

Green Debt Framework

Parkline Place

Pitt Street North Overstation Development

Investa (Manager), Oxford (Co-owner), and Mitsubishi Estate (Co-owner)

16.11.21



Table of Contents

Table of Contents	2
Section 1. Background & Purpose	3
1.1 Purpose	3
1.2 Background.	3
Section 2. Framework	6
2.1 Use of Proceeds	6
2.2 Process for Evaluation and Selection	7
2.3 Management of Proceeds	7
2.4 Reporting	8
Appendix 1. Roles and Responsibilities	9

Section 1. Background & Purpose

1.1 Purpose

The Purpose of the Green Debt Framework is to document the approach for issuance of Green Loans and Green Guarantees (Green Debt) by Oxford Properties Group (Oxford) and Mitsubishi Estate (MEA) to finance the construction of Parkline Place, and define the policies and procedures which have been implemented by Investa Property Group as Development Manager and Manager (Investa) 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 Sustainability Credentials

Investa

Investa is a leading 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 more than ten years of continual performance improvement, Investa remains a global leader in sustainability. Since 2018, Investa has been committed to a carbon reduction strategy, "Getting to Zero", which sets ambitious carbon reduction targets, in alignment with the 2015 Paris Conference of Parties global commitment to limit global warming to well below 2°C, preferably to 1.5°C, compared with pre-industrial levels. The Strategy outlines a path to a net zero emissions target by 2040, delivering both an industry leadership position, and ensuring the portfolio of assets are continually reducing emission intensities. The target has been underpinned by the Science Based Targets framework and models, which ensure emissions reductions are in alignment with climate science and the Paris Climate Agreement.

In addition to Investa's strong sustainability performance, Investa has managed funds that have been issuing Green Bonds since 2017 and are transitioning their debt facilities into competitively priced green finance.

Oxford

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.

Oxford is committed to being a leader in the development and operation of energy efficiency, and low carbon building emissions. Oxford has achieved a 35% reduction in Scope 1 and 2 emissions, on a per square foot basis, across all regions and asset classes, since 2015.

In November 2020 Oxford purchased a 50% interest in the Investa Management Platform with ICPF retaining its 50% interest. The strong partnership between Oxford and Investa will deliver growth, high-performance, and innovation outcomes for people and planet.

MEA

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.

MEA aims to help realise a sustainable society and to enhance corporate value by promoting sustainable and resilient urban design development based on a long-term perspective. The Mitsubishi Estate Group Sustainability Vision 2050

articulates a vision to be the 'Ecosystem Engineers' – providing spaces and infrastructure where all actors are able to coexist sustainably and thrive together. To realise this vision, MEA has established the Mitsubishi Estate Group 2030 Goals for SDGs in its 2030 Long-Term Management Plan which includes targets, KPIs and initiatives, in line with leading global benchmarks such as SBTi and RE100, across four key themes: Environment, Diversity & Inclusion, Innovation and Resilience.

1.2.2 Green Debt Objectives

A key factor in implementing the Investa, Oxford, and MEA's sustainability objectives is funding. There is growing momentum behind investor demand for low/zero carbon economy investment opportunities, particularly in the wake of the Paris Agreement. To continue to attract investment, property companies must position themselves not only as viable, responsible investment options, but as leaders in sustainability.

Investa, Oxford, and MEA therefore applaud the growth of the Green Bond and Green Loan markets and views engagement in it as a means 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
- Respond to a rapidly increasing investor awareness of the climate change imperative, and the role of finance in avoiding catastrophic impacts
- Future-proof funding by opening up investment opportunities for a wider group of investors/lenders and ensuring continued support from banking partners.

Investa, Oxford, and MEA's broad environmental objective of issuing Green Debt is to catalyse the construction of new commercial stock which meets high environmental and social standards. Specifically, the construction of Parkline Place.

1.2.3 Parkline Place Development

In March 2021, Oxford received development approval from the NSW Government for Parkline Place, a new commercial development above the north entrance of Sydney Metro Pitt Street Station. Parkline Place will deliver an innovative, well-connected, premium commercial building that addresses the evolving health, wellbeing and performance needs of office tenants.

The 39-storey premium office building and retail precinct will feature 47,800 square meters of office space with a further 1,290 square metres of retail amenity. Construction is scheduled to commence in late 2021 and due to be completed in line with the new Pitt Street metro station with metro services beginning in 2024.

