

# Second-Party Opinion CTP Green Bond Framework



## Evaluation Summary

Sustainalytics is of the opinion that the CTP Green Bond Framework is credible and impactful and 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 Renewable Energy 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 SDG 7 and 11.



**PROJECT EVALUATION / SELECTION** CTP Group's internal process in evaluating and selecting projects is managed by the Green Bond Committee (the "Committee"), comprised by the Group's CEO, CFO and representatives of Funding, Design and Construction teams. Eligible projects must comply with Eligibility Criteria. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** CTP Group's processes for management of proceeds are handled by the Funding team. CTP will track the allocation of proceeds to new or existing projects. Unallocated proceeds will be temporarily invested or held in cash or cash equivalents. This is in line with market practice.



**REPORTING** CTP Group intends to report allocation proceeds on its website on an annual basis until full allocation. The allocation reporting will include the total amount of proceeds allocated, the share of new financing and refinancing, the number of projects and level of certification, and the balance of unallocated proceeds. In addition, CTP Group plans to report on relevant environmental impact metrics. Sustainalytics views CTP Group's allocation and impact reporting as aligned with market practice.

---

**Evaluation date** August 26, 2020

---

**Issuer Location** Humpolec, Czechia

---

### Report Sections

---

Introduction.....	2
Sustainalytics' Opinion .....	3
Appendices .....	7

---

**For inquiries, contact the Sustainable Finance Solutions project team:**

---

**Evan Bruner (Amsterdam)**

Project Manager  
evan.bruner@sustainalytics.com  
(+31) 20 205 0027

---

**Cristhian Veintimilla (Amsterdam)**

Project Support  
cristhian.veintimilla@sustainalytics.com  
(+31) 20 205 02 09

---

**Jean-Claude Berthelot (Amsterdam)**

Client Relations  
susfinance.emea@sustainalytics.com  
(+44) 20 3880 0193

---

## Introduction

CTP Group (“CTP”, or “the Company”) is an industrial and logistics real estate developer, owner, and manager, primarily operating in Czechia. CTP has 370 employees, spread around 96 locations in Czechia, Romania, Hungary, Slovakia, Poland, and Serbia. Founded in 1998, CTP Group is headquartered in Humpolec, Czechia.

CTP has developed the CTP Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that promote the transition to low-carbon and climate resilient growth. The Framework defines eligibility criteria in two areas:

1. Green Buildings
2. Renewable Energy

CTP engaged Sustainalytics to review the CTP Green Bond Framework, dated August 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).<sup>1</sup> This Framework has been published in a separate document.<sup>2</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent<sup>3</sup> 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 Green Bond Principles 2018, as administered by ICMA;
- 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 1.4.1, 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 CTP’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. CTP representatives have confirmed (1) they understand it is the sole responsibility of CTP 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 CTP.

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.

<sup>1</sup> 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/>.

<sup>2</sup> The CTP Green Bond Framework is available on CTP Group’s website at: <https://www.ctp.eu/>.

<sup>3</sup> 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 CTP has made available to Sustainalytics for the purpose of this SPO.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the CTP Green Bond Framework

