

Second-Party Opinion

Globe Trade Centre SA Capital Group Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Globe Trade Centre SA Capital Group Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds - Green Buildings and Energy Efficiency - are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9 and 11.



PROJECT EVALUATION / SELECTION Globe Trade Centre's (GTC) internal process in evaluating and selecting projects is managed by a dedicated Green Bond Committee (GBC), which is comprised of senior managerial officers from the Asset Management, Development, Finance, Legal and Investor Relations departments. The GBC will identify eligible assets and evaluate them against the Framework's eligibility criteria, internal policies, and local regulations. GTC's Board of Directors will give final approval of selected assets. Based on these elements, Sustainalytics considers this process to be in line with market practice.



MANAGEMENT OF PROCEEDS GTC's process for management of proceeds is overseen by the Management Board. Proceeds will be allocated on a portfolio basis. GTC will track allocation using an Eligible Green Project Portfolio. GTC will strive to achieve a level of allocation within 12 months after issuance for the Eligible Green Project Portfolio which, matches or exceeds the balance of net proceeds from its outstanding Green Bonds. Any unallocated proceeds will be held and/or invested, at GTC's own discretion, in its liquidity portfolio, in cash or other short term and liquid instruments. Sustainalytics considers this process to be in line with market practice.



REPORTING GTC intends to report on the allocation of proceeds on its website on an annual basis. The allocation reporting will include details such as remaining balance of unallocated proceeds, the geographical distribution of Green Projects, the share of financing/refinancing, and the status of buildings included. External verification will be provided for the final allocation report. Where feasible, GTC will report on relevant impact metrics. Sustainalytics considers this process to be in line with market practice.

Evaluation Date	June 7, 2021
Issuer Location	Warsaw, Poland

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Introduction

Globe Trade Centre SA Capital Group (“GTC”, or the “Group”) is a commercial and residential real estate investor and developer operating in Poland and capital cities in Eastern and Southern Europe: Belgrade, Budapest, Bucharest, Zagreb and Sofia. The Group was established in 1994 and is headquartered in Warsaw, Poland.

GTC has developed the Globe Trade Centre SA Capital Group Green Bond Framework (the “Framework”) under which it intends to issue multiple green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that promote buildings’ energy efficiency. The Framework defines eligibility criteria in one area:

1. Green Buildings
2. Energy Efficiency

GTC engaged Sustainalytics to review the Globe Trade Centre SA Capital Group Green Bond Framework, dated November 2020, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; 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 1.9 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 GTC’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. GTC representatives have confirmed (1) they understand it is the sole responsibility of GTC to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and GTC.

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.

¹ 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/>.

² The Globe Trade Centre SA Capital Group Green Bond Framework is available on Globe Trade Centre SA Capital Group’s website at: http://ir.gtc.com.pl/en/bonds/green_bonds.

³ 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.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Globe Trade Centre SA Capital Group Green Bond Framework

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

- Use of Proceeds:
 - The eligible categories – Green Buildings and Energy Efficiency – are aligned with those recognized by the GBP.
 - Within the Green Buildings category, GTC may finance or refinance the acquisition, construction and/or refurbishment of green buildings in Poland and capital cities in Eastern and Southern Europe (CEE), specifically Belgrade, Budapest, Bucharest, Zagreb and Sofia. Buildings may be new or existing and will have the following minimum certification levels: BREEAM "Very Good", LEED "Gold" and DGNB "Gold". 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. In any case, Sustainalytics encourages the selection of BREEAM buildings that achieve a minimum score of 70% in the Energy category. For Sustainalytics' assessment of these building certification schemes, please refer to Appendix 1.
 - Within the Energy Efficiency category, GTC intends to finance buildings that fall into the top 15% of local buildings for energy efficiency; new buildings that consume a minimum 20% less primary energy demand; or the financing of renovations that achieve 30% net primary energy savings compared to the performance of the building prior to the renovation. Sustainalytics views investment in energy efficiency measures as aligned with market best practice and with the European Commissions Net Zero Emissions Buildings (NZEB) requirements.
 - GTC has established a 36-month lookback period for refinancing.
- Project Evaluation and Selection:
 - GTC's internal process in evaluating and selecting projects is managed by a dedicated Green Bond Committee (GBC), which is comprised of senior officers from the Asset Management, Development, Finance, Legal and Investor Relations departments. The GBC will identify eligible assets and evaluate them against the Framework's eligibility criteria, internal policies, and local regulations. Based on the evaluation, the selected assets will be recommended to the Board of Directors of GTC for approval. If an asset ceases to meet the eligibility criteria the GTC will reallocate the proceeds to other eligible projects. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - GTC's process for management of proceeds is overseen by the Management Board. Proceeds will be allocated on a portfolio basis. GTC will track allocation using an Eligible Green Project Portfolio. GTC will strive to achieve a level of allocation within 12 months after issuance for the Eligible Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches or exceeds the balance of net proceeds from its outstanding Green Bonds. Any unallocated proceeds will be held and/or invested, at GTC's own discretion, in its liquidity portfolio, in cash or other short term and liquid instruments. Based on these elements, Sustainalytics considers this process to be in line with market practice.

