

Second-Party Opinion

Globalworth Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Globalworth Green Bond Framework aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds, Green Buildings and Energy Efficiency, are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 & 11.



PROJECT EVALUATION / SELECTION Globalworth's internal process of evaluating and selecting projects is carried out by the Green Bond Committee. The Committee is responsible for screening projects against the eligibility criteria and recommending eligible projects for inclusion in the Eligible Green Project Portfolio. The Portfolio will be reviewed annually to ensure projects' eligibility and, if no longer eligible, projects will be removed and replaced as soon as practically feasible. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Globalworth will strive to ensure that the level of allocation to the Eligible Green Projects Portfolio matches or exceeds the balance of net proceeds from its outstanding green bonds. In case of any unallocated proceeds, Globalworth will hold and/or invest, at its own discretion, in its liquidity portfolio. This is in line with market practice.



REPORTING Globalworth intends to report on allocation of proceeds on its website, on an annual basis, until full allocation. Globalworth will report on the total amount of allocation, the share of financing vs. refinancing and the details of portfolio. In addition, Globalworth is committed to reporting on relevant impact metrics. Sustainalytics views Globalworth's allocation and impact reporting as aligned with market practice.

Evaluation date	May 28, 2020
Issuer Location	St Peter Port, Guernsey

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Introduction

Globalworth Real Estate Investments Limited (“Globalworth”, “GWI”, or the “Company”) is a real estate company with a primary focus on Poland and Romania. The Company acquires, develops and manages commercial real estate assets. The Company has 240 employees spread between Romania and Poland and, as of 2019, has an overall real estate portfolio with a combined value of approximately EUR 3.0 billion.

GWI has developed the Globalworth Green Bond Framework (the “Framework”) under which it intends to issue multiple green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future green building and energy efficiency projects that will reduce the energy consumption of the commercial real estate sector in Romania and Poland. The Framework defines eligibility criteria in two areas:

1. Green Buildings
2. Energy Efficiency

GWI engaged Sustainalytics to review the Globalworth Green Bond Framework, dated May 2020, and provide a Second-Party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics’ assessed the following:

- The Framework’s alignment with the ICMA Green Bond Principles 2018
- The credibility and anticipated positive impacts of the use of proceeds
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.3, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Globalworth’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. GWI representatives have confirmed (1) they understand it is the sole responsibility of Globalworth to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Globalworth.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Framework is available on GWI’s website at <https://www.globalworth.com/investor-relations/bonds>.

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that GWI has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Globalworth Green Bond Framework

Sustainalytics is of the opinion that the Globalworth Green Bond Framework aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Globalworth's Framework:

- Use of Proceeds:
 - The eligible categories, green buildings and energy efficiency, are aligned with those recognized by the GBP.
 - The Framework allows for the financing or refinancing of buildings compliant with third-party certification standards such as LEED ("Gold" or higher) and BREEAM ("Excellent" or higher). Sustainalytics considers these certifications to be credible and the levels selected to be impactful and aligned with market practice. Please refer to Appendix 1 for Sustainalytics' assessment of these certification schemes.
 - GWI may also finance the costs of renovating or refurbishing existing buildings, and has defined two paths to eligibility for these projects, both of which Sustainalytics views positively:
 - Any renovation which achieves a 30% improvement in Primary Energy Demand is eligible; this 30% threshold is aligned with market practice and reflected in standards such as the EU Taxonomy⁴ and the Climate Bonds Initiative;⁵
 - Any major renovation⁶ which complies with the requirements for cost-optimal minimum energy performance, under the applicable implementation of the Energy Performance of Buildings Directive (EPBD).⁷ This criterion is reflected in the EU Taxonomy.
 - The Framework defines a list of specific "individual measures"; the costs of these projects are definitionally eligible, without any required demonstration of performance improvement, including actions such as the addition of insulation to existing buildings, HVAC and lighting upgrades, electric vehicle charging stations, and on-site renewable energy systems.⁸ Sustainalytics considers these project types to be aligned with green bond market practice, noting that some of these investments may be directed to equipment powered by fossil fuels.
- Project Evaluation and Selection:
 - Globalworth's process for project evaluation and selection is carried out by a Green Bond Committee ("Committee") in collaboration with relevant internal teams, including investments, projects management or legal. The Committee, chaired by GWI's Deputy Chief Investment Officer, is responsible for screening potential projects against the eligibility criteria and will make recommendations on eligible projects for inclusion in the Eligible Green Projects Portfolio to the Company's Board of Directors.
 - The Committee will also monitor projects on at least an annual basis to ensure projects remain eligible. In the event a project is no longer eligible, it will be removed and replaced as soon as practically feasible.
 - Based on the establishment of a Committee and sign-off by the Board, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - GWI will allocate proceeds to the Eligible Green Projects Portfolio ("Portfolio") and will strive to ensure that the value of the Portfolio matches or exceeds the value of the net proceeds from the green bonds within 24 months of issuance.
 - In the event of any unallocated proceeds, GWI will hold and/or invest, at its own discretion, in its treasury portfolio, in cash or other short-term liquid instruments.

⁴ The Technical Annex to the EU Taxonomy can be accessed at: https://ec.europa.eu/info/files/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en

⁵ Climate Bonds Initiative, "Buildings Criteria", <https://www.climatebonds.net/files/files/low%20carbon%20building%20criteria.pdf>

⁶ A major renovation is defined in EU regulation as one that has a cost of >25% of the building value or which affects >25% of the building envelope.

⁷ The EPBD is an EU directive which is transposed into local regulation within each member country; these regulations lay out a cost-optimal approach to improving building efficiency, accounting for regional factors.

⁸ This list is based on the eligible initiatives defined in the Technical Annex of the EU Taxonomy.

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- Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - GWI will report on allocation of proceeds to its investors annually in an allocation report, on its website, until full allocation of the bond. The allocation reporting will include the total amount of allocated proceeds, the share of financings vs refinancing, the status of the building stock and the geographic distribution. GWI will seek external verification for the allocation reporting. Additionally, where feasible, GWI will provide impact reporting to demonstrate the contribution to environmental objects per project category and the Company has identified a number of reporting metrics including: the level of certification by property, annual GHG emissions avoided, and annual energy savings. For a complete list of relevant impact indicators see Appendix 2.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Globalworth Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Globalworth

Contribution of framework to Globalworth's sustainability strategy

Sustainalytics is of the opinion that Globalworth's Sustainable Development Strategy demonstrates a strong commitment to sustainability, with a focus on three key environmental principles: (i) integrate efficient and sustainable operating policies, procedures and actions, (ii) be accountable as a team of professionals for environmental stewardship, and (iii) work with its shareholders and other stakeholders to make environmentally responsible decisions.⁹

In line with its sustainability strategy, GWI invests in green buildings which reduce their negative environmental impact. The Company principally targets properties which have BREEAM Very Good/LEED Gold.⁹ GWI has increased its green-certified real estate portfolio from EUR 193 mn in 2014 to EUR 2.3 billion in 2019. Buildings with environmental certifications BREEAM Very good or higher represent almost two thirds of the portfolio (62.3%), followed by LEED Gold or higher (17.1%) and EDGE (1.7%).² The remaining of the portfolio is undergoing green accreditation; GWI intends to ensure that 100% of their portfolio achieves green accreditation.⁹ Additionally, the Company is developing a tool to make its portfolio more energy efficient and improve tenant awareness of energy consumption and conservation.⁹

Sustainalytics is of the opinion that the Globalworth Framework is aligned with the company's overall sustainability strategy, and that the allocation of proceeds raised by green bonds will further the Company's action on its key environmental priorities.

Well positioned to address common environmental and social risks associated with the projects

The eligible projects defined by the Framework are anticipated to have overall positive environmental and social impact. However, Sustainalytics is aware that as with any undertaking, such eligible projects could lead to negative environmental and social outcomes if risks are not well-managed. Some key environmental and social risks could include human rights, labour rights, worker health and safety, and pollution issues associated with the built environment. Sustainalytics considers that the following policies and procedures which Globalworth has put in place will help mitigate these risks:

Sustainalytics is of the opinion that Globalworth is able to manage and/or mitigate potential risks through implementation of the following:

- In 2018, GWI Group established the Globalworth Foundation to: (i) oversee ESG initiatives, (ii) monitor and manage all aspects of its operation that could impact the environment, and (iii) ensure that the Group acts consistently in an ethical and sustainable manner.²

⁹ GWI, "Building Green Building the Future Sustainable Development Report 2018", at: https://www.globalworth.com/sustainabilityreport/Globalworth_SR2018_webDPS.pdf

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- Globalworth has a dedicated Risks Committee with the purpose of overseeing the risk management and control processes.¹⁰
- The Company's Code of Conduct details a set of rules that guide operations with emphasis on: (i) compliance with regulations and laws, (ii) high degree of integrity and transparency, (iii) accidents prevention and promotion of a healthy and safe work environment, (iv) care for the natural environment, (v) respect to human rights.¹¹
- Poland is classified as a "Designated Country" under the Equator Principles, implying the presence of robust environmental and social governance systems, legislation, and institutional capacity for protecting the environment and communities.¹²
- Globalworth's suppliers and contractors are encouraged to apply equivalent ethical standards and practices to protect worker health and safety, and human rights and to enhance sustainability.¹¹

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Globalworth has implemented sufficient measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All two use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics discusses below where the impact is specifically relevant in the local context.

Importance of green buildings in Romania and Poland

The building sector accounts for approximately 40% of final energy consumption in the EU.¹³ As such, improved performance in energy efficiency, especially within the buildings sector, will be necessary to support progress towards decarbonisation.¹⁴ Over the period from 2005 to 2016, final energy consumption in the EU has decreased by only 7%, a rate which jeopardizes its ability to reach its energy efficiency target,¹⁵ and highlighting the need for continued public and private investments in this area.¹⁶ This conclusion holds true on a worldwide scale, with a recent report from the International Energy Agency concluding that progress with regards to efficiency has slowed in recent years, contributing to an increase in global energy demand; the IEA further states that a weakening of policy supports has contributed to these developments.¹⁷

Poland

Between 2006 and 2016, final energy consumption increased from 61 Mtoe to 65 Mtoe in Poland, at an annual average growth rate of 0.8%.¹⁸ Nevertheless, savings of total final energy consumption more than doubled, from 4.81 Mtoe in 2010 to 11.87 Mtoe in 2016.¹⁸ In the households sector, annual final energy savings rose from 1.98 Mtoe in 2010 to 3.78 Mtoe in 2016.¹⁸ In addition, Poland is committed to undertaking measures aimed at improving the energy performance of buildings in order to reach an expected savings target of 43,440 MWh between 2021 and 2030.¹⁹ For instance, Poland is targeting a 70% share of thermally insulated residential buildings in the total housing stock in 2030, compared to 58.8% in 2015.¹⁹ As such, projects financed through the Framework can assist Poland in increasing the energy efficiency of buildings. For instance, residential refurbishment projects could further help the country reach its thermally insulated residential buildings target.

¹⁰ GWI, "Globalworth Real Estate Investments Ltd. Terms of Reference and Procedures - Risk Committee", (2018) at: <https://www.globalworth.com/sites/default/files/2018-10/Terms%20of%20Reference%20of%20Risk%20Committee%20of%28Nov%202018%29.pdf>

¹¹ GWI, "Code of Conduct", (2018), at: https://www.globalworth.com/sites/default/files/2018-10/Code%20of%20Conduct%20of%28October%2018%29_.pdf

¹² The Equator Principles, "Designated Countries", at: <https://equator-principles.com/designated-countries/>

¹³ Odyssee-Mure, "Energy Efficiency Trends in Buildings", (2018), at: <https://www.odyssee-mure.eu/publications/policy-brief/buildings-energy-efficiency-trends.html>

¹⁴ European Commission, "Energy performance of buildings", at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings>.

¹⁵ European Environmental Agency, "Energy efficiency", at: <https://www.eea.europa.eu/airs/2018/resource-efficiency-and-low-carbon-economy/energy-efficiency>.

¹⁶ European Policy Centre, "The EU will not meet its climate goals unless it makes smarter use of its financial resources", (2018), at: http://www.epc.eu/pub_details.php?cat_id=4&pub_id=8807.

¹⁷ IEA, "Energy Efficiency 2018", <https://www.iea.org/efficiency2018/>

¹⁸ Odyssee-Mure, "Energy Efficiency trends and policies in Poland in years 2006-2016", (2018), at: <https://www.odyssee-mure.eu/publications/national-reports/energy-efficiency-poland.pdf>

¹⁹ Ministry of Energy, "National Energy and Climate Plan for the years 2021-2030", (2019), at: https://ec.europa.eu/energy/sites/ener/files/documents/poland_draftnecp_en.pdf

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Romania

As part of the *Energy Strategy for Romania*, the Romanian Ministry of Energy has identified several operational strategic objectives, some of which are specifically relevant to green buildings, including: supporting investments in energy efficiency and low-carbon technology and enabling the decarbonization of the energy system. Investments into green buildings, which are more energy efficient and less carbon intensive, can contribute to these objectives. For example, the Building Performance Institute of Europe (BPIE) estimated that an increase in energy efficiency between 4.2% – 4.5% on the national level by 2030, compared to a 2020 baseline, and a reduction in gas dependency by >8% compared to 2014, is feasible through refurbishments and renovations that cover the whole Romanian building stock. Moreover, in order to reach the targets that the country has set for itself, investments in green buildings should be quadrupled between 2020 – 2030 compared to 2014 – 2020. As such, GWI's investments into the acquisition and development of green buildings in Romania will further contribute to the national strategy.

Based on the above context, Sustainalytics is of the opinion that GWI's investments into green building projects are impactful and will contribute to a decrease in building energy consumption in Poland and Romania, helping the countries meet their national objectives.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities & Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Energy Efficiency	7. Affordable & Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

Conclusion



Globalworth has developed the Globalworth Green Bond Framework under which it will issue green bonds and use the proceeds to finance investments in green buildings and building efficiency upgrades in Poland and Romania. Sustainalytics considers that the projects funded by the green bond proceeds will provide a positive environmental impact by improving the energy efficiency of the building portfolio owned and operated by GWI.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7: Affordable & Clean Energy and 11: Sustainable Cities & Communities. Additionally, Sustainalytics is of the opinion that Globalworth has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Globalworth is well-positioned to issue green bonds and that the Globalworth Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Overview of Reference Green Building Certifications

	LEED	BREEAM
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation
Requirements	<p>Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level.</p> <p>The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.</p>	<p>Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>
Qualitative Considerations	Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus, lower levels are less strict than LEED.
Performance display		

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Globalworth Real Estate Investments Limited

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: *[specify as appropriate]* Globalworth Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: May 28, 2020

Publication date of review publication: *[where appropriate, specify if it is an update and add reference to earlier relevant review]*

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds, Green Buildings and Energy Efficiency, are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 & 11.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Globalworth's internal process in evaluating and selecting projects is carried out by the Green Bond Committee. The Committee is responsible for screening projects against the eligibility criteria and recommend eligible projects for inclusion in the Eligible Green Project Portfolio. The Portfolio will be reviewed annually to ensure projects' eligibility and, if no longer eligible, projects will be removed and replaced as soon as practically feasible. Sustainalytics considers the project selection process in line with market practice.

Globalworth International Green Bond Framework

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Globalworth will strive to ensure that the level of allocation to the Eligible Green Projects Portfolio matches or exceeds the balance of net proceeds from its outstanding green bonds. In case of any unallocated proceeds, Globalworth will hold and/or invest, at its own discretion, in its liquidity portfolio. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Globalworth intends to report on allocation of proceeds on its website, on an annual basis, until full allocation. Globalworth will report on the total amount of allocation, the share of financing vs refinancing and the details of portfolio. In addition, Globalworth is committed to reporting on relevant impact metrics. Sustainalytics views Globalworth's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project

 On a project portfolio basis
- Linkage to individual bond(s)

 Other (*please specify*):

Information reported:

- Allocated amounts

 Green Bond financed share of total investment
- Other (*please specify*):

Frequency:

- Annual

 Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project

 On a project portfolio basis
- Linkage to individual bond(s)

 Other (*please specify*):

Frequency:

- Annual

 Semi-annual
- Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings

 Energy Savings
- Decrease in water use

 Other ESG indicators (*please specify*): Certifications

Means of Disclosure

- Information published in financial report

 Information published in sustainability report

Globalworth International Green Bond Framework

- Information published in ad hoc documents Other (please specify): To be made available online, either in Sustainability Report or ad hoc documentation
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as

a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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