Upon completion, the office building will 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.
- 5.5 Star NABERS Base Building Energy Rating in Operation
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.
- 3.5 Star NABERS Whole Building Rating (4 Star Aspirational)

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.

- Well Building Standard Platinum WELL Rating (minimum Gold) under WELL v2

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.

Parkline Place will achieve these targets through initiatives such as energy and water efficient fittings, services and appliances; incorporation of 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

The Framework is aligned to the Asia Pacific Loan Market Association (APLMA) Green Loan Principles (GLP)¹ which are a set of voluntary guidelines used in green loan issuances globally and were updated in February 2021. 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 OPG TC V Pty Ltd ATF OPG Pitt Street North Trust (North Trust) , an entity co-owned by Oxford and MEA, will issue Green Debt to finance the construction of Parkline Place which will meet one or more of the green eligibility criteria outlined under section 2.1 below, as supported by the clear sustainability targets embedded into the construction planning process. In the event this basis does not come to fruition, the debt issued to fund the construction of Parkline Place will no longer be considered Green Debt. Oxford and MEA will provide annual confirmation that: (a) construction is on track to meet one or more of the below green eligibility criteria; and (b) Parkline Place meets one or more of the below green eligibility criteria (once construction is completed).

2.1 Use of Proceeds

Proceeds raised under the Green Debt Framework will be used to exclusively finance the construction of Parkline Place. The construction of Parkline Place 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, Parkline Place will meet one or more of the following green eligibility criteria once construction is complete:

- 1) 6 Star Green Star Rating under Green Star Design & As-built v1.3; and/or
- 2) 5.5 Star NABERS Base Building Energy Rating in Operation; and/or
- 3) Commercial Low Carbon Building Criteria (CLCBC)² under the Climate Bonds Standards (CBS) and Certification Scheme v3³

The CBS and Certification Scheme is a globally recognised labelling scheme for bonds, loans & other debt instruments that are considered to be 'green'. The CLCBC lays out the specific energy and emissions related requirements commercial buildings must meet to be eligible for inclusion in a Climate Bonds Certified green instrument.


By meeting these criteria, the construction of Parkline Place contributes to achieving the goals of the Paris Climate Agreement as well as key United Nations Sustainable Development Goals (SDGs) outlined below.

¹ https://www.lma.eu.com/application/files/9716/1304/3740/Green_Loan_Principles_Feb2021_V04.pdf and

<https://stage.aplma.com/microsites/categories/3/pages/11>

² <https://www.climatebonds.net/standard/buildings/commercial>

³ <https://www.climatebonds.net/climate-bonds-standard-v3>

GLP Eligible Category	Green Star Rating	NABERS Energy Rating	CBS Sector Criteria	SDG Alignment
Green Buildings	6 Stars	5.5 Stars	Commercial Low Carbon Buildings Criteria	

2.2 Process for Evaluation and Selection

As all proceeds raised under the Green Debt Framework will be used to finance the construction of Parkline Place, a traditional process for Evaluation and Selection does not apply. Furthermore, the Green Debt Progress yearly agenda item will include a review of the following items:

- management of the Framework;
- management of Green Debt instruments on issue;
- proceeds raised do not exceed funding required for construction of Parkline Place;
- construction is on track to meet one or more of the green eligibility criteria and meets one or more of the green eligibility criteria once construction is completed;
- other matters relevant to the Green Debt Framework and Eligibility Criteria; and
- any legislative or regulatory changes which may impact the Green Debt Framework.

Note: the Framework and related activities will be undertaken in unison with Investa’s extensive policy suite and operational processes with respect to matter such as sustainability, fund management, finance and legals. It will not override any existing policies or procedures.

2.3 Management of Proceeds

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

- Green Loans including but not limited to borrowings undertaken through syndicated, revolving or bilateral facilities
- Any other green financing instruments approved by the CBI.

Receipt and use of Green Debt proceeds will be tracked as follows:

- Upon receipt of funds from Green Debt, the funds will be tagged in REVAL, (Investa’s accounting system) as proceeds from the Green Debt.
- Investa’s Treasury Team will then apply the funds as received or drawn upon, to fund Parkline Place construction.
- Payments made for the purpose of Parkline Place construction will be tagged via journal entry as use of the Green Debt proceeds.