Sustainalytics is of the opinion that the CTP Green Bond Framework is credible and impactful and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of CTP's Green Bond Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings and Renewable Energy – are aligned with those recognized by the GBP 2018. Sustainalytics is of the opinion that the projects financed and refinanced under this Framework will contribute to the improvement of the energy performance of CTP's building stock and increase renewable energy capacity, thus facilitating the transition to a low-carbon economy. Sustainalytics notes that the financed and refinanced projects will be located in Central and Eastern Europe (CEE).<sup>4</sup>
  - CTP may finance or refinance the construction, development, or upgrades of new or existing industrial<sup>5</sup> and/or commercial green buildings in Central and Eastern Europe. The eligibility criterion incorporates the following standards: (i) BREEAM Very Good or above, (ii) LEED Gold or above, (iii) any other recognized green building standard considered to be equivalent. Sustainalytics positively notes the establishment of minimum certification levels. For Sustainalytics' assessment of green building certification schemes, please refer to Appendix 1.
  - Within the Renewable Energy category, the Company may finance or refinance the acquisition, development, construction and/or installation of renewable energy production units, from the following sources: solar and wind. Sustainalytics views investments in these technologies as environmentally beneficial.
- Project Evaluation and Selection:
  - CTP Group's internal process in evaluating and selecting projects is managed by the Green Bond Committee (the "Committee"), which is co-chaired by the Group's CEO and CFO as well as representatives from the Funding, Design and Construction teams. The Committee is responsible for ensuring that eligible projects comply with eligibility criteria in the Framework prior to being selected for the Green Asset Pool. The Committee will also monitor the Green Asset Pool throughout the lifetime of the bond to ensure that assets continue to meet eligibility criteria. If a project no longer meets eligibility criteria, it will be removed from the Green Asset Pool and replaced as soon as practically feasible. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - CTP Group's processes for management of proceeds are handled by the Funding team, which will track the allocation of proceeds to new or existing projects in line with its internal systems. Unallocated proceeds will be temporarily invested or held in cash or cash equivalents. The Company intends to fully allocate the proceeds within three years of bond issuance. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - CTP Group intends to report allocation proceeds on its website, on an annual basis, until full allocation. The allocation reporting will include the total amount of proceeds allocated, the share of new financing and refinancing, the number of projects and level of certification, and the balance of unallocated proceeds. In addition, CTP Group plans to report on relevant

<sup>4</sup> Czechia, Romania, Hungary, Slovakia, Poland, and Serbia

<sup>5</sup> CTP develops industrial warehousing, distribution, and logistics centres. Sustainalytics notes this does not include any buildings for industrial manufacturing operations.

environmental impact metrics, see Appendix 2 for a full list of potential indicators. Sustainalytics views CTP Group's allocation and impact reporting as aligned with market practice.

### **Alignment with Green Bond Principles 2018**

Sustainalytics has determined that the CTP Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

## **Section 2: Sustainability Strategy of CTP**

### **Contribution of framework to CTP Group's sustainability strategy**

CTP's sustainability strategy is captured by its objective to achieve net operational carbon neutrality by 2023.<sup>6</sup> In order to fulfil its goal, the Company has focused on four key environmental pillars: (i) sustainable building certification for all its properties, (ii) circularity, (iii) renewable energy, and (iv) conservation.<sup>6</sup> The Company's commitment to sustainability is demonstrated by the initiatives outlined below:

- By 2021, CTP plans to certify the entirety of its building's portfolio as green by the BREEAM certification. The Company has informed Sustainalytics that more than 75% of CTP's portfolio is BREEAM certified, as of August 2020. Upon completion of the certification initiative more than 300 buildings across six countries will be BREEAM certified, including new development and standing portfolio.<sup>6</sup>
- CTP has introduced the concept of "circular parks" to its office portfolio which includes implementing additional waste reduction and energy efficiency measures.<sup>6</sup>
- Starting in 2020, CTP is committed to deliver all new buildings with solar panels already installed or with the necessary technology to install rooftop solar farms. Currently, around 70% of standing portfolio in CZ is suitable for installing rooftop photovoltaics.<sup>6</sup>
- CTP owns and operates solar farms in Czechia with an installed capacity of 6 MW and targets to further develop installed electricity capacity in the country.<sup>6</sup>
- The Company has committed to investing in the conservation and management of mature natural forests, to preserve biodiversity and protect carbon sinks as part of the carbon neutrality strategy. CTP plans to invest in forest conservation on a 1:1 ratio to the Company's built portfolio.<sup>6</sup> Since 2019, the Company owns and conserves 100 hectares of a forest preserve in Czechia, bringing the ratio in Czechia to 1 m<sup>2</sup> of build portfolio to 0.28 m<sup>2</sup> of forest preserve by June 30, 2020.

Based on the above, Sustainalytics is of the opinion that CTP's financing of green buildings and renewable energy will contribute to the Company's overall sustainability strategy and further improve its overall environmental performance.

