



**DES**

Deutsche EuroShop

**Green Finance Framework**

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### Green Finance Framework

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# OVERVIEW

## 1.1. Profile of Deutsche EuroShop AG

Deutsche EuroShop AG is the sole German publicly listed (since January 2, 2001) real estate company following an investment strategy focused exclusively on shopping centers. The company currently holds participations in 21 European shopping centers in Germany, Austria, Czech Republic, Hungary, and Poland (*January 2025*). The management focuses on investments in high-quality shopping centers in city centers and established locations offering the potential for stable, long-term value growth. A key investment target is the generation of high surplus liquidity from leases in shopping centers, of which a significant part can be paid out to shareholders in the form of an annual dividend. To this end, the Company invests its capital in shopping centers in different European regions in accordance with the principle of risk diversification. Germany is the main focus of investment. Indexed and revenue-linked commercial rents ensure that high earnings targets are achieved. Deutsche EuroShop has outsourced center management to an experienced external partner, Hamburg-based ECE Marketplaces GmbH & Co. KG (ECE; formerly ECE Projektmanagement GmbH & Co. KG). ECE has been designing, planning, building, letting, and managing shopping centers since 1965. The Company is currently the European market leader, with around 200 shopping centers under management.

## 1.2. Sustainability Strategy

### Social

We see our 21 shopping centers as barrier-free, lively meeting places that offer a safe and personal shopping experience, promote social interaction and are actively involved in the respective local communities. Thanks to their central location and optimal transport links, particularly when sustainable mobility solutions are included, they are convenient and environmentally friendly to reach. The integration of social and cultural offerings - for example in form of events, local markets or charitable cooperations - also strengthens the social role of our shopping centers. Thanks to an inclusive design and special services tailored to the needs of families, older people and people with disabilities, all visitors as well as shop owners and their employees are provided with an equally convenient user experience that positions the shopping centers attractively in comparison to online retail. The social quality of our centers is monitored and confirmed by our tenants – the certified user quality of our shopping centers, as assessed by the German Sustainable Building Council (DGNB), currently achieves an average score of 92%.

- Monitoring via DGNB certification processes with consideration of the evaluation dimension SOC2-B<sup>1</sup> (user satisfaction).
- Objective: Increased usage frequency and extended visit duration.

## Environmental

In addition to the economic, social and inclusive functions of our shopping centers, ecological factors have a significant influence on the long-term value and sustainability of our properties. The activities of our tenants - from the furnishing and conversion of the rented business premises to operations - ultimately fall within our sphere of influence and responsibility, as they influence energy and resource consumption as well as waste generation and emissions. To proactively counter all these influences and at the same time make a positive contribution to the environment, we focus on the following areas of action:

**Green Lease Agreements:** These sustainability-focused lease agreements have encouraged our tenants to act sustainably since 2015. The Green Lease Agreements of Deutsche EuroShop set a clear framework for their leasing partners to embed sustainable criteria in their lease contracts. They include a joint commitment to sustainability and environmental protection, as well as an obligation for resource-efficient usage and management of the rental spaces. This encompasses measures such as the collection, storage, and provision of tenant-specific sustainability data, mandatory guidelines for environmentally friendly cleaning and waste disposal, and sustainable requirements for tenant expansion, modernization, and construction measures by the lessor. Moreover, the agreements promote the implementation of joint sustainability measures, such as the use of LED technology and green electricity, supporting sustainable mobility concepts, and actively participating in certification processes. A regular exchange on sustainability issues between tenants and landlords ensures that sustainable developments are continuously advanced and that the shopping center is optimized ecologically in the long term.

- Monitoring via the share of Green Lease Agreements (Percent)
- Objective: 90% of lease agreements should contain a Green Lease Standard by 2030.

**Ecologically Efficient Operations (taxonomy-relevant):** Reduction of energy and water consumption through modern building technology, sustainable materials, and intelligent control systems. Investments in this area will remain continuously necessary to meet growing demands and future requirements. Since 2023, all 21 of our shopping centers have been powered by renewable energy – 20 of them exclusively with green electricity. All shopping centers in Germany have been certified with the "Eco Power" label by TÜV Süd.

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<sup>1</sup> The metric includes communication and interaction with users, tailored service offerings, accessibility requirements and the degree of barrier-free building usage. It also considers the quality of stay, smoke-free areas, and innovative solutions that enhance user satisfaction.

