



Deutsche EuroShop AG

Second-Party Opinion – Green Finance Framework

Excellent
Good
Aligned
Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	<ul style="list-style-type: none"> Sustainable Fitch views the use of proceeds (UoP) categories described within Deutsche EuroShop AG's (DES) framework as being aligned with the ICMA Green Bond Principles (GBP) and the LMA, LSTA and APLMA Green Loan Principles (GLP), and demonstrating clear environmental benefits. We consider the UoP categories to have an excellent environmental impact. The eligibility criteria for the renewable energy and clean transportation categories, as well as some of the criteria for the green buildings category, align with the EU taxonomy substantial contribution criteria (SCC) for climate change mitigation. We positively view green building certifications and high energy performance certificate (EPC) ratings.
Use of Proceeds – Other Information	Good	<ul style="list-style-type: none"> The framework includes a clearly defined list of controversial projects, providing assurance that investments will align to DES's sustainability objectives. The outcome of the assessment is limited by the absence of a pre-identified proportion of new project financing and a defined lookback period for capex, which would make the environmental value added by the investment clear.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> The process for project evaluation and selection is clearly defined, with various team representatives' inputs, including sustainability personnel. We consider the single-layered control structure to align with general market practice.
Management of Proceeds	Good	<ul style="list-style-type: none"> The assessment outcome is supported by DES's commitment to monitor projects and remove projects in the case of ineligibility. We view the proceeds tracking method of internal earmarking and the holding of unallocated proceeds as company liquidity as general market practices.
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> DES's commitment to annual allocation and impact reporting until full allocation is aligned to the GBP and GLP. We positively assess that the framework references an external methodology for impact reporting. The portfolio approach for reporting for allocation and impact reflects a level of disclosure granularity that aligns with general market practice.

Relevant UN Sustainable Development Goals



Framework Type	Green
Alignment	<ul style="list-style-type: none"> ✓ Green Bond Principles 2021 (ICMA) ✓ Green Loan Principles 2023 (LMA/LSTA/APLMA)
Date assigned	28 March 2025
See Appendix B for definitions.	

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Use of Proceeds Summary – ICMA Categories

Green	Green buildings Renewable energy Clean transportation
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Source: DES green finance framework

Framework Highlights

We consider transactions under DES’s green finance framework to be aligned with the ICMA GBP and the LMA, LSTA and APLMA GLP.

DES aims for its inaugural green finance framework to align its financing with its sustainability strategy and to highlight its contributions to the EU’s environmental target for climate-neutrality by 2050 and the UN Sustainable Development Goals, by transitioning to a low-carbon portfolio.

The framework outlines processes for project evaluation and selection, management of proceeds, and reporting, in line with the four core components of the ICMA GBP and the LMA, LSTA and APLMA GLP. DES has stated that all eligible green projects will be in the countries it operates in, namely Germany, Austria, the Czech Republic, Hungary and Poland.

DES’s green finance framework includes three UoP categories: green buildings, renewable energy and clean transportation. We consider investments under all three categories to contribute to climate change mitigation.

The green buildings UoP category covers the acquisition, construction, operation, renovation and refurbishment of new and existing buildings that meet at least one of the defined criteria, covering EPC ratings, green building certifications and primary energy demand (PED) performance. DES aims for the category to help its property portfolio of shopping centres to achieve a high energy-efficiency performance and other environmental benefits.

The renewable energy UoP covers installation of on-site solar PV panels at DES’s shopping centres. This category supports generation of renewable energy for consumption, promoting the transition to a low-carbon portfolio and reducing its portfolio’s reliance on grid electricity.

The clean transportation UoP category relates to the installation of electric mobility charging stations in and around its shopping centres and parking structures. It aims for this category to support low-carbon solutions that offer significant emissions reductions compared to traditional fossil fuel-powered transportation.

DES’s green finance framework includes the EU taxonomy SCC for the relevant environmental objectives into the respective UoP categories. The framework’s UoP categories are taxonomy eligible under the climate change mitigation environmental objective (EO1), and cover categories 7.1 (construction of new buildings), 7.2 (renovation of existing buildings), 7.3 (installation, maintenance and repair of energy efficiency equipment), 7.4 (installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings), 7.6 (installation, maintenance and repair of renewable energy technologies) and 7.7 (acquisition and ownership of buildings).

