

Second-Party Opinion

DL Invest Group Green Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the DL Invest Group Green Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management and Clean Transportation – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9 and 11.



PROJECT EVALUATION AND SELECTION DL Invest Group's Sustainability Committee will be responsible for evaluating and approving eligible projects in line with the Framework's eligibility criteria. DL Invest Group will undertake environmental and social risk assessments that adhere to its internal policies where relevant. Sustainalytics considers the risk management system to be adequate and the project evaluation and selection to be in line with market practice



MANAGEMENT OF PROCEEDS DL Invest Group's Chief Financial Officer under supervision of the President of the Management Board and Supervisory Board, will be responsible for management and tracking of proceeds. DL Invest Group intends to fully allocate proceeds within 24 months of issuance. Pending allocation, proceeds will be temporarily held in cash or cash equivalents and liquid marketable liquidity instruments according to DL Invest Group's liquidity policies. Sustainalytics considers this process to be in line with market practice



REPORTING DL Invest Group commits to report on allocation of proceeds on its website on an annual basis until full allocation, through its Green Financing Framework Report. In addition, DL Invest Group intends to report on the impact of its investments to the best possible extent. Sustainalytics views DL Invest Group's allocation and impact reporting as aligned with market practice.



Evaluation date	May 28, 2024
Issuer Location	Warsaw, Poland

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3

For inquiries, contact the Sustainable Corporate Solutions project team:

Abhishek Patane (Mumbai)
Project Manager
abhishek.patane@sustainalytics.com

Vedang Kulkarni (Mumbai)
Project Support

Natalia Gotishan (Amsterdam)
Project Support

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

Introduction

DL Invest Group PM S.A. and its subsidiaries (“DL Invest Group” or the “Group”) operates as a property developer and investor in the commercial real estate market, headquartered in Katowice, Poland. Established in 2013, the Group has a diversified commercial portfolio of properties, comprising logistics centres, office centres and retail parks, covering more than 2 million m² of real estate.¹

DL Invest Group has developed the DL Invest Group Green Financing Framework dated May 2024 (the “Framework”) under which it intends to issue green bonds,² private placements,³ syndicated loans⁴ and other instruments,⁵ and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are expected to reduce the carbon footprint of DL Invest Group’s real estate portfolio in Poland.

The Framework defines eligibility criteria in the following areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Sustainable Water and Wastewater Management
5. Clean Transportation

DL Invest Group engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)⁶ and the Green Loan Principles 2023 (GLP).⁷ The Framework has been published in a separate document.⁸

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁹ opinion on the alignment of the reviewed Framework with 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 2023, 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 1.16, 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 DL Invest Group’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. DL Invest Group representatives have confirmed that: (1) they understand it is the sole responsibility of DL Invest Group 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

¹ DL Invest Group, “About us”, at: <https://dlinvest.pl/en/about-us/>

² DL Invest Group has communicated to Sustainalytics that it intends to issue secured bonds. In case of secured bonds, the Group commits to: i) ensure no double counting of the underlying assets with other outstanding sustainability issuances per the voluntary process guidelines published in June 2022 Appendix 1 of the GBP 2021; and ii) commits to ensure that all of the underlying collaterals will align with the eligibility criteria set forth in the Framework in case of secured sustainable collateral bond.

³ DL Invest Group has confirmed to Sustainalytics that the sale of stock shares to investors is excluded from private placements.

⁴ DL Invest Group has confirmed to Sustainalytics that financing instruments do not include revolving credit facilities or multi-tranche loans.

⁵ DL Invest Group has confirmed to Sustainalytics that green bonds are the only other instruments that may be issued under the Framework. Sustainalytics’s Second-Party Opinion only applies to the instruments mentioned in DL Invest Group’s Framework.

⁶ 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/>.

⁷ 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/>

⁸ The DL Invest Group Green Financing Framework is available at: <https://dlinvest.pl/en/dl-green-en/>

⁹ 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.

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 DL Invest Group.

