



Manulife
US REIT

Rise of ESG: Waking up to a New World

5 Oct 2021

Important notice

This presentation is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Manulife US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The value of units in Manulife US REIT (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Manulife US REIT) or any of their respective affiliates. The past performance of Manulife US REIT is not necessarily indicative of the future performance of Manulife US REIT.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of office rental revenue, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Holders of Units (“Unitholders”) have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Contents

- 01 Rise of ESG
- 02 MUST's ESG Journey
- 03 1H 2021 Financial Performance
- 04 The Road Ahead
- 05 Appendix

Constituent of:



Singapore Small Cap Index



CarbonCare Asia Pacific Green REIT Index



iEdge SG ESG Indices



GPR General (World) Index



FTSE ST REITs Index
FTSE EPRA Nareit Developed Index
FTSE EPRA Nareit Green Real Estate Index series



01

Rise of ESG

It all started with the Paris Agreement in 2015...

- In order to limit global warming to $\leq 1.5^{\circ}\text{C}$ ¹, emissions need to -50% by 2030 and reach Net Zero by 2050
- ~200 countries signed up to landmark Paris Agreement to fight climate change

What happens at $\geq 1.5^{\circ}\text{C}$



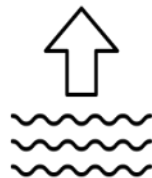
Loss of habitats and extinction of species



Threats to food security, communities and economic growth



Destructive climatic events



Rising sea levels

“ We do not inherit the earth from our ancestors; we borrow it from our children. ”

Chief Seattle, leader of the Suquamish and Duwamish Native American tribes



Net Zero

=



Emissions emitted

-

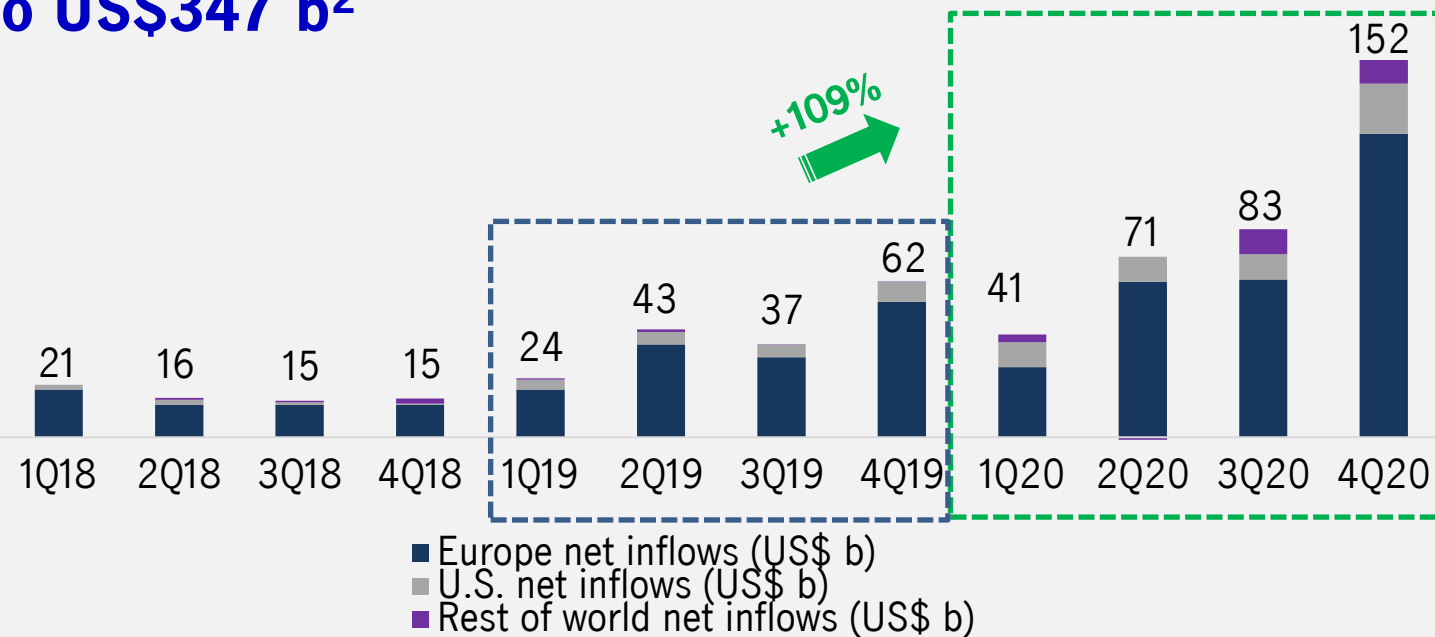


Emissions absorbed

Record investment in sustainable fund assets

By 2023, 80% of investors intend to incorporate ESG into their strategy¹

Net inflows into sustainable funds +109% YoY to US\$347 b²



Emerging evidence of link between dividend growth and ESG³:

- Technology enables access to screen ESG products
- Strong governance drives performance and profits
- Altruistic values translate into ESG investments by young and old alike

More investors than ever want ESG⁴



~75%

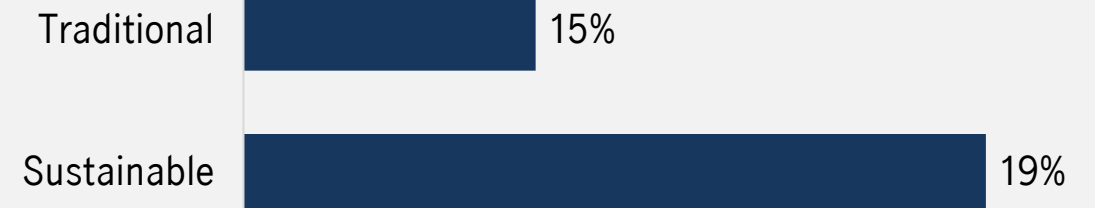
Believe businesses have a duty to behave more ethically



65%

Believe ethical businesses will deliver better investment returns

U.S. sustainable funds outperform peers in 2020⁵



(1) Cushman & Wakefield: Green Is Good: Sustainable Office Outperform in Class A Urban Markets, Aug 2021
 (2) Reuters, Sustainable fund assets hit record US\$1.7 t in 2020: Morningstar, 29 Jan 2021
 (3) The Business Times, "Fidelity research finds link between ESG and historic dividend growth", 28 Aug 2021
 (4) Vontobel Study, "Drive positive change with ESG" survey of 4,643 consumers in 14 countries", Apr 2019
 (5) Morgan Stanley, "Sustainable Funds Outperform Peers in 2020 During Coronavirus", 24 Feb 2021

What does all these mean for *SREITs*?

