

GLP Pte. Ltd.

Type of Engagement: Annual Review

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Introduction

In May 2021 and June 2021, GLP Pte. Ltd. (“GLP”) issued two green bonds (USD 850 million Green NC5 Perpetual Securities and USD 300 million Green NC6 Perpetual Securities) (the “2021 Green Bonds”) under the GLP Pte. Ltd. Green Finance Framework (“the Framework”).¹ The 2021 Green Bonds aimed at refinancing projects expected to contribute to emissions reduction through the promotion of green buildings, renewable energy adoption and deployment of clean transportation. Sustainalytics provided a Second-Party Opinion on the Framework in November 2020.²

In May 2023, GLP engaged Sustainalytics to review the projects funded with proceeds from the 2021 Green Bonds and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Framework. This is Sustainalytics’ second annual review of GLP’s 2021 Green Bonds following a previous review in April 2022.³

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 Green Bonds based on whether the projects:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one of the key performance indicators (KPIs) for each use of proceeds category outlined in the Framework.

¹ GLP Pte. Ltd., “GLP Pte. Ltd. Green Finance Framework November 2020”, at: [glp-green-finance-framework_20201126_clean-final_0_0.pdf](https://www.glp.com/global/sites/default/files/2021-03/sustainalytics_final-clean_27nov2020_0.pdf)

² GLP Pte. Ltd., “GLP Pte. Ltd. Green Finance Framework Second-Party Opinion” (2020), at: https://www.glp.com/global/sites/default/files/2021-03/sustainalytics_final-clean_27nov2020_0.pdf

³ Sustainalytics, “GLP Pte. Ltd. Annual Review”(2022), at: https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/glp-pte.-ltd.-green-bond-annual-review.pdf?sfvrsn=475eaf93_1

Table 1: Use of proceeds categories, eligibility criteria and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Green Buildings	<p>1. New, existing or refurbished buildings which have received at least one of the following classifications:</p> <ul style="list-style-type: none"> • <u>International:</u> <ul style="list-style-type: none"> ○ LEED: “Gold” and above ○ BREEAM: “Very Good” and above ○ EDGE: “EDGE Certified” or “EDGE Compliant” • <u>Europe:</u> <ul style="list-style-type: none"> ○ HQE: “Very Good” and above ○ DGNB: “Gold” and above • <u>Asia:</u> <ul style="list-style-type: none"> ○ China Three Star Green Building Evaluation Standard: Two Stars and above ○ India Green Building Council Green Logistics Parks and Warehouses Rating System: “Gold” and above ○ DBJ Green Building Certification: “4 Stars” and above ○ CASBEE: “A” and above ○ BELS: “4 Stars” and above <p>2. Buildings belonging to top 15% low carbon buildings in respective markets</p> <p>3. Refurbished buildings with an improved primary energy demand of at least 30% in comparison to the energy performance before the renovation such as:</p> <ul style="list-style-type: none"> • LED and other energy efficient lighting • Cool roofing systems • Smart metering to track electricity usage per tenant • Sustainability-oriented construction materials (e.g. recycled materials) 	<ul style="list-style-type: none"> • Level of certification by property or asset • Annual GHG emissions reduced or avoided (tCO₂e) • Annual energy savings (MWh)
Renewable Energy	<p>New or existing on-site renewable energy assets such as rooftop solar panels, energy storage capabilities.</p>	<ul style="list-style-type: none"> • Capacity and production of renewable energy generated (MW) • Estimated annual CO₂ emissions avoided (in tCO₂ and in tCO₂e), direct and indirect impact
Clean Transportation	<p>New or existing vehicles in logistics management and transportation to develop green smart supply chain hubs such as:</p> <ul style="list-style-type: none"> • Zero tailpipe emission vehicles (e.g. hydrogen, fuel cell, electric) • Hybrid vehicles that meet emission intensity thresholds set by market standards such as EU Taxonomy or Climate Bonds Initiative • Tools and technology to optimize route management of field services 	<ul style="list-style-type: none"> • Annual GHG emissions reduced or avoided (tCO₂e)

Issuer’s Responsibility

GLP is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from GLP’s 2021 Green Bonds. The work undertaken as part of this engagement included collection of documentation from GLP and review of said documentation to assess conformance with the GLP Pte. Ltd. Green Finance Framework.

Sustainalytics relied on the information and the facts presented by GLP. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by GLP.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. GLP has disclosed to Sustainalytics that the proceeds of the 2021 Green Bonds were fully allocated as of May 2021 for the Green NC5 and June 2021 for the Green NC6.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the 2021 Green Bonds to determine if projects aligned with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the 2021 Green Bonds to determine if impact of projects was reported in line with the KPIs outlined in Framework. For a list of KPIs reported, please refer to Appendix 1.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

⁴ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation and Impact of the 2021 Green Bond's Proceeds

GLP issued a USD 850 million Green NC5 Perpetual Securities bond and a USD 300 million Green NC6 Perpetual Securities bond in May 2021 and June 2021 respectively, aimed at financing or refinancing projects related to green buildings, renewable energy and clean transportation. All of USD 1.15 billion in proceeds from the 2021 Green Bonds were used to refinance existing green building assets between 2013 and 2023. Table 3 below provides a summary of the reported allocation and impact of GLP's 2021 Green Bonds as of December 2022.

Table 3: Total allocation and impact⁵ of the 2021 Green Bonds proceeds as of December 2022

Use of Proceeds Category	Impact Metric	Sub-Category	Environmental Impact Reported by Eligibility Criteria
Green Buildings	Level of certification by property/asset	BREEAM	<ul style="list-style-type: none"> 39 BREEAM "Excellent" certified assets 52 BREEAM "Very Good" certified assets
		CASBEE	<ul style="list-style-type: none"> 3 CASBEE "A" certified asset
		DGNB	<ul style="list-style-type: none"> 22 DGNB "Gold" certified assets
		LEED	<ul style="list-style-type: none"> 20 LEED "Gold" certified assets 3 LEED "Platinum" certified assets
		BELS	<ul style="list-style-type: none"> 1 "Five Stars" certified asset
		DBJ	<ul style="list-style-type: none"> 2 "Four Stars" certified assets
		China Three Star	<ul style="list-style-type: none"> 1 "1 Star" certified asset 1 "2 Star" certified asset
In Total			144 green building certified asset
Annual renewable electricity generated (MWh)⁶			18,157
Estimated GHG emissions avoided (tCO₂e)			2,414

⁵ GLP identified USD 1.9 billion in eligible green buildings assets of which 60.5% were financed with proceeds from the 2021 Green Bonds. GLP reported 29,998 MWh renewable electricity generated and 3988 tCO₂e avoided for the entire USD 1.9 billion portfolio in 2022. The annual renewable electricity generated and estimated GHG emissions avoided in this table have been pro-rated accordingly.

⁶ GLP has confirmed to Sustainalytics that the installation of renewable energy is part of the achievement of the relevant green building certifications and associated rating.

Total amount of the eligible green portfolio	USD 1.9 billion
Total amount of proceeds from the Green NC5 Perpetual Securities allocated to the eligible green portfolio	USD 850 million
Total amount of proceeds from the Green NC6 Perpetual Securities allocated to the eligible green portfolio	USD 300 million
Balance of unallocated proceeds of the 2021 Green Bonds	None

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