

Fraser's Centrepont Trust

Sustainable Finance Framework

1. Introduction

About Fraser's Centrepont Trust

Fraser's Centrepont Trust ("FCT" or the "REIT") is a leading developer-sponsored retail real estate investment trust and one of the largest suburban retail mall owners in Singapore. FCT's property portfolio comprises nine retail malls and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities. The retail portfolio has approximately 2.3 million square feet of net lettable area with over 1,400 leases with a strong focus on providing necessity spending, food & beverages and essential services.

Listed on the Main Board of the Singapore Exchange Securities Trading Limited since 5 July 2006, FCT is managed by Fraser's Centrepont Asset Management Ltd., a real estate management company and a wholly-owned subsidiary of Fraser's Property Limited.

Fraser's Property Limited ("Fraser's Property" and together with its subsidiaries, the "Group"), is a multi-national company that develops, owns and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the SGX-ST and headquartered in Singapore, the Group has total assets of approximately S\$40.3 billion as at 30 September 2021. Fraser's Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

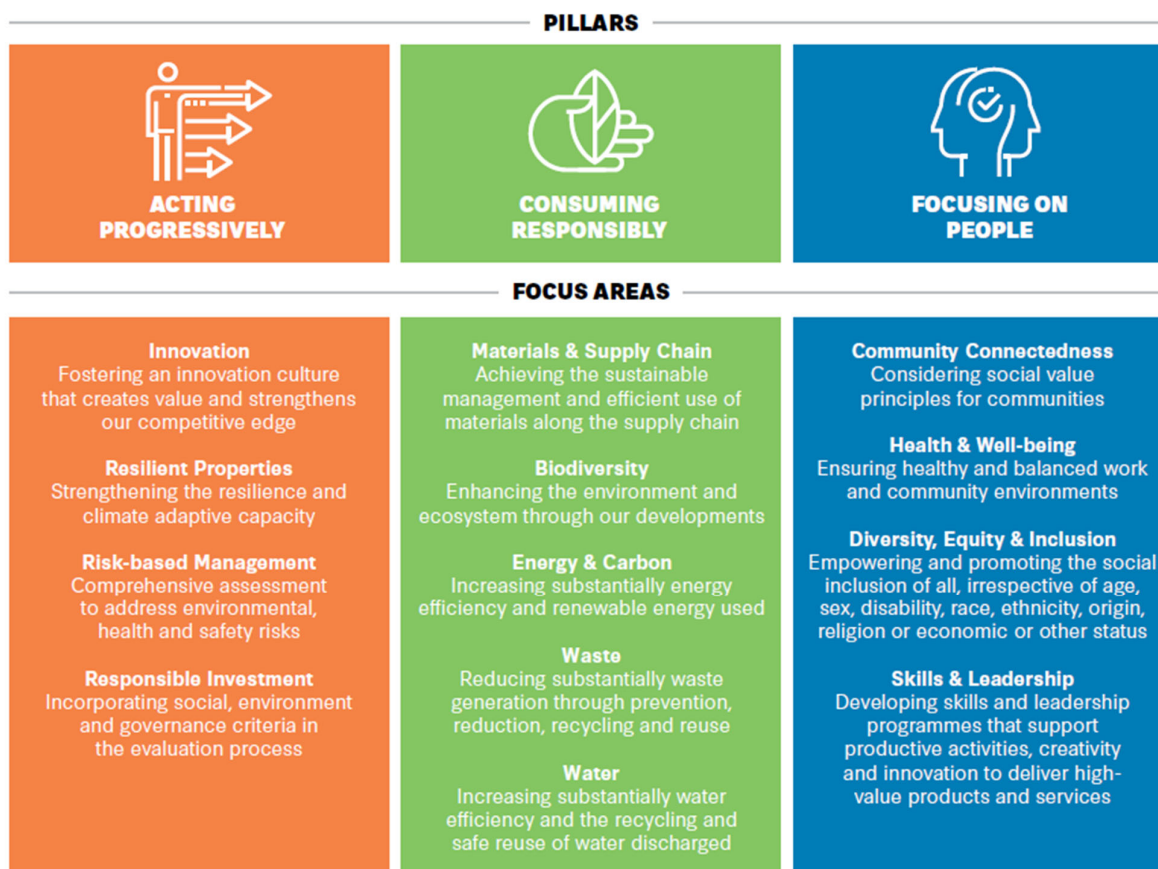
The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on people, Fraser's Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It has committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Fraser's Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

Sustainability Approach at FCT

FCT's sustainability approach is aligned to the Group's Sustainability Framework. The Framework sets out the sustainability priorities through to 2030, underpinned by three strategic pillars – Acting Progressively, Consuming Responsibly and Focusing on People. The pillars are supported by 13 focus areas to form a multi-disciplinary approach, suited to FCT's business.

