



Keppel REIT
Green Financing Framework

June 2024

Keppel REIT
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1. Introduction

1.1 About Keppel REIT

Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia’s leading real estate investment trusts with a portfolio of prime commercial assets in Asia Pacific’s key business districts.

Keppel REIT’s objective is to deliver stable income and drive sustainable long-term total return for its Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Asia Pacific.

As at 31 December 2023, Keppel REIT had a total portfolio value of \$9.2 billion, comprising properties in Singapore; the key Australian cities of Sydney, Melbourne and Perth; Seoul, South Korea, as well as Tokyo, Japan.

Keppel REIT is managed by Keppel REIT Management Limited (the “Manager”) and sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.


1.2 Keppel REIT’s Sustainability Strategy

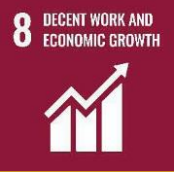







1.2.1 Keppel REIT’s approach to sustainability

Keppel REIT’s approach to sustainability is guided by three strategic pillars – Environmental Stewardship, Responsible Business, as well as People and Community. Keppel REIT is committed to reducing the environmental impact of its business operations, upholding robust corporate governance practices, while fostering positive impact and value for its stakeholders, including the communities where it operates. Keppel REIT has clear objectives and commitments to drive performance and effectively manage its material environmental, social and governance (“ESG”) factors.

The Manager has set out clear short and medium-term targets around the material ESG factors to track progress. Some of the key commitments pledged by Keppel REIT include:

- Halve Scope 1 and 2 emissions by 2030 from 2019’s level.
- 10% reduction in energy usage by 2030 from 2019’s level.
- Increase portfolio’s renewable energy usage to 40% by 2030.
- 5% reduction in water usage by 2030 from 2019’s level.

Strategic Pillar	ESG Factor	Relevant United Nations (UN)’ Sustainable Development Goals (SDGs)
Environmental Stewardship	Climate Change Adaptation	
	Emissions	
	Energy	
	Waste Management	
	Water Management	

Strategic Pillar	ESG Factor	Relevant United Nations (UN)' Sustainable Development Goals (SDGs)
Responsible Business	Building and Service Quality	    
	Corporate Governance	
	Cybersecurity and Data Privacy	
	Economic Sustainability	
	Ethics and Integrity	
	Sustainable Supply Chain Management	
	Tenant Alignment	
People and Community	Community Development and Engagement	   
	Diversity and Inclusion	
	Employee Health and Wellbeing	
	Human Capital Management	
	Tenant Health and Safety	

