

STOCKLAND CAPITAL PARTNERS LIMITED ATF THE M PARK TRUST ("STOCKLAND") GREEN DEBT FRAMEWORK

DNV VERIFICATION OPINION

Scope and Objectives

Stockland Corporation Limited ("Stockland") is one of the largest diversified property groups in Australia with \$15.5 billion of real estate assets and a development pipeline of approximately \$40 billion, including Retail Town Centres, Workplaces, Logistics centres, Apartments and Master planned and Land Lease Communities. Stockland has received global recognition for many years for its holistic approach to environmental, social and governance (ESG) matters.

Ivanhoé Cambridge ("Ivanhoé Cambridge") develops and invests in high-quality real estate properties, projects and companies that are shaping the urban fabric in dynamic cities around the world. It is the real estate subsidiary of Caisse de dépôt et placement du Québec and as of December 2022, Ivanhoé Cambridge held approximately CAD \$77 billion in real estate assets. The company does this responsibly, with a view to generate long-term performance. Ivanhoé Cambridge is committed to creating living spaces that foster the well-being of people and communities, while reducing its environmental footprint. The company invests internationally alongside strategic partners and major real estate funds that are leaders in their markets. Through subsidiaries and partnerships, Ivanhoé Cambridge holds interest in 1,500 buildings, primarily in the industrial and logistics, office, residential and retail sectors.

Stockland and Ivanhoé Cambridge entered into a conditional agreement for the construction of the M Park Precinct. The M Park Precinct is a life sciences and technology precinct in Macquarie Park. The initial stage is pre-leased to tenants including Johnson & Johnson Family of Companies, WiSE Medical and a multinational data centre operator.

The Stockland and Ivanhoé Cambridge Joint Venture (hereinafter referred to as "JV") has developed the Green Debt Framework ("Framework") to demonstrate how they intend to manage green financing for Stockland Capital Partners Limited ATF The M Park Trust in relation to the development of the M Park Precinct. The Framework is also intended to align with the Green Loan Principles ("GLP"), issued by the Loan Market Association ("LMA"), the Loan Syndications and Trading Association ("LSTA"), and the Asia Pacific Loan Market Association ("APLMA") in February 2023; as well as other external criteria where applicable, such as the Climate Bond Standards ("CBS") v4.0.

The Framework describes the process of using Green Loans (collectively as "Use of Proceeds Instruments" or "UoPTs") to contribute towards sustainable development by earmarking the proceeds to finance, or refinance, projects and expenditures that fall within the categories of Eligible Green Projects described in this Framework and deliver positive environmental outcomes which support the JV's strategy and vision.

DNV notes the nominated asset meets the eligibility criteria set forth by the GLP, meaning that UoPTs automatically satisfy the GLP Eligible Green Projects definitions as listed below:

- Green Buildings

DNV Business Assurance Australia Ltd. (“DNV”) has been commissioned by Stockland to review the Framework and provide a Second Party Opinion on the Framework in relation to alignment with the GLP¹ published in February 2023.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. DNV’s objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Stockland Partnership and DNV

The management of Stockland has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Stockland’s management and other interested stakeholders in the Framework as to whether the Framework is aligned with the GLP. In our work we have relied on the information and the facts presented to us by Stockland. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Stockland’s management and used as a basis for this assessment were not correct or complete.

DNV is not responsible for any aspect of the nominated assets referred to in this Schedule 1 of this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Stockland’s management and used as a basis for this assessment were not correct or complete.

Basis of DNV’s opinion

DNV has conducted the verification against the CBS v4.0 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS v4.0 and the relevant technical criteria. The detail of areas covered in the DNV verification is summarised in Schedule 2 below.

DNV has conducted the verification against the GLP and relevant project criteria in parallel to the CBS v4.0 Pre-Issuance Verification. A summary of compliance with the GLP is included in Schedule 3 below.

¹ <https://www.lsta.org/content/green-loan-principles/>

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Stockland in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the Loans' nominated projects and assets, as described above and in Schedule 2 to this Opinion;
- Verification of compliance with the GLP as described above and in Schedule 3 to this Opinion;
- Assessment of documentary evidence provided by Stockland on the Loans and supplemented by a high-level desktop research,
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV has performed the Pre-Issuance Verification of the Green Loan. It is DNV's responsibility to provide an independent verification statement on the compliance of the Loan with the **Climate Bonds Standard V4.0** and the **Green Loan Principles** dated February 2023 and issued by the APLMA, LMA and the LSTA, collectively referred to as the Principles & Standards.