- Monitoring via DGNB certification processes with consideration of the evaluation dimensions ENV1-B<sup>2</sup> (climate protection and energy), ENV2-B (water)<sup>3</sup>, ECO1-B<sup>4</sup> (operating costs) as well as EPRA indicators as published in our annual report.
- Objective: The objective is the continuous improvement of sustainability performance through ongoing optimization of processes, technologies, and operations. The aim is to meet certification requirements as effectively as possible and to further develop, even if this does not necessarily result in a higher certification level, as assessment criteria may evolve over time.

**Risk Management of Physical Climate and Transition Risks (taxonomy-relevant):** Regular inspection of shopping center locations regarding extreme weather events (e.g., heavy rain, heatwaves) and observation of regulatory and market-based developments (e.g. CO<sub>2</sub> pricing) to respond early.

- Monitoring of shopping centers using evaluations, such as the Swiss Re Climate Risk and Vulnerability Analysis, as well as our ongoing analyses For this purpose, we use publicly available data from specialized organizations, such as the United Nations (UN).
- Objective: Ensuring the insurability of individual properties through suitable measures

**Green/Blue Infrastructure:** Integration of green and possibly also blue elements (e.g., green roofs and facades, water surfaces, natural outdoor facilities, bee hives) to promote biodiversity within our capabilities, improve the microclimate, and contribute to climate adaptation.

- Objective: Enhancing the microclimate at locations, fostering improved user experience, and creating conditions that encourage longer visit durations.

**Holistic Waste and Circular Economy Concept:** Promotion of recycling rates through appropriate, differentiated disposal options for our tenants.

- Monitoring via DGNB certification processes with consideration of the evaluation dimension ENV3-B<sup>5</sup> (value management) and share of Green Lease Agreements as well as EPRA indicators as published in our annual report.

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<sup>2</sup> The metric covers the optimization of the CO<sub>2</sub> balance through life cycle CO<sub>2</sub> assessments, the preservation of building structures to reduce emissions, the promotion of sustainable mobility, and benchmarking against industry standards and target values. For operations, a climate action plan ensures a net greenhouse gas-neutral operation. Non-climate-neutral buildings must have a credible plan outlining measures to achieve national net greenhouse gas neutrality. Ambitious climate action plans aim for climate neutrality by 2030, with exceptions up to 2035. Buildings are designed in accordance with DGNB accounting rules to achieve net greenhouse gas neutrality, incorporating additional life cycle assessment indicators into the evaluation. [www.dgnb.de/filestorages/Downloads\\_unprotected/dokumente/kriterien/dgnb-kriterium-env-1-1-gebaeude-neubau-version-2023.pdf](http://www.dgnb.de/filestorages/Downloads_unprotected/dokumente/kriterien/dgnb-kriterium-env-1-1-gebaeude-neubau-version-2023.pdf)

<sup>3</sup> The metric covers the efficient use and sustainable extraction of water, aiming to enhance resource efficiency and decouple economic development from the consumption of natural resources. It includes measures for infrastructure modernization, innovation promotion, and sustainable consumption and production. Climate change adaptation plays a key role, with strategies focusing on water conservation and reuse. Given the increasing global significance of drinking water, the DGNB continuously monitors developments and updates its criteria accordingly. [static.dgnb.de/fileadmin/dgnb-system/de/gebaeude/im-betrieb/kriterien/02\\_ENV2-B\\_Wasser.pdf](http://static.dgnb.de/fileadmin/dgnb-system/de/gebaeude/im-betrieb/kriterien/02_ENV2-B_Wasser.pdf)

<sup>4</sup> The metric covers global resource efficiency and the decoupling of economic development from resource consumption, with a focus on infrastructure modernization, resource efficiency improvements, and innovation promotion. It also considers the resilience of cities and settlements by integrating sustainable and inclusive solutions into building operations. In the future, performance evaluation may include benchmarking of operating costs to identify and enhance efficiency potential. [static.dgnb.de/fileadmin/dgnb-system/de/gebaeude/im-betrieb/kriterien/04\\_ECO1-B\\_Betriebskosten.pdf](http://static.dgnb.de/fileadmin/dgnb-system/de/gebaeude/im-betrieb/kriterien/04_ECO1-B_Betriebskosten.pdf)