- Reporting:
 - GTC intends to report on the allocation of proceeds on its website on an annual basis. The allocation reporting will include details such as remaining balance of unallocated proceeds, the geographical distribution of Green Projects, the share of financing/refinancing, and the status of buildings included (e.g. standing or under construction). External verification will be provided for the final allocation report. Where feasible, GTC will report on relevant impact metrics recommended under the ICMA Harmonized Framework for Impact Reporting, which is viewed positively. Impact reporting will include Annual GHG emissions reduced/avoided (t CO₂ eq pa) and Annual GHG emissions reduced/avoided (t CO₂ eq pa). For an exhaustive list of impact metrics, please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Globe Trade Centre SA Capital Group Green Bond Framework aligns to 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 GTC

Contribution of framework to Globe Trade Centre SA Capital Group's sustainability strategy

GTC's business model focuses on promoting sustainable real estate development and improving existing building's energy efficiency performance.² GTC's sustainability efforts are centred on obtaining international certifications for energy efficiency and environmental design for its portfolio of properties, and reducing its impact on the environment.⁴ In 2020, GTC published its inaugural ESG report, and while the report outlines GTC's areas of environmental impact and direction including clean water and energy, sustainable cities, responsible consumption, and climate change, Sustainalytics encourages GTC to incorporate measurable and time-bound commitments to its ESG policy.⁵ Nevertheless, Sustainalytics recognizes GTC's efforts including the certification of 84% of its properties through recognized environmental certificates and reductions in water and energy use.⁶ Sustainalytics considers that GTC has well-integrated environmental sustainability considerations within its business. GTC has delivered positive environmental impact through targeted strategic programs and investments model, which acknowledges the relevance of environmental performance to its business value.

GTC's investments target development and acquisition of properties with good environmental qualifications. Since 2010, GTC's office projects are built in compliance with the US Green Building Council, and are LEED certified.⁴ In 2015, GTC adopted a policy for environmentally responsible and resource-efficient buildings throughout their life-cycle.² Therefore, GTC is committed to, where possible, assess its standing and all new buildings portfolio by BREEAM or LEED certifications.² As a result, by 2019, approximately 88% of GTC's properties were green building certified,⁷ from 28% in 2014.²

Sustainalytics is of the opinion that the Globe Trade Centre SA Capital Group Green Bond Framework is aligned with the company's overall business model and initiatives and will further the Company's action on its key environmental priorities. Sustainalytics encourages GTC to develop and make publicly available a sustainability strategy with quantitative, time-bound targets.

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

Sustainalytics acknowledges that the Framework will be directed towards eligible projects that have positive environmental and social impact. However, Sustainalytics acknowledges that such eligible projects could lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety, community relations/stakeholder participation, land use and biodiversity issues associated with real estate development.

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

⁴ GTC, "Ecological approach", at: <https://gtc.com.pl/sustainability-policy/>

⁵ GTC, "GTC 2020 ESG Report", (2020), at: https://esg.gtc.com.pl/wp-includes/pdf/001_GTC_RAPORT%20ESG_2020_EN.pdf

⁶ GTC, "GTC 2020 ESG Report", (2020), at: https://esg.gtc.com.pl/wp-includes/pdf/001_GTC_RAPORT%20ESG_2020_EN.pdf

⁷ GTC, "Consolidated Annual Report of Globe Trade Centre S.A. Capital Group for the Financial Year ended 31 December 2019", (2020), at: <http://ir.gtc.com.pl/~media/Files/G/Gtc-IR/reports/2020/2019/2019%20Consolidated%20annual%20report%20of%20the%20GTC%20Group.pdf>

