



Second-Party Opinion grundbesitz europa Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the grundbesitz europa Green Bond Framework is credible and impactful and aligns with the four core components of the ICMA Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Green Buildings & Energy Efficiency – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories are expected to reduce carbon emissions and improve the energy performance of buildings in the European Union and the UK, and advance the UN Sustainable Development Goals (SDGs), specifically SDGs 7 and 11.



PROJECT EVALUATION / SELECTION DWS Grundbesitz GmbH (the “Company”), on behalf of grundbesitz europa (the “Fund”), has established a group which is responsible for identifying and evaluating projects in line with the eligibility criteria. This group is comprised of the Company’s Global Head of ESG Real Estate, the Fund Manager, Head of Real Estate Asset Management in Europe and ESG specialists. The Fund’s risk review process applies to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS The net proceeds will be deposited in the Fund’s general account or one of its sub-accounts, and an amount equal to the net proceeds will be earmarked for allocation to eligible assets. The proceeds will be managed on a portfolio basis using an internal Green Bond Register. The Fund intends to allocate an amount equivalent to the net proceeds within two years following each green bond issuance. Pending allocation, proceeds will be temporarily managed in accordance with the Fund’s general liquidity policy and may be used to refinance debt. This is in line with market practice.



REPORTING The Company on behalf of the Fund intends to report on the allocation of proceeds on the Fund’s website on an annual basis until full allocation. Allocation reporting will include an overview of the eligible projects by category, the equivalent amount of net proceeds allocated, the geographical distribution of assets and the share of allocation towards new and existing projects amongst others. In addition, the Fund is committed to reporting on relevant impact metrics. Sustainalytics views the Fund’s allocation and impact reporting as aligned with market practice.

Evaluation Date	January 25, 2022
Issuer Location	Frankfurt, Germany

Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3
Appendices	8

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Introduction

DWS Group GmbH & Co. KGaA¹ (“DWS”) is an asset manager headquartered in Frankfurt, Germany. DWS provides private real estate equity and debt, public securities, mutual fund, and real estate and infrastructure investment services to individuals and institutions globally. DWS Grundbesitz GmbH (“DWS Grundbesitz” or the “Company”), a subsidiary of DWS, manages grundbesitz europa (the “Fund”²), which is a real estate investment fund with EUR 9.7 billion in assets under management as of September 2021. The Fund’s portfolio includes commercial (offices, retail, logistics and hotels) and residential properties in Europe.

DWS Grundbesitz GmbH has developed the grundbesitz europa Green Bond Framework (the “Framework”) under which it intends to issue green bonds and allocate an amount equivalent to the net proceeds to finance or refinance existing or future projects that are expected to reduce the carbon footprint of DWS Grundbesitz’s real estate portfolio and contribute to improving the energy performance of buildings in the European Union and the UK. The Framework defines eligibility criteria in the following green category:

1. Green Buildings & Energy Efficiency

DWS Grundbesitz GmbH engaged Sustainalytics to review the grundbesitz europa Green Bond Framework, dated January 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).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;
- 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 1.11, 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 DWS Grundbesitz GmbH’s management team to understand the sustainability impact of their business processes and planned use and allocation of proceeds, as well as management of proceeds and reporting aspects of the Framework. DWS Grundbesitz GmbH representatives have confirmed that: (1) they understand it is the sole responsibility of DWS Grundbesitz GmbH to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information, and (3) 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 DWS Grundbesitz GmbH.

¹ DWS operated as a part of Deutsche Bank until 2018 when it became a separate entity through an Initial Public Offering on the Frankfurt Stock Exchange.

² The grundbesitz europa fund qualifies as product in accordance with article 8 (1) of Regulation (EU) 2019/2088.

³ 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/>.

⁴ The grundbesitz europa Green Bond Framework is available on DWS Grundbesitz GmbH’s website at: <https://www.dws.de/offene-immobilienfonds/de000a0ndw81-grundbesitz-europa-ic/> and <https://www.dws.de/offene-immobilienfonds/de0009807008-grundbesitz-europa-rc/>.

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.

