

GLP SUSTAINABILITY LINKED BOND FRAMEWORK

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Sustainability at GLP

About GLP

Founded in 2009, GLP Pte. Ltd (hereafter “GLP” or the “Company”) is a leading global investment manager and business builder in logistics, data centres, renewable energy and related technologies. From expertly investing capital to efficiently operating assets and building businesses, GLP takes a strategic and innovative approach to growth and value creation for our customers and investors. GLP believes its combined experience and expertise as investors and operators provides it with distinct competitive advantage to build, acquire and scale high-quality businesses.

With a global presence with 97 offices in diverse markets across Asia, Europe and the Americas representing dozens of cultural backgrounds that share the same values and vision, GLP has over US\$120 billion of assets under management in real estate and private equity (as of December 31, 2021).

Logistics

GLP is a global leader in logistics real estate with a long heritage and proven track record as an investor, operator and developer with one of the largest logistics real estate footprints in the world. GLP focuses on nurturing a customer-centric culture, striving for continuous innovation and developing best-in-class distribution warehouses for some of the world's most dynamic consumer brands, manufacturers, retailers and third party logistics companies.

GLP revolutionized the modern logistics real estate industry and continues to invest and build proprietary technologies to create more efficient and sustainable modern logistics ecosystems. The Company has approximately 2,800 completed properties equating to 53.6 million sqm GFA in operation, and a further 21.4 million sqm GFA of development pipeline (as of December 31, 2021).

Data Centres

GLP takes a similar investment, operating and development approach to develop expertise in data centres and invests its own capital to build and scale high quality businesses, then enhancing the value through asset management including operations, ecosystem development, technology and innovation and use its global scale and data driven insights to accelerate growth. Data centres are a significant area of growth for GLP. Our proprietary data centres infrastructure management system (“DCIM”) provides an integrated framework to intelligently link IT and facility management with performance-related meta data to optimize power usage effectiveness (PUE) and cost efficiency.

Renewable Energy

GLP’s investment in renewable energy leverages and supports its core logistics real estate business. By generating renewable energy through large-scale solar, wind, and other renewable technologies, its business is more efficient thus benefiting its customers and communities. The growing global demand for low-carbon and renewable energy has led to continued growth opportunities for GLP buildings which are sources of renewable energy generated by rooftop photovoltaic (PV) panels. We have 415 megawatts (MW) of installed capacity (as of December 31, 2021).

The clean energy produced is sold back to utility companies or our tenants, reducing the strain on local electricity grids. It is one and is another way we support our customers and their sustainability goals.

Private Equity

GLP's private equity strategy is to make investments in businesses and technologies that complement its core logistics real estate business and other high-growth sectors of the economy. The Company focuses on investing and partnering with companies where it can play a strategic role in, such as logistics, real estate, infrastructure, finance and related technologies. Its dedicated private equity funds and business development arms, including Hidden Hill Capital in China and Monoful in Japan, which invest in technologies that complement and enhance GLP's real estate business.

GLP's Approach to Sustainability

GLP is committed to a broad range of Environmental, Social and Governance ("ESG") commitments that elevate its business, protect the interest of our shareholders and investors, support employees and customers, and enhance local communities in which the Company operates. The Company also recognises that climate change is increasingly testing the conventional for-profit business model, threatening supply chains and infrastructure and rendering communities vulnerable. GLP will proactively incorporate climate change risk assessments into our business over time based on the Task Force on Climate-Related Financial Disclosures ("TCFD") that cover physical and transition risks.

The Company's main area of focus is reaching Net Zero and it therefore focuses on two areas that will have considerable impact on its carbon emissions – reducing carbon output in development and operations and reducing energy dependency through increased energy efficiency and renewable energy sources.

GLP improves efficiency across its businesses through the use and integration of data and technology, which allows it to reduce consumption, better manage assets and invest capital more efficiently and in turn generate better returns, reduce costs and help its global employees to be more productive and enhance their livelihood.

The Company is committed to achieving Net Zero emissions and is working towards establishing a greenhouse gas (GHG) emissions target that will be approved by the Science-Based Targets initiative (SBTi) at Scopes 1, 2 and 3 that will disclose its commitment and targets to achieve Net Zero.