- All potential investments assets are subject to a General Sustainability Assessment Process to address environmental and social risks, and compliance with all applicable local regulations.²
- For investments that require development, re-development or refurbishment of a property, health, safety and environmental risks are monitored before and during the process.²
- The EU Environmental Impact Assessment (EIA) Directive applies to projects within the EU which are likely to have significant impact on the environment, to adequately assess them before approval. With respect to biodiversity, the Directive instructs that measures must be taken to “avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats.” Concerning land use the Directive notes that the “EIA shall identify, describe and assess land use related impacts”.⁸
- Regarding worker health and safety, the EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout Europe. Employers “have a duty to ensure the safety and health of workers in every aspect related to the work.” Necessary measures due to be taken by the employers include “prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means.”⁹
- In accordance with EU regulation on construction and demolition waste (CDW), GTC is required to follow the guidelines set out by each of the Member States that the company operates in. These regulations are aimed at ensuring waste management is carried out without endangering human health or causing harm to the environment.¹⁰

Based on these policies, standards and assessments, Sustainalytics is of the opinion that GTC 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 category is aligned with those recognized by the GBP. Sustainalytics has focused below on the impact relevant in the regional context.

Importance of investing in green and energy efficient buildings in Central and Eastern, and South Eastern Europe

The EU's real estate sector accounts for 40% of the European block's total energy consumption and 36% of its CO₂ emissions.¹¹ This is particularly relevant in Central and Eastern Europe (CEE) and South Eastern Europe (SEE) regions, where the real estate sector can account for up to 50% of a countries' total energy consumption, such as in Hungary,¹² followed by Poland 44%, Croatia and Romania 41%, Bulgaria 38%,¹³ and 35% in Serbia.¹⁴ At the same time, approximately 35% of the EU's building stock is over 50 years old, and approximately 75% of EU building stock is considered energy inefficient.¹¹ According to the European Commission, the renovation and retrofit of existing buildings has the potential to reduce the EU's total energy consumption by 5-6% and lowering total CO₂ emissions by about 5%.¹¹

Energy efficiency focused renovations are important in above mentioned countries. For example, in Hungary, only 1.7% of old buildings are replaced with new, more efficient buildings each year.¹⁵ Moreover, Hungary recently set the goal to become carbon neutral by 2050.¹⁶ Thus, retrofitting and energy efficiency interventions can be efficient solutions to achieve energy savings and support national climate goals. Other CEE and SEE

⁸ EU, “Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment”, (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

⁹ EU, “Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work”, (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

¹⁰ EU, “Directive 2008/98/EC on waste”, (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32008L0098&from=EN>

¹¹ EU, “Energy Performance of Buildings in the European Union”, at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en?cookies=disabled

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

¹³ Enerdata, “Energy Efficiency Trends in Buildings in the EU”, (2012), at:

https://energiatalgud.ee/img_auth.php/6/68/Enerdata_Energy_Efficiency_Trends_in_Buildings_in_the_EU_2012.pdf

¹⁴ Econstor, “The impact of energy efficiency on performance in service sector”, (2016), at:

https://www.econstor.eu/bitstream/10419/178911/1/ees_16_2_01.pdf

¹⁵ Sugár, V. et al (2020), “Energy saving retrofit in a heritage district: The case of the Budapest”, Journal of Building Engineering, at:

<https://www.sciencedirect.com/science/article/pii/S235271021930542X#bib2>

¹⁶ Hungarian government, “The government has set out determined strategic targets within the field of climate change and environmental protection”, 2020, at: <https://2015-2019.kormany.hu/en/ministry-for-innovation-and-technology/news/the-government-has-set-out-determined-strategic-targets-within-the-field-of-climate-change-and-environmental-protection>

countries are introducing measures and strategies to achieve potential energy gains from improving buildings energy performance. For example, Romania aims for a 37.5% improvement in energy efficiency by 2030, and in order to do so it is promoting green building construction and incentivising the real estate market for low energy performing units.¹⁷ In the case of Serbia, the Law on Planning and Construction may result in a 16% energy savings from buildings.¹⁸

Sustainalytics is of the opinion that GTC's green buildings projects will provide a meaningful contribution towards the CEE and SEE countries decarbonization efforts, and that GTC's focus on achieving sustainable buildings certification for all its properties will contribute to improving transparency on energy performance in the market. Specifically, investments in more energy efficient buildings and the pursuit of green building certification will reduce energy demand and carbon intensity.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.3 Ensure inclusive and sustainable urbanisation, planning and management.
Energy Efficiency	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

Conclusion

GTC has developed the Globe Trade Centre SA Capital Group Green Bond Framework under which it intends to issue green bonds and the use of proceeds to finance existing and/or future projects that promote buildings' energy efficiency. Sustainalytics expects that the projects funded by the green bond proceeds will provide positive environmental impact.

