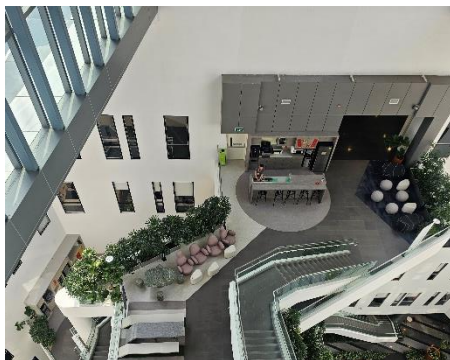




(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 October 2002 (as amended))



CapitaLand Ascendas REIT Green Finance Framework

October 2024

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1. Introduction

1.1 About CapitaLand Ascendas REIT

CapitaLand Ascendas REIT (“CLAR” or “the REIT”) is Singapore’s first and largest listed Business Space and Industrial Real Estate Investment Trust (REIT). It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in November 2002.

CLAR has since grown to be a global REIT anchored in Singapore, with a strong focus on tech and logistics properties in developed markets. As at 30 June 2024, it owns 229 properties across three key segments, namely, 1) Business Space and Life Sciences, 2) Logistics and 3) Industrial and Data Centres.

CLAR's multi-asset portfolio is anchored by well-located quality properties across developed markets. As at 30 June 2024, 97 properties are located in Singapore, 34 properties in Australia, 48 properties in the United States and 50 properties in the United Kingdom/Europe.

These properties host a customer base of more than 1,700 international and local companies from a wide range of industries and activities, including technology (information and communications technology (“ICT”), data centres, engineering, electronics, e-commerce), logistics & supply chain management, biomedical sciences, and others such as financial services (back room office support), government and other manufacturing and services industries.

CapitaLand Ascendas REIT Management Limited, the manager of CapitaLand Ascendas REIT (the “Manager”), is a wholly-owned subsidiary of CapitaLand Investment Limited (“CLI”), a leading global real asset manager with a strong Asian foothold. The Manager is fully committed towards CLAR’s vision of being a leading global real estate investment trust, as well as the mission of delivering predictable distributions and achieving long-term capital stability for unitholders.

1.2 Sustainability at the Core of CLAR's Business

As a wholly-owned subsidiary of CLI, the Manager firmly upholds CLI's core values and deep commitment to sustainability. The Board Statement stated in the CLAR's Sustainability Report is prepared in accordance with the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines affirms the Manager's commitment to sustainability:

"Sustainability is at the core of what we do at CLAR. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities.

The material environmental, social and governance (ESG) factors were identified and reflected in the CLI 2030 Sustainability Master Plan ("SMP"). This was refreshed in 2023 as part of the review by the CLI Board of Directors together with CLI Management. The CLI 2030 SMP steers our efforts to maximise impact through building portfolio resilience and resource efficiency, enabling thriving and future-adaptive communities, and stewarding responsible business conduct and governance.

Ambitious ESG targets have been set, which includes targets for carbon emission reduction, that were validated by the Science Based Targets Initiative (SBTi). These ESG targets have been cascaded throughout the CLI Group, including CLAR. In 2023, CLI elevated its SBTi-validated SMP targets in line with a 1.5°C scenario, incorporated its Net Zero commitment, and enhanced its focus on social indicators.

The Board of Directors of the Manager (Board) oversees CLAR's sustainability efforts and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Manager's business plans are translated into both quantitative and qualitative performance targets and are cascaded throughout the organisation.

CLAR's sustainability performance has been consistently highly ranked by globally-recognised indices such as GRESB (formerly known as Global Real Estate Sustainability Benchmark), the iEdge-UOB APAC Yield Focus Green REIT Index, Solactive ISS ESG Screened Paris Aligned Global Markets Index NTR and Solactive ISS ESG Screened Developed Markets Index NTR in 2023. As an industry leader, CLAR will continue to identify and adopt meaningful ESG practices."

