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Green Bond Framework



Ivanhoe
Cambridge



Table of content

Introduction	3
<hr/>	
Overview of Framework	3
<hr/>	
A. Use of proceeds	4
<hr/>	
B. Process for project evaluation and selection	6
<hr/>	
C. Management of proceeds	7
<hr/>	
D. Reporting	7
<hr/>	
External Review	7
<hr/>	
Appendix A Green Building Certifications	8
<hr/>	
Disclaimer	8

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Introduction

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. Vertically integrated in Canada, Ivanhoé Cambridge invests internationally alongside strategic partners and major real estate funds that are leaders in their markets. Through subsidiaries and partnerships, Ivanhoé Cambridge holds interests in more than 1,000 buildings, primarily in the office, residential, retail, industrial and logistics sectors. Ivanhoé Cambridge held close to C\$65 billion in real estate assets as at December 31, 2018 and is a real estate subsidiary of the Caisse de dépôt et placement du Québec (cdpq.com), one of Canada's leading institutional fund managers.

As a responsible investor, Ivanhoé Cambridge creates living spaces that foster the well-being of people and their communities while reducing its environmental footprint. In keeping with its business strategies and with its commitment to sustainability, the Company strives to implement innovative initiatives that are aligned with the industry's highest standards and best practices to deliver on its corporate social responsibility (CSR) vision. Ivanhoé Cambridge decision-making process and actions are underpinned by this sustainable and responsible vision, from developing top-quality buildings in accordance with the most stringent industry standards, to finding effective ways to reducing our carbon footprint, to providing its employees with motivating work environments and giving back to the community.

Establishing this Green Bond Framework and issuing Green Bonds in connection thereunder, is a concrete example of Ivanhoé Cambridge's commitment to its CSR vision.

Overview of Framework

Ivanhoé Cambridge created the following Green Bond Framework which sets out the guidelines for Ivanhoé Cambridge's Green Bond issuance in accordance with the Green Bond Principles (GBP) developed by the International Capital Market Association (ICMA) as of June 2018. This Green Bond Framework is based around the four (4) core components of the GBP which are:

- Use of proceeds;
- Process for project evaluation and selection;
- Management of proceeds; and
- Reporting.

Ivanhoé Cambridge, through its various entities, may issue different types of Green Bonds, which will follow the principles set out herein, and be subject to the terms and conditions set forth in the respective documentation governing such Green Bonds.

A. Use of proceeds

The net proceeds of any offering of Green Bonds will be used exclusively to finance or refinance, in whole or in part, any expenditures associated with Eligible Green Projects.

Eligible Green Projects are defined as identifying with one or more of the following categories:



1. Green Buildings

Investments related to the purchase, construction, tenant or general improvements, operation and maintenance of either

- I. new class A (or higher) real estate properties; or
- II. existing class A (or higher) real estate properties

which in either case have received or are expected to receive one of the applicable certifications set forth in Appendix A hereto or equivalent green building certification program from another nationally-recognized environmental certification organization.

The term "purchase" includes both purchase from a third-party or a vend-in from an affiliate of Ivanhoé Cambridge



2. Renewable Energy

Investments in renewable energy systems or equipment aimed at providing energy to a real estate property. These systems may include, but are not limited to, solar, wind, and geothermal¹ technologies.



3. Energy Efficiency

Investments in systems or equipment that reduce energy consumption or improve energy efficiency, in each case by at least 20%, in real estate properties, including:

- I. Installation of energy efficient heating (by non-combustion sources), ventilation, air conditioning, refrigeration, lighting and electrical equipment;
- II. Systems for capture and recycling of waste heat such as district heating and heat recovery;
- III. Projects that improve efficiency in the delivery of bulk energy services such as energy storage, smart grids, demand response; or
- IV. Projects that enable monitoring and optimization of the amount and timing of energy consumption such as smart meters, load control systems, sensors or building information systems.

¹ Emissions of less than 100g CO₂/kWh

A. Use of proceeds



4. Sustainable Water and Wastewater Management

Investments in systems or equipment that reduce water consumption or improve water-use efficiency in real estate properties, including:

- I. Installation of water efficient products or technologies or xeriscaping/drought-tolerant landscaping; or
- II. Projects for collection, treatment, recycling or reuse of water, rainwater or waste water.



