



Sustainable Debt Framework

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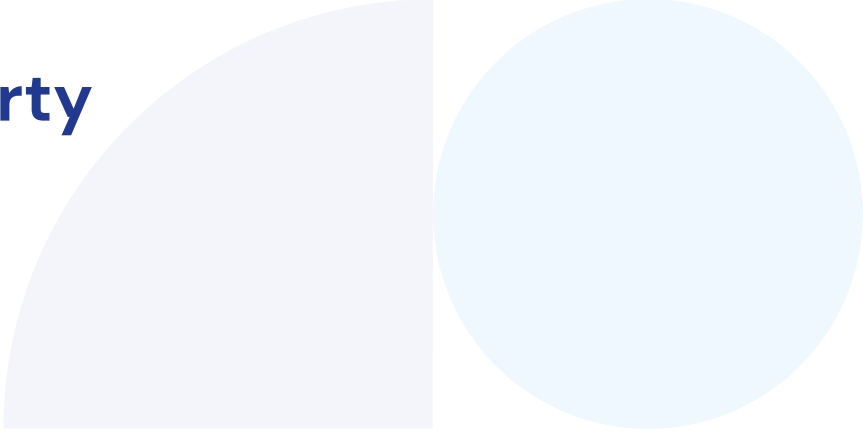




Purpose

This document outlines the governance framework (**Framework**) that applies to Sustainable Debt issued by Kiwi Property.

Introduction to Kiwi Property



Kiwi Property is one of New Zealand's largest NZX listed property companies. We own, invest in, develop and manage some of the country's most well-known properties.

Our purpose is to 'create places where people connect and thrive' underpinned by a deeply held commitment to sustainability that dates back over 20 years.

Sustainability has a clear role in how we create value. It is a key aspect of our corporate strategy because we believe high-performing, well-rated and community-connected assets attract quality tenants, have stronger occupancy, and support superior returns for investors. We see sustainability and long-term performance of our assets as interlinked and central to delivering enduring value for our investors and our local communities. Accordingly, Kiwi Property has a comprehensive sustainability strategy, focused on five material issues:

- Managing investments for sustainability performance
- Decarbonising and reducing our footprint
- Demonstrating resilience
- Building a future fit workforce
- Living up to our role in local communities

We measure our performance against these strategic issues, including a target to reduce our operational (scope 1, 2 and selected scope 3) GHG emissions by 20% by 2030 compared to 2024, and a target to divert 85% of construction waste (by weight) from landfill for new asset developments.

We benchmark our sustainability performance using GRESB, a standardised and globally recognised framework for the real estate industry, NABERSNZ energy ratings and Green Star and Homestar certifications for our newly developed assets.

Kiwi Property proudly supports a range of environmental and community organisations, including the Mental Health Foundation, the New Zealand Green Building Council and Keystone Trust.

For more information on Kiwi Property's sustainability efforts and latest sustainability report, please visit www.kiwiproperty.com/investors/reporting-suite

Sustainable Debt Framework

This Framework is designed to govern Kiwi Property's use of Sustainable Debt on an ongoing basis.

Sustainable Debt may include:

- **Green Bonds and Green Loans;** and
- **Sustainability-Linked Bonds and Sustainability-Linked Loans.**

This Framework sets out the processes for each of these products and may be amended from time to time at Kiwi Property's discretion, including as relevant market standards and best practice continue to evolve.

A reference in this Framework to:

- **we, our and Kiwi Property** includes a reference to (a) Kiwi Property Group Limited, Kiwi Property Holdings Limited and each other Group member that provides a cross-guarantee in respect of the indebtedness of the Group; and (b) in relation to property management functions, any other company established by Kiwi Property to provide investment management services on its behalf;
- **Green Debt** means Green Bonds and/or Green Loans; and
- **Green Debt proceeds** means an amount equal to the proceeds of Green Bonds and Green Loans.