~40%¹ of global emissions are contributed by real estate

ESG-focused REITs have a competitive edge

-  Attract quality tenants
-  Maintain high occupancy
-  Lower operating costs (e.g. utilities, taxes)
-  Increase accessibility to cheaper capital
-  Attract talent
-  Avoid brand erosion

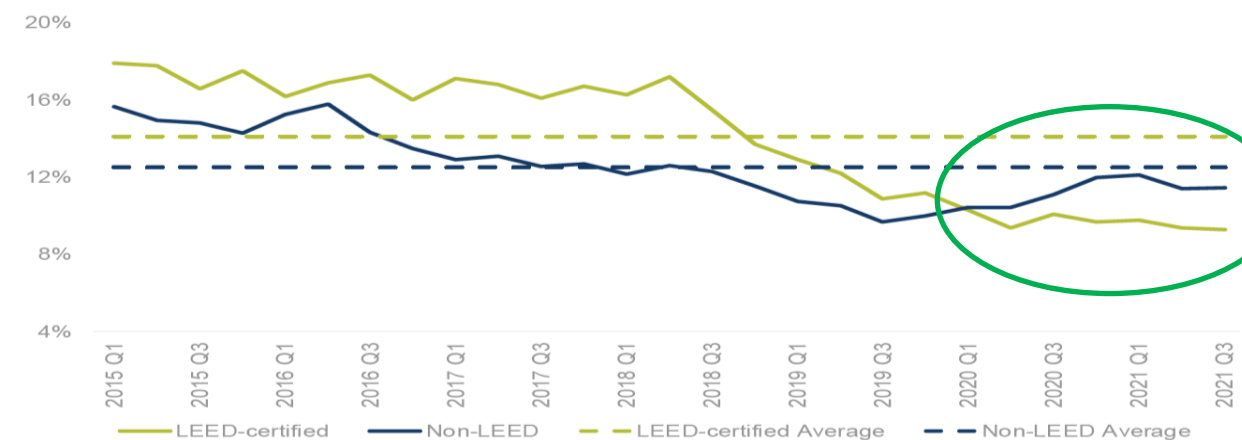
Green is good for office owners and investors²

LEED-certified buildings have higher rents, value and occupancy

- LEED certification makes up **2.5%** of the total urban office in U.S; ~**55%** of MUST's portfolio is LEED-certified
- Value of LEED assets \$/psf was **21.4%** higher vs non-LEED
- Last 10 years, **46%** of new buildings are LEED-certified

LEED™ - Most widely used global green building rating system to recognise healthy and highly efficient green buildings

LEED-certified vs Non-LEED vacancy (%)



During COVID-19, occupancy for LEED-certified assets increased from **90% to 92%**

Rise of ESG: Regulatory developments

Singapore

- Singapore aiming for Net Zero as soon as viable by 2nd half of century¹
- Jan 2017: SGX mandated sustainability reporting
- Dec 2020: MAS mandated climate-risk disclosures (e.g. TCFD) for Financial Institutions (incl. REITs) from 2022
- Feb 2021: Singapore unveiled **2030 Green Plan²**
 - **Singapore Green Building Master Plan, 80:80:80**
 - ✓ 80% of buildings to be green
 - ✓ 80% of new buildings to be Super Low Energy
 - ✓ 80% improvement (from 2005 levels) in energy efficiency for best in class green buildings
- Aug 2021: SGX proposed mandatory climate-related disclosures aligned with TCFD for all listed companies

U.S.

- U.S. has pledged to achieve Net Zero emissions by 2050
- Many states/local regulators are **incentivising energy efficient buildings** and **penalising high carbon emitters**
- NYC³:
 - ✓ Property tax exemptions for LEED-certified buildings
 - ✓ Fines of US\$268 per ton of emissions above their designated cap from 2024
- Washington State:
 - ✓ Buildings must disclose their Energy Star score, and energy improvement plans⁴
 - ✓ Failure to meet energy intensity targets may be subject to penalties of up to US\$5,000 plus US\$1 psf per year⁵

(1) National Climate Change Secretariat, Singapore's Long Term Low Emissions Development Strategy, 2020

(2) SG Green Plan, Our Targets, 22 Sep 2021, Building & Construction Authority, Singapore Green Building Masterplan

(3) Rockwell, "The New York City Climate Mobilization Act (CMA) demands more in energy efficiency from buildings", 13 Jun 2019, GTM, "After Pandemic, New York's Buildings Face Daunting Decarbonization Mandate", 23 Apr 2020, The Journal of the American Institute of Architects, "New York Passes Property Tax Exemption Legislation for LEED-Certified Projects", 2012

(4) Aquicore, State & Local Building Efficiency Regulations & Policies, 2021

(5) The National Law Review, "New Washington Legislation Drives Energy Conservation in Commercial Buildings", 10 Jul 2019



02

**MUST's
ESG
Journey**

MUST's ESG *journey* - Key milestones

2020/2021

- Aligned to Manulife's Net Zero & 80% GHG reduction targets by 2050¹
- First green loan in 2020, first sustainability-linked loan in 2021
- 20 ESG funds invested in MUST
- All staff pay linked to sustainability performance
- Hired ESG specialist
- 50% female independent directors



2019

- ~90% of portfolio is green-certified: 5th LEED certification, 7/9 Energy Star
- Strengthened governance with additional policies

2018

- Achieved 5 Star in GRESB Assessment
- Rolled out Sustainable Building Standards to benchmark building performance

2017

- Formed Sustainability Steering Committee
- Published first Sustainability Report
- Adopted UN Sustainable Development Goals (SDGs)
- Achieved 4 Star in first GRESB Assessment

2016

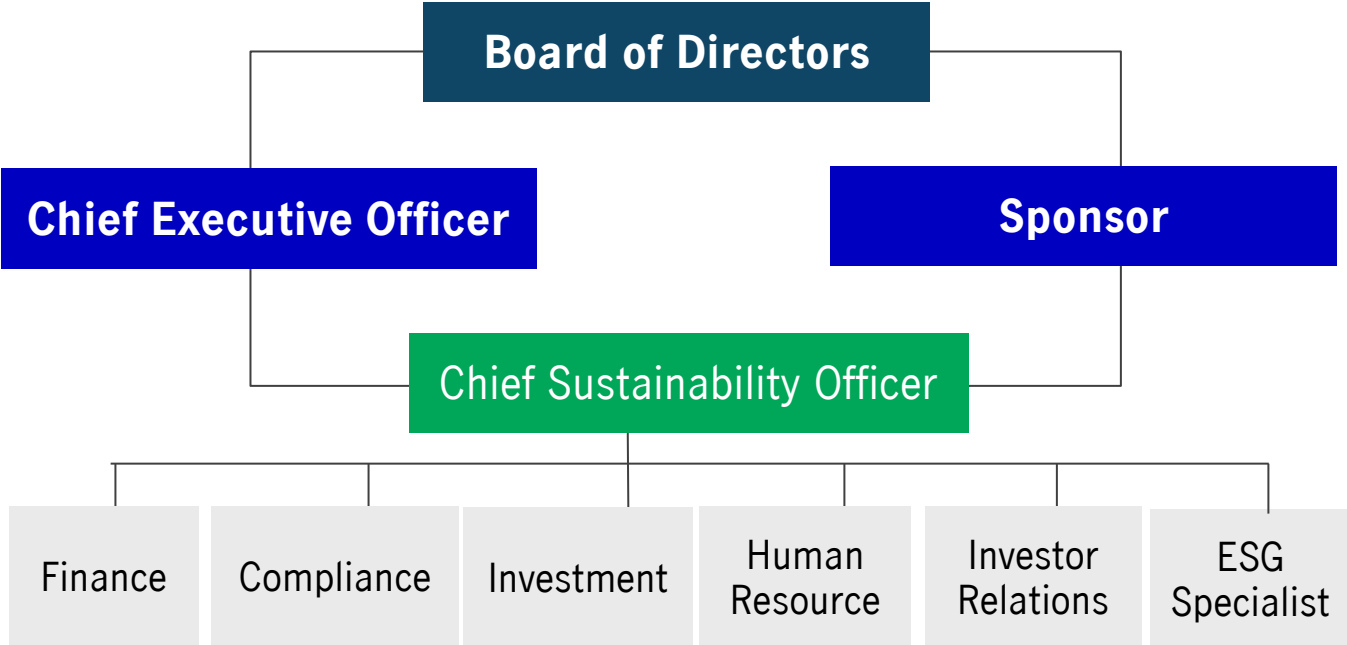
- Dedicated CSR section in Annual Report
- 3 ESG funds invested in MUST