<sup>5</sup> The metric covers municipal waste management. It includes a process to determine the recycling rate and residual waste volume, supported by a continuous improvement process to ensure compliance with the defined target values for the property. This involves measuring actual waste volumes and recycling rates (current state), implementing optimization measures, and conducting regular performance assessments to establish a closed material cycle. See: [https://static.dgnb.de/fileadmin/dgnb-system/de/gebaeude/im-betrieb/kriterien/08\\_SOC2-B\\_Nutzerzufriedenheit.pdf](https://static.dgnb.de/fileadmin/dgnb-system/de/gebaeude/im-betrieb/kriterien/08_SOC2-B_Nutzerzufriedenheit.pdf)

- Objective: Increasing the share of Green Lease Agreements and to meet certification requirements as effectively as possible and to further develop, even if this does not necessarily result in a higher certification level, as assessment criteria may evolve over time.

**Sustainable Construction and Renovation Strategies:** Planning and implementation of construction and renovation measures with consideration of resource-saving building material options aiming for long lifespan, flexible use, and low environmental impact.

- Monitoring via DGNB certification processes with consideration of the evaluation dimensions ENV1-B (climate protection and energy), as well as our ongoing analyses.
- Objective: Gradually improving the quality and sustainability of shopping centers by increasing the number and scope of sustainable construction and renovation projects. The aim is to meet certification requirements as effectively as possible and to further develop, even if this does not necessarily result in a higher certification level, as assessment criteria may evolve over time.

**Sustainable Mobility:** Promotion of environmentally friendly travel options through incentives for public transport, expansion of charging infrastructure for e-vehicles, and generous bicycle parking facilities.

- Monitoring via the number of existing and planned charging points and DGNB certification processes with consideration of the evaluation dimension SOC3-B (mobility)<sup>6</sup>
- Objective: At least 1% of our parking spaces should be equipped with a charging point in future.

## Governance

To achieve our sustainability-related goals while ensuring economic viability, we have established a governance structure that consistently integrates ESG criteria into our business decisions. Sustainability-related incentive systems for the board ensure through clear target agreements and variable compensation components that ecological and social factors are firmly anchored in daily management activities.

We ensure transparent sustainability management of our shopping centers through established certifications (DGNB, TÜV Süd and percent of the portfolio certified as well as of the portfolio by rentable area) and the application of recognized reporting standards (e.g., EPRA) to guarantee the measurability and comparability of our performance. These measures validate our achievements to date, identify optimization potential, and help us continuously enhance the resilience, energy efficiency, and social aspects of our shopping centers, as well as the resource efficiency of ongoing operations.

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<sup>6</sup> The metric covers the promotion of sustainable mobility and user comfort in building operations. It assesses the availability of storage spaces for mobility aids, the quality of bicycle parking facilities, including accessibility, theft protection, maintenance stations, weather protection, lighting, and charging stations for e-bikes, as well as user comfort features such as showers and changing rooms. The accessibility of public transportation is evaluated based on the distance to the nearest stop and service frequency. Measures to promote public transport, along with wayfinding systems such as digital displays, are also factored in. For individual motorized transport, the availability of charging infrastructure for electric vehicles is assessed either through a mobility management strategy or based on the percentage of charging stations among parking spaces. Additionally, alternative propulsion technologies and refueling stations for renewable fuels in the vicinity of the building are considered. [www.dgnb.de/filestorages/Downloads\\_unprotected/dokumente/kriterien/dgnb-kriterium-soc3-b-gebauede-in-betrieb-version-2020.pdf](http://www.dgnb.de/filestorages/Downloads_unprotected/dokumente/kriterien/dgnb-kriterium-soc3-b-gebauede-in-betrieb-version-2020.pdf)

Already today, all our shopping centers are certified by the German Sustainable Building Council (DGNB). After raising the testing requirements, one shopping center achieves the Platinum award, while 20 others are certified with Gold. The certification process comprehensively evaluates key sustainability aspects such as climate protection, energy and water management, material cycles, operating cost optimization, risk management, and value retention. Additionally, criteria such as sustainable procurement and management, indoor comfort, user satisfaction, and mobility are included. As part of a structured PDCA cycle (Plan, Do, Check, Act), the process provides concrete suggestions for continuously improving the sustainability performance of our shopping centers. Specific target values for individual certification results are not defined, as the DGNB continuously monitors the growing global significance of sustainability criteria and adapts its assessment standards accordingly to reflect new developments.