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

Sustainalytics acknowledges that the Framework will be directed towards eligible projects that have positive environmental impact. However, Sustainalytics is aware that some environmental and/or social risks might be associated with such eligible projects. Some key environmental and social risks potentially associated with the eligible loans, could include occupational health and safety, land use change and biodiversity issues.

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

- The Company has certified the entirety of its Czech and Romanian building portfolio with ISO 14001 to enhance environmental performance, fulfil compliance obligations and achieve environmental objectives, and ISO 50001 to improve energy performance.<sup>6</sup> The company has communicated to Sustainalytics that it plans to finalize ISO certification in for all industrial buildings in the remaining countries it operates by 2023.
- CTP must comply with European Union (EU) Environmental Impact Assessment (EIA) Directive<sup>7</sup> for development projects within the EU. The EIA Directive is aimed at ensuring that projects which are likely to have significant impact on the environment, are adequately assessed before approval. With respect to biodiversity, the Directive instructs that measures must be taken to "avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and

<sup>6</sup> CTP, "We are sustainable – Commercial Real Estate Developer and Manager", at: <https://www.ctp.eu/company/we-are-sustainable/>

<sup>7</sup> EU, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

habitats.” Concerning land use the Directive notes that the “EIA shall identify, describe and assess land use related impacts”.<sup>7</sup>

- Regarding worker health and safety, the EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout Europe. Employers “have a duty to ensure the safety and health of workers in every aspect related to the work.” Necessary measures due to be taken by the employers include “prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means.”<sup>8</sup>
- In accordance with EU regulation on construction and demolition waste (CDW), CTP is required to follow the guidelines set out by each of the Member States that the company operates in. These regulations are aimed at ensuring waste management is carried out without endangering human health or causing harm to the environment.<sup>9</sup>
- CTP has appointed a community manager for CTP’s Brno region to act as a *Proof of Concept* for the Group. The manager actively engages with community members to embed CTP’s activities in the community, identify and act to meet community demands as they relate to the Group’s activities.<sup>10</sup>

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that CTP has implemented adequate 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

The two use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on green buildings below where the impact is specifically relevant in the local context.

#### Importance of Green Buildings in Central and Eastern Europe

The EU’s real estate sector accounts for 40% of the European block’s total energy consumption and 36% of its CO<sub>2</sub> emissions.<sup>11</sup> This is particularly relevant in Central and Eastern Europe (CEE), where the real estate sector can account for up to 50% of a country’s total energy consumption, such as in Hungary,<sup>12</sup> followed by Slovakia 42%, Romania 41%, Czechia 38%,<sup>13</sup> and 35% in Serbia.<sup>14</sup> Moreover, approximately 35% of the EU’s building stock is over 50 years old, and approximately 75% of EU building stock is considered energy inefficient.<sup>11</sup> According to the European Commission, the renovation and retrofit of existing buildings has the potential to reduce the EU’s total energy consumption by 5-6% and lowering total CO<sub>2</sub> emissions by about 5%.<sup>11</sup> To achieve the potential energy savings the EC’s Energy Performance of Buildings Directive requires all member states to establish a long-term renovation strategy to support the renovation of their national building stock into a highly energy efficient and decarbonised building stock by 2050.<sup>15</sup>

Energy efficiency interventions in the building stock and the increased adoption of green buildings’ practices in CEE countries could result in proportionally greater benefits than elsewhere in Europe. In this line, CEE countries are introducing measures and strategies to achieve potential energy gains. For example, the Czechia’s projects that the implementation of the Directive could lead to emissions reduction per unit of floor area of a building by 25 to 40% compared to 2010 levels.<sup>16</sup> Similarly, Slovakia identifies buildings’ renovation as the most important source of possible energy savings, between 30% and 60%, by 2030 compared to 2010 levels.<sup>17</sup> Romania aims for a 37.5% improvement in energy efficiency by 2030, and intends to support energy

<sup>8</sup> EU, “Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work”, (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

<sup>9</sup> EU, “Directive 2008/98/EC on waste”, (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32008L0098&from=EN>

<sup>10</sup> As confirmed by CTP.