5. Clean Transportation

Investments in adapting or connecting real estate properties to sustainable and efficient transit infrastructure including:

- I. Infrastructure or charging stations to accommodate fully electric vehicles or non-motorized public transport; or
- II. Infrastructure in, or improvements to, real estate properties dedicated to create or improve connectivity to mass public transportation.



6. Climate Change Adaptation

Investments in adapting real estate properties in relation to climate change considerations, such as expenditures related to design, construction, maintenance and upgrades of buildings / assets for adapting to more frequent and extreme weather events caused by climate change (for example, projects for the upgrade of flood defence or storm water management systems).

Note: Eligible Green Projects in categories 2 through 6 could be in relation to real estate properties that do not have an environmental certification or have one that is lower than the environmental certification specified under Category 1 'Green Buildings'.

B. Process for project evaluation and selection

Ivanhoé Cambridge has established the following process:

A Green Bond Working Group has been created which has been mandated with oversight of the implementation of this Green Bond Framework. The composition of the Green Bond Working Group may change from time to time but was initially comprised of representatives from Ivanhoé Cambridge's Finance and Capital Market Group, Sustainability Group and Legal Affairs department. For the avoidance of doubt, other representatives of Ivanhoé Cambridge may be admitted as additional members of the Green Bond Working Group.

Prior to allocating any net proceeds derived from any Green Bond issuance, the Green Bond Working Group will meet to validate that any such allocation satisfies the requirement of Eligible Green Projects as set forth herein.

A list of Eligible Green Projects will be maintained in a Green Bond Register and will include the project name and location, description of the use of proceeds, reference to the relevant eligibility criteria and amount allocated. The relevant information of each Green Bond issue will also be documented in the Green Bond register.

Eligible Green Projects include projects which identify with one or more of the categories stated above and where such disbursements were made in the thirty (30) months prior to the issue date of any Green Bonds. Any unallocated net proceeds from the issuance of Green Bonds are intended to be allocated to Eligible Green Projects within eighteen (18) months following the issue date of any Green Bonds. Unallocated net proceeds will be held in cash or liquid securities in accordance with our internal liquidity management policies.



C. Management of proceeds

The net proceeds from any Green Bond issue will be deposited to the general account and be available for allocation to Eligible Green Projects. The process for allocation will be performed in accordance with this Green Bond Framework.

All relevant information regarding the issuance of Green Bonds and the Eligible Green Projects financed by such Green Bonds will be kept in a Green Bond Register.

As long as any Green Bonds are outstanding, Ivanhoé Cambridge's internal records will show the allocation of the net proceeds of the relevant offering to Eligible Green Projects.

Payment of principal and interest on any Green Bonds will be made from our general funds and will not be directly linked to the performance of any Eligible Green Projects.

D. Reporting

Until the later of (a) full allocation of the net proceeds of any Green Bond; and (b) one year following the date of the applicable Green Bond issuance, Ivanhoé Cambridge will publish a Green Bond Allocation Report annually on its website detailing, at a minimum, the allocation of the net proceeds of any issuance of Green Bonds to Eligible Green Projects, including the project name and location, description of the use of proceeds, reference to the relevant eligibility criteria and amount allocated. The Green Bond Allocation Report will also include qualitative and quantitative environmental performance indicators in respect of Eligible Green Projects to the extent relevant and practicable, and subject to confidentiality considerations. These may include (i) annual energy saved or renewable energy generated, (ii) annual greenhouse gas emissions reduced or avoided, and (iii) natural capital value (eg: trees planted, water saved, etc.).

External Review

Before issuing its first Green Bonds, Ivanhoé Cambridge has obtained an independent second party opinion from Sustainalytics on its Green Bond Framework, indicating alignment with the Green Bond Principles, which will be available on Ivanhoé Cambridge's website commencing at the same time this Green Bond Framework is published.

For Green Bonds issued under this Green Bond Framework which have unallocated net proceeds at closing, Ivanhoé Cambridge may also obtain from its external auditor on an annual basis a limited assurance report verifying that the remaining allocation of Green Bond proceeds was made to Eligible Green Projects. If made available, such limited assurance report will be publicly accessible on the Ivanhoé Cambridge website.

APPENDIX A

Green Building Certifications

Location	Applicable Certification
North America	BOMA BEST: Gold or Platinum
Global	LEED: Gold or Platinum
Europe	BREEAM: Excellent or Outstanding
Europe	HQE: Excellent or Exceptional
Australia	Green Star: 5 or 6 Star Rating
China	China Three Star: 3 Star Level

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