

Second-Party Opinion

QIC Shopping Centre Fund (QSCF)

Sustainability Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the QSCF Sustainability Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018 and the Green Loan Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – (i) Green Buildings, (ii) Energy Efficiency, (iii) Renewable Energy, (iv) Sustainable Water & Wastewater Management, (v) Pollution Prevention & Control, (vi) Terrestrial & Aquatic Biodiversity Conservation, (vii) Clean Transportation, (viii) Access to Essential Services, and (ix) Socioeconomic Empowerment and Advancement are aligned with those recognized by the Sustainable Bond Guidelines 2018 and the Green Loan Principles 2018. Sustainalytics considers the Eligible Projects and Assets will contribute to reduce the environmental footprint of commercial buildings in Australia and can contribute to the socioeconomic advancement of vulnerable and underserved population groups in Australia. Sustainalytics views that the projects will advance UN SDGs 6,7, 9, 11 and 15.



PROJECT EVALUATION / SELECTION The project evaluation and selection process will be executed through a dedicated “Sustainability Financing Working Group” (SFWG) consisting of representatives from the QIC GRE’s sustainability team and the GRE Investment Governance & Analytics and GRE Capital teams. In addition to alignment with the eligibility criteria, all projects financed through green bonds or green loans should align with QIC GRE’s ESG Strategy & Minimum Standards and Environmental Targets. Sustainalytics views this process to be in line with market practice.



MANAGEMENT OF PROCEEDS Proceeds from the issuances will be tracked and reported through QIC’s internal information systems and financial records. Pending full allocation, QIC will invest the unallocated proceeds according to QSCF Treasury Policy. This process is aligned with market practices.



REPORTING QIC commits to provide allocation and impact reporting through an annual sustainable financing report QSCF Annual Sustainable Financing Report. The (i) allocation reporting will include the list of projects financed along with their respective descriptions and amounts, as well as the outstanding balance of unallocated proceeds. The (ii) impact reporting will, on a best effort basis, include relevant qualitative and/or quantitative environmental and social performance indicators tailored per each category. Sustainalytics views scope and granularity of the reporting to be in line with market practice.

Evaluation date	June 2019
Issuer Location	Brisbane, Australia

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For inquiries, contact the Sustainable Finance Solutions project team:

Lili Hocke (Amsterdam)
 Project Manager
 lili.hocke@sustainalytics.com
 (+31) 20 205 00 40

Mihai Cojocaru (Timisoara)
 Project Lead
 mihai.cojocaru@sustainalytics.com
 (+31) 20 888 7292

Nicholas Gandolfo (Singapore)
 Client Relations
 susfinance.apac@sustainalytics.com
 +852 3008 2391

Introduction

QIC Retail Pty Ltd. as trustee for QIC Shopping Centre Fund, (“QSCF”), owns a portfolio of Regional and Super-Regional town centres across Australia. The portfolio comprises 14 properties primarily situated in and around Australia’s major capital cities (the ‘Portfolio’). Totalling approximately 1,114,000 square metres and valued at AUD 6.2 billion (USD 4.2 billion as of 31 March 2019), the Portfolio is under the management of QIC’s Global Real Estate investment team (‘GRE’).

QSCF is managed by QIC, is Queensland Government owned corporation operating under the Australian Government Owned Corporations Act 1993 and the Queensland Investment Corporation Act 1991. QIC is one of the largest Australian investment managers with over AUD 86 billion (USD 61 billion) in assets under management.

QIC’s GRE investment team has developed the QSCF Sustainability Financing Framework (the “Framework”) under which QSCF intends to issue green bonds, green loans, social bonds and/or sustainability bonds (“Sustainability Financing Transactions”) and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that contribute to a reduction of the environmental footprint of commercial buildings in Australia and can contribute to the socioeconomic advancement of vulnerable and underserved population groups in Australia. The Framework defines eligibility criteria in nine areas:

1. Green Buildings
2. Energy Efficiency
3. Renewable Energy
4. Sustainable Water & Wastewater Management
5. Pollution Prevention & Control
6. Terrestrial & Aquatic Biodiversity Conservation
7. Clean Transportation
8. Access to Essential Services
9. Socioeconomic Empowerment & Advancement

QIC engaged Sustainalytics to review the QSCF Sustainability Financing Framework dated July, 2019, and provide a second-party opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2018 (SBG)¹ and the Green Loan Principles² This Framework has been published in a separate document.³

As part of this engagement, Sustainalytics held conversations with various members of QIC’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of QIC’s sustainability transactions. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the QSCF Sustainability Financing Framework and should be read in conjunction with that Framework.

