

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 2021 and the Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Green Buildings, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category are expected to deliver environmental benefits while advancing the UN Sustainable Development Goals, specifically SDG 7 and 11.



PROJECT EVALUATION / SELECTION CBRE PEC has established the cross-functional Green Finance Committee (“GFC”) which is responsible for project evaluation and selection and is chaired by CBRE PEC’s Head of Global Sustainability and Innovation and the EMEA Head of ESG. Responsibility for final project selection rests with CBRE PEC’s EMEA Investment Committee which includes representatives from its Executive Committee. CBRE PEC has a dedicated environmental and social risk assessment and mitigation process that is applicable to all allocation decisions made under the Framework. Sustainalytics considers this process to be strong and the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The GFC oversees the management of proceeds using a portfolio approach. The GFC monitors and maintains green projects through internal accounting systems whereby the allocation of proceeds from Green Finance Instruments are added to an Eligible Green Project Portfolio. CBRE PEC intends to fully allocate the proceeds within 24 months of issuance. Unallocated proceeds will be invested in cash, cash equivalents, or other liquid marketable instruments in line with CBRE PEC’s cash management policy. This is in line with market practice.



REPORTING CBRE intends to report on allocation of proceeds on its website, on an annual basis, until full allocation. In addition, CBRE is committed to reporting on relevant impact metrics. Sustainalytics views CBRE’s allocation and impact reporting as aligned with market practice.

Evaluation date	September 30, ¹ 2021
Issuer Location	Luxembourg, Luxembourg

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¹ This SPO is a revised version of a previous SPO produced by Sustainalytics, dated January 14, 2021. This update reflects changes to the CBRE Pan European Core Fund Green Finance Framework, introduced specifically to incorporate updates to the Green Bond Principles and the Green Loan Principles, CBRE PEC’s intention to align the Framework with the EU Taxonomy and more recent information on CBRE PEC’s sustainability strategy.

Introduction

CBRE Global Investors (“CBRE”, 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. CBRE Global Investors 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 properties in continental Europe and the UK.

CBRE has developed the CBRE Pan European Core Fund Green Finance Framework under which it intends to issue green financing instruments (“Green Financing Instruments”), which may include green bonds, green loans, commercial papers, promissory notes and revolving credit facilities and use the proceeds to finance and refinance, in whole or in part, existing or future projects that are expected to decrease the carbon footprint of CBRE PEC. The Framework defines eligibility criteria in one area:

- Green Buildings

CBRE engaged Sustainalytics to review the updated CBRE Pan European Core Fund Green Finance Framework, dated September 2021 (the “Framework”), and to provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)² the Green Loan Principles 2021 (GLP)³. The 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 project 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 2021, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA;
- 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 1.10, 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 its business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. CBRE PEC representatives have confirmed that (1) they understand it is the sole responsibility of CBRE PEC to ensure that the information provided is complete, accurate and 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

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, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁴ The CBRE Pan European Core Fund Green Finance Framework is available on CBRE’s website at: <https://www.cbreim.com/regulatory/pec-disclosures>

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.

standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan 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 potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan 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's Green Finance Framework:

- Use of Proceeds:
 - The eligible category, Green Buildings, is aligned with those recognized by the GBP and GLP. Sustainalytics notes that the proceeds of the green financing instruments 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.
 - Asset values qualify for refinancing without a specific look-back period, while capex must observe a three-year look-back period, which is in line with market practice.
 - Sustainalytics notes that the Issuer has drawn from the EU Taxonomy⁶ to inform the thresholds of the Framework in the area of Green Buildings and intends to align the criteria with the EU Taxonomy, on a best effort basis.
 - Within the Green Buildings category, the Issuer intends to finance the acquisition, construction or renovation of new or existing, residential or commercial buildings. Sustainalytics considers the criteria to be aligned with market practice, noting the following:
 - CBRE PEC intends to follow the EU Taxonomy laid out in section 7.7 of the EU Delegated Act Annex 1 for buildings built before 31st December 2020, either with an EPC label greater than or equal to A or belonging to the top 15% of the national building stock. For buildings built after 31st December 2020, CBRE PEC intends to follow the EU Taxonomy laid out in section 7.1 of the EU Delegated Act Annex 1 to finance buildings with energy performance at least lower than 10% of the threshold set for Nearly Zero-Energy Building ("NZEB") requirements.⁷
 - Buildings that have achieved or are intended to achieve third-party certifications and energy rating standards, namely BREEAM (Very Good or above), LEED (Gold or above), DGNB (Gold or above), GPR (3 stars or above, or energy 7.5 or above), NF HQE Bâtiments Tertiaires en Exploitation (Excellent or above) or Miljöbyggnad certification (Silver or above).
 - Sustainalytics recognizes that BREEAM Very Good is considered to be in line with market practice in some contexts, while in others BREEAM Excellent is preferred. Sustainalytics encourages the selection of BREEAM buildings that score high enough in the energy category to fulfill the requirements for BREEAM Excellent in that category.

