



**Mapletree Pan Asia Commercial Trust
Green Finance Framework
As at 2 September 2022**

1. Introduction

1.1 Corporate Overview

Mapletree Pan Asia Commercial Trust (“MPACT”) is a real estate investment trust (“REIT”) positioned to be the proxy to key gateway markets of Asia. Listed on the Singapore Exchange Securities Limited (“SGX-ST”), it made its public market debut as Mapletree Commercial Trust (“MCT”) on 27 April 2011 and was renamed MPACT on 3 August 2022 following its merger with Mapletree North Asia Commercial Trust (“MNACT”).

Its principal investment objective is to invest on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong¹, Japan and South Korea).

MPACT’s portfolio comprises 18 commercial properties across five key gateway markets of Asia – five in Singapore, one in Hong Kong, two in China, nine in Japan and one in South Korea. They have a total Net Lettable Area (“NLA”) of 11.0 million square feet and valued at S\$17.1 billion as at 31 March 2022.

The properties located in Singapore are:

- VivoCity – Singapore’s largest mall located in the HarbourFront Precinct;
- Mapletree Business City (“MBC”) – a large-scale integrated office, business park and retail complex with Grade A building specifications, supported by ancillary retail space, located in the Alexandra Precinct;
- mTower – an established integrated development with a 40-storey office block and a three-storey retail centre, Alexandra Retail Centre (“ARC”), located in the Alexandra Precinct;
- Mapletree Anson – a 19-storey premium office building located in the Central Business District (“CBD”); and
- Bank of America HarbourFront (“BoAHF”) – A premium six-storey office building located in the HarbourFront Precinct.

The properties located outside of Singapore are:

- Festival Walk, Hong Kong – a landmark territorial retail mall with an office component;

¹ Where “Hong Kong” is mentioned, it refers to the Hong Kong Special Administrative Region.

- Gateway Plaza, China – a Grade A office building with a podium area in Lufthansa sub-market within Beijing;
- Sandhill Plaza, China – a Grade A business park development in Zhangjiang Science City, a key business and innovation hub in Pudong, Shanghai;
- Japan Properties – refers to nine freehold properties comprising five office buildings in Tokyo (IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building, Omori Prime Building and Hewlett-Packard Japan Headquarters Building); an office building in Yokohama (ABAS Shin-Yokohama Building) and three office buildings in Chiba (SII Makuhari Building, Fujitsu Makuhari Building and mBAY POINT Makuhari); and
- The Pinnacle Gangnam, South Korea – a freehold Grade A office building with retail amenities located in Gangnam Business District, Seoul.

MPACT is one of the three REITs sponsored by Mapletree Investments Pte Ltd (“MIPL” or the “Sponsor”), a leading real estate development, investment, capital and property management company headquartered in Singapore.

MPACT is managed by MPACT Management Ltd. (“MPACTM” or the “Manager”), a wholly-owned subsidiary of MIPL. The Manager aims to provide unitholders of MPACT (“Unitholders”) with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in Distribution per Unit (“DPU”) and Net Asset Value (“NAV”) per Unit, while maintaining an appropriate capital structure for MPACT.

1.2 Sustainability is an integral part of MPACT's business approach

Sustainability is at the core of MPACT's business. The Paris Agreement reaffirms the long-term global goal of keeping global warming well below two degree Celsius (above pre-industrial levels), preferably 1.5 degree Celsius and below and further highlights the importance of collective climate action of government, businesses, individuals and the community. It is with this in mind that MPACT reaffirms its commitment to sustainability, and does so by embedding sustainability in the governance structure, strategic formulation and decision-making across all levels.

MPACT's Sustainability Report, prepared in accordance with the Global Reporting Initiative ("GRI") Standards with additional guidance set forth by the GRI-G4 Construction and Real Estate Sector Disclosures, as well as requirements of the SGX-ST Listing Rules, further includes disclosures in line with the recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD"). The Sustainability Report further affirms the Manager's commitment to:

- Support the transition to a low carbon economy through sustainable investment, development and operations;
- Safeguard the health and safety of employees and stakeholders;
- Focus on diversity and inclusion of our workforce and support the communities in which we operate in; and
- Maintain high ethical standards;

The Manager is focused on creating long-term value for MPACT's stakeholders, and is cognisant that MPACT's longevity stems from the ability to understand and respond to the evolving needs of the environment and stakeholders. Our approach towards sustainability is aligned with that of MIPL's. Guided by this approach, the Manager considers key environmental, social and governance ("ESG") issues in MPACT's overall business, the impacts, risks and opportunities associated with these issues, and incorporates suitable sustainable practices into MPACT's business plans and daily operations.

To achieve overall excellence and long-term business resilience, the Manager is continuously evaluating and adopting the best sustainability practices. Above all, MPACT is firmly committed in keeping its premises safe for all employees, customers and the community, and in upholding high standards of corporate governance and transparency. Testament to the Manager's longstanding dedication to ESG, MPACT continues to be recognised and included in the iEdge SG ESG Leaders Index² and iEdge SG ESG Transparency Index³.

