



Second-Party Opinion

CBRE Pan European Core Fund Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the CBRE Pan European Core Fund Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2020. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, and Renewable Energy – are aligned with those recognized by the Green Bond Principles 2018 and Green Loan Principles 2020. Sustainalytics believes the eligible categories are expected to reduce the carbon footprint and improve the environmental performance of the Fund’s operations while advancing the UN Sustainable Development Goals (SDGs), specifically SDG 7 and 11.



PROJECT EVALUATION / SELECTION CBRE PEC’s internal process in evaluating and selecting projects is based on alignment with CBRE Global Investor’s sustainability vision, strategy and use of proceeds categories. Project evaluation regarding reviewing, monitoring and approving projects is managed by the Green Finance Committee (“GFC”). The GFC is chaired by the Global and/or EMEA Head of ESG and will include CBRE PEC’s Chief Financial Officer and Fund’s Portfolio Manager. Final project selection is determined by the EMEA Investment Committee, including representatives of the Executive Committee. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS CBRE PEC’s processes for management of proceeds are handled by the GFC. Proceeds will be tracked through a process established by the Chair and will be monitored and maintained through internal accounting systems. Pending full allocation, unallocated proceeds may be invested in cash and/or cash equivalents, and other liquid marketable instruments or used to repay existing debt in accordance with CBRE PEC’s cash management policy. CBRE PEC intends to fully allocate the proceeds within 24 months and Sustainalytics considers this in line with market practice.



REPORTING CBRE PEC intends to report on the allocation proceeds on its website on an annual basis until full allocation. Allocation proceeds will include total amount of green finance instruments issued, share of financing and refinancing and share of unallocated proceeds. In addition, CBRE PEC is committed to reporting on relevant impact metrics. Sustainalytics views CBRE PEC allocation and impact reporting as aligned with market practice.

Evaluation Date January 14, 2020

Issuer Location Luxembourg, Luxembourg

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Introduction

CBRE Global Investors (“CBRE GI”, or the “Company”) is a global real assets investment management firm, with assets in real estate and infrastructure in the Americas, Europe and Asia Pacific. GBRE GI is an independently operated affiliate of CBRE Group, which has more than 100,000 employees and more than 530 offices worldwide. CBRE GI Open Ended Funds S.C.A. SICAV-SIF Pan European Core Fund (“CBRE PEC”, the “Fund” or “Issuer”) is an open-ended fund launched in 2010 in order to purchase, manage and sell offices, retail, logistics and residential in Continental Europe and the UK.

CBRE GI has developed the CBRE Pan European Core Fund Green Finance Framework (the “Framework”) under which it intends to issue green bonds, loans or other debt-like financing instruments¹ and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to decrease the carbon footprint in CBRE PEC’s operations. The Framework defines eligibility criteria in three areas:

1. Green Buildings
 - a. Operation (Minor Refurbishment)
 - b. Major Refurbishment
 - c. New Development
 - d. Energy Efficiency Rating
2. Energy Efficiency
3. Renewable Energy

CBRE PEC engaged Sustainalytics to review its Green Finance Framework, dated January 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)² and Green Loan Principles 2020 (GLP).³ This Framework has been published in a separate document.⁴

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent⁵ 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 and Green Loan Principles 2020, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- 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 1.6, 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 CBRE PEC’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. CBRE PEC representatives have confirmed (1) they understand it is the sole responsibility of CBRE PEC to ensure that

¹ CBRE GI has clarified that other financing instruments may include subordinated instruments such as hybrid bonds or convertible bonds. Sustainalytics has communicated to CBRE GI that for standard convertible bonds, once the conversion has occurred, the SPO is no longer valid for the assessed securities falling under this asset class. In the case of mandatory convertible bonds, proceeds should be allocated prior to the conversion date to be eligible. CBRE GI has confirmed understanding of this specific consideration on convertible bonds.