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 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 realized 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 DL Invest Group has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the DL Invest Group Green Financing Framework

Sustainalytics is of the opinion that the DL Invest Group Green Financing Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management and Clean Transportation – are aligned with those recognized by the GBP and GLP.
 - DL Invest Group has established a 36-month look-back period for refinancing activities, which Sustainalytics considers to be aligned with market practice.
 - Under the Green Buildings category, DL Invest Group may finance or refinance the development, acquisition and upgrades to new and existing commercial and logistic properties. DL Invest Group will use the following eligibility criteria.
 - Buildings that have achieved or are expected to achieve the following certifications and minimum levels: i) BREEAM (Very Good and above);¹⁰ and ii) LEED (Gold and above).¹¹
 - The Framework excludes properties directly involved in the extraction, storage, logistics or transportation of fossil fuels, and those connected with controversial activities, such as gambling, controversial weapons or other products restricted by local regulations.
 - Sustainalytics recognizes that BREEAM Excellent may be viewed as best practice in certain cases. However, Sustainalytics notes that existing logistics buildings face additional challenges to achieve higher performance levels such as those required for BREEAM Excellent at minimum, mainly due to the lack of data availability for operational buildings. Therefore, Sustainalytics considers the use of BREEAM Very Good to be aligned with market expectations for existing logistics buildings and encourages DL Invest Group to strive for higher levels where feasible.

¹⁰ BREEAM, at: <https://bregroup.com/products/breeam/>

¹¹ LEED, at: <https://www.usgbc.org/leed>

- Sustainalytics considers expenditures under this category to be in line with market practice.
 - Under the Renewable Energy category, DL Invest Group may finance or refinance projects, investments and expenditures related to renewable energy generation and associated infrastructure. Such expenditures include the following:
 - Rooftop and land solar photovoltaic installations.
 - Installation of electric heat pumps, where the Group has confirmed that such heat pumps: i) must have a refrigerant management system including robust refrigerant leak control, detection and monitoring, ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life; and ii) exclude financing electric heat pumps with high global warming potential (GWP) refrigerants.
 - Installation of energy storage systems connected to renewable energy sources. Sustainalytics encourages DL Invest Group to report on the types of energy storage devices financed under the Framework as part of its reporting commitments.
 - Systems and organizational implementations supporting the measurement and reduction of emissions. DL invest has communicated to Sustainalytics that expenditures may include tools to measure GHG emissions such as zoned thermostats; smart thermostat systems and sensing equipment including motion and day light control; building automation and control systems; building energy management systems; lighting control systems and energy management systems; smart meters for heat, cool and electricity; solar control equipment in form of roller blinder; and solar skylights.
 - Sustainalytics considers investments under this category to be in line with market practice.
 - Under the Energy Efficiency category, DL Invest Group may finance or refinance expenditures that may help in improving the energy efficiency of properties. These include the following:
 - Installation of energy-efficient LED lighting and ventilation heat recuperation systems.
 - Improvements to thermal insulation, such as wall and rooftop insulation, windows and doors, and ventilation and air conditioning systems.
 - Installation of energy-efficient, non-toxic cooling refrigerating appliances. DL Invest Group has confirmed to Sustainalytics that it will exclude appliances that use high GWP refrigerants.
 - DL Group has confirmed that the Framework excludes energy-efficient technologies that are inherently carbon intensive or powered by fossil fuels.
 - Sustainalytics considers investments under this category to be in line with market practice.
 - Under the Sustainable Waste and Water Management category, DL Invest Group may finance or refinance expenditures to improve water use efficiency, such as: i) rainwater harvesting systems; ii) water leak detection systems; iii) low-consuming sanitary appliances; and iv) greywater reuse systems. Sustainalytics considers investments under this category to be in line with market practice.
 - Under the Clean Transportation category, DL Invest Group may finance or refinance projects, investments and expenditures to support low-emission transport infrastructure. These expenditures include:
 - Investments in public transport infrastructure such as public bike rental stations and amenities for cyclists, such as covered sheds for bicycles with video surveillance and underground parking positions for bicycles.
 - Electric vehicle charging stations. DL Invest Group has confirmed to Sustainalytics that such expenditures will exclude financing parking lots.
 - Sustainalytics considers investments under this category to be in line with market practice.
- Project Evaluation and Selection:
 - DL Invest Group's Sustainability Committee will be responsible for identifying and selecting eligible projects under the Framework. The Sustainability Committee consists of the Chief Financial Officer (CFO), the Chief Operating Officer, the Leasing Director and representatives of the Administration and Billing and the Environmental Protection areas.