Furthermore, we have initiated the development and implementation of governance policies that provide a clear framework for our actions while also defining how business partners and suppliers are selected and monitored based on sustainability criteria. This ensures transparency and accountability in our corporate actions, both internally and externally (see also section on Policies).

As a listed company, it is our duty – also in the interests of our shareholders – to prevent any form of unlawful or even criminal activity within our own sphere of influence. This includes providing reporting channels so that employees and external parties can report indications of possible misconduct with ease and in the strictest confidentiality. Major economic scandals ensure that the topic of whistleblowing stays in the news and that legislators continue to push ahead with more and more regulations – most recently the EU Whistleblowing Directive, which in Germany has resulted in the Whistleblower Protection Act. The term “whistleblower system” appears in this context on a regular basis. Using a whistleblower system, whistleblowers such as employees of a company or organization, suppliers or customers can report anonymous information about observed grievances or violations of rules without fear of negative consequences. This means that whistleblowers do not have to fear termination, workplace discrimination or intimidation. A digital whistleblower system, such as the one used by Deutsche EuroShop, is software (more precisely a Software-as-a-Service solution) that whistleblowers can use to submit a report on our website. The reporting system is therefore accessible at any time and from any location and provides a central point of contact for whistleblowers. Reporting involves filling out a case template, which is used to gather important information. The whistleblower is free to leave their personal details or can submit the report anonymously. In the latter case, the reporting system creates a mailbox through which the caseworker can continue to communicate with the whistleblower without the need to disclose their identity. The system is easy and intuitive to use. If a tip-off is received by the Compliance Manager, they proceed to examine the case and initiate any further steps. Complete anonymity of the whistleblower can be always guaranteed if desired.

In addition to ecological and social objectives, we also place great emphasis on comprehensive security concepts to ensure that visitors to our shopping centers always feel safe and that the highest security standards are maintained. Measures include risk assessments, hazard analyses, on-site inspections, and protocols for crisis situations such as terrorist attacks, fires, or accidents. ECE, as the appointed manager of all centers in the Deutsche EuroShop portfolio, has an external provider of health and safety services to ensure that all legal requirements relating to H&S asset management are met. This is achieved through providing staff with extensive documentation, guidelines and instructions on fire evacuation measures; training for first aiders and fire safety assistants and guidance for crises such as terror attacks. The external provider conducts risk assessments, job hazard analyses, center inspections to control

operational risks, and evaluates statistics and accidents. The external provider, along with ECE employees form an occupational health and safety organization, who hold health and safety meetings every quarter to discuss the above issues.

## Economic Viability

The integration of sustainability aspects into our risk management, as described below, actively contributes to the economic stability and future viability of our shopping centers. Through targeted measures, we minimize climate-related, regulatory, and economic risks, optimize operating costs, and enhance the competitiveness of our locations. Investments in building quality, energy efficiency, and flexible usage concepts increase property value and establishes a future-oriented foundation for our business model and overarching strategy. Simultaneously, resource-saving measures – such as energy-efficient lighting and air conditioning, sustainable water management, and intelligent building management – reduce ongoing costs and positively impact operating results. Recognized certifications further strengthen our market positioning. By continuously and proactively adapting to new usage concepts, changing customer requirements, and regulatory guidelines based on regular analysis of the opportunities and risks of our business model and market environment, we remain competitive and future-proof.

## Organizational Structure

Based on the legal and company-specific frameworks for managing a publicly listed company, we aim to foster the trust of investors, creditors, employees, business partners, and the public in the management and supervision of our company. This goal aligns with the demands of a sophisticated corporate governance system.

Deutsche EuroShop has a dual management and control structure in accordance with German stock corporation law, consisting of two bodies: the Executive Board and the Supervisory Board. The Supervisory Board comprises nine members, three of whom are independent. Reporting on gender diversity is conducted in accordance with the German Corporate Governance Code. Information about the composition of our Supervisory Board, our procedures for nominating and selecting members, and the avoidance of conflicts of interest can be found in the annual report.