The Globe Trade Centre SA Capital Group 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 Globe Trade Centre SA Capital Group Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goal 9 and 11. Additionally, Sustainalytics is of the opinion that GTC has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Globe Trade Centre SA Capital Group is well-positioned to issue green bonds and that the Globe Trade Centre SA Capital Group Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018

Appendices

¹⁷ Ministry of Energy, "Integrated National Energy and Climate Change Plan for 2021 - 2030", at: https://ec.europa.eu/energy/sites/ener/files/documents/romania_draftnecp_en.pdf

¹⁸ Ministry of Mining and Energy of Serbia, "Energy Sector Development Strategy of the Republic of Serbia for the period by 2025 with projections by 2030", (2016), at: <https://www.mre.gov.rs/doc/efikasnost-izvori/23.06.02016%20ENERGY%20SECTOR%20DEVELOPMENT%20STRATEGY%20OF%20THE%20REPUBLIC%20OF%20SERBIA.pdf>

Appendix 1: Certification Schemes for Green Buildings

	BREEAM	LEED	DGNB
Background	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.	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).	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.
Certification levels	Pass Good Very Good Excellent Outstanding	• Certified • Silver • Gold • Platinum	• Bronze • Silver • Gold • Platinum
Areas of Assessment	• Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation	• Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority	• Environment • Economic • Sociocultural and functional aspects • Technology • Processes & Site
Requirements	Prerequisites depending on the levels of certification and credits with associated points This number of points is then weighted by item¹⁹ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	Prerequisites independent of level of certification, and credits with associated points. These points are then added together to obtain the LEED level of certification 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).	Percentage-based performance index. The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. Depending on the total performance index, a DGNB award will be given to the project, starting from Silver. Bronze is awarded for existing buildings and is conferred as the lowest rank.
Performance display			

¹⁹ 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

Qualitative Considerations	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	Widely recognized internationally, and strong assurance of overall quality.	DGNB certification is based on current European Union standards.
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Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Globe Trade Centre SA Capital Group
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Globe Trade Centre SA Capital Group Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 7, 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:

- | | |
|--|--|
| ☒ Use of Proceeds | ☒ Process for Project Evaluation and Selection |
| ☒ Management of Proceeds | ☒ Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible categories for the use of proceeds - Green Buildings and Energy Efficiency – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9 and 11.

Use of proceeds categories as per GBP:

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

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Globe Trade Centre's (GTC) internal process in evaluating and selecting projects is managed by a dedicated Green Bond Committee (GBC), which is comprised of senior managerial officers from the Asset Management, Development, Finance, Legal and Investor Relations departments. The GBC will identify eligible assets and evaluate them against the Framework's eligibility criteria, internal policies, and local regulations. GTC's Board of Directors will give final approval of selected assets. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Evaluation and selection

- | | |
|--|--|
| ☒ Credentials on the issuer's environmental sustainability objectives | ☒ Documented process to determine that projects fit within defined categories |
| ☒ Defined and transparent criteria for projects eligible for Green Bond proceeds | ☐ Documented process to identify and manage potential ESG risks associated with the project |

- ☒ Summary criteria for project evaluation and selection publicly available ☐ Other (*please specify*):

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*):

GTC's process for management of proceeds is overseen by the Management Board. Proceeds will be allocated on a portfolio basis. GTC will track allocation using an Eligible Green Project Portfolio. GTC will strive to achieve a level of allocation within 12 months after issuance for the Eligible Green Project Portfolio which, matches or exceeds the balance of net proceeds from its outstanding Green Bonds. Any unallocated proceeds will be held and/or invested, at GTC's own discretion, in its liquidity portfolio, in cash or other short term and liquid instruments. Sustainalytics considers this process to be 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*):

GTC intends to report on the allocation of proceeds on its website on an annual basis. The allocation reporting will include details such as remaining balance of unallocated proceeds, the geographical distribution of Green Projects, the share of financing/refinancing, and the status of buildings included (e.g. standing or under construction). External verification will be provided for the final allocation report.. Sustainalytics considers this process to be in line with market practice.

Use of proceeds reporting:

- ☐ Project-by-project
 ☒ On a project portfolio basis
- ☐ Linkage to individual bond(s)
 ☐ Other (*please specify*):

Information reported:

- ☒ Allocated amounts
 ☐ Green Bond financed share of total investment
- ☐ Other (*please specify*):

Frequency:

- ☒ Annual
 ☐ Semi-annual
- ☐ Other (*please specify*):

Impact reporting:

- ☐ Project-by-project
 ☒ On a project portfolio basis
- ☐ Linkage to individual bond(s)
 ☐ Other (*please specify*):

Information reported (expected or ex-post):

- ☒ GHG Emissions / Savings
 ☒ Energy Savings
- ☒ Decrease in water use
 ☒ Other ESG indicators (*please specify*):
- Level of certification by property

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*): Website
- ☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ 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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The
Green Bond
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