CLAR's sustainability approach is aligned with CLI 2030 SMP, "Building Portfolio Resilience and Resource Efficiency, Enabling Thriving and Future-Adaptive Communities and Stewarding Responsible Business Conduct and Governance". CLAR upholds this approach and implements it across asset and portfolio strategies, daily operations management, project development,

stakeholders' engagements, and human capital management. CLAR is committed to maintaining a safe workplace and fostering the well-being of the stakeholders and adheres to high standards of corporate governance and transparency to advance the interest of CLAR. More details can be found in CLAR's Integrated Sustainability Report (https://investor.capitaland-ascendasreit.com/sustainability_reports.html).

2. Green Finance Framework

This Green Finance Framework (the “Framework”) has been developed to demonstrate how CLAR intends to enter into Green Finance Transactions (“GFTs”) to fund projects, which will deliver environmental and social benefits that support the REIT’s objectives.

Fundraising will include bonds, loans and other forms of debt financing with structures tailored to contribute to sustainable development by application of the proceeds to Eligible Projects as defined in this Framework.

This Framework outlines the criteria and guidelines for CLAR and its subsidiaries to allocate and manage the proceeds raised from the GFTs. The CLAR Green Finance Framework is prepared in line with the following Principles or as they may be subsequently amended:

- International Capital Market Association (“ICMA”) Green Bond Principles (June 2021) (with June 2022 Appendix I)¹
- Loan Market Association (“LMA”) and Loan Syndications & Trading Association (“LSTA”) Green Loan Principles (February 2023)²

In line with the Principles, the Framework comprises the following four core elements:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds; and
4. Reporting

The GFTs may be in any currency, tenor or with other terms and conditions, to reflect the financing strategy of CLAR as well as the commercial agreement with its financiers and investors.

2.1 Use of Proceeds

The objective of CLAR’s GFTs is to fund Green Projects that: mitigate climate change by reducing emissions; protect ecosystems; or otherwise have a positive environmental impact in support of the United Nations (UN) Sustainable Development Goals (“SDGs”). 100% of the net proceeds raised from the GFTs will be used to finance or re-finance, in whole or in part, new or existing Eligible Projects, which fall within the categories defined from pages 5 to 8.

¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

² <https://www.lsta.org/content/green-loan-principles/>

Eligibility Criteria for Green Projects

ELIGIBLE PROJECT CATEGORY : GREEN BUILDINGS

ELIGIBLE CRITERIA

New development, existing or re-development of existing buildings that have or will receive any one of the following certification systems:



- Singapore Building and Construction Authority (BCA) Green Mark: Minimum certification of Gold^{PLUS} or above;
- Leadership in Energy and Environmental Design (LEED®)³: Minimum certification of Gold or above;
- National Australian Built Environment Rating System (NABERS): Minimum 5-Star Energy Rating or above;
- Green Building Council of Australia (GBCA) Green Star: Minimum 5-Star or above;
- Building Research Establishment Environmental Assessment Method (BREEAM): Minimum certification of Excellent or above;
- International Finance Corporation (IFC) Excellence in Design for Greater Efficiencies (EDGE): Minimum Certified or above; or
- Any other Green Building label, that is an equivalent standard as the above.

SAMPLE PROJECT

Green building certification which takes into consideration of environmental performance, such as:

- Nexus@one-north (Green Mark Platinum)
- 510 Townsend Street (LEED Building Design & Construction Platinum)
- 1 Thomas Holt Drive (5.5-Star Energy Rating)
- MQX4 (6-Star Green Star Design & As-Built)
- Unit 2, Wellesbourne Distribution Park (BREEAM Excellent)
- Tampines Biz-Hub (EDGE Certified)

EXAMPLE IMPACT METRICS

- Number of Green Buildings (per certification system) and the level/ rating achieved
- Green Buildings coverage (by Gross Floor Area) as a percentage of total portfolio

UN SDGs SUPPORTED



³ By the U.S. Green Building Council (USGBC)

ELIGIBLE PROJECT CATEGORY : RENEWABLE ENERGY

ELIGIBLE CRITERIA

Projects relating to the installation of equipment or associated infrastructure to generate renewable energy.



SAMPLE PROJECT

Any form of clean or renewable energy installation e.g. electricity generation from solar photovoltaic panel, etc.