(1) Manulife U.S. REIT is managed by Manulife U.S. Real Estate Management Pte. Ltd. which is a part of Manulife Investment Management. Manulife Investment Management is the asset management arm of Manulife Financial Corporation (MFC)

Our ESG structure and approach

Sustainability Steering Committee

Established in 2017 to drive sustainability strategies/action plans, set targets, oversee monitoring processes and review performance



Our sustainability focus



Sustainable properties

Create value for tenants and unitholders by reducing the environmental impact of our properties



External relations

Understand and meet the needs of the investment, tenant and local communities through regular and effective engagement initiatives



Human capital

Attract and retain talent, cultivating a positive work environment, promoting diversity, equal opportunities, training, health and wellness



Ethical corporate behaviour

Adherence to rules/regulations through highest standards of governance and best practices

Guided by UN SDGs:



~90% of MUST's properties are *green*

In U.S. major cities, only 13.8%¹ of buildings are green

Capitol

LEED™ Platinum and Energy Star




Exchange Penn Phipps

LEED™ Gold, and Energy Star






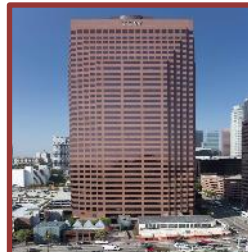

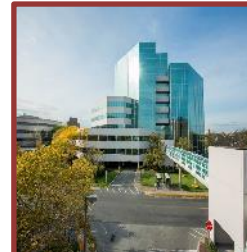

Michelson

LEED™ Gold, Energy Star and Fitwel²




Figueroa Peachtree Plaza

Energy Star

- **LEED™**
Most widely used global green building rating system to recognise healthy and highly efficient green buildings
- **ENERGY STAR®**
Awarded to the top 25% commercial buildings for meeting strict energy performance standards
- **Fitwel**
World's leading certification for healthy building performance

Note: Data as at 31 Dec 2020

(1) CBRE, U.S. Green Building Adoption Index for Office Buildings | 2019, An Investment, Occupancy and City Planning Guide, 2019. Based on 4,879 commercial office buildings across the 30 largest U.S. office markets
 (2) Attained in 2021



Scan for property videos

Buildings of excellence



Driving efficiency through innovative partnerships

E



Exchange

- ~60% of tenants helped reduce carbon footprint by walking, public transit and carpooling
- Reduced water consumption by over 30%
- Recycled and re-used 100% durable goods¹
- Utilised certified green cleaning products over 75% of the time
- Above initiatives resulted in LEED Gold certification in 2018



Michelson

- Collaborated with Tesla and STEM on an intelligent energy storage system that predicts the optimal time to charge batteries at night and discharge power during the day
- Saved ~US\$200,000 in operating costs and reduces need for new energy generation capacity
- Achieved Fitwel building certification for enhancing occupant health and well-being



(1) Includes books, electrical appliances and paper

Green Champions



Appointed Green Champions in each building to drive sustainability efforts

E

Figueroa's Case Study

- Awarded **Green Champion Leader 2020** for driving environmental performance resulting in -30% electricity usage.
- Initiatives include:
 - ✓ Replaced all buses with 100% electric shuttles
 - ✓ Implemented recycling programmes to reduce waste
 - ✓ Installed LED lighting in common areas

Quote from Peachtree's Green Champion

“*Being the green champion for my building is important to me because it's my part in **protecting the environment for this generation and future generations**, it is everyone's responsibility. It was interesting to me to see what we have accomplished and how far we all still need to go in our efforts for sustainability. We have enjoyed the interaction with our tenants and to find out how passionate some of them are about the environment, what we can do as a community and how we can help them better achieve their sustainability goals.*”



Green Dot Series



A thought leadership initiative launched in 2019 to promote a deeper understanding of the U.S economy and the office real estate sector

S

- Conducted conferences/webinars on U.S. China trade war, U.S. tax regulations, U.S. market and office insights
- Engaged 1,700 analysts, media and investors (+24% YoY) through digitalisation efforts in 2020
- Resulted in institutionalising investor base (50% institutional, 50% retail)
- Increased analyst coverage from 3 (during IPO) to 12 in 2021



First-ever conference-style Investor Day



Hybrid FY 2020 Results for analysts, media & investors

Empowering staff and local communities



Nominated Ambassadors of Change to promote a strong culture of feedback

S

- Organised team bonding activities and wellness programmes
- Quarterly Breakfast/Dinner on the House to facilitate communication between U.S. and Singapore teams
- Manulife Podium, an employee recognition programme, allows staff to show appreciation and be recognised for their efforts
- 100% engagement for employee survey with improved scores



Going beyond outreach to support social enterprises

- Besides reaching out to the elderly and vulnerable groups, we promote self-reliance
- All corporate gifts and events are socially sourced, wherever possible



CNY red packets by hearing impaired artist



Corporate gifts handmade by isolated elderly

Integrity at the *core* of our business



Strengthening disclosures in pursuit of good governance

G

- Remained on SGX Fast Track for the 3rd consecutive year
- Ranked **4th** out of 45 REITs and Business Trusts in GIFT 2020
- Ranked **1st** out of 10 Asia offices in GRESB Public Disclosure 2020
- Maintained **5 Star** in GRESB Real Estate Assessment for the last 3 years
- Achieved **A** in MSCI ESG ratings
- Assessed by Sustainalytics to be at **Negligible risk**
- Inclusion in the iEdge SG ESG Leaders Index



