help NPR's tenants attract a sufficient workforce, we will continue to strengthen the quality of property management and operations by improving the tenant employees' working environment through various measures, including, but not limited to, fulfilling amenities in NPR's portfolio properties. At the same time, we will cooperate with the tenants' hiring efforts by introducing effective third-party HR support services.
	Potential Difficulty in Retaining Talented Employees at the Asset Manager and the Prologis Group	NPR may be exposed to the risks of deterioration of its operational quality if the Asset Manager and/or the Prologis Group are not able to retain sufficient numbers of talented employees.	We will continue to monitor and assess the status of engagement of employees at the Asset Manager and the Prologis Group. We will also continue to maintain high levels of employee motivation and loyalty. If necessary, we will introduce flexible working rules to meet employee expectations around an ideal work-life balance.
Unidentified Infectious Diseases	Social and Economic Losses due to Potential Pandemic of Unidentified Infectious Diseases	NPR's business operations may be hindered as a result of social and/or economic slow down which may be caused by a potential pandemic of unidentified infectious diseases.	We will continue to maintain/improve our plans to minimize the potential impact of pandemic on NPR's business operations through various measures, which include, but are not limited to, the enhancement of facility sanitation programs and facility recovery programs.

## Technological Risks

Potential Changes in Business Environment	Emerging Risks	Our Understanding	Potential Countermeasures
Complexity and Globalization of Information Technologies	Potential Threats to Computer Systems due to Cyber Attacks	NPR and the Asset Manager are exposed to potential risks of suspension of their business operations and/or leakage of confidential information as a result of cyber attacks on our computer systems. In addition, if such suspension or leakage occurs, NPR and the Asset Manager would be exposed to significant reputational risks.	We will continue to introduce advanced information security systems to prevent intrusion into our computer systems from the outside. Also, if such intrusion occurs, we will pursue prompt remedies. For that purpose, we will continue to train employees to improve their awareness of, and responsiveness to, cybersecurity risks and importance of information management.

## INFORMATION SECURITY

Preparing for information security incidents is critical especially in an era of accelerating digitalization. PLDRM's Chief Technology Officer (CTO) is responsible for supervising and developing our cybersecurity strategy. NPR and PLDRM mitigate the risks of cyber security through the implementation of security measures and a comprehensive disaster recovery plan.

# COMPLIANCE

## COMPLIANCE BASIC POLICY AND COMPLIANCE PROMOTION SYSTEM

### Compliance Basic Policy

PLDRM, the Asset Manager, has established the “Compliance Basic Policy” to promote compliance pertaining to its asset management activities regarding NPR based on the “Compliance Rules”, as follows:

1. PLDRM recognizes that inadequate compliance could undermine our management foundations. We deem thorough compliance to be one of the most important management issues.
2. PLDRM recognizes that we are socially required to carry out our business responsibly as a financial instruments business operator. We are actively and constantly working on compliance in order to increase our business value qualitatively and quantitatively.
3. PLDRM tries to contribute to economic and social development by working on compliance activities described in the above 2. and aims to raise the reputation from investors and gain the trust from every stakeholder around the world.

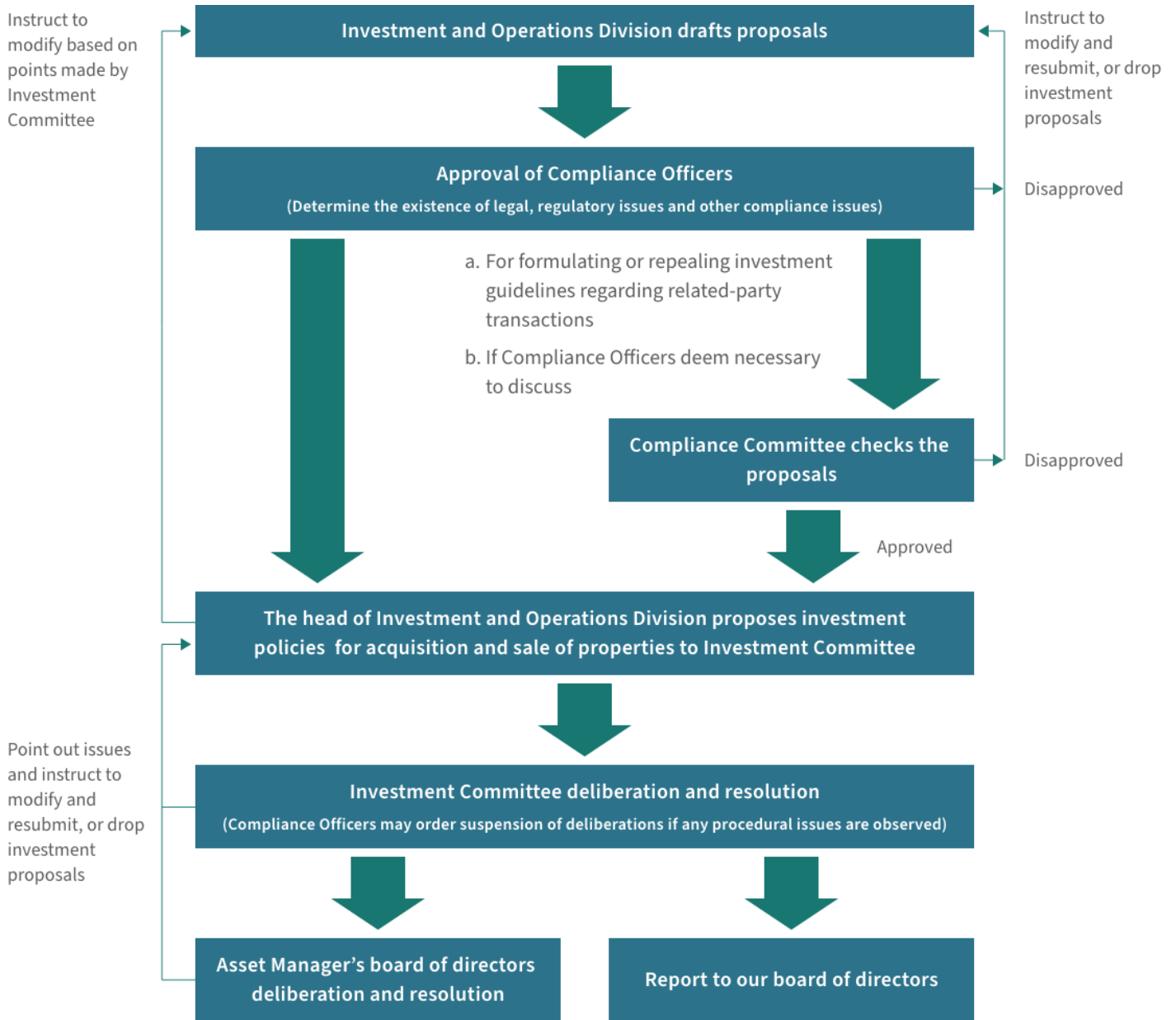
### Compliance Promotion System

PLDRM stipulates basic components regarding the compliance system of PLDRM in accordance with the Compliance Rules, the “Compliance Manual” and other rules. PLDRM strictly complies with laws and regulations related to its business, carries out sound and sincere corporate activities, and has established a system to ensure the soundness of management based on self-discipline.

The compliance promotion system consists of the Board of Directors, the Compliance Committee and the Compliance Officer. The Board of Directors formulates basic policies and other basic matters regarding the promotion of compliance, appoints and dismisses an independent member of the Compliance Committee, and formulates and revises the Compliance Manual and compliance programs. The Compliance Committee deliberates on the formulation and revision of the Compliance Manual and compliance programs, and deliberates and resolves other matters related to compliance. The Compliance Officer plans and promotes overall compliance activities as the person in charge of legal compliance.