If Unallocated Proceeds exist, Investa’s Treasury Team will ensure Unallocated Proceeds are invested in:

- 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 or disbursements to Earmarked Assets.

In any case, any Green Debt proceeds will be allocated to Eligible Assets within 33 months of issuance of that Green Debt. Proceeds will not be used to fund excluded categories under the CBI.

The robust tracking process outlined above will work to ensure that the policies and procedures in relation to Management of Proceeds will be followed.

2.4 Reporting

2.4.1 Disclosure and Reporting

Investa recognises interest in transparency and intends to provide information to lenders and its bank lending group (or relevant bank lender, in the case of bilateral Green Loans) in keeping with its end of financial year reporting programme. For Green Debt issued under the Green Debt Framework, Investa will disclose:

- the Framework and provide any updates to Green Debt lenders as amended from time to time;
- the Second Party opinion and Verification report received post-issuance and provide to Green Debt lenders (or the extent allowed by the report provider);
- all annual post-issuance Verification Reports received during the life of Green Debt issued under the Framework, and provide to Green Debt lenders (to the extent allowed by the Assurer);
- all annual certifications sought either pre-issuance or during the life of Green Debt issued under the Framework, including annual CBI certification (if required), and provide to Green Debt lenders (to the extent allowed by the certifier); and
- annual reporting on the Use of Proceeds, including details of funded Parkline Place Construction, an update regarding whether Parkline Place is on track to meet one or more of the green eligibility criteria, confirmation that proceeds raised do not exceed funding required for Parkline Place Construction, and any other material changes or information (if applicable). At the end of construction, annual reporting will include confirmation that Parkline Place meets the on or more of the green eligibility criteria.

2.4.2 Assurance

Ernst and Young (EY) a provider of Environmental, Social and Governance advisory and assurance services, has been engaged to provide an independent Second Party Opinion and Verification Report on this Green Debt Framework. EY evaluated the alignment of this Framework against the GLP and has concluded that the Green Debt Framework and any Green Debt issued under the Green Debt Framework is credible, impactful and aligns with the four components of the GLP and GBP.

Independent third party assurance will be sought on an annual basis to provide a post-issuance annual Verification Report confirming the ongoing compliance of Green Debt issuance with the Green Debt Framework. This will include confirmation that, while in construction, Parkline Place is on track to meet on or more of the green eligibility criteria and, at the end of construction, that Parkline Place meets the more or more of the green eligibility criteria.

Appendix 1. Roles and Responsibilities

ROLES & RESPONSIBILITIES						
TYPE	TASK	OBLIGED TO	METHOD	RESPONSIBILITY	OCCURRENCE	SECTION REFERENCED
External Verification	Seek assurance & verification	Bank Lenders	[] / CBI (if relevant) applications and approvals	IOM Sustainability Manager	Post trade	2.4 External Review
Green Loan Documentation	Incorporate Green Debt details into standard loan documentation	CBI (if relevant)/ Lenders	Facility Agreement	Treasurer	Within first 12 months since Financial Close	NA
Reporting	Asset value against aggregate Green Debt Face Value	Bank Lenders	Annual Report	Fund Manager	Annual	2.3 Management of Proceeds
	Provide yearly compliance statement	Bank Lenders	Annual Report	IOM General Manager Sustainability	Annual	2.4 External Review
	Non-compliance notification	CBI (if relevant)/ Bank Lenders	Letter	Fund Manager	As and when required by CBI (if relevant)/ External Verification	NA

Appendix 2. CBI Disclaimer

The certification of the Intellihub Green Loan as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Intellihub Green Loan or any Nominated Project, including but not limited to the Information Memorandum, the transaction documents, the Issuer or the management of the Issuer.

The certification of the Intellihub Green Loan as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of the Issuer and is not a recommendation to any person to purchase, hold or sell the Intellihub Green Loan and such certification does not address the market price or suitability of the Intellihub Green Loan for a particular investor. The certification also does not address the merits of the decision by the Issuer or any third party to participate in any Nominated Project and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any Nominated Project (including but not limited to the financial viability of any Nominated Project) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Nominated Project or the Issuer. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Nominated Project. The certification may only be used with the Intellihub Green Loan and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Intellihub Green Loan and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.