

Green Financing Framework

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OXFORD  investa



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1. Introduction

1.1 Purpose of the Green Financing Framework

Oxford Properties Group (**Oxford**) and Investa Property Group (**Investa**) have developed this Green Financing Framework (**Framework**) to outline the governance framework under which the Indi Build-to-Rent Platform (**the Indi Platform**) will execute and manage “green loans” (**Green Loans**) on an ongoing basis.

A Green Loan is a type of loan instrument used to finance or refinance projects, assets or activities with environmental benefits. Green Loans are based on ‘use of proceeds’ with borrowings transparently earmarked for eligible ‘green’ assets. It is global best practice for green loans to be arranged in line with the Asia Pacific Loan Market Association (APLMA) Green Loan Principles (**GLP**), the Climate Bonds Standard (to the extent of available criteria), as well as a number of country-specific guidelines.

Oxford and Investa have developed this Framework in line with the GLP, and adopts the four core components of the GLP:

1. Use of proceeds;
2. Process for evaluation and selection of Eligible Assets;
3. Management of proceeds; and
4. Reporting.

The GLP are voluntary process guidelines that are accepted as one of the main guidelines for the issuance of Green Loans globally.

The Framework also describes the approach to External Review, as recommended by the GLP. The Framework will apply to any Green Loan or other sustainable finance product issued by the Indi Build-to-Rent platform and will be applied as long as any such instrument is outstanding.

The Framework may be updated from time to time to ensure continued alignment with voluntary market practices, emerging standards and classifications. Any updated version of this framework will either maintain or improve current levels of transparency and reporting disclosures, including the corresponding External Review.

1.2 Oxford and Investa’s objectives in executing Green Loans

Oxford and Investa’s objectives in executing Green Loans are:






- to finance properties that will deliver positive environmental outcomes; and
- to encourage other groups by our example to invest in assets that deliver positive environmental outcomes.

2. Green Financing Framework

2.1 Use of Proceeds

Amounts drawn under Green Loans issued under the Framework will be used solely for the purpose of financing or refinancing assets or expenditure that meet the eligibility criteria to qualify as “Eligible Assets”. The identification of Eligible Assets is subject to the process outlined within section 2.2 below.

Amounts drawn under Green Loans issued under the Framework will be applied in a manner that is broadly consistent with the following: lude, but are not an exhaustive list:

ASSET CATEGORY	EXAMPLE USE OF PROCEEDS	SDG ALIGNMENT
Green Buildings	<ul style="list-style-type: none"> Proceeds directed towards certified buildings with a minimum 5 Star Green Star Design & As Built rating, and 30% BASIX Energy score Retrofitting of existing buildings to equal or above relevant certifications 	
Energy Efficiency	<ul style="list-style-type: none"> Proceeds are used for energy efficient processes in new or existing buildings e.g. reducing the need for heating and cooling, LED and motion sensor lighting, high performance lifts 	
Renewable energy	<ul style="list-style-type: none"> Proceeds towards renewable energy e.g. solar panels 	
Pollution Prevention and Control	<ul style="list-style-type: none"> Proceeds towards greenhouse gas emissions and/or waste reduction technologies 	
Sustainable Water & Wastewater Management	<ul style="list-style-type: none"> Water use reduction measures and water recycling measures e.g. greywater systems, rainwater collection, stormwater drainage 	

Eligible Assets are projects, assets or expenditure that deliver positive environmental outcomes consistent with the GLP and / or other market guidelines, principles or standards that may be developed domestically or globally from time to time. They may include assets under construction, or completed assets, that meet the Eligibility Criteria and align with the projects and assets recognised in the GLP. As at the date of this Framework the GLP recognises Green Buildings which meet regional, national or internationally recognised standards or certifications.

Eligibility Criteria may include:

- The relevant Climate Bonds Initiative (“CBI”) sector criteria available at the time of issuance (whether or not certification is sought); or
- Relevant market practice or criteria provided it is documented at the time issuance and maintained for the tenor.

All assets that are financed / refinanced with proceeds from the Green Loans must continue to meet the relevant Eligibility Criteria, via verification by a third-party assurer in the pre-issuance and post-issuance certification report, and annual reporting against this framework. Subject to such pre-issuance, post-issuance and annual reporting; the proceeds raised will remain green for the life of the facility.

The register of eligible assets is evaluated on an annual basis against the criteria outlined above. Any changes to the asset register will require annual external review and input from a qualified assurance provider to ensure the Eligible Assets continue to align with the GLPs and conform to the Eligibility Criteria. The outcome from any change in the asset register will be disclosed annually.