² 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/>

³ The Green Loan Principles are administered by the Loan Market Association and are available at: https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

⁴ The CBRE Pan European Core Fund Green Finance Framework is available on CBRE Global Investors’s website at: https://www.cbreglobalinvestors.com/?page_id=43456&preview=true.

⁵ 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.

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 CBRE PEC.

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 realized allocation of the bond proceeds towards eligible activities.

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 CBRE has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the CBRE Pan European Core Fund Green Finance Framework

Sustainalytics is of the opinion that the CBRE Pan European Core Fund Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of CBRE PEC's Green Finance Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Energy Efficiency, and Renewable Energy – are aligned with those recognized by the GBP and GLP. Sustainalytics notes that the proceeds of the bonds issued under the Framework can be expected to decrease the carbon footprint of CBRE PEC's operations and improve the energy performance of Europe's building stock.
 - CBRE PEC has defined a 36-month look-back period for refinancing activities, which Sustainalytics considers to be aligned with market practice.
 - Under the Green Building category, CBRE PEC invests in four activities: (i) Operational Certification, (ii) Major Refurbishment, (iii) New Development, and (iv) Energy Efficiency Rating.
 - Regarding Major Refurbishment, CBRE PEC has clarified to Sustainalytics that the Issuer intends to invest in major refurbishments that aim to result in at least 20% energy performance over baseline, while Operational Certification expenditures will include minor refurbishments following the same energy performance threshold criteria. Sustainalytics notes that CBRE also uses third-party certification schemes under these categories, and considers intended refurbishments to be in line with market practice due to the presence of a defined and meaningful energy performance improvement threshold.
 - As part of New Development and Energy Efficiency Rating activities, CBRE intends to invest in the development of residential and commercial buildings using third-party certification schemes and energy rating standards, namely BREEAM 'Excellent' or above, LEED 'Gold' or above, NF Haute Qualité Environnementale ("NF HQE") 'Excellent' or above, DGNB 'Gold' or above, GPR Gebouw '3 Stars' or above, Certificate ("EPC") label level A or above (or equivalent to top 15% of the scale), Minergie Certified or BBC Effinergie Certified. Regarding GPR Gebouw, CBRE aims to achieve a minimum score

- of 7.5 in the Energy category. Sustainalytics considers the indicated minimum certification levels to be aligned with market expectations and views the properties meeting such certification standards as having a positive impact. (For Sustainalytics' assessment of these building certification schemes, please refer to Appendix 1.)
- Within the Energy Efficiency category, CBRE PEC may invest in individual performance improvement measures that improve the energy efficiency of underlying assets by at least 20%. Examples of measures include the installation of efficient equipment, Automatic Meter Reading (AMR) infrastructure, and/or smart grid and other smart building technologies, among others. Sustainalytics views positively the Framework's inclusion of a defined threshold for individual performance improvement measures.
 - Under the Renewable Energy category, CBRE PEC intends to invest in the installation of on-site renewable energy such as PV panels and related infrastructure, and the procurement of renewable energy through medium- and long-term (>5 years) Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs). CBRE PEC has confirmed to Sustainalytics that the Company excludes short-term and unbundled RECs, which Sustainalytics views to be aligned with market expectations.
 - CBRE PEC also plans to invest in electric vehicle ("EV") charging stations as part of its infrastructure development projects mentioned in the Framework.
 - Project Evaluation and Selection:
 - CBRE PEC has established a cross-functional Green Finance Committee ("GFC") that will be responsible for reviewing, monitoring, and approving eligible projects under the Framework. The GFC will comprise of the Fund's Chief Financial Officer and Fund's Portfolio Manager and will be chaired by Global and/or EMEA Head of ESG. The EMEA Investment Committee, which includes the Executive Committee and most members of the senior executive management group, will be responsible for final project selection.
 - Based on these elements, Sustainalytics considers CBRE PEC's process to be in line with market practice.
 - Management of Proceeds:
 - CBRE PEC's process for management of proceeds is overseen by the Chair of the GFC. The GFC will establish an internal tracking process for the proceeds and will seek external assurance for capital that has been invested in the eligible project categories. CBRE PEC intends to fully allocate the proceeds within 24 months of the date of issuance. Unallocated proceeds will be invested in cash and/or cash equivalent and/or other liquid marketable instruments and can be used to repay existing debt. CBRE PEC has confirmed to Sustainalytics that the Fund will not refinance any debt associated with carbon-intensive assets or activities. The process of managing unallocated proceeds will fall under the responsibility of the Fund's CFO.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - CBRE PEC intends to report on the allocation of proceeds on its website annually until full allocation. The reporting allocation will include details on the amount of proceeds allocated to eligible green projects, the aggregated amount of net proceeds for each category, and the balance of unallocated amounts. In addition, CBRE PEC also intends to publish an impact report and will report on the relevant indicators such as carbon intensity performance of assets (tCO₂e/m² or tCO₂e/EUR) by project type, annual and cumulative total tCO₂e savings, percentage of portfolio coverage by value and type/level of certification/rating, number of charging stations installed, m² of insulation and windows installed, number of equipment installed, number of AMR installed, number of systems improved, number of actions completed and number of contracts signed.
 - Based on these commitments Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2020