Over the years, the Company strives to increase its capacity in renewable energy. To this end, GLP has 415MW of total installed solar capacity in 2021 across 188 properties, an increase of more than 3.7 times of installed solar capacity compared to 2019. The solar panels generated in excess of 430,000 MWh of energy in 2021 and have generated over 750,000 MWh of energy from 2019 to 2021.

GLP also promotes energy efficiency and decarbonisation for its tenants. To this end, the Company is committed to providing tenants with well-appointed, energy-efficient facilities and properties to reduce their carbon footprint in operations. GLP has achieved the world's first building verified as Net Zero Carbon for Construction using the UKGBC Net Zero Carbon Buildings Framework Definition, reaching a 25.8% saving in embodied carbon and a 26.9% savings in designed operational carbon. As of December 31, 2021, GLP owned and managed 343 properties with a sustainable building certification (such as LEED, BREEAM, IFC EDGE, HQE, DGNB, China Green Star Building Evaluation Standard, DBJ Green Building Certification, CASBEE and BELS). The number of green building certifications has increased 94% from 2020 to 2021. Meanwhile, GLP is committed to obtain sustainable building certification for 100% of its new development projects in China, Europe, India and Japan by 2025 or earlier.

In addition, GLP has rolled out sustainable guides to continue helping customers achieve their sustainability goals that incorporate elements like increased insulation, LED lighting, water refuse systems, solar and renewable energy, biodiversity and green fields surrounding buildings, exterior colours harmonized with landscapes and more. Meanwhile, GLP invests in logistics and supply chain solutions that create value for customers to achieve optimal logistics. For example, one the Company's investments "+ Automation" helps customers integrate robotics into their logistics business. The robots minimize and even eliminate human error and increase efficiency in logistics facilities. Sorting robots make more efficient use of space by approximately 50% compared to conventional layouts, allowing customers to more efficiently use their existing space.

The GLP ESG Policy Framework guides GLP in developing ESG commitments, integration into its overall business and investment approach, responsibility of implementation and monitoring and reporting framework. The GLP ESG Policy Framework is a reference and guide to internal stakeholders across GLP and as well as for selected external stakeholders such as existing or prospective investors and financiers.

To provide the Company's global customers with increased opportunities to enhance their sustainability endeavours, the GLP ESG Policy Framework also promotes customers' sustainability initiatives that increase resource conservation, leverage climate action, improve health and well-being and support local communities.

GLP is committed to contributing to the following United Nations Sustainable Development Goals ("SDGs"):



Sustainability Principles

The intent of GLP's sustainability commitment is to implement its unique ESG Sustainability Principles:

- Build businesses and invest responsibly
- Develop and manage sustainable assets
- Seek ways to improve efficiency and enhance value
- Govern with high-ethics and transparency
- Promote well-being

Global Business & Investment Standards

To help GLP meet its commitments towards its five Sustainability Principles, GLP will operate in compliance with, as a minimum, the applicable ESG regulations prevalent within its markets.

The Company also identifies and manages its impacts beyond compliance obligations by adopting internationally-recognised frameworks including:

- The International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (PSs) (2012);
- Global Real Estate Sustainability Benchmark (GRESB); and
- ILO Conventions / ILO core labour standards.

Rationale for Sustainability-Linked Bond Framework

GLP established a Green Bond Framework in 2020 and issued two green bonds to refinance existing green assets. Green bonds have helped GLP to broaden its investor base and direct capital to projects that have demonstrated environmental benefits and thereby contribute to the achievement of the SDGs such as green buildings, renewable energy and clean transportation.

GLP entered into a sustainability-linked loan at the start of 2021. This transaction has supported GLP's belief that sustainability-linked finance products allow it to mobilise and partner with its stakeholders along its long-term ESG commitments.

With the establishment of a sustainability-linked bond framework, GLP aims to broaden its role as an issuer in the sustainable capital markets and to extend its sustainable financing instruments from a pure green asset-based approach to an approach that takes into account the Company's overall ESG performance thereby further aligning with its approach to sustainability.

GLP considers the issuance of sustainability-linked bonds as a logical further step of connecting ESG aspects of its core business and its overall financing operations via capital markets. Sustainability-linked bonds will represent an additional class of funding instruments within the Company's ESG related funding mix, and will also be an important tool in addition to GLP's commitment to the green bond market.

This Sustainability-Linked Bond Framework allows GLP to issue sustainability-linked bonds in various formats, including but not limited to covered bonds or senior unsecured bonds (including senior preferred, senior non-preferred debentures and perpetual securities). Both public and private placements are possible under the Company's Sustainability-Linked Bond Framework. The scope of the Key Performance Indicator and the Sustainability Performance Target may include performance delivered, or in the process of being delivered by the GLP's subsidiaries, joint ventures and affiliates solely or jointly.

This Framework is aligned with the five core components of the Sustainability-Linked Bond Principles published by International Capital Markets Association (ICMA) in June 2020¹:

1. Selection of Key Performance Indicators
2. Calibration of Sustainability Performance Targets
3. Characteristics of Sustainability-Linked Notes
4. Reporting
5. Verification

The Sustainability-Linked Bond Framework may be subsequently revised or updated as the sustainable finance market continues to evolve.

¹ ICMA Sustainability-Linked Bond Principles 2020: [Sustainability-Linked Bond Principles \(SLBP\) \(icmagroup.org\)](https://www.icmagroup.org/sustainability-linked-bonds/principles/)

Selection of Key Performance Indicators (KPI)

The selection of Key Performance Indicators (KPI) is consistent with the GLP's approach to sustainability and its focus to reach Net Zero. GLP has selected one KPI that align with the recommendations made in the Sustainability-Linked Bond Principles that KPI should be:

- relevant, core and material to the issuer's overall business, and of high strategic significance to the issuer's current and/ or future operations;
- measurable or quantifiable on a consistent methodological basis;
- externally verifiable; and
- able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition

KPI 1: Total renewable energy capacity installed across GLP Group (in MW)

Rationale and Materiality

Climate change is considered one of the most pressing challenges with renewable energy being front and centre to the decarbonisation missions across geographies and sectors. The growing global demand for low-carbon and renewable energy has led to continued growth opportunities for GLP buildings which are sources of renewable energy generated by rooftop photovoltaic (PV) panels. This has become a cornerstone of GLP's climate action for its portfolio and customers to align with the Paris Climate Agreement and limit global warming to a 1.5°C increase compared to pre-industrial temperature. With GLP's customers concentrated in logistics and data centres that are considered energy and carbon intensive, renewable energy installed by GLP has become a critical solution to support its customers' low carbon goals together with GLP's energy-efficient initiatives and green buildings. To this end, GLP will continue to increase its renewable energy capacity to create a competitive edge and enhance value to the customers.

In December 2021, GLP has generated a total of 430,996 MWh, which is estimated at 34%² of total energy consumption. In Japan, GLP is one of the largest rooftop solar power providers and was an early mover in securing opportunities to participate in the national feed-in tariff program in 2012/13. Similarly, GLP opened the largest solar powered logistics facility in Brazil. While GLP continues to replace fossil fuel energy with solar power in key markets, the Company has also established new partnerships to expand its renewables portfolio to wind energy in the future, contributing significant positive environmental impact to support its customers' GHG emissions reductions efforts.

² The figure is calculated by dividing the annual amount of renewable energy generated by the estimated total annual electricity use for the entire portfolio. The energy consumption intensity of 4 real estate portfolios is used as a proxy to derive the estimated total annual electricity use for the entire portfolio.

Calibration of Sustainability Performance Target (SPT)

SPT 1:

- By 31 December 2025: GLP to install 1,000 MW of renewable energy capacity

Ambition of the SPT

Consistent with GLP's sustainability strategy and the operating countries' climate commitments, the target is deemed ambitious and beyond business as usual based on the Company's historical performance, peer review and also based on an industry analysis that few companies have formulated goals to have renewable energy capacity larger than 500 MW by 2025.