- During the project evaluation stage, DL Invest Group assesses if the potential projects align with its ESG strategy, which addresses material challenges and highlights areas where the Group sees potential for a positive contribution throughout a property's life cycle. DL Invest Group has established internal policies and processes to mitigate environmental and social risks commonly associated with the eligible categories. For additional details, please refer to section 2.
- Based on the established process for project selection and the presence of risk management processes, Sustainalytics considers DL Invest Group's project evaluation and selection process to be in line with market practice.
- Management of Proceeds:
 - DL Invest Group's CFO will be responsible for managing the proceeds, under supervision of the president of the management board and supervisory board. DL Invest Group has confirmed to Sustainalytics that proceeds will be tracked using a green portfolio register.
 - DL Invest Group intends to fully allocate net proceeds to eligible projects or assets within 24 months of issuance.
 - Pending full allocation, the Group may temporarily invest unallocated proceeds in accordance with its liquidity policies, including in cash or cash equivalents and liquid marketable instruments. The balances will be maintained and stored in separated accounts to match the proceeds of any green bond issuance that are pending allocation. DL Invest Group has confirmed to Sustainalytics that proceeds will not be temporarily invested in the carbon-intensive assets or activities.
 - The Group has communicated to Sustainalytics that syndicated loan instruments issued under the Framework do not include multi-tranche loan facilities or revolving credit facilities.
 - Based on the use of a tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - DL Invest Group commits to publish a Green Financing Framework Report on its website. Through this report, the Group will report on: i) allocation of proceeds annually until the maturity of instruments. The Group also intends to report on the impact of its investments to the best possible extent.
 - Allocation reporting will include information on the total outstanding amount from instruments issued under the Framework, allocation of proceeds per category, balance of unallocated proceeds, percentage of new financing and refinancing, debt repayments and geographic distribution of the portfolio of eligible assets.
 - Impact reporting may include performance metrics such as certification of green buildings, total installed capacity (measured in MW), estimated CO₂ emissions avoided (measured in tCO₂), estimated energy saving (measured in MWh/year), number of charging EV stations and volume of rainwater collected.
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of DL Invest Group

Contribution of Framework to DL Invest Group's sustainability strategy

DL Invest Group integrates environmental decisions into its investments and real estate development projects.¹² The Group's ESG strategy aims to promote sustainability by focusing on the following areas relevant to the Framework: i) sustainable real estate management; ii) energy consumption management; iii) stakeholder engagement; and iv) green investments.¹³

DL Invest Group DL Green, ESG Strategy aiming to double its portfolio of green buildings by 2026 from its baseline of 40% in 2021¹⁴ following sustainable construction practices that meet the criteria for low-carbon

¹² DL Invest Group, "DL Green", at: <https://dlinvest.pl/en/dl-green-en/>

¹³ DL Invest Group, "ESG Report", (2022), at: <https://dlinvest.pl/wp-content/uploads/2024/02/Raport-ESG-DL-Invest-Group-ENG.pdf>

¹⁴ DL Invest Group, "DL Green", at: <https://dlinvest.pl/en/dl-green-en/>

emissions and energy efficiency as per BREEAM and other green building certifications.¹⁵ To achieve this, the Group has set the following goals for 2026: i) reduce energy intensity to 136 kWh/m² per year from the 2021 baseline of 152 kWh/m² per year; ii) reduce water consumption by 119 litres/m² per year from 2021 baseline of 137 litres/m² per year; iii) achieve 20% lower emissions than the national nearly zero-energy building standard for new logistics warehouses; iv) obtain BREEAM certification for all logistics and office facilities by the end of 2025.¹⁶

DL Invest Group has committed to setting scope 1 and 2 GHG emissions reduction targets by 2025¹⁷ and developing a remuneration policy that links its executives' compensation to achieving climate-related key performance indicators.¹⁸ Furthermore, the Group plans to: i) develop and adopt a climate-related strategy and targets based on internationally recognized and accepted sources; ii) undertake a Carbon Risk Real Estate Monitor (CREEM) assessment of income generating portfolio and develop a mitigation plan for assets at risk before 2035; iii) use technically feasible rooftop and ground installations on 30 of its properties, considering the current estimates of a cumulative potential for 45 MW capacity of solar PV installations in its property investments.

Sustainalytics is of the opinion that the DL Invest Green Financing Framework is aligned with the Group's overall sustainability strategy and initiatives and will further the Group's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include land-use and biodiversity issues associated with large-scale infrastructure development, occupational health and safety, waste management and business ethics.

Sustainalytics is of the opinion that DL Invest Group is able to manage and mitigate potential risks through implementation of the following:

- DL Invest Group has an Environmental and Social Corporate Due Diligence process to assess environmental and social impacts during its site selection process. The environmental assessment includes site assessments, impacts on biodiversity, groundwater, underground water resources and evaluating the development's impact on the surrounding area and resulting changes. DL Invest Group also assesses its potential social implications by holding discussions with local authorities and communities to identify potential risks and take appropriate actions. Additionally, the Group performs consultations with the local communities to monitor potential risks in the next phase of the investments.¹⁹ The Group is also planning to develop a climate scenario analysis and climate stress tests for its investment properties, considering both transitional and physical risks.
- To mitigate risks associated with occupational health and safety, DL Invest Group's Health and Safety Procedures Policy includes a hazard identification and risk assessment procedure to address risks related to the health, safety and well-being of employees and third parties. The policy prescribes a process to identify hazards, assess and control risks, record findings and review internal controls. It also defines procedures related to the storage and handling of hazardous materials, emergency evacuation plans, workplace first aid and medical care, and workers orientation and training.²⁰
- To address issues involving waste management, DL Invest Group's Waste Management Policy of 2023 outlines a process for analyzing local regulations and waste collection in each relevant location. DL Invest Group pays applicable fees where due or contracts a waste collection company according to local regulations and under authorization of local authorities.²¹ The Group must also

¹⁵ DL Invest Group shared its green policy with Sustainalytics confidentially.

¹⁶ DL Invest Group, "Assumptions for environmental changes over a period of 5 years", at: <https://dlinvest.pl/wp-content/uploads/2023/11/Assumptions-for-environmental-changes-over-a-period-of-5-years.pdf>

¹⁷ Information is referred from the Framework.

¹⁸ DL Invest Group, "Assumptions for environmental changes over a period of 5 years", at: <https://dlinvest.pl/wp-content/uploads/2023/11/Assumptions-for-environmental-changes-over-a-period-of-5-years.pdf>

¹⁹ DL Invest has shared its Environmental and Social Corporate Due Diligence with Sustainalytics confidentially.

²⁰ DL Invest Group, "Health And Safety Procedures Policy within DL Invest Group", at: <https://dlinvest.pl/wp-content/uploads/2023/11/Health-And-Safety-Procedures-Policy-within-DL-Invest-Group.pdf>

²¹ DL Invest Group, "Waste Management Policy", at: <https://dlinvest.pl/wp-content/uploads/2023/11/Gospodarka-odpadami-en.pdf>

follow EU regulations on construction and demolition waste which require waste management to be carried out without endangering human health or causing harm to the environment.²²

- Regarding business ethics, DL Invest Group's Code of Ethics outlines principles regarding acting with integrity, complying with applicable laws, making ethical business decisions and respecting human rights.²³ Additionally, the Group's Anti-Corruption Policy mandates employees, contractors, business partners and management to identify and avoid risks of fraud and requires compliance with anti-corruption and anti-bribery laws in its business activities.²⁴
- Financing under the Framework will take place in Poland, which is recognized as a Designated Country under the Equator Principles, indicating the presence of environmental and social governance legislation system and institutional capacity to ensure mitigation of common environmental and social risks.²⁵