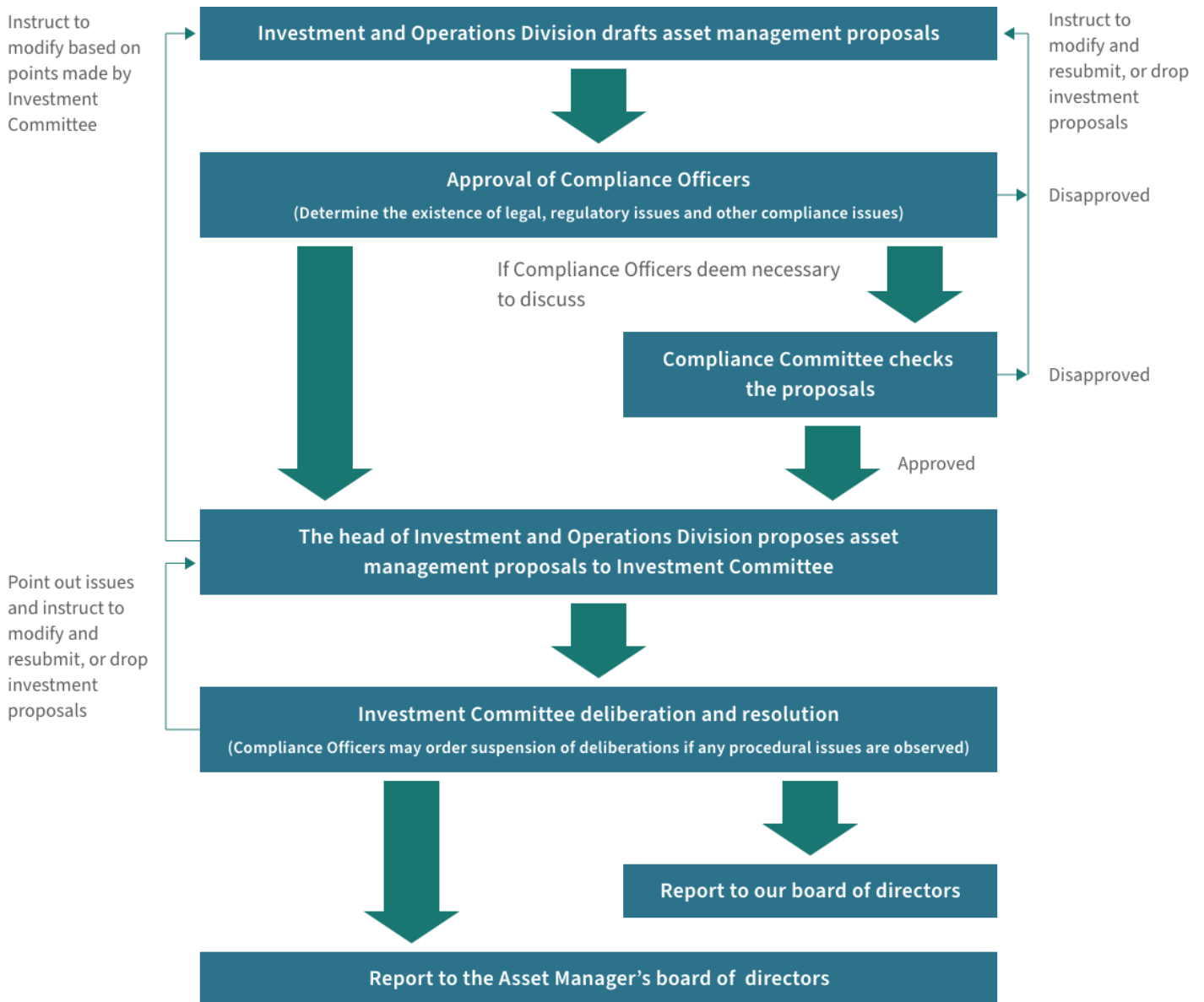
The Compliance Officer has independent authority in the PLDRM’s decision-making process regarding NPR’s asset management, and plays an important role in the compliance promotion system.

**1. The following chart summarizes PLDRM’s approval process for formulating and modifying investment guidelines in the investment policy for our assets:**

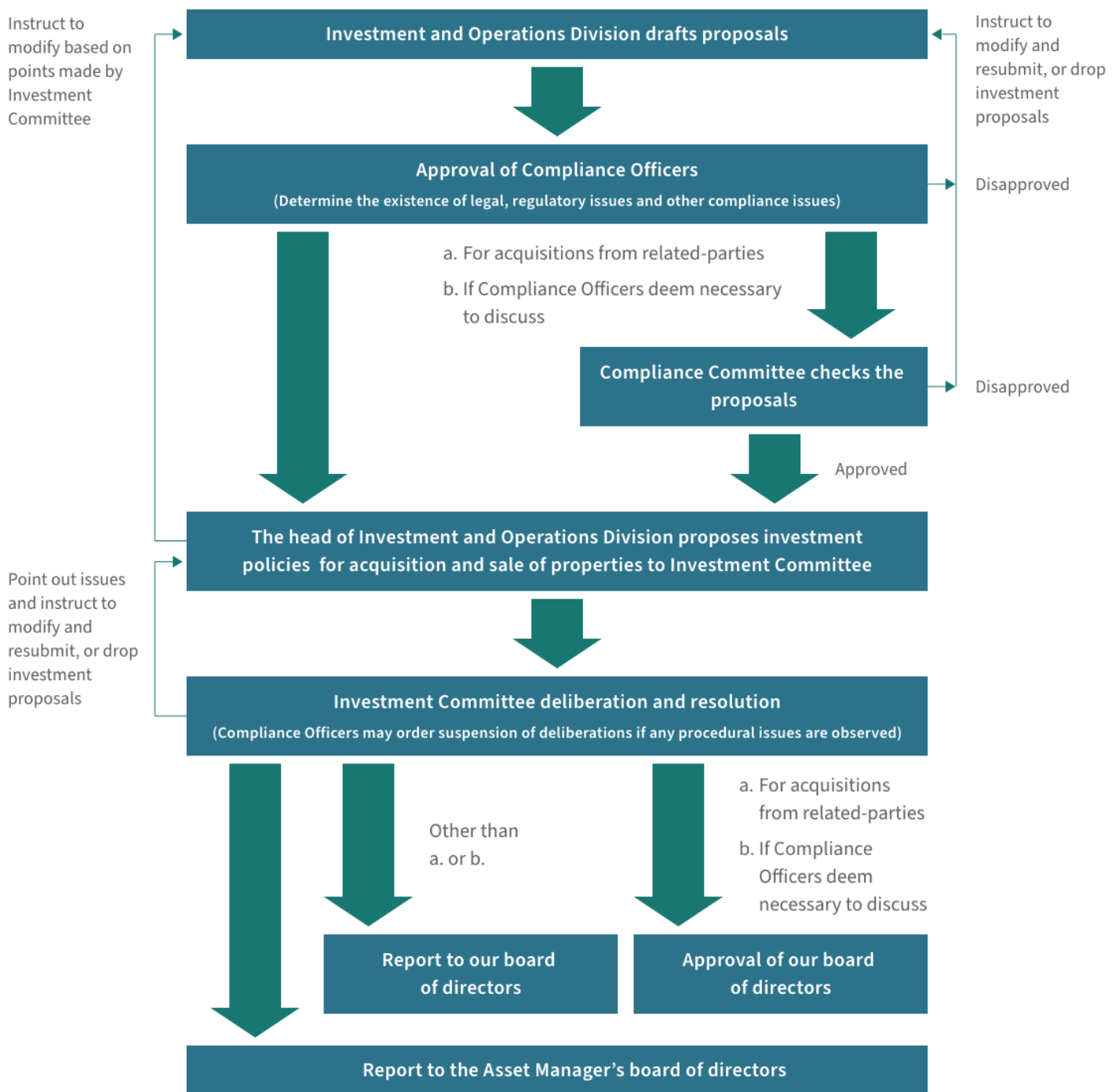




**2. The following chart summarizes PLDRM’s approval process for formulation and modification of asset management plans:**



### 3. The following chart summarizes PLDRM's approval process for acquisitions and dispositions of assets under management:



In order to practice compliance activities, the Compliance Officer formulates and maintains internal rules such as the Compliance Manual as a code of conduct that serves for officers and employees. In addition, the Compliance Officer plans and implements guidance and training for officers and employees on a regular basis or necessarily based on the compliance programs, etc.

