

QIC Town Centre Fund

Type of Engagement: Annual Review

Date: 13 September 2024

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Introduction

In 2019, QIC Town Centre Fund (QTCF)¹, issued a green bond (the “2019 Green Bond”) and raised AUD 300 million to finance and refinance redevelopment of three Australian retail assets, namely: (i) Robina Town Centre (Gold Coast, Queensland), (ii) Grand Central (Toowoomba, Queensland) and (iii) Eastland (Ringwood, Victoria). In 2024, QTCF engaged Sustainalytics to review the projects financed with proceeds from the 2019 Green Bond (the “Nominated Expenditures”) and provide an assessment as to whether they met the use of proceeds criteria and whether QTCF complied with the reporting commitments outlined in the QTCF Sustainability Financing Framework (the “Framework”).² Sustainalytics provided a Second-Party Opinion on the Framework in June 2019.³ This is Sustainalytics’ fourth annual review of allocation and reporting of the instruments issued under the Framework, following a previous reviews in November 2021,⁴ August 2022,⁵ and September 2023.⁶

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and QTCF’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Green Buildings	Property upgrade projects, including energy efficiency investments, that achieve a minimum carbon emissions reduction (kg CO ₂ / m ₂) of 34% for each property (assuming a 10-year bond issued), relative to a business-as-usual baseline and meet the requirements for Climate Bonds Standard certification under the Low Carbon Buildings – Property Upgrade sector criteria. NOTE: For the first QSCF green bond/loan issuance eligible projects that meet the CBS	<ol style="list-style-type: none"> i. Green certifications obtained (Green Star, NABERS Energy etc.) ii. Percentage reduction in energy usage and GHG emissions intensity (Actual and Projected) in (kgCO₂e/m²) iii. Annual GHG emissions reduced/avoided, in tonnes of CO₂-equivalent

¹ As of 1st October 2021, the fund name was changed from QIC Shopping Centre Fund (QSCF) to QIC Town Centre Fund (QTCF).

² QIC, “QIC Shopping Centre Fund Sustainability Financing Framework”, (2019), at: https://edge.sitecorecloud.io/giclimited1-qiccom-prod-94af/media/Project/QIC/QIC/About-QIC/ESG_PDFs/QSCF-Sustainability-Financing-Framework.pdf

³ Sustainalytics, “Second-Party Opinion, QIC Shopping Centre Fund Sustainability Financing Framework”, (2019), at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/qic-shopping-centre-fund-qscf/qic-shopping-centre-fund-sustainability-financing-framework-second-party-opinion/qic-shopping-centre-fund-sustainability-financing-framework-second-party-opinion-pdf>

⁴ Sustainalytics, “QTCF Annual Review”, (2021), at: <https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/2020-qic-town-centre-fund-annual-review-letter.pdf>

⁵ Sustainalytics, “QTCF Annual Review”, (2022), at: <https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/qic-town-centre-fund-annual-review-final-letter.pdf>

⁶ Sustainalytics, “QTCF Annual Review”, (2023), at: <https://cdn.intelligencebank.com/au/share/qyp3/aRpl/YaBnz/original/2023+QIC+Town+Centre+Fund+Green+Bond+annual+review>

	Property Upgrade sector criteria will also include investments in energy efficiency and rooftop solar PV, which in aggregate contribute along with base building upgrades to exceed minimum carbon emissions intensity reduction target thresholds.	
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Issuer's Responsibility

QTCF is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from QTCF's 2019 Green Bond. The work undertaken as part of this engagement included collection of documentation from QTCF and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by QTCF. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by QTCF.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁷ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. QTCF has disclosed to Sustainalytics that the proceeds from the 2019 Green Bond were fully allocated as of June 2024.

⁷ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	QTCF reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation from the 2019 Green Bond

Use of Proceeds Category	Projects	Net Proceeds Allocated (AUD million)
Green Buildings	Eastland (Ringwood, VIC)	142.5
	Robina Town Centre (Gold Coast, QLD)	66.3
	Grand Central (Toowoomba, QLD)	91.2
Total Amount Allocated		300
Total Net Proceeds Raised from the 2019 Green Bond		300
Unallocated Amount		0

Appendix 2: Reported Impact

Table 4: Reported impact from the 2019 Green Bond

Use of Proceeds Category	Projects	Carbon Emissions Intensity Reductions (Scope 1 & 2)			
		Baseline Monthly GHG Intensity (kgCO ₂ /m ²)	2023 Actual Monthly GHG Intensity (kgCO ₂ /m ²)	Actual Monthly GHG Intensity Reduction vs Baseline Year (kgCO ₂ /m ²)	Estimated Annual GHG Avoided (Tonnes CO ₂ e)
Green Buildings Project	Eastland (Ringwood, VIC)	14 (2013)	6.4	7.6	12,367.7
	Robina Town Centre (Gold Coast, QLD)	9.1 (2013)	3.4	5.7	11,236.4
	Grand Central (Toowoomba, QLD)	12.6 (2014)	5.2	7.4	7,924.7

Table 5: Certification Obtained from the 2019 Green Bond

Use of Proceeds Category	Green Buildings Ratings Standard	NABERS Energy 2016	NABERS Energy 2023
Green Buildings Project	Eastland (Ringwood, VIC)	3.0 Star	4.5 Stars
	Robina Town Centre (Gold Coast, QLD)	3.0 Stars	5.5 Stars
	Grand Central (Toowoomba, QLD)	3.5 Stars	4.5 Stars

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