

# **Annual Green Bond Use of Proceeds Report**

**for the period ending  
December 31, 2021**

***4.50% US\$850 Million, Green NC5  
Perpetual Securities***

***4.60% US\$300 Million, Green NC6  
Perpetual Securities***

**24 MAY 2022**



GLP is a registered trademark and trademark of GLP Pte. Ltd in the US, Singapore, and other countries.

# 1. Introduction

## About GLP

Founded in 2009, GLP Pte. Ltd (hereafter “GLP”) is a leading global investment manager and business builder in logistics, real estate, data centres, finance, renewable energy, and related technologies. GLP currently has over US\$120 billion of assets under management (as of May 2022) and operates in 17 countries across Brazil, China, Europe, India, Japan, the US, and Vietnam.

## GLP’s Green Finance Framework & Green Issuances

In November 2020, GLP completed its Green Finance Framework<sup>1</sup> (the “Framework”) under which GLP may issue green instruments to finance or re-finance Eligible Green Projects as defined by the Framework. On 17 May 2021, GLP issued its landmark green bond, 4.50%, US\$850 million offering of Green Subordinated Perpetual Non-Call 5-year Securities. Subsequently, on 29 June 2021, GLP issued a second green bond, 4.60%, US\$300 million offering of Green Subordinated Perpetual Non-Call 6-year Securities. In November 2020, GLP obtained an independent second party opinion<sup>2</sup> on the Framework from Sustainalytics, a global leader in providing environmental, social and governance (“ESG”) research and analysis, on its Framework, indicating alignment with the International Capital Markets Association Green Bond Principles 2018, the Green Loan Principles 2020, and the ASEAN Green Bond Standards 2018. In May 2022, Sustainalytics has also completed the annual review of this report. Pursuant to the Framework, GLP committed to publishing an annual use of proceeds report until the net proceeds of each of the Green Bonds have been fully allocated.

## Project Evaluation and Selection

The selection of the eligible green 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. In 2021, the GEC evaluated and selected projects that comply with the “Use of Proceeds” eligibility criteria as outlined in the Framework and allocated the net proceeds of the bonds to green buildings with a qualifying sustainable building classification (i.e. section 1 of the Framework’s “Use of Proceeds”).

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<sup>1</sup> [https://www.glp.com/global/sites/default/files/2021-02/glp-green-finance-framework\\_20201126\\_clean-final\\_0.pdf](https://www.glp.com/global/sites/default/files/2021-02/glp-green-finance-framework_20201126_clean-final_0.pdf)

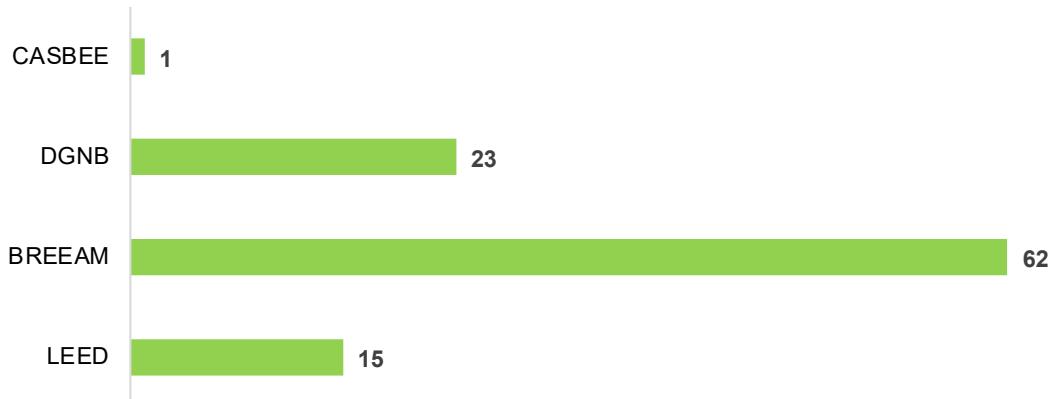
<sup>2</sup> <https://www.glp.com/global/media/125/download>

## GLP's Eligible Green Portfolio

As at December 2021, GLP's Eligible Green Portfolio comprise 101 green buildings with total GFA of 3.9 million sqm, amounting to an aggregate portfolio value of US\$1,512 million. The Eligible Green Portfolio includes logistics properties from China, Japan, Brazil, and Europe.