During 2020, the Group has come together to set five new group goals that sets its direction through to 2050. This is also a testament of its commitment to sustainability and ambition to further deepen sustainable practices across the Group.

In support of the group goals, FCT has developed a strategic action plan to drive the sustainability agenda across its portfolio. FCT has identified key goals and targets and tracking its performance to ensure it is on track to realise the group goals.



One of FCT's approaches towards responsible investment is by improving its portfolio's ESG performance. FCT's goal is to certify 80% of its existing buildings by 2024 to at least Building Construction Authority (BCA) Green Mark Gold certification. All FCT's properties are regularly assessed to identify improvement opportunities to better serve its customers and tenants. Asset enhancement initiatives ("AEI") are conducted in a timely manner to continuously upgrade FCT's properties for optimum performance. FCT's efforts have led to 8 of its 9 retail properties being at least Green Mark Gold certified as at 30 September 2021, of which 4 of these properties, Causeway Point, Century Square, Tiong Bahru Plaza, and White Sands are certified Green Mark Platinum.

FCT achieved 5-Star rating by GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment 2021, a significant improvement from the 3-Star rating in the previous year. Among the Frasers Property entities which participated in the GRESB 2021, FCT achieved the highest overall score of 92. FCT endeavours to maintain its good results in the coming years.

2. Sustainable Finance Framework

FCT intends to establish a Sustainable Finance Framework (the “**Framework**”) to support its sustainability initiatives through the funding programme. Under the Framework, FCT and its subsidiaries can enter into multiple Sustainable Finance Transactions (“**SFTs**”). The SFTs may include:

- Debt instruments that finance a portfolio of green or sustainable projects, including but not limited to Green Bonds, Sustainability Bonds, Green Loans, and Sustainability Loans.

This Framework is designed to provide an overarching criteria and guidelines for the REIT and is developed in accordance with the relevant international principles and guidelines listed below (collectively the “**Principles**”), to ensure that the SFTs meet the market best practices and demonstrate robust management of its SFTs.

- Green Bond Principles (“**GBP**”) 2021 and Sustainability Bond Guidelines (“**SBG**”) 2021 by the International Capital Market Association (“ICMA”);
- Green Loan Principles (“**GLP**”) 2021 by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association.

For the avoidance of doubt, the SFTs may be in any currency, tenor, or with other terms and conditions, including covenants.

The Framework has below four core elements:

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

2.1 Use of Proceeds

The net proceeds raised under this Framework will be used exclusively to finance or re-finance a portfolio of Sustainable Projects as defined below:

- **Green Buildings:** expenses for a portfolio of existing or refurbished buildings that has achieved at least a 4-Star rating from the latest available GRESB Real Estate Assessment.

For the avoidance of doubt, the scope of GRESB Real Estate Assessment (the “**Assessment**”) covers all the assets either wholly or partially owned by FCT.

The Eligible Sustainable Projects shall be selected and evaluated following the REIT’s sustainability goals and ESG policies as stated in Section 2.2. Process for Project Evaluation and Selection.

Eligibility Criteria

The GRESB Real Estate Assessment generates two benchmarks: the GRESB Real Estate Benchmark and the GRESB Development Benchmark. Given majority of its portfolio is operating assets, only the GRESB Real Estate Benchmark is relevant to FCT. The Real Estate Benchmark consists of participants completing both the Management and Performance Components.

- Management Component - Measures the entity’s strategy and leadership management, policies and processes, risk management, and stakeholder engagement approach, comprising information collected at the organisational level.
- Performance Component - Measures the entity’s asset portfolio performance, comprising of information collected at the asset and at the portfolio level, including environmental indicators such as Energy, Greenhouse Gas (“GHG”) and Water as well as social aspects related to Tenants and Community.