¹ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

² The Green Loan Principles are administered by the International Capital Market Association and are available at: https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

³ The QSCF Green Bond Framework is available on QIC’s website at: <https://www.qicgre.com/>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the QSCF Sustainability Financing Framework

Summary

Sustainalytics is of the opinion that the QSCF Sustainability Financing Framework is credible and impactful, and aligns with the four core components of the Sustainability Bond Guidelines 2018 and the Green Loan Principles 2018. Sustainalytics highlights the following elements of the QSCF Sustainability Financing Framework:

Use of Proceeds:

- The use of proceeds categories of the QSCF Sustainability Financing Framework – (i) Green Buildings, (ii) Energy Efficiency, (iii) Renewable Energy, (iv) Sustainable Water & Wastewater Management, (v) Pollution Prevention & Control, (vi) Terrestrial & Aquatic Biodiversity Conservation, (vii) Clean Transportation, (viii) Access to Essential Services and (ix) Socioeconomic Empowerment & Advancement are recognized as impactful under the Sustainability Bond Guidelines 2018 and the Green Loan Principles 2018.
- While QSCF's framework includes several green and social categories, QSCF intends to dedicate the first issuance to building upgrades. Sustainalytics considers that the Eligible Projects and Assets will improve the environmental and GHG emission performance of QSCF's buildings under management. While reserved for QSCF's future issuances, Sustainalytics considers that rainwater harvesting projects, drainage systems, flood mitigation systems or water conservation projects, along with the projects addressing waste management and soil and land remediation, will reduce the environmental footprint and improve the climate change resilience of QIC's properties.
- Sustainalytics highlights that QSCF's green buildings eligibility criteria are based on energy efficiency upgrade projects with a minimum carbon emission reduction threshold of 34% over a 10-year trajectory, which is in line with the Low Carbon Buildings criteria set out by the Climate Bonds Initiative.⁴ Sustainalytics highlights that the Framework's alignment with the CBI criteria for low carbon commercial buildings is considered market best practice, as this standard requires the most stringent energy efficiency improvement measures in the market.
- Under the Energy Efficiency and Renewable Energy category, QSCF intends to replace energy distribution infrastructure within its buildings under management in order to improve and optimize the energy performance of the shopping centers and provide additional renewable energy generation facilities so as to make the buildings more energy independent. Sustainalytics assesses this engagement positively and views it as additional evidence for QSCF's commitment to expand its sustainable practices.
- QSCF intends to use part of the proceeds to finance social projects that help disadvantaged groups integrate into the job market or social enterprises. QSCF has internal requirement to integrate social aspects and benefits into each new project. Sustainalytics has made an assessment of the targeted population based a non-public document provided by QSCF. The document outlines the areas of support along with the definitions for vulnerable social groups per each social support category. While QIC GRE's understanding of vulnerable social groups includes long-term unemployed, seniors, socially-disadvantaged, or women and children suffering from domestic violence, and it mirrors the definitions set by the Australian Parliament⁵ for the population groups at risk, Sustainalytics highlights that there is no strict alignment between these definitions, which is seen as a limitation for selecting the target groups for social projects.
- QSCF does not include a look-back period for refinancing activities because of its business model. QSCF confirmed to Sustainalytics that real-estate development activities span over multiple years, typically extending beyond the regular 24-month period.

Project Selection and Evaluation Process:

- The project selection and evaluation process will be executed through a dedicated "Sustainability Financing Working Group" (SFWG) consisting of representatives from the QIC GRE's Sustainability Team and the GRE Investment Governance & Analytics and GRE Capital teams. Besides meeting the eligibility criteria, all projects financed through green bonds or green loans should align with QIC GRE's Strategy &

⁴ Climate Bonds Initiative Location Specific Criteria for Commercial Buildings available at: <https://www.climatebonds.net/standard/buildings/commercial/calculator#calculator>

⁵ Population groups at risk set out by the Australian Parliament are available at:

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/Browse_by_Topic/ClimateChangeold/effects/social/population

QSCF Sustainability Financing Framework

Minimum Standards and Environmental Targets. Sustainalytics had insight into QIC's GRE Strategy and Minimum Standards and is of the opinion that they provide an adequate assessment of environmental and social risks associated with buildings, thus providing assurance over the integration of relevant environmental considerations into QIC GRE's real estate selection process. Sustainalytics views this process aligned with current market practices.

