



Growthpoint Properties Australia Sustainable Debt Framework

Purpose

Growthpoint Properties Australia (**Growthpoint**) is committed to conducting its business to the highest standard and a culture of corporate compliance, integrity and responsible and ethical behaviour. Additionally, we are committed to reducing, and where appropriate and possible, improving environmental and social outcomes through our operations. This includes utilising sustainable debt instruments to support our business.

The purpose of this document (**Framework**) is to outline the process under which Growthpoint intends to issue and manage its sustainable debt products across its operations.

This Framework has been prepared in alignment with the Sustainability Linked Loan Principles 2023 (**SLLP**) established by the Loan Market Association, Asia Pacific Loan Market Association and the Loan Syndications and Trading Association. Whilst Growthpoint acknowledges that these market standards are voluntary, they are accepted to be best practice and help guide sustainable debt transactions that are material and ambitious, and we have sought to structure our Framework to align with these standards.

Introduction to Growthpoint

Growthpoint (ASX: GOZ) is a real estate investment trust (REIT), listed on the ASX, and is part of the S&P/ASX 200. We provide spaces for businesses to thrive. Since 2009, we have been investing in high-quality industrial and office properties across Australia.

Today, we have \$6.6 billion¹ total assets under management. We directly own and manage 58 high quality, modern office and industrial properties, valued at approximately \$4.8 billion¹.

We manage a further \$1.8 billion¹ on behalf of third-party investors through our funds management business, which manages funds that invest in office, retail and mixed-use properties across value-add and opportunistic strategies.

We actively manage our portfolio and invest in our existing properties, ensuring they meet our tenants' needs now and into the future. We are also focused on growing our property portfolio.

We are committed to operating in a sustainable way and reducing our impact on the environment and are targeting net zero by 2025².

We believe by making our business more sustainable, including embedding pre-agreed sustainability targets in our loan agreements, which if met, will support our primary aim to provide Securityholders with sustainably growing income returns.

For more information about Growthpoint's business, property portfolio and funds under management, please visit our [website](#).

¹ As at 30 June 2023.

² Net zero 2025 target across 100% owned on balance sheet operationally controlled office assets and corporate activities.

Governance

Sustainability Governance

Growthpoint's Board has overall responsibility for approving and overseeing the Group's risk management framework for both financial and non-financial risks (including sustainability related risks) and approves the Group's sustainability program.

The Executive Management Team (**EMT**) is responsible for managing Growthpoint's sustainability program, including monitoring material risks and progress against sustainability targets.

Assisting the EMT, the Sustainability Committee, which meets quarterly, is responsible for the identification and management of sustainability initiatives and issues that are important to Growthpoint and its stakeholders. Members of the Sustainability Committee include the Chief Operating Officer (COO), the Chief Investment Officer (CIO), Chief Financial Officer (CFO) and representatives from the Property, Finance, Investor Relations, Compliance and Risk, People & Culture and Projects and Sustainability teams. The Sustainability Committee is chaired by the Sustainability Manager.

The Board is provided with regular updates on sustainability initiatives and progress against sustainability targets, which may include matters relating to Sustainability Linked Loans and our progress against relevant sustainability performance targets (**SPTs**).

Sustainability Policy

Our approach to sustainability is underpinned by our [Sustainability Policy](#), which outlines our sustainability commitments and actions to meet the needs of our business and stakeholders. Growthpoint is committed to reducing, and where appropriate and possible, improving environmental and social outcomes through our operations. More information on our approach to sustainability is available on our [website](#).

Sustainability Framework

Growthpoint has implemented a Sustainability Framework with four key themes, being: Environment, Economic, People and Governance. The Sustainability Framework guides the continuing evolution of Growthpoint's sustainability program and includes focus on five United Nations Sustainable Development Goals (**UN SDGs**). It aims to concentrate our efforts on the initiatives where we believe we can drive the greatest benefit and impact for Growthpoint and for our stakeholders.

Our Sustainability Framework, shown below, provides additional details on the linkages to the UN SDGs.



Growthpoint Sustainable Debt Framework

The establishment of this Framework is a natural progression for Growthpoint from the current sustainability initiatives implemented within our business. This Framework outlines the expected process by which Growthpoint (in its capacity as a borrower) intends to manage sustainable debt products (**Sustainable Debt**) on an ongoing basis.

Sustainable Debt may be raised in accordance with this Framework by Growthpoint Finance Pty Ltd (a wholly owned controlled entity of Growthpoint).

Growthpoint considers Sustainable Debt to be all debt raised in accordance with this Framework, which currently extends to Sustainability Linked Loans only. Growthpoint may at its discretion update this Framework to include other instruments such as Sustainability Linked Bonds, Guarantees and Derivatives, and Use of Proceeds instruments including Green, Social or Sustainability Loans, Bonds and Guarantees if our business needs expand or evolve.

