

Green Debt Framework

Indi Southbank

15.01.24



Table of Contents

Table of Contents	2
Section 1. Introduction	3
1.1 Purpose	3
1.2 Background	3
Section 2. Framework	5
2.1 Use of proceeds	5
2.2 Process for evaluation and selection	6
2.3 Management of proceeds	6
2.4 Reporting	7
Appendix 1. Roles and responsibilities	8

Section 1. Introduction

1.1 Purpose

The purpose of this Green Debt Framework (Framework) is to:

- Document the approach for the issuance of green bonds and green loans ("Green Debt") managed by Investato finance the construction of Indi Southbank; and
- Define the policies and procedures which have been implemented to ensure successful issuance on an on-going basis and maintenance of issuance integrity throughout the life of all Green Debt subsequently issued.

1.2 Background

1.2.1 Investa and Oxford

Indi Southbank is ultimately owned by Oxford Properties Group ("Oxford") and is managed by Investa. Investa is a leading owner, manager and developer of institutional grade real estate in Australia with a vision to create Australia's most valued working places and communities. With a proven track record of continual performance improvement, Investa remains a global leader in sustainability. Investa's Transform Tomorrow strategy seeks to transform the future of real estate through ESG. The strategy sets ambitious environmental performance, carbon reduction and climate resilience targets in operation and development.

Oxford is a leading global property company, focused on operating world class, global real estate investments, development and management platforms that deliver sustainable income and capital returns.

1.2.2 Green Debt objectives

Investa and Oxford recognises the potential of the green bond and green loan markets to:

- Reinforce corporate sustainability leadership, and commitment to a transition to a low carbon economy.
- Respond to investor awareness of the climate change imperative.
- Future-proof funding by opening up investment opportunities for a wider group of investors/lenders and ensuring continued support from financing partners.

1.2.3 Indi Southbank development

Indi Southbank comprises 434 apartments, including 40 affordable housing units and a community facility. The project includes ~2,566 sqm (1:5.9sqm) of resident amenities with city, bay and district views. The design and amenities have been integrated to appeal to the target demographic of young, working professionals that enjoy active lifestyles, convenience and living close to the city. The development will deliver exclusive amenities for the occupants and is anticipated to include kitchen and dining facilities, podcast/media rooms, games room, gym, swimming pool and pool deck, dry cleaning and laundry services, a dog run and dog wash, co-working spaces and meeting rooms, mail and package facilities.

Indi Southbank received initial development approval on 20 April 2021 and is due for completion in 2025.

Upon completion, the development is targeting the following sustainability credentials:

- 5 star Green Star

Launched by the Green Building Council of Australia ("GBCA"), Green Star is a voluntary internationally recognised sustainability rating system for buildings in Australia which assesses the sustainability of projects at all stages of the built environment life cycle.

- 7 star NatHERS

The Nationwide House Energy Rating Scheme ("NatHERS") measures a home's thermal performance using a star rating system in Australia. The National Construction Code ("NCC") references these star ratings specifying a minimum number of star levels for all new houses built in Australia.

- 100% electric building

An electric building will remove reliance on fossil fuels when coupled with onsite renewable electricity generation and renewable electricity procurement.

Indi Southbank will achieve these targets through initiatives such as energy and water efficient equipment selection; passive design measures; advanced metering and extensive sub-metering; rainwater capture and reuse; best practice commission and tuning; and monitoring and reporting for improved operational performance.

Section 2. Framework

This Framework is established for Indi Southbank and is consistent with Investa and Oxford's Green Debt objectives as set out in section 1.2.2.

The Framework is aligned to the International Capital Markets Association (ICMA) Green Bond Principles June 2021 ("GBP")¹ which are a set of voluntary guidelines used in green bond issuances globally, and the Green Loan Principles ("GLP")² which are similar guidelines but relating to loans, updated by the Asia Pacific Loan Market Association, Loan Market Association and Loan Syndications & Trading Association in February 2023.

The Framework adopts the four core components of the GBP and GLP as follows:

- Use of proceeds;
- Process for project evaluation and selection;
- Management of proceeds; and
- Reporting.

This Framework has been drafted on the basis that Indi Southbank will issue Green Debt to finance the construction of Indi Southbank which will meet one or more of the green eligibility criteria outlined under Section 2.1 of this Framework. In the event this does not come to fruition, the debt issued to fund the construction of Indi Southbank will not be considered Green Debt.

With regards to specific roles and responsibilities applicable to this Framework, refer to Appendix 1.

2.1 Use of proceeds

Proceeds raised under this Framework will be used to finance the construction of Indi Southbank. The construction of Indi Southbank is identified as an eligible green asset under the 'green buildings' category of the GLP and the GBP. This is because, based on assessment of the existing sustainability targets and initiatives embedded into the construction planning process, Indi Southbank will meet one or more of the following green eligibility criteria once construction is complete:

1. 5 star Green Star rating under Green Star Design and As Built v1.3; and/or
2. 7 star NatHERS rating; and/or
3. Residential Low Carbon Buildings Criteria ("RLCBC") under the Climate Bonds Standards ("CBS") and Certification Scheme v4 (Victorian Proxy).




The CBS and Certification Scheme v4 are globally recognised labelling schemes for bonds, loans and other debt instruments that are considered to be 'green'. The RLCBC lays out the specific energy and emissions related requirements residential single and multifamily homes must meet to be eligible for inclusion in a Climate Bonds Certified green instrument.

¹ [ICMA Green Bond Principles June 2021](#)

² [APLMA Green Loan Principles February 2023](#)

By meeting these criteria, the construction of Indi Southbank aligns with the goals of the Paris Climate Agreement and key United Nations Sustainable Development Goals (“SDGs”) identified within Table 1.

Table 1 - Use of proceeds summary

GLP eligible category	Green Star rating	NatHERS rating	CBS sector criteria	SDG alignment
Green Buildings	5 star	7 star	Residential Low Carbon Buildings Criteria	  

The Green Debt instruments that may be issued under this Framework include:

- Green bonds including but not limited to issuances in A\$MTN;
- Green loans including but not limited to borrowings undertaken through syndicated, revolving or bilateral facilities; and
- Any other green financing instruments approved by the Climate Bond Initiative (“CBI”).

2.2 Process for evaluation and selection

Proceeds raised under the Framework will be used to finance the construction of Indi Southbank.

Oxford, as the owner of Indi Southbank, has appointed Investa as its investment and development manager to assist it with the management of the asset. This includes the evaluation and selection of any debt financing including any proceeds raised under this Framework. Investa’s role includes facilitation of the monitoring and reporting of compliance against the Framework.

2.3 Management of proceeds

In its role as manager, Investa will track the receipt and use of proceeds of Green Debt via its internal information systems. This will include:

- Upon receipt of funds from Green Debt, the funds will be tagged in Investa’s systems as proceeds from the Green Debt.
- Applying funds for Indi Southbank construction as approved.
- Payments made for the purpose of Indi Southbank construction will be tagged via journal entry as use of the Green Debt proceeds.

If unallocated proceeds exist, Investa’s strategy is to apply unallocated proceeds to:

- Temporary investment instruments that are cash, or cash equivalent instruments; or
- Temporary investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or
- Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments.

Proceeds will not be used to fund excluded categories under the CBI.

The intent of the tracking process outlined above is to ensure that the policies and procedures in relation to management of proceeds will be followed.

2.4 Reporting

2.4.1 Disclosure

Indi Southbank recognises interest in transparency and intends to provide information to investors and lenders in line with an end of financial year reporting program. For Green Debt issued under this Framework, Indi Southbank will disclose:

- The current Framework on the Investa website.
- During construction, annual reporting and assurance statements confirming that the construction is on track to meet one or more of the green eligibility criteria and confirming compliance with this Framework; made available to lenders; and investors upon request.
- At the end of construction, reporting and assurance statement providing confirmation that Indi Southbank meets one or more of the green eligibility criteria; to be provided in accordance with contractual reporting requirements. All other requests will also be considered upon written request to Indi Southbank.

Eligible Category	Potential Impact Metrics
Green Buildings	<ul style="list-style-type: none">• 5 star Green Star rating under Green Star Design and As Built v1.3; and/or• 7 star NatHERS rating

The annual third party assurance and Investa’s ongoing development monitoring supports that Indi Southbank is on track to meet on or more of the green eligibility criteria and, at the end of construction, that Indi Southbank meets the more or more of the green eligibility criteria.

2.4.2 Assurance

A third party Environmental, Social and Governance advisory and assurance service provider has been engaged to provide independent, second party assurance on this Framework. As part of this engagement, the third party will provide assurance over this Framework’s compliance with the GBP, GLP and CBS.

Independent, third party assurance will be sought on an annual basis confirming the compliance of existing Green Debt issued in accordance with this Framework and ongoing alignment of the Framework with the GLP, GBP and CBI certification requirements (as appropriate).

Appendix 1. Roles and responsibilities

Type	Task	Obligated to	Method	Occurrence	Framework section reference
Framework	Establishment / update of Framework	Assurer Investors/lenders	Framework document	As required	N/A
Use of Proceeds	Tagging of investor trade as "Green Bond" or "Green Loan"	Assurer Investors/lenders	Accounting system	Trade date	2.1 Use of proceeds
Process for project evaluation and selection	Incorporate Green Debt details into standard loan/bond documentation	Lenders	Pricing supplement / Facility agreement	Financial close	2.2 Process for evaluation and selection
Management of proceeds	Monitor of asset value v bond face value	Investors/lenders		Half yearly	2.3 Management of proceeds
	Advising of unallocated proceeds	Investors/lenders		As and when required	2.3 Management of proceeds
	Appropriate management of unallocated proceeds	Investors/lenders		As and when required	2.3 Management of proceeds
	Review of compliance with Framework	Investors/lenders	Internal checklist against Framework	Half yearly	2.3 Management of proceeds
Reporting	Preparation of annual progress report	CBI Investors/lenders	Annual report	Annual	2.4 Reporting
	Assurance process	Assurer CBI Investors/lenders	Annual report	Annual	2.4 Reporting

Type	Task	Obligated to	Method	Occurrence	Framework section reference
	Issue of annual progress report	CBI Investors/lenders	Annual report	Annual	2.4 Reporting
	Overall debt compliance	Assurer CBI Investors/lenders		Ongoing	2.4 Reporting
	Non-compliance notification	Assurer CBI Investors/lenders	Letter	As and when required	2.4 Reporting
	Creation of filing system for pertinent documentation	Investa	Investa's filing system	Pre-issuance	2.4 Reporting
	Filing of all pertinent documentation to Investa's filing system	Investa	Investa's filing system	Ongoing	2.4 Reporting

Appendix 2. CBI Certification

Framework Information

Framework Review

The Framework will be reviewed annually.

Material amendments to the Framework may only be amended with the approval of Oxford.

Framework Information

Responsibility: BTR Fund Manager

Date Created: 15.01.2024

Review Frequency: Annually

Revision History:

Version	Date Released	Accountable	Description
---------	---------------	-------------	-------------

Independent Limited Assurance Report to the Management and Directors of BTR TC II Pty Ltd as trustee for BTR Asset Trust 1

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Investa Management Pty Ltd to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed the following Subject Matter: Indi Southbank's pre-issuance process as described in the Indi Southbank Green Debt Framework version dated 15 January 2024.

Criteria applied by BTR TC II Pty Ltd as trustee for BTR Asset Trust 1

In preparing the Indi Southbank Green Debt Framework, BTR TC II Pty Ltd as trustee for BTR Asset Trust 1 applied the following Criteria:

- ▶ Green Bond Principles (June 2021) published by ICMA
- ▶ Green Loan Principles (February 2023) published by APLMA
- ▶ Climate Bonds Standard version 4.0 (2023) published by Climate Bonds Initiative.

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BTR TC II Pty Ltd as trustee for BTR Asset Trust 1's responsibility

BTR TC II Pty Ltd as trustee for BTR Asset Trust 1's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and the terms of reference for this engagement as agreed with Investa Management Pty Ltd on 20 June 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ Conducted interviews with personnel to understand the business and reporting process
- ▶ Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- ▶ Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- ▶ Assessed eligibility of the nominated project for inclusion in Indi Southbank's asset pool against the criteria.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent limitations

Procedures performed in a review 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 review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

Other matters

Our report does not extend to any disclosures or assertions made BTR TC II Pty Ltd as trustee for BTR Asset Trust 1 relating to future performance plans and/or strategies disclosed in Indi Southbank's Green Debt Framework and supporting disclosures online.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of BTR TC II Pty Ltd as trustee for BTR Asset Trust 1, or for any purpose other than that for which it was prepared.



Ernst & Young
Sydney, Australia

15 January 2024



Independent Limited Assurance Report to the Management and Directors of BTR TC II Pty Ltd as trustee for BTR Asset Trust 1

Annex A

Climate Bond Standard ('CBS') V4 criteria

Indi Southbank's Green Debt was assured against the following requirements as specified in the Climate Bond Standard v4.0

CBS sections	Requirement	Assurance Procedures	Demonstration of compliance (summary)
1	Use of proceeds	<ul style="list-style-type: none"> Confirm that the Issuer has established a list of proposed Nominated Projects & Assets which can be kept up-to-date during the term of the Bond Confirm the expected Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure to the proposed Nominated Projects & Assets Confirm that the Nominated Projects & Assets are not nominated to other labelled instruments, unless requirements outlined in the Standard are met 	<ul style="list-style-type: none"> EY have reviewed Indi Southbank's Green Debt Framework and sighted the proposed Nominated Project which is the construction of Indi Southbank EY have confirmed that the expected net proceeds of the bond are no greater than the Issuer's investment exposure to the proposed Nominated Projects & assets or the relevant proportion of the total Market Value of the proposed Nominated projects and assets owned or funded by the Issuer through review of the treasury management system and obtaining third-party valuations. EY have also obtained management representation that the nominated asset will not overlap with other labelled instruments.
2	Process for Evaluation and Selection of Projects & Assets	<ul style="list-style-type: none"> Understand the Issuer's decision-making process used to determine the eligibility of the Nominated Projects & Assets. Identify how the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability Identify the Issuer's rationale for issuing the Bond; Confirm that the Nominated Projects & Assets meet the eligibility requirements 	<ul style="list-style-type: none"> EY reviewed Indi Southbank's Green Debt Framework and assessed that the stated environmental objective of the updated bond framework is outlined within EY reviewed Indi Southbank's Green Debt Framework which details the Issuer's overarching objectives of the proposed bond EY have confirmed through third-party verification that the proposed nominated project will be eligible under the 'green buildings' criteria as outlined in the Green Loan Principles (GLP)
3	Management of Proceeds	<ul style="list-style-type: none"> Confirm the documentation of the systems, policies, and processes to be used for management of the Net Proceeds, and the disclosure to the Verifier Understand how Net Proceeds are tracked and Unallocated proceeds managed Understand the Earmarking process used to manage and account for the funding to the Nominated Projects & Assets 	<ul style="list-style-type: none"> EY have reviewed Indi Southbank's Green Debt Framework to confirm that the management of proceeds, process for evaluation and selection and use of expected proceeds have been clearly documented in the Framework in accordance to the Standard. EY have confirmed through management enquiry that all documentation related to the management of expected Proceeds has been disclosed to the Verifier (EY) EY have obtained management representation to confirm the Earmarking process will be maintained in accordance with the Standard
4	Reporting Prior to Issuance	<ul style="list-style-type: none"> Confirm that the Issuer has prepared the Green Bond Framework in accordance with the requirements of the Climate Bonds Standard and made the Framework publicly available Confirm that the Issuer has included the appropriate disclosures within the Framework, including the intended approach to providing Update Reports to reaffirm conformance with the Standard while the Bonds remain outstanding 	<ul style="list-style-type: none"> EY have reviewed Indi Southbank's Green Debt Framework to assess whether the Framework adheres to Section 4.1 and 4.2 of the Climate Bond's Standard. EY have confirmed that the Framework does not omit any disclosures required in the Standard and will be made publicly available on Investa's website EY have reviewed Indi Southbank's Green Debt Framework and confirmed that an Update Report will be published annually to whether Indi Southbank is on track to meet one or more of the green eligibility criteria, confirm that proceeds raised do not exceed funding required for Indi Southbank Construction, and any other material changes or information (if applicable).