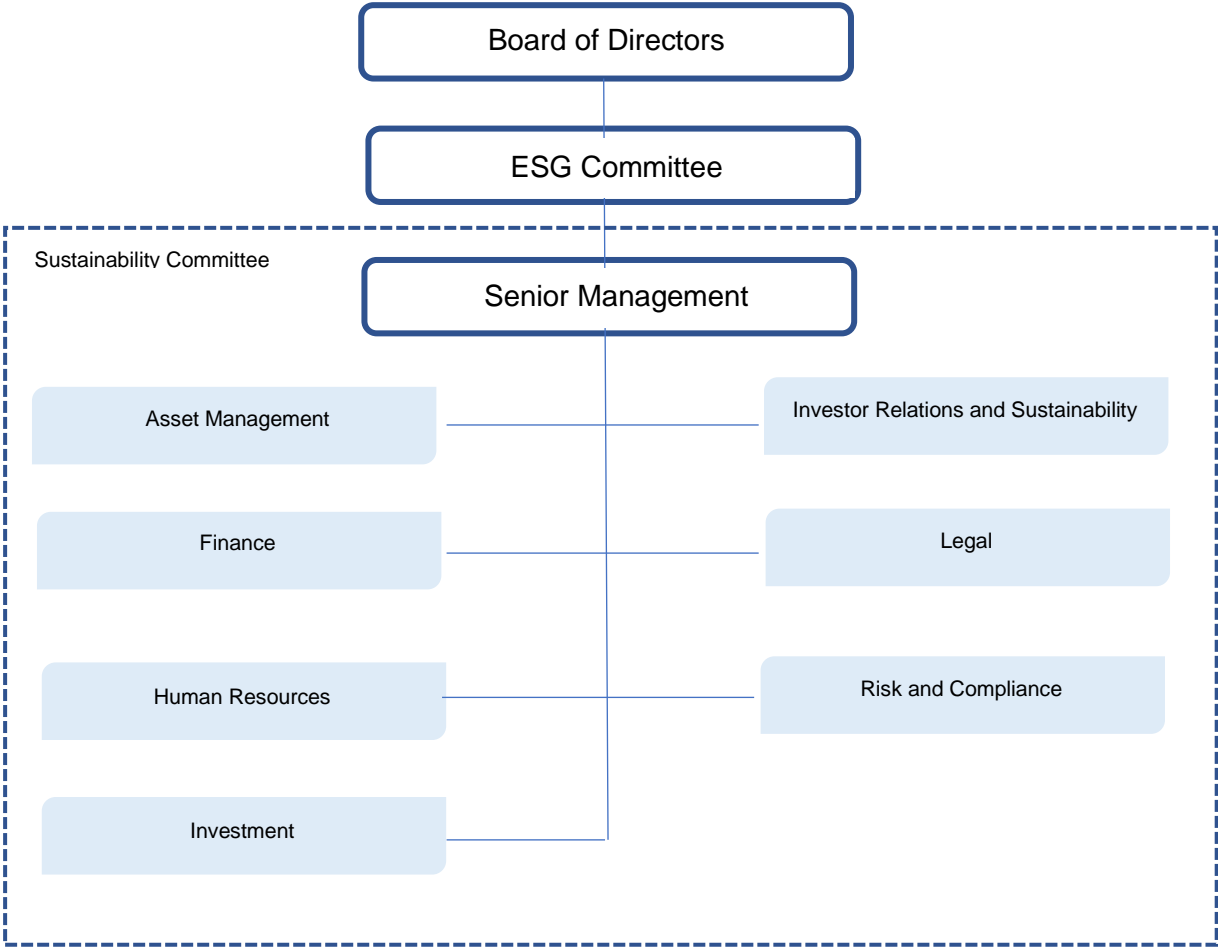
1.2.2 Keppel REIT's sustainability governance

The Manager is committed to embedding ESG considerations into Keppel REIT's core business and strategy to preserve and build long-term value for stakeholders.

The board of directors of the Manager (the "Board") holds responsibility in governing sustainability matters. With inputs from the ESG Committee, key stakeholders and the Sustainability Committee, the Board reviews the material ESG factors and monitors Keppel REIT's performance against its committed targets. The ESG Committee plays a key role in refining and advancing Keppel REIT's ESG strategy as well as overseeing sustainability efforts throughout its business operations. The Chairman of the ESG Committee also provides regular updates on the committee's proceedings to the Board.

The Sustainability Committee implements Keppel REIT's sustainability strategy and monitors progress. It comprises senior management and representatives from all key functions including asset management, finance, human resources, investment, investor relations and sustainability, legal, as well as risk and compliance. The ESG Committee meets at least twice a year, and the Sustainability Committee apprises the ESG Committee and the Board at quarterly Board meetings on updates including performance against targets, outcomes of sustainability risk assessments and recommendations for follow-up actions. As part of Keppel REIT's commitment to integrating sustainability, ESG factors are incorporated into senior management's corporate scorecard and linked to remuneration.

The Manager had in 2022 initiated an internal review process with internal auditors with respect to the sustainability reporting process, procedures and controls.