The UoP categories include eligibility criteria that align to the relevant EU taxonomy SCC. Some of the eligibility criteria for the green buildings UoP category, such as EPC ratings and green building certifications, would require more information to be disclosed for us to be able to confirm compliance with the SCC.

The ICMA GBP and the LMA, APLMA and LSTA GLP recommend that eligible projects are clearly described in the legal documentation of the transaction. DES will provide details in the legal documentation of green finance instruments that it issues, with a reference to the framework, in line with current market practice. We have only reviewed the green finance framework for this Second-Party Opinion and have not reviewed any transaction-related legal documents or marketing materials; however, the framework provides the description of the projects.

Source: Sustainable Fitch, DES green finance framework

Entity Highlights

DES is a real estate investment company headquartered in Hamburg, Germany. It invests exclusively in shopping centres that are located across five central European countries. DES's portfolio consisted of 21 shopping centres as of end-2023; 17 of them are in Germany, covering a leasable area of 880,660 square metres (81% of leasable area), while it has one in each of Austria (3.4%), the Czech Republic (7.8%), Hungary (3.3%) and Poland (4.5%).

The shopping centres are managed by ECE, a family-owned company controlled by the Otto family. DES is majority owned by Hercules BidCo GmbH, with a 76.4% stake as of end-2023. The company is listed on the Frankfurt Stock Exchange. It reported revenue of EUR273.3 million at end-2023, with an asset portfolio value of EUR4.46 billion. It generates revenue from rental income from its leased retail spaces, with a total of 2,673 leased shops across all its shopping centres, covering a total leasable area of 1.1 million square metres.

The environmental footprint of the real estate sector is substantial; it significantly contributes to energy consumption, GHG emissions, depletion of natural resources, waste production and alterations in land-use patterns. The European Commission reports buildings are responsible for around 40% of energy consumption and 36% of energy-related GHG emissions in the EU.

Shopping centres are increasingly integrating sustainable practices to align with regulatory demands and consumer expectations. Many are adopting green building certifications, energy-efficient systems and sustainable construction materials. Renewable energy sources, such as solar panels, and efficient waste management systems are becoming standard features.

DES has several environmental initiatives in place, with a focus on on-site renewable energy generation, green electricity procurement, green building certifications and sustainable mobility. However, it has not set emissions targets or committed to achieving net-zero emissions by 2050 as of March 2025.

Certified green buildings can help mitigate the environmental impact of real estate companies' portfolios. All of DES's shopping centres are certified by the German Sustainable Building Council (DGNB) for buildings in use, with 10 attaining DGNB Platinum (43% of the portfolio by leasable floor area) and 11 holding DGNB Gold (57%).

The DGNB certification scheme takes a comprehensive approach by assessing quality across six main criteria groups: environmental; economic; sociocultural and functional; technical; process; and location quality. The DGNB certification for in use buildings is valid for three years, and recommendations for improvement are provided as part of a Plan, Do, Check, Act cycle, to serve as a guide for continuous optimisation. Environmental quality considers three factors: climate action and energy; water; and materials and recycling.

DES's is undertaking an initiative to increase consumption of renewable energy. It projects that its 2024 installation of solar PV panels on its Rhein-Neckar-Zentrum shopping centre in Viernheim, Germany will generate 785,000kWp of clean energy annually, which it anticipates will meet 21% of the shopping centre's electricity needs. DES has implemented green lease contracts for around 35.7% of the rental space in its shopping centres, demonstrating a commitment to sustainable property management practices.

The company has demonstrated commitment to promoting sustainable mobility by installing 115 electric vehicle charging stations across six of its shopping centres; with a target to install a further 164 charging stations across 15 shopping centres.

Source: Sustainable Fitch, DES annual report 2023



Use of Proceeds – Eligible Projects

Alignment: Excellent

Company Material

Sustainable Fitch's View

Green buildings

- This UoP includes the acquisition, construction, operation and refurbishment of new and existing buildings that meet at least one of the following criteria:
 - achieving an EPC rating of A or B;
 - for buildings built before 31 December 2020, belonging to the top 15% of the national building stock based on PED;
 - for buildings built after 31 December 2020, having an energy performance at least 10% better than the threshold for nearly zero-energy buildings in the local market; or
 - for new, existing or refurbished commercial buildings, receiving at least one of the following certifications, or their equivalent: BREEAM Very Good or above, or DGNB Gold or above.
- It also includes renovation measures that lead to a reduction of PED of at least 30% in comparison with the energy performance of the building before the renovation.
- Further, it can finance expenditures related to individual renovation measures that increase energy efficiency.

- This UoP is aligned with the ICMA GBP categories of green buildings and energy efficiency.
- Buildings significantly affect the environment through their intensive use of resources, with energy consumption being a primary concern. The long lifespan of buildings places further emphasis on the need to improve energy efficiency to mitigate energy consumption over time and prevent a delay in transitioning to net-zero emissions by 2050.
- The large size of shopping centres, as well as the nature of their activities, mean they require significant amounts of energy to operate. Contributing to global sustainability initiatives, as well as to DES's sustainability ambitions, requires these buildings to consume as little energy as possible.
- Green building certifications are nationally or internationally recognised indicators of energy-efficiency performance and other environmental benefits. Buildings must meet minimum performance criteria for a range of environmental topics to qualify for green building certification under the BREEAM or DGNB schemes. We therefore expect these projects to provide a positive environmental impact.
- The EU taxonomy recognises the construction, renovation and acquisition of buildings as activities that contribute to climate change mitigation; it uses science-based energy performance criteria to assess this contribution rather than green building certification.
- Eligible projects under this UoP category are eligible under the following EU taxonomy categories: 7.7 (acquisition and ownership of buildings), 7.1 (construction of new buildings), 7.2 (renovation of existing buildings) and 7.3 (installation, maintenance and repair of energy efficiency equipment).
- The SCC for acquisition and ownership of buildings require buildings built before 31 December 2020 to attain an EPC rating of A or to be within the top 15% of the national or regional building stock, based on operational PED and at least distinguished between residential and non-residential buildings.
- This UoP category includes buildings built before 31 December 2020 that are in the top 15% of the national building stock based on PED; these clearly align with the EU taxonomy SCC and so have a substantial contribution to climate change mitigation.
- Buildings with EPC ratings A and B are eligible under this UoP, though DES has not committed to finance EPC A-rated buildings built before 2021. Nonetheless, EPC ratings of A and B indicate high levels of energy efficiency, with the capability to reduce energy consumption and positively affect the environment.
- The taxonomy also requires large, non-residential buildings, such as shopping centres, to be efficiently operated, with energy performance monitoring and assessment. This can be demonstrated, for example, through the presence of an energy performance contract or a building automation and control system. DES has confirmed the eligible projects will meet this requirement.
- The eligibility criteria for buildings built after 31 December 2020 directly refer to the SCC of EU taxonomy category 7.1 (construction of new buildings). We therefore expect these buildings to have a substantial contribution to climate change mitigation.





- The taxonomy requires buildings' energy performance to also be certified using an as-built EPC and for buildings larger than 5,000 square metres to undergo testing for airtightness and thermal integrity upon completion.
- The taxonomy further indicates that any deviation in the levels of performance set at the design stage or defects in the building envelope must be disclosed to investors and clients. It views having robust and traceable quality control processes in place during the construction process as an acceptable alternative to thermal integrity testing.
- The taxonomy also requires the life-cycle global warming potential of the building resulting from the construction to be calculated for each stage in the life cycle and be disclosed to investors and clients on demand. DES has confirmed that the eligible projects will meet the above requirements for buildings built after 31 December 2020.
- The framework's eligibility criteria for renovation require the renovation to lead to a reduction in PED of at least 30% in comparison with the energy performance of the building before the renovation, which directly refers to the SCC of EU taxonomy category 7.2 (renovation of existing buildings). DES has confirmed that all refurbishment and renovation projects will result in a 30% PED reduction. We expect this activity to have a substantial contribution to climate change mitigation.
- Projects relating to individual renovation measures to improve energy efficiency renovation are eligible under EU taxonomy category 7.3 (installation, maintenance and repair of energy efficiency equipment).
- Confirming alignment with the SCC for this activity would require more information, namely that projects comply with the minimum requirements set nationally and are within the highest two populated classes of energy efficiency are attained. We have, therefore, conservatively assessed the expected environmental impact of these potential eligible projects.

Renewable energy

- This UoP includes expenditures related to the installation of on-site solar PV panels.

- This UoP is aligned with the ICMA GBP category of renewable energy.
- Investing in the installation of on-site solar PV panels has numerous environmental benefits and aligns with the EU's climate goals. Solar PV panels generate clean, renewable electricity, and reduce reliance on fossil fuel-based grid power.
- The revised Renewable Energy Directive (EU/2023/2413) has set the EU's binding renewable energy target for 2030 to a minimum of 42.5%. This will support the European Green Deal to achieve climate neutrality in the EU by 2050.
- The Energiewende, Germany's climate-neutral energy system target for 2045, is supported by a strong policy framework for renewable energy.
- 81% of DES's shopping centres, in terms of leasable area, are in Germany, so installing on-site solar PV panels will contribute to the country's renewable energy targets and will directly lower the carbon footprint of DES's shopping centres, which are typically energy-intensive facilities.
- It can also feed excess energy back into the national grid, which supports local energy resilience. Solar panels can help reduce the urban heat island effect by absorbing sunlight that would otherwise be converted into heat on the roof surface.
- Installation of on-site solar PV panels is eligible under EU taxonomy category 7.6 (installation, maintenance and repair of renewable energy technologies).





- The taxonomy considers this activity to have a substantial contribution to climate change mitigation without needing to meet any additional SCC.

Clean transportation

- This UoP includes expenditures related to the installation of charging stations for electric mobility, covering private transportation such as electric cars and bicycles.

- This UoP is aligned with the ICMA GBP category of clean transportation.
- Clean transportation is a key pillar to achieving the EU's target of climate neutrality by 2050, with a focus on supporting adoption of zero-emissions vehicles.
- The installation of charging stations for electric mobility offers several environmental benefits and supports the transition to zero-emissions vehicles, as well as other electric-mobility solutions.
- Germany aims to install 1 million fully accessible and operational charging stations nationwide by 2030. Electric mobility produces significantly less carbon emissions than traditional internal combustion engine vehicles, especially when charged with renewable energy sources.
- DES's shopping centres are in city centres, so providing on-site charging stations at the centres can promote the use of electric mobility solutions, leading to a reduction in overall transportation-related emissions in these urban areas.
- Expenditures related to the installation of charging stations for electric mobility are eligible under EU taxonomy category 7.4 (installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings).
- The taxonomy considers this activity to have a substantial contribution to climate change mitigation without needing to meet any additional SCC.



Source: DES green finance framework

Source: Sustainable Fitch



Use of Proceeds – Other Information

Company Material

- An amount equivalent to the net proceeds raised by any green finance instruments issued by DES will be used, in whole or in part, to finance new or existing eligible green projects that meet the respective eligibility criteria outlined in the framework.
- DES will apply a lookback period of no longer than two years for operating expenditures.
- In line with the EU Paris-aligned benchmarks, DES commits to exclude all the following activities for the allocation of net proceeds raised by green finance instruments:
 - activities related to controversial weapons, as referred to in UN principles and national legislation;
 - activities related to tobacco;
 - activities in violation of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises;
 - activities related to exploration, mining, extraction, distribution or refining of hard coal and lignite;
 - activities related to exploration, extraction, distribution or refining of oil fuels;
 - activities related to exploration, extraction, manufacturing or distribution of gaseous fuels; or
 - activities related to electricity generation with a GHG intensity of more than 100gCO₂e/kWh.

Source: DES green finance framework

Alignment: Good

Sustainable Fitch's View

- DES has committed to providing the share of financing and refinancing in its allocation reports, as recommended by the ICMA GBP and the LMA, LSTA and APLMA GLP.
- Market guidance, such as the Green Bond Handbook from the International Finance Corporation, suggests that the market generally views financing as more positive than refinancing, as it brings more additionality from an environmental impact perspective by producing positive impact from projects that have not been recognised previously.
- DES's framework does not include a commitment to apply a lookback period to capital expenditures. The ICMA handbook from November 2024 recommends issuers disclose, and differentiate between, the lookback period for refinancing of capital and operating expenditures, often with a preference for a shorter lookback period for operating expenditures.
- The two-year lookback period for operating expenditures is aligned with standard market practice, though we view a one-year lookback period as maintaining the integrity and relevance of the green financing by limiting the investment in existing projects, thus providing more additional positive environmental impact from the instruments.
- DES has specified a list of prohibited projects in the framework. This provides assurance that net proceeds will not be allocated to projects that contribute to environmental harm or that conflict with DES's sustainability objectives.

Source: Sustainable Fitch

Evaluation and Selection

Company Material

- DES has established a decision-making process within the framework to select the eligible green projects.
- DES has set up a dedicated green finance committee that is responsible for evaluating and selecting eligible green projects. The committee is chaired by the CEO or chief financial officer and includes representatives from all relevant functions within DES.
- The committee evaluates proposed projects on compliance with the eligibility criteria and selects the projects; it also monitors the selected projects to ensure continued alignment with the eligibility criteria.
- Further, it oversees the allocation of the proceeds from green finance instruments to eligible green projects and is responsible for preparation and validation of the allocation and impact reporting.
- DES's management of environmental and social risks is underpinned by minimum standards defined in legal frameworks and international guidelines for all its activities, including those financed with the net proceeds of the green finance instruments issued under this framework.

Source: DES green finance framework

Alignment: Excellent

Sustainable Fitch's View

- DES's evaluation and selection process is overseen by its dedicated green finance committee; it has committed to a structured and formal approach, to ensure alignment with the requirements of the ICMA GBP and the LMA, LSTA and APLMA GLP.
- The committee members have multi-disciplinary expertise. The framework does not have an explicit statement that confirms sustainability personnel are involved; however, DES has confirmed that employees with sustainability expertise are involved in the process.
- Including sustainability personnel in the process helps ensure that the objectives and mechanics of the green bond are aligned with the issuer's overall sustainability strategy.
- The evaluation and selection process for projects is solely managed by the green finance committee, indicating a single-tiered control structure. This aligns with general market practice.
- Market best practice would be to use separate teams to separate the process of evaluating the projects for compliance with the framework's eligibility criteria from the process for selecting the green projects that are funded, as this provides additional checks and balances in the process.
- DES's framework provides comprehensive information on the processes by which it identifies and manages perceived environmental and social risks. This aligns with the project evaluation and selection process principles of the ICMA GBP.

Source: Sustainable Fitch

Management of Proceeds

Company Material

- 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.

Alignment: Good

Sustainable Fitch's View

- DES has confirmed that net proceeds will be managed through an internal treasury management process; this is in line with general market practice.



Management of Proceeds

Alignment: Good

Company Material

- DES intends to fully allocate the net proceeds of each green finance instrument within two years of issuance. Pending allocation, unallocated net proceeds will be managed in accordance with DES's liquidity policy.
- Where an eligible green project no longer meets the eligibility criteria that were set at the time of issuance of the green finance instrument, or in case of divestments of the assets, DES will reallocate the net proceeds to other eligible green projects.
- Payment of principal and interest of the green finance instruments will be made from a general account and will not be linked to the performance of eligible green projects.

Sustainable Fitch's View

- Market best practice for managing proceeds is to segregate the funds from normal treasury accounts via an SPV or a ring-fenced sub-account. This prevents commingling of funds and provides assurance that funds will be used to bring about positive environmental impact throughout the instrument's term.
- Holding unallocated proceeds temporarily in cash or cash-equivalent instruments is in line with standard market practice and the ICMA GBP. DES stated that unallocated proceeds will also not be allocated to projects that are included in its exclusionary list.
- Market best practice is to temporarily invest the unallocated proceeds into a restricted pool of assets that have green characteristics. This allows the proceeds to align with the sustainability commitment throughout the bond or loan term.
- The ability to remove projects that no longer meet the eligibility criteria set out in the framework provides assurance to investors that the proceeds will continuously deliver positive environmental impact.

Source: DES green finance framework

Source: Sustainable Fitch

Reporting and Transparency

Alignment: Excellent

Company Material

- DES will report annually until full allocation on the allocation of proceeds and the environmental impact of eligible green projects for each green finance instrument issued, which will be available on the company's website.
- The allocation report will include the following information:
 - general information on DES's outstanding green finance instruments;
 - the amount of net proceeds allocated to eligible green projects, split by category and by geographical location;
 - the balance of unallocated proceeds; and
 - the share of new financing and refinancing.
- The impact reporting aims to disclose qualitative, and where feasible, quantitative environmental impact information, which may include:
 - for green buildings, the annual GHG emissions avoided or reduced (tCO₂e), green certification level (DGNB), reduction in water consumption (in cubic metre per employee or visitor), and the annual energy saved (kWh per metre square of gross building area or percentage of energy use reduced or avoided versus local baseline or building code);
 - for renewable energy, the installed renewable energy capacity (MW) and annual GHG emissions avoided or reduced (tCO₂e); and
 - for clean transportation, the number of installed charging points, and the number and capacity of electric charging processes.
- DES intends to align its impact reporting with the ICMA Handbook – Harmonised Framework for Impact Reporting from June 2024.
- DES will obtain a limited assurance report on the annual reporting of allocation of proceeds from green finance instrument to green eligible projects, from an external auditor.

Sustainable Fitch's View

- DES has committed to reporting on the allocation and impact of any green finance instrument issued annually until the full allocation of proceeds, which aligns with the recommendations of the ICMA GBP.
- We view the commitment to disclose the proportion of new financing and refinancing positively. Visibility on the allocation of net proceeds to new projects shows the level of additionality that allocated proceeds have and provides sufficient transparency to stakeholders.
- The framework includes a commitment to reporting the allocation and impact of net proceeds, based on a portfolio approach for each of the UoP categories. The company confirmed that allocation and impact reporting will be available for each individual bond.
- This level of disclosure granularity is in line with general market practice. We consider project-by-project reporting, segregated by individual instruments, to be more granular. This supports transparency and enables investors to attribute impact to the specific projects financed.
- We positively view the issuer's selection of impact metrics. The potential impact metrics are specifically measurable and aligned with recognised international market standards, namely the recommendations of the ICMA Handbook – Harmonised Framework for Impact Reporting from June 2024.
- DES has committed to obtain an assurance report from an external auditor on the allocation reporting, which is standard market practice.
- The framework does not indicate that DES will seek external verification of its impact reporting. External verification can lend credibility to the reported impact metrics.

Source: DES green finance framework

Source: Sustainable Fitch



Relevant UN Sustainable Development Goals

- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.
- **7.3:** By 2030, double the global rate of improvement in energy efficiency.



- **9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



- **11.2:** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.



Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Green

Four Pillars

1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider

Second-party opinion	Yes
Verification	No
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP)

Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	No
Environmentally sustainable management of living natural resources and land use	No
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	Yes
Sustainable water and wastewater management	No
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.

2) Project Evaluation and Selection

Evaluation and Selection

Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation and Selection, Responsibility and Accountability

Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds

Tracking of Proceeds

Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.



Type of Instrument: Green

Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting

UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	Yes
Other	n.a.

Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	Yes
Other ESG indicators	Green certification level (DGNB); installed renewable energy capacity (MW); installed charging points; and number and capacity of electric charging processes.

Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes



Type of Instrument: Green

Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Appendix C: Second-Party Opinion Methodology

Second-Party Opinion

Second-Party Opinions (SPO) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer's green, social, sustainability or sustainability-linked bond or loan issuance, framework or programme with the relevant principles. For these purposes, "alignment" should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary the analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

Analytical Process

The analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (eg the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related SPO, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

ESG Framework	
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch



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