



Second-Party Opinion

Icade Green Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Icade 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 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Renewable Energy, 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 are expected to improve the Company’s environmental performance, contribute to the low-carbon transition in France and to advance the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.



PROJECT EVALUATION / SELECTION Icade’s Green Committee, comprised of the Chief Financial Officer and the heads of the following departments: Investor Relations, Finance, Property Investment, Portfolio Management and Corporate Social Responsibility, is responsible for selecting and validating eligible projects and expenditures. Icade has processes in place to identify and mitigate common environmental and social risks possibly associated with the Eligible Green Portfolio, which apply to all allocation decisions under the Framework and are viewed as adequate risk management systems. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The Green Committee is responsible for validating and monitoring the allocation of net proceeds. Icade will use its internal accounting system and appraisal reports to track the proceeds. Pending allocation, net proceeds will be temporarily held in cash, deposits, money market instruments or other liquid short-term marketable instruments. Icade aims to complete the full allocation of proceeds within two years of issuance. This is in line with market practice.



REPORTING Icade intends to report on allocation and impact of proceeds on its website on an annual basis until full allocation. Allocation reporting will include an overview of outstanding green financial instruments, size of the Eligible Green Portfolio, balance of unallocated proceeds as well as amount of new and existing projects and expenditures. In addition, Icade is committed to reporting on relevant impact metrics. Sustainalytics views Icade’s allocation and impact reporting as aligned with market practice.

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Introduction

Icade S.A. (“Icade” or the “Company”) is a real estate investor and developer incorporated in 1954 and entirely based in France. Its core business operations consist of investment in commercial and healthcare properties as well as development of housing, offices and major public and healthcare facilities. The Company is headquartered in Paris and employed 1,127 people as of December 2020.

Icade has developed the Icade Green Financing Framework dated November 2021 (the “Framework”) under which it intends to issue green bonds (including private placements and requalification of existing bonds),¹ commercial papers, loans and use the proceeds to finance or refinance existing or future projects that improve the Company’s environmental performance and contribute to the low-carbon economy in France. The Framework defines eligibility criteria in four areas:

1. Green Buildings
2. Energy Efficiency
3. Renewable Energy
4. Clean Transportation

Icade engaged Sustainalytics to review the Icade Green Financing Framework and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)² and the Green Loan Principles 2021 (GLP).³ The Framework will be published in a separate document.⁴ Icade’s 2021 Framework updates and replaces its 2017 Green Bond Framework, for which Sustainalytics provided a previous second-party opinion.⁵

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ 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 2021, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, 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 Icade’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. Icade representatives have confirmed that: (1) they understand it is the sole responsibility of Icade 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.

¹ The bonds may include existing bonds requalified into green bonds, subject to investors consent and compliance with eligibility criteria defined under the Framework. Icade additionally commits to ensure that the requalified bonds are managed in a portfolio approach, and proceeds of these bonds are earmarked to the Eligible Green Portfolio in compliance with eligibility criteria as well as management and reporting commitments defined in the Framework.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁴ The Icade Green Financing Framework is available on Icade’s website at: <https://www.icafe.fr/en/finance/financing/sustainable-financing>.

⁵ Sustainalytics’ 2017 Second-Party Opinion is available at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/icafe/icafe-green-bond-second-opinion/icafe-green-bond-second-opinion-by-sustainalytics-final-pdf>.

⁶ 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.

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 Icade.

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 proceeds from the instruments issued under the Framework 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. This Second-Party Opinion is valid for instruments aligned with the Framework for a period of 24 (twenty-four) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee their realized allocation 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 Icade has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Icade Green Financing Framework

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

- Use of Proceeds:
 - The eligible categories – Green Buildings, Energy Efficiency, Renewable Energy, Clean Transportation – are aligned with those recognized by the GBP and GLP. Sustainalytics considers that Icade's financing of eligible projects are expected to improve the Company's environmental performance and contribute to the low-carbon transition in France.
 - Icade has established a three-year look-back period for refinancing capital expenditures, which Sustainalytics views to be in line with market practice. This would also include eligible green assets under Icade's Green Bond issued in 2017.⁷
 - Sustainalytics notes that Icade takes into consideration, on a best-effort basis, the requirements of the EU Taxonomy Regulation⁸ and the EU Taxonomy Climate Delegated Act⁹ (the "EU Taxonomy").
 - Under the Green Buildings category, Icade may finance the acquisition, construction and refurbishment of commercial and residential buildings. The eligible expenditures may include the following:
 - Acquisition of existing buildings and construction of new buildings which have achieved or are expected to achieve the following certification levels: BREEAM (Excellent or above), HQE (Excellent or above), or LEED (Platinum). In addition, Icade may finance the acquisition and construction of buildings built after 31 December 2020 with primary energy demand (PED) at least 10% lower than the relevant national