1.2.3 Keppel REIT's green building portfolio

Keppel REIT's properties have received environmental certifications such as the Leadership in Energy and Environmental Design (LEED) by the US Green Building Council, the Platinum Award under the BCA Green Mark scheme and the National Australian Built Environment Rating System (NABERS) Energy Rating. All of Keppel REIT's Singapore assets have achieved the Platinum certification under the BCA Green Mark scheme. In Australia, the majority of Keppel REIT's operational buildings have achieved 4.5 Stars and above in the NABERS Energy Rating. T Tower in South Korea and KR Ginza II in Japan have also achieved the LEED Building Operations and Maintenance Platinum Award and the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) A rating respectively.

Keppel REIT is committed to having all its properties green-certified. As at end-2023, 11 out of 12 of Keppel REIT's properties are green certified. 2 Blue Street, which achieved practical completion in April 2023, is designed to achieve the 5 Star Green Star Design & As Built Rating by the Green Building Council of Australia and is currently pending certification.

Please refer to the below table for sustainability awards and certifications received by our properties as at end-2023. The list of sustainability awards/certification will be updated annually and made accessible in our most recent sustainability report at <https://www.keppelreit.com/sustainability/>.

Property	Sustainability Award/Certification	Year
Singapore		
Ocean Financial Centre	BCA Green Mark Platinum Award	2022
	WELL Health-Safety Rating	2023
	Safety and Security Watch Group (SSWG) Outstanding Individual Award	2022
	BCA Green Mark Pearl Award	2016
	BCA Green Mark Office Interior – Gold ^{PLUS} Award (Management Office)	2016
	PUB Water Efficient Building (Gold)	2015
	SS577 – Water Efficiency Management System (WEMS) Certification	2015
	ASEAN Energy Awards – Large Building	2015
	Skyrise Greenery Award – Excellence Award	2013
	US LEED Platinum Certification – Core and Shell	2009
	Marina Bay Financial Centre (Towers 1 and 2)	BCA Green Mark Platinum Award
WELL Health-Safety Rating		2023
Safety and Health Award Recognition for Projects (SHARP) Award		2023
Fire Safety Excellence Award		2022
SSWG Outstanding Individual Award		2018
BCA Green Mark Office Interior – Platinum Award (Management Office)		2017
PUB Water Efficient Building (Gold)		2015
SS577 – WEMS Certification		2015
Marina Bay Financial Centre (Tower 3)	BCA Green Mark Platinum Award	2022
	WELL Health-Safety Rating	2023
	Safety and Health Award Recognition for Projects (SHARP) Award	2023
	Fire Safety Excellence Award	2022
	BCA Green Mark Pearl Award	2019
	SSWG Outstanding Individual Award	2018
	PUB Water Efficient Building (Gold)	2015

Property	Sustainability Award/Certification	Year
	SS577 – WEMS Certification	2015
One Raffles Quay	BCA Green Mark Platinum Award	2022
	WELL Health-Safety Rating	2023
	Safety and Health Award Recognition for Projects (SHARP) Award	2023
	Fire Safety Excellence Award	2022
	SSWG Outstanding Individual Award	2018
	SS577 – WEMS Certification	2015
	PUB Water Efficient Building (Gold)	2015
Keppel Bay Tower	WELL Health-Safety Rating	2023
	WiredScore Platinum Rating	2022
	SSWG Outstanding Individual Award	2022
	BCA Green Mark Platinum (SLE) Award	2023
	BCA Green Mark Platinum (Zero Energy) Award	2020 to December 2023
	ASEAN Energy Awards – Retrofitted Building	2018
	BCA Green Mark Office Interior – GoldPLUS Award (Management Office)	2017
	PUB Water Efficient Building (Certified)	2009
Australia		
8 Chifley Square, Sydney	4.5 Stars NABERS Energy Rating	2023
	4.5 Stars NABERS Water Rating	2023
	3 Star Green Star Performance v1.2	2023
	GBCA 6 Star Green Star – Office As Built v2	2015
	GBCA 6 Star Green Star – Office Design v2	2012
Pinnacle Office Park, Sydney	4 Stars NABERS Energy Rating (6 Giffnock Avenue)	2023
	4 Stars NABERS Water Rating (6 Giffnock Avenue)	2023
	3.5 Stars NABERS Water Rating (2 and 4 Drake Avenue)	2023
	4.5 Stars NABERS Energy Rating (2 and 4 Drake Avenue)	2023
	Climate Active Carbon Neutral Certification	2023
8 Exhibition Street, Melbourne	WiredScore Platinum Rating	2023
	4.5 Stars NABERS Energy Rating	2023
	4.5 Stars NABERS Water Rating	2023
	5.5 Stars NABERS Indoor Environment Rating	2023
	Climate Active Carbon Neutral certification	2023
Victoria Police Centre, Melbourne	5.5 Stars NABERS Energy Rating	2023
	5.5 Stars NABERS Water Rating	2023
	4 Stars NABERS Waste Rating	2023
	GBCA 6 Star Green Star – Performance v1.2	2022
	6 Stars NABERS Indoor Environment Rating	2023
	GBCA 6 Star Green Star – Design & As Built v1.1	2021
David Malcolm Justice Centre, Perth	5 Stars NABERS Energy Rating	2023
	3 Stars NABERS Water Rating	2023
	GBCA 5 Star Green Star – Office As Built v3	2017
	GBCA 5 Star Green Star – Office Design v3	2013
South Korea		
T Tower, Seoul	LEED Building Operations and Maintenance: Existing Buildings Platinum	2022