EXAMPLE IMPACT METRICS

- kWh of power generated from renewable energy
- Renewable energy consumed as a percentage of landlord's total electricity consumption
- Tonnes of carbon dioxide (CO₂) equivalent avoided

UN SDGs SUPPORTED



ELIGIBLE PROJECT CATEGORY : ENERGY EFFICIENCY

ELIGIBLE CRITERIA

Projects relating to adoption of smart technologies and/or systems for optimising energy management in new and existing buildings (e.g. lighting and motion sensors) or retrofitting projects (e.g. replacing air-conditioning chiller or lift systems).



SAMPLE PROJECT

Investment in raising performance of building fittings and equipment such as air-condition chillers, lift systems, light fittings, glass curtain walls, ventilation and greening technologies that reduce interior heat and contribute to higher energy efficiency.

EXAMPLE IMPACT METRICS

- Energy saved per annum (kWh)
- Energy intensity reduction (kWh/sq m)

UN SDGs SUPPORTED



ELIGIBLE PROJECT CATEGORY : WASTE MANAGEMENT

ELIGIBLE CRITERIA

Facilities, systems and equipment that are used for the collection, treatment, and recycling of waste (excluding landfilling).



SAMPLE PROJECTS

- Management of waste for tenants and occupants
- Improved waste management by offering multiple possibilities to recycle and dispose of waste

EXAMPLE IMPACT METRICS

- Waste reduced per annum (tonnes)
- Waste that is prevented, minimised, reused, recycled or diverted from landfill as a percentage of total waste and/or in absolute amount (%)

UN SDGs SUPPORTED



ELIGIBLE PROJECT CATEGORY : SUSTAINABLE WATER MANAGEMENT

ELIGIBLE CRITERIA

Water saving features to reduce domestic and commercial water consumption.



SAMPLE PROJECTS

Installation of efficient water use equipment, such as automatic tap water sensors, to reduce the use of water

EXAMPLE IMPACT METRICS

- Water saved per annum (m³)
- Water intensity (m³/sq m)

UN SDGs SUPPORTED



ELIGIBLE PROJECT CATEGORY : CLEAN TRANSPORTATION⁴

ELIGIBLE CRITERIA

Projects that promote affordable and environmentally friendly transportation modes.



SAMPLE PROJECTS

- Electric vehicle charging infrastructure
- Encouraging cycling among tenants, employees and customers by providing end-of-trip facilities (such as bicycle parking, showers, lockers and restrooms)

EXAMPLE IMPACT METRICS

- No. of electric vehicle charging lots
- No. of bicycle parking lots

**UN SDGs
SUPPORTED**



All designated Eligible Projects should demonstrate clear environmental benefits which will be assessed and where feasible, quantified by CLAR.

Projects not eligible for inclusion in CLAR's Green Finance Framework are activities which directly involve fossil fuel, nuclear energy, mining and biomass production.

⁴ The impact indicators for Clean Transportation are aligned with BCA Green Mark assessment criteria.

2.2 Process for Project Evaluation and Selection

Under the Framework, Eligible Projects are identified, selected and approved via a process that involves the CLAR Sustainability Working Committee (“SWC”) and the Sustainability Committee (“SC”).

- a. The SWC, comprising representatives from various functional areas⁵ of the Manager, the Singapore Property Manager, International Asset Managers and CLI Group Sustainability will review and select Eligible Projects according to the criteria outlined in Section 2.1. The shortlisted projects will be presented in a format of Green Project List to the SC for approval.
- b. CLAR’s SC will ensure that the selected Eligible Projects in the Green Project List comply with Section 2.1 and the environmental and social guidelines (such as national regulations and international standards) which are applicable within CLAR. The SC comprises members of the senior management team of the Manager:
 - Chief Executive Officer
 - Chief Financial Officer
 - Head, Capital Markets & Investor Relations
 - Head, Portfolio Management
 - Head, Investment
 - Head, Business Development

Risk management principles are embedded in CLAR’s decision-making and business processes. Management of social and environmental risks involves identifying and managing significant social and environmental aspects that can potentially have a negative social and environmental impact on CLAR’s portfolio, including the Eligible Projects.

