

Second-Party Opinion

Link REIT's Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that Link REIT Green Finance Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds, (i) Green Buildings, (ii) Energy Efficiency, (iii) Pollution Prevention and Control, (iv) Sustainable Water and Wastewater Management, (v) Clean Transportation, (vi) Renewable Energy, are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2018. Sustainalytics considers that the Eligible Green Projects will contribute to decrease Hong Kong's environmental footprint and advance various UN Sustainable Development Goals.



PROJECT EVALUATION / SELECTION Eligible Green Projects are to be selected through the joint-collaboration of Link REIT's sustainability and treasury teams based on the Eligibility Criteria.



MANAGEMENT OF PROCEEDS Link REIT commits to record internally the allocation of the net proceeds to existing and future eligible green projects. Pending full allocation, the unallocated proceeds will be used to repay the outstanding debt or held in cash, in line with the cash management practices for REITs. This process is aligned with market practice.



REPORTING Link REIT commits to provide an annual allocation report which will include a list of eligible green project categories and amounts allocated to these categories, the balance of unallocated proceeds and a selection of project examples. Where feasible, Link REIT will provide qualitative and quantitative environmental performance indicators for the Eligible Green Projects, including a list of eligible buildings that received third party verified green building certification, the energy consumption reduced per square foot, the greenhouse gas emissions reduced by an eligible green project, the water consumption reduced and the reduction in the amount of waste sent to landfill. Sustainalytics views the scope and granularity of Link REIT's proposed reporting as comprehensive, but strongly encourages the company to provide impact reporting on a regular basis.

Evaluation date	6 March 2019
Issuer Location	Hong Kong, China

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Introduction

Link Real Estate Investment Trust ("Link REIT") is the first real estate investment trust listed in Hong Kong, and currently Asia's largest REIT in terms of market capitalization. Wholly owned by private and institutional investors, with 100% free float, Link REIT has been listed on The Stock Exchange of Hong Kong Limited since 25 November 2005. In 2014, Link REIT became a constituent stock of the Hang Seng Index. Link REIT's headquarters are located in Hong Kong, China.

Link REIT has developed the Link REIT Green Finance Framework (the "Framework"), an update to its previous Green Bond Framework 2016, under which it is planning to make green finance transactions, including bonds, loans and other debt financing instruments and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that improve the environmental footprint of buildings it owns and operates in Hong Kong and China. The Framework defines eligibility criteria in six areas:

1. Green buildings
2. Energy efficiency
3. Pollution Prevention and Control
4. Sustainable Water and Wastewater Management
5. Clean Transportation
6. Renewable Energy

Link REIT engaged Sustainalytics to review the Link REIT Green Finance Framework, dated March 2019, and provide a second-party opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)¹ and the Green Loan Principles 2018.² This Framework has been published in a separate document.³

As part of this engagement, Sustainalytics held conversations with various members of Link REIT's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Link REIT's Green Finance Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Link REIT's Green Finance Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² The Green Loan Principles are administered by the International Capital Market Association, with the support from the Loan Market Association and the Asia Pacific Loan Market Association, and are available at: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/LMA_Green_Loan_Principles_Booklet-220318.pdf

³ The Link REIT's Green Finance Framework is available on Link REIT's website at: <https://linkreit.com/en/sustainability/genericPage/greenfinanceV2/>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Link REIT's Green Finance Framework

Summary

Sustainalytics is of the opinion that the Link REIT Green Finance Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2018. Sustainalytics highlights the following elements of the Link REIT's Green Finance Framework:

Use of Proceeds:

- The use of proceeds categories of the Link REIT's Green Finance Framework – (i) Green Buildings, (ii) Energy Efficiency, (iii) Pollution Prevention and Control, (iv) Sustainable Water and Wastewater Management, (v) Clean Transportation, (vi) Renewable Energy, are recognized as impactful by the Green Bond Principles 2018 and the Green Loan Principles 2018. Sustainalytics considers that Link REIT's Eligible Green Projects will contribute to reduce the environmental footprint of the buildings owned or under managed by Link REIT.
- Link REIT's eligibility criteria for green or low carbon buildings is based on third-party green building certification standards such as Hong Kong BEAM – Silver, Gold or Platinum, or LEED Silver, Gold or Platinum for project types that can include building developments, redevelopments, renovations or tenant improvements. Sustainalytics conducted an assessment of the certification schemes (see Appendix 1) and is of the opinion that they are credible and ensure an adequate integration of environmental considerations during all stages of a building's life cycle. In addition, Link REIT intends to use part of the proceeds to finance 15% energy efficiency improvement threshold for building improvements, based on third-party assessments, which is in line with current market expectations.
- Link REIT confirmed to Sustainalytics that the company is contemplating new green initiatives related to its buildings, covering projects related to Pollution Prevention and Control, Sustainable Water and Wastewater Management, Waste Management, Clean Transportation and Renewable Energy. Projects include solar photovoltaic panel expansion, the implementation of storm water management systems, grey water reuse systems, water monitoring systems, electric vehicles charging stations and waste segregation facilities and recycling machines. Sustainalytics reviewed Link REIT's initiatives and recognizes the importance of retrofitting buildings as a critical component for the company's transition towards a resource efficient and low carbon model and will provide low-carbon alternatives for the buildings' tenants, which will further contribute to reduce the company's Scope 3 indirect GHG emissions.
- Link REIT does not include a lookback period for refinancing. Sustainalytics recommends that Link REIT discloses the portion of refinancing in the annual allocation reporting.

Project Evaluation and Selection:

- Link REIT confirmed that Eligible Green Projects will be selected through the joint-collaboration of the company's sustainability and treasury teams based on the Eligibility Criteria. This process is in line with market practice.

Management of Proceeds:

- Link REIT confirmed that the company will record internally the allocation of the net proceeds to existing and future eligible green projects. Pending full allocation, the unallocated proceeds will be used to repay the outstanding debt or held in cash, in line with the cash management practices for REITs. This process is aligned with market practice. The Issuer has confirmed to Sustainalytics that there is no greenshoe option that would allow for over-allotment. Given the clear commitment by Link REIT to allocate an amount equal to the net proceeds before the maturity date of the bond in the event of a conversion, Sustainalytics is of the opinion that the structure of the convertible bond has no bearing on the impact of the assets and tracking and allocation of proceeds.

Reporting:

- Link REIT commits to provide an annual allocation report which will include a list of eligible green project categories and amounts allocated to these categories, the balance of unallocated proceeds and a

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selection of project examples. Where feasible, Link REIT will provide qualitative and quantitative environmental performance indicators for the Eligible Green Projects, including a list of eligible buildings that received third party verified green building certification, the energy consumption reduced per square foot, the greenhouse gas emissions reduced by an eligible green project, the water consumption reduced, and reduction in the amount of waste sent to landfill. The reporting will be made available through Link REIT's integrated annual report and on a dedicated page of the company's corporate sustainability website.⁴ Sustainalytics views the scope and granularity of Link REIT's proposed reporting as comprehensive, but strongly encourages the company to provide impact reporting on a regular basis.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Link REIT Green Finance Framework aligns to the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to issuer's sustainability strategy and performance

Link REIT discloses a number of environmental priorities that are aligned with addressing major issues facing Hong Kong, including energy efficiency, greenhouse gas (GHG) emission reduction, water and waste management and low carbon transportation. In March 2014, the company achieved its target to reduce energy consumption by 20% from a 2010 baseline. It now plans to reduce energy consumption by 30% from the 2010 baseline by 2020. In 2015, Link REIT completed a waste audit of its entire portfolio, which established a baseline to monitor performance of future waste reduction strategies. Link REIT aims to reduce waste to landfill by 40% by the year 2022. With regard to water consumption, Link REIT plans to identify and implement water reduction initiatives.⁵ Establishing environmental targets and implementing initiatives that help meet these targets indicates a longer-term commitment to environment and overall transparency regarding its environmental goals. Given the company's environmental commitments, targets and progress reporting, Sustainalytics is of the opinion that the Link REIT is well positioned to conduct green finance transactions.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that real estate development and refurbishment along with the other Eligible Green Project categories projects may expose Link REIT to worker health and safety risks, unintended waste discharges, fire risks, noise, particulate and dust pollution. Sustainalytics highlights the following efforts of Link REIT to mitigate these risks:

- The Occupational Health and Safety Ordinance of the Labour Department of the Hong Kong Government sets minimum standards for health and safety at the workplace.⁶ In addition, the Environmental Impact Assessment Ordinance aimed to requires environmental impact assessment to be conducted for activities that can have a negative on the environment,⁷ mitigating related risk of Link REIT's buildings in Hong Kong.
- Link REIT shared with Sustainalytics its (i) Sustainability Policy, a (ii) Climate Change and Energy Management Policy, as well as a (iii) Waste Management Policy in which it commits to uphold highest standards of occupational health and safety and to engage with stakeholder, including communities in which they operate.
- Sustainalytics highlights that Link REIT conducts an annual risk assessment based on the risk management framework established through the ISO 31000:2009 standard on risk management.⁸

Overall, Sustainalytics considers that Link REIT has adequate policies and risk management structures in place to mitigate environmental and social risks commonly associated with its Eligible Green Projects.