⁷ Icade has communicated that eligible green asset under Icade's Green Bond issued in 2017 will be consolidated in the Eligible Green Portfolio of the Framework in line with the eligibility criteria of the Framework.

⁸ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, OJ L 198/13, at:

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2020.198.01.0013.01.ENG&toc=OJ:L:2020:198:TOC

⁹ European Commission, "Implementing and delegated acts", at: https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

threshold set for nearly zero-energy buildings (NZEB).¹⁰ In case of acquisition of buildings built before 31 December 2020, a building will be eligible if it meets one of the following criteria: (i) with an Energy Performance Certificate (EPC) label of “A” or above, or (ii) falling in the top 15% within the national jurisdiction based on PED.¹¹ Sustainalytics considers this to be aligned with market practice. For Sustainalytics’ assessment of these building certification schemes, please refer to Appendix 1.

- Refurbishment of existing buildings that: (i) achieve the aforementioned certification levels, (ii) reduce PED by at least 30%, or (iii) comply with the applicable requirements for major renovations prescribed in the Energy Performance of Buildings Directive (EPBD).¹² Sustainalytics notes that the performance standard reflected in the EU Taxonomy, which requires meeting the relevant cost-optimal minimum energy performance requirements in accordance with EPBD, could vary by regions or EU Member States. Sustainalytics, therefore encourages Icade to report on the actual PED performance (or energy savings) achieved compared to the reference buildings as defined based on existing building stock within the region.
- Sustainalytics positively highlights that Icade additionally requires that eligible buildings must be located within 400m of public transport, as well as have or plan to have a Green Lease Committee¹³ with its tenants.
- Under the Energy Efficiency category, Icade may finance expenditures related to improving the energy efficiency of buildings. This may include the installation, replacement, maintenance or repair of insulation, windows, lighting and external doors, heating, ventilation, air-conditioning and water heating systems, including equipment that connects to a district heating network primarily (>50%) powered by renewables and/or waste heat¹⁴ and air-source electric heat pumps, thermostats, sensing equipment, smart meters, automation and control systems, and energy management systems. Icade confirms the exclusion of any energy-efficiency improvement powered by fossil fuels. Sustainalytics encourages the Company to report on estimated or achieved energy efficiency on a portfolio basis, where feasible.
 - Regarding expenditures related to electric heat pumps, Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems, and that Icade has communicated its intent to install heat pumps with refrigerants of the lowest environmental impact and to monitor and address potential refrigerant leakages. Nevertheless, Sustainalytics encourages Icade to ensure the recovery, reclamation/recycling, or destruction of refrigerants at end of life.
- Under the Renewable Energy category, Icade may finance installation, maintenance and repair of facilities that produce solar photovoltaic and solar thermal, wind or geothermal energy. Icade has communicated to Sustainalytics that the solar thermal systems do not have any fossil fuel backup and are instead backed by electric hot water tanks powered by electricity from renewable sources.¹⁵ The Company commits to limit eligible geothermal energy projects to those with life-cycle emissions below 100 gCO₂/kWh.¹⁶ In addition, Icade may finance the purchase of renewable energy for electricity consumption under medium- and long-term (> 5 years) power purchase agreements. This is in line with market practice.
- Under the Clean Transportation category, Icade may finance the installation, maintenance and repair of electric vehicles charging stations, as well as bicycle parking, storage and lanes. Sustainalytics considers it to be aligned with market practice.

¹⁰ The Energy Performance of Buildings Directive requires all new buildings to be nearly zero-energy by the end of 2020 and EU Member States have to set national plans for increasing NZEBs in their respective country. European Commission, “Nearly zero-energy buildings”, at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

¹¹ Icade has confirmed to Sustainalytics that the top 15% assessment will be based on operational PED and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020, distinguishing between residential and non-residential buildings. The assessment is based on legal requirements for PED of new buildings.