DNV conducted the verification in accordance with the Principles & Standards and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Principles & Standards were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming with the Principles & Standards and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Framework, and other associated documentation, meet the requirements of the Principles & Standards.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Green Loan is not, in all material respects, in accordance with the Pre-Issuance requirements of the CBS, the associated sector Technical Criteria (Commercial Buildings), and the GLP.

For DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia / 27 November 2023



Thomas Leonard
Team Leader



Jerus D'Silva
Peer Reviewer

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS

GLP Eligible Green Project Categories	CBS Eligible Criteria and Description	Location
Green Buildings	Commercial buildings <ul style="list-style-type: none"> Asset name: M Park (Stage 1) Building A 	Australia
	Commercial buildings <ul style="list-style-type: none"> Asset name: M Park (Stage 1) Building C 	Australia
	Commercial buildings <ul style="list-style-type: none"> Asset name: M Park (Stage 1) Building D 	Australia

SCHEDULE 2: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard v4.0

A full verification is provided in the associated Verification protocol.

The criteria against which Stockland and its nominated projects & assets have been reviewed prior to inclusion in the loan are grouped under the requirements as detailed within the CBS including:

Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated projects & assets which are proposed to be associated with the Loans and which have been assessed as eligible activities under the CBS related Sector Criteria
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer.
Reporting Prior to Issuance	The Borrower shall prepare a Green Financing Framework and make it available prior to Issuance or at the time of issuance to lenders
Reporting	Reporting on use of proceeds and nominated projects and assets

Part B: Post-Issuance Requirements

Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loans and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets

Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer
Reporting	Reporting on use of proceeds and nominated projects and assets

Part C: Eligible projects and physical assets

Nominated projects and assets include financing or refinancing of or investments in equipment and systems which enable the mitigation of greenhouse gases, as detailed in Schedule 1.

Eligible Green Project Categories	GLP Eligible Criteria and Description	CBI Criteria
Green Buildings	Green buildings (that meet regional, national or internationally recognised standards or certifications for environmental performance).	(April 2023) CBI Buildings Sector Criteria – Commercial Buildings

Part D: Certification under the Climate Bonds Standard

Area	Requirement
Pre-Issuance Certification	The Borrower of a Climate Bonds Standard Certification must satisfy the Pre-Issuance Certification requirements including the completion of all forms, Pre-Issuance Verification by an approved verifier and provision of relevant information
Post-Issuance Certification	The Borrower of a Climate Bonds Standard Certification must satisfy the Post-Issuance Certification requirements including the completion of all forms, Post-Issuance Verification by an approved verifier and provision of relevant information
Maintaining Certification	The Borrower shall provide annual reporting to the CBI and comply with non-conformance correction as required

SCHEDULE 3: GREEN LOAN PRINCIPLES (GLP) ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Financial Instrument	<p>The Loan must fall in the following category, as defined by the Green Loan Principles:</p> <ul style="list-style-type: none"> Loan instrument made available for a Green project (Green Use of Proceeds Loans) 	<p>The Stockland Green Debt Framework clearly describes the intention for the new proceeds borrowed under the terms of the Framework.</p> <p>The net proceeds of each Green Loan drawn under this Framework will be used to exclusively finance the construction of the M Park Precinct, including Buildings A, C, and D. Details on the different buildings which will be financed from the net proceeds of drawn under this Framework, can be referenced under Schedule 1.</p> <p>The reviewed evidence confirms that the UoPTs fall in the category: Green Use of Proceeds Loans. DNV confirms these to be in line with the GLP.</p>
1b	Green Project Categories	<p>The cornerstones of Green Loans are the utilization of the proceeds of the Green Loan which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project categories presented in the Framework by Stockland are as follows:</p> <ul style="list-style-type: none"> Green Buildings <p>DNV notes that these categories are considered Eligible Categories by the GLP.</p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>Stockland mentioned it has a strong commitment to sustainability through its holistic approach to environmental, social, and governance (ESG) matters. Stockland’s focus through the listed eligible green projects is to ensure a high NABERS rating for the buildings as well as to ensure that the three listed buildings under the Framework in the M Park Precinct will be 100% powered by renewables and net-zero carbon emissions in operation. This is also embedded within Stockland’s vision and strategy, through the acceleration of achieving net-zero Scope 1 and Scope 2 emissions targets by 2025.</p>