In addition, and more specifically, an Environmental Health and Safety Impact Assessment (EHSIA) is carried out during the feasibility study and due diligence stage for new investments and acquisitions. The significant findings of the EHSIA and their cost implications, if any, are incorporated in the investment paper submitted to the Board for approval. The EHSIA focuses on identifying any environmental threats or opportunities related to the project sites and their surroundings, covering areas such as floods, biodiversity, air quality, noise, connectivity, heritage and resources including an analysis of mitigation measures for the associated risks. ESG factors are also considered in design, procurement, construction, and operations at the onset for development or redevelopment projects.

⁵ SWC representatives from the Manager includes Business Development, Capital Markets & Investor Relations, Finance, Risk & Sustainability, Investment, and Portfolio Management.

2.3 Management of Proceeds

The amount equal to the net proceeds from the GFTs will be allocated exclusively to the Eligible Projects. As long as there are outstanding GFTs, the Green Project List will be managed through its internal system, and the balance of the tracked proceeds will be periodically monitored by the Capital Markets Team. CLAR strives to maintain a level of allocation for the Eligible Projects which matches or exceeds the balance of net proceeds from its outstanding GFTs.

For any unallocated net proceeds, it may be invested in cash or cash-equivalent instruments, following its usual treasury policy until CLAR identifies new Eligible Projects that meet the criteria in section 2.1. Any addition to the Green Project List will follow the above process described in section 2.2.

2.4 Reporting

CLAR commits to transparent reporting on its GFTs. For the Green Loans, CLAR aims to make the information readily available to the lenders upon request. The REIT is deemed to have provided the information if such information is available in the Integrated Sustainability Report published on the CLAR website.

For Green Bonds, CLAR will disclose the information such as net proceeds of its GFTs in its Integrated Sustainability Report on its website (https://investor.capitaland-ascendasreit.com/sustainability_reports.html). Such information will be provided on an annual basis until all the net proceeds have been allocated.

The reports may include the information below:

a. Summary

A list of all GFT(s) executed in the reporting period and outstanding at the reporting date and summary terms of each transaction. Key information to be provided will include issuer/borrower entity, transaction date, principal amount of proceeds, maturity date and interest or coupon.

b. Allocation Reporting

- The list of Eligible Project(s) to which proceeds of the bond have been allocated (or reallocated).
- A brief description of the Eligible Project(s) and the amounts allocated.

- Where confidentiality agreements, competitive considerations or a large number of underlying assets limit the amount of detail that can be made available about the selected Eligible Project(s), information shall be presented on the investment areas which the selected Eligible Project(s) fall into.

c. Impact Reporting

Where relevant and possible, CLAR may provide relevant environmental impact metrics for the Eligible Projects financed by the GFTs to the investors and lenders. Examples of metrics include but not limited to:

Eligibility Criteria	Example Impact Metric
Green Buildings	<ul style="list-style-type: none"> • Number of Green Buildings (per certification system) and the level/ rating achieved • Green Buildings coverage (by Gross Floor Area) as a percentage of total portfolio
Renewable energy	<ul style="list-style-type: none"> • kWh of power generated from renewable energy • Renewable energy consumed as a percentage of landlord's total electricity consumption • Tonnes of carbon dioxide (CO₂) equivalent avoided
Energy efficiency	<ul style="list-style-type: none"> • Energy saved per annum (kWh) • Energy intensity reduction (kWh/sq m)
Waste Management	<ul style="list-style-type: none"> • Waste reduced per annum (tonnes) • Waste that is prevented, minimised, reused, recycled or diverted from landfill as a percentage of total waste and/or in absolute amount (%)
Sustainable Water Management	<ul style="list-style-type: none"> • Water saved per annum (m³) • Water intensity (m³/sq m)
Clean transportation	<ul style="list-style-type: none"> • Number of electric vehicle charging lots • Number of bicycle parking lots

Each annual integrated sustainability report will be reviewed and approved by the CEO of the Manager before publication.

3. External Review

CLAR will ensure that the appropriate knowledge and expertise is developed within the organisation to confirm the alignment of this Green Finance Framework with the key features of the Principles. CLAR has obtained a Second-Party Opinion on this Framework. The Second-Party Opinion will be shared on the REIT's website at <https://www.capitaland-ascendasreit.com/en/sustainability/green-financing.html>.