

QIC Town Centre Fund Green Bond Update

In 2019, QIC Town Centre Fund (QTCF) (formally QIC Shopping Centre Fund) issued a A\$300 million Climate Bond Initiative (CBI) certified green bond, a world-first for the retail property sector and an important milestone for QTCF, endorsing QIC Real Estate's progress and ongoing focus on sustainability. The Green Bond asset pool included three high-quality Australian retail assets which have undergone staged redevelopment programs and are part of a portfolio-wide rollout of energy efficiency program of works which will deliver further energy improvements. These assets are:



Carbon reduction initiatives implemented during the 2021 calendar year included the completion of the installation of a 4.8-Megawatt solar PV system at Robina Town Centre and a 0.75-Megawatt system at Grand Central. These two systems officially commenced supply in the second quarter of 2021 and are expected to reduce annual emissions at the centres by approximately 8,575 tonnes and 1,566 tonnes respectively.

QIC Real Estate also transitioned our Building Management System (BMS) service contract to a data driven maintenance service, exploiting the real-time plant and equipment monitoring provided by our partnership with CIM. This switch to a more proactive maintenance model helps to optimise the operation of our buildings and minimise resource wastage.

Other carbon reduction initiatives implemented during 2021 included the installation of Carbon Dioxide (CO₂) sensors in carparks at Eastland. These sensors control the operation of the ventilation fans, ensuring fans operate only when needed, reducing runtime and related energy consumption.

Significant reductions in the carbon emissions intensity at Eastland during 2021 must be considered in the context of the major impacts of COVID-19 lockdowns experienced in Victoria during 2021. Eastland experienced a 24% reduction in foot traffic during the 2021 calendar year compared to 2019.

This QTCF Green Bond update report has received limited assurance from Sustainalytics. Their annual review letter can be viewed [here](#).

Transaction Summary

Tenor	6 years
Issue amount	A\$300 million
Type of Instrument	Senior unsecured A\$MTN
Maturity Date	25 August 2025
Use of Proceeds	<p>The QTCF Green Bond has been issued in accordance with QIC Town Centre Fund Sustainability Financing Framework (the QTCF Framework) which has been developed to support and contribute towards meeting the United Nations Sustainable Development Goals (SDGs) and have met the criteria for certification by the Climate Bonds Initiative under the Climate Bonds Standard.</p> <p>The QTCF Green Bond has also been issued in line with the voluntary process guidelines for issuing Green Bonds published by the International Capital Market Association in June 2018 (the Green Bond Principles).</p> <p>The net proceeds from the issuance of the QTCF Green Bond has been fully allocated to the QTCF Green Bond asset pool for staged redevelopment of the following shopping centres:</p> <ul style="list-style-type: none"> (a) Eastland (b) Robina Town Centre (c) Grand Central <p>The staged redevelopment works for these three shopping centres, together with the QTCF portfolio-wide energy efficiency programme and solar PV rollout, will in aggregate contribute to deliver carbon emissions intensity reductions (kg CO₂/m²) for each of the shopping centres that meet the minimum requirements for Climate Bond Standards certification under the Low Carbon Buildings – Property Upgrade criteria. This requires a minimum 30% carbon emissions intensity reduction for a 5-year bond increasing to a minimum of 34% for a 10-year bond.</p> <p>The QTCF Green Bond has a tenor of 6 years which requires a minimum 30.8% carbon emissions intensity reduction.</p>

Allocation Reporting for SFT as of 30 June 2022

Eligible Green Bond Project Expenditure	\$1,025.6m
Green Bond Proceeds (100% allocated)	(\$300.0m)

The A\$300 million QTCF Green Bond proceeds have been fully allocated to the QTCF Green Bond project pool as at 30 June 2022, which comprised expenditure incurred for staged redevelopments of Eastland, Robina Town Centre and Grand Central.

Impact Reporting for SFT

Green Building Project		Eastland (Ringwood, VIC)	Robina Town Centre (Gold Coast, QLD)	Grand Central (Toowoomba, QLD)
QTCF Total Asset Balance (A\$ million)		493.3	238.6	293.7
Allocated Amount (A\$ million)		142.5	66.3	91.2
2021 Gross Lettable Area (GLA m2)		141,466	167,825	90,813
Carbon Emissions Intensity Reductions (Scope 1 & 2)	Baseline Monthly GHG Intensity (kgCO ₂ /m ²)	14 (2013)	9.1 (2013)	12.6 (2014)
	2019 Actual Monthly GHG Intensity (kgCO ₂ /m ²)	12.5	8.5	10.3
	2020 Actual Monthly GHG Intensity (kgCO ₂ /m ²)	8.4	8.4	8.5
	2021 Actual Monthly GHG Intensity (kgCO ₂ /m ²)	7.8	4.2	6.7
	Actual Monthly GHG Intensity Reduction vs Baseline Year (kgCO ₂ /m ²)	6.2	4.9	5.9
	Estimated Annual GHG Avoided* (Tonnes CO ₂ -e)	10,511.6	9,932.9	6,396.4
	Actual % Monthly GHG Intensity Reduction vs Baseline Year	44%	54%	47%
	% Monthly GHG Intensity Reduction Modelled (Baseline to Completion)	37%	42%	37%
Green Buildings Ratings Standard	NABERS Energy 2016	3.0	3.0	3.5
	NABERS Energy 2021	4.0	5.5	4.5

*Estimation calculation based on: Final GLA (m2) x (Monthly GHG Intensity - Baseline GHG Intensity) x 12 (months/yr) /1000 (kg/tonne).

**Baseline and current year performance are based on calendar year data.