² This is an ESG-factor index that measures the performance of stocks in the leaders index with a weighting tilted toward the company's ESG rating as provided by Sustainalytics.

³ This is an ESG-factor index that measures the performance of stocks in the broad sustainability index with a weighting tilted toward the company's ESG rating as provided by Sustainalytics.

The respective sustainability reports of MCT and MNACT, which contain the Board Statements as well as full disclosures of sustainability policies, practices, targets and performance, can be found on <https://mapleireepact.com/The-Manager/Sustainability.aspx> and <https://mapleireepact.com/Investor-Relations/MNACT%20Investor%20Relations/Publications.aspx>. From FY22/23⁴ onwards, MPACT will publish its own Sustainability Report.

⁴ Refers to the financial period from 1 April 2022 to 31 March 2023.

2. Green Finance Framework

MPACT has prepared the Green Finance Framework (the “Framework”) to demonstrate how MPACT intends to enter into Green Finance Transactions (“GFTs”) such as Green Loans and Green Bonds to fund projects, which will deliver environmental and social benefits that support MPACT’s objectives. Projects to be funded under the Framework will also facilitate MPACT’s efforts in making positive impacts towards the globally shared goal of keeping global warming under two degree Celsius (above pre-industrial averages), preferably 1.5 degree Celsius and below. This Framework outlines the criteria and guidelines for MPACT and its subsidiaries to allocate and manage the proceeds raised from the GFTs.

The Framework is prepared to be in line with the Green Bond Principles (2021) published by the International Capital Market Association and the Green Loan Principles (2021) published by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association (the “Principles”) or as it may be subsequently amended. In line with the Principles, the Framework comprises the following four core components:

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

The GFTs may be in any currency, tenor or with other terms and conditions, to reflect the financing strategy of the MPACT as well as the commercial agreement with its financiers and investors.

2.1 Use of Proceeds

The objective of MPACT’s GFTs is to fund Green Projects that will mitigate climate change by reducing greenhouse gas (“GHG”) emissions, protect ecosystems, or contribute positively to the United Nations Sustainable Development Goals (“UN SDGs”). 100% of the net proceeds raised from GFTs will be used exclusively to finance or re-finance, in whole or in part, new or existing Eligible Green Projects, which fall within one of the categories defined below:

Eligibility Criteria for Green Projects

Project Category	Criteria	Example of Projects	Environmental Objectives	UN SDGs supported
Green Buildings	<p>Existing or re-development of existing buildings which meet or will meet national, regional or internationally recognised standards or certifications, such as:</p> <ul style="list-style-type: none"> ▪ BCA Green Mark: Minimum certification of Gold^{Plus} and above ▪ LEED® by the U.S. Green Building Council (USGBC): Minimum certification of Gold and above; ▪ BEAM Plus: Minimum certification of Gold and above; ▪ CASBEE: Minimum 	<ul style="list-style-type: none"> ▪ VivoCity ▪ MBC I ▪ MBC II ▪ mTower ▪ Mapletree Anson ▪ Bank of America HarbourFront ▪ Festival Walk ▪ Sandhill Plaza ▪ Gateway Plaza ▪ The Pinnacle Gangnam ▪ Japan Properties 	<ul style="list-style-type: none"> ▪ Mitigates climate change ▪ Optimises resource efficiency 	

	<p>certification of B+ and above;</p> <ul style="list-style-type: none"> ▪ Development Bank of Japan (“DBJ”) Green Building Certification: Minimum certification of three-stars and above; ▪ China Green Building Evaluation Standards (China Three Stars): Minimum certification of 2 star and above; ▪ EDGE: Advanced or Zero Carbon certification ▪ Any other equivalent Green Building label 			
Renewable Energy	Projects relating to the installation of equipment or associated infrastructure to generate renewable energy	Any form of clean or renewable energy installation such as electricity generation from solar photovoltaic panels, etc.	<ul style="list-style-type: none"> ▪ Mitigates climate change 	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>13 CLIMATE ACTION</p>

Energy Efficiency	Projects relating to the adoption of smart technologies and/or systems to optimise energy efficiency and performance in new and existing buildings	Investments in systems, technologies, and upgrading of equipment, fittings and lightings to reduce energy consumption and/or raise energy efficiency (e.g. air-conditioning chillers, lift systems, smart energy management systems, intelligent lighting systems, lighting and motion sensors, ventilations and greening technologies, etc.)	<ul style="list-style-type: none"> ▪ Mitigates climate change ▪ Optimises resource efficiency 	  
Waste Management	Facilities, systems and equipment that are used for the collection, treatment and recycling of waste	Investments in the construction, operation and upgrading of infrastructure that will facilitate and waste reduction and recycling	<ul style="list-style-type: none"> ▪ Prevents and controls pollution ▪ Optimises resource efficiency ▪ Supports circular economy 	
Water Management	Water saving features and solutions to reduce domestic water withdrawal and improve water efficiency	Investments in systems, technologies, and installation of equipment and fittings to optimise water efficiency and/or reduce water withdrawal	<ul style="list-style-type: none"> ▪ Optimises resource efficiency 	 

All designated Eligible Green Projects should demonstrate clear environmental benefits which will be assessed and where feasible, quantified by MPACT.