<sup>11</sup> EU, “Energy Performance of Buildings in the European Union”, at: [https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive\\_en?cookies=disabled](https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en?cookies=disabled)

<sup>12</sup> Corporate Leaders Group, “The Energy Transition in Central and Eastern Europe”, (2018) at: <https://www.corporateleadersgroup.com/reports-evidence-and-insights/publications/publications-pdfs/cee-energy-transition-report.pdf>

<sup>13</sup> Enerdata, “Energy Efficiency Trends in Buildings in the EU”, (2012), at: [https://energiatalgud.ee/img\\_auth.php/6/68/Enerdata\\_Energy\\_Efficiency\\_Trends\\_in\\_Buildings\\_in\\_the\\_EU\\_2012.pdf](https://energiatalgud.ee/img_auth.php/6/68/Enerdata_Energy_Efficiency_Trends_in_Buildings_in_the_EU_2012.pdf)

<sup>14</sup> Econstor, “The impact of energy efficiency on performance in service sector”, (2016), at: [https://www.econstor.eu/bitstream/10419/178911/1/ees\\_16\\_2\\_01.pdf](https://www.econstor.eu/bitstream/10419/178911/1/ees_16_2_01.pdf)

<sup>15</sup> EU, “Energy Performance of Buildings and Energy Efficiency Directive. Amendment”, (2018), at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3A0J.L\\_2018.156.01.0075.01.ENG&cookies=disabled](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3A0J.L_2018.156.01.0075.01.ENG&cookies=disabled)

<sup>16</sup> Ministry of Environment of Czechia, “Climate Protection Policy of the Czechia Executive Summary. 2017”, (2017), at: [https://unfccc.int/files/na/application/pdf/cze\\_climate\\_protection\\_policy\\_summary.pdf](https://unfccc.int/files/na/application/pdf/cze_climate_protection_policy_summary.pdf)

<sup>17</sup> Slovak Republic, “Low-Carbon Development Strategy of the Slovak Republic until 2030 with a View to 2050”, (2019), at: <https://unfccc.int/sites/default/files/resource/LTS%20SK%20eng.pdf>

efficiency interventions in the building stock, promote green building construction and disincentivize the real estate market for low energy performing units.<sup>18</sup> Finally, the implementation of Serbia's Law on Planning and Construction may result in a 16% energy savings from buildings.<sup>19</sup>

Sustainalytics is of the opinion that CTP's green buildings and renewable energy projects will provide a meaningful contribution towards the Central and Eastern European countries decarbonization efforts, and that CTP's focus on achieving sustainable buildings certification for all its properties will contribute to improving transparency on energy performance in the market. Specifically, investments in more energy efficient buildings, the pursuit of green building certification and the expansion of photovoltaic infrastructure will reduce energy demand and carbon intensity and increase renewable energy use.

#### 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 and 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
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

## Conclusion

CTP has developed the CTP Green Bond Framework under which it will issue green bonds and the use of proceeds to finance real estate development and upgrades that may contribute to the improvement of the energy performance of the building stock and increase renewable energy capacity in CEE, thus facilitating transition to a low-carbon economy. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impact.

The CTP Green Bond 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 CTP Green Bond 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 and 11. Additionally, Sustainalytics is of the opinion that CTP 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 CTP Group is well-positioned to issue green bonds and that the CTP Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

<sup>18</sup> Ministry of Energy, "Integrated National Energy and Climate Change Plan for 2021 - 2030", at: [https://ec.europa.eu/energy/sites/ener/files/documents/romania\\_draftnecp\\_en.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/romania_draftnecp_en.pdf)

<sup>19</sup> Ministry of Mining and Energy of Serbia, "Energy Sector Development Strategy of the Republic of Serbia for the period by 2025 with projections by 2030", (2016), at:

## Appendices

### Appendix 1: Green Building Certification Schemes

	LEED	BREEAM
<b>Background</b>	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. Used for new, refurbished and extension of existing buildings.
<b>Certification levels</b>	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding
<b>Areas of Assessment: Environmental Performance of the Building</b>	<ul style="list-style-type: none"> <li>• Energy and atmosphere</li> <li>• Sustainable Sites</li> <li>• Location and Transportation</li> <li>• Materials and resources</li> <li>• Water efficiency</li> <li>• Indoor environmental quality</li> <li>• Innovation in Design</li> <li>• Regional Priority</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Land Use and Ecology</li> <li>• Pollution</li> <li>• Transport</li> <li>• Materials</li> <li>• Water</li> <li>• Waste</li> <li>• Health and Wellbeing</li> <li>• Innovation</li> </ul>
<b>Requirements</b>	<p>Prerequisites (independent of level of certification) + Credits with associated points</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>Prerequisites depending on the levels of certification + Credits with associated points</p> <p>This number of points is then weighted by item and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>
<b>Performance display</b>		

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

### Section 1. Basic Information

Issuer name:	CTP Group
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	CTP Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	August 26, 2020
Publication date of review publication:	

### 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 GBP:

- |  |  |
|--|--|
| <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 <sup>nd</sup> 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 Renewable Energy 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 SDG 7 and 11.

#### Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input 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 GBP | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

CTP Group's internal process in evaluating and selecting projects is managed by the Green Bond Committee (the "Committee"), comprised by the Group's CEO, CFO and representatives of Funding, Design and Construction teams. Eligible projects must comply with Eligibility Criteria. Sustainalytics considers the project selection process in line with market practice.

#### 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 type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input 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 type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
|---|--|

- Other (please specify):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

CTP Group's processes for management of proceeds are handled by the Funding team. CTP will track the allocation of proceeds to new or existing projects. Unallocated proceeds will be temporarily invested or held in cash, cash equivalents. This is in line with market practice.

#### Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

#### Additional disclosure:

- Allocations to future investments only       Allocations to both existing and future investments
- Allocation to individual disbursements       Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds       Other (please specify):

### 4. REPORTING

Overall comment on section (if applicable):

CTP Group intends to report allocation proceeds on its website on an annual basis until full allocation. The allocation reporting will include the total amount of proceeds allocated, the share of new financing and refinancing, the number of projects and level of certification, and the balance of unallocated proceeds. In addition, CTP Group plans to report on relevant environmental impact metrics. Sustainalytics views CTP Group'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):

**Information reported (expected or ex-post):**

- GHG Emissions / Savings
  Energy Savings  
 Decrease in water use
  Other ESG indicators (please specify):

Eligible Green Category	Potential Impact Indicator
Green Buildings	<ul style="list-style-type: none"> <li>• Number and floor space of Existing Buildings meeting the eligibility criteria</li> <li>• BREEAM certification level (Outstanding, Excellent or Very good)</li> <li>• LEED certification level (Gold or Platinum)</li> <li>• Estimated annual CO2 emissions avoided (tCO2) from CTP's own operations</li> <li>• Estimated water savings</li> <li>• Quantity of electricity used for EVs</li> <li>• Reduction of non-recyclable waste</li> </ul>
Renewable Energy	<ul style="list-style-type: none"> <li>• Total installed capacity (MW)</li> <li>• Estimated annual CO2 emissions avoided (tCO2) through local zero emission power sources</li> </ul>

**Frequency**

- Annual
  Semi-annual  
 Other (please specify):

**Means of Disclosure**

- Information published in financial report
  Information published in sustainability report  
 Information published in ad hoc documents
  Other (please specify):  
 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.)

<https://www.ctp.eu/company/we-are-sustainable/>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

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

**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. 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.

## Disclaimer

**Copyright ©2020 Sustainalytics. All rights reserved.**

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-datedness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third-Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices, and capital projects. With 16 offices globally, Sustainalytics has more than 650 staff members, including more than 200 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).