Important Notice

This Framework does not form part of the contractual terms of any Sustainable Debt issued by Kiwi Property. This means there is no legal obligation for Kiwi Property to comply with this Framework or the relevant market standards described in this Framework on an ongoing basis. If Kiwi Property fails to comply with this Framework or the relevant market standards:

- this does not constitute an event of review, event of default or any other breach in relation to the Green Bonds and/or Green Loans;
- there is no requirement on Kiwi Property to repay the Green Bonds and/or Green Loans early; and
- the Green Bonds and/or Green Loans may cease to be labelled as "green".

If Kiwi Property fails to comply with this Framework or the relevant market standards, or if any Green Bonds and/or the Green Loans cease to be labelled as "green", Kiwi Property will include this information in its annual use of proceeds reporting.

Green Bonds and Green Loans

Green Bonds and Green Loans under the Framework may take the form of:

- **Green Bonds** in accordance with the ICMA Green Bond Principles (**GBP**)¹ and, where appropriate, Climate Bonds Standard (**CBS**) as published by the Climate Bonds Initiative (**CBI**); and
- **Green Loans** in accordance with the APLMA Green Loan Principles (**GLP**)² and, where appropriate, the CBS.

In accordance with the above market standards and best practice, the Framework covers four key components:

1. Use of proceeds;
2. Process for project evaluation and selection;
3. Management of proceeds; and
4. Reporting.

1. Use of proceeds

Kiwi Property intends to allocate Green Debt proceeds to finance or refinance, wholly or in part, its direct and indirect investments in existing properties, properties under development or property upgrade projects that constitute Eligible Projects (see below).

Kiwi Property may allocate Green Debt proceeds to refinance low carbon and energy efficient buildings without any limitation on the look-back period (i.e. regardless of when the building was constructed) provided the buildings constitute Eligible Projects at the time of refinancing.

A reference in this Framework to Green Debt proceeds being “allocated” means a notional allocation in Kiwi Property’s systems.

Eligible Projects

Criteria

To qualify as an Eligible Project, a building must meet one or more of the following criteria for the relevant period that the Green Debt is issued³. The criteria are informed by the GLP, GBP and the NZGBC Sustainable Finance Guide September 2025, version 2.0 (**NZGBC Guidelines**). If the NZGBC Guidelines are updated, Kiwi Property will consider whether any changes are required to the criteria below.

For Green Debt issued from 1 August 2025 to 31 December 2026:

For office, retail and other non-residential buildings:

- Certified as obtaining, or evidenced as targeting, a minimum certification for construction:
 - 4 star Green Star Buildings NZ v1.0;
 - 5 star Green Star – Design and As Built NZ v1.1; or
 - 5 star Green Star – Design and As Built NZ v1.

Where Kiwi Property has obtained a Green Star ‘Built’ rating for a building, it intends to, within 3 years of obtaining that Green Star ‘Built’ rating, obtain a NABERSNZ ‘operational performance’ rating for that building.

- Minimum certification verifying operational performance:
 - 4.5 star NABERSNZ v1.2 office energy rating; or
 - 4.5 star NABERSNZ v1.0 shopping centre energy rating (or such lower or higher rating as is recommended by the NZGBC).

For residential buildings, certified as obtaining, or evidenced as targeting, a minimum certification for construction:

- 6 star Homestar rating v5; or
- 7 or 8 star Homestar v4; or
- Any other green building rating that is a recognised equivalent standard to one of those above.

For Green Debt issued from 1 January 2027 to 31 December 2030:

For office, retail and other non-residential buildings:

- Certified as obtaining, or evidenced as targeting, a minimum certification for construction:
 - 4 star Green Star Buildings NZ v1.0;
 - 5 star Green Star – Design and As Built NZ v1.1; or
 - 5 star Green Star – Design and As Built NZ v1.
- Minimum certification verifying operational performance:
 - 5 star NABERSNZ v1.2 office energy rating; or
 - 5 star NABERSNZ v1.0 shopping centre energy rating (or such lower or higher rating as is recommended by the NZGBC).

For residential buildings, certified as obtaining, or evidenced as targeting, a minimum certification for construction:

- 6 star Homestar rating v5; or
- 8 to 10 star Homestar v4; or
- Any other green building rating that is a recognised equivalent standard to one of those above.