Sustainability-related tasks are organized across departments. Deutsche EuroShop reports on sustainability according to the EPRA sBPR Guidelines, which are material due to our company and employee profile and for which we can gather the required information. This report is also prepared across departments.

# Double Materiality Analysis

In the first quarter of 2025, an internal team at Deutsche EuroShop conducted a multi-stage process to identify, assess, and prioritize material impacts, risks, and opportunities (IRO) in the field of sustainability.

The internal team included the following functions at Deutsche EuroShop: Executive Board, Head of Investor & Public Relations, Senior Manager Investor & Public Relations, Director Asset & Portfolio Management, Head of Accounting & Controlling. This team was supported by external specialists.

The procedure for identifying, assessing, and prioritizing the IRO was aligned with the ESRS guidelines and the associated implementation guide (IG 3). The analysis of the topics prescribed by the ESRS was carried out using established risk management methods, incorporating both internal and external expertise, and considering the perspectives of relevant stakeholder groups. To carefully consider stakeholder perspectives, a comprehensive survey of Deutsche EuroShop's main stakeholder groups on sustainability-related topics was conducted in the second half of 2024, supplemented by various environmental analyses that have been ongoing since 2022.

The results of the double materiality analysis allowed Deutsche EuroShop to enhance strategically relevant sustainability topics.

# Policies of Deutsche EuroShop

Deutsche EuroShop is currently developing a company-wide Code of Conduct, which will be introduced during the 2025 financial year and will be binding for all employees. This policy aims to establish uniform standards in behavior and business ethics, thereby further increasing transparency and accountability at all levels of the company.

Additionally, a Supplier Code of Conduct is foreseen. Currently, all shopping centers are managed by ECE Marketplaces GmbH & Co. KG, a leading European company in shopping center management. ECE Marketplaces provides its services independently under contracts with the respective shopping centers' property companies. These services include center management, which encompasses leasing based on standardized contracts, accounting, contract and legal matters, as well as technical planning and maintenance of the centers.

Both policies are significant regarding the growing requirements of ESG ratings. By introducing and adhering to these guidelines, Deutsche EuroShop expects not only to enhance internal efficiency and ethics but also to have a positive impact on its ESG ratings, which can lead to improved reputation and perceived responsibility of the company in the public eye.

# ESG Ratings

Deutsche EuroShop is currently evaluated by the following rating agencies:

- ISS ESG
- MSCI
- Morningstar Sustainalytics
- S&P Global Sustainability Assessment
- FTSE Russell ESG
- EthiFinance

These ratings provide us with additional input to continuously assess and refine the requirements we need to meet.

## Deutsche EuroShop and Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) of the United Nations, which came into force in 2015 as part of Agenda 2030, provide companies with guidance to align their business activities with sustainable development across the entire value chain. Based on the SDGs, Deutsche EuroShop can more precisely categorize its sustainability activities to document how it contributes to addressing overarching economic, social, and environmental challenges.



Goal: Ensure access to affordable, reliable, sustainable, and modern energy for all.

Potential Measures for DES:

- **Increase Energy Efficiency:** Widespread use of LED lighting, smart energy management systems, and energy-efficient devices.
- **Install Renewable Energy Sources:** Assess potential for photovoltaic systems on roofs or parking lots for on-site power generation.
- **Optimize Heat Utilization:** Use heat recovery systems (e.g., via heat exchangers) and high-efficiency insulation to reduce heating and cooling needs.
- **Sustainable Lease Agreements (“Green Leases”):** Tenants commit to energy-efficient measures, such as using sustainable materials and energy-saving technologies in their stores.
- **Transparent Reporting:** Regular disclosure of energy consumption and achieved savings as part of the sustainability strategy.



Goal: Make cities and human settlements inclusive, safe, resilient, and sustainable.

Potential Measures for DES:

- **Promote Sustainable Mobility:** Expand bicycle parking facilities, charging stations for electric vehicles, and incentives for the use of public transport (e.g., through good connectivity).
- **Ensure Accessibility:** Implement DIN standards for barrier-free access, tactile guidance systems, and inclusive design principles for usage by all visitor groups.
- **Integrate Green and Blue Infrastructure Elements:** Incorporate green roofs, facades, and natural outdoor spaces and water management systems to improve air quality, the microclimate and the water balance.
- **Enhance Safety:** Implement modern safety concepts for a secure shopping experience (e.g., lighting, surveillance systems, emergency plans).
- **Strengthen the Local Community:** Organize local events and cooperate with social initiatives or educational institutions.