Sustainability Linked Loans acknowledge and reward Growthpoint for the achievement of ambitious SPTs by linking the cost of borrowing to performance against the SPTs. Financing and any savings achieved under Sustainability Linked Loans may be used for general corporate expenditures and any other purpose permitted by the terms of the relevant loan. Examples of relevant key performance indicators (**KPIs**) against which SPTs will be set and performance measured is provided in Section 6.1 of this Framework.

Sustainability Linked Loans

Sustainability Linked Loans raised in accordance with this Framework will be in alignment with the SLLP, as described in the following sections.

- 1) Target Setting
- 2) Financial Characteristics
- 3) Reporting
- 4) External Review

Target Setting

Selection of KPIs

When undertaking any issuance of Sustainability Linked Loans in accordance with this Framework, Growthpoint will communicate to lenders how the KPIs are material to our sustainability program, and by extension our overall business and, how the KPIs are measurable and can be benchmarked to enable assessment of the level of ambition of connected SPTs.

The KPI themes set out below are examples of potential KPIs which may be utilised for any Sustainability Linked Loans issued in accordance with this Framework. KPIs may be formulated based on bespoke metrics, third party ratings or certification, or a mixture of both approaches.

Growthpoint Sustainability Framework Theme	KPI Themes
Environment	Emissions reduction, energy efficiency, NABERS Energy rating
	Renewable energy installation and use
	NABERS Water rating
	Waste reduction and diversion from landfill

Growthpoint Sustainability Framework Theme	KPI Themes
Economic	Support for purpose driven enterprises
	Risk management measures which enhance adaptation to climate change
People	Tenant satisfaction, NABERS Indoor Environment rating
	Employee engagement
	Community initiatives
	Supply chain sustainability initiatives
Governance	GRESB score

For clarity, KPIs refer to the general sustainability themes whereas SPTs refer to the specific target levels.

Selection of SPTs

Growthpoint will ensure the SPTs set and metrics used in Sustainability Linked Loans will be consistent with our overall sustainability program, represent a material improvement beyond 'business as usual', and therefore reflect a suitable level of ambition for the business.

Where possible, the achievement date for selected SPTs will align with the loan tenure under the Sustainability Linked Loan. In the event this is not possible, Growthpoint and the relevant lender will agree suitable metrics for the SPT with timing aligned to the loan facility.

SPTs will be clearly specified in the relevant documentation for each Sustainability Linked Loan.

Financial Characteristics

Unless otherwise stated, all proceeds from Sustainability Linked Loans will be used for general corporate purposes and in accordance with the permitted purpose by the lenders. The Sustainability Linked Loans will include characteristics such as interest discounts to reward achievement of the SPTs and/or interest premiums for significant regressions in sustainability performance.

The magnitude of potential margin adjustments, the effective date(s), as well as all calculation methodologies will be clearly detailed in the relevant documentation for Sustainability Linked Loan.

Reporting

The timing and scope of reporting against the SPTs will be documented in each Sustainability Linked Loan. Growthpoint will measure up-to-date performance information for selected SPTs and undertake reporting to the relevant lender periodically, at least once per annum.

Growthpoint and the relevant lender for a Sustainability Linked Loan will agree on appropriate reporting parameters for the Sustainability Linked Loan, which may include providing details of the methodologies and assumptions used to calculate performance against SPTs. At our discretion the reports may be made publicly available.

External Review

For each Sustainability Linked Loan, Growthpoint will undertake an appropriate form of external review, including a Second Party Opinion (**SPO**) and annual review of sustainability performance prior to issuance and review of ongoing performance in relation to selected SPTs.

Framework Assurance

Growthpoint engaged Sustainalytics, an ESG and corporate governance research, ratings and analytics firm, to provide external assurance in the form of an independently verified SPO on this Framework. As part of this assurance, Growthpoint shared detailed information on the KPIs and SPTs related to the Sustainability-Linked Loan transaction to be made through this Framework, as a result Sustainalytics is of the opinion that the Framework aligns with the SLLP.

Further Information

Feedback

Growthpoint welcomes feedback on this Framework from lenders, investors and other stakeholders. Please email your feedback to our Investor Relations team on investor.relations@growthpoint.com.au.

Updates to Framework

Growthpoint has developed this Framework in accordance with market accepted principles and guidelines. Recognising that global sustainable finance markets are constantly evolving, we may update this Framework from time to time to reflect sustainable finance market best practice and to reflect any changes to our sustainable finance strategy, including changes to our KPI themes or SPTs as they relate to Sustainability Linked Loans.

Further information on Growthpoint's approach to sustainability can be found on our [website](#) and in our Sustainability Report (which is published annually).

Framework approval date

March 2023