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

² <https://www.lsta.org/content/green-loan-principles/>

³ For any of Kiwi Property’s green bonds outstanding as at the date of this Framework (being KPG050, KPG060 and KPG070 (NZX ticker codes)), the Eligible Project criteria are those set out in NZGBC Guidance on green buildings ratings for sustainable finance as at the bond issue date. Where an existing Green Debt instrument is refinanced with new Green Debt, it will be considered a new Green Debt ‘issuance’ and will be subject to the eligibility criteria applicable at the time of refinance.



Existing and/or planned buildings that are targeting (but are yet to receive) one or more of the above ratings criteria may also qualify as an Eligible Project where we have evidence indicating that the rating will be achieved⁴.

Ownership or investment interest

Eligible Projects may include existing and/or planned buildings that Kiwi Property:

- owns outright;
- owns in part (for example, through an unincorporated joint venture); or
- has an interest in because we hold a direct or indirect equity investment in the owner of the relevant buildings, where the entity in which we invest derives at least 90% of its revenue from green or green targeted assets (an **equity investment**).

Where Kiwi Property partially owns an Eligible Project, the amount of Green Debt proceeds we may allocate to finance or refinance that Eligible Project will not exceed our proportionate share of the Eligible Project.

Where Kiwi Property has an interest in Eligible Projects through an equity investment, the amount of Green Debt proceeds we may allocate to finance or refinance our equity investment will not exceed the proportionate value of those Eligible Projects equal to the percentage of our equity investment.

However, if the relevant owner of those Eligible Projects issues its own green bonds or loans to finance or refinance such Eligible Projects, Kiwi Property will immediately reduce the allocation of our Green Debt proceeds on a proportionate basis so that there is no double counting.

Valuation

Each Eligible Project is valued at its latest independent market valuation or at cost (or projected cost if the Eligible Project is not yet complete) where a separate market valuation has not been obtained. When determining the projected cost of an incomplete Eligible Project, Kiwi Property relies on the professional judgement of its development and senior management teams and any relevant external advice (for example, a quantity surveyor).

Continued monitoring

If a building is sold or no longer meets the eligibility criteria set out in this Framework, Kiwi Property will:

- cease to categorise that building as an Eligible Project; and
- reduce the aggregate value of the pool of Eligible Projects by the value of that building.

A list of Eligible Projects will be published within the annual use of proceeds reporting. For any Green Bonds or Loans that are certified by the CBI as complying with the CBS, the ongoing certification status will be noted within these reports.

2. Process for project evaluation and selection

Kiwi Property manages the process of selecting and evaluating whether an existing and/or planned building may qualify as an Eligible Project by:

- utilising the external star rating tools summarised above and, in the case of a planned building, assessing the evidence indicating that a rating will be achieved;
- assessing alignment with the eligible green projects contemplated by the GBP or, as applicable, the GLP and the following United Nations Sustainable Development Goals (SDGs):
 - **SDG 9:** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; and
 - **SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable;
- assessing alignment with Kiwi Property's wider sustainability strategy and objectives;
- assessing any potential negative social and/or environmental impacts from the building and mitigants to these impacts;
- obtaining external advice where appropriate; and
- applying professional judgement and sustainability knowledge.

Once a building is determined to have met the relevant criteria for inclusion, it will be included as an Eligible Project.

⁴ For example, written confirmation from a registered Green Star Accredited Professional (or other technical/ informed advisers), Green Star Design rating, registration with the NZGBC, inclusion of a building on the NZGBC database, or confirmation of a pilot rating etc.



3. Management of proceeds

In accordance with this Framework, Kiwi Property intends to allocate Green Debt proceeds to finance or refinance its direct and indirect investments in Eligible Projects.

Kiwi Property maintains a register of Eligible Projects that outlines (among other things) their current value, allocation of proceeds, the applicable NABERSNZ, Green Star and/or Homestar rating(s), and the level of Kiwi Property's ownership interest.

Kiwi Property monitors the allocation of proceeds and the current value of Eligible Projects on a yearly basis, aligned to the end of year annual financial reporting process.

Kiwi Property intends to ensure that the aggregate value of the pool of Eligible Projects is at least equal to the aggregate amount of all outstanding Green Bonds and Green Loans (the **Green Debt Ratio**).

Kiwi Property services its debt obligations under Green Bonds and Green Loans out of its general cashflows and not specifically from revenues generated by Eligible Projects alone.

Unallocated proceeds or surplus funds

In the event that there are unallocated Green Debt proceeds:

- Kiwi Property will apply an amount equal to those unallocated proceeds to repay revolving bank debt or to invest in cash deposits or cash equivalents until Kiwi Property is able to allocate an amount equal to those unallocated proceeds in accordance with this Framework;
- no contractual right of review or repayment will arise, and no loss of green classification will occur; and
- Kiwi Property will disclose this information within the annual use of proceeds reporting.

Kiwi Property will endeavour to allocate any unallocated Green Debt proceeds in accordance with this Framework as soon as practicable.

4. Reporting

Kiwi Property understands the importance of transparency and disclosure. All reporting will be in line with applicable market standards.

The reporting described below will be publicly available.

Use of proceeds reporting

Kiwi Property will provide annual use of proceeds reporting (aligned to the end of year financial reporting process) which includes:

- summary of the pool of Eligible Projects, including location, type of asset, whether complete or in development, ownership or investment interest and valuation (adjusted to reflect our ownership or investment interest);
- current NABERSNZ, Green Star and/or Homestar rating(s);
- confirmation of the aggregate amount of Green Bonds and Green Loans outstanding;
- confirmation of the Green Debt Ratio;
- disclosure of any unallocated proceeds;
- alignment with relevant SDGs;
- confirmation of compliance with applicable market standards; and
- assurance updates or the most recent assurance report.

Impact reporting

Kiwi Property will also report annually on relevant environmental impact metrics in its sustainability report. Examples of impact indicators that may be reported include the relevant building rating, floor space of qualifying green real estate (m²), GHG emissions footprint by building, and reduction over time (tCO₂-e).

Assurance

In accordance with the applicable market standards, Kiwi Property will seek assurance from an approved verifier on an annual basis for the use of proceeds issued under this Framework, and as deemed necessary by Kiwi Property. Confirmation of assurance will be made publicly available.

In the case of Green Loans, Kiwi Property may also elect to provide lenders with independent evidence of green building certifications / ratings and valuations for each Eligible Project on a semi-annual basis (or such other frequency as determined by Kiwi Property).

Sustainable Debt Framework

Any amendments to the Framework will be made publicly available.

In accordance with the applicable market standards, Kiwi Property may seek to obtain assurance from an approved verifier if it makes any material amendments to the Framework.

Sustainability-Linked Bonds and Sustainability-Linked Loans

Sustainability-Linked Bonds and Sustainability-Linked Loans are distinct from Green Bonds and Green Loans as described above. Proceeds from Sustainability-Linked Bonds and Sustainability-Linked Loans are utilised for general corporate purposes. The proceeds are not required to be allocated towards, monitored or tracked against any specific purpose.

Sustainability-Linked Bonds and Sustainability-Linked Loans issued under the Framework may take the form of:

- Sustainability-Linked Bonds in accordance with the ICMA Sustainability-Linked Bond Principles (SLBP)⁵; and
- Sustainability-Linked Loans in accordance with the APLMA Sustainability-Linked Loan Principles (SLLP)⁶.

In accordance with the above market standards and best practice, the Framework covers five key components:

1. Selection of key performance indicators (KPIs);
2. Selection of sustainability performance targets (SPTs);
3. Financial characteristics;
4. External review; and
5. Reporting.

The above components form part of the SLBP. The SLLP components are substantially similar to those above, and references for Sustainability-Linked Loans will be highlighted where required.

Selection of KPIs

When undertaking an issuance of Sustainability-Linked Bonds or Sustainability-Linked Loans, Kiwi Property will communicate how the instrument and selected KPIs relate to elements of Kiwi Property's sustainability strategy and the Framework that are material to the Company's overall performance.

Kiwi Property is committed to delivering a brighter New Zealand by reducing its resource consumption, supporting community building and providing a reliable investment option via a resilient and high-quality property portfolio.

For the issuance of Sustainability-Linked Bonds or Sustainability-Linked Loans, where the bond coupon or the loan margins are linked to the achievement of sustainability targets, Kiwi Property has provided the following metrics as a guide for potential target setting:

- NABERSNZ building ratings;
- Green Star building ratings;
- Homestar building ratings;
- Ratings on a subset of properties or Kiwi Property's total portfolio;
- Energy, water or waste consumption for properties, or on a portfolio basis;
- Greenhouse gas (GHG) emissions for properties, or on a portfolio basis; and
- Other environmental or social sustainability metrics that are relevant to Kiwi Property's overall sustainability strategy and this Framework.

Selection of sustainability performance targets

Kiwi Property will ensure the targets set and metrics used will be meaningful to Kiwi Property's sustainability programme and will be aligned to the group's sustainability strategy.

Measurement of performance with respect to selected SPTs for any Sustainability-Linked Bonds or Loans will be undertaken periodically as relevant for the selected targets. At a minimum, measurement will be annual.

Material factors that may impact the achievement of SPTs (either positively or negatively) will be disclosed in the relevant documentation for each Sustainability-Linked Bond or Sustainability-Linked Loan.

Financial characteristics

The proceeds of Kiwi Property's Sustainability-Linked Bonds and Loans will be used for general corporate purposes, unless otherwise stated. These transactions will feature financial and/or structural characteristics that encourage the achievement of the SPT. This may include both penalties and/or incentives, depending on the transaction.

The magnitude of the coupon or margin adjustment, as well as the effective date(s) (otherwise known as trigger date(s)) will be detailed in the relevant documentation for each transaction.

⁵ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

⁶ <https://www.ista.org/content/sustainability-linked-loan-principles-sllp/>



External review

Kiwi Property will undertake an appropriate external verification for each Sustainability-Linked Bond or Sustainability-Linked Loan on issue. This includes external assurance of sustainability performance prior to issuance and ongoing performance in relation to the selected SPTs for each issuance.

Reporting

For Sustainability-Linked Loans, Kiwi Property and the arranging bank(s) will agree on appropriate reporting parameters and the schedule for disclosing information on sustainability performance to the lenders.

For Sustainability-Linked Bonds, at a minimum, Kiwi Property will undertake annual public reporting regarding the issuance and performance in relation to the SPTs. This reporting will be available in Kiwi Property's Annual Reporting and website, and will include relevant information relating to the aspects of Section 2 of this Framework.

At issuance, Kiwi Property will disclose the reporting that will be provided, including its location, frequency, scope and assurance commitments. Kiwi Property will ensure the provision of timely information regarding the performance in relation to the selected SPTs for each transaction.

Governance

Kiwi Property's Audit and Risk Committee (ARC) will oversee matters relating to Sustainable Debt. The ARC is a committee of the Company's Board, responsible for oversight of matters including financial management and controls, reporting, risk management and sustainability. The ARC meets at least quarterly and will consider Sustainable Debt issues and opportunities on an ongoing basis.

Further Information

Contacts

Kiwi Property Group Limited

Level 7, Vero Centre
48 Shortland Street
Auckland 1140

+64 9 359 4000

kp.co.nz

info@kp.co.nz

More information on Kiwi Property's sustainability strategy and performance can be found at:

Sustainability:

<https://www.kiwiproperty.com/sustainability>

Latest Kiwi Property Annual Report:

<https://www.kiwiproperty.com/investors/reporting-suite>

Registrar

MUFG Corporate Markets

A division of MUFG Pension
& Market Services

Level 30, PwC Tower
15 Customs Street West
Auckland 1142

+64 9 375 5998 or
0800 377 388

mpms.mufg.com

enquiries.nz@cm.mpms.mufg.com