Sustainalytics has determined that the CBRE Pan European Core Fund Green Finance Framework aligns to the four core components of the GBP 2018 and GBP 2020. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of CBRE PEC

Contribution of framework to CBRE Pan European Core Fund sustainability strategy

Sustainalytics is of the opinion that CBRE PEC demonstrates a strong commitment to sustainability with a particular focus on Green Buildings. CBRE GI has established its ESG strategy objective for CBRE PEC; to achieve integrated ESG performance by 2030, through the delivery of ambitious ESG targets, detailed public reporting and compensation linked to sustainability performance. The Fund has committed to fully aligning with the Task Force on Climate-Related Financial Disclosures (TCFD)⁶ by 2023 and to net zero carbon by 2040, defining climate change mitigation as a key commitment within CBRE GI's Sustainability Vision.

CBRE GI measures sustainability performance of the Fund through asset level performance assessments, such as green building certifications such as BREEAM and LEED and benchmarks fund level performance through GRESB. This way sustainability benchmarking and reporting occurs both at asset and fund level. CBRE GI has established target key performance indicators for their GRESB assessment, that is to achieve greater than or equal to 75% of credits, to perform in the top 20% of its peer group and achieve more than 4 stars. CBRE PEC Fund aims to have 100% of its portfolio certified BREEAM Excellent or LEED Gold for major refurbishment or new development projects from 2020.

The Fund has demonstrated commitment to their sustainability targets, which is evident through their 2020 sustainability performance results. Currently the Fund is achieving more than half its sustainability performance targets and has already reduced its emissions by 20%. The Fund received 4 stars in GRESB and came in the top 6.5% of its peer grouping in 2020, in line with its objectives. CBRE PEC has achieved Excellent and Gold certifications for more than 75% of assets under management (AUM) for development performance requirement and is on track to achieving its asset sustainability certification targets, across operational performance requirements.

CBRE PEC sees imperative its commitment to contributing to climate change mitigation in green buildings and through the aforementioned performance results, demonstrates intent to do the same. Sustainalytics is of the opinion that the CBRE Pan European Core Fund Green Finance Framework is aligned with the CBRE PEC's overall sustainability strategy and initiatives and will further CBRE PEC's action on its key environmental priorities.