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. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential 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 DWS Grundbesitz GmbH has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the grundbesitz europa Green Bond Framework

Sustainalytics is of the opinion that the grundbesitz europa Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the grundbesitz europa Green Bond Framework:

- Use of Proceeds:
 - The eligible category – Green Buildings & Energy Efficiency– is aligned with those recognized by the GBP. Sustainalytics notes that expenditures related to eligible green projects are expected to reduce the carbon footprint of DWS Grundbesitz's real estate portfolio and contribute to improving the energy performance of buildings in the European Union and the UK.
 - The Framework has defined a three-year look-back period for the refinancing of expenditures which Sustainalytics considers to be aligned with market practice.
 - Under the Green Building & Energy Efficiency Category, expenditures related to the acquisition, operation and refurbishment of new and existing properties may be financed according to the following eligibility criteria:
 - Buildings that have received or are expected to receive the following minimum green building certification level: BREEAM Excellent, DGNB Gold, HQE Excellent and LEED Gold. Sustainalytics views the schemes specified in the Framework to be credible and the levels selected as aligned with market practice. For Sustainalytics' assessment of these green building certification schemes, please refer to Appendix 1.
 - Buildings that (i) have received an Energy Performance Certificate with energy class A and above, or (ii) buildings that belong in the top 15% of energy efficient buildings in the relevant jurisdiction based on operational primary energy demand or emissions intensity performance. Sustainalytics considers these investments to be aligned with market practice.
 - Refurbishment of existing buildings that lead to at least a 30% reduction in primary energy demand compared to pre-renovation levels.
 - Renovation measures aimed at improving energy efficiency including the upgrade of windows, improvement of insulation, installation of heating and deployment of smart meters. Sustainalytics notes that the Framework excludes the financing of fossil fuel related technologies and equipment. Sustainalytics encourages DWS Grundbesitz to report on the estimated or achieved energy efficiency gains, where feasible.
- Project Evaluation and Selection
 - The Company on behalf of the Fund has established a cross-functional group comprised of the Global Head of ESG Real Estate, the Fund Manager, the Head of Real Estate Asset Management in Europe and ESG specialists. This group is responsible for identifying and evaluating projects

- in line with the Framework's eligibility criteria. DWS Grundbesitz's Management Board will be responsible for providing the final approval.
- DWS Grundbesitz, on behalf of the Fund, will identify and manage environmental and social risks associated with all eligible projects in accordance with its risk review process. This analysis will be conducted for all allocation decisions made under the Framework. Sustainalytics considers this risk assessment process to be adequate and aligned with market practice. For additional detail, please see Section 2.
 - Based on the involvement of senior management and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - The proceeds will be deposited in the Fund's general account or one of the sub-accounts, and an amount equivalent to the net proceeds will be earmarked for allocation to eligible projects. The Company's Management Board will manage the proceeds on a portfolio basis using an internal green bond register with the support of the Fund Manager and the respective team.
 - DWS Grundbesitz, on behalf of the Fund, intends to allocate an amount equivalent to the net proceeds within two years of issuance. Pending allocation, proceeds will temporarily be invested in liquid instruments in accordance with the Fund's general liquidity policy and may also be used to refinance debt.
 - Based on the use of an internal tracking register and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - DWS Grundbesitz, on behalf of the Fund, intends to report on the allocation and corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include information such as the total amount of green bonds outstanding, the equivalent amount of proceeds allocated, geographical distribution of allocated assets of the portfolio, the equivalent amount of unallocated net proceeds and the share of allocation towards new and existing eligible green projects.
 - Impact reporting will include, where feasible, key performance indicators such as the type and level of green building certification by eligible green project, annual GHG emissions reduced or avoided, and estimated energy savings.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

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

Section 2: Sustainability Strategy of DWS Grundbesitz GmbH

Contribution of the Framework to DWS Grundbesitz GmbH's sustainability strategy

Sustainalytics is of the opinion that DWS Grundbesitz GmbH demonstrates a commitment to sustainability by integrating environmental, social and governance considerations into its investment decisions. The Company has established the DWS Real Estate ESG Framework⁶ which focuses on three pillars: (i) facilitating the transition to a low-carbon economy, (ii) addressing natural and physical climate risks related to real estate, and (iii) meeting the social standards of relevant stakeholders across the real estate industry. DWS Grundbesitz launched the DWS Real Estate ESG Program in 2011 to ensure that the Company integrates ESG risks and related factors into its investment decision-making process.