The GRESB rating is based on the score and the quintile position an entity occupies relative to all entities participating in the Assessment, with annual calibration of the model. It is calculated relative to the global performance of all reporting entities - property type and geography are not taken into account. If the entity is placed in the top 20%, it will attain a GRESB 5-Star rating.

In addition to its focus on environmental impacts, the GRESB Real Estate Assessment also includes a health and well-being evaluation of a real estate company's internal approach to promoting health for its employees as well as its external approach to promoting health for tenants and communities through real estate fund management. As creators of the built environment, the real estate industry is well-positioned to address key health determinants in their approach to real estate development and management.

In addition, FCT may also use the proceeds to finance or refinance any project/ asset which meet the criteria as defined below:

Buildings which meet regional, national or internationally recognised standards or certifications:

- Building & Construction Authority (BCA) Green Mark: Gold^{PLUS} and above;
- Leadership in Energy and Environmental Design (LEED): Gold and above;
- Any other green building labels that is an equivalent standard as the above.

2.2 Process for Project Evaluation and Selection

The Manager will be responsible for selecting a portfolio of Sustainable Projects meeting the Eligibility Criteria as described under Section 2.1 ("Use of Proceeds") to be financed by the net proceeds from the SFTs in accordance with the Framework. The Manager may consult internal (which may include the Group's sustainability team and sustainability steering committee) or external experts as relevant to assess eligibility criteria, and the final projects selection will be reviewed and approved by the REIT senior management.

In an unlikely event that FCT does not maintain at least a GRESB 4-Star rating or the GRESB Real Estate Benchmark ceases to exist during the life any SFT, the Manager will develop a separate green or sustainable project list following the additional criteria on the project level defined in Section 2.1 Use of Proceeds.

The list shall be reviewed by the Sustainability team and approved by the senior management of the REIT, following its internal governance policy. The Manager will ensure FCT has sufficient green or sustainable assets matching the total SFT outstanding amount.

2.3 Management of Proceeds

FCT intends to allocate the net proceeds from the SFTs to an Eligible Sustainable Project Portfolio, selected in accordance with the Eligibility Criteria as well as Evaluation and Selection Process presented above. As long as the SFTs are outstanding, the Manager will manage the Eligible Sustainable Project Portfolio through its rigorous internal system, and periodically monitor the balance of the proceeds. The REIT will strive to maintain a level of allocation for the Eligible Sustainable Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding SFTs.

Any unallocated amount will be held in cash or it will be invested by the REIT in cash equivalents instruments according to the treasury department's general liquidity guidelines.

2.4 Reporting

FCT commits to provide necessary disclosures on its sustainability efforts and the allocation of SFTs in accordance with the Principles.

For Green or Sustainability Bonds, the REIT will ensure that information on proceed allocation is available on FCT's corporate website annually. The REIT may also share, where applicable and feasible, information on environmental impacts of its portfolio.

For Green or Sustainability Loans, the REIT will also make the information readily available to its lenders a report upon request (provided that is deemed to have provided the information if such information is available in its website).

The annual report may include the below information:

a) Allocation Reporting

- The total amount of proceeds allocated to the Eligible Sustainable Project Portfolio
- The percentage of the SFT proceeds that is for new financing vs. refinancing
- Examples of projects from the Eligible Sustainable Project Portfolio
- The balance of unallocated amount, if any

b) Impact Reporting

Where relevant and feasible, the REIT may provide the following environmental indicators in relation to the Eligible Sustainable Project Portfolio:

- Updated GRESB Real Estate Benchmark Report
- Number of buildings with Green Building Certificates
- Energy Consumption (MWh)
- GHG emission (tonnes)

3. External Review of the Framework

FCT shall ensure that appropriate knowledge and expertise is developed within the organisation to confirm the alignment of the Framework with the Principles. FCT has engaged Deloitte to provide a limited assurance engagement on this Framework as at 17 December 2021, where the overarching criteria and guidelines of the Framework are in accordance with the Principles. The external review will be available on FCT's corporate website <https://www.frasersproperty.com/reits/fct>