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

While Sustainalytics recognizes that the net proceeds issued under the Framework will be directed towards eligible projects that are recognized by the GBP and GLP to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes such as occupational health and safety, public opposition, land-use change, biodiversity loss, emissions and improper management of waste associated with large-scale infrastructure development and in construction. Sustainalytics is of the opinion that CBRE PEC, a wholly owned subsidiary of CBRE Group, is able to manage and/or mitigate potential risks through implementation of CBRE Group's following systems:⁷

- CBRE Group's Health, Safety and Environment Leadership Council works to embed workplace health and safety as a global standard. Both CBRE's Human Rights Policy and Workplace Safety & Wellbeing Policy Statement addresses workers health and safety, through compliance and commitment to safety in the workplace in every location and every facility in which it operates. Moreover, the CBRE Supplier Code of Conduct outlines that suppliers will provide workers with appropriate and proper personal protective equipment and ensure proper maintenance of the equipment. Suppliers must track, record, and report on occupational injuries and illnesses, to provide necessary medical treatment and investigate corrective actions to eliminate their causes.
- CBRE Group conducted a materiality assessment under which the Company identified environmental compliance, climate change resilience and supplier environmental performance topics as three of the most material areas. Following the assessment, CBRE Group strives to maximize resource conservation and reduce environmental impact across operations, with a particular focus on programs and practices on energy and GHG emissions.⁸
- To manage and monitor the resource consumption of its own operations, CBRE Group has implemented measures such as separate utility meters. Globally, 49% of occupied floor area was directly metered in 2019 and enabled capturing relevant consumption data for the 2019 inventory.

⁶ Task Force on Climate-Related Financial Disclosures, at: <https://www.fsb-tcfd.org/>

⁷ CBRE PEC has confirmed to Sustainalytics that the Company maintain full compliance with the Group's risk mitigation policies and systems.

⁸ CBRE Group Corporate Responsibility Report (2019) [01_Cover_eps \(cbre.com\)](#)

CBRE Group has calculated their operational carbon footprint through scope 1, 2, and 3 emissions, annually since 2008. In 2019, the Company updated their methodologies and software system to improve their inventory accuracy.⁸ This included a significant global data collection campaign to increase the amount of actual data used in the inventory.

- CBRE Group discloses that the company has not been involved in any significant environmental pollution incidents as part of their recent Sustainability Reporting.⁸
- Legislation in European countries, such as EU Directives on Environmental Impact Assessment⁹ and the Strategic Environmental Assessment,¹⁰ requires assessments to be conducted when developing infrastructure and exploiting natural resources. These requirements reduce the associated environmental risks of such urban development projects, through management of hazardous and non-hazardous waste disposal, biodiversity protection and environmental responsibility.

Based on these policies and assessments, Sustainalytics is of the opinion that CBRE 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

All three use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on the below where the impact is specifically relevant in the local context.

Importance of green buildings in contributing to climate change mitigation in Europe

The European Commission has established a Climate Target Plan 2030 which aims to cut net GHG emissions in the EU by at least 55% by 2030 compared to 1990.¹¹ Accounting for 40% of the EU's energy consumption and 36% of GHG emissions from energy, the real estate industry is considered to be a carbon intensive sector presenting a great opportunity to improve in energy efficiency.¹² Additionally, most of the EU's existing buildings are not energy efficient and rely on fossil fuels for heating and cooling. Currently only 1% of buildings undergo renovation, thus effective action is required for the EU to meet its emission reduction goals.¹³

Approximately 75% of EU building stock is energy inefficient, meaning a large part of energy used goes to waste and therefore presenting an opportunity for energy loss to be minimized in existing buildings. In addition, opportunities exist for use efficient materials to be used during construction. In recent years the EU implemented and reformed policies such as the Energy Performance of Buildings Directive 2010/31/EU and the Energy Efficiency Directive 2012/27/EU (revised in 2018), to better reflect the aim of driving clean energy transition.¹⁴

Renovations can play a significant role in decarbonizing the commercial real estate sector and have the potential to reduce the EU's total energy consumption by 5% and reduce emissions by 5%.¹⁵ The European Commission aims to at least double renovation rates in Europe in the next 10 years to improve the energy performance of buildings and reduce the EU's GHG emissions. While Europe represents 40% of worldwide investment in improving building energy efficiency, building renovations face the largest investment gap. To achieve the proposed 55% climate target by 2030, an estimated €275 billion of additional investments are required per year.¹⁶ Energy efficiency is therefore an important sector in helping the EU achieve its energy and environmental goals.