DWS Grundbesitz, on behalf of the Fund, is committed to reducing the carbon emissions and energy consumption of its real estate portfolio. The Company has set a target to achieve a net zero carbon footprint across its European portfolio by 2050, in line with the Paris Agreement goal to limit global warming to below 2°C above pre-industrial levels, and published its Net Zero Carbon Pathway in 2020.⁷ In order to achieve its emissions related targets, the Company is focusing its efforts on improving the energy performance of its

⁶ DWS, "DWS Real Estate ESG Framework", at: <https://www.dws.com/globalassets/cio/dam-us/pdfs/dws-real-estate-esg-framework-082036.pdf>

⁷ DWS Net Zero Carbon Pathway, (2020), at:

<https://www.betterbuildingspartnership.co.uk/sites/default/files/DWS%20Net%20Zero%20Carbon%20Pathway%20FV1.pdf>

portfolio through the installation of energy-efficient technologies and products. In 2021, the Fund achieved the Global Real Estate Sustainability Benchmark (GRESB) green star accolade⁸ and a GRESB 4-star rating.^{9,10}

Sustainalytics is of the opinion that the grundbesitz europa Green Bond Framework is aligned with DWS Grundbesitz GmbH's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the eligible projects

Sustainalytics recognizes that an amount equivalent to net proceeds from the bonds issued under the Framework will be allocated to eligible projects that are anticipated to have positive environmental benefits. 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 could include land use and biodiversity loss, effluents and waste generated in construction, occupational health and safety (OHS), and business ethics.

Sustainalytics is of the opinion that DWS Grundbesitz is able to manage or mitigate potential risks through following Company level and DWS Group level policies:

- The Company aims to certify new buildings in adherence to the recognized sustainability certification schemes such as BREEAM and DGNB and energy performance benchmarks such as the EPA's Energy Star and EPC through the development, planning and construction stages, and includes relevant sustainability targets in its contracts or project agreements with external parties. In addition, the Company collects energy, water and waste data from assets in its managed portfolios on a quarterly basis with the long-term goal of achieving 100% data coverage for all assets. To mitigate the risk of effluents and waste, the Company uses external consultants to audit and implement consolidated waste removal and recycling services for tenants and common areas. The Company uploads and manages waste data and audits in its central ESG data platform.¹¹
- As a signatory to the United Nations Global Compact, DWS conforms to its 10 principles, including human rights, labour, environment and anti-corruption, and transparently discloses its performance regarding these principles to the UN Global Compact.¹² In line with the principles, DWS commits to avoid any violation of human rights, forced and child labour, environmental degradation, and corruption. In addition, DWS Grundbesitz implements health and wellness measures in accordance with the DWS Standards of Health & Wellbeing.
- DWS complies with Deutsche Bank's Code of Conduct which outlines principles on acting with integrity, making ethical business decisions and cultivating a company culture where employees take personal responsibilities. DWS has set up internal mechanisms for whistleblowing and due diligence processes to balance and resolve conflicts of interest and ethical situations. In addition, DWS requires its vendors to adhere to the principles defined in its code of conduct. DWS also requires its partners to comply with specific contractual obligations related to business ethics and implement measures that ensure worker health and safety at construction sites.
- The Company manages OHS risks at construction sites by requiring its contractors to comply with the OHS provisions prescribed in the relevant building certifications. For instance, BREEAM International Refurbishment and Fit-out¹³ requires that, in the absence of national health and safety regulations, evidence must be provided to demonstrate that either (i) the principal contractor has an occupational health and safety management system compliant with OHSAS 18001:2007, or (ii) confirm that refurbishment and fit-out will be carried out in accordance with the International Labour Association's Safety and health in construction Code of Practice.
- The Company is headquartered in Germany which is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance systems,

⁸ A GRESB green star is an accolade provided to real estate companies which achieve a score of more than 50% in the relevant assessment criteria, out of Management, Performance and Development. For details, please refer to GRESB's official website at: <https://gresb.com/nl-en/>.

⁹ The GRESB Star Rating, with a ranking of 1-5 stars, is a visual representation of how a real estate entity performs relative to all GRESB respondents, regardless of property type and region. A 4-star rating means the entity's performance falls in the top 40% across all other peer groups and countries. For details, please refer to GRESB's official website at: <https://gresb.com/nl-en/>.

¹⁰ This information has been provided in the grundbesitz europa Green Bond Framework (2022).