Goal: Take urgent action to combat climate change and its impacts.

Potential Measures for DES:

- **Reduce CO<sub>2</sub> through Energy-Efficient Operations:** Use intelligent building technology to manage lighting, heating, and cooling, and employ heat exchangers for energy recovery.
- **Science-based decarbonization pathways** as recommended via DGNB
- **100% Green Electricity:** Gradual transition to certified renewable energy for operating shopping centers.
- **Climate Risk Monitoring:** Regular analysis of physical climate risks (e.g., flood risks) and implementation of preventive measures for increased resilience.
- **Raise Awareness Among Visitors and shop owners:** Conduct sustainability campaigns or interactive displays on climate protection for customers and tenants.

# GREEN FINANCE FRAMEWORK

For Deutsche EuroShop, sustainable finance is an effective tool to achieve alignment between its financing and sustainability strategy. At the same time, such instruments allow Deutsche EuroShop to highlight its contribution to overarching sustainability ambitions, such as the EU's environmental targets, as well as the UN' Sustainable Development Goals (UN SDGs).

Deutsche EuroShop's Green Finance Framework ("Framework") is based on the four core components and the recommended External Review component of the Green Bond Principles 2021<sup>7</sup> (GBP) as administered by the International Capital Markets Association (ICMA), and the Green Loan Principles 2023 (GLP)<sup>8</sup> as administered by the Loan Market Association (LMA).

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

Under this Framework, Deutsche EuroShop can issue bonds, loans and other instruments ("Green Finance Instruments") allocated to finance or refinance new or existing eligible assets and capital and operating expenditures ("Eligible Green Projects").

Green Finance Instruments as defined in this Framework may include but are not limited to bonds, commercial papers, Schuldscheindarlehen and bi- and multi-lateral loans, including promissory notes. Green Finance Instruments issued in accordance with this Framework can be of any seniority, but in any case, are expected to be issued ranking *pari passu* with any other conventional instrument of similar status and subordination. The respective security's legal document shall provide details on any Green Finance Instrument issued with a reference to this Framework.

Further evolutions in regulation or market standards for sustainable finance may be reflected in future updated versions of this Framework.

## 2.1. Use of Proceeds

An amount equal to the net proceeds raised by any Green Finance Instruments will be allocated to new or existing Eligible Green Projects, meeting the respective criteria outlined in this Framework ("Eligibility Criteria") by achieving an environmental benefit. Eligible Green Projects will be located throughout the countries in which Deutsche EuroShop operates (Germany, Austria, Czech Republic, Hungary, and Poland). Eligibility Criteria are outlined in *Table 1*.

For operating expenditures, a maximum two-year look-back period shall be applied.

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<sup>7</sup> ICMA Green Bond Principles

[www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf)

<sup>8</sup> LMA Green Loan Principles [www.lma.eu.com/application/files/8916/9755/2443/Green\\_Loan\\_Principles\\_23\\_February\\_2023.pdf](https://www.lma.eu.com/application/files/8916/9755/2443/Green_Loan_Principles_23_February_2023.pdf)






| ICMA Categories  | Eligibility Criteria   | EU Taxonomy  |
|--|--|--|
| <p><b>Green Buildings</b></p>            | <p>Acquisition, construction, operation and/or refurbishments of new and existing buildings which meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>– Buildings with EPC label A or B</li> <li>– Buildings built before 31 December 2020 belonging to the top 15% of the national building stock based on primary energy demand (PED).</li> <li>– Buildings built after 31 December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings (“NZEB”) in the local market</li> <li>– New, existing or refurbished commercial buildings which received at least one of the following certifications, or their equivalent:               <ul style="list-style-type: none"> <li>o BREEAM Very Good or above</li> <li>o DGNB Gold or above</li> </ul> </li> </ul> <p>Renovation measures that lead to a reduction of primary energy demand of at least 30 % in comparison with the energy performance of the building before the renovation</p> <p>Expenditures related to individual renovation measures that increase energy efficiency</p> | <p>7.1 Construction of new buildings</p> <p>7.2 Renovation of existing buildings</p> <p>7.3 Installation, maintenance and repair of energy efficient equipment</p> <p>7.7 Acquisition and ownership of buildings</p> |
| <p><b>Renewable Energy</b></p>    | <p>Expenditures related to the installation of onsite solar photovoltaic panels.</p>   | <p>7.6 Installation, maintenance and repair of renewable energy technologies</p>   |
| <p><b>Clean Transportation</b></p>   | <p>Expenditures related to the installation of charging stations for electric mobility.</p>  | <p>7.4: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</p>  |