### Eligible Green Portfolio

Composition by certificate type, number of buildings



## 2. Allocation Reporting: Green Bond Proceeds

From GLP's Eligible Green Portfolio comprising 101 green buildings, the GEC fully allocated the net proceeds from the Green NC5 Perpetual Securities and Green NC6 Perpetual Securities of US\$1,150 million to 78 green buildings (in accordance with the criteria set out in the Framework) acquired or constructed from the period 2018 to 31 December 2021.

## Allocation Summary

Eligible Green Portfolio	Amount (USDm)	Instruments	ISIN	Issuance Date	Amount (USDm)
Green buildings	1,512	Green NC5 Perpetual Securities	XS2340147813	17-May-2021	850
		Green NC6 Perpetual Securities	XS2357239057	29-Jun-2021	300
<b>Total Eligible Green Portfolio</b>	<b>1,512</b>	<b>Total Green Finance Instruments</b>			<b>1,150</b>
		<b>Unallocated Amount of Eligible Green Portfolio</b>			<b>362</b>

## Use of Net Proceeds of US\$850 Million Green NC5 Perpetual Securities

Eligible Green Project Category	Certification Type	Certification Rating	No of Assets	Allocated Net proceeds (USDm)
Green Building	LEED	Gold	7	503
Green Building	CASBEE	A	1	38
Green Building	BREEAM	Very Good	19	137
Green Building	BREEAM	Excellent	8	90
Green Building	DGNB	Gold	11	82
<b>Total Allocated</b>			<b>46</b>	<b>850</b>
<b>Portion of Net Proceeds Allocated</b>				<b>100%</b>

Use of Net Proceeds of US\$300 Million Green NC6 Perpetual Securities

Eligible Green Project Category	Certification Type	Certification Rating	No of Assets	Allocated Net proceeds (USDm)
Green Building	BREEAM	Very Good	11	41
Green Building	BREEAM	Excellent	15	215
Green Building	DGNB	Gold	6	44
<b>Total Allocated</b>			<b>32</b>	<b>300</b>
<b>Portion of Net Proceeds Allocated</b>				<b>100%</b>

## Certification Rating Organizations

**LEED** – Leadership in Energy Environmental Design (“LEED”) is a voluntary, third-party building certification process developed by the U.S. Green Building Council (“USGBC”), a non-profit organization. The USGBC developed the LEED certification process to (i) evaluate the environmental performance from a whole-building perspective over a building’s life cycle, (ii) provide a definitive standard for what constitutes a “green building,” (iii) enhance environmental awareness among architects and building contractors, and (iv) encourage the design and construction of energy-efficient, water-conserving buildings that use sustainable or green resources and materials.

**BREEAM** – Building Research Establishment Environmental Assessment Method (“BREEAM”) is a global assessment method for master planning projects, infrastructure, and buildings. BREEAM provides third party certification of the assessment of an asset’s environmental, social, and economic sustainability performance, using standards developed by BRE, a division of the BRE Group, headquartered in the United Kingdom.

**DGNB** – refers to the certification system developed by the German Sustainable Building Council that is based on the three central sustainability areas of ecology, economy, and sociocultural issues.

