

GLP GREEN FINANCE FRAMEWORK

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Sustainability at GLP

About GLP

Founded in 2009, GLP Pte. Ltd (hereafter “GLP”) is a leading global investment manager and business builder in logistics, real estate, infrastructure, finance and related technologies. From expertly investing capital to efficiently operating assets and building businesses, GLP takes a bold and innovative approach to growth and value creation for our customers and investors. We believe our combined experience and expertise as investors and operators provide us with distinct competitive advantage to build, acquire and scale high-quality businesses and create value for our customers and investors.

GLP currently has US\$97 billion of assets under management in 63 Real Estate and Private Equity Funds (*as of September 30, 2020*) and operate in 17 countries across Brazil, China, Europe, India, Japan, the US and Vietnam.

Logistics

GLP 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.

We revolutionized the modern logistics real estate industry and continue to invest and build proprietary technologies to create more efficient and sustainable modern logistics ecosystems. With US\$55 billion of assets under management, GLP's 2,300 completed projects span over 66 million square meters (*as of September 30, 2020*) across Brazil, China, Europe, India, Japan, the US and Vietnam.

Real Estate & Infrastructure

GLP takes a similar investment, operating and development approach to develop sector expertise and invest our 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 our global scale and data driven insights to accelerate growth.

In particular, GLP's investment in renewable energy and infrastructure leverages and supports our core logistics real estate business. By generating renewable energy through large-scale solar, wind, rainwater and other renewable technologies, our business is more efficient thus benefiting our customers and communities. Further, our investments in transportation infrastructure support the core logistics real estate business by strengthening the warehouse ecosystem to make it more efficient.

Private Equity

GLP's private equity strategy is to make investments in businesses and technologies that complement our core logistics real estate business and other high-growth sectors of the economy. We focus in investing and partnering with companies where we can play a strategic role in, such as logistics, real estate, infrastructure, finance and related technologies. Our 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 our business, create value for shareholders and investors, support employees and customers, and show respect to the local communities in which we work in.

We focus on improving efficiency across our businesses through the use and integration of data and technology, which allows us to reduce consumption, better manage assets and invest capital more efficiently and in turn generate better returns, reduce costs and help our global employees to be more productive and enhance their livelihood.

To date, GLP has 203 sustainable building certifications (such as LEED, BREEAM, BELS, CASBEE, DBJ, DNJB, EDGE and HQE) in our portfolio, helped corporations such as L’Oreal and Adidas reduce carbon emissions by 1.2M tons and possessed 1.5 million square meters of rooftop solar panels globally producing approximately 135,000 MWh of renewable energy.

GLP aims to invest in green and/or energy efficient buildings which contributes to the transformation of real estate towards a zero-carbon economy. As such, GLP aims to integrate ESG values into our business strategy as business builders and investors to promote good business ethics and focus on building a more sustainable and resilient future.

The GLP ESG Policy Framework guides GLP in developing ESG commitments, integration into our 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.

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 our 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 our five Sustainability Principles, GLP will operate in compliance with, as a minimum, the applicable ESG regulations prevalent within our markets.

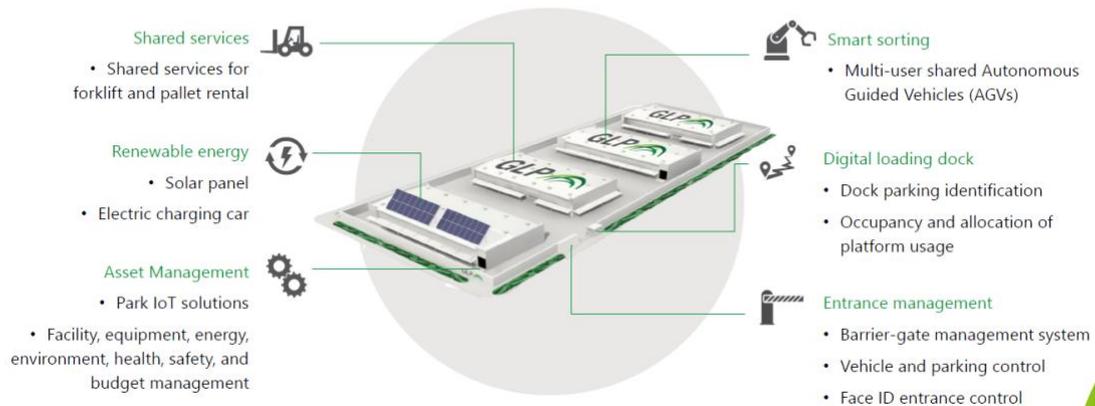
We also identify and manage our impacts beyond compliance obligations by adopting internationally-recognised frameworks including:

- 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.

GLP Smart Warehouse Model

Inside a GLP Smart Warehouse

GLP continues to digitalize and evolve our facilities using data link system which allows booking, dispatching, archiving and billing to be done through cloud management



Green Finance Framework

GLP believes that Green Finance Instruments (“GFI”) are effective tools to channel investments to projects that have demonstrated environmental benefits and thereby contribute to the achievement of the SDGs. GLP intends to align the funding strategy with our mission, sustainability strategy and objectives through the issuances of GFIs.

GLP has established this Green Finance Framework under which the company intends to issue GFIs, which may include bonds, loans and any other green finance instruments, to finance and/or refinance new and/or existing green assets or projects promoting environmental progress.

The International Capital Markets Association (“ICMA”) Green Bond Principles 2018 edition¹ and the Loan Market Association (“LMA”) Green Loan Principles 2020 edition², The ASEAN Capital Markets Forum (“ACMF”) ASEAN Green Bond Standards 2018 edition³ are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of green financing instruments. The GLP Green Finance Framework follows both standards, and provides guidelines for the GFIs in the form of five core components:

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

The Green Finance Framework may be subsequently revised or updated as the green finance market continues to evolve.

¹ ICMA Green Bond Principles: <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² LMA Green Loan Principles: <https://www.lsta.org/content/green-loan-principles/>

³ ACMF Green Bond Standards: <https://www.theacmf.org/initiatives/sustainable-finance/asean-green-bond-standards>

1. Use of Proceeds

Eligible Green Portfolio

A portfolio of eligible green assets (together forming the “Eligible Green Portfolio”) qualifies the use of proceeds under the categories and eligibility requirements listed in the table below.

The eligible use of proceeds contribute to three main environmental objectives, i.e. climate change mitigation and promotion of green buildings. The eligible use of proceeds also contribute to the SDGs as listed below (this list is not exhaustive given the interconnectedness of the SDGs).

Green Eligible Category	Description Eligible Projects	Contribution to the SDGs
Green Buildings	<p>1. New, existing or refurbished buildings which have received at least one of the following classifications including but not limited to:</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 ○ 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, etc) 	
Renewable Energy	<p>New or existing on-site renewable energy assets such as rooftop solar panels, energy storage capabilities, etc</p>	

Green Eligible Category	Description Eligible Projects	Contribution to the SDGs
Clean Transportation	New or existing vehicles in logistics management and transportation to develop green smart supply chain hubs such as: <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 	

2. Process for Project Evaluation and Selection

GLP has established the following decision-making process to determine, assess and document the eligibility of projects. The selection of the projects is carried out by GLP’s Global ESG Committee (“GEC”), composed of members of the Sustainability team, Finance, Treasury and in cooperation with relevant Property Management units. Eligible Green Projects selection and evaluation is based on:

- Expected eligible amounts
- Pre-defined eligibility criteria as described in this Green Finance Framework
- Evident contribution of the selected projects toward reducing CO₂ emissions or facilitating the reduction thereof

The GEC will also be responsible to:

- Monitor the Eligible Green Portfolio
- Exclude projects that no longer comply with the pre-defined eligibility criteria or have been disposed of and replace them, on a best efforts basis
- Validate annual reporting for investors
- Maintain the Green Finance Framework up to date in order to reflect any changes with regards to the evolution of GLP’s sustainability strategy and targets and to be in-line with market best practices and latest standards

GLP takes care that the Eligible Green Portfolio complies with official national and international environmental and social standards as well as local laws and regulations on a best efforts basis. GLP will apply minimum environmental and social requirements for its activities including the investment standards mentioned in Section 1.

