

## Lendlease Global Commercial REIT secures the largest<sup>1</sup> sustainability-linked loan amongst REITs in Asia

- LREIT will enjoy savings in borrowing costs as it achieves its sustainability target through its portfolio in Singapore, resulting in higher distributable income whilst achieving sustainable outcomes for all stakeholders.
- Loan proceeds will be used to fund the acquisition of Jem.
- This milestone loan bolsters LREIT's ambitions to cut greenhouse gas emissions across its portfolio and is in line with Lendlease's Mission Zero plan to achieve net zero carbon for Scope 1 and 2 by 2025.
- LREIT partners Citi, DBS and OCBC for a S\$860 million unsecured sustainability-linked loan.

**Singapore, 23 February 2022** – Lendlease Global Commercial Trust Management Pte. Ltd (the “Manager”), the manager of Lendlease Global Commercial REIT (“LREIT”), has secured LREIT's first Sustainability-Linked Loan (“SLL”) from Citi, DBS and OCBC. The S\$860 million unsecured SLL is the largest<sup>1</sup> amongst Asia-Pacific REITs to date. Loan proceeds will be used to fund the acquisition of Jem, an integrated office and retail development, and for general corporate and working capital purposes.

The SLL incorporates interest rate reductions linked to predetermined sustainability performance targets, allowing LREIT to enjoy savings in borrowing costs as it achieves these targets through its portfolio in Singapore.

In alignment with Lendlease, LREIT follows a net zero investment roadmap with the aim of driving true sustainability via various pathways. These include but are not limited to:

- Implementing energy efficiency initiatives to maintain top performance in green building ratings;
- Increasing the use of renewable energy by 2030;
- Trialing alternative fuels and phasing out fossil fuel for backup generators on assets;
- Developing and piloting the next generation of green leases for tenants; and
- Educating and partnering with tenants to reduce emissions.

LREIT has set ambitious greenhouse gas reduction targets that align with the Science-Based Targets Initiative's (SBTi) Business Ambition for 1.5°C, which its sponsor, Lendlease Corporation Limited (“Lendlease”), has committed to in the near term. Among other things, SBTi seeks to limit the world's rising temperatures to a maximum of 1.5°C above the record for pre-industrial temperatures.

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<sup>1</sup>Based on information available through public sources as at the date of the announcement.

LREIT's foray into sustainable financing comes on the back of Lendlease Asia's net zero carbon roadmap introduced in October 2021. Since the announcement of its Mission Zero plans in 2020, Lendlease has made significant inroads towards achieving its ambitious targets of net zero carbon emissions by 2025 and absolute zero carbon emissions across all its operations by 2040. In its drive towards a greener and socially resilient future, Lendlease is also aiming to create A\$250 (S\$245.5) million worth of social value by 2025.

Lendlease-managed funds have been named among some of the most sustainable in the world, with GRESB – the global sustainability benchmark for real estate assets – placing Lendlease funds in the global top 10 in 2021. LREIT was the Regional Sector Leader for listed categories for two consecutive years in its two years of listing. Beyond clinching accolades as the Regional Sector Leader, LREIT won second place in the fiercely competitive Global Retail (Listed) category for a second straight year. It also scored "A" for Public Disclosure in GRESB 2021.

**Quotes attributable to Mr Kelvin Chow, Chief Executive Officer of the Manager:**

"We are delighted to set a new industry benchmark and push for greater sustainability performance with our inaugural sustainability-linked loan, made possible with the support of our partners, Citi, DBS and OCBC. We have been steadily elevating the sustainability performance of LREIT's portfolio in Singapore and this injection of capital reflects our commitment to our decarbonisation roadmap that will deliver long-term sustainable growth and value for the built environment, our assets and stakeholders."