			DNV considers it well described in the Framework and Stockland’s ESG strategy by selecting environmentally beneficial projects from the start that are assessed using efficiency-based criteria or the GLP.
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that borrowers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<p>The proceeds from the Green Loans issued under the Framework will be solely earmarked for financing the M Park Precinct. The finance vs refinancing share may be defined on a per-case basis.</p> <p>From the Framework</p> <p><i>The net proceeds of each Green Loan drawn under this Framework will be used to exclusively finance the construction of the M Park Precinct, including Buildings A, C, and D.</i></p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The borrower of a Green Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • The environmental objectives of the Eligible Assets; • The process by which the issuer determines how the projects fit within the Eligible Asset categories; and • Complementary information on processes by which the issuer identifies and manages perceived environmental and 	<p>The Framework describes the eligibility qualification of the selected asset, which is the M Park Precinct. The Framework also indicates that all proceeds raised under this Green Debt Framework will be used exclusively to finance the construction of the M Park Precinct.</p> <p>The Framework will be maintained, updated, and reviewed to align with developing standards, principles, market best practice, taxonomies and/or regulatory developments at least annually by the relevant group nominated by Stockland.</p> <p>The design and construction of buildings A, C, and D in the M Park Precinct include sustainability commitments which allows for the buildings to be identified as Green Buildings on the basis of:</p> <ul style="list-style-type: none"> • 6 Star Greenstar (Design & As Built); and • 5.5 NABERS Energy rating.

		social risks associated with the relevant project(s).	DNV confirms that the process for evaluation and selection described in the Framework ensures that the net proceeds of the Green Loans drawn under the Framework are well aligned with the criteria of the GLP.
2b	Issuer / borrower’s environmental and governance framework	<p>Borrowers are also encouraged to:</p> <ul style="list-style-type: none"> • Position the relevant information within the context of the borrower’s overarching objectives, strategy, policy and/or processes relating to environmental sustainability. • Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria. • Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s). 	<p>Stockland is guided by their sustainability commitments, which will be monitored by the M Park Project Control Group (“PCG”). The PCG consists of representatives from each of the following teams from Stockland:</p> <ul style="list-style-type: none"> • Project Management • Asset Management • Leasing • Finance • Sustainability <p>The Framework also indicates a process in place for governing the selection process, in particular referring to regular M Park PCG meetings which will consist of reviews of the following:</p> <ul style="list-style-type: none"> • construction is on track to meet one or more of the Green Eligibility Criteria and meets one or more of the Green Eligibility Criteria once construction is completed; • other matters relevant to the Green Debt Framework and Green Eligibility Criteria; and • any legislative or regulatory changes which may impact the Green Debt Framework. <p>DNV finds that these organisational principles and governance procedures are well aligned with the criteria of the GLP.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	(Loan) The proceeds of Green Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product.	The Framework states that Stockland will track both the Green Debt Instruments issued under this Framework and the use of the Green Debt proceeds. Details recorded of the Green Debt Instruments include key information such as Borrower entity, transaction date, principal amount of proceeds, settlement date, maturity date, and interest margin or coupon, ISIN number, etc.