3. Management of Proceeds

GLP intends to allocate the net proceeds from its GFIs to the Eligible Green Portfolio, selected in accordance with the pre-defined eligibility criteria and project evaluation and selection process presented above. This portfolio consists of new and existing assets.

Over time, GLP will strive to maintain a level of allocation for the Eligible Green Portfolio which matches or exceeds the balance of net proceeds from its outstanding GFIs. Additional Eligible Green Projects will be added to the Issuer’s eligible green asset portfolio to the extent required, in accordance with the pre-defined eligibility criteria.

Pending the allocation or reallocation, as the case may be, of the net proceeds to eligible green projects, GLP will invest the balance of the net proceeds, at its own discretion, into bank deposits, investment funds, money market funds or liquid marketable instruments, until the allocation to new eligible green projects. If for any reason, any assets were no longer eligible, GLP will use its best efforts to substitute such asset, as soon as practical once an appropriate eligible substitution option has been identified.

To prevent double counting of eligible projects, GLP will ensure that the same capital investment will not be listed twice in the allocation of net proceeds.

4. Reporting

GLP will report on the allocation of net proceeds and associated environmental benefits annually until the proceeds of each GFIs have been fully allocated, and as necessary in the event of material changes or in case of substitution of eligible green projects. This report will be made available on GLP’s website⁴.

Allocation reporting

The allocation report may provide:

- Aggregated amount of allocation of the net proceeds to the Eligible Green Projects, at category and sub-category level, with a description or selected case studies if feasible
- Balance of any unallocated proceeds invested in bank deposits, investment funds, money market funds, or liquid marketable instruments
- Proportion of net proceeds used for financing versus refinancing

Impact reporting

On a best efforts basis, GLP intends to report on the environmental impacts of the Eligible Green Projects funded with the GFIs through a dedicated impact report⁵. GLP intends to align, on a best efforts basis, the reporting with the portfolio approach described in “Handbook – Harmonized Framework for Impact Reporting (April 2020)”⁶.

The impact reporting will aim to provide, where feasible, metrics regarding the Eligible Green Project’s environmental impacts, as described below:

Green Eligible Category	Examples of impact reporting indicators
Green Buildings	Level of certification by property/asset Annual GHG emissions reduced / avoided (t CO2 eq pa) Annual energy savings (MWh pa)
Renewable Energy	Capacity and production of renewable energy generated (MW) Estimated annual CO2 emissions avoided (in tCO2 and in TCO2eq.), direct and indirect impact
Clean Transportation	Annual GHG emissions reduced / avoided (t CO2 eq pa)

⁴ <https://www.glp.com/global/debt-investors>

⁵ Impact Reporting may be supplemented by qualitative and/or case-study reports on outcomes and impacts of the Eligible Green Projects funded. Where relevant, information may be provided on data reporting and impact assessment methodologies to increase transparency.

⁶ Handbook - Harmonized Framework for Impact Reporting: <https://www.icmagroup.org/green-social-and-sustainability-bonds/impact-reporting/>

5. External review

Second Party Opinion (pre-issuance)

GLP's Green Finance Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion. Sustainalytics has reviewed the portfolio of Eligible Green Projects, as well as the alignment of GLP's Green Finance Framework with ICMA's 2018 Green Bond Principles, the LMA's 2020 Green Loan Principles and ASEAN Green Bond Standards 2018 Edition. The Second Party Opinion will be made available on GLP's website⁷.

Verification (post-issuance)

GLP intends to issue a third party limited assurance report or a verification statement for the allocation report of the green proceeds to the Eligible Green Portfolio, starting one year after issuance and until full allocation.

⁷ <https://www.glp.com/global/debt-investors>

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