Management of Proceeds:

- Proceeds from the bond/loan issuances will be tracked and reported by QIC's internal information systems and financial records. QIC will set up a register of all Eligible Projects & Assets which will be earmarked against the bonds and loans. Pending full allocation, QSCF will invest all unallocated proceeds according to QSCF Treasury Policy. Sustainalytics views that the process is in line with market practices.

Reporting:

- QSCF commits to disclose allocation and impact reporting through an annual QSCF Green Bond Report, which will be disclosed on QIC GRE's website. The (i) allocation reporting will include various transaction information including the list of projects financed along with their respective descriptions and amounts, as well as the outstanding balance of unallocated proceeds. The (ii) impact reporting will include on a best effort basis qualitative and/or quantitative environmental and social performance indicators tailored per each category, such as: green buildings certifications obtained, annual GHG emissions reduced or avoided (in tonnes of CO_{2e}), annual renewable energy generation (in MWh), annual water savings, number of EV charging stations provided, amount of water reduced, reused, recycled and/or diverted from landfill (tonnes), number of disadvantaged target populations provide with vocational training and/or access to relevant training programs. Sustainalytics views scope and granularity of the reporting to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the QSCF's Sustainability Financing Transactions align to the four core components of the Green Bond Principles 2018 and Social Bond Principles 2018. For detailed information please refer to Appendix 1: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy and Performance of the Issuer

Contribution of Framework to Issuer's sustainability strategy and targets

Sustainalytics considers that QSCF has a strong sustainability strategy and governance structure due to the following:⁶

- Explicit commitment to reduce its environmental footprint relative to energy and water consumption and waste generation by 20% by 2020 compared to the 2015 baseline.⁷ In addition, QIC aims to transition its energy consumption to renewable sources and implemented a target of 30% of QIC GRE baseload energy requirements to be derived from renewables by 2025. QIC implemented an overarching target to achieve a portfolio NABERS⁸ energy rating of 4 stars by FY2021/2022. Sustainalytics highlights that QSCF was in the top 20% of Global participants in the 2017 and 2018 Global Real Estate Sustainability Benchmark Real Estate Assessment. QSCF demonstrated achievements towards its commitment to reduce the negative environmental impact of its buildings under management. The company decreased the electricity intensity from 104 kWh/m² in FY2016 to 93 kWh/m² in FY2018 despite increasing its total floor area. Furthermore, QIC decreased its water intensity from 1,033 kL/m² in FY 2016 to 956 kL/m² in FY2018. QIC established an ESG Advisory Committee to provide advice to the board on QIC's overarching ESG strategy. As part of this strategy QIC GRE announced it would reduce its energy, water and waste levels by 20% by 2020 and derive 30% of its energy needs from renewable sources by 2025. In 2017, QSCF entered into an AUD 200 million (USD 139) senior debt facility with the Clean Energy Finance Corporation to undertake improvements in energy performance across the QSCF Portfolio.

⁶ QIC Sustainability Report 2018 available at: <https://www.qic.com.au/about-qic/corporate-information/-/media/BB54421EFEE4400FB15AC7003FA74A6F.ashx>

⁷ For QIC's Global Real Estate Division

⁸ NABERS or the National Australian Built Environment Rating System is an initiative rolled out by the Australian government to measure the environmental performance of Australian buildings. More information available at: <https://www.nabers.gov.au/>

Overall, Sustainalytics is confident that QSCF is well positioned to engage in sustainability transactions due to (i) QIC GRE's environmental performance, (ii) being in the top 20% Globally of the 2018 GRESB assessment for impactful real estate portfolios, and its (iii) strategic partnership with Clean Energy Finance Corporation. Sustainalytics considers that the sustainability transaction will further advance QIC GRE's sustainability practices and improve the energy and resource efficiency of its shopping centres.

Well positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the projects eligible under the QSCF Sustainability Finance Framework are recognized as impactful by market norms (Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines), Sustainalytics acknowledges that the eligible projects also bear social and environmental risks. Some key environmental and social risks associated with the eligible projects are unintended waste and wastewater discharges, fire risks, particulate and dust pollution from construction and development projects, along with health and safety issues, community relations risks or unintended impacts of social projects.