Table 1: Eligible Projects

In line with the EU Paris-aligned Benchmarks, Deutsche EuroShop commits to exclude all the following activities for the allocation of net proceeds raised by Green Finance Instruments:

- (a) activities related to controversial weapons;
- (b) activities related to tobacco;
- (c) activities in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- (d) activities related to exploration, mining, extraction, distribution or refining of hard coal and lignite;
- (e) activities related to exploration, extraction, distribution or refining of oil fuels;
- (f) activities related to exploration, extraction, manufacturing or distribution of gaseous fuels;
- (g) activities related to electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh.

For the purposes of point (a), controversial weapons shall mean controversial weapons as referred to in United Nations principles and national legislation.

## 2.2. Process for Project Evaluation and Selection

Deutsche EuroShop has established a process for the project evaluation and selection of Eligible Green Projects. The introduced Green Finance Committee, chaired by the CEO/CFO and bringing together representatives of all relevant functions within the firm, will meet at least on an annual basis. Responsibilities of the Green Finance Committee comprise:

- Evaluating proposed projects on compliance with the Eligibility Criteria outlined in the Use of Proceeds section
- Allocating an amount equal to the net proceeds of the Green Financing Instruments to Eligible Green Projects
- Monitoring of Eligible Green Projects to which an amount equal to the net proceeds from a Green Financing Instrument have been allocated, to ensure they continue to be aligned with the Eligibility Criteria and reallocate, in case required
- Preparation and validation of the allocation and impact reporting

## 2.3. Risk Management

The foundation for Deutsche EuroShop's risk management in the area of sustainability is a comprehensive materiality analysis (double materiality determination), in which all relevant impacts, risks, and opportunities along our value chain are systematically identified and prioritized. In our assessment, we were guided by DGNB and EPRA requirement catalogs, industry-specific classifications of the EU Taxonomy, SASB Sector Criteria and the Sector Impact Maps of the UNEP FI (United Nations Environment Programme Finance Initiative), which are also pivotal for our key capital providers and business partners (e.g., PRI- or PRB-signatories).

Additionally, our key stakeholders have been directly involved in the evaluation of sustainability topics, or the significance of important sustainability aspects for our stakeholders has been indirectly evaluated through environmental and market analyses. Support from external experts also ensured that specialized expertise was incorporated into the evaluation and decision-making process.

Our sustainability management is based on relevant legal frameworks and international guidelines such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the conventions of the ILO (International Labour Organization), and established guidelines like EPRA (European Public Real Estate Association) and DGNB (German Sustainable Building Council). In this way, we ensure that our activities are aligned with proven standards in the sustainability context and continuously identify potential for optimization.

Key identified impacts, risks, and opportunities are operationalized through various metrics and systematically monitored both internally and externally (e.g. via certifications). Where approaches are still lacking, corresponding goals, measures, and monitoring processes are planned for the short and mid-term. This establishes the basis for transparent impact reporting, where we regularly communicate progress and improvement measures.

## 2.4. Management of Proceeds

The net proceeds of the Green Finance Instruments are allocated to Eligible Green Projects following a per instrument allocation approach and in line with the selection and monitoring procedure above.

Temporarily unallocated net proceeds from Green Finance Instruments will be managed in accordance with Deutsche EuroShop's liquidity policy. Deutsche EuroShop intends, to the best of its abilities, to fully allocate the proceeds within 24 months after the issuance date of each Green Finance Instrument.

In case an Eligible Green Project no longer meets the Eligibility Criteria as of the time of issuance of the Green Finance Instrument, or in case of divestments of the assets, Deutsche EuroShop will reallocate the net proceeds to other Eligible Green Projects. For the avoidance of doubt, potential future changes to the Framework's Eligibility Criteria will not affect the treatment of Green Eligible Projects retroactively.