2.2 Process for evaluation and selection of Eligible Assets

The Investa Green Loan Working Group (IGLWG) has ultimate responsibility and accountability for the Framework, including Eligible Asset evaluation and selection, and all compliance, throughout the term of all Green Loans executed. The IGLWG consists of senior representatives from the Sustainability and Treasury teams.

To ensure the drawdown proceeds from a Green Loan will only be allocated to Eligible Assets, the IGLWG will manage the evaluation and selection process for assets to qualify as Eligible Assets, taking into account the following objectives, features and benefits:

- Conformance with Investa and Oxford’s sustainability objectives;
- Conformance with the GLP;
- Where CBI certification is sought, conformance with the Climate Bonds Standard;
- Conformance with any other relevant market guidelines, principles or standards that may be developed domestically or globally from time to time;
- Applying Investa’s own professional judgement, discretion and sustainability knowledge.

All Eligible Assets approved by the IGLWG during each financial year will be added to a register of Eligible Assets.

2.3 Management of Proceeds

The Indi Platform will only use the proceeds from Green Loans to finance or refinance Eligible Assets.

The Investa Treasury team will track the receipt and use of amounts drawn under Green Loan facilities via its internal reporting systems, ensuring Eligible Assets financed or re-financed by Green Loans are appropriately identified.

2.4 Reporting

The Indi Platform will report on the Framework and each executed Green Loan as follows:

Report	Timing
Framework	At the time of issuance under this Framework
Assurance Statements	Upon execution of each Green Loan and when subsequent assurance occurs
CBI certification	Where certified, at the time the certified Green Loan is executed
Sustainability Report	Annually

The Indi Platform will disclose the allocation of the Green Loan drawdown proceeds in its Sustainability Report. The information contained in the Sustainability Report may include the following:

- a) Summary: A list of all Green Loans executed during the reporting period and outstanding at the reporting date and summary terms of each transaction.

- b) Allocation Reporting: For each Green Loan, a list of Eligible Assets earmarked to be funded by the proceeds of the Green Loan;
- c) Impact Reporting: For each Green Loan, where appropriate, and based on the nature of the relevant Eligible Asset(s) and availability of information, the Indi Platform will report against the following indicators:

ELIGIBLE CATEGORY	POTENTIAL IMPACT METRICS
Green Buildings	<ul style="list-style-type: none"> 5 Star Green Star Design & As Built
BASIX Energy	<ul style="list-style-type: none"> 30% BASIX score
Pollution Prevention and Control	<ul style="list-style-type: none"> Greenhouse gas emissions savings of building/s (in tonnes of CO₂e)
Energy Efficiency	<ul style="list-style-type: none"> Energy efficient savings of building/s(MWh)
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> Water efficient savings and/or recycling (L)

These impact metrics will be reported on in full once the building is operational.

Where applicable the relevant benchmarks and calculation methodologies will be described. The Indi Platform will engage an independent third party to assure the contents of the disclosure. Investa has committed to best practice reporting for any Green Loans issued under this Framework in line with market best practice set out within the GLP.

3. External review of the framework

The Framework has initially been independently assured as to its alignment with the GLP by Ernst & Young. Each time the Indi Platform executes a Green Loan under this Framework, it will see one or more of the following options to review the Framework (if necessary) and the underlying Eligible Assets on a pre-issuance basis and on a post-issuance basis at least once during the tenor of each Green Loan:

- Assurance from an independent assurer;
- Second party opinion from an appropriately credentialed provider;
- Certification from the Climate Bonds Initiative.

The assurer will confirm that:

- The Framework is aligned to the GLP;
- The allocation of proceeds to Eligible Assets has been made (or will be made in the case of pre-issuance assurance) in accordance with this Framework.

The pre and post-issuance assurance statements will be published per the reporting schedule in Section 2.4, above if CBI certified.

4. Appendices

4.1 Reference documents

Investa Group Sustainability Report 2020

<https://www.investa.com.au/sustainability-report-2020>

United Nations Sustainable Development Goals (SDGs)

<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

APLMA/LMA/LSTA Green Loan Principles

https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

4.2 Earmarked Asset Register

	Net Lettable Area (m2)	Green Star	BASIX score
125 Bathurst Street	234 Apartments 350sqm Retail	5 Star As Built V1.3 (target)	30% Energy 47% Water (already achieved)

4.3 Contacts

Investa contacts are listed below who will be able to provide support to queries regarding the Framework and relevant transactions:

Lisa Story	Margot Black
Treasurer	General Manager, Corporate Sustainability
LStory@investa.com.au>	MBlack@investa.com.au

4.4 Record of Amendments to Framework

Date	Amendment	By Whom	Verified
06/10/2021	Original	Lisa Story	Ernst & Young

4.5 Disclaimer