¹² Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583922805643&uri=CELEX:02010L0031-20181224>

¹³ According to Icade, the Green Lease Committee functions as a formalized forum for discussions and exchange information among tenants and owners to define objectives and action plans regarding energy, carbon, water and waste, as well as to share relevant good practices.

¹⁴ Icade has confirmed to Sustainalytics that this will exclude waste heat from fossil fuel production or operations.

¹⁵ Icade has communicated to Sustainalytics that its electricity supply is 100% covered by guarantees of origin that ensure the electricity is generated from renewable sources.

¹⁶ Icade has confirmed to Sustainalytics that all eligible geothermal projects would require a third-party life-cycle assessment for verifying the emissions.

- **Project Evaluation and Selection:**
 - Icade has established a Green Committee that is responsible for selecting and validating the buildings and capital expenditures that comply with the eligibility criteria defined in the Framework (the “Eligible Green Portfolio”). The Green Committee is comprised of the Chief Financial Officer and the heads of the following departments: Investor Relations, Finance, Property Investment, Portfolio Management and Corporate Social Responsibility, The Green Committee will meet at least once a year.
 - Icade has processes in place to identify and mitigate common environmental and social risks possibly associated with the Eligible Green Portfolio, along with policies on sustainability of investments, responsible procurement and business ethics, which are applicable to all allocation decisions made under the Framework. Sustainalytics considers the risk assessment and mitigation process to be adequate and aligned with market practice. For additional details, see Section 2.
 - Based on the presence of cross-functional oversight of project selection, Sustainalytics considers this process to be in line with market practice.
- **Management of Proceeds:**
 - The Green Committee is responsible for validating and monitoring the allocation of net proceeds to the Eligible Green Portfolio. Icade will use its internal accounting system and appraisal reports¹⁷ to track the proceeds, and intends to ensure that the aggregate amount of eligible buildings and capital expenditures will be at least equal to the outstanding net proceeds raised from the financing instruments under the Framework.
 - In case of joint investments or ventures, Icade will only consider the prorated share of its own investment in the Eligible Green Portfolio.
 - Pending allocation, net proceeds will be temporarily invested in cash, deposits, money market instruments or other liquid short-term marketable instruments.¹⁸ Icade aims to complete the full allocation of proceeds within two years of issuance.
 - Based on the presence of an internal tracking system and the disclosure of temporary allocation and allocation period, Sustainalytics considers this process to be aligned with market practice.
- **Reporting:**
 - Icade commits to provide allocation and impact reporting of the net proceeds on its website on an annual basis or in case of material changes to the Eligible Green Portfolio until full allocation.
 - Allocation reporting will include an overview of outstanding green financial instruments, size of Eligible Green Portfolio including a split by project category, balance of unallocated proceeds as well as the amount or percentage of new and existing buildings and capital expenditures.
 - Where feasible, Icade will report on relevant environmental impact indicators, including average energy intensity of buildings (in kWh/m²/year) and avoided CO₂ emissions (in tCO₂e/year). A detailed list of impact metrics can be found in Appendix 2.
 - Based on the annual allocation and impact reporting commitment, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics has determined that the Icade Green Financing Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of Icade/ Sustainability Strategy of Icade

Contribution of framework to Icade’s sustainability strategy

Icade has a demonstrated sustainability strategy which focuses on the following five key environmental areas: (i) transition to a 1.5°C pathway, (ii) preserve biodiversity and promote nature in cities, (iii) integrate the principle of a circular economy into products and services, (iv) integrate the best certification and labelling standards, and (v) develop sustainable mobility solutions.

¹⁷ The Green Committee monitors the appraisal value of buildings through appraisal reports.

¹⁸ Icade has confirmed to Sustainalytics that the Company intends to use money market funds in very occasional cases, in which Icade will use its best efforts to select socially responsible investment funds.