Sustainalytics is of the opinion that QIC is adequately positioned to mitigate environmental and social risk commonly associated with real estate development and operations due to the following elements:

- QIC established a three-tier system of accountability with regards to the management, oversight and assurance against environmental and social risks. QIC confirmed to Sustainalytics that it introduced a corporate structure dedicated to maintain the control over environmental risks stemming from QIC's operations.
- Additionally, Sustainalytics highlights that all of QSCF's eligible projects are located in Australia and are entirely subject to all applicable laws and regulations locally. Regulations related to real estate development and solar power generation require an environmental assessment,⁹ (Australian Environment Protection and Biodiversity Conservation Act 1999),¹⁰ which covers (i) avoidance of impacts, (ii) mitigation of potential impacts, (iii) environmental offsets designed to deal with cumulative impact on matters of national environmental significance (MNES) and to compensate for the impacts to MNES¹¹ and (iv) ongoing adaptive management to provide long-term solutions to protect MNES. Similarly, regulations related to real estate development and solar power generation must uphold to Australia's health and safety regulations, as per the legislation of each Australian state.¹²
- QIC has aligned its waste to energy projects with Queensland State Government Recycling and Waste policy and minimum emissions thresholds of 100 gCO₂/kWh and excludes landfilling from eligible waste management activities.
- With regards to the social uses of proceeds, Sustainalytics has reviewed private information on QIC GRE's Corporate Social Investment criteria enlisting primary areas of support, as well as community engagement commitments. Sustainalytics has evaluated the criteria and is confident that QSCF adequately defines relevant target populations both in terms of providing support for equal access to educational opportunity and support for overcoming social and economic disadvantage.

Section 3: Impact of Use of Proceeds

Contribution of low carbon buildings and renewable energy generation to meet Australia's Paris Climate Agreement commitments

The non-residential buildings, including commercial buildings, such as shops, hotels, restaurants and offices, industrial buildings, schools and hospitals are responsible for approximately 10% of Australia's greenhouse gas emissions (GHG).¹³ The Department of the Environment and Energy for the Australian Government

⁹ More information on the environmental assessment on Australia available on The Australian Government Department of the Environment and Energy available at: <https://www.environment.gov.au/protection/environment-assessments>

¹⁰ The Environment Protection and Biodiversity Conservation Act 1999 available at: <https://www.environment.gov.au/epbc/about>

¹¹ For impacts that cannot be avoided or mitigated; more information available on the Guide to Undertaking Strategic Assessments as part of the Environment Protection and Biodiversity Conservation Act 1999, available at: https://www.environment.gov.au/system/files/resources/0896f6de-4473-4c0e-bb2a-1ceeae34867c/files/strategic-assessment-guide_1.pdf

¹² Workers Health and Safety/Organization Health and Safety acts, regulations and codes of practice available at: <https://www.business.gov.au/risk-management/health-and-safety/whs-oh-and-s-acts-regulations-and-codes-of-practice>

¹³ More information available on the Australian Government Department for Foreign Affairs and Trade website available at: <https://dfat.gov.au/trade/services-and-digital-trade/Pages/the-importance-of-services-trade-to-australia.aspx>

calculated that a typical office building's HVAC (heating, ventilation and air conditioning)¹⁴ system accounts for approximately 40% of the total building energy consumption.¹⁵ Current estimations indicated that Australia is likely to miss^{16, 17} its Paris Climate Agreement commitments to reduce its GHG emissions by 26% to 28% by 2030,¹⁸ indicate the importance of expansion of low carbon buildings in Australia.

Similarly, as Australia is accounted to receive radiation in the amount of 5.6 gigajoules (or 1.6 MWh per m²) every year,¹⁹ with a total solar energy potential 10,000 times larger than its current annual energy consumption, Sustainalytics views the contribution of private sector investments in solar power to be impactful. Additionally, the expansion of solar power plants will bridge the renewable energy gap in Australia from the current baseline of 18% solar power generation in its national energy mix.²⁰ With more than 58 million petajoules in annual solar radiation, Australia has a solar energy generation potential of 10,000 larger than its total energy consumption.²¹ As of February 2019, small-scale rooftop solar PV generation reached 8GW in installed capacity, with a two-digit monthly growth rate in all Australian states.²²

In this sense, Sustainalytics considers that the QIC's expansion of rooftop solar power PVs will contribute to an energy use reduction in commercial buildings, in line with Australia's expansion towards more solar power generation across all of its states.

Impact of education and vocational training for underprivileged groups in Australia

QIC intends to use part of the proceeds from the Sustainability Financing Transactions will to finance or refinance eligible social projects such as vocational trainings for disadvantaged or underserved groups including unemployed, disabled and indigenous populations or financing support for social enterprises. The activities are part of the company's effort to include social aspects into each project development, which provide affordable housing, crisis accommodation, practical industry relevant training to link long-term unemployed, seniors and the socially disadvantaged people to retailers.²³

Social enterprises employ twice the rates of Australians with disabilities and 2% of Indigenous Australians compared to regular private organizations.²⁴ Experts indicated that the current barrier to the growth of these companies is insufficient access to funding, an element which is even so more detrimental since more than 20,000 social operate in Australia, a large part being driven by large corporations sourcing goods from such social enterprises. It is in this sense that Sustainalytics is of the opinion that QIC can contribute to bridge the funding gap, and expand skills training offerings for underserved communities in Australia.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This sustainability bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial
Pollution Prevention & Control		

¹⁴ HVAC or Heating, Ventilation and Air Conditioning systems gather all technologies providing support for indoor environmental comfort.

¹⁵ Average daily sunshine hours for Australia, information retrieved from: <http://www.bom.gov.au/watl/sunshine/>

¹⁶ Information retrieved from the Climate Council website available at: <https://www.climatecouncil.org.au/australia-not-on-track-to-meet-climate-targets/>

¹⁷ Australia's emissions projections document released by the Australian Government Department of the Environment and Energy available at: <http://www.environment.gov.au/system/files/resources/128ae060-ac07-4874-857e-dced2ca22347/files/australias-emissions-projections-2018.pdf>

¹⁸ Compared to the 2005 baseline; information retrieved from the Australian Government Department of the Environment and Energy available at: <https://www.environment.gov.au/climate-change/publications/factsheet-australias-2030-climate-change-target>

¹⁹ Information retrieved from the Australian Renewable Energy Agency document available at: <https://arena.gov.au/assets/2013/08/Chapter-10-Solar-Energy.pdf>

²⁰ Australian Energy Update document released by the Australian Government Department of the Environment and Energy available at: https://www.energy.gov.au/sites/default/files/australian_energy_update_2018.pdf

²¹ Information retrieved from Geoscience Australia, an Australian Government Agency that carries geoscientific research. More information available at: <https://www.ga.gov.au/scientific-topics/energy/resources/other-renewable-energy-resources/solar-energy>

²² Information retrieved from the Institute for Energy Economics and Financial Analysis, more information available at: <http://ieefa.org/australia-rooftop-solar-tops-8gw-mark/>

²³ Information provided by QIC

²⁴ Information retrieved from: <https://www.smartcompany.com.au/growth/social-enterprises-building-inclusive-australian-economy/>

		processes, with all countries taking action in accordance with their respective capabilities.
Energy Efficiency Renewable Energy	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency. 7.2 By 2030, substantially increase the share of renewable energy in the global energy mix.
Sustainable Water & Wastewater Management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Terrestrial & Aquatic Biodiversity Conservation	15. Life on Land	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species. 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Access to Essential Services Socioeconomic Empowerment & Advancement	4. Quality Education 8. Decent Work and Economic Growth	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations. 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Conclusion

QIC Shopping Centre Fund (QSCF) has developed the QSCF Sustainability Financing Framework under which the company intends to issue green bonds, green loans, social bonds and/or sustainability bonds and use the proceeds to finance or refinance projects related to its buildings including the following categories: (i) Green Buildings, (ii) Energy Efficiency, (iii) Renewable Energy, (iv) Sustainable Water & Wastewater Management, (v) Pollution Prevention and Control, (vi) Terrestrial & Aquatic Biodiversity Conservation, (vii) Clean Transportation, (viii) Access to Essential Services and (ix) Socioeconomic Empowerment & Advancement. Sustainalytics considers that the Framework is aligned with QSCF sustainability objectives and track record, and views that the financing of Eligible Projects and Assets will contribute to the overall reduction of the environmental footprint of commercial buildings in Australia and the socioeconomic advancement of vulnerable and underserved population groups in Australia.

While QSCF does not disclose a lookback period, overall, QSCF's project selection and evaluation, management of proceeds as well as reporting is aligned with market practice.

Overall, Sustainalytics considers that QIC Shopping Centre Fund is well positioned to engage in Sustainability Financing Transactions and that the QSCF Sustainability Financing Framework is credible, transparent and in alignment with the four components of the Green Bond Principles 2018, the Social Bond Principles 2018, the Sustainability Bond Guidelines 2018 and the Green Loan Principles.

Appendices

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	QIC Finance (Shopping Centre Fund) Pty Ltd
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	QIC Shopping Centre Fund (QSCF) Sustainability Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	July 2019

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs and SBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The use of proceeds categories of the QSCF Sustainability Financing Framework – (i) Green Buildings, (ii) Energy Efficiency, (iii) Renewable Energy, (iv) Sustainable Water & Wastewater Management, (v) Pollution Prevention & Control, (vi) Terrestrial & Aquatic Biodiversity Conservation, (vii) Clean Transportation, (viii) Access to Essential Services and (ix) Socioeconomic Empowerment & Advancement are recognized as impactful under the Sustainability Bond Guidelines 2018 and the Green Loan Principles 2018.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input checked="" type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|--|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |

- Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs
 Other (please specify):

If applicable please specify the social taxonomy, if other than SBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The project selection and evaluation process will be executed through a dedicated "Sustainability Financing Working Group" (SFWG) consisting of representatives from the QIC GRE's Sustainability Team and the GRE Investment Governance & Analytics and GRE Capital teams. Besides meeting the eligibility criteria, all projects financed through green bonds or green loans should align with QIC GRE's Strategy & Minimum Standards and Environmental Targets. Sustainalytics had insight into QIC's GRE Strategy and Minimum Standards and is of the opinion that they provide an adequate assessments of environmental and social risks associated with buildings, thus providing assurance over the integration of relevant environmental considerations into QIC GRE's real estate selection process. Sustainalytics views this process aligned with current market practices.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): documented process to identify and manage potential ESG risks available for eligible green projects. |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
 In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Proceeds from the bond/loan issuances will be tracked and reported by QIC's internal information systems and financial records. QIC will set up a register of all Eligible Projects & Assets which will be earmarked against the bonds. Pending full allocation, QSCF will invest all unallocated proceeds according to QSCF Treasury Policy. This process is aligned with market practices. Sustainalytics views that the process is in line with market practices.

Tracking of proceeds:

- Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

QSCF commits to disclose allocation and impact reporting through an annual QSCF Green Bond Report, which will be disclosed on QIC GRE's website. The (i) allocation reporting will include various transaction information including the list of projects financed along with their respective descriptions and amounts, as well as the outstanding balance of unallocated proceeds. The (ii) impact reporting will include on a best effort basis qualitative and/or quantitative environmental and social performance indicators tailored per each category, such as: green buildings certifications obtained, annual GHG emissions reduced or avoided (in tonnes of CO2e), annual renewable energy generation (in MWh), annual water savings, number of EV charging stations provided, amount of water reduced, reused, recycled and/or diverted from landfill (tonnes), number of disadvantaged target populations provide with vocational training and/or access to relevant training programs. Sustainalytics views scope and granularity of the reporting to be in line with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): list of eligible projects and expenditures earmarked to be funded by the proceeds of the | |

SFT, description of major eligible projects, the remaining balance of unallocated proceeds

Frequency:

- Annual
 Semi-annual
 Other (please specify):

Impact reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 Other (please specify):

Frequency:

- Annual
 Semi-annual
 Other (please specify):

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify): green certifications obtained, (Green Star, NABERS Energy etc.), % reduction in energy usage and GHG emissions intensity (actual and projected – in kgCO _{2e} /m ²), % annual energy reduced / avoided in MW, capacity of energy generation of plant (in MW), annual renewable energy generation (in MWh), annual water savings, annual volume of wastewater treated or avoided, capacity of plants being built, project's effect on increased resilience to climate change, area under conservation or preservation, biological diversity, number of EV charging stations provided, length of cycleways provided, estimated reduction in car use in km driven, amount of waste reduced, reused, recycled and/or diverted from landfill (in tonnes), amount of waste separated and/or collected and treated (including composting – in tonnes and %), amount of soil and land |

remediated, amount of runoff reduced, number of disadvantaged target population member provided with vocational training or job access (e.g. unemployed, disabled or indigenous), case studies, number of people provided with access to programs including training, on the job training and job creation schemes, number of social enterprises supported.

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): annual sustainable financing report available on QIC GRE website: https://www.qicgre.com/ |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

https://www.qicgre.com/

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental and social sustainability or other aspects of the issuance of a Sustainability Bond, such as the establishment/review of an issuer's Sustainability Bond framework. "Second Party Opinions" may fall into this category.
- ii. **Verification:** An issuer can have its Sustainability Bond, associated Sustainability Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally and socially sustainable features of underlying assets may be termed verification and may reference external criteria.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against an external green and social assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- iv. **Rating:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework rated by qualified third parties, such as specialized research providers or rating agencies. Sustainability Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Sustainability Bond frameworks / programmes.

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