Property	Sustainability Award/Certification	Year
Japan KR Ginza II, Tokyo	Comprehensive Assessment System for Built Environment Efficiency A	2021

2. Green Financing Framework

Keppel REIT's Green Financing Framework (the "Framework") is an integral part of its long-term sustainability vision. Keppel REIT believes that the Framework will support its sustainability efforts in building a responsible business and facilitate the achievement of its ESG targets and commitments.

Keppel REIT has developed this Framework in alignment with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (including the June 2022 Appendix 1), and the Loan Market Association, the Asia Pacific Loan Market Association, and the Loan Syndications and Trading Association's (LMA/APLMA/LSTA) Green Loan Principles (GLP) 2023, including:

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

The Framework has been developed to serve as a reference for all Green Finance Transactions ("GFT") issued by Keppel REIT. The GFT that may be issued under this Framework include bonds, term loans, revolving credit facilities, medium-term notes, convertible bonds, perpetual securities and any other financial instrument publicly or privately placed in various formats, tenure and currency.








The Framework covers assets and projects under Keppel REIT and its subsidiaries, as well as its interests in associates and joint ventures.


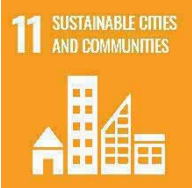




2.1 Use of Proceeds

The proceeds or an equivalent amount of any GFT under this Framework will be exclusively used to finance or re-finance, in part or in full, new and/or existing eligible green projects (the "Eligible Green Projects") meeting the eligibility criteria described in the Table 1 below.

Eligible types of investments include primarily capital expenditures, operating expenditures, asset enhancement initiatives or any other expenditures (including working capital expenditures) which would sustain, improve and/or enhance the properties. In the case of a co-investment or joint venture, Keppel REIT will consider the proportionate share (%) of its own investment in such Eligible Green Projects. Any existing projects and expenditures are subject to a lookback period of up to 36 months.