⁶ European Commission, "Delegated Act Annex I to the Commission Delegated Regulation (EU)" (2021), at: [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf](https://ec.europa.eu/taxation-and-customs/annex-1_en.pdf) (europa.eu)

⁷ "NZEB means a building that has a very high energy performance. The low amount of energy required should be covered to a very significant extent from renewable sources. EU Member States can flexibly define their NZEB, as no common threshold has been set. European Commission, "Nearly Zero Energy Buildings", (2020), at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficientbuildings/nearly-zero-energy-buildings_en

- Renovations of buildings that result in at least 30% energy savings compared to baseline performance of the building prior to renovation. CBRE PEC intends to follow the EU Taxonomy laid out in section 7.2 of the EU Delegated Act Annex 1 whereby a renovation leads to a reduction in Primary Energy Demand of at least 30%.⁶ Sustainalytics considers the intended refurbishments to be in line with market practice due to the presence of a defined and meaningful energy performance improvement threshold.
 - Individual renovation measures that achieve at least 20% reduction in the buildings' GHG emissions through energy efficiency improvements. Examples of such measures include the installation of efficient equipment, automatic meter readings, automated management systems, photovoltaic panels and supporting infrastructure, smart building technologies, among others. Sustainalytics views positively the Framework's inclusion of a defined threshold for individual performance improvement measures.
- Project Evaluation and Selection:
 - CBRE PEC has established a cross-functional Green Finance Committee to be responsible for reviewing, monitoring, and approving eligible projects under the Framework. The GFC is comprised of the Fund's Chief Financial Officer and its Portfolio Manager and is chaired by the Head of Global Sustainability and Innovation and EMEA Head of ESG. The EMEA Investment Committee, which includes the Executive Committee, is responsible for final project selection. The Issuer has an ESG Policy and Strategic Risk Framework in place which guides environmental and social risk management decisions and is applicable to all allocations under the Framework. Sustainalytics considers these environmental and social risk management processes to be aligned with market practice.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The GFC oversees the management of proceeds through internal accounting systems which will add the allocation of proceeds from Green Finance Instruments to an Eligible Green Project Portfolio. The Framework defines a maximum three-year look-back period for the refinancing of capital expenditures, although green asset values will qualify for refinancing without a specific look-back period. CBRE PEC intends to fully allocate the proceeds within 24 months of issuance. Unallocated proceeds will be invested in cash, cash equivalents, or other liquid marketable instruments in line with CBRE PEC's cash management policy. CBRE has confirmed with Sustainalytics that the Fund will not refinance any debt associated with carbon intensive assets or activities.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - CBRE intends to report annually on the allocation of proceeds on its website until full allocation. The allocation reporting will include details on the amount of proceeds allocated to eligible green projects, total investments outstanding and the balance of unallocated amounts. In addition, CBRE PEC intends to publish an impact report, including impact metrics such as tracking of carbon intensity performance, number and types of certifications, GHG emission reduction and energy use reduction, among others.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

