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Independent Limited Assurance Report to the Manager of Ascendas Real Estate Investment Trust (“Ascendas Reit”)

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 6 August 2020, nothing has come to our attention that causes us to believe that Ascendas Reit’s Green Finance Framework and relevant pre-issuance processes do not meet the requirements of the Green Bond Principles (June 2018) and Green Loan Principles (May 2020), in all material aspects.

Scope

We have performed a limited assurance engagement in relation to Ascendas Reit’s Green Finance Framework and relevant pre-issuance processes, in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below (“Subject Matter”) does not meet, in all material respects, the criteria as presented below, as at 6 August 2020.

Subject Matter and Criteria

The Subject Matter and associated Criteria for this limited assurance engagement are set out in the table below:

Subject Matter	Criteria
<p>Ascendas Reit’s Green Finance Framework, and relevant pre-issuance processes described, that sets out:</p> <ul style="list-style-type: none"> • Policies and procedures relating to the proposed use of proceeds, process for project evaluation and selection, and the management of proceeds from the Green Finance Framework • Environmental performance relating to nominated projects and assets to be funded by the proposed Green Bond/Green Loan • Procedures for reporting on the use of proceeds and environmental performance of the proposed Green Bond/Green Loan 	<ul style="list-style-type: none"> ▶ Green Bond Principles (June 2018) (“GBP”) and Green Loan Principles (May 2020) (“GLP”) requirements on: <ul style="list-style-type: none"> ▶ Use of Proceeds ▶ Process for Project Evaluation and Selection ▶ Management of Proceeds ▶ Reporting ▶ Respective criteria found at these links: <ul style="list-style-type: none"> ▶ GBP: https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf ▶ GLP: https://www.lma.eu.com/application/files/1815/8866/8537/Green_Loan_Principles_V03.pdf

Manager’s Responsibilities

The Manager of Ascendas Reit (“Manager”) is responsible for the collection, preparation, and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Green Bond/Green Loan issuance process.

Assurance Practitioner’s Responsibilities

Our responsibility is to express a limited assurance opinion as to whether the Subject Matter is presented in accordance with the Criteria, in all material respects. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE 3000”).

Level of Assurance

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement, including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of the Manager's internal controls when determining the nature and extent of our procedures, our procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Approach

Our limited assurance engagement was limited to the Subject Matter set out above and did not include statutory financial statements of Ascendas Reit. We designed our procedures in order to form a conclusion as to whether we are aware of any material amendments that need to be made to the Subject Matter to be in accordance with the GBP and GLP. Our assurance procedures performed included, but were not limited to:

- Reviewing Ascendas Reit's Green Finance Framework to understand the policies, procedures and criteria
- Interviewing selected management and team members of the Manager to understand the key issues in relation to the Framework
- Reviewing policies and procedures for project evaluation and selection, management of proceeds, information disclosure and reporting for Ascendas Reit's proposed Green Bond/Green Loan issuance
- Reviewing documents supporting eligibility of the nominated projects
- Confirming eligibility of nominated projects for inclusion in Ascendas Reit's proposed Green Bond/Green Loan against the GBP and GLP and Ascendas Reit's Green Finance Framework criteria
- Obtaining and reviewing evidence to support key assumptions and other data
- Seeking management representations from the Manager on key assertions

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards that require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000, GBP and GLP is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Ascendas Reit's Green Finance Framework and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 6 August 2020, ahead of the issuance of the Green Bond/Green Loan.

Use of Report

Our responsibility in performing our assurance activities is to the Manager of Ascendas Reit only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance by such third party may place on the Ascendas Reit's Green Bond/Green Loan issuance is entirely at its own risk, except for where reliance has been agreed by us and the Manager, as the client, by way of a reliance letter. No statement is made as to whether the criteria are appropriate for any third-party purpose.

Our Independence and Assurance Team

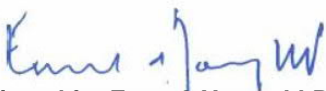
We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities and Institute of Singapore Chartered Accountants Codes of Professional Conduct and Ethics. Our team has the required competencies and experience for this assurance engagement.

Observations on particular aspects of our engagement

We provide selected observations aligning to the GBP and GLP core components, to enable the reader to gain an understanding on how this Green Finance Framework and relevant pre-issuance processes meet the Criteria. These observations are not intended to detract from our conclusion provided above.

- **Use of Proceeds:**
- Proceeds from the proposed Green Bond/Green Loan will be used for financing and refinancing purposes
- The use of proceeds of the proposed Green Bond/Green Loan aligns with the GBP and GLP's indicative list of project categories. Specifically, the Green Finance Framework's eligible project categories are "green buildings", "renewable energy", "energy efficiency", "waste management", "sustainable water management", and "clean transportation"
- Ascendas Reit's Green Finance Framework has an exclusion list that covers activities directly involving fossil fuel, nuclear energy, mining and biomass production
- **Process for Project Evaluation and Selection:**
- Ascendas Reit has developed a Green Finance Framework that outlines the environmental objective of the proposed Green Bond/Green Loan, eligibility criteria for determining green projects and the process for project selection and evaluation
- The process for project evaluation and selection involves the management team of the Manager, which also oversees the governance of the Green Finance Framework and proposed Green Bond/Green Loan
- **Management of Proceeds:**
- Ascendas Reit has implemented processes to manage initial funds received from the proposed Green Bond/Green Loan and to monitor the ongoing use of proceeds. These processes include:
 - An ear-marking process through an internal system to designate the proceeds received
 - A process for deploying any unallocated proceeds
 - Periodic monitoring of proceeds
- Ascendas Reit has committed to seeking independent post-issuance assurance within 12 months from issuance of its first Green Bond
- **Reporting:**
- Ascendas Reit will report on the Use of Proceeds of the proposed Green Bond/Green Loan via Ascendas Reit's Integrated Sustainability Report on its website (<https://ir.ascendas-reit.com/sustainability.html>) and will continue to do so annually. This will include as a minimum: a list of eligible assets/projects to which proceeds of the proposed Green Bond/Green Loan have been allocated (or reallocated), a brief description of the eligible assets/projects and the amounts allocated and, where relevant and possible, the environmental impact of eligible assets/projects.

Ernst & Young LLP



Signed for Ernst & Young LLP by
Simon Yeo
Partner, Climate Change and Sustainability Services
Singapore
6 August 2020