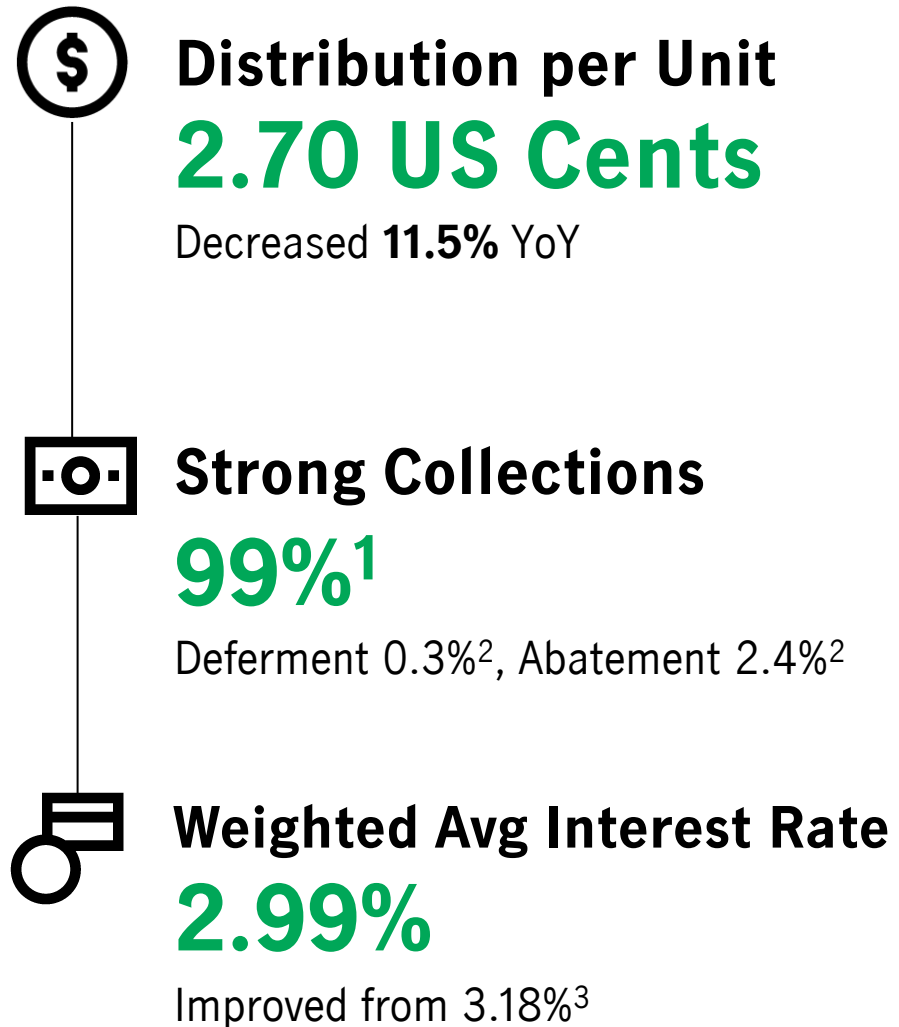


03

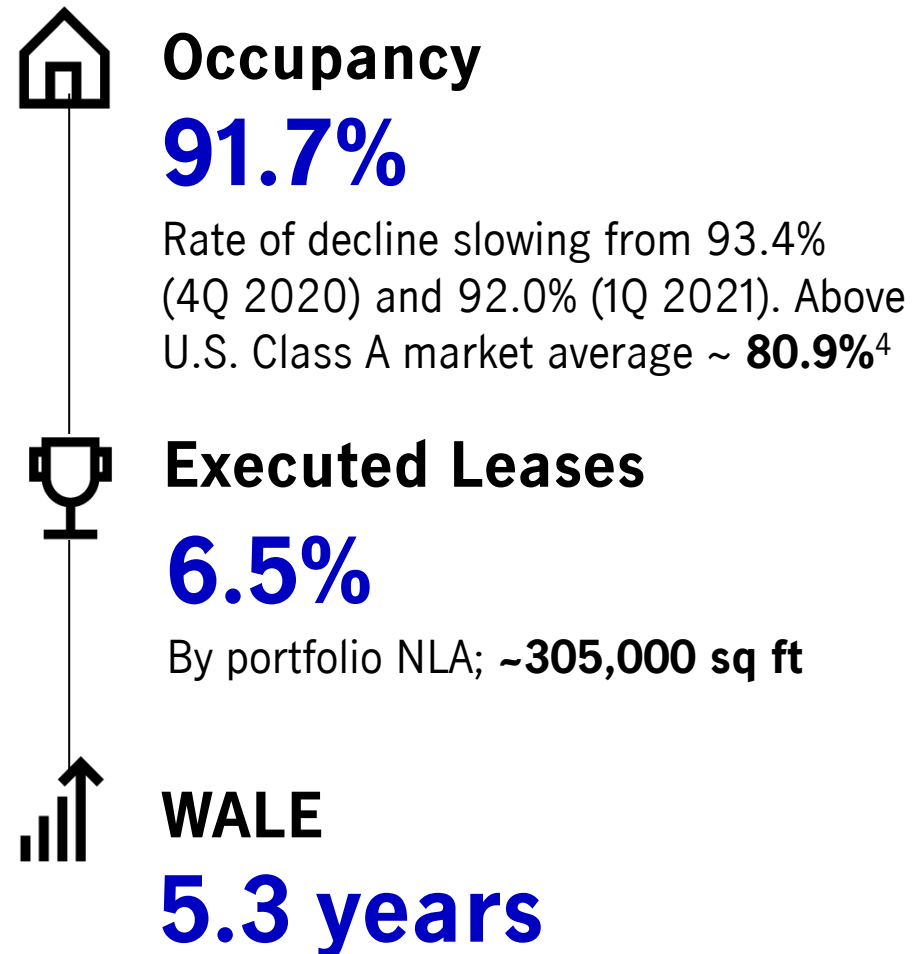
**1H 2021
Financial
Performance**

1H 2021 review

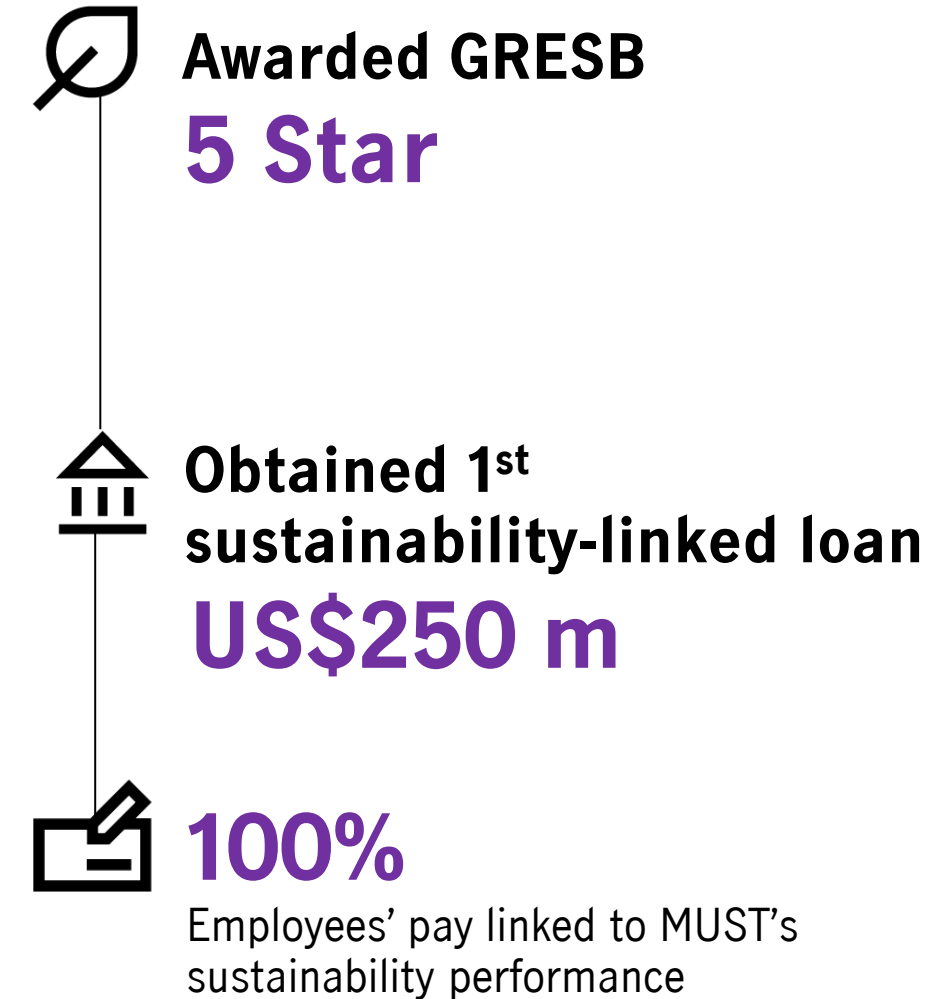
Financials



Portfolio



Sustainability



Strong leasing momentum

Portfolio as at 30 Jun 2021

91.7%

High occupancy

6.5%

By portfolio NLA ~305,000 sq ft executed, with **+1.3%** rental reversion

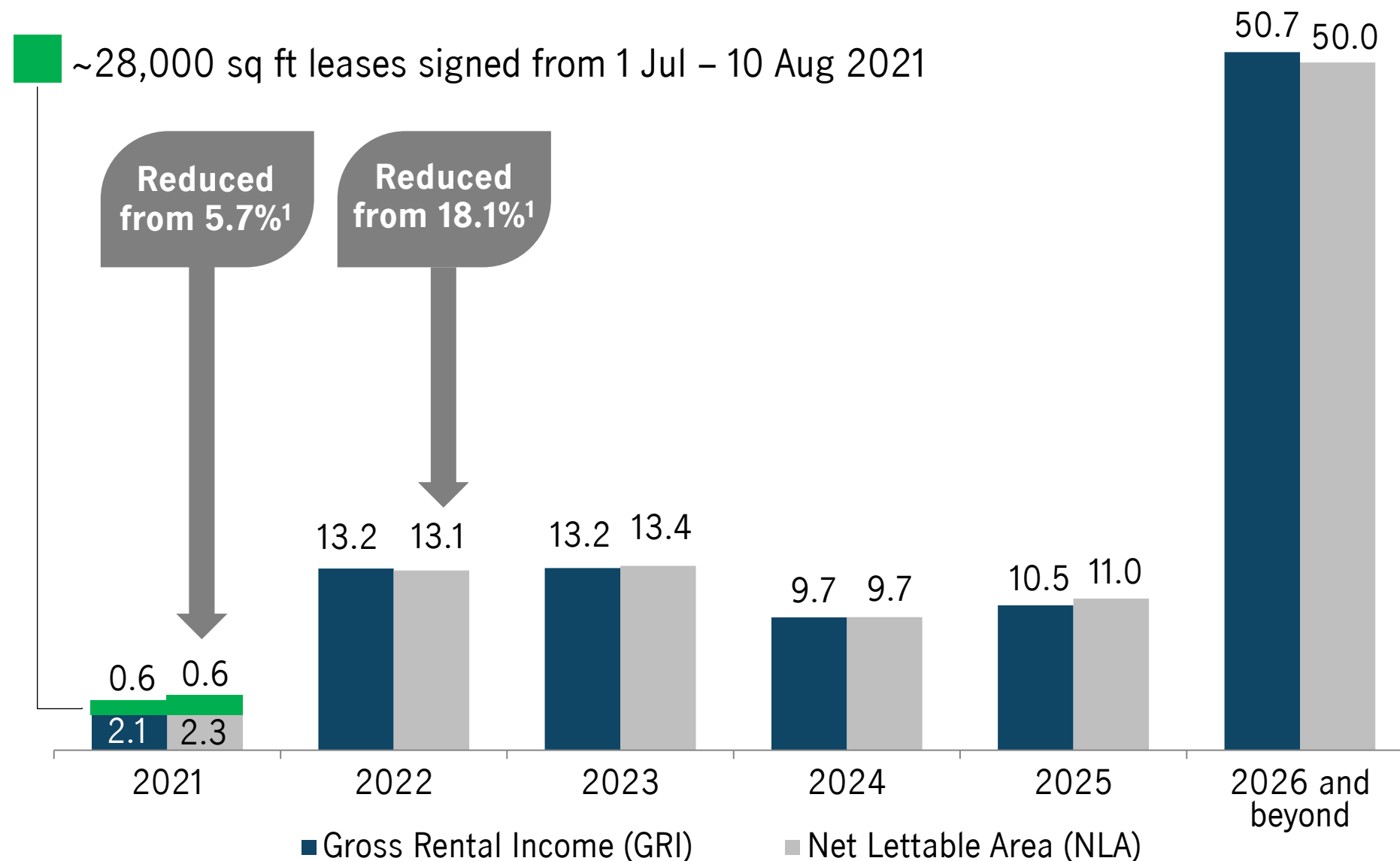
5.3 years

WALE

3.2%

Subleasing flat QoQ, **-3%** vs 4Q FY 2020