Based on these policies, standards and assessments, Sustainalytics is of the opinion that DL Invest Group 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 use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of financing green buildings in Poland

In 2021, the buildings sector in the EU accounted for 35% of the EU's energy-related emissions, considering it is the sector that consumes the most energy.²⁶ The EU has committed to reducing GHG emissions by 55% by 2030 compared to 1990 levels.²⁷ This commitment implies reducing GHG emissions from buildings by 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030, compared to 2015.²⁸ The EU's 2023 revision of the Energy Performance of Buildings Directive (EPBD) actively supports the objective of achieving climate neutrality in the buildings sector by 2050.²⁹ It mandates zero emissions for all new public buildings from 2026 and all new buildings from 2028, while progressively tightening standards for existing buildings over time.³⁰

Poland is the fourth-largest emitter in the EU in annual GHG emissions.³¹ The buildings sector stands as the fourth-largest contributor of CO₂ emissions in the country, responsible for 13.8% of the country's total energy-related CO₂ emissions.³² Poland's residential sector in particular relies heavily on solid fuels more than in any other EU country, with coal playing a dominant role in electricity production and space heating.³³ To achieve the EU's 2030 emissions reduction target, the Polish Energy Policy 2040 aims to reduce buildings' primary energy consumption by 23% by 2030 compared to 2020.³⁴ This goal is expected to be achieved through the modernizing residential buildings and phasing out coal use in urban households by 2030 and in rural areas by 2040.³⁵ To support the renovation of the building stock, the Polish government has estimates that the country requires to gradually achieve an average rate of energy renovation of buildings of approximately 3.8%

²² European Commission, "Directive 2008/98/EC on waste and repealing certain Directives", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02008L0098-20180705>

²³ DL Invest Group, "Code of Ethics", (2021), at: <https://dlinvest.pl/wp-content/uploads/2023/06/Kodeks-Etyczny-DL-Invest-Group-EN.pdf>

²⁴ DL Invest Group, "Anti-Corruption Policy", (2023), at: <https://dlinvest.pl/wp-content/uploads/2023/12/POLITYKA-ANTYKORUPCYJNA-DL-Invest-Group-en.pdf>

²⁵ Equator Principles, "About the Equator Principles - Designated & Non-Designated Countries", (2024), at: <https://equator-principles.com/about-the-equator-principles/>

²⁶ European Environment Agency, "Greenhouse gas emissions from energy use in buildings in Europe", (2023), at: <https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emissions-from-energy>

²⁷ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

²⁸ Ibid.

²⁹ IEA, "Energy Systems – Buildings", at: <https://www.iea.org/energy-system/buildings>

³⁰ Ibid.

³¹ European Parliament, "Climate change in Europe: facts and figures", (2023), at: <https://www.europarl.europa.eu/topics/en/article/20180703STO07123/climate-change-in-europe-facts-and-figures>

³² IEA, "Poland 2022 Energy policy review", at: <https://iea.blob.core.windows.net/assets/b9ea5a7d-3e41-4318-a69e-f7d456ebb118/Poland2022.pdf>

³³ Attia, S. et al (2022), "Energy efficiency in the polish residential building stock: A literature review", Journal of Building Engineering, at: <https://orbi.uliege.be/bitstream/2268/264395/1/Energy%20efficiency%20in%20the%20polish%20residential%20building%20stock.pdf>

³⁴ Government of Poland, Ministry of Climate and Environment, "Energy Policy of Poland until 2040", (2021), at: <https://www.gov.pl/web/https://www.gov.pl/attachment/b1feb20c-e544-412d-a0d7-f6bff01707c1/climate/energy-policy-of-poland-until-2040-epp2040>

³⁵ Ibid.

annually.³⁶ Furthermore, in its National Energy and Climate Plan for 2021-2030, Poland set a target to thermally insulate 70% of the total housing stock by 2030, compared to 56% in 2015,³⁷ including through the Clean Air incentive programme aimed at replacing heat sources and insulating residential units.³⁸