Table 1: Eligible Green Projects

ICMA Eligible Category	Eligibility Criteria	Environmental Objectives	Contribution to UN's SDGs
<p>Green Buildings</p>	<p>Acquisition or development of, new, existing or refurbished buildings which are expected to meet, or have met regional, national or internationally recognised standards or certifications, which include:</p> <ul style="list-style-type: none"> - Green Mark by the Singapore Building and Construction Authority (BCA): Green Mark Gold^{PLUS} and above; - LEED® (Leadership in Energy and Environmental Design) by the U.S. Green Building Council: Gold and above; - NABERS (National Australian Built Environment Rating System) Energy rating 5 star and above - GBCA (Green Building Council of Australia) 5 Star Green Star and above - CASBEE (Comprehensive Assessment System for Built Environment Efficiency) A and above 	<p>Climate change mitigation</p> <p>Natural resource conservation</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>13 CLIMATE ACTION</p> 
<p>Renewable Energy</p>	<p>Development, construction, installation, operation and maintenance of rooftop and/or ground solar photovoltaic energy generation facilities and PPAs (Power Purchase Agreements)</p>	<p>Climate change mitigation</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>13 CLIMATE ACTION</p> 
<p>Energy Efficiency</p>	<p>Development, construction, installation, operation and maintenance of systems and/or technologies for optimising energy management in new and/or existing buildings which will result in reasonable improvement in energy saving, including:</p> <ul style="list-style-type: none"> - Upgrading of chiller system air handling units (AHU) - Installation of energy-efficient chilled water pumps 	<p>Climate change mitigation</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 

ICMA Eligible Category	Eligibility Criteria	Environmental Objectives	Contribution to UN's SDGs
	<ul style="list-style-type: none"> - Energy data analysis - Replacing lighting with LED 		
Pollution prevention and control	Installation and maintenance of infrastructure and processes in new and/or existing buildings that are dedicated to waste reduction, recycling and recovery	Pollution prevention and control	 
Sustainable Water and Wastewater Management	Installation and maintenance of infrastructure and processes in new and/or existing buildings that are dedicated to water consumption reduction and reuse	Natural resource conservation	 
Climate change adaptation	<p>Development, construction, installation, operation and maintenance of building infrastructure to increase building resilience against physical climate risks, including extreme precipitation, water level, fire risks:</p> <ul style="list-style-type: none"> - Installation of and/or enhancement of drainage systems - Installation of water level sensors, building elevation and usage of anti-slip materials - Installation of fire-retardant materials 	Climate change adaptation	

Exclusion criteria:

Keppel REIT will exclude expenditures associated with the following activities:

- (a) Fossil fuel related activities and energy efficiency improvement projects for fossil fuel-based electricity generation
- (b) Mining
- (c) Nuclear energy
- (d) Weapons and munitions
- (e) Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans

For the avoidance of doubt, the aforesaid activities under (a), (b), (c) and (d) do not apply to tenants in Keppel REIT's properties, whose operational activities may include such activities.

2.2 Process for Project Evaluation and Selection

Keppel REIT has established a project evaluation and selection process to ensure that the proceeds of any GFT under this Framework are allocated to finance and/or refinance Eligible Green Projects that meet the eligibility criteria set out in Table 1 in section 2.1.

The project evaluation and selection process draws inputs from subject experts in their respective fields, including Keppel REIT's senior management. The following steps will be taken to identify and select the Eligible Green Projects:

1. Investment and/or Asset Management Team will initially select Eligible Green Projects to be included in the "Green Project List" in line with the Green Financing Framework.
2. The Sustainability Committee will review and endorse the Eligible Green Projects to be included in the "Green Project List". The CFO or the CEO will finally approve the Green Project List to be financed with the GFTs.
3. The Sustainability Committee will review the Green Project List once a year and will endorse that the selected projects are indeed in line with the Framework.

The Sustainability Committee will also be responsible for:

- Annual green finance report
- Any future updates to this Framework

Identification and management of environmental and social risks

Keppel REIT upholds a robust risk management and internal control system, as exemplified by its comprehensive Enterprise Risk Management (ERM) Framework. This framework is an integral component of Keppel REIT's System of Management Controls and offers a systematic and holistic approach to risk management.

The risk management approach encompasses reporting structures, monitoring mechanisms, specific processes, tools, as well as Keppel REIT's policies and limits in addressing and managing key risks identified. It guides the assessment of key risks, their likelihood and impact, facilitating the identification of mitigating actions. Ongoing evaluation ensures the effectiveness of these actions, enabling the Manager to respond promptly and adeptly to the dynamic business landscape, especially when emerging ESG risks and opportunities arise.

