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Independent Limited Assurance Report to the Manager of Ascendas Real Estate Investment Trust (“Ascendas Reit”)

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 31 March 2021, nothing has come to our attention that causes us to believe that the relevant post-issuance processes in relation to Ascendas Reit’s S\$100 million green bond issuance in August 2020 do not meet the requirements of Ascendas Reit’s Green Finance Framework and the Green Bond Principles (June 2018), in all material aspects.

Scope

We have performed a limited assurance engagement in relation to the post-issuance processes in relation to Ascendas Reit’s S\$100 million green bond issuance in August 2020 (“Green Bond”), in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below (“Subject Matter”) does not meet, in all material respects, the criteria as presented below, as at 31 March 2021.

Subject Matter and Criteria

The Subject Matter and associated Criteria for this limited assurance engagement are set out in the table below:

Subject Matter	Criteria
<p>Post-issuance process for Ascendas Reit’s S\$100 million Green Bond, as described in the Ascendas Reit’s Green Finance Framework and the relevant documentation, that sets out:</p> <ul style="list-style-type: none"> ▶ Use of proceeds ▶ Process for project evaluation and selection ▶ Management of Proceeds ▶ Reporting on use of proceeds and project performance 	<ul style="list-style-type: none"> ▶ Ascendas Reit’s Green Finance Framework ▶ Green Bond Principles (June 2018) (“GBP”) requirements on: <ul style="list-style-type: none"> ▶ Use of Proceeds ▶ Process for Project Evaluation and Selection ▶ Management of Proceeds ▶ Reporting ▶ Respective criteria found at these links: <ul style="list-style-type: none"> ▶ GBP: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf

Manager’s Responsibilities

The Manager of Ascendas Reit (“Manager”) is responsible for the collection, preparation, and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Green Bond issuance process.

Assurance Practitioner’s Responsibilities

Our responsibility is to express a limited assurance opinion as to whether the Subject Matter is presented in accordance with the Criteria, in all material respects. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE 3000”).

Level of Assurance

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement, including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of the Manager's internal controls when determining the nature and extent of our procedures, our procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Approach

Our limited assurance engagement was limited to the Subject Matter set out above and did not include statutory financial statements of Ascendas Reit. We designed our procedures in order to form a conclusion as to whether we are aware of any material amendments that need to be made to the Subject Matter to be in accordance with the Ascendas Reit's Green Finance Framework and GBP. Our assurance procedures performed included, but were not limited to:

- ▶ Reviewing Ascendas Reit's Green Finance Framework to understand the policies, procedures and criteria
- ▶ Interviewing selected management and team members of the Manager to understand the key issues in relation to the Framework and Green Bond issuance process
- ▶ Reviewing policies and procedures for project evaluation and selection, management of proceeds, information disclosure and reporting for Ascendas Reit's Green Bond issuance
- ▶ Reviewing documents supporting eligibility of the nominated projects for Ascendas Reit's Green Bond issuance
- ▶ Confirming eligibility of nominated projects for inclusion in Ascendas Reit's Green Bond against Ascendas Reit's Green Finance Framework criteria and the GBP
- ▶ Obtaining and reviewing evidence to support key assumptions and other data
- ▶ Seeking management representations from the Manager on key assertions

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards that require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000, Green Finance Framework and GBP is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the post-issuance processes in relation to Ascendas Reit's S\$100 million green bond issuance in August 2020 and Ascendas Reit's Green Finance Framework and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 31 March 2021.

Use of Report

Our responsibility in performing our assurance activities is to the Manager of Ascendas Reit only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance by such third party may place on the Ascendas Reit's Green Bond issuance is entirely at its own risk, except for where reliance has been agreed by us and the Manager, as the client, by way of a reliance letter. No statement is made as to whether the criteria are appropriate for any third-party purpose.

Our Independence and Assurance Team

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities and Institute of Singapore Chartered Accountants Codes of Professional Conduct and Ethics. Our team has the required competencies and experience for this assurance engagement.

Observations on particular aspects of our engagement

We provide selected observations aligning to Ascendas Reit's Green Finance Framework and the GBP core components, to enable the reader to gain an understanding on how the relevant post-issuance processes meet the Criteria. These observations are not intended to detract from our conclusion provided above.

Use of Proceeds:

- ▶ The use of proceeds of the Green Bond aligns with the Ascendas Reit's Green Finance Framework and the GBP's indicative list of project categories. Specifically, the eligible project category relevant for the Green Bond is green buildings
- ▶ Ascendas Reit's list of assets aligns with the Green Finance Framework's exclusion list that covers activities directly involving fossil fuel, nuclear energy, mining and biomass production.
- ▶ Proceeds from the Green Bond were used for refinancing purposes on a portfolio basis

Process for Project Evaluation and Selection:

- ▶ Ascendas Reit has implemented the necessary processes and procedures for project evaluation and selection as stated in the Green Finance Framework which outlines the environmental objective of the Green Bond, eligibility criteria for determining green projects and the process for project selection and evaluation
- ▶ The process for project evaluation and selection involves the management team of the Manager, which also oversees the governance of the Green Finance Framework and the Green Bond issuance

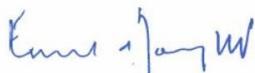
Management of Proceeds:

- ▶ Ascendas Reit has implemented processes to manage initial funds received from the Green Bond and to monitor the ongoing use of proceeds. These processes include:
 - ▶ An ear-marking process through an internal system to designate the proceeds received
 - ▶ A process for deploying any unallocated proceeds
 - ▶ Periodic monitoring of Green Bond proceeds
- ▶ Ascendas Reit has fully allocated proceeds of the Green Bond

Reporting:

- ▶ Ascendas Reit will report on allocation and the environmental impact of the Green Bond via Ascendas Reit's Integrated Sustainability Report on its website (https://ir.ascendas-reit.com/sustainability_reports.html)
- ▶ This report includes a list of assets to which proceeds of the Green Bond have been allocated, confirmation on the eligibility of the assets, most recent valuation of the eligible assets and total amount of Green Bond allocated.
- ▶ Ascendas Reit has sought independent post-issuance assurance within 12 months from issuance of its Green Bond.

Ernst & Young LLP



**Signed for Ernst & Young LLP by
Simon Yeo
Partner, Climate Change and Sustainability Services
Singapore
31 March 2021**