Aligning with the 1.5°C trajectory and targets under the Paris Agreement is the top priority of Icade's sustainability strategy. In order to accelerate its low-carbon transition progress, Icade has set up separate goals for each of its business divisions, namely property development, office property investment and healthcare property investment. Regarding the property development division, Icade aims to obtain the French government's E+C- label¹⁹ with an Energy2 and Carbon1 (E2C1)²⁰ rating for offices over 5,000 m² and for 50% of homes by 2022. In 2020, 50% of developed office properties and 6% of developed home properties have been certified with E2C1 rating or above. As for the office property investment business, Icade has committed to reduce carbon intensity by 45% and energy intensity by 30%, as well as to increase the share of renewable energy to 50% for the invested properties by 2025. As of 2020, Icade has reduced CO₂ emissions by 40% and energy consumption by 28%, and increased the proportion of renewable energy to 41%. As all healthcare properties are not operated by the Company itself, Icade is committed to supporting their respective operators to improve the properties' energy performance by providing energy performance data and performance improvement solutions. Icade has also committed to define an energy and carbon reduction trajectory for the facilities in the healthcare property portfolio, aiming to complete the work for its French assets by 2021 and for its international assets by 2022. Additionally, Icade pledges that, from 2021, 100% of its new healthcare properties which are over 4,000 m² will achieve a minimum level of HQE, BREEAM, LEED or DGNB certification (HQE/BREEAM Very Good, LEED Silver) by 2025.²¹

As part of the Company's strategy of integrating certification and labelling standards, Icade has committed to implement environmental certification for both its existing properties and projects that are under development. In 2020, all the newly built projects within the healthcare property division have obtained HQE certification and 80% of offices and 35% of homes under the property development division are HQE certified. Additionally, the Company also participates in the revision work of updating the HQE certification framework and creating an HQE standard for sustainable buildings in the healthcare sector.²²

In terms of sustainable mobility solutions, Icade is committed to developing and investing in assets that are close to public transport. In 2020, 94% of the portfolio under office property investment division and 75% of the projects under property development division are within 400 meters from public transport. In addition, Icade has equipped 97% of its business parks and offices with electric vehicle charging stations in 2020 and aims to increase the coverage to 100% by 2022. Icade has also developed a new "By Cycle with Icade" solution to help users overcome any challenges they encounter when commuting by bike.²³

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

Well-positioned to address common 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 impact. 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 issues involving land-use change and biodiversity loss, waste generated during construction, occupational health and safety risks as well as community relations issues.

Sustainalytics is of the opinion that Icade is able to mitigate potential risks through implementation of the following:

- Icade has put measures in place to reduce the impact of its businesses on biodiversity. Icade commits to the "Act4Nature France" initiative which was created for biodiversity preservation under the aegis of the French Ministry for Ecological and Inclusive Transition. Since 2016, 100% of Icade's new projects have been subject to a biodiversity assessment.²⁴ Icade also signed a Biodiversity

¹⁹ The French government's E+C- (positive energy and low-carbon buildings) label was established to promote the development of buildings capable of delivering strong energy and carbon performance over their life cycle. This label is a precursor of the 2020 French Environmental Regulations (RE2020), which require new buildings to meet minimum energy and carbon performance requirements. More information at: <http://www.batiment-energiecarbone.fr/en/>.

²⁰ The E2 rating corresponds to energy consumption 15% below the regulatory ceiling for homes and 30% for office properties. The C1 rating requires involving all building stakeholders in the process of assessing the impacts of the building over its entire life cycle and their reduction. More information at: <http://www.batiment-energiecarbone.fr/niveaux-de-performance-a88.html>.

²¹ Icade, CSR Chapter – Extract 2020 Universal Registration Document, (2020), at: <https://www.icafe.fr/en/newsroom/publications/csr-chapter-extract-2020-universal-registration-document.pdf>

²² Ibid.

²³ Ibid.

²⁴ Icade, "Icade's Individual Commitments in Act4Nature", at: http://www.act4nature.com/wp-content/uploads/2019/07/icafe_act4nature_july2018.pdf

Performance Contract with CDC Biodiversité²⁵ in 2016 to measure the impact of its office property investment activities and takes efforts to prevent, reduce and offset the adverse impacts on biodiversity.

- Icade takes different approaches to reuse and recycle construction materials and thus reduce the total amount of waste generated from construction. In 2018, Icade created the Cycle Up digital platform which focuses on the reuse of building materials.²⁶ Regarding waste recovery, Icade has set up waste collection and sorting centres in its office buildings and business parks and focuses its efforts on five major waste streams, namely paper and cardboard, metal, plastics, glass, and wood. Additionally, Icade's office property investment division has in place an action plan to identify the sources of waste and oversees waste disposal methods. The waste from project development of Icade's healthcare property investment division is managed in accordance with the HQE certification framework.
- To ensure occupational health and safety, Icade assigns independent specialists as health