¹¹ DWS, "DWS Real Estate ESG Framework", at: <https://www.dws.com/globalassets/cio/dam-us/pdfs/dws-real-estate-esg-framework-082036.pdf>

¹² United Nations Global Compact, "The Ten Principles of the UN Global Compact", at: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

¹³ BREEAM, "BREEAM International Refurbishment and Fit-out", at: https://www.breeam.com/internationalRFO2015/content/resources/output/rfrb_pdf/refurb_int_2015.pdf

legislation and institutional capacity to mitigate the common environmental and social risks associated with the projects financed under the Framework.¹⁴

Based on these policies, standards and assessments, Sustainalytics is of the opinion that DWS Grundbesitz 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 Category

The use of proceeds category is aligned with those recognized by the GBP and is relevant in the local context.

Importance of financing green buildings and energy efficiency projects in the European Union and the UK

The building sector is expected to play a key role in supporting the achievement of the EU's climate targets. As of 2018, buildings accounted for approximately 40% of the total energy consumption and 36% of the total CO₂ emissions in the EU.¹⁵ Under the Climate Target Plan 2030, the EU adopted an ambitious target to reduce GHG emissions by at least 55% below 1990 levels by 2030.¹⁶ The EU has set an ultimate goal of achieving net zero emissions by 2050 as part of the European Green Deal.¹⁷ In order to meet these targets, GHG emissions of the EU's buildings stock would need to be reduced by 60% by 2030 relative to 2015.¹⁸ At least 85% of the existing buildings in the EU are expected to remain standing in 2050. Additionally, 75% of the existing building stock in the EU is considered to be energy inefficient with less than 1% of it undergoing energy efficient renovations each year.^{19,20} Renovating buildings is considered fundamental to improving the energy efficiency of the EU's existing building stock and has the potential to reduce the EU's total energy consumption by 5-6%, and CO₂ emissions by roughly 5%.²¹ This highlights the importance of investing in both new green buildings and renovation of existing buildings for the EU to achieve its climate targets.²²

In 2021, the UK government set a target to achieve net zero emissions by 2050 with an intermediate emission reduction goal of 78% by 2035 below 1990 levels.²³ As of 2019, direct emissions from buildings accounted for 17% of the country's total emissions.²⁴ As a result, in its 2020 10 Point Plan for a Green Industrial Revolution, the UK government identified the development of green buildings as one of the key contributors towards achieving reduction in emissions. Developing greener buildings has the potential to reduce 71 MtCO₂e of operational carbon emissions between 2023 and 2032, which is equivalent to 20% of all annual emissions of the UK in 2019.^{25,26} In order to achieve the 2035 target, the government has committed to mobilizing GBP 200 billion (EUR 240 billion) in public and private investments towards improving the energy efficiency of buildings.²⁷

Based on the above context, Sustainalytics expects DWS Grundbesitz GmbH's expenditures related to green buildings and energy efficiency to contribute towards reducing carbon emissions from the built environment in the European Union and the UK, thereby supporting the transition towards a low-carbon economy.

¹⁴ Equator Principles, "Designated Countries", (2020), at: <https://equator-principles.com/designated-countries/>

¹⁵ European Parliament, "Report on Maximising the energy efficiency of the EU building stock", 2020, at: https://www.europarl.europa.eu/doceo/document/A-9-2020-0134_EN.html

¹⁶ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", at: https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

¹⁷ European Commission, "A European Green Deal", (2021), at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

¹⁸ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", at: https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

¹⁹ Ibid.

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

²¹ European Commission, "In focus: Energy efficiency in buildings", at: https://ec.europa.eu/info/sites/default/files/energy_climate_change_environment/events/documents/in_focus_energy_efficiency_in_buildings_en.pdf

²² Ibid.

²³ Government of the UK, "UK enshrines new target in law to slash emissions by 78% by 2035", (2021), at: <https://www.gov.uk/government/news/uk-enshrines-new-target-in-law-to-slash-emissions-by-78-by-2035>

²⁴ Climate Change Committee, "The Sixth Carbon Budget Buildings", (2020), at: <https://www.theccc.org.uk/wp-content/uploads/2020/12/Sector-summary-Buildings.pdf>

²⁵ Government of the the UK, "The Ten Point Plan for a Green Industrial Revolution", (2020), at: <https://www.gov.uk/government/publications/the-ten-pointplan-for-a-green-industrial-revolution/titlev>

²⁶ Parliamentary Office of Science and Technology, "Reducing the whole life carbon impact of buildings", 2021, at: <https://researchbriefings.files.parliament.uk/documents/POST-PB-0044/POST-PB-0044.pdf>

²⁷ HM Government, "Net Zero Strategy: Build Back Greener", 2021, at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bonds issued under the DWS grundbesitz europa Green Bond Framework are expected to advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings & Energy Efficiency	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.