**Quotes attributable to Mr Gilbert Ng, Singapore Head of Integrated Corporate Bank, Citi:**

"As a global bank with a mission to enable economic growth and progress across the world, Citi is committed to accelerating the transition to a low-carbon economy through sustainable finance. We are honoured to partner LREIT in this landmark sustainability-linked loan, the largest extended to any SREIT to date, which will help drive a more sustainable business for LREIT, deliver greater value for its stakeholders, and inspire more firms to embrace green finance instruments for growth."

**Quotes attributable to Mr Chew Chong Lim, Managing Director & Group Head of Real Estate, Institutional Banking, DBS:**

"It has been a privilege for DBS to be able to partner Lendlease Global Commercial REIT on its growth journey right from the beginning in 2019 when we saw through LREIT's successful listing on the Singapore Exchange. We are delighted to be involved in yet another milestone with LREIT closing its maiden sustainability-linked loan. This is a significant landmark in Singapore's push towards a greener real estate sector, and DBS is committed to partnering forward-thinking players such as LREIT to realise a more sustainable future. As one of the largest such loans for a Singapore-listed REIT, we believe more property managers will be encouraged to explore financing solutions that incentivise sustainable development, which will in turn fuel Singapore's drive to be a regional hub for sustainable finance."

**Quotes attributable to Ms Elaine Lam, Head of Global Corporate Banking, OCBC Bank:**

“Having partnered LREIT over the years, we are proud to further build on our established relationship with this sustainability-linked loan. It is LREIT’s first sustainability-linked loan, one of the biggest for a REIT in Asia-Pacific. The robust targets pegged to this loan clearly demonstrate LREIT’s sustainability ambition and its importance to their business strategy; the targets are also aligned with Lendlease Group’s net zero carbon roadmap.”

LREIT’s portfolio comprises a leasehold interest in 313@somerset, a prime retail property and a freehold interest office complex, comprising three grade-A office buildings located in Milan, Italy. Currently, it also holds an effective 31.8% indirect interest in Jem, an integrated office and retail property in the West of Singapore. On 14 February 2022, the Manager announced LREIT’s acquisition of remaining interests in Jem.

**ENDS**

**About Lendlease Global Commercial REIT**

Listed on 2 October 2019, Lendlease Global Commercial REIT (“**LREIT**”) is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes.

Its portfolio comprises a leasehold interest in 313@somerset, a prime retail property located in Singapore and a freehold interest in Sky Complex, which comprises three grade-A office buildings located in Milan. These four properties have a total net lettable area of approximately 1.3 million square feet, with an appraised value of S\$1.4 billion. Other investments include a 31.8% indirect interest in Jem, an integrated office and retail development in Singapore and a tender project to develop a multifunctional event space on a site adjacent to 313@somerset.

LREIT is managed by Lendlease Global Commercial Trust Management Pte. Ltd., an indirect wholly-owned subsidiary of Lendlease. Its key objectives are to provide Unitholders with regular and stable distributions, achieve long-term growth in distribution per unit and net asset value per unit, and maintain an appropriate capital structure.

**About the Sponsor - Lendlease Corporation Limited**

The Sponsor, Lendlease Corporation Limited, is part of the Lendlease Group<sup>2</sup>, an international real estate group with core expertise in shaping cities and creating strong and connected communities, with operations in Australia, Asia, Europe and the Americas.

Headquartered in Sydney and established in 1958, the Lendlease Group’s vision is Together we create value through places where communities thrive.

The Lendlease Group’s approach is to maintain a portfolio of operations that deliver diversification of earnings by segment and region, providing a mitigant to property cycles. This approach means that through cycles the composition of earning from each segment or region may vary.

The Lendlease Group has a development pipeline value of approximately A\$112 billion<sup>3</sup>, core construction backlog of A\$10.9 billion<sup>3</sup> and funds under management of A\$42 billion<sup>3</sup>. The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and investments.

**For more information, please contact Investor Relations:****Lendlease Global Commercial Trust Management Pte. Ltd.**

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<sup>2</sup> Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

<sup>3</sup> As at 31 December 2021.