**CASBEE** – Comprehensive Assessment System for Built Environment Efficiency (“CASBEE”) is a method for evaluating and rating the environmental performance of buildings and the built environment. CASBEE was developed by a research committee established in 2001 through the collaboration of academia, industry, and national and local governments, which established the Japan Sustainable Building Consortium (JSBC) under the auspice of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

### **3. External Review**

This report has been reviewed by Sustainalytics, on whether:

1. The Eligible Investments meet the criteria for Eligible Green Projects outlined in the Framework
2. The estimated environmental impact of each Eligible Investment meets the recommendations of the Harmonized Framework for Impact Reporting, as issued by the International Capital Markets Association (June 2021)<sup>3</sup>.

Sustainalytics' limited assurance report can be found in Appendix A, appended to this report.

### **4. Impact Reporting**

#### **Environmental impact of green bond portfolio**

On a best effort basis, GLP intends to report on the environmental impacts of the Eligible Green Projects funded with the GFIs through a dedicated impact report.

In 2021, GLP collected baseline energy consumption data and GHG emissions for Scopes 1 and 2 across the eligible portfolio and will endeavor to report energy savings (MWh per year) and Co2 savings (Tons of Co2 per year) in future annual reports.

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<sup>3</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

## Case Study

### GLP Misato III, Japan

First LEED Platinum Certified Logistics Facility in Japan



#### Clean Transportation:

- Electronic Vehicle (EV) charging stations

#### Health & Safety:

- Built-in seismic isolation system

#### Exterior Features:

- Highly reflective rooftop material to reduce the absorption of infrared radiation and minimize heat transfer to the interior of the structure
- Rooftop solar panels to reduce GHG emissions

#### Interior Features:

- Installation of LED lighting
- Rain water harvesting and installation of water saving utilities
- Improved indoor air quality

#### Sustainable Construction:

- Use of ecofriendly materials and resources
- Built-in seismic isolation system

## APPENDIX A

# GLP Pte. Ltd.

**Type of Engagement:** Annual Review

**Date:** May 12, 2022

**Engagement Team:**

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## Introduction

In May 2021 and June 2021, GLP Pte. Ltd. (“GLP”) issued two green bonds (Green NC5 and Green NC6) under the 2020 GLP Pte. Ltd. Green Finance Framework (“the Framework”).<sup>1</sup> The green bonds aimed at refinancing projects that contribute to climate change mitigation and promotion of green buildings. In April 2022, GLP engaged Sustainalytics to review the projects funded through the issued 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. In November 2020, Sustainalytics provided a Second-Party Opinion on the Framework.<sup>2</sup>

## Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 green bonds based on whether the projects and programmes:

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 criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

**Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs**

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
<b>Green Buildings</b>	<p>1. New, existing or refurbished buildings which have received at least one of the following classifications:</p> <ul style="list-style-type: none"> <li>• <u>International</u>:           <ul style="list-style-type: none"> <li>○ LEED: “Gold” and above</li> <li>○ BREEAM: “Very Good” and above</li> <li>○ EDGE: “EDGE Certified” or “EDGE Compliant”</li> </ul> </li> <li>• <u>Europe</u>:           <ul style="list-style-type: none"> <li>○ HQE: “Very Good” and above</li> <li>○ DGNB: “Gold” and above</li> </ul> </li> <li>• <u>Asia</u>:           <ul style="list-style-type: none"> <li>○ China Three Star Green Building Evaluation Standard: Two Stars and above</li> <li>○ India Green Building Council Green Logistics Parks and Warehouses Rating System: “Gold” and above</li> <li>○ DBJ Green Building Certification: “4 Stars” and above</li> <li>○ CASBEE: “A” and above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Level of certification by property/asset</li> <li>• Annual GHG emissions reduced / avoided (t CO<sub>2</sub> eq pa)</li> <li>• Annual energy savings (MWh pa)</li> </ul>

<sup>1</sup> GLP Pte. Ltd., “GLP Pte. Ltd. Green Finance Framework”, at: [https://d2ux9gt0v5d6m8.cloudfront.net/global/sites/default/files/2021-03/glp-green-finance-framework\\_20201126\\_clean-final\\_0\\_0.pdf](https://d2ux9gt0v5d6m8.cloudfront.net/global/sites/default/files/2021-03/glp-green-finance-framework_20201126_clean-final_0_0.pdf)

