

Oxford Properties Group

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Introduction

In November 2022, Oxford Properties Group (“Oxford” or the “Company”) issued a green bond (“2022 Green Bond”) to finance green buildings and projects contributing to pollution prevention and control and climate change adaptation in Canada and the United States. In December 2023, Oxford engaged Sustainalytics to review the projects financed with proceeds from the 2022 Green Bond and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Oxford Green Financing Framework (the “Framework”).¹ Sustainalytics provided a second-party opinion on the Framework in October 2022.²

Evaluation Criteria

Sustainalytics evaluated the projects funded with proceeds from the 2022 Green Bond based on whether they:

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

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

Oxford has communicated to Sustainalytics that it has allocated proceeds from the 2022 Green Bond to projects in the following use of proceeds categories:

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Green Buildings	<p>Investments in new or existing commercial or residential buildings, that meet any of the criteria defined below:</p> <p>New buildings: energy efficient buildings that are in the top 15% in their respective geographic regions.</p> <p>Building renovation: 30% reduced energy use compared to baseline.</p> <p>Green building certifications: received, or expect to receive based on its design, construction and operational plans, certification according to third party verified green building standards, such as:</p> <ul style="list-style-type: none"> • LEED Gold or above • NABERS 4.5 Star or above • BOMA Best Gold • BREEAM Excellent or above • other equivalent certification schemes, subject to the approval of the external reviewer 	<ul style="list-style-type: none"> • Green building certification (by building or square footage)

¹ Oxford Properties Group, “Oxford Green Financing Framework”, at:

[https://digitalasset.oxfordproperties.com/Attachments/impact/Oxford%20Green%20Financing%20Framework%20\(Final\)_20221028142654_0.pdf](https://digitalasset.oxfordproperties.com/Attachments/impact/Oxford%20Green%20Financing%20Framework%20(Final)_20221028142654_0.pdf)

² Sustainalytics, “Second-Party Opinion, Oxford Green Financing Framework”, (2022), at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/oxford-properties-group/oxford-green-financing-framework-second-party-opinion-\(2022\)/oxford-green-financing-framework-second-party-opinion-\(2022\)](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/oxford-properties-group/oxford-green-financing-framework-second-party-opinion-(2022)/oxford-green-financing-framework-second-party-opinion-(2022))

Pollution Prevention and Control	Investments that reduce and manage emissions and waste generated, including soil remediation, waste prevention, waste reduction, onsite composting and recycling.	<ul style="list-style-type: none"> • Percentage of construction and demolition waste being recycled. • Contaminated soil removed (in m³) • Area of former brownfield site restored (in hectares)
Climate Change and Adaptation	Investments that build resilience in real estate properties to extreme weather conditions or effects of climate change. This includes expenditures related to design, construction and upgrade of buildings for the adaptation to physical climate risk, such as flood defense improvements or storm water management systems.	<ul style="list-style-type: none"> • Restoration of shoreline as a flood defense mechanism • Green Building certification (by building or square footage)

Issuer’s Responsibility

Oxford is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from Oxford’s 2022 Green Bond. The work undertaken as part of this engagement included collection of documentation from Oxford and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Oxford. 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 Oxford.

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,³ 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. Oxford has disclosed to Sustainalytics that the proceeds from the 2022 Green Bond were fully allocated as of 30 November, 2022.

³ 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 the projects funded with proceeds from the 2022 Green Bond to determine if projects aligned with the use of proceeds criteria outlined in the Framework.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the 2022 Green Bond to determine if impact of projects was reported in line with the KPIs outlined in the Framework.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendix

Appendix 1: Allocation and Reported Impact

Use of Proceeds Category	Project Details	Environmental Impact Reported	Net Proceeds Allocation (CAD million) ⁴	Allocation %
Green Buildings	The Stack - 1133 Melville: A 37-storey commercial tower spanning across 550,000 square feet located in Vancouver, British Columbia, Canada.	<ul style="list-style-type: none"> Green Building certification achieved: CaGBC Zero Carbon Building - Design standard. LEED Platinum Core and Shell is under process. 	134	22.3%
	Capitol yards: A residential building with 756 units, located in Washington D.C., United States	<ul style="list-style-type: none"> Green Building certification achieved: LEED Gold. 	142	23.7%
	Ionis Campus: The campus includes three buildings spanning across 250,000 square feet. The campus has chemistry labs, biology labs, R&D support systems and office spaces and is located in San Diego, California, United States.	<ul style="list-style-type: none"> Green Building certification targeted: LEED Gold O&M certification is under process 	147	24.5%
Pollution Prevention and Control	Riverbend Business Park – Building 5 ⁵ : Construction of the multi-storey building included: i) Restoration of the shoreline along the Fraser River to provide resilient flood protection.	<ul style="list-style-type: none"> Removal of 310,000 m³ of contaminated soil over 26 hectares of a former brownfield site. Over 90% of project construction and demolition waste was recycled⁷ 	177	29.5%
Climate Change Adaptation	ii) Soil remediation for restoration of 65 acres of former brownfield site. ⁶ iii) Plantation of native vegetation.	<ul style="list-style-type: none"> Restored shoreline along the Fraser River to provide flood protection Green Building certification achieved: LEED Silver 		
Total allocated net proceeds (CAD million)			600	100%

⁴ Oxford has confirmed to Sustainalytics that the reported net proceeds, were allocated to refinance activities that occurred within 36 months preceding the date of issuance of the 2022 Green Bond, in accordance with the criteria defined under Oxford's Green Financing Framework.

⁵ Oxford has confirmed to Sustainalytics that the Riverbend Business Park – Building 5 project included a climate change vulnerability assessment and adaptation plan.

⁶ Oxford has confirmed to Sustainalytics that the expenditure for soil remediation was not on account of pollution or contamination of the soil as a result of Oxford's own activities.

⁷ Oxford has confirmed to Sustainalytics that the construction and demolition waste recycling process did not include chemical recycling projects.

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