

STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Product name: Mitsubishi Estate Logistics REIT Investment Corporation

Legal entity identifier: 353800YYSGZU31ICQK38

The following is the adverse sustainability impact statement of Mitsubishi Estate Logistics REIT Investment Corporation (“MEL”) pursuant to Regulation (EU) 2019/2088 (“SFDR”). MEL has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and entrusts the management and operation of the properties in its portfolio to Mitsubishi Jisho Investment Advisors, Inc. (the “Asset Management Company”). MEL and the Asset Management Company are hereinafter referred to collectively as “we”, “us” or “our” unless noted otherwise. In addition, any “fiscal year” or “FY” hereinafter refers to the fiscal year began or beginning April 1 of the year, specified in line with the fiscal year of the Asset Management Company, unless noted otherwise.

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

1. Summary

Pursuant to Article 4 of the Delegated Regulation C(2022)1931 supplementing SFDR (the “SFDR Delegated Regulation”), MEL is required to publish on its website the information referred to therein covering the period of one calendar year. MEL is a Japanese real estate investment trust, commonly known as J-REIT, and has no employees, relying on the Asset Management Company for the management and operation of its properties. The Asset Management Company does not operate based on a calendar year, but operates based on fiscal year ending in March of every year. A recalculation and translation of the data into the reference period of one calendar year would most likely lead to inaccuracies and would therefore provide a potentially less accurate overview of the required information than using the approved and validated data for the period from April 1, 2024 to March 31, 2025. This reference period is sufficiently compatible with, and shows results that do not materially differ from, those that would be produced using the calendar year-based reference period noted in the SFDR Delegated Regulation.

We consider principal adverse impacts of our investment decisions on sustainability factors. The present statement is our consolidated statement on the principal adverse impacts on sustainability factors (“PAI”). This statement on PAI covers the reference period from April 1, 2024 to March 31, 2025. The statement will be reviewed at least once during every twelve-month period ending on March 31 of each year.

The Mitsubishi Estate Group (the “Group”), to which the Asset Management Company belongs, conducts sustainable corporate activities with goals of protecting the environment, contributing to society, and maintaining corporate ethics and governance, as a good corporate citizen. We aim to minimize the impact of the Group’s business activities on the environment and to maximize the benefit of all stakeholders.

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

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

2. Description of principal adverse sustainability impacts

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

Table 1

Description of the principal adverse impacts on sustainability factors

MEL does not invest in investee companies, but invests in real estate. As adverse sustainability indicators 1-16 as contained in Table 1 of Annex 1 of the SFDR Delegated Regulation pertain to investee companies, these are not included in this PAI statement, which pertains to real estate investments.

Adverse sustainability indicator		Metric	Impact in 2024, 2023, 2022 and 2021 (From January 1 to December 31)		Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators applicable to investments in real estate assets						
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels			MEL does not invest in real estate assets involved in the extraction, storage, transportation or manufacture of fossil fuels.	N/A
			2024	N/A		
			2023	N/A		
			2022	N/A		
			2021	N/A		
Energy efficiency	18. Exposure to energy-inefficient	Share of investments in energy-inefficient	As of December 31,	Share of investments in energy-inefficient	To track the environmental performance of MEL’s properties, we rely on environmental certifications issued by third-party organizations	We have set a key performance indicator (“KPI”) target of increasing

	real estate assets	real estate assets		real estate asset (in %) ¹	such as the Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) certification, Building Energy-efficiency Labeling System (“BELS”) certification, the Development Bank of Japan’s (“DBJ”) Green Building certification and other equivalent certifications. We consider a property to be a “Green Building” if it has received any of such environmental certifications, and consider a property to be an “energy-inefficient real estate asset” if it has not received any such environmental certification.	the proportion of Green Buildings in MEL’s portfolio to 100% by FY2030.
				2024	2.3	
				2023	8.5	
				2022	15.3	
				2021	20.9	
			(Note)			
			1. Percentage indicates the gross floor area of the properties that did not qualify as the “Green Buildings” (as defined to the right) in MEL’s portfolio as December 31 of the year indicated.			

Table 2

Additional climate and other environment-related indicators.

MEL does not invest in investee companies, but invests in real estate. As additional climate and other environment-related indicators 1-17 as contained in Table 2 of Annex 1 of the SFDR Delegated Regulation pertain to investee companies, these are not included in this PAI statement, which pertains to real estate investments.

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)					Metric	
Indicators applicable to investments in real estate assets							
Greenhouse gas emissions	18. GHG emissions					Scope 1 GHG emissions generated by real estate assets	
						Scope 2 GHG emissions generated by real estate assets	
	FY (From April 1 to March 31)	GHG emissions (in t-CO ₂)				Data coverage (in %) ¹	
		Scope 1	Scope 2 ²	Scope 3	Total		
		FY2024	0.5	2,755.4	19,114.6	21,871	100
		FY2023	0.6	2,811.9	19,701.9	22,514	100
FY2022	0.3	2,849.0	19,369.5	22,219	100		
					Scope 3 GHG emissions generated by real estate assets		

	<table><tr><td>FY2021</td><td>0.4</td><td>7,011.0</td><td>10,586.9</td><td>17,598</td><td>100</td></tr></table> <p>(Notes)</p> <p>1. Percentage indicates the gross floor area of the buildings in MEL’s portfolio for which MEL tracks and monitors the GHG emissions data.</p> <p>We have set KPI targets of (i) reducing the combined Scope 1 and Scope 2 GHG emissions by 42% by FY2030 from the base level in FY2021 and (ii) achieving net zero GHG emissions by FY2050.</p>	FY2021	0.4	7,011.0	10,586.9	17,598	100	Total GHG emissions generated by real estate assets										
FY2021	0.4	7,011.0	10,586.9	17,598	100													
Energy consumption	<p>19. Energy consumption intensity</p> <table><tr><td>FY (From April 1 to March 31)</td><td>Energy consumption intensity (in kWh/m²)</td><td>Data coverage (in %)¹</td></tr><tr><td>FY2024</td><td>35.63</td><td>100</td></tr><tr><td>FY2023</td><td>37.81</td><td>100</td></tr><tr><td>FY2022</td><td>37.95</td><td>100</td></tr><tr><td>FY2021</td><td>38.49</td><td>100</td></tr></table> <p>(Note)</p> <p>1. Percentage indicates the gross floor area of the buildings in MEL’s portfolio for which MEL tracks and monitors the energy consumption data.</p> <p>We have set a KPI target of reducing energy consumption intensity by 15% by FY2030 from the base level in FY2017 (50.20 kWh/m²).</p>	FY (From April 1 to March 31)	Energy consumption intensity (in kWh/m ²)	Data coverage (in %) ¹	FY2024	35.63	100	FY2023	37.81	100	FY2022	37.95	100	FY2021	38.49	100	Energy consumption in kWh of owned real estate assets per square meter.	
FY (From April 1 to March 31)	Energy consumption intensity (in kWh/m ²)	Data coverage (in %) ¹																
FY2024	35.63	100																
FY2023	37.81	100																
FY2022	37.95	100																
FY2021	38.49	100																
Waste	<p>20. Waste production in operations</p> <table><tr><td>FY (From April 1 to March 31)</td><td>Waste discharged by weight (in tons)</td><td>Recycling rate (in %)¹</td><td>Data coverage (in %)²</td></tr><tr><td>FY2024</td><td>4,540</td><td>65.6</td><td>90.0</td></tr><tr><td>FY2023</td><td>4,849</td><td>64.8</td><td>86.4</td></tr><tr><td>FY2022</td><td>4,802</td><td>70.2</td><td>79.1</td></tr></table>	FY (From April 1 to March 31)	Waste discharged by weight (in tons)	Recycling rate (in %) ¹	Data coverage (in %) ²	FY2024	4,540	65.6	90.0	FY2023	4,849	64.8	86.4	FY2022	4,802	70.2	79.1	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
FY (From April 1 to March 31)	Waste discharged by weight (in tons)	Recycling rate (in %) ¹	Data coverage (in %) ²															
FY2024	4,540	65.6	90.0															
FY2023	4,849	64.8	86.4															
FY2022	4,802	70.2	79.1															

	FY2021	3,939	62.3	90.6	
	(Notes) 1. Recycling rate indicates the discharged waste that is recycled by weight divided by the total waste discharged by weight, expressed as a percentage. 2. Percentage indicates the gross floor area of the buildings in MEL's portfolio for which MEL tracks and monitors the waste discharge data. We have set a KPI target of increasing the recycling rate to 70% or higher by FY2030.				

Table 3

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

MEL has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and relies on the Asset Management Company to manage and operate the properties in MEL's portfolio. Accordingly, additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters in this PAI statement pertain to the Asset Management Company, to the extent available.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to the Asset Management Company		
Social and employee matters	6. Insufficient whistleblower protection All persons engaged in our business, including retirees and temporary employees, are provided whistleblower protection. We have established a consultation desk for legal violations, violations of internal rules, harassment, and other matters that are contrary to ethical and social standards. All persons engaged in our business, including retirees and temporary employees, can report to and consult with us. This system complies with the Whistleblower Protection Act.	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	1. Number of incidents of discrimination reported in investee

	<p>No material or serious incident of discrimination (including any leading to sanctions) has been reported among the employees of the Asset Management Company in FY2024, FY2023, FY2022 and FY2021.</p> <p>Based on the Group's human rights policy, the Asset Management Company is committed to respect the human rights of all parties involved, including those we encounter through our businesses. Furthermore, the Group's code of conduct explicitly rejects discrimination and harassment in any form. In order to gain a better understanding of discrimination and to foster a greater awareness of human rights, we conduct training on human rights, focusing on the prevention of harassment.</p>	<p>companies expressed as a weighted average</p> <p>2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average</p>
Human Rights	<p>9. Lack of a human rights policy</p> <p>The Mitsubishi Estate Group, including the Asset Management Company, has a human rights policy.</p> <p>Under the Group's human rights policy, we uphold and respect international standards related to human rights, such as the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.</p>	Share of investments in entities without a human rights policy
Anti-corruption and anti-bribery	<p>15. Lack of anti-corruption and anti-bribery policies</p> <p>The Asset Management Company has compliance policies addressing anti-corruption and anti-bribery that apply to all of its officers and employees.</p> <p>The Group has declared its corporate activities to be fair, transparent and trustworthy. The Group's Action Guidelines prohibit not only suspected political and administrative cohesion and illegal activities but also entertainment and gifts that deviate from social norms.</p> <p>When support is provided for the activities of a political organization, appropriate measures are taken in light of the Political Funds Regulation Law, the Public Offices Election Law, and other relevant laws and regulations, as well as internal rules such as the Mitsubishi Estate Group Action Guidelines.</p>	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption

	<p>We have also established a system to prevent bribery. In 2013, the Mitsubishi Estate Group Basic Rules on Anti-Bribery were established, and in 2018, the Mitsubishi Estate Group Anti-Bribery Guidelines were introduced.</p> <p>To prevent bribery, we provide training for Group managers and employees, and acquire pledges from Group managers and employees to the Anti-Bribery Guidelines. In addition, bribery prevention lectures are held annually, and the Risk Compliance Committee monitors the operation of the anti-bribery system annually, and the status of the monitoring by the Risk Compliance Committee is also reported to the Board of Directors.</p>	
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For descriptions of actions which MEL takes and will take with respect to PAI indicators, please refer to our sustainability website: <https://mel-reit.co.jp/en/esg/index.html>

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

Subject to data availability, we monitor the selected PAI indicators for the existing properties in MEL's portfolio. Prior to our investment in a property, we conduct due diligence review of the property, including sustainability due diligence, which includes selected PAI indicators. The due diligence findings related to selected PAI indicators are reported and reviewed prior to the investment decision.

In order to realize sustainability in our asset management while maximizing MEL's portfolio value, we consider sustainability factors in our investment and asset management processes. In particular, MEL has established a green finance framework for debt financing (the "Green Finance Framework") and a green equity framework for equity financing (the "Green Equity Framework," together with the Green Finance Framework, the "Frameworks"). When determining whether to acquire or invest in properties under the green finance framework, we rely on the CASBEE, BELS and DBJ Green Building certifications. We can use green financing to acquire properties that have received at least one of the following third-party certifications: (i) B+ Rank or higher out of the CASBEE ranking system, (ii) three stars or higher out of BELS's previous five-star ranking system or level 4 or higher out of the BELS's new six-level ranking system, subject to certain allowances for properties that use the previous five-star ranking system and (iii) three stars or higher out of DBJ Green Building's five-star ranking system, or to refinance borrowings required for acquiring such assets.

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

4. Engagement policies

Due Diligence and Screening

When investing in properties using proceeds raised through the Frameworks, MEL does not invest in properties that fail to meet the green eligible criteria under the Frameworks. In addition, we prioritize properties designed and constructed in an environmentally thoughtful way and assessed to have low

environmental burdens. We also investigate the presence of harmful substances, the history of past land usages and the existence of soil contamination when investing in properties.

We monitor sustainability-related data and disclose such sustainability-related data at least once a year at our website: <https://mel-reit.co.jp/en/esg/environment/>

Engagement

We strive to operate in accordance with the items stipulated in the Group's green procurement guidelines, which promotes the procurement of materials and equipment with a low environmental impact. Furthermore, we require our business partners to adhere to the Mitsubishi Estate Group Code of Corporate Conduct, which requires adherence to fair employment practices including, for example, establishing work environments free from discrimination and harassment. The Mitsubishi Estate Group Code of Corporate Conduct also explicitly prohibits the use of unlawful child labor for our own operations and by our suppliers.

5. Reference to international standards

In March 2020, the Asset Management Company became a signatory to the Principles for Responsible Investment ("PRI"), which consists of an international network of investors that works to realize the Six Principles established for the finance industry in 2006. PRI is promoted through the United Nations Environment Program and the United Nations Global Compact, and encourages investors to incorporate sustainability issues into investment decision-making processes.

In December 2021, the Asset Management Company also signed on as an official supporter of the Task Force on Climate-related Financial Disclosures ("TCFD") as a guiding framework for companies to show how they are responding to climate change and provides disclosures of our alignment with TCFD's four core elements: governance, strategy, risks & opportunities and targets & metrics. The Asset Management Company also joined the TCFD consortium, an organization bringing together TCFD supporters in Japan. In March 2023, MEL has formulated the roadmap for reducing GHG emissions based on the TCFD recommendations, and disclosed the disclosure items based on the four core elements of the TCFD recommendations on our website. Also, MEL conduct quantitative analysis. For the detail of the analysis, please refer to our sustainability website : <https://mel-reit.co.jp/en/esg/environment/climate.html>.

6. Historical comparison

See Table 1, Table 2 and Table 3 above.