⁴ Link REIT corporate website, accessed March 2019: <https://linkreit.com/en/sustainability/genericPage/greenfinanceV2/>

⁵ Link REIT corporate website, accessed March 2019: <https://www.linkreit.com/en/sustainability/ourPerformance/>

⁶ The Government of the Hong Kong Special Administrative Region, Labour Department: <https://www.labour.gov.hk/eng/legislat/content4.htm>

⁷ Hong Kong Environmental Protection Department: <https://www.epd.gov.hk/eia/english/guid/ordinance/guide1-3.html>

⁸ International Organization for Standardization: <https://www.iso.org/standard/43170.html>

Section 3: Impact of Use of Proceeds

Importance of green real estate in climate change mitigating in Hong Kong

Hong Kong is a service-based city and does not have energy-intensive industries. As per the Hong Kong Government's Environmental Protection Department (EPD), the burning of fossil fuels to generate electricity is Hong Kong's major contributor of GHG, accounting for some 68% of total emissions in the city.⁹ Since 1997, the Hong Kong government banned the construction of new coal-fired generating units in favour of natural gas, which emits less greenhouse gas per unit of electricity produced. Nonetheless, the major source of power generation in Hong Kong remains fossil fuels. Although the two main power companies in Hong Kong are exploring the feasibility of developing large-scale offshore wind farms, it is estimated to meet merely 1 to 2% of total electricity demand by 2020. Therefore, energy conservation becomes top priority. With buildings accounting for 89% of the total electricity consumption at end-use level in Hong Kong (and 60% of GHGs), promoting energy efficiency in buildings is an effective way to achieve energy conservation and help address climate change. Given this scenario, it is clear that real estate companies have a large role to play in Hong Kong in mitigating climate change. Link REIT's efforts to improve energy efficiencies of its properties is a step in the right direction.

Importance of waste reduction and water management in Hong Kong

According to the Hong Kong Government's EPD,¹⁰ with the continued growth in waste levels, Hong Kong is expected to exhaust its existing landfills by 2020 if waste levels continue to increase at current levels. In 2013, the Hong Kong Government released the Blueprint for Sustainable Use of Resources 2013-2022, which aims to reduce the Municipal Solid Waste (MSW) disposal rate by 40% on a per capita basis by 2022¹¹ by expanding recycling, levying duties on waste and improving waste-related infrastructure. Waste is a major issue in Hong Kong and so is water management. The annual per capita consumption of water in Hong Kong is 172.1 m³, making it one of the highest water consumers per capita compared to other advanced cities such as Paris, London, Singapore, or Melbourne.¹² Hong Kong does not have any significant agricultural or industrial users, and over 50% of its water is for domestic use. However, Hong Kong has few natural lakes and rivers, inadequate groundwater sources and extreme seasonable variations in rainfall. Hong Kong relies on mainland China for 70-80% of its water, which comes from the Dongjiang River, a major tributary to the Pearl River, 83 km north of Hong Kong. The Dongjiang River also serve as a major supplier of fresh water to seven other cities including the heavy industrial and commercial centres of Guangzhou, Shenzhen, and Dongguan which means that Hong Kong will face increasing competition for water. In addition, this region is water stressed and in the near future, Hong Kong may find itself subject to a cap on water or even decreasing total supply of water from Dongjiang River.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings Pollution Prevention and Control	9. Industry, Innovation and Infrastructure	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, while increasing resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
Energy Efficiency Renewable Energy	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials,

⁹ http://www.epd.gov.hk/epd/english/climate_change/hkactions.html

¹⁰ http://www.epd.gov.hk/epd/english/environmentinhk/waste/waste_maincontent.html

¹¹ <http://www.enb.gov.hk/en/files/WastePlan-E.pdf>

¹² <http://chinawaterrisk.org/resources/analysis-reviews/8-things-you-should-know-about-hong-kong-water/>

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		halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Waste Management	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Clean Transportation		11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Conclusion



Link REIT has developed the Link REIT Green Finance Framework, an update to its 2016 Link REIT Green Bond Framework, under which it intends to issue green finance transactions and use the proceeds to finance or refinance Eligible Green Projects related to the improvement of the environmental footprint of its buildings under management. Specifically, Link REIT will allocate green finance towards green projects related to (i) Green Buildings, (ii) Energy Efficiency, (iii) Pollution Prevention and Control, (iv) Sustainable Water and Wastewater Management, (v) Clean Transportation and (vi) Renewable Energy. All seven use of proceeds categories are recognized by the Green Bond Principles 2018 and the Green Loan Principles as impactful and relevant to the advancement of SDG 6, 7, 9 and 11.

Link REIT's green building eligibility criterion is based on third-party certification standards, specifically the LEED and the BEAM, showcasing a strong alignment with internationally recognized green buildings standards. Sustainalytics considers that Link REIT's projects will advance and extend the company's sustainability performance in reducing the energy and resource intensity of its building and their premises. Overall, Link REIT's Green Finance Framework is transparent and provides clarity regarding the outcomes of the green investments. Furthermore, the projects that are expected to be funded using the green finance proceeds are in line with the climate change mitigation priorities of Link REIT as well as that of Hong Kong.

Based on the above, Sustainalytics considers that Link REIT is well positioned to issue green finance and that the Link REIT's Green Finance Framework is transparent, credible and in alignment with the four components of the Green Bond Principles 2018 and the Green Loan Principles.

Appendices

Appendix 1: Overview of the Green Building Certification Schemes

	LEED ¹³	BEAM ¹⁴
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BEAM Society Limited (BSL) developed the Building Environmental Assessment Method ("BEAM"), namely the BEAM Plus assessment - a green building assessment tool tailor-made for the high-rise, high density-built environment of sub-tropical climate in Hong Kong. BEAM Plus assessment is Hong Kong's leading initiative to offer assessments of building sustainability performance, with the Hong Kong Green Building Council being its certification body.
Certification levels	Certified Silver Gold Platinum	Bronze Silver Gold Platinum
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Site Aspects (location and design of building, emissions from the site, site management) • Materials Aspects (selection of materials, efficient use of materials, waste disposal and recycling) • Energy Use (annual CO₂ emissions or energy use, energy efficient systems and equipment, energy management) • Water Use (water quality, water conservation, effluent discharges) • Indoor Environmental Quality • Innovations and additions
Requirements	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	Prerequisites for each performance area + Credits with associated points Detailed compliance with legal requirements is a prerequisite for the award of credits. For every performance area BEAM prescribes different prerequisites. Every applicable prerequisite in every BEAM category must be achieved for the project to be assessed. Credits are allocated for each performance area, and every area is weighted as per international consensus. ¹⁵ The Overall Assessment Grade is determined by the percentage (%) of the applicable credits gained under each performance category and its weighting factor. Verification of compliance with BEAM criteria is done by an independent BEAM assessor.
Performance display		

¹³ www.usgbc.org/LEED

¹⁴ www.hkgbc.org.hk

¹⁵ <https://www.beamsociety.org.hk/files/download/download-20130724174420.pdf>

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Link REIT
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Link REIT Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	Link REIT Green Bond Framework 2016

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds, (i) Green Buildings, (ii) Energy Efficiency, (iii) Pollution Prevention and Control, (iv) Sustainable Water and Wastewater Management, (v) Clean Transportation, (vi) Renewable Energy, are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2018. Sustainalytics considers that the Eligible Green Projects will contribute to decrease Hong Kong's environmental footprint and advance various UN Sustainable Development Goals.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Link REIT confirmed that Eligible Green Projects will be selected through the joint-collaboration of the company's sustainability and treasury teams based on the Eligibility Criteria. This process is in line with market practice

Evaluation and selection

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- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Link REIT confirmed that the company will record internally the allocation of the net proceeds to existing and future eligible green projects. Pending full allocation, the unallocated proceeds will be used to repay the outstanding debt or held in cash, in line with the cash management practices for REITs. This process is aligned with market practice. The issuer has confirmed to Sustainalytics that there is no greenshoe option. Given the clear commitment by Link REIT to allocate an amount equal to the net proceeds before the maturity date of the bond in the event of a conversion, Sustainalytics is of the opinion that structure of the convertible bond has no bearing on the impact of the assets and tracking and allocation of proceeds.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

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4. REPORTING

Overall comment on section (if applicable):

Link REIT commits to provide an annual allocation report which will include a list of eligible green project categories and amounts allocated to these categories, the balance of unallocated proceeds and a selection of project examples. Where feasible, Link REIT will provide qualitative and quantitative environmental performance indicators for the Eligible Green Projects, including a list of eligible buildings that received third party verified green building certification, the energy consumption reduced per square foot, the greenhouse gas emissions reduced by an eligible green project, the water consumption reduced, and reduction in the amount of waste sent to landfill. The reporting will be made available through Link REIT's integrated annual report and on a dedicated page of the company's corporate sustainability website.¹⁶ Sustainalytics views the scope and granularity of Link REIT's proposed reporting as comprehensive, but strongly encourages the company to provide impact reporting on a regular basis.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input checked="" type="checkbox"/> Other (please specify): when feasible, e.g. on projects completion | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Green building certification achieved |

¹⁶ Link REIT corporate website, accessed March 2019: <https://linkreit.com/en/sustainability/genericPage/greenfinanceV2/>

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Means of Disclosure

- | | |
|---|---|
| <input checked="" type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.linkreit.com/en/home/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognized external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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