Using 2020 installed capacity of 224MW as the baseline, GLP has accelerated its renewable energy footprint by 85% to 415MW in 2021. As of December 2021, GLP has installed 4.4 million sqm of rooftop solar panels across 188 properties, or equivalent to the annual consumption of more than 55,000 households. As such, the 1,000MW target by 2025 implies an increase in solar capacity of 776MW in 5 years from 2020, reflecting around 155MW linear annual increase in solar capacity and around 35% compound annual growth rate. While the total installed capacity in 2021 has reached 415MW, the Company believes that this is still an ambitious but feasible target, given the strategic direction and significant investment that the Company is devoting to. Since 2019, it is estimated that the Company has avoided an accumulative amount of 568,883 tons of CO₂ eq through the generation of renewable energy for its customers and grids.

In addition, GLP will ensure that the installed renewable energy generation capacity will continue to be maintained and operational through to the SPT target date.

Material factors beyond the issuer's control that may impact the achievement of relevant SPTs (either positively or negatively) will be disclosed in the relevant documentation for each applicable Sustainability-Linked Instruments, in line with applicable regulation.

GLP reports the total renewable energy capacity installed for the past 3 years with 2020 as the baseline along with estimated avoided GHG:

As of Year End		Japan	China	Brazil	Europe/UK	India	Vietnam	Total
2019	Total Installed Capacity (MW)	64	19	0.8	0	-	-	84
	Estimated Avoided GHG (tCO ₂ eq.) ³	30,442	17,673	727	0	-	-	48,842
2020	Total Installed Capacity (MW)	64	157	0.8	1.6	-	-	224
	Estimated Avoided GHG (tCO ₂ eq.)	30,442	147,963	727	337	-	-	179,469
2021	Total Installed Capacity (MW)	72	321	1.4	20	1	-	415
	Estimated Avoided GHG (tCO ₂ eq.)	32,437	302,131	1,178	4,064	760	-	340,572

³ Avoided GHG emission is estimated by multiplying the annual production of solar electricity by the corresponding country's grid emission factor.

Characteristics of the Sustainability-Linked Notes

For each specific sustainability-linked bond transaction, GLP aims to satisfy the above SPT. In the event GLP fails to satisfy the SPT it has selected, this will trigger a coupon adjustment or premium payment event as the case may be.

Details of the increase in coupon or premium payment of GLP's sustainability-linked bond and the corresponding observation date will be specified in the relevant documentation of each specific sustainability-linked bond transaction. GLP will report the performance and progress it has made with regards to the SPT within its Annual Report or a separate report specific to the Company's green and sustainability-linked bonds.

If, for any reason, the performance level against each SPT cannot be calculated or observed, or not in a satisfactory manner (non-satisfactory manner to be understood as a verification assurance certificate provided by the independent external reviewer containing a reservation or not being in a position to provide such certificate), the increased coupon margin or premium payment (as defined above) will be applicable.

If, for any reason, the Company does not publish the relevant SPT within the time limit as prescribed by the terms and conditions of the notes, the increased coupon margin or premium payment will be applicable.

For the avoidance of doubt, if the KPI has achieved its SPT and reporting and verification for the SPT have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of any Sustainability Linked Bond issued by GLP under this Framework shall remain unchanged.

GLP understands there could potentially be force majeure events and material risk factors, such as natural and unavoidable catastrophes, or significant change in structure or business operations that could severely interrupt the progress of the SPT achievement. In relation to the events, GLP may further communicate with relevant parties and will reserve the rights to take mitigation measures, including but not limited to amending the KPI and SPT such as recalculations or pro forma adjustments of baselines or abolition of the coupon adjustment payment events.

Reporting

GLP will report annually on the performance of identified KPI and SPT, including baselines where relevant, covered by external verification. GLP shall ensure that information is up-to-date and made available on its website.

Verification

This framework and the associated annual reporting will benefit from two layers of verification:

- **Pre-issuance: Second-party opinion by a recognized ESG agency**
The second-party opinion will validate the alignment of the Framework with ICMA Sustainability-Linked Bond Principles as stated in Section 2. It will be made publicly available on GLP's website.
- **Post-issuance Verification**
The annual performance of the selected KPI included in the Sustainability-Linked Bond will be subject to external verification by a qualified external reviewer within a period of time defined in the specific documentation of each Sustainability-Linked Financing Instrument. Verification of KPI performance will be conducted on an annual basis, published in the annual reporting and at on a "Limited Assurance" standard.

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