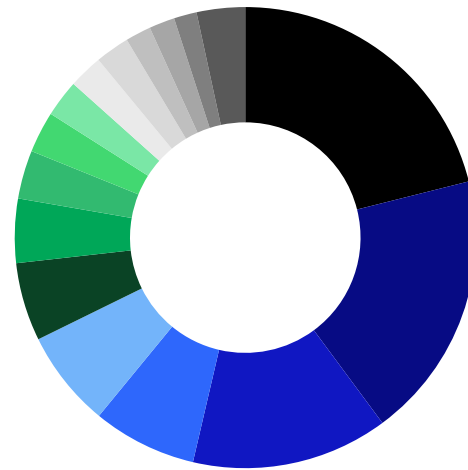
Lease expiry profile as at 30 Jun 2021 (%)



5.7-year WALE for top 10 tenants; Majority *HQ/listed/govt*

Trade sector by GRI (%)

Legal	21.1
Finance and Insurance	18.8
Retail Trade	13.8
Real Estate	7.3
Information	6.8
Public Administration	5.5
Consulting	4.5
Grant Giving	3.4
Accounting	2.9
Health Care	2.6
Arts, Entertainment, and Recreation	2.4
Advertising	2.4
Architectural and Engineering	1.8
Transportation and Warehousing	1.8
Administrative and Support Services	1.6
Other	3.4