In view of the above, Sustainalytics is of the opinion that DL Invest Group's financing of green buildings is expected to contribute to reduce GHG emissions and energy consumption from buildings in Poland, more broadly contributing to meeting the EU's emissions reduction goals.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and clean energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

³⁶ Government of Poland, Ministry of Development "Long-term building renovation strategy of Poland", (2022), at: https://energy.ec.europa.eu/system/files/2022-06/PL%202020%20LTRS%20_%20EN%20version.pdf

³⁷ Government of Poland, Ministry of State Assets, "The National Energy and Climate Plan for the years 2021-2030", (2019), at: https://energy.ec.europa.eu/system/files/2020-08/pl_final_necp_part_1_3_en_0.pdf

³⁸ Ibid.

Conclusion

DL Invest Group has developed the DL Invest Group Green Financing Framework under which it may issue green bonds, private placements, syndicated loans and other instruments and use the proceeds to finance Green Buildings, Renewable Energy, Energy Efficiency, Sustainable Water and Wastewater Management and Clean Transportation projects. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The DL Invest Group Green Financing Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework is aligned with the overall sustainability strategy of DL Invest Group and that the use of proceeds are expected to contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9 and 11. Additionally, Sustainalytics is of the opinion that DL Invest Group has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that DL Invest Group is well positioned to issue green bonds, private placements, syndicated loans and other instruments and that the DL Invest Group Green Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Disclaimer

Copyright ©2024 Sustainalytics, a Morningstar company. All rights reserved.

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or content providers, and may be made available to third parties only in the form and format disclosed by Sustainalytics. They are not directed to, or intended for distribution to or use by India-based clients or users and their distribution to Indian resident individuals or entities is not permitted.

They are provided for informational purposes only and (1) shall not be considered as being a statement, representation, warranty or argument either in favor or against the truthfulness, reliability or completeness of any facts or statements that the issuer has made available to Sustainalytics for the purpose of this deliverable, in light of the circumstances under which such facts or statements have been presented; (2) do not constitute an endorsement of any product, project, investment strategy or consideration of any particular environmental, social or governance related issues as part of any investment strategy; (3) do not constitute investment advice, financial advice, or a prospectus, nor represent an “expert opinion” or “negative assurance letter” as these terms are commonly understood or defined by any applicable legislation; (4) are not part of any offering and do not constitute an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (5) do not represent an assessment of the issuer’s economic performance, financial obligations nor of its creditworthiness; (6) are not a substitute for professional advice; (7) past performance is no guarantee of future results; (8) have not been submitted to, nor received approval from, any relevant regulatory body; (9) have not and cannot be incorporated into any offering disclosure, unless otherwise agreed in writing.

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. Sustainalytics has not independently verified any such information or data. The deliverables are provided “as is” and reflect Sustainalytics’ opinion at the date of their elaboration and publication. Sustainalytics does not undertake any obligation to update or revise any of the statements in the deliverable to reflect events, circumstances, changes in expectations which may occur after the date of the opinion or any statements included in the opinion. Neither Sustainalytics/Morningstar nor their content providers accept any liability from the use of the information, data or opinions contained herein or for actions of third parties in respect to this information, in any manner whatsoever, except where explicitly required by law. Sustainalytics does not assume any responsibility shall the bond default. Any reference to content providers’ names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our content providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

Sustainalytics may receive compensation for its ratings, opinions and other deliverables, from, among others, issuers, insurers, guarantors and/or underwriters of debt securities, or investors, via different business units. Sustainalytics believes it has put in place appropriate measures designed to safeguard the objectivity and independence of its opinions. For more information, visit [Governance Documents](#) or contact compliance@sustainalytics.com.

This deliverable, in particular the images, text and graphics contained therein, and the layout and company logo of Sustainalytics are protected under copyright and trademark law. Any use thereof shall require express prior written consent. Use shall be deemed to refer in particular to the copying or duplication of the opinion wholly or in part, the distribution of the opinion, either free of charge or against payment, or the exploitation of this opinion in any other conceivable manner.

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

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 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 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

