



(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

Managed by Cromwell EREIT Management Pte. Ltd.

## ANNOUNCEMENT

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### PROGRESSIVE ESG PRACTICES LIFT CROMWELL EUROPEAN REIT'S GRESB SCORE BY 43%

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- Maintained perfect score in the 'Management' aspect of the GRESB assessment and registered improvements in five of the six other assessment aspects

Cromwell EREIT Management Pte. Ltd., in its capacity as manager of Cromwell European Real Estate Investment Trust ("**CEREIT**", and the manager of CEREIT, the "**Manager**"), is pleased to announce that the Manager has achieved a 43% year-on-year improvement of CEREIT's Global Real Estate Sustainability Benchmark ("**GRESB**")<sup>1</sup> score, which rose from **47** in 2018 to **67** in 2019. GRESB is a leading environmental, social, and governance ("**ESG**") benchmark for real assets.

CEREIT retained a perfect score in the 'Management' aspect of the GRESB Real Estate Assessment and registered improvements in five of the six other assessment aspects<sup>2</sup>. It made particularly significant progress in the 'Policy & Disclosure' aspect, achieving 96 points, up from 52 previously. It also registered a 66-point increase in the 'Monitoring and EMS'<sup>3</sup> aspect, scoring 73 points. The Manager is in the process of attaining **BREEAM**<sup>4</sup> certification of CEREIT's recently acquired properties, which should further improve the REIT's score in the 'Building Certifications' aspect.

CEREIT outperformed its 'Diversified – Office / Industrial (Europe)' peer group average overall, as well as in five of the seven assessment aspects, namely 'Management', 'Policy and Disclosure', 'Monitoring and EMS', 'Performance Indicators', and 'Building Certifications'. These attest to the Manager's continuing commitment to upholding high ESG standards in all its business activities.

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- 1 GRESB assesses and benchmarks the Environmental, Social and Governance ("**ESG**") performance of real assets, providing standardized and validated data to the capital markets
  - 2 The only other assessment aspect in which CEREIT did not register an improvement is 'Building Certifications', as CEREIT's portfolio has grown following several acquisitions and the Manager is in the process of getting new properties certified.
  - 3 "**EMS**" is defined as Environmental Management Systems.
  - 4 "**BREEAM**" is the world's leading sustainability assessment method for master-planning projects, infrastructure and buildings.

Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch are the joint issue managers (the "**Joint Issue Managers**") for the initial public offering of the units in Cromwell European Real Estate Investment Trust (the "**Offering**"). DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch are the joint global coordinators (the "**Joint Global Coordinators**") for the Offering. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd are the joint bookrunners and underwriters (the "**Joint Bookrunners and Underwriters**") for the Offering.

When assessing CEREIF, GRESB noted that the Manager has fully integrated ESG factors and targets into its strategy and publicly disclosed them; has a sustainability taskforce comprising its board of directors, employees, asset managers, and external consultants; conducts environmental and social risk assessments when making investments; has and actively monitors compliance with sustainability requirements in lease contracts; and coordinates and executes resilience activities through a documented process that accounts for climate-related transition risks.

In addition, CEREIF was awarded an “A” grade in the GRESB Public Disclosure Assessment, higher than the comparison group average grade of “B” and the global average of “C”.

The Manager’s Chief Executive Officer, Mr. Simon Garing, commented, “Sustainability is at the core of how we do business. We believe in accountability and measurable goals – the senior management team has key performance indicators focused on specific ESG targets. As part of these targets, a year ago, we stated our goal to improve upon CEREIF’s inaugural GRESB score and today, I am happy to report that we have since delivered on this commitment, and more. GRESB’s recognition of our strong performance validates the effectiveness of our holistic approach towards corporate governance, environmental stewardship, as well as social responsibility. Having a strong sustainability foundation better enables us to fulfil CEREIF’s core objectives of providing unitholders with stable distributions and long-term growth, and we will continue adopting progressive portfolio and asset management practices in order to be a leader in our field.”

CEREIF’s inaugural [sustainability report](#) was released in May 2019 following a materiality assessment process to formulate a strategy that addresses the ESG matters that are most important to its business. Adopting the [Sustainability Framework](#) developed by CEREIF’s sponsor, Cromwell Property Group, the Manager has set specific targets for each of the five pillars under the framework and has rolled out initiatives to meet the targets.

GRESB assessments benchmark the ESG performance of real assets worldwide and measure the sector’s progress towards global sustainability goals. They are guided by what investors and the industry consider to be material issues in the sustainability performance of real asset investments and are aligned with international reporting frameworks. This year, 1,005 property companies, real estate investment trusts, funds, and developers participated in the GRESB Real Estate Assessment, up 13% from last year. The assessment now covers 65 countries and more than 100,000 assets with a cumulative gross asset value of US\$4.1 trillion.

By Order of the Board

Simon Garing

Executive Director and Chief Executive Officer

**Cromwell EREIT Management Pte. Ltd.**

(Company Registration No.: 201702701N)

As manager of Cromwell European Real Estate Investment Trust

24 September 2019

## ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Cromwell European REIT is a real estate investment trust (“REIT”) with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, light industrial / logistics, and retail purposes. With a portfolio of 102 properties as at 24 September 2019 in or close to major gateway cities in Denmark, Finland, France, Germany, Italy, the Netherlands as well as Poland, and a balanced focus on the office and light industrial / logistics sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited (“SGX-ST”).

As at 30 June 2019, the last date of the latest publicly announced quarterly results period, CEREIF’s portfolio had 97 properties with an aggregate lettable area of approximately 1.4 million sq m with over 900 tenant-customers and a WALE<sup>5</sup> profile of around 4.7 years. Comprising primarily freehold or ongoing leasehold<sup>6</sup> assets, the portfolio had an appraised value of approximately €1,834 million as at 30 June 2019.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIF’s sponsor, Cromwell Property Group, a real estate investor and manager with operations in 15 countries, listed on the Australian Securities Exchange Ltd.

### IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of CEREIF 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 the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited, in its capacity as trustee of CEREIF, the Cromwell Property Group as the sponsor of CEREIF, the Joint Issue Managers, Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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5 “WALE” is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant-customer does not terminate the lease on any of the permissible break date(s), if applicable).

6 Classified as Continuing Leasehold or Perpetual Leasehold / Usufruct. A Continuing Leasehold is agreed in principle for an indefinite period of time but has a fixed ground rent paid to the land owner which must be re-agreed at the end of a certain period, which may result in a termination if the leaseholder and the land owner do not agree on the new ground rent. A Perpetual Leasehold / Usufruct is for an indefinite period of time and the ground rent has been paid off perpetually (which type of leasehold is most similar to a freehold situation).

This announcement may contain forward-looking statements that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CEREIT. The forecast financial performance of CEREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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