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

Section 2: Sustainability Strategy of CBRE

Contribution of framework to CBRE Global Investors' sustainability strategy

Sustainalytics is of the opinion that CBRE PEC demonstrates a strong commitment to sustainability through a particular focus on green buildings. CBRE has disclosed its "Sustainability Pathway to 2040" which sets impactful sustainability targets, including a reduction of the Company's scope 1 and 2 operational emissions⁸ by 68% by 2035, compared to 2019.⁹ CBRE has established its ESG strategy objective for CBRE PEC; through the delivery of ambitious ESG targets, detailed public reporting and compensation linked to sustainability performance. The Fund has committed to align with the Task Force on Climate-Related Financial Disclosures (TCFD)¹⁰ by 2023 and to net zero carbon by 2040,¹¹ defining climate change mitigation as a key commitment within CBRE's sustainability vision.⁹

CBRE measures sustainability performance of the Fund through asset level performance assessments, such as green building certifications like BREEAM and LEED and benchmarks fund level performance through GRESB.¹² This sustainability benchmarking and reporting occurs both at asset and fund level. CBRE has is targeting to achieve greater than or equal to 75% of credits, to perform in the top 20% of its peer group and to achieve more than 4 stars.⁴ By 2030, CBRE PEC is targeting 100% of its annual developments and refurbishments, and at least 50% of their operational assets, to be BREEAM Excellent or LEED Gold or higher.

The Fund has demonstrated commitment to its sustainability targets through their 2020 sustainability performance results. In 2020, the Fund reduced its like-for-like carbon emissions by 31% from 2019, far exceeding the annual reduction target of 4.5%.⁴ Additionally, the Fund increased its renewable energy coverage from 0.13% of its total energy consumption in 2019 to 13.7% in 2020.⁴ CBRE PEC is also on track to achieve its operational performance certification targets increasing from 24% in 2019 to 34.6% in 2020.⁴

CBRE PEC's vision includes a commitment to contribute to climate change mitigation in green buildings and 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

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. However Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes such as those involving 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 or mitigate potential risks through implementation of CBRE Group's following systems¹³:

- 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 which 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

⁸ Corporate offices only.

⁹ CBRE Global Investors, "Pathway to 2040: Our Vision to a Sustainable Future", (2021) at: <https://www.cbreglobalinvestors.com/wp-content/uploads/2021/05/sustainability-vision-may-2021.pdf>

¹⁰ Task Force on Climate-Related Financial Disclosures, at: <https://www.fsb-tcfd.org/>

¹¹ World Green Building Council, "The Net Zero Carbon Buildings Commitment", at: <https://www.worldgbc.org/thecommitment>

¹² GRESB, "Global ESG Benchmark for Real Assets", at: <https://gresb.com/>

¹³ CBRE PEC has confirmed to Sustainalytics that the Company maintain full compliance with the Group's risk mitigation policies and systems.

and reduce environmental impact across operations, with a particular focus on programmes and practices on energy and GHG emissions.¹⁴

- To manage and monitor the resource consumption of its own operations, CBRE Group has implemented measures such as separate utility meters. Globally, 45.5% of occupied floor area was directly metered in 2020 and enabled capturing relevant consumption data for the 2020 GHG emissions inventory.¹⁴
- CBRE Group has calculated their operational carbon footprint annually since 2008. The Company updated its methodologies and software system to improve its inventory accuracy.¹⁴ This included a significant global data collection campaign to increase the amount of actual data used in the inventory.
- European legislation such as the EU directives on Environmental Impact Assessment¹⁵ and the Strategic Environmental Assessment Directive¹⁶ require 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 or mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP and GLP. Sustainalytics focuses 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 1990.¹⁷ Accounting for 40% of the EU's energy consumption and 36% of GHG emissions from energy, the real estate industry is a carbon-intensive sector presenting an opportunity to improving on energy efficiency.¹⁸ Additionally, most of the EU's existing buildings are energy inefficient and rely on fossil fuels for heating and cooling. Currently only 1% of buildings undergo renovation, which requires effective action for the EU to meet its emission reduction goals.¹⁹

Approximately 75% of EU building stock is energy inefficient, meaning a large part of energy used goes to waste. This presents an opportunity for energy loss to be minimized in existing buildings and for energy efficient materials to be used during construction. New buildings today consume less than half of the energy compared to similar new buildings 20 years ago. The EU has in recent years 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.²⁰