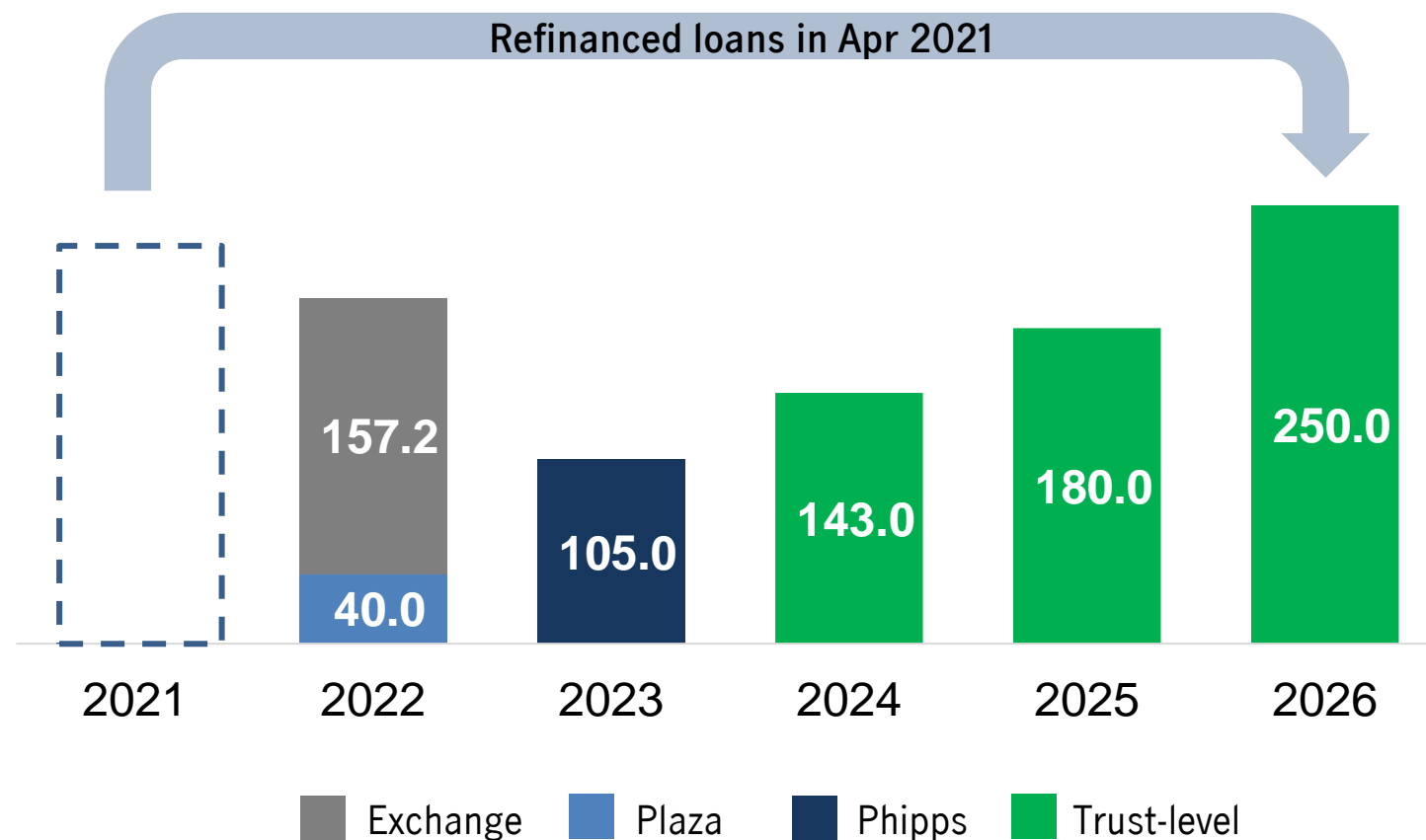
Top 10 tenants by GRI

Tenant	Sector	Lease Expiry	NLA (sq ft)	% of GRI
The William Carter Company	Retail Trade	30-Apr-30	304,013	6.5
The TCW Group, Inc.	Finance and Insurance	31-Dec-23	188,835	4.2
Kilpatrick Townsend & Stockton	Legal	31-Jul-25	184,653	3.8
The Childrens' Place	Retail Trade	31-May-29	197,949	3.4
United Nations Foundation Inc.	Grant Giving	31-Dec-28	94,988	3.4
US Treasury	Public Administration	31-Jan-22	120,324	3.3
Quinn Emanuel Urquhart & Suliv	Legal	31-Aug-23	135,003	3.2
Hyundai Capital America	Finance and Insurance	30-Apr-30	97,587	3.1
Amazon Corporation, LLC	Retail Trade	30-Apr-25	129,259	3.1
ACE American Insurance Company	Finance and Insurance	31-Dec-29	101,858	2.5
Total			1,554,469	36.5

Proactive capital management

Gearing of 41.6% after partial debt repayment of US\$15.0 m post 30 Jun 2021

Debt maturity profile as at 30 Jun 2021 (US\$ m)



	30 Jun 2021	31 Dec 2020
Weighted Average Interest Rate	2.99%	3.18%
Weighted Average Debt Maturity	3.2 years	2.3 years
Portfolio Unencumbered	66.7%	42.0%
Gearing ¹	42.1%	41.0%
Fixed Rate Loans	96.3%	94.5%
Interest Coverage ²	3.3 times	3.5 times

(1) Based on gross borrowings as a percentage of total assets

(2) Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees as set out in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore



04

**The Road
Ahead**

Renewing **MUST** leadership as ESG stewards



Reaffirming constants

- U.S. office remains core to MUST
- Scale matters
➡ MUST grow
- Strong sponsor support
- Focus on superior total returns



Net Zero by 2050

- 80% GHG reduction by 2050⁽¹⁾:
 - a. Prioritise energy efficiency – technology and renewables
 - b. Collaborate with tenants on green leases
 - c. Offset remaining emissions with green energy purchases
- Reduce water and waste
- Track progress with interim targets



Future-proof our business

- Attract ESG like-minded tenants to maintain high occupancy
- Deepen our talent pool
- Obtain green financing – target to lower borrowing cost
- Improve disclosure to strengthen governance



“If we ignore or pay lip service to ESG, we will end up with stranded assets that deplete property values and returns for investors, causing brand erosion”

To create value for stakeholders through continuous sustainability efforts based on the principle “A life is worth living through giving”



Thank You!

For enquiries, please contact:

Ms Caroline Fong

Chief Sustainability Officer, Chief Investor Relations
and Capital Markets Officer

✉ carol_fong@manulifeusreit.sg

☎ (65) 6801 1066

Manulife US Real Estate Management Pte. Ltd.

(Company registration no. 201503253R)

8 Cross Street, #16-03 Manulife Tower, Singapore 048424

<http://www.manulifeusreit.sg>



Scan to connect

with us on 



05


Appendix


Sustainable properties


E

Objectives and targets achieved in 2020

Create value for tenants and unitholders by reducing the environmental impact of our properties

 Reduced energy, GHG and water intensities by 23.2%, 30.7% and 36.6% respectively

 Develop GHG reduction model

 ~90% of portfolio certified green



Conducted MSCI climate value-at-risk real estate portfolio analysis



Obtained 1st green loan of US\$100 m



Achieved 5 Star in GRESB Real Estate Assessment

Key targets - 2021 & beyond

- Maintain **5 Star** rating for GRESB Real Estate Assessment
- Increase **green loans**
- **100% green** portfolio by 2030
- Reduce **scope 1 and 2** emissions by **35%** by 2035
- **80% GHG reduction** by 2050
- **Net Zero** emissions by 2050

External relations

S

Objectives and targets achieved in 2020

Understand and meet the needs of the investment, tenant and local communities through regular and effective engagement initiatives



Engaged with 1,700 analysts, media and investors (+24% YoY)



GRESB Public Disclosure: Rated A, score of 96



Achieved 88% 4/5 Star rating in tenant satisfaction survey in 2020



Clocked 188 volunteering hours (+3% YoY)

Key targets - 2021 & beyond

- Two **thought leadership** conferences and webinars a year
- **4/5 Star rating** in biennial tenant satisfaction survey
- Support **social enterprises** through socially-sourced corporate gifts and events
- Maintain **GRESB** Public Disclosure **A** rating

Human capital

S

Objectives and targets achieved in 2020

Attract and retain talent, cultivating a positive work environment, promoting diversity, equal opportunities, training, health and wellness



Conducted physical and mental well-being workshops



100% participation in engagement survey with improved scores



Recognised staff on internal Podium platform



35.5 training hours per employee (+0.9% YoY)

Key targets - 2021 & beyond

- Practise **inclusive and diverse** hiring
- Increase **health and mental-wellness** initiatives for employees
- Maintain **≥ 30 hours** of average training per employee
- Conduct topical and **ESG** related training for all staff and independent directors

Ethical corporate behaviour

G

Objectives and targets achieved in 2020

Adherence to rules/regulations through highest standards of governance and best practices



Zero incidents of non-compliance and corruption



Board oversight on sustainability



100% employees' compensation linked to sustainability performance



Ranked high on MSCI ESG, Sustainalytics, SGTI and GIFT index



50% female independent directors

Key targets - 2021 & beyond

- **Zero incidents** of non-compliance and corruption
- Compulsory **ESG** training for directors
- Strengthen disclosures, aiming for internal/external **assurance**
- Increase transparency with international frameworks and benchmarks including **CDP, TCFD and SASB**

There is a *cost* for not complying to ESG

EFFICIENCY

After Pandemic, New York's Buildings Face Daunting Decarbonization Mandate

Multimillion-dollar fines. Cap-and-trade for buildings. How will New York decarbonize its famous skyline?