		<p>Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</p>	<p>Management of the proceeds will in all other respects be consistent with the Stockland Green Debt Framework. Allocation of the net proceeds of each Green Loan (or an amount equal to those net proceeds) will be done within 36 months following receipt.</p> <p>DNV has reviewed the evidence presented and can confirm that the proceeds arising from the Green Loans will be appropriately managed and are aligned with the criteria in the GLP.</p>
<p>3b</p>	<p>Tracking procedure</p>	<p>So long as the Green Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.</p>	<p>Stockland commits to precisely monitoring the balance of the tracked proceeds drawn under the Framework. Stockland has accounting and financial management and information systems to track and report on Eligible Green Projects and verify whether the net proceeds of the Green Loans have been fully allocated. Pending its application, the net proceeds of each Green Loan will be credited to a dedicated bank account for the Green Loan.</p> <p>The Framework also indicates that where a Green Loan takes the form of one or more tranches of a loan facility, each green tranche will be clearly designated, with proceeds of the green tranche(s) credited to a separate bank account for the Green Loan.</p> <p>DNV confirms that the tracking procedure committed to by Stockland is well aligned with the relevant criteria of the GLP and meets the standards for managing net proceeds drawn under the Green Debt Framework.</p>
<p>3c</p>	<p>Temporary holdings</p>	<p>Pending such investments or disbursements to eligible Green Projects, the Borrower should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.</p>	<p>Stockland confirms that net proceeds drawn from Green Loans under this Framework will be allocated fully to the M Park Precinct and ensures that any unallocated proceeds will be tracked for issuance to the project.</p> <div data-bbox="987 1238 2083 1447" style="background-color: #e6f2ff; padding: 5px;"> <p>From the Framework</p> <p><i>So long as Green Loans are outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to Eligible Green Projects made during that period. If there are any unallocated proceeds during this period, Stockland's Treasury team will temporarily invest the balance of unallocated proceeds with an amount equal to the balance of the proceeds in:</i></p> </div>

			<p>a) <i>Cash, or cash equivalents, within a Treasury function;</i></p> <p>b) <i>Other investment instruments that do not include greenhouse gas intensive projects or assets which are inconsistent with the delivery of a low carbon and climate resilient economy; or</i></p> <p>c) <i>Apply the unallocated balance to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursement to a proposed Eligible Assets.</i></p> <p>DNV confirms that this procedure for the tracking and management of net proceeds is well aligned with the criteria of the GLP.</p>
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4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	<ul style="list-style-type: none"> • Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments. • The annual report should include a list of the projects to which Green Loan proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. • Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GLP recommend that information is 	<p>Stockland commits to reporting on outstanding balances of the Green Loans and recognizes the importance investors place on transparency and disclosure relating to Sustainability and Sustainable Finance transactions.</p> <p>Stockland will ensure to make the following information available to its lenders:</p> <p style="background-color: #004A87; color: white; padding: 2px;">From the Framework</p> <ul style="list-style-type: none"> d) <i>the Framework prior to the first Green Debt issuance and provide any updates to Green Debt lenders as amended from time to time;</i> e) <i>the Second Party Opinion received pre-issuance and provide to Green Debt lenders (or the extent allowed by the report provider);</i> f) <i>annual Assurance Statement during the life of Green Debt issued under the Framework;</i> g) <i>CBI Certification (if applicable);</i> h) <i>Use of Proceeds reporting: Annually for each outstanding Green Bond or Loan, Social Bond or Loan, or Sustainability Bond (or any other "Use of Proceeds" Sustainable Finance transaction), including:</i> <ul style="list-style-type: none"> ▪ <i>A list of Eligible Green Projects earmarked to be funded by the Green Loan and their description</i>

		<p>presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).</p>	<ul style="list-style-type: none"> ▪ <i>Amount of proceeds allocated to the Eligible Green Project</i> ▪ <i>Aggregate amount of proceeds allocated to Eligible Green Projects</i> ▪ <i>an update regarding whether the Eligible Green Projects are on track to meet one or more of the Green Eligibility Criteria</i> ▪ <i>The remaining balance of unallocated proceeds</i> ▪ <i>At the end of construction, annual reporting will include confirmation that the Eligible Green Projects meets the one or more of the Green Eligibility Criteria; and</i> <p><i>i) Impact Reporting: Stockland will endeavour to report on the environmental and social impacts resulting from the Eligible Green Projects. Subject to the nature of Eligible Green Projects and availability of information, we will look to utilise potential environmental impact reporting indicators summarised below with guidance provided by the ICMA Impact Reporting Metrics and Databases , subject to the availability of information and confidentiality requirements. Impact indicators will be reported on in full once the Eligible Green Projects is operational.</i></p> <p>DNV is confident that the proposed reporting is consistent with the criteria set out in the GLP.</p>
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