Sustainalytics is of the opinion that, in line with EU plans to improve energy efficiency and reduce GHG emissions of building stock, CBRE PEC's financing of energy efficiency improvements in historic buildings can further contribute to reducing building energy consumption and subsequent GHG emissions.

⁹ Environmental Impact Assessment - EIA - Environment - European Commission (europa.eu)

¹⁰ Strategic Environmental Assessment - SEA - Environment - European Commission (europa.eu)

¹¹ European Commission, 2030 Climate Target Plan, at: [2030 Climate Target Plan | Climate Action](http://2030.Climate.Target.Plan|Climate.Action) (europa.eu)

¹² The European Commission, Renovation Wave: doubling the renovation rate to cut emissions, boost recovery and reduce energy poverty, at [Renovation Wave](http://Renovation.Wave) (europa.eu)

¹³ IBID

¹⁴ European Commission, Energy efficiency in buildings (2020), at: [In focus: Energy efficiency in buildings](http://In.focus:Energy.etc.in.buildings) | European Commission (europa.eu)

¹⁵ Science Direct, Building Energy Consumption in US, EU and BRIC Countries (2015), at: [Building Energy Consumption in US, EU, and BRIC Countries](http://Building.Energy.Consumption.in.US.EU.and.BRIC.Countries) - ScienceDirect

¹⁶ European Commission, The Renovation Wave (2020), [Renovation Wave Communication](http://Renovation.Wave.Communication) (europa.eu)

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 SDGs 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.
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Renewable Energy	7. Affordable and Clean Energy	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services

Conclusion

CBRE GI has developed the CBRE Pan European Core Fund Green Finance Framework under which it will issue green bonds and the use of proceeds to finance expenditures related to residential and commercial green building, renewable energy, and energy efficiency projects. Sustainalytics considers that the projects funded by the green bond proceeds are expected to reduce the carbon footprint and improve the environmental performance of the Fund's operations.

The CBRE Pan European Core Fund Green Finance 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 CBRE Pan European Core Fund Green Finance 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 CBRE GI 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 CBRE PEC is well-positioned to issue green bonds and that the CBRE Pan European Core Fund Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Certification Schemes for Green Buildings

	LEED	BREEAM	HQE	DGNB	GPR Gebouw	BBC Effinergie +	Minergie
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. Used for new, refurbished and extension of existing buildings.	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea / Cerqual.	The German Green Building Certification or DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.	GPR building is a digital assessment tool to measure the sustainability of new and existing buildings by means of scores for 5 themes. The GPR Gebouw® online software, instrument was developed by the municipality of Tilburg and W / E advisors.	The French BBC Effinergie® label is intended to identify new buildings or parts of buildings that comply with new very low energy requirements that contribute to achieving the 2050 targets. The reference values are defined by the EFFINERGIE® association and include, for example, a "maximum consumption target for new residential constructions of 50 kWh/m ² /year"	Minergie is a Swiss building standard for new and modernized buildings. The brand is shared by industry, the cantons and the federal government and is protected against misuse.
Certification levels	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding	Pass Good Very good Excellent Exceptional	<ul style="list-style-type: none"> • Bronze • Silver • Gold • Platinum 	1 to 5 Stars (5 stars is the highest)	Certified	Minergie Minergie-P Minergie-A Minergie-ECO
Areas of Assessment: Environmental Performance of the Building	<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"> • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence 	<ul style="list-style-type: none"> • Environment • Economic • Sociocultural and functional aspects • Technology • Processes • Site 	<ul style="list-style-type: none"> • Energy • Environment • Health • Usage quality • Future value 	<ul style="list-style-type: none"> • Bioclimatic needs • Energy consumption • Air permeability • Ventilation systems • Evaluation of equipment energy consumption 	<ul style="list-style-type: none"> • Energy source • Energy demand • Energy monitoring • Heating/Cooling • Airtightness • E-Mobility
Requirements	Prerequisites (independent of level of certification) + Credits with associated points	Prerequisites depending on the levels of certification + Credits with associated points	Prerequisites (independent of level of certification) + Points-based performance level: Performing	Percentage-based performance index The total performance index (expressed as a percentage) is	Prerequisites (independent of level of certification) + scores associated	The BBC certification process must begin at the project design stage. At the end of the construction	The applicant submits the application to the responsible Minergie certification body, in