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 emissions by 5%.²¹ 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 EUR 275 bn of additional investments are

¹⁴CBRE, "Corporate Responsibility Report", (2020), at: https://www.cbre.com/-/media/files/corporate%20responsibility/cr%20report/2020/cbre_2020_cr_report.pdf

¹⁵ Environmental Impact Assessment, "EIA", at: https://ec.europa.eu/environment/eia/index_en.htm

¹⁶ Strategic Environmental Assessment, "SEA", at: <https://ec.europa.eu/environment/eia/sea-legalcontext.htm>

¹⁷ European Commission, "2030 Climate Target Plan", at: https://ec.europa.eu/clima/policies/eu-climate-action/2030_ctp_en

¹⁸ European Commission, "Renovation Wave: doubling the renovation rate to cut emissions, boost recovery and reduce energy poverty," (2020), at: https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1835

¹⁹ IBID

²⁰ European Commission, Energy efficiency in buildings (2020), at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

²¹ Berardi, U., (2015), "Building Energy Consumption in US, EU and BRIC Countries", Procedia Engineering, at: <https://www.sciencedirect.com/science/article/pii/S187705815020664>

required per year.²² Energy efficiency is therefore an essential component for action and so is the building 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.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The Green Finance Instruments issued under the CBRE Pan European Core Fund Green Finance Framework contribute to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
	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.

Conclusion

CBRE has developed the CBRE Pan European Core Fund Green Finance Framework under which it will issue Green Finance Instruments and use of proceeds to finance expenditures related to residential and commercial green buildings. Sustainalytics considers that the projects funded by the Green Finance Instruments 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 to track, allocate, and manage proceeds, and makes commitments 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 has adequate measures in place to identify, manage or 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 finance instruments 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 2021 and Green Loan Principles 2021.

²² European Commission, The Renovation Wave (2020), [Renovation Wave Communication \(europa.eu\)](#)

Appendices

Appendix 1: Certification Schemes for Green Buildings

	LEED	BREEAM	HQE	DGNB	GPR Gebouw	BBC Effenergie +	Minergie	Miljöbyggnad
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 Effenergie® 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 EFFENERGIE® 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.	Administered by the Swedish Green Building Council (SGBC), Miljöbyggnad certifies new and existing residential and commercial buildings. First implemented in 2010, Version 3 launched in 2018.
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 Minergia-ECO	<ul style="list-style-type: none"> • Bronze • Silver • Gold
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) 	<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 	<ul style="list-style-type: none"> • Energy • Indoor Environment • Chemical Substances • Specific Environmental Demands

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

Section 1. Basic Information

Issuer name:	CBRE
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:	September 30, 2021
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 category for the use of proceeds Green Buildings, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category are expected to deliver environmental benefits while advancing the UN Sustainable Development Goals, specifically SDG 7 and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input 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):

CBRE PEC has established a cross-functional Green Finance Committee (“GFC”) responsible for project evaluation and selection and is chaired by Head of Global Sustainability and Innovation and/or EMEA Head of ESG. The EMEA Investment Committee includes representatives from the Executive Committee and is responsible for final project selection. The Issuer has a dedicated environmental and social risk assessment and mitigation process that is applicable to all allocation decisions made under the Framework. Sustainalytics considers this process to be strong and 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 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):

The GFC oversees the management of proceeds using a portfolio approach. The GFC monitors and maintains green projects through internal accounting systems whereby the allocation of proceeds from Green Finance Instruments are added to an Eligible Green Project Portfolio. CBRE PEC intends to fully allocate the proceeds within 24 months of issuance. Unallocated proceeds will be invested in cash, cash equivalents, or other liquid marketable instruments in line with PEC's cash management policy. 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):

CBRE PEC intends to report on the allocation of 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*): share of financing versus refinancing, and share of unallocated proceeds

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): % portfolio coverage by value and type/level of certification, renewable energy production (MWh/annum), no of charging points installed etc.

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:**

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd 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. 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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