Principal and interest will be paid from a general account and will not be linked to the performance of Eligible Green Projects.

## 2.5. Reporting

Deutsche EuroShop will report annually until full allocation on the allocation of proceeds and the environmental impact of Eligible Green Projects for each Green Finance Instrument. The report will be published on Deutsche EuroShop's website.

In the case of Green Finance Instruments other than bonds, Deutsche EuroShop may report directly and non-publicly, to the lenders or respective counterparts.

**Allocation reporting:**

The allocation reporting will include the following information:

- General information on Deutsche EuroShop’s outstanding Green Finance Instruments
- The amount of net proceeds allocated to Eligible Green Projects split per category and geographical location
- The balance of any unallocated proceeds
- The share of new financing and re-financing

**Impact reporting:**

Where feasible Deutsche EuroShop intends to report on the environmental impacts of the Eligible Green Projects associated with proceeds from a Green Finance Instrument. The impact reporting aims to disclose qualitative, and where feasible, quantitative environmental impact information for the Eligible Green Projects. Such impact metrics may include:






| ICMA categories             | Impact metrics  | SDGs  |
|-----------------------------|---|---|
| <b>Green Buildings</b>      | Annual GHG emissions avoided/reduced (tonnes of CO2e emissions)   |   |
|                             | Green certification level (DGNB)  |  |
|                             | Building water consumption intensity reduced (m <sup>3</sup> /employee or visitor)<br><br>Annual energy savings (kWh/m <sup>2</sup> of GBA p.a. or % of energy use reduced/avoided vs local baseline/building code) |   |
| <b>Renewable Energy</b>     | Installed renewable energy capacity (MW)  |  |
|                             | Annual GHG emissions avoided/reduced (tonnes of CO2e emissions)   |   |
| <b>Clean Transportation</b> | Installed charging points   |  |
|                             | Number and capacity of electric charging processes  |  |

Table 2: Impact metrics

The report will follow, where feasible, ICMA's Harmonized Framework for Impact Reporting<sup>9</sup>. Where appropriate, case studies or project summaries may also be provided. Where relevant, information will be provided on the impact assessment and data reporting methodologies applied.

To ensure transparency for investors, the company reports on its development based on the key performance dimensions in the environmental and social areas defined by the DGNB. As an independent certifier, the DGNB assesses the portfolio using a scoring system that incorporates various ESG metrics. Additionally, concrete recommendations for improvement are provided as part of a PDCA cycle (Plan, Do, Check, Act), serving as a guide for continuous optimization.

## 2.6. External Review

This Framework has been reviewed by Sustainable Fitch Limited which assessed the alignment of the four core components and the recommended External Review component of the ICMA GBP (2021), and the LMA GLP. The Framework as well as the Second Party Opinion (SPO) is published on the Deutsche EuroShop website.

Deutsche EuroShop will obtain a limited assurance report on the annual allocation reporting of the Green Finance Instrument proceeds to Green Eligible Projects, provided by an external auditor.

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<sup>9</sup> ICMA Harmonised Framework for Impact Reporting (June 2024) [www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf)

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No representation is made as to the suitability of any Green Finance Instruments to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Green Finance Instruments should determine for itself the relevance of the information contained or referred to in this Framework or the relevant documentation for such instruments and its purchase of Green Finance Instruments should be based upon such investigation as it deems necessary.

This Framework sets out the intended policy and actions of Deutsche EuroShop in respect allocation of proceeds, Eligible Green Projects and investor reporting in connection with Green Finance Instruments. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any Green Finance Instruments if Deutsche EuroShop fails to adhere to this Framework and only the provisions in the documentation of the respective instrument will be binding when it comes to Deutsche EuroShop's obligations under the respective instruments.

There currently is no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to, what constitutes or may be classified as, a "green", "sustainable" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable", and, in addition, the requirements of any such label may evolve from time to time. Prospective investors in Green Finance Instruments must therefore make their own assessment of the suitability of such instruments for their purposes. In addition, it should be noted that all of the expected benefits of the Eligible Green Projects as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy, changes in laws, rules or regulations, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives. In addition, each environmentally-focused potential purchaser of Green Finance Instruments should be aware that allocating any proceeds in accordance with the eligibility criteria discussed in this Framework may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts.

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