JUSTIN GERDES | APRIL 23, 2020

New York Passes Property Tax Exemption Legislation for LEED-Certified Projects

The law enables New York municipalities to exempt green projects and renovations from property taxes for up to 10 years.

News & Media > Insights > Climate champion California joins the Net Zero Carbon Buildings Commitment

Climate champion California joins the Net Zero Carbon Buildings Commitment

- (1) GTM, "After Pandemic, New York's Buildings Face Daunting Decarbonization Mandate", 23 Apr 2020
- (2) The Journal of the American Institute of Architects, "New York Passes Property Tax Exemption Legislation for LEED-Certified Projects", 2012
- (3) World GBC, "Climate champion California joins the Net Zero Carbon Buildings Commitment"
- (4) Bloomberg, "NYC's Tall Order for Greener Buildings", 27 Sep 2017

CITYLAB

NYC's Tall Order for Greener Buildings

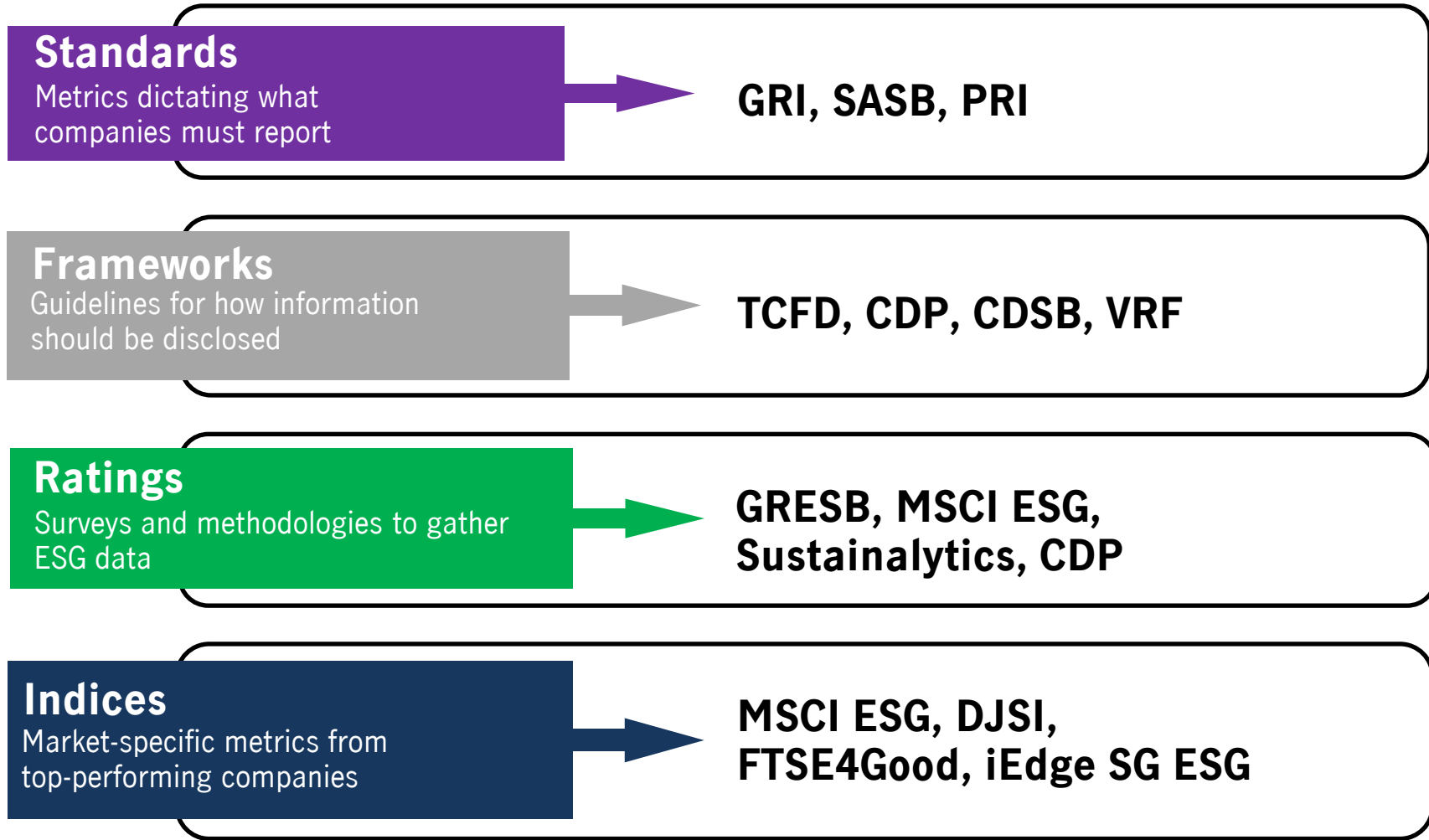
Making existing buildings more energy-efficient can cost millions of dollars. But under Mayor Bill de Blasio's new mandate, owners must either upgrade or pay a hefty fine.

By [Linda Poon](#)
September 27, 2017 12:00 AM



Heating buildings accounts for some 40 percent of New York City's carbon emissions. *Mike Segar/Reuters*

What investors/companies are using to *measure* ESG performance



Glossary

CDP (formerly known as Carbon Disclosure Project)

CDP is a non-profit charity that runs a global environmental disclosure system that helps companies and cities manage their environmental impacts.

CDSB (Climate Disclosure Standards Board)

CDSB, managed by an international consortium of business and environmental non-governmental organisations is a framework for reporting environmental information with the same rigour as financial information.

DJSI (Dow Jones Sustainability Indices)

Created jointly by S&P Dow Jones Indices and the Sustainable Asset Management Group, DJSI is the first global sustainability benchmark that assesses leading companies based on ESG criteria. The indices also serve as credible reference points in sustainability investing for investors globally.

ENERGY STAR

Run by the U.S. Environmental Protection Agency and U.S. Department of Energy that promotes energy efficiency, ENERGY STAR is awarded to the top 25% commercial buildings for meeting strict energy performance standards.

FTSE4Good (Financial Times Stock Exchange for Good)

FTSE4Good Index Series identifies companies demonstrating strong ESG policies and practices. To be included in this index, companies are independently assessed on more than 300 indicators, which are applied according to each company's unique ESG risk exposure.

Fitwel Certification

Fitwel is a world-leading certification system that is devoted to wellness within the design, development and operations of buildings and communities. It evaluates buildings based on design and operations across seven health impact categories, encompassing features such as indoor air quality, access to green spaces and alternative transportation, among others.

Green Champion

Sustainability leaders are appointed at each of MUST's buildings to lead the sustainability effort from the ground. Based on guidelines from the Sustainability Building Standards, Green Champions engage the tenants and strive to achieve their sustainability goals.

GRI (Global Reporting Initiative)

GRI Standards is the most widely adopted sustainability reporting standards developed with the intention of those standards being applied on a globally consistent basis, thus providing stakeholders with the ability to compare the impacts of organisations. The Standards are regularly reviewed to ensure they reflect the global best practice for sustainability reporting, helping organisations respond to emerging information demands from stakeholders and regulators.

Glossary

GHG (Greenhouse Gas) emissions

GHG are gases that trap heat in the atmosphere, contributing to global warming. The six main greenhouse gases in the atmosphere include Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur hexafluoride (SF₆).

GIFT (Governance Index For Trusts)

GIFT is an assessment of the governance and business risks for real estate investment trusts and business trusts listed in Singapore. It was launched in 2017 by Associate Professor Mak Yuen Teen (NUS Business School) and Chew Yi Hong (active investor and keen observer of the corporate governance scene) in collaboration with governanceforstakeholders.com, with the support of the Singapore Exchange (SGX).

Green energy purchase

The purchase and use of renewable electricity directly from the power supplier. Renewable electricity sources may include solar, water, wind and geothermal energy resources.

Green loan

Green loans are any type of loan instrument whose proceeds can only be used for green projects (including other related and supporting expenditures such as R&D). All designated green projects should provide clear environmental benefits, which will be assessed, quantified, measured and reported by the borrower.

GRESB (Global Real Estate Sustainability Benchmark)

GRESB assesses and benchmarks the ESG performance of real estate and infrastructure assets worldwide, aligned with international reporting frameworks, such as the GRI, DJSI, among others. Companies are evaluated on indicators including leadership management and stakeholder engagement, asset portfolio performance, as well as efforts in addressing ESG issues in the design, construction and operation of buildings.

iEdge SG ESG Leaders Index

The iEdge SG ESG Indices comprise liquid SGX-listed stocks, and are screened in accordance with transparent ESG criteria. The indices are designed to identify SGX-listed companies that meet minimum sustainability reporting requirements and are considered ESG leaders with established and leading ESG practices. The SGX ESG Leaders Index is an ESG-factor index that measures the performance of stocks in the Leaders index with a weighting tilted towards the company's ESG rating as provided by Sustainalytics.

LEED (Leadership in Energy and Environmental Design)

LEED is one of the most widely used green building rating systems in the world. Available for virtually all building types, LEED provides a framework for healthy, highly efficient, and cost-saving green buildings. For more information, please visit <http://leed.usgbc.org/leed.html>

MSCI ESG

An MSCI ESG rating is designed to measure a company's resilience to long term industry material ESG risks and how well they manage those risks relative to their peers.

Glossary

Net Zero

Net Zero refers to the net amount of carbon emissions produced by any one entity, and is achieved when the amount emitted is offset by an equal amount absorbed from the atmosphere. Emissions emitted are largely from human activities such as the burning of fossil fuels for energy (e.g., electricity, heating and transportation activities). Emissions absorbed refers to the removal of carbon emissions from the atmosphere through reforestation, carbon capture and storage solutions, as well as the use of renewable energy which does not emit any emissions.

PRI (Principles for Responsible Investment)

PRI is a United Nations-supported international network of investors working together to implement its six aspirational principles, often referenced as "the Principles". The six Principles for Responsible Investment offer a menu of possible actions for incorporating ESG issues into investment practice to guide signatories in incorporating ESG into their investment strategies and policies. There are currently about 7,000 corporate signatories in 135 countries and it is the world's largest voluntary corporate sustainability initiative.

SASB (Sustainability Accounting Standards Board)

SASB is an ESG reporting standard that guides the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the SASB Standards identify the subset of ESG issues most relevant to financial performance in each industry. SASB Standards are industry-specific because the issues that are mostly likely to impact financial performance vary by industry. SASB Standards are maintained under the auspices of the Value Reporting Foundation.

Scope 1 and Scope 2 emissions

Scope 1 emissions are direct GHG emissions that occur from sources that are controlled or owned by an organisation (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.

SGTI (Singapore Governance and Transparency Index)

A collaboration between CPA Australia, NUS Business School's Centre for Governance and Sustainability, and Singapore Institute of Directors, the SGTI is the leading index for assessing corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of financial results announcements of Singapore-listed companies. Companies are scored based on board responsibilities, rights of shareholders, engagement of stakeholders, accountability and audit, and disclosure and transparency. The aggregate of the bonuses and penalties is incorporated to arrive at the company's overall SGTI score.

SGX Fast Track programme

The SGX Fast Track programme aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record. SGX Fast Track issuers can expect prioritised clearance for their corporate action submissions to SGX RegCo. An issuer's eligibility for the programme will be continuously monitored and SGX RegCo has the discretion to exclude an issuer from the scheme at any time.

Glossary

Sustainable Building Standards

The Sustainable Building Standards are a set of internal standards developed by Manulife to enable benchmarking and target setting for Manulife's properties including MUST's properties. These standards consist of 13 guidelines covering our material sustainability aspects, and are aligned to the commitments in Manulife's Real Estate Sustainability Framework and industry best practices.

Sustainability-linked loan

Sustainability-linked loans are loans which incentivise the borrower's achievement of ambitious, predetermined sustainability performance objectives. Borrowers of sustainability-linked loans commit to certain sustainability performance targets and are awarded a reduction in the loan interest rate if these targets are met.

Sustainalytics

Sustainalytics, a Morningstar Company, provides high-quality, analytical ESG research, ratings and data to institutional investors and companies by measuring the size of an organisation's unmanaged ESG risk. This is measured by a unique set of material ESG issues, so it only considers issues which have a potentially substantial impact on the company's economic value. The rating scores the ESG performance of more than 12,000 companies, from negligible to severe risk.

TCFD (Task Force on Climate-Related Financial Disclosures)

TCFD was created in 2015 by the Basel-based Financial Stability Board to promote international financial stability after the 2008 global financial crisis. The TCFD's focus is on reporting on the impact an organisation has on the global climate by incorporating climate-related risks and opportunities into their risk management, strategic planning and decision-making processes. The TCFD reporting framework based on a set of disclosure recommendations span four different areas: governance, strategy, risk management, and metrics and targets.

UN SDGs (UN Sustainable Development Goals)

A set of sustainable development goals (SDGs) established by the United Nations in 2015, which 193 member countries have endorsed as part of the 2030 Agenda for Sustainable Development. These goals form the blueprint of the agenda to tackle the world's most pressing problems, such as poverty, inequality, climate change and access to education. There are 17 broad goals, each of which has multiple targets that must be met for the goal to be attained. In all, there are 169 targets.

VRF (Value Reporting Foundation)

VRF is a global non-profit organisation that offers a comprehensive suite of resources designed to help businesses and investors develop a shared understanding of enterprise value. The resources include Integrated Thinking Principles, the Integrated Reporting Framework, and SASB Standards.