2.2. Process for Project Evaluation and Selection

Project evaluation and selection is a key process to ensure that the projects financed or refinanced by the GFTs meet the Eligibility Criteria set in Section 2.1.

The Green Finance Committee will review and select Eligible Green Projects to be included in a “Green Project Register”. The Green Finance Committee may engage relevant subject experts from various functional areas to nominate the Eligible Green Projects.

The Management of MPACT will approve the Green Project Register to ensure that only the projects that meet the Eligibility Criteria will be financed by the GFTs. The Management of MPACT will ensure that the selected projects in the Green Project Register comply with Section 2.1. At the REIT level, the Management will endeavour to apply the environmental and social guidelines such as MAS’ Guidelines on Environmental Risk Management for Asset Managers.

Any future updates of the Framework, including any expansion of the Eligibility Criteria under the use of proceeds, will be prepared by the Green Finance Committee and subsequently approved by the Management of MPACT. The updated Framework will be published on MPACT’s website.

2.3. Management of Proceeds

The net proceeds from the GFTs, or amount equal to the net proceeds will be allocated exclusively to the Eligible Green Projects. As long as there are outstanding GFTs, the Green Project Register will be managed through its internal system, and the balance of the tracked proceeds will be periodically monitored by the Finance Team.

MPACT strives to ensure that the total amount of selected projects in the Green Project Register always exceeds the total balance of all outstanding GFTs. If any Eligible Green Project ceases to fulfil the eligibility criteria, MPACT will on a best effort basis remove it from the Green Project Register as soon as reasonably practicable. Where necessary, additional projects will be added to the Green Project Register following the process outlined in Section 2.2 to ensure sufficient and timely allocation of the incremental net GFT proceeds.

For any unallocated net proceeds, it may be invested, in cash or cash-equivalent instruments, until it is fully allocated to the Eligible Green Projects. For avoidance of doubt, any unallocated amount will not be used to directly finance projects or activities, or knowingly invested in any securities, which may primarily contribute to any carbon intensive activities or facilities.

2.4. Reporting

MPACT commits to transparent reporting on its GFTs.

For Green Bonds, MPACT will disclose the information such as net proceeds of its GFTs in its Sustainability Report on its website (<https://www.mapletreepact.com/Investor-Relations/Publications/Annual-Reports.aspx>). Such information will be provided on an annual basis, and on a timely basis should there be any material developments in the Principles or pertaining to the Eligible Green Project, until all the net proceeds have been fully allocated.

For Green Loans, MPACT aims to make the information readily available to the lenders upon request.

The reporting on the GFTs may include the following information:

a) Summary

- A list of GFTs executed in the reporting period and outstanding as at reporting date. Key information to be provided include issuer/borrower entity, transaction date, principal amount of proceeds and maturity date.

b) Allocation Reporting

- The list of Eligible Green Projects financed by Green Bonds or Green Loans to which proceeds of the GFTs have been allocated, including brief descriptions and allocated amounts

Where confidentiality agreements, competitive considerations, or a large number of underlying assets limit the amount of details that can be made available about certain Eligible Green Project(s), information shall be presented in a consolidated manner on a portfolio basis.

c) Impact Reporting

Where relevant and feasible, MPACT may report on the environmental impact metrics of the Eligible Green Projects. Where possible, MPACT will take reference from the guidance and impact reporting templates provided in ICMA's Harmonised Framework for Impact Reporting. Examples of impact indicators include but not limited to:

Eligible Green Project	Examples of Impact Indicators
Green Buildings	<ul style="list-style-type: none">▪ Number of green buildings and the certification/rating achieved
Renewable Energy	<ul style="list-style-type: none">▪ Renewable energy generated (kWh)▪ GHG emissions reduction (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none">▪ Energy consumption reduction (kWh)▪ Energy intensity reduction (kWh/m²)▪ GHG emissions reduction (tCO₂e)

	<ul style="list-style-type: none"> ▪ GHG emissions intensity reduction (tCO₂e/m²)
Waste Management	<ul style="list-style-type: none"> ▪ Waste that is prevented, reduced, reused or recycled before and after the project (percentage of total waste (%) and/or absolute amount (tonnes))
Water Management	<ul style="list-style-type: none"> ▪ Total water consumption reduction (m³) ▪ Percentage reduction in water consumption (%) ▪ Water intensity reduction (m³/m²)

3. External Review

MPACT has engaged Ernst & Young LLP to provide a limited assurance to confirm this Framework's alignment with the Green Bond Principles (2021) and Green Loan Principles (2021). The external assurance statement, as well as this Green Finance Framework will be made available on <https://www.mapletreepact.com>.