## Number of compliance trainings conducted based on the compliance program

	CY 2018	CY 2019	CY 2020	CY 2021
Number of Compliance Trainings (Including E-learning)	5	3	4	4

(Note) The compliance trainings are conducted for all employees of PLDRM, including contract and temporary employees.

## RULES REGARDING RELATED-PARTY TRANSACTIONS

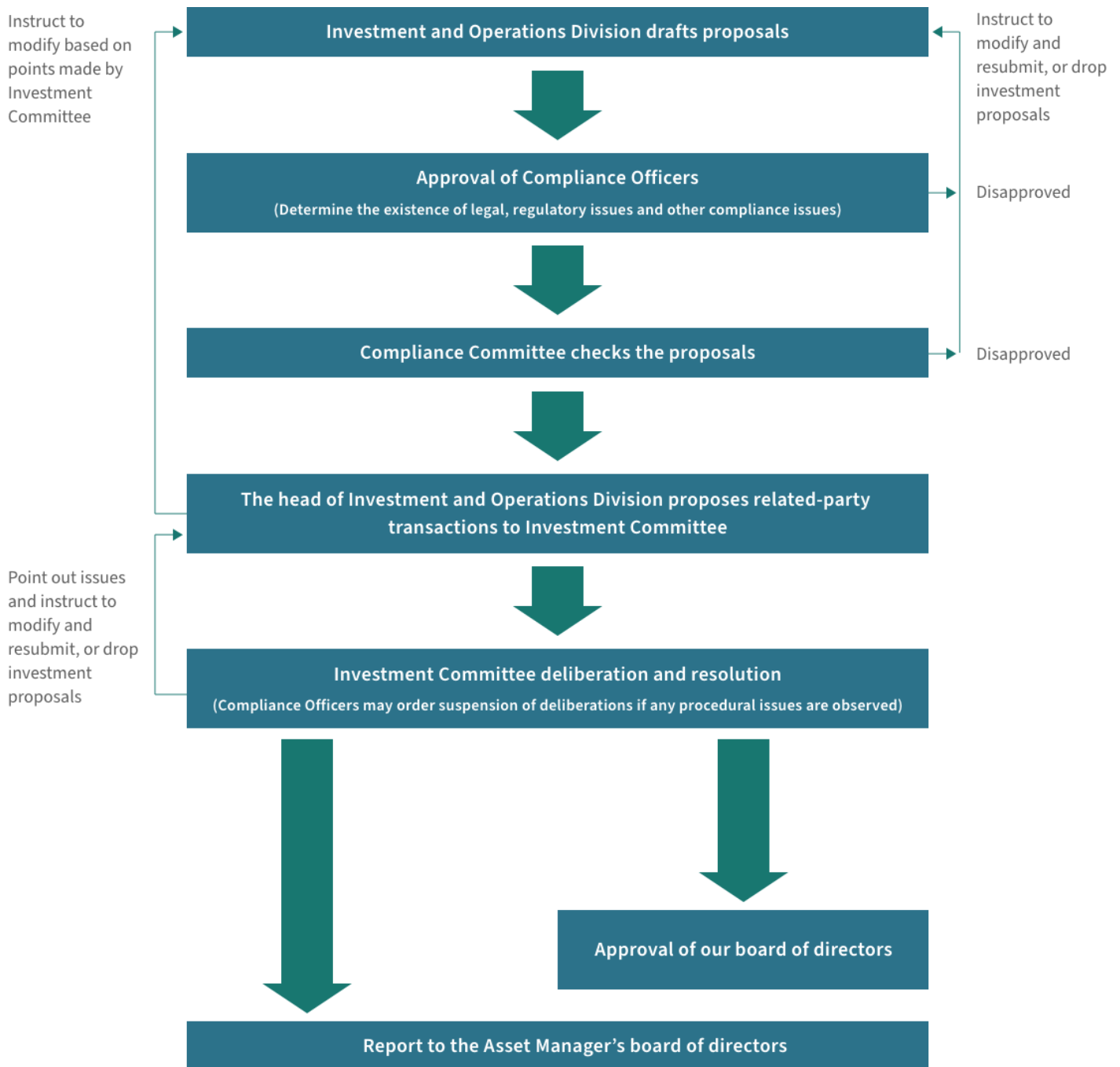
PLDRM has adopted an internal set of rules that apply to all related-party transactions, which include property and security acquisition, disposition and leasing, property management outsourcing, real estate brokerage services outsourcing (such as for trades and leases) or placing construction orders. In order to prevent conflicts of interest, PLDRM shall comply with relevant laws and regulations for all transactions, including with parties other than related parties, and shall not conduct its business in a way which causes conflicts of interest or which undermines our interests when conducting transactions with related parties and shall not conduct unnecessary transactions.

### Procedures for Related-Party Transactions

These rules require PLDRM to obtain preliminary approval from the Compliance Officer, who determines whether there is any compliance issue from a compliance viewpoint after reviewing the compliance status of the related-party transactions with the applicable laws, regulations and rules set by NPR and PLDRM, prior to entering into the transactions. The Compliance Committee reviews the proposals under the supervision of the Compliance Officer before the Investment Committee reviews any transaction that could be considered a related-party transaction. Once the Compliance Committee approves, the Investment Committee reviews the proposals. If the Investment Committee approves, then the transactions are entered into and immediately reported to PLDRM's Board of Directors and NPR's Board of Directors by the head of the Investment and Operations Division.

All related-party transactions, including acquisition, disposition and leasing of properties and securities, except for transactions as set forth by an enforcement order of the ITA as miscellaneous transactions which would not materially impact us, must be reviewed by the Compliance Committee and obtain consent from NPR based on the approval at a meeting of NPR's Board of Directors. In addition, other types of transactions must be similarly reviewed by the Compliance Committee and obtain consent from NPR in case the Compliance Officer judges it necessary.

## The following chart summarizes PLDRM's approval process for related-party transactions: —



From the perspective of ensuring transparency, related-party transactions are promptly disclosed to the public in an appropriate process in accordance with applicable laws, regulations and related rules.

# INTERNAL AUDITS FOR THE ASSET MANAGER

Internal audits for PLDRM are conducted by the Compliance Officer, who is independent of other divisions, at least once a year for each division, in principle. The Compliance Officer drafts an annual internal audit plan at the beginning of each fiscal period and submits it to PLDRM's Board of Directors for deliberation and resolution. The Compliance Officer prepares an internal audit report summarizing the results of the internal audits and submits it to PLDRM's Board of Directors immediately after conducting the audits. Simultaneously, the Compliance Officer shall make recommendations or instructions for improvement to each division, as necessary, based on the results of the internal audits.

In addition, PLDRM's Board of Directors and the Compliance Officer may conduct an external audit by outside experts if necessary.

## PROLOGIS CODE OF ETHICS AND BUSINESS CONDUCT

PLDRM 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 PLDRM's officers and employees, with various training opportunities to improve their understanding of ethical standards and ethical decision-making ability.

In addition, the Prologis Group, including PLDRM, 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.

Furthermore, the Prologis Group prohibits acts that are suspected of being illegal acts pertaining to politics or government, , as well as entertainment, gifts, bribery, etc. 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.

We clarify that NPR and PLDRM have never provided any political contributions and there were no critical breaches against Prologis' Code of Ethics.

[VIEW PROLOGIS CODE OF ETHICS AND BUSINESS CONDUCT](#) →

[VIEW NPR'S ESG DATA](#) →

## WHISTLE-BLOWER SYSTEM IN THE PROLOGIS GROUP

The Prologis Group has introduced a whistle-blowing system for providing every employee in the Prologis Group in Japan, including PLDRM, with a safe and comfortable working environment. All employees in Japan 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 in Japan have access to the system at any time.

# SAFETY HELPLINE

Ensuring the safety of all stakeholders such as customers and suppliers, as well as every employee in the Prologis Group, including PLDRM, is a priority for us. The Prologis Group has established a safety helpline that allows all stakeholders inside and outside NPR, PLDRM 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.