Conclusion

DWS Grundbesitz GmbH has developed the grundbesitz europa Green Bond Framework under which it may issue green bonds and allocate an amount equivalent to the net proceeds to finance or refinance existing or future projects that are expected to reduce the carbon footprint of DWS Grundbesitz GmbH's real estate portfolio and contribute to improving the energy performance of buildings in the European Union and the UK. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The grundbesitz europa Green Bond Framework outlines a process by which proceeds will be tracked, allocated and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the grundbesitz europa Green Bond Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds category is expected to contribute to advancing the UN Sustainable Development Goals 7 and 11. Additionally, Sustainalytics is of the opinion that DWS Grundbesitz GmbH has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that DWS Grundbesitz GmbH is well positioned to issue green bonds and that the DWS Grundbesitz GmbH is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

Appendices





Appendix 1: Overview and Assessment of Green Building Certification Schemes

	BREEAM ²⁸	DGNB	HQE	LEED ²⁹
Background	Building Research Establishment Environmental Assessment Method (BREEAM) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, BREEAM is used for new, refurbished and extension of existing buildings.	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.	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.	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.
Certification levels	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Bronze • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very good • Excellent • Exceptional 	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum
Areas of Assessment: Environmental Performance of the Building	<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"> • Environment • Economic • Sociocultural and functional aspects • Technology • Processes • Site 	<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"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority
Requirements	Prerequisites depending on the levels of certification + Credits with associated points. This number of points is then weighted by item ³⁰ and gives a	Percentage-based performance index. The total performance index (expressed as a percentage) is calculated by adding the six key areas of	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing.	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain

²⁸ BREEAM, Building Research Establishment LTD, at: <https://breeam.com/>

²⁹ Leadership in Energy and Environmental Design, at: <https://new.usgbc.org/leed>

³⁰ 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.

	<p>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>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>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>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>Performance display</p>				

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

Section 1. Basic Information

Issuer name:	DWS Grundbesitz GmbH
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	grundbesitz europa Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	January 25, 2022
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize 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 & Energy Efficiency – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories are expected to reduce carbon emissions and improve the energy performance of buildings in the European Union and the UK, and advance the UN Sustainable Development Goals (SDGs), specifically SDGs 7 and 11.

Use of proceeds categories as per GBP:

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

DWS Grundbesitz GmbH (the “Company”), on behalf of grundbesitz europa (the “Fund”), has established a group comprised of Global Head of ESG Real Estate, the Fund Manager, Head of Real Estate Asset Management in Europe and ESG Specialists, which is responsible for identifying and evaluating projects in line with the eligibility criteria. The Fund’s risk review process is applicable to all allocation decisions made under the framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.

Evaluation and selection

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

Information on Responsibilities and Accountability

- 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 net proceeds will be deposited in the Fund's general account or one of its sub-accounts, and an amount equal to the net proceeds will be earmarked for allocation to eligible assets. The proceeds will be managed on a portfolio basis using an internal Green Bond Register. The Fund intends to allocate an amount equivalent to the net proceeds within two years following each green bond issuance. Pending allocation, proceeds will be temporarily managed in accordance with the Fund's general liquidity policy and may also be used to refinance debt. 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)*:

The Company on behalf of the Fund intends to report on the allocation of proceeds on the Fund's website on an annual basis until full allocation. Allocation reporting will include an overview of the eligible projects by category, the equivalent amount of net proceeds allocated, the geographical distribution of assets and the share of allocation towards new and existing projects amongst others. In addition, the Fund is committed to reporting on relevant impact metrics. Sustainalytics views the Fund's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project On a project portfolio basis

- Linkage to individual bond(s) Other (*please specify*):

Information reported:

- Allocated amounts Green Bond financed share of total investment
- Other (*please specify*):
- The total amount of net proceeds outstanding
- The equivalent amount of unallocated proceeds
- The share of allocation towards new and existing eligible projects
- The geographical allocation of the Green Project Portfolio

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*):
- Level of certifications by project
- Estimated percentage of annual energy efficiency gain

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*): Green Bond Report

- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): An independent verifier will be appointed to review the allocation of net proceeds.

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

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm 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. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.