	<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>This number of points is then weighted by item¹⁷ 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>	<p>and High Performing</p> <p>The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>	<p>calculated by adding the six key areas of assessment. The environmental, economic, socio-cultural and functional aspects and technical quality each account for 22.5% of the total, process accounts for 10% and the site quality is given a separate grade.</p>	<p>with each category</p> <p>The instrument gives a quality assessment for each theme on a scale from 1 to 10.</p> <p>Based on the score obtained for each category, a star between 1 and 5 is given</p>	<p>site, the certification body checks the adequacy in terms of conformity between the thermal study and the work done.</p> <p>To finalize the obtaining of the BBC label, it remains to realize the famous test of airtightness (or test label effinergie). This test must be performed by an authorized professional.</p> <p>If all the criteria are met, the organization will issue you the label and your habitat will be certified BBC-Effinergie .</p>	<p>paper form and via the Minergie Online Platform (MOP)</p> <p>The Minergie certification body reviews the application and can ask questions or additional claims. Once all requirements have been met, the provisional certificate will be issued. It serves for planning security and can be used for advertising purposes: The project may now be called a Minergie building.</p> <p>Once the building has been commissioned, after additional rounds of checks, a definitive certificate with label number is given which guarantees a Minergie house.</p>
<p>Performance display</p>							

¹⁷ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item.

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	CBRE Pan European Core Fund
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	CBRE Pan European Core Fund Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	January 13, 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 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, Energy Efficiency, Renewable Energy, are aligned with those recognized by the Green Bond Principles 2018 and Green Loan Principles 2020. Sustainalytics believes the eligible categories are expected to reduce the carbon footprint and improve the environmental performance of the Fund's operations while advancing the UN Sustainable Development Goals (SDGs), specifically SDG 7 and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" 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 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):

CBRE PEC's internal process in evaluating and selecting projects is based on alignment with CBRE Global Investor's sustainability vision, strategy and use of proceeds categories. Project evaluation regarding reviewing, monitoring and approving projects is managed by the Green Finance Committee ("GFC"). The GFC is chaired by the Global and/or EMEA Head of ESG and will include CBRE PEC's Chief Financial Officer and Fund's Portfolio Manager. Final project selection is determined by the EMEA Investment Committee, including representatives of the Executive Committee. 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 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

- Evaluation / Selection criteria subject to external advice or verification
 In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

CBRE PEC's processes for management of proceeds are handled by the GFC. Proceeds will be tracked through a process established by the Chair and will be monitored and maintained through internal accounting systems. Pending full allocation, unallocated proceeds may be invested in cash and/or cash equivalents, and other liquid marketable instruments or used to repay existing debt in accordance with CBRE PEC's cash management policy. CBRE PEC intends to fully allocate the proceeds within 24 months and Sustainalytics considers this 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):

CBRE PEC intends to report on the allocation proceeds on its website on an annual basis until full allocation. Allocation proceeds will include total amount of green finance instruments issued, share of financing and refinancing and share of unallocated proceeds. In addition, CBRE PEC is committed to reporting on relevant impact metrics. Sustainalytics views CBRE PEC 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*):

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.)

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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Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider

