

Green Debt Framework

Parkline Place

08.11.2024



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Section 1. Introduction

1.1 Purpose

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

- Set out the approach for the issuance of green loans¹ (referred to as **Green Debt**) by or on behalf of OPG TC V Pty Limited as trustee for OPG Pitt Street North Trust (**Trustee**), as owner of Parkline Place, a commercial office tower located at 250 Pitt Street, Sydney; and
- Provide an overview of the procedures which have been implemented to support and maintain Green Debt issued after the date of this Framework.

1.2 Background

Investa Management Holdings Pty Limited (**IMH**) is the parent company for the Investa management platform, Investa Management Pty Limited (**IM**). IM is a wholly owned subsidiary of IMH and is the primary employing entity of the business.

IMH and its subsidiaries (**Investa**) operate a management platform that provides investment, asset, property, facilities and development management services to the investment portfolios of various funds, joint ventures, external mandates and private clients in the real estate sector. Investa is the appointed investment manager for the Trustee.

Parkline Place is co-owned by Oxford Properties Group (**Oxford**) and Mitsubishi Estate Asia (**MEA**) through the Trustee (as the joint venture vehicle).

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

MEA is the leading comprehensive real estate developer in the Japanese market, operating a spectrum of businesses in diverse fields related to real estate, including office building, retail property, residential, hotel and airport businesses.

As co-owners, **Oxford** and **MEA** have appointed **Investa** as investment and property manager to manage Parkline Place on behalf of the co-owners. **Oxford**, **MEA** and **Investa** have developed this Green Debt Framework (**Framework**) to outline the governance approach, including specific roles and responsibilities to manage the **Framework**, to be undertaken by Investa on behalf of the Trustee.

The Framework may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and classifications.

1.2.1 Green Debt Objectives

Investa's Transform Tomorrow ESG strategy² seeks to transform the future of real estate through ESG and the Trustee has aligned with the Transform Tomorrow ESG strategy. The strategy sets ambitious environmental asset performance, carbon reduction and climate resilience targets in building operation and development. The strategy recognises the potential of the green loan markets to:

- Reinforce corporate sustainability leadership, and commitment to a transition to a low carbon economy
- Support the growth of the sustainable/green finance market generally

Investa, Oxford, and MEA's environmental objective of issuing Green Debt is to recognise Parkline Place's high environmental and social standards.

¹ <https://www.aplma.com/microsites/categories/3/pages/11/content/172>

² Investa Transform Tomorrow Strategy can be viewed at <https://www.investa.com.au/esg/>

The intention is for the Framework and related activities to operate in unison with the Trustee's broader policies and operational processes with respect to matters such as sustainability, funds management, treasury, finance and legal.

1.2.2 Parkline Place

Parkline Place is an innovative, well-connected, premium commercial office building that is located above the north entrance of the Gadigal Sydney Metro Station. Parkline Place is a 39-storey premium office building and retail precinct, featuring 47,800 square meters of office space and 1,290 square metres of retail amenity.

Upon completion, the office building will have the capacity to accommodate upwards of 4,500 daily occupiers and will boast leading human-centred, smart building and sustainability features, including the following target sustainability credentials:

- 6 Star Green Star Rating under Green Star Design & As-Built v1.3
Launched by the Green Building Council of Australia, 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. The design component of the rating can be achieved in design and the as-built component of the rating can be achieved post construction.
- 5.5 Star NABERS Energy Rating
The National Australian Built Environment Rating System (NABERS) is an Australian construction environment certification tool that measures the performance of a building or tenancy and its environmental impact. NABERS Energy measures the energy efficiency of an office building and compares consumption against buildings like for like. This is an operational energy rating, which may be confirmed/achieved after 18 months of operations with sufficient performance data.
- 3.5 Star NABERS Water Rating
NABERS Water looks at the amount of water used and recycled within a building based on real water data in comparison to buildings like for like. This is an operational water rating, which may be confirmed/achieved after 18 months of operations with sufficient performance data.
- Platinum WELL v2 Building Rating
WELL is a rating system that assesses whether a building has met certain sustainability goals focused on reducing a building's carbon footprint and improving the health and wellbeing of its occupants. This is a rating that can be achieved during development and is monitored in operations.

Parkline Place will seek to achieve these targets either upon completion of the development, or after a suitable period of operations that provides sufficient performance data to enable ratings to occur.

Section 2. Framework

The Framework is aligned to the Asia Pacific Loan Market Association (**APLMA**), Loan Market Association and Loan Syndications & Trading Association Green Loan Principles (**GLP**)³.

The Framework adopts the four key pillars of the 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 the Trustee is a debt issuer investing in real estate assets only. The Framework applies to the Parkline Place asset.

The specific roles and responsibilities applicable to this Framework will be undertaken by Investa on behalf of the Trustee.

The Green Debt instruments that may be used in this manner include:

- Green loans, including but not limited to borrowings undertaken through syndicated, revolving or bilateral facilities; and
- Any other financing instruments that may be eligible for certification as determined by GLP.

2.1 Use of proceeds

Amounts drawn under Green Debt issued under the Framework will be used solely for the purpose of financing or refinancing assets or expenditures that meet the Eligibility Criteria as defined in the table below, to qualify as "Eligible Assets". The identification of Eligible Assets is subject to the process outlined within section 2.2 below.

Eligibility criteria for green Eligible Assets

Green Debt Categories	Eligibility Criteria and examples of eligible projects and assets	SDG Alignment
Green Buildings	<p>Green buildings are new, existing, or refurbished buildings which meet regional, national or internationally recognised standards or certifications, including the below:</p> <ul style="list-style-type: none"> • 6 Star Green Star Design & As Built rating; • 5.5 Star NABERS⁴ Energy rating; • 3.5 Star NABERS Water rating; • Platinum WELL Building Standard v2 rating; and • Green Star Performance rating. 	<p>SDG 11 Sustainable Cities and Communities SDG 13: Climate Action</p>

2.2 Process for project evaluation and selection

In order to govern the Framework and to evaluate the use of Green Debt proceeds as issuances are contemplated:

- Investa's management will monitor performance of Green Debt against this Framework and report this performance to the Investment Review Committee (IRC) annually, at minimum.
- Investa will implement the principles of the Investa Responsible Investment Policy which "...strive to build a business that delivers investment and real estate asset management performance and positive social and environmental impact. Assessing and managing environmental, social and governance (**ESG**) risks and

³ As per the requirements of the requirements of the Green Loan Principles <https://www.aplma.com/microsites/categories/3/pages/11/content/172>

⁴ This is aligned with the NABERS Sustainable Finance Framework Method 2 Low carbon buildings criteria for Office (base building) nabers.gov.au/sites/default/files/nabers_sustainable_financial_framework.pdf, p8.

opportunities in our investment decision-making and stewardship processes is consistent with this goal and our fiduciary duties as an investment manager.

- The status of Green Debt will form part of the periodic Investment Manager's report to the Trustee, including a listing of current facilities and drawn status.

Investa is responsible in identifying and selecting Eligible Assets to be earmarked against the use of proceeds. All proceeds raised under the Green Debt Framework will be used to finance the earmarked asset that are required to have:

- conformance with the GLP;
- alignment with the eligibility criteria outlined in section 2.1; and
- their combined book value exceeding the cumulative face value of all outstanding Green Debt at all times, thus providing significant headroom for the management of unallocated proceeds.

2.3 Management of proceeds

Investa's Treasury Team will continue to track the receipt and use of proceeds of Green Debt on behalf of the Trustee via its internal information systems. This will include:

- Seeking to ensure that loan proceeds are appropriately credited to the relevant bank account; and
- Investing unallocated proceeds if they arise, following the process set out below.

Green Debt proceeds are tagged in Investa's financial accounting system upon initial receipt. The funds are then used in accordance with section 2.1, including to repay existing debt facilities or to fund green projects.

Investa will monitor the following requirements on an annual basis via internal information systems:

- Elements of the Eligibility Criteria (in section 2.1) are being met, where relevant; and
- The total book value of the earmarked assets continues to exceed the cumulative face value of all outstanding Green Debt i.e., the green coverage ratio⁵ is maintained above 1.0 for the duration of the loan.

Should any Green Debt proceeds be temporarily unallocated to Eligible Assets, Investa's Treasury Team will seek to ensure unallocated proceeds are:

- Invested in temporary investment instruments that are cash, or cash equivalent instruments; or
- Applied to temporarily reduce any indebtedness of a revolving nature before being redrawn for investments or disbursements to Eligible Assets.

Investa will in any case ensure that any unallocated proceeds from Green Debt shall be allocated within 12 months following the issuance of that Green Debt.

2.4 Reporting

2.4.1 Disclosure

The Trustee recognises investor interest in transparency and intends to provide information to investors and lenders in line with a financial year reporting program. The Trustee will disclose annual reporting and green certifications on compliance with this Framework in accordance with contractual reporting requirements. All other requests will be considered upon written request to Investa, as the investment manager as defined in the Framework.

2.4.2 External Review

The Trustee has engaged a professional assurance services company to provide independent assurance on this Framework. External assurance is provided in respect of this Framework's compliance with the GLP. Refer to Appendix 1 for the assurance statement.

⁵ The combined book value of earmarked assets divided by the cumulative face value of all outstanding Green Debt.



2.4.3 Record retention

All records of disclosure will be stored within Investa's electronic filing system. Records can be made available to investors and lenders.

Appendix 1: Assurance statement

Framework Information

Framework Review

The Framework will be reviewed by Investa annually.

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

Framework Information

Responsibility: Fund Manager

Date Created: October 2024

Review Frequency: Annually

Revision History:

Version	Date Released	Accountable	Description
1.0	16.11.2021	General Manager, Corporate Sustainability & COO, Real Estate	Original framework ⁶ for the asset in development
2.0	08.11.2024	General Manager, Corporate Sustainability & COO, Real Estate	New framework for Parkline Place as the asset commences operations

⁶ <https://www.investa.com.au/hubfs/Parkline%20Place%20Green%20Debt%20Framework.pdf>