

GREEN BOND / GREEN BOND PROGRAMME INDEPENDENT EXTERNAL REVIEW FORM

Section 1. Basic Information

Issuer name:	GLP J-REIT
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Green Finance Framework
Independent External Review provider's name:	Japan Credit Rating Agency, Ltd.
Completion date of this form:	October 30, 2019
Publication date of review publication:	October 30, 2019

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF Independent External REVIEW PROVIDER

- | | |
|--|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

GLP J-REIT (the “Investment Corporation”) is a J-REIT that specializes in logistics facilities sponsored by GLP Japan Inc. (formerly Global Logistics Properties; GLPKK.) GLP J-REIT was established in September 2011 and listed on the Tokyo Stock Exchange (Real Estate Investment Trusts market) in December 2012. As of August 31, 2019, the Investment Corporation has 75 assets with an aggregate amount acquisition price of JPY 607.9 billion. The Investment Corporation has built a strong cooperative relationship with the sponsor. In the case of acquiring properties, it utilizes the sponsor pipeline such as by focusing on properties that the sponsor develops and owns to make a growth.

GLP Group (the “Group”), to which the sponsor of GLP J-REIT belongs, owns logistics facility portfolios in Japan, China, the United States, Europe and Brazil. GLP Japan, the sponsor, substantially controls the business in Japan.

The Group has established the "Environmental, Social and Governance (ESG) principles" and has an overarching commitment to integrate sustainability into the heart of its business practice. GLP Japan Advisors Co., Ltd., (the “Asset Management Company”), the asset management company of GLP J-REIT, has declared that it will operate asset management business of the Investment Corporation in accordance with the ESG Policy stated above.

The scope of evaluation is the green finance framework (the “Framework”) established by the Investment Corporation to limit its use of proceeds by means of bonds or loans to projects which have environmental improvement effects. JCR evaluates whether the Framework meets the Green Bond Principles (2018 edition), the Green Bond Guidelines (2017 edition) and the Green Loan Principles. The Green Bond Principles, the Green Bond Guidelines and the Green Loan Principles are principles voluntarily published by the International Capital Markets Association (ICMA), the Ministry of the Environment and the Loan Markets Association (LMA) and the Asia Pacific Loan Markets Association (APLMA) respectively, and are not binding on them, but JCR evaluates with reference to those principles and guidelines as globally unified standards at this time. The Investment Corporation defines the use of proceeds for the purchase or refinance of green buildings and renewable energy power generation facilities. For green buildings, the eligibility criteria are defined as properties that have acquired three stars or more of DBJ Green Building certification, B+ ranks or higher of CASBEE certification, three stars or more of BELS certification or Silver or higher of LEED certification. Concerning renewable energy project criteria, the Investment Corporation intends to purchase mainly for solar power generation facilities installed on the roof of existing properties. JCR evaluates that the use of proceeds defined by the Investment Corporation has environmental improvement effects.

The Asset Management Company is the first among its group companies which established Sustainability Task Force and plays a leading role within the Group in ESG initiatives. As part of these efforts, it actively obtains environmental assessments and certifications for acquired properties, accounting for more than half of the total. In addition, JCR has confirmed a robust management and operation system and high transparency for the Investment Corporation; (1) it conducts due diligence at the time of property acquisition, (2) the Asset Management Company has made into the rules for checking items related to sustainability and environmental protection and (3) it introduced regular internal and external audits to secure the internal control system. As a result, based on the JCR Green Finance Evaluation Methodology, JCR assigns “g1 (F)” for the “Greenness Evaluation (Use of Proceeds)” and “m1 (F)” for the “Management, Operation and Transparency Evaluation.” Consequently, JCR assigns “Green 1(F)” for overall “JCR Green Finance Framework Evaluation.”

The Framework meets the standards for the items required in the Green Bond Principles, the Ministry of the Environment's Green Bond Guidelines, and the Green Loan Principles.

<https://www.jcr.co.jp/en/greenfinance/>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

a. On the environmental improvement effects of the project

- i. The eligibility criteria set out in the Framework for funding are acquiring or refinancing of funds for green buildings which meet regional, national or internationally recognised standards or certifications, which are expected to be effective in improving the environment.
- ii. Use of proceeds for green building falls under the categories of "Green buildings which meet regional, national or internationally recognised standards or certifications." and "Energy Efficiency" among the green projects defined in the Green Bond Principles or the Ministry of the Environment's Green Bond Guidelines. Use of proceeds for renewable energy power generation facilities falls under the categories of "Renewable Energy."

b. Negative impact on Environment

The Asset Management Company conducts due diligence on the acquisition of properties and checks the items related to sustainability and environmental protection. In addition, if there is a concern about negative impact on the environment, as a means of avoiding or mitigating the impact, the seller must make a correction, etc. as an acquisition condition. For renewable energy power generation facilities, due diligence is conducted based on engineering reports and on-site inspections at the time of the acquisition.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify) : |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Investment Corporation has established clear environmental objectives, project selection criteria, and processes for the use of proceeds.
Such matters are disclosed in the JCR's evaluation report.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify) : |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify) : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable) :

The purpose of green finance is to finance the funds for acquisition of Green Eligible Assets described in this evaluation report, and it is not intended to be used for any other purpose.
No unallocated funds are expected to be raised because the funds procured through green finance will be used for the acquisition or the refinancing of the funds to be acquired within one month of the procurement. On the other hand, in the event that unallocated funds arise due to such factors as the sale of projects subject to the use of the proceeds prior to redemption of green finance, the Investment Corporation shall manage the outstanding balance of green finance so that it will not exceed the amount of Green Eligible Assets (the amount calculated by multiplying the total green qualifying debt amount by LTV (the amount calculated as of the end of the most recent fiscal period of the execution date of green finance or as of the end of February each year)).

Tracking of proceeds:

- | |
|---|
| <input type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify) : |

4. REPORTING

Overall comment on section (if applicable):

a. Reporting on proceeds allocation

The use of proceeds of the green finance will be announced on the Investment Corporation's website and other media. As described in the previous section, the funds procured through the green finance will be used for refinancing of the funds within one month after the procurement therefore reporting of unallocated funds is not expected at present. However, JCR confirms that in the event of a major change in circumstances, such as an unallocated funds arising from the sale of properties acquired through green finance, the Investment Corporation will be disclosed on its website after obtaining the CFO's approval.

b. Impact reporting for environmental benefits

In accordance with the Framework, the Investment Corporation discloses a list of effective environmental certifications that it has obtained as a reporting of its environmental improvement effects on its website. JCR evaluates that the reporting is planned to be disclosed appropriately to investors, etc. in terms of both the funds appropriation and environmental improvement effects.

Use of proceeds reporting:

☒ Project-by-project

☐ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

Information reported:

☒ Allocated amounts

☐ Green Bond financed share of total investment

☐ Other (please specify):

frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☒ Project-by-project

☐ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Information reported (expected or ex-post):

☐ GHG Emissions / Savings

☐ Energy Savings

☐ Decrease in water use

☒ Other ESG indicators (please specify):

Acquired valid environmental certification

Means of Disclosure

- | | |
|--|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify):
Show on the website |
| <input type="checkbox"/> Reporting reviewed | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

Sustainability activities by GLP J-REIT	https://www.glpjreit.com/english/sustainability/index.html
JCR's website about green bond evaluation methodology	https://www.jcr.co.jp/en/greenfinance/

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s): Japan Credit Rating Agency, Ltd.

Date of publication: October 30, 2019

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds. 1.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.