<sup>2</sup> Sustainalytics, “Second-Party Opinion GLP Pte. Ltd. Framework”, at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/glp-pte.-ltd.-green-finance-framework-second-party-opinion.pdf?sfvrsn=e940054c\\_3](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/glp-pte.-ltd.-green-finance-framework-second-party-opinion.pdf?sfvrsn=e940054c_3)

	<ul style="list-style-type: none"> <li>○ BELS: "4 Stars" and above</li> </ul> <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"> <li>• LED and other energy efficient lighting</li> <li>• Cool roofing systems</li> <li>• Smart metering to track electricity usage per tenant</li> <li>• Sustainability-oriented construction materials (e.g. recycled materials, etc)</li> </ul>	
<b>Renewable Energy</b>	New or existing on-site renewable energy assets such as rooftop solar panels, energy storage capabilities, etc	<ul style="list-style-type: none"> <li>• Capacity and production of renewable energy generated (MW)</li> <li>• Estimated annual CO<sub>2</sub> emissions avoided (in tCO<sub>2</sub> and in TCO<sub>2</sub>eq.), direct and indirect impact</li> </ul>
<b>Clean Transportation</b>	<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"> <li>• Zero tailpipe emission vehicles (e.g. hydrogen, fuel cell, electric)</li> <li>• Hybrid vehicles that meet emission intensity thresholds set by market standards such as EU Taxonomy or Climate Bonds Initiative</li> <li>• Tools and technology to optimize route management of field services</li> </ul>	<ul style="list-style-type: none"> <li>• Annual GHG emissions reduced / avoided (t CO<sub>2</sub> eq pa)</li> </ul>

## Issuing Entity's Responsibility

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

## Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of GLP's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from GLP employees and review of documentation to confirm the conformance with the GLP Pte. Ltd. Green Finance Framework.

Sustainalytics has relied on the information and the facts presented by GLP with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct 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 over the assessment of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>3</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of GLP's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the GLP Pte. Ltd. Green Finance Framework. GLP has disclosed to Sustainalytics that the proceeds of the green bonds were fully allocated as of May 2021 for Green NC5 and June 2021 for Green NC6.

## Detailed Findings

**Table 2: Detailed Findings**

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Use of Proceeds Criteria</b>	Verification of the projects funded by the green bonds in 2021 to determine if projects aligned with the Use of Proceeds Criteria outlined in the GLP Pte. Ltd. Green Finance Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the projects funded by the green bonds in 2021 to determine if impact of projects was reported in line with the KPIs outlined in the GLP Pte. Ltd. Green Finance Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

<sup>3</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

## Appendix

**Table 1: Allocation of Proceeds by Eligibility Criteria**

Use of Proceeds Category	Bond Issuance	Allocation amount (Billion USD)
Green Buildings	Green NC5 Perpetual Securities	0.850
	Green NC6 Perpetual Securities	0.300
<b>Total Allocated</b>		1.150
<b>Total Eligible Green Portfolio</b>		1.512

**Table 2: Impact Reporting by Eligibility Criteria**

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"> <li>• 25 BREEAM "Excellent" certified assets</li> <li>• 37 BREEAM "Very Good" certified assets</li> </ul>
		CASBEE	<ul style="list-style-type: none"> <li>• 1 CASBEE "A" certified asset</li> </ul>
		DGNB	<ul style="list-style-type: none"> <li>• 23 DGNB "Gold" certified assets</li> </ul>
		LEED	<ul style="list-style-type: none"> <li>• 13 LEED "Gold" certified assets</li> <li>• 2 LEED "Platinum" certified assets</li> </ul>
		<b>In Total</b>	101 green building certified assets

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