# HUMAN RIGHTS

## HUMAN RIGHTS COMMITMENT

Prologis encourages 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, Prologis 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, Prologis requires its business partners to adhere to the Prologis Supplier Code of Conduct, that requires adherence to fair employment practices including for example the prohibition of involuntary and child labor, as well as work environments free from discrimination and harassment.

[READ HUMAN RIGHTS POLICY](#) →

## TRAINING ON HUMAN RIGHTS FOR EMPLOYEES

Prologis has been providing training courses for employees to understand issues related human rights violence at workplace since 2019. The trainings contain the following.

- Unconscious Bias training

Contents of the unconscious bias training include how employees' behaviors could be interpreted as harassment and reporting manner against harassment or discrimination, reflecting on the commitment written in the Code of Ethics and Business Conduct.

- DiSC

DiSC is a personal development learning that measures an individual's preferences and tendencies based on its model. The model describes four basic styles: D (Dominance), i (Influence), S (Steadiness), and C (Conscientiousness), and employees receive personalized insights in order to understand their own engagement styles as well as others, making workplace interactions more enjoyable and effective.

# GRI CONTENT INDEX

## GRI CONTENT INDEX

GRI MATERIAL TOPIC	LOCATION
<b>GRI 100: Universal Standards</b>	
<b>GRI 102: General Disclosures 2016</b>	
<b>1. Organizational Profile</b>	
102-1 <b>Name of the organization</b>	
a Name of the organization	<a href="#">Corporate Profile&gt;Overview</a>
102-2 <b>Activities, brands, products, and services</b>	
a A description of the organization's activities.	<a href="#">To Our Unit Holders</a>
b Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	<a href="#">Strategic Focus on Class-A Logistics Facilities Portfolio List</a>
102-3 <b>Location of headquarters</b>	
a Location of the organization's headquarters.	<a href="#">Corporate Profile&gt;Overview</a>
102-4 <b>Location of operations</b>	
a Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	<a href="#">Corporate Profile&gt;Overview</a>
102-5 <b>Ownership and legal form</b>	
a Nature of ownership and legal form.	<a href="#">Corporate Profile&gt;Overview</a>
102-6 <b>Markets served</b>	
a Markets served, including:	
i. geographic locations where products and services are offered;	<a href="#">Corporate Profile&gt;Overview Portfolio List</a>
ii. sectors served;	<a href="#">Our Investment Criteria • Portfolio Strategy</a>
iii. types of customers and beneficiaries.	<a href="#">Capitalization &amp; Major Unit Holders&gt;Major Unit Holders</a>
102-7 <b>Scale of the organization</b>	
a Scale of the organization, including:	
i. total number of employees;	<a href="#">ESG DATA&gt;EMPLOYEE</a>
ii. total number of operations;	<a href="#">Corporate Profile&gt;Overview</a>
iii. net sales (for private sector organizations) or net revenues (for public sector organizations);	<a href="#">Financial Highlights&gt;Financial Highlights</a>
iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;	<a href="#">Financial Highlights&gt;Financial Highlights</a>
v. quantity of products or services provided.	<a href="#">Portfolio Data&gt;Portfolio Summary</a>
102-8 <b>Information on employees and other workers</b>	NPR has no employees and outsources all asset management operations to the asset management company(PLDRM), so we disclose the employees of the asset management company here.



GRI MATERIAL TOPIC		LOCATION
a	Total number of employees by employment contract (permanent and temporary), by gender.	ESG DATA>EMPLOYEE
b	Total number of employees by employment contract (permanent and temporary), by region.	There is no regional difference since the asset management company(PLDRM) of NPR has only one office
c	Total number of employees by employment type (full-time and part-time), by gender.	ESG DATA>EMPLOYEE
d	Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.	NPR does not have any employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations and entrusts the management and operation of the properties to PLDRM. The major part of organization's activities of PLDRM is performed by employees.
e	Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).	No significant variations in the numbers reported
f	An explanation of how the data have been compiled, including any assumptions made.	NPR does not have any employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations and entrusts the management and operation of the properties to PLDRM. The major part of organization's activities of PLDRM is performed by employees.
102-9	<b>Supply chain</b>	
a	A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	FOR BUSINESS PARTNERS
102-10	<b>Significant changes to the organization and its supply chain</b>	
a	Significant changes to the organization's size, structure, ownership, or supply chain, including:	No significant changes
	i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;	
	ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);	
	iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	
102-11	<b>Precautionary Principle or approach</b>	
a	Whether and how the organization applies the Precautionary Principle or approach.	RISK MANAGEMENT
102-12	<b>External initiatives</b>	
a	A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	TCFD DISCLOSURE
102-13	<b>Membership of associations</b>	
	A list of the main memberships of industry or other associations, and national or international advocacy organizations.	RELATIONSHIP WITH TRADE ASSOCIATIONS ESG DATA>COMPLIANCE
<b>2. Strategy</b>		
102-14	<b>Statement from senior decision-maker</b>	
a	A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	TOP COMMITMENT
102-15	<b>Key impacts, risks, and opportunities</b>	
a	A description of key impacts, risks, and opportunities.	MATERIALITY AND COMMITMENT TO THE SDGS CLIMATE CHANGE AND ENERGY>TCFD Disclosure

GRI MATERIAL TOPIC		LOCATION
<b>3. Ethics and Integrity</b>		
102-16	<b>Values, principles, standards, and norms of behavior</b>	
a	A description of the organization's values, principles, standards, and norms of behavior.	ESG POLICY AND MANAGEMENT SYSTEM COMPLIANCE>PROLOGIS CODE OF ETHICS AND BUSINESS CONDUCT
102-17	<b>Mechanisms for advice and concerns about ethics</b>	
a	A description of internal and external mechanisms for:	
i.	seeking advice about ethical and lawful behavior, and organizational integrity;	COMPLIANCE
ii.	reporting concerns about unethical or unlawful behavior, and organizational integrity.	COMPLIANCE>WHISTLE-BLOWER SYSTEM IN THE PROLOGIS GROUP
<b>4. Governance</b>		
102-18	<b>Governance structure</b>	
a	Governance structure of the organization, including committees of the highest governance body.	CORPORATE GOVERNANCE>NPR'S CORPORATE GOVERNANCE
b	Committees responsible for decision-making on economic, environmental, and social topics.	ESG POLICY AND MANAGEMENT SYSTEM>NPR'S ESG COMMITTEE
102-19	<b>Delegating authority</b>	
a	Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	ESG POLICY AND MANAGEMENT SYSTEM>NPR'S ESG COMMITTEE
102-20	<b>Executive-level responsibility for economic, environmental, and social topics</b>	
a	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.	ESG POLICY AND MANAGEMENT SYSTEM>NPR'S ESG COMMITTEE
b	Whether post holders report directly to the highest governance body.	—
102-21	<b>Consulting stakeholders on economic, environmental, and social topics</b>	
a	Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.	RESPONSIBILITY FOR STAKEHOLDERS>BASIC POLICY
b	If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	NPR'S ESG COMMITTEE
102-22	<b>Composition of the highest governance body and its committees</b>	
a	Composition of the highest governance body and its committees by:	Structure CORPORATE GOVERNANCE>Executive, Supervisory Directors and Board of Directors
i.	executive or non-executive;	
ii.	independence;	
iii.	tenure on the governance body;	
iv.	number of each individual's other significant positions and commitments, and the nature of the commitments;	
v.	gender;	
vi.	membership of under-represented social groups;	
vii.	competencies relating to economic, environmental, and social topics;	
viii.	stakeholder representation.	
102-23	<b>Chair of the highest governance body</b>	
a	Whether the chair of the highest governance body is also an executive officer in the organization.	CORPORATE GOVERNANCE>Executive, Supervisory Directors and Board of Directors
b	If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	Corporate Profile>Board of Directors

GRI MATERIAL TOPIC		LOCATION
102-24	<b>Nominating and selecting the highest governance body</b>	
a	Nomination and selection processes for the highest governance body and its committees.	Only available in Japanese.
b	Criteria used for nominating and selecting highest governance body members, including whether and how:	Only available in Japanese.
	i. stakeholders (including shareholders) are involved;	
	ii. diversity is considered;	
	iii. independence is considered;	
	iv. expertise and experience relating to economic, environmental, and social topics are considered.	
102-25	<b>Conflicts of interest</b>	
a	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	COMPLIANCE>RULES REGARDING RELATED-PARTY TRANSACTIONS
b	Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:	COMPLIANCE>RULES REGARDING RELATED-PARTY TRANSACTIONS
	i. Cross-board membership;	
	ii. Cross-shareholding with suppliers and other stakeholders;	
	iii. Existence of controlling shareholder;	
	iv. Related party disclosures.	
102-26	<b>Role of highest governance body in setting purpose, values, and strategy</b>	
a	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	ESG POLICY AND MANAGEMENT SYSTEM
102-27	<b>Collective knowledge of highest governance body</b>	
a	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	ESG POLICY AND MANAGEMENT SYSTEM>NPR AND PROLOGIS AS ONE GROUP FOR ESG
102-28	<b>Evaluating the highest governance body's performance</b>	
a	Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.	RISK MANAGEMENT
b	Whether such evaluation is independent or not, and its frequency.	—
c	Whether such evaluation is a self-assessment.	RISK MANAGEMENT
d	Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	—
102-29	<b>Identifying and managing economic, environmental, and social impacts</b>	
a	Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.	MATERIALITY AND COMMITMENT TO THE SDGS
b	Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.	MATERIALITY AND COMMITMENT TO THE SDGS
102-30	<b>Effectiveness of risk management processes</b>	
a	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	RISK MANAGEMENT

GRI MATERIAL TOPIC		LOCATION
102-31	<b>Review of economic, environmental, and social topics</b>	
a	Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	ESG POLICY AND MANAGEMENT SYSTEM>NPR AND PROLOGIS AS ONE GROUP FOR ESG
102-32	<b>Highest governance body's role in sustainability reporting</b>	
a	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	ESG POLICY AND MANAGEMENT SYSTEM>NPR AND PROLOGIS AS ONE GROUP FOR ESG
102-33	<b>Communicating critical concerns</b>	
a	Process for communicating critical concerns to the highest governance body.	CORPORATE GOVERNANCE
102-34	<b>Nature and total number of critical concerns</b>	
a	Total number and nature of critical concerns that were communicated to the highest governance body.	No critical concerns reported during the reporting period
b	Mechanism(s) used to address and resolve critical concerns.	—
102-35	<b>Remuneration policies</b>	
a	Remuneration policies for the highest governance body and senior executives for the following types of remuneration:	CORPORATE GOVERNANCE>EXECUTIVE AND SUPERVISORY DIRECTORS
	i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;	
	ii. Sign-on bonuses or recruitment incentive payments;	
	iii. Termination payments;	
	iv. Clawbacks;	
	v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.	
b	How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	—
102-36	<b>Process for determining remuneration</b>	
a	Process for determining remuneration.	CORPORATE GOVERNANCE>EXECUTIVE AND SUPERVISORY DIRECTORS Only available in Japanese.
b	Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.	—
c	Any other relationships that the remuneration consultants have with the organization.	—
102-37	<b>Stakeholders' involvement in remuneration</b>	
a	How stakeholders' views are sought and taken into account regarding remuneration.	CORPORATE GOVERNANCE>EXECUTIVE AND SUPERVISORY DIRECTORS Only available in Japanese.
b	If applicable, the results of votes on remuneration policies and proposals.	—
102-38	<b>Annual total compensation ratio</b>	
a	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—
102-39	<b>Percentage increase in annual total compensation ratio</b>	
a	Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—

GRI MATERIAL TOPIC		LOCATION
<b>5. Stakeholder Engagement</b>		
102-40	<b>List of stakeholder groups</b>	
a	A list of stakeholder groups engaged by the organization.	RESPONSIBILITY FOR STAKEHOLDERS
102-41	<b>Collective bargaining agreements</b>	
a	Percentage of total employees covered by collective bargaining agreements.	—
102-42	<b>Identifying and selecting stakeholders</b>	
a	The basis for identifying and selecting stakeholders with whom to engage.	RESPONSIBILITY FOR STAKEHOLDERS
102-43	<b>Approach to stakeholder engagement</b>	
a	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	RESPONSIBILITY FOR STAKEHOLDERS
102-44	<b>Key topics and concerns raised</b>	
a	Key topics and concerns that have been raised through stakeholder engagement, including:	No critical concerns reported during the reporting period
	i. how the organization has responded to those key topics and concerns, including through its reporting;	
	ii. the stakeholder groups that raised each of the key topics and concerns.	
<b>6. Reporting Practice</b>		
102-45	<b>Entities included in the consolidated financial statements</b>	
a	A list of all entities included in the organization's consolidated financial statements or equivalent documents.	—
b	Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	—
102-46	<b>Defining report content and topic Boundaries</b>	
a	An explanation of the process for defining the report content and the topic Boundaries.	INFORMATION DISCLOSURE POLICY
b	An explanation of how the organization has implemented the Reporting Principles for defining report content.	INFORMATION DISCLOSURE POLICY
102-47	<b>List of material topics</b>	
a	A list of the material topics identified in the process for defining report content.	MATERIALITY AND COMMITMENT TO THE SDGS
102-48	<b>Restatements of information</b>	
a	The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Not applicable
102-49	<b>Changes in reporting</b>	
a	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	Not applicable
102-50	<b>Reporting period</b>	
a	Reporting period for the information provided.	ESG REPORTING>INFORMATION DISCLOSURE POLICY
102-51	<b>Date of most recent report</b>	
a	If applicable, the date of the most recent previous report.)	INFORMATION DISCLOSURE POLICY
102-52	<b>Reporting cycle</b>	
a	Reporting cycle	ESG REPORTING>INFORMATION DISCLOSURE POLICY
102-53	<b>Contact point for questions regarding the report</b>	
a	The contact point for questions regarding the report or its contents.	ESG REPORTING>CONTACT

GRI MATERIAL TOPIC		LOCATION
102-54	<b>Claims of reporting in accordance with the GRI Standards</b>	
a	The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:	
	i. 'This report has been prepared in accordance with the GRI Standards: Core option';	ESG REPORTING
	ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	
102-55	<b>GRI content index</b>	
a	The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.	Refer this table
b	For each disclosure, the content index shall include:	Refer this table
	i. the number of the disclosure (for disclosures covered by the GRI Standards);	
	ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;	
	iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	
102-56	<b>External assurance</b>	
a	A description of the organization's policy and current practice with regard to seeking external assurance for the report.	ESG REPORTING>INFORMATION DISCLOSURE POLICY
b	If the report has been externally assured:	ESG REPORTING>INFORMATION DISCLOSURE POLICY
	i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;	
	ii. The relationship between the organization and the assurance provider;	
	iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	

GRI MATERIAL TOPIC		LOCATION
<b>GRI103:Management Approach</b>		
103-1	<b>Explanation of the material topic and its Boundary</b>	
a	An explanation of why the topic is material.	MATERIALITY AND COMMITMENT TO THE SDGS
b	The Boundary for the material topic, which includes a description of:	MATERIALITY AND COMMITMENT TO THE SDGS
	i. where the impacts occur;	
	ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.	
c	Any specific limitation regarding the topic Boundary.	—
103-2	<b>The management approach and its components</b>	
a	An explanation of how the organization manages the topic.	ESG POLICY AND MANAGEMENT SYSTEM>NPR'S ESG COMMITTEE
b	A statement of the purpose of the management approach.	ESG POLICY AND MANAGEMENT SYSTEM
c	A description of the following, if the management approach includes that component:	ESG POLICY AND MANAGEMENT SYSTEM COMPLIANCE>WHISTLE-BLOWER SYSTEM IN THE PROLOGIS GROUP
	i. Policies	
	ii. Commitments	
	iii. Goals and targets	
	iv. Responsibilities	
	v. Resources	
	vi. Grievance mechanisms	
	vii. Specific actions, such as processes, projects, programs and initiatives	
103-3	<b>Evaluation of the management approach</b>	
a	An explanation of how the organization evaluates the management approach, including:	ESG POLICY AND MANAGEMENT SYSTEM>NPR'S ESG COMMITTEE
	i. the mechanisms for evaluating the effectiveness of the management approach;	
	ii. the results of the evaluation of the management approach;	
	iii. any related adjustments to the management approach.	

## Correspondence with the materiality

No	NPR's Materiality	GRI Material Topic
1	Development and Investments in Green buildings	CRE8 (Construction and Real Estate Sector Disclosures)
2	Sustainable Energy Use	302: Energy
3	Response to Climate Change	201: Economic Performance
		303: Water and Effluents
		305: Emissions
4	Customer Engagement	416: Customer Health and Safety
5	Contribution to Local Communities	203: Indirect Economic Impacts
		413: Local Community
6	Fulfilling Workplaces (at Prologis and for customers)	401: Employment
		403: Occupational Health and Safety
		404: Training and Education
		405: Diversity and Equal Opportunity
		406: Non-Discrimination
7	Corporate Governance	102: General Disclosures
8	Risk Management (Resilience)	205: Anti-corruption
9	Compliance	206: Anti-competitive Behavior
		307: Environmental Compliance
		419: Socioeconomic Compliance



GRI MATERIAL TOPIC		LOCATION
<b>Material Topics</b>		
<b>GRI 200: Economic</b>		
<b>201: Economic Performance 2016</b>		
201-1	<b>Direct economic value generated and distributed</b>	
a	Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:	Financial Highlights
	i. Direct economic value generated: revenues;	
	ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;	
	iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.	
b	Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	—
201-2	<b>Financial implications and other risks and opportunities due to climate change</b>	
a	Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:	CLIMATE CHANGE AND ENERGY
	i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;	
	ii. a description of the impact associated with the risk or opportunity;	
	iii. the financial implications of the risk or opportunity before action is taken;	
	iv. the methods used to manage the risk or opportunity;	
	v. the costs of actions taken to manage the risk or opportunity.	
201-3	<b>Defined benefit plan obligations and other retirement plans</b>	
a	If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.	Not applicable
b	If a separate fund exists to pay the plan's pension liabilities:	—
	i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;	
	ii. the basis on which that estimate has been arrived at;	
	iii. when that estimate was made.	
c	If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.	—
d	Percentage of salary contributed by employee or employer.	—
e	Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	—

GRI MATERIAL TOPIC		LOCATION
201-4	<b>Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</b>	
a	Total monetary value of financial assistance received by the organization from any government during the reporting period, including:	Not applicable
	i. tax relief and tax credits;	
	ii. subsidies;	
	iii. investment grants, research and development grants, and other relevant types of grant;	
	iv. awards;	
	v. royalty holidays;	
	vi. financial assistance from Export Credit Agencies (ECAs);	
	vii. financial incentives;	
	viii. other financial benefits received or receivable from any government for any operation.	
b	The information in 201-4-a by country.	—
c	Whether, and the extent to which, any government is present in the shareholding structure.	—
<b>203: Indirect Economic Impacts 2016</b>		
203-1	<b>Infrastructure investments and services supported</b>	
a	Extent of development of significant infrastructure investments and services supported.	FOR COMMUNITIES
b	Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.	FOR COMMUNITIES
c	Whether these investments and services are commercial, in-kind, or pro bono engagements.	—
203-2	<b>Significant indirect economic impacts</b>	
a	Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.	FOR COMMUNITIES
b	Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	—
<b>204: Procurement Practices 2016</b>		
204-1	<b>Proportion of spending on local suppliers</b>	
a	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)	—
b	The organization's geographical definition of 'local'.	—
c	The definition used for 'significant locations of operation'.	—
<b>205: Anti-corruption 2016</b>		
205-1	<b>Operations assessed for risks related to corruption</b>	
a	Total number and percentage of operations assessed for risks related to corruption.	RISK MANAGEMENT>RISK ASSESSMENT COMPLIANCE>COMPLIANCE BASIC POLICY AND COMPLIANCE PROMOTION SYSTEM
b	Significant risks related to corruption identified through the risk assessment.	—

GRI MATERIAL TOPIC		LOCATION
205-2	<b>Communication and training about anti-corruption policies and procedures</b>	
a	Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.	COMPLIANCE
b	Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	COMPLIANCE
c	Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.	—
d	Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.	COMPLIANCE
e	Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	COMPLIANCE
205-3	<b>Confirmed incidents of corruption and actions taken</b>	
a	Total number and nature of confirmed incidents of corruption.	No critical incidents of corruption
b	Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	—
c	Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.	—
d	Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	—
<b>206: Anti-competitive Behavior 2016</b>		
206-1	<b>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b>	
a	Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.	Not applicable
b	Main outcomes of completed legal actions, including any decisions or judgments.	—
<b>GRI 300: Environmental</b>		
<b>302: Energy 2016</b>		
302-1	<b>Energy consumption within the organization</b>	
a	Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	ESG DATA>ENERGY
b	Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	ESG DATA>ENERGY
c	In joules, watt-hours or multiples, the total:	—
	i. electricity consumption	
	ii. heating consumption	
	iii. cooling consumption	
	iv. steam consumption	

GRI MATERIAL TOPIC		LOCATION
d	In joules, watt-hours or multiples, the total:	—
	i. electricity sold	
	ii. heating sold	
	iii. cooling sold	
	iv. steam sold	
e	Total energy consumption within the organization, in joules or multiples.	ESG DATA>ENERGY
f	Standards, methodologies, assumptions, and/or calculation tools used.	ESG DATA>ENERGY
g	Source of the conversion factors used.	—
302-2	<b>Energy consumption outside of the organization</b>	
a	Energy consumption outside of the organization, in joules or multiples.	—
b	Standards, methodologies, assumptions, and/or calculation tools used.	—
c	Source of the conversion factors used.	—
302-3	<b>Energy intensity</b>	
a	Energy intensity ratio for the organization.	ESG DATA>ENERGY
b	Organization-specific metric (the denominator) chosen to calculate the ratio.	ESG DATA>ENERGY
c	Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.	—
d	Whether the ratio uses energy consumption within the organization, outside of it, or both.	—
302-4	<b>Reduction of energy consumption</b>	
a	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	—
b	Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.	—
c	Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	—
d	Standards, methodologies, assumptions, and/or calculation tools used.	—
302-5	<b>Reductions in energy requirements of products and services</b>	
a	Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	—
b	Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.	—
c	Standards, methodologies, assumptions, and/or calculation tools used.	—
<b>303: Water and Effluents 2018</b>		
303-1	<b>Interactions with water as a shared resource</b>	
a	A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).	WATER CONSERVATION>POLICY AND OUR APPROACH
b	A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.	WATER CONSERVATION>POLICY AND OUR APPROACH

GRI MATERIAL TOPIC		LOCATION
c	A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.	WATER CONSERVATION>INITIATIVES TOWARDS WATER CONSERVATION
d	An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.	WATER CONSERVATION>INITIATIVES TOWARDS WATER CONSERVATION
303-2	<b>Management of water discharge-related impacts</b>	
a	A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:	—
	i. how standards for facilities operating in locations with no local discharge requirements were determined;	
	ii. any internally developed water quality standards or guidelines;	
	iii. any sector-specific standards considered;	
	iv. whether the profile of the receiving waterbody was considered.	
303-3	<b>Water withdrawal</b>	
a	Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:	—
	i. Surface water;	
	ii. Groundwater;	
	iii. Seawater;	
	iv. Produced water;	
	v. Third-party water.	
b	Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:	—
	i. Surface water;	
	ii. Groundwater;	
	iii. Seawater;	
	iv. Produced water;	
	v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.	
c	A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:	—
	i. Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids);	
	ii. Other water ( $> 1,000$ mg/L Total Dissolved Solids).	
d	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	—
303-4	<b>Water discharge</b>	
a	Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:	—
	i. Surface water;	
	ii. Groundwater;	
	iii. Seawater;	
	iv. Third-party water, and the volume of this total sent for use to other organizations, if applicable.	