On the project level, an environmental impact assessment will be typically required as part of the submission for development approvals for any development projects. For acquisition of standing office buildings, Keppel REIT has expanded technical due diligence to include environmental assessment which covers topics such as hazardous materials and climate-related risks. Keppel REIT has also established an ESG policy to acquire buildings with top tier ESG ratings wherever possible.

2.3 Management of Proceeds

An amount equivalent to the net proceeds of each GFT will be deposited in Keppel REIT's general account and earmarked for allocation to Eligible Green Projects. The net proceeds and relevant documentation will be managed by the Finance Team, supported by other teams as appropriate, and any balance of unallocated proceeds will be monitored regularly.

For any unallocated amount. It may be invested in cash or cash equivalent instruments, following Keppel REIT's treasury policy until the allocation to Eligible Green Projects. Any addition to the Green Project List will follow the above-described process.

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

Keppel REIT commits to reach full allocation of the net proceeds of each GFT within 24 months following the date of issuance on a best-effort basis.

Furthermore, in case of project ineligibility or divestment, Keppel REIT commits to replacing the project with another Eligible Green Project(s) as soon as reasonably practicable.

2.4 Reporting

Prior to each green bond issuance or green loan origination, Keppel REIT intends to provide the investors or lenders with relevant information on intended use of the proceeds, including an estimated share of refinanced projects on a best-effort basis.

Keppel REIT will publish annually a green finance report that covers (i) allocation report and (ii) impact report starting a year from the first issuance of a GFT, until full allocation of the proceeds and in case of any material development. The green finance report may be provided within Keppel REIT's annual sustainability report or on its website.

(i) Allocation Report

Keppel REIT's allocation report will include the following information:

- An overview of the GFT outstanding, including a list of Eligible Green Projects to which GFT proceeds have been allocated and their brief descriptions;
- The aggregated amount of net proceeds allocated to Eligible Green Projects at the category level (Project categories refer to Table 2 below);
- The balance of unallocated proceeds invested in cash and/or cash equivalents, if applicable;
- The approximate share of financing and refinancing

(ii) Impact Report

Keppel REIT will provide information on the associated environmental impact from the GFT, subject to data availability. The key underlying methodology and/or assumptions used in quantifying the environmental impact will also be disclosed.

Table 2: Example Impact Indicators

Eligible Category	Example Impact Indicators
Green Buildings	<ul style="list-style-type: none">- Number and Gross Floor Area (m²) of Green Buildings- Type of scheme, Green Building Certifications levels obtained
Renewable Energy	<ul style="list-style-type: none">- Annual GHG emissions reduced in tonnes of CO₂ equivalent- Annual renewable energy consumed in MWh
Energy Efficiency	<ul style="list-style-type: none">- Annual GHG emissions reduced in tonnes of CO₂ equivalent- Annual energy savings in GJ
Pollution prevention and control	<ul style="list-style-type: none">- Waste recycled in tonnes
Sustainable Water and Wastewater Management	<ul style="list-style-type: none">- Water withdrawal in ML
Climate change adaptation	<ul style="list-style-type: none">- Number of operating days lost to floods

3. External Review

(i) Second Party Opinion

Pre-issuance of the Framework, Keppel REIT has engaged Moody's Investors Service to conduct an independent external review of this Framework. Moody's Investors Service has reviewed the alignment of the Framework with the GBP 2021/GLP 2023 and issued a Second Party Opinion and the Second Party Opinion will be made available to investors on the website along with this Framework.

(ii) Post-issuance External Review

Post-issuance of this Framework, Keppel REIT will, if required, engage an independent qualified third party to verify the allocation of net proceeds from its GFT to Eligible Green Projects. The external review, if required, will be performed on an annual basis until full allocation of the proceeds of the GFTs and in case of material development.

4. Disclaimer

This Framework is for information purposes only. Unless specifically referred to in an offering document, this Framework cannot be relied upon in connection with, nor does it constitute or form part of, any offer to sell or offer to buy securities of Keppel REIT (including any subsidiary of Keppel REIT).