GRI MATERIAL TOPIC		LOCATION
b	A breakdown of total water discharge to all areas in megaliters by the following categories:	—
	i. Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids);	
	ii. Other water ( $> 1,000$ mg/L Total Dissolved Solids).	
c	Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories:	—
	i. Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids);	
	ii. Other water ( $> 1,000$ mg/L Total Dissolved Solids).	
d	Priority substances of concern for which discharges are treated, including:	—
	i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used;	
	ii. the approach for setting discharge limits for priority substances of concern;	
	iii. number of incidents of non-compliance with discharge limits.	
e	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	—
303-5	<b>Water consumption</b>	
a	Total water consumption from all areas in megaliters.	ESG DATA>WATER
b	Total water consumption from all areas with water stress in megaliters.	—
c	Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.	—
d	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.	—
<b>305: Emissions 2016</b>		
305-1	<b>Direct (Scope 1) GHG emissions</b>	
a	Gross direct (Scope 1) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	ESG DATA>CLIMATE CHANGE
b	Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	CO <sub>2</sub>
c	Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	—
d	Base year for the calculation, if applicable, including:	ESG DATA>CLIMATE CHANGE
	i. the rationale for choosing it;	
	ii. emissions in the base year;	
	iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
e	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	—
f	Consolidation approach for emissions; whether equity share, financial control, or operational control.	—
g	Standards, methodologies, assumptions, and/or calculation tools used.	ESG DATA>CLIMATE CHANGE
305-2	<b>Energy indirect (Scope 2) GHG emissions</b>	
a	Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	ESG DATA>CLIMATE CHANGE
b	If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	—

GRI MATERIAL TOPIC		LOCATION
c	If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	CO <sub>2</sub>
d	Base year for the calculation, if applicable, including:	—
	i. the rationale for choosing it;	
	ii. emissions in the base year;	
	iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
e	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	—
f	Consolidation approach for emissions; whether equity share, financial control, or operational control.	—
g	Standards, methodologies, assumptions, and/or calculation tools used.	ESG DATA>CLIMATE CHANGE
305-3	<b>Other indirect (Scope 3) GHG emissions</b>	
a	Gross other indirect (Scope 3) GHG emissions in metric tons of CO <sub>2</sub> equivalent.	ESG DATA>CLIMATE CHANGE
b	If available, the gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	CO <sub>2</sub>
c	Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	—
d	Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.	—
e	Base year for the calculation, if applicable, including:	—
	i. the rationale for choosing it;	
	ii. emissions in the base year;	
	iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.	
f	Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.	—
g	Standards, methodologies, assumptions, and/or calculation tools used. 305-3 Disclosure 2.5 When compiling the information specified in Disclosure 305-3, the reporting	ESG DATA>CLIMATE CHANGE
305-4	<b>GHG emissions intensity</b>	
a	GHG emissions intensity ratio for the organization.	ESG DATA>CLIMATE CHANGE
b	Organization-specific metric (the denominator) chosen to calculate the ratio.	—
c	Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3)	ESG DATA>CLIMATE CHANGE
d	Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	CO <sub>2</sub>
305-5	<b>Reduction of GHG emissions</b>	
a	GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO <sub>2</sub> equivalent.	—
b	Gases included in the calculation; whether CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all.	—
c	Base year or baseline, including the rationale for choosing it.	—
d	Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).	—
e	Standards, methodologies, assumptions, and/or calculation tools used.	—

GRI MATERIAL TOPIC		LOCATION
305-6	<b>Emissions of ozone-depleting substances (ODS)</b>	
a	Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.	—
b	Substances included in the calculation.	—
c	Source of the emission factors used.	—
d	Standards, methodologies, assumptions, and/or calculation tools used.	—
305-7	<b>Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</b>	
a	Significant air emissions, in kilograms or multiples, for each of the following:	—
i.	NOX	
ii.	SOX	
iii.	Persistent organic pollutants (POP)	
iv.	Volatile organic compounds (VOC)	
v.	Hazardous air pollutants (HAP)	
vi.	Particulate matter (PM)	
vii.	Other standard categories of air emissions identified in relevant regulations	
b	Source of the emission factors used.	—
c	Standards, methodologies, assumptions, and/or calculation tools used.	—
<b>307: Environmental Compliance 2016</b>		
307-1	<b>Non-compliance with environmental laws and regulations</b>	
a	Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:	No incidents reported
i.	total monetary value of significant fines;	
ii.	total number of non-monetary sanctions;	
iii.	cases brought through dispute resolution mechanisms.	
b	If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	No incidents reported
<b>GRI 400: Social</b>		
<b>401: Employment 2016</b>		
401-1	<b>New employee hires and employee turnover</b>	
a	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	ESG DATA>EMPLOYEE
b	Total number and rate of employee turnover during the reporting period, by age group, gender and region.	ESG DATA>EMPLOYEE



GRI MATERIAL TOPIC		LOCATION
401-2	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b>	
a	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:	—
	i. life insurance;	
	ii. health care;	
	iii. disability and invalidity coverage;	
	iv. parental leave;	
	v. retirement provision;	
	vi. stock ownership;	
	vii. others.	
b	The definition used for 'significant locations of operation'.	—
401-3	<b>Parental leave</b>	
a	Total number of employees that were entitled to parental leave, by gender.	ESG DATA>EMPLOYEE
b	Total number of employees that took parental leave, by gender.	ESG DATA>EMPLOYEE
c	Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	—
d	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	—
e	Return to work and retention rates of employees that took parental leave, by gender.	—
<b>403: Occupational Health and Safety 2018</b>		
403-1	<b>Occupational health and safety management system</b>	
a	A statement of whether an occupational health and safety management system has been implemented, including whether:	—
	i. the system has been implemented because of legal requirements and, if so, a list of the requirements;	
	ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.	
b	A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	—
403-2	<b>Hazard identification, risk assessment, and incident investigation</b>	
a	A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:	—
	i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;	
	ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.	
b	A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.	—
c	A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.	—

GRI MATERIAL TOPIC		LOCATION
d	A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	—
403-3	<b>Occupational health services</b>	
a	A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.	—
403-4	<b>Worker participation, consultation, and communication on occupational health and safety</b>	
a	A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.	—
b	Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.	—
403-5	<b>Worker training on occupational health and safety</b>	
a	A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	—
403-6	<b>Promotion of worker health</b>	
a	An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.	Disclosed only in Japanese <a href="#">Certified Health and Productivity Management Outstanding Organizations</a>
b	A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.	—
403-7	<b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>	
a	A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.	—
403-8	<b>Workers covered by an occupational health and safety management system</b>	
a	If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:	—
	i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;	
	ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;	
	iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.	
b	Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	—

GRI MATERIAL TOPIC		LOCATION
c	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	—
403-9	<b>Work-related injuries</b>	
a	For all employees:	No incidents reported
	i. The number and rate of fatalities as a result of work-related injury;	
	ii. The number and rate of high-consequence work-related injuries (excluding fatalities);	
	iii. The number and rate of recordable work-related injuries;	
	iv. The main types of work-related injury;	
	v. The number of hours worked.	
b	For all workers who are not employees but whose work and/or workplace is controlled by the organization:	—
	i. The number and rate of fatalities as a result of work-related injury;	
	ii. The number and rate of high-consequence work-related injuries (excluding fatalities);	
	iii. The number and rate of recordable work-related injuries;	
	iv. The main types of work-related injury;	
	v. The number of hours worked.	
c	The work-related hazards that pose a risk of high-consequence injury, including:	—
	i. how these hazards have been determined;	
	ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;	
	iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	
d	Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.	—
e	Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.	—
f	Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	—
g	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	—
403-10	<b>Work-related ill health</b>	—
a	For all employees:	No incidents reported
	i. The number of fatalities as a result of work-related ill health;	
	ii. The number of cases of recordable work-related ill health;	
	iii. The main types of work-related ill health.	
b	For all workers who are not employees but whose work and/or workplace is controlled by the organization:	—
	i. The number of fatalities as a result of work-related ill health;	
	ii. The number of cases of recordable work-related ill health;	
	iii. The main types of work-related ill health.	

GRI MATERIAL TOPIC		LOCATION
c	The work-related hazards that pose a risk of ill health, including:	—
	i. how these hazards have been determined;	
	ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;	
	iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	
d	Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	—
e	Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	—
<b>404: Training and Education 2016</b>		
404-1	<b>Average hours of training per year per employee</b>	
a	Average hours of training that the organization's employees have undertaken during the reporting period, by:	ESG DATA>HUMAN CAPITAL DEVELOPMENT
	i. gender;	
	ii. employee category.	
404-2	<b>Programs for upgrading employee skills and transition assistance programs</b>	
a	Type and scope of programs implemented and assistance provided to upgrade employee skills.	FOR EMPLOYEES>INVESTING IN PEOPLE THROUGH TRAINING
b	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	—
404-3	<b>Percentage of employees receiving regular performance and career development reviews</b>	
a	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	FOR EMPLOYEES>OTHER INITIATIVES FOR EMPLOYEES
<b>405: Diversity and Equal Opportunity 2016</b>		
405-1	<b>Diversity of governance bodies and employees</b>	
a	Percentage of individuals within the organization's governance bodies in each of the following diversity categories:	CORPORATE GOVERNANCE>EXECUTIVE AND SUPERVISORY DIRECTORS
	i. Gender;	
	ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	
	iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	
b	Percentage of employees per employee category in each of the following diversity categories:	ESG DATA>EMPLOYEE
	i. Gender;	
	ii. Age group: under 30 years old, 30-50 years old, over 50 years old;	
	iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	
405-2	<b>Ratio of basic salary and remuneration of women to men</b>	
a	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	There is no institutional gap in remuneration between genders.
b	The definition used for 'significant locations of operation'.	—

GRI MATERIAL TOPIC		LOCATION
<b>406: Non-Discrimination 2016</b>		
406-1	<b>Incidents of discrimination and corrective actions taken</b>	
a	Total number of incidents of discrimination during the reporting period.	No incidents reported
b	Status of the incidents and actions taken with reference to the following:	—
	i. Incident reviewed by the organization;	
	ii. Remediation plans being implemented;	
	iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;	
	iv. Incident no longer subject to action.	
<b>407: Freedom of Association and Collective Bargaining 2016</b>		
407-1	<b>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</b>	
a	Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:	Not applicable
	i. type of operation (such as manufacturing plant) and supplier;	
	ii. countries or geographic areas with operations and suppliers considered at risk.	
b	Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	—
<b>413: Local Community 2016</b>		
413-1	<b>Operations with local community engagement, impact assessments, and development programs</b>	
a	Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:	FOR COMMUNITIES
	i. social impact assessments, including gender impact assessments, based on participatory processes;	
	ii. environmental impact assessments and ongoing monitoring;	
	iii. public disclosure of results of environmental and social impact assessments;	
	iv. local community development programs based on local communities' needs;	
	v. stakeholder engagement plans based on stakeholder mapping;	
	vi. broad based local community consultation committees and processes that include vulnerable groups;	
	vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;	
	viii. formal local community grievance processes.	
413-2	<b>Operations with significant actual and potential negative impacts on local communities</b>	
a	Operations with significant actual and potential negative impacts on local communities, including:	Not applicable
	i. the location of the operations;	
	ii. the significant actual and potential negative impacts of operations.	

GRI MATERIAL TOPIC		LOCATION
<b>414: Supplier Social Assessment 2016</b>		
414-1	<b>New suppliers that were screened using social criteria</b>	
a	Percentage of new suppliers that were screened using social criteria.	FOR BUSSINESS PARTNERS
<b>414-2 Negative social impacts in the supply chain and actions taken</b>		
a	Number of suppliers assessed for social impacts.	Not applicable
b	Number of suppliers identified as having significant actual and potential negative social impacts.	—
c	Significant actual and potential negative social impacts identified in the supply chain.	—
d	Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.	—
e	Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	—
<b>416: Customer Health and Safety 2016</b>		
416-1	<b>Assessment of the health and safety impacts of product and service categories</b>	
a	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	—
<b>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</b>		
a	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:	Not applicable
	i. incidents of non-compliance with regulations resulting in a fine or penalty;	
	ii. incidents of non-compliance with regulations resulting in a warning;	
	iii. incidents of non-compliance with voluntary codes.	
b	If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.	—
<b>419: Socioeconomic Compliance 2016</b>		
419-1	<b>Non-compliance with laws and regulations in the social and economic area</b>	
a	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:	Not applicable
	i. total monetary value of significant fines;	
	ii. total number of non-monetary sanctions;	
	iii. cases brought through dispute resolution mechanisms.	
b	If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.	No case of Non-Compliance: Socioeconomics reported
c	The context against which significant fines and non-monetary sanctions were incurred.	—
<b>GRI G4: Construction and Real Estate Sector Disclosures</b>		
CRE8	<b>Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment</b>	CERTIFICATE

# SASB INDEX

## BASIC INFORMATION

CODE	ACCOUNTING METRIC	2021	Unit
IF-RE-000.A	Number of assets	54	Assets
	Note: As of December 31, 2021		
IF-RE-000.B	Leasable floor area	3,648,646.78	m <sup>2</sup>
	Note: As of December 31, 2021		
IF-RE-000.C	Percentage of indirectly managed assets	100.0	%
	Note: As of December 31, 2021		
IF-RE-000.D	Average occupancy rate	98.2	%
	Note: As of December 31, 2021		

## ENERGY

CODE	ACCOUNTING METRIC	2021	Unit
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	98	%(of total floor area)
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage, by property subsector	171,387	MWh
	Percentage grid electricity	100.0	%
	Percentage renewable	0.0	%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area, by property subsector	-1.39	%
	Data coverage	74.32	%(of total floor area)
IF-RE-130a.4	Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	0.0	%(of total floor area)
	Note: Properties in Japan are not covered by the ENERGY STAR Certification program, hence there are no certified properties.		
	(Option)	Percentage of eligible portfolio that has an energy rating	54.3
(Option)	Percentage of eligible portfolio that has green building certifications	98.1	%(of total floor area)
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy		
	Please refer to the pages "ENVIRONMENTAL POLICY" and "CLIMATE CHANGE AND ENERGY".		

# WATER

CODE	ACCOUNTING METRIC	2021	Unit
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area	98	%(of total floor area)
	Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	0	%(of total floor area)
	Note: None of the properties are located in regions with High or Extremely High Baseline Water Stress		
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage	385,036	m <sup>3</sup>
	Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	0	%
	Note: None of the properties are located in regions with High or Extremely High Baseline Water Stress		
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area, by property subsector	7.68	%
	Data coverage	72.53	%(of total floor area)
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks		
	Please refer to the page " <a href="#">WATER CONSERVATION</a> ".		

# TENANTS

CODE	ACCOUNTING METRIC	2021	Unit
IF-RE-410a.1  (Option)	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, by property subsector	95.7	%(of total floor area)
	Associated leased floor area	1,015,285	m <sup>2</sup>
	Percentage of total leasable floor area for buildings leased under a green lease agreement	37.8	%(of total floor area)
	Of which, floor area percentage for buildings leased under a green lease agreement that contains a cost recovery clause	37.8	%(of total floor area)
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption	100.0	%(of total floor area)
	Percentage of tenants that are separately metered or submetered for water withdrawals, by property subsector	100.0	%(of total floor area)
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants		
	Please refer to the page " <a href="#">CLIMATE CHANGE AND ENERGY</a> ".		



# CLIMATE CHANGE

CODE	ACCOUNTING METRIC	2021	Unit
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	—	m <sup>2</sup>
(Option)	Note: Amount recorded refers to the total leasable area of properties located in areas where inundation of more than 0 m in depth is expected based on hazard maps (primarily the maximum expected scale) issued by local governments. Japanese hazard maps (maximum estimated scale) are developed to identify areas with an annual exceedance probability of 1 in 1,000 for flood damage.	648,281.57	m <sup>2</sup>
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks		
	Please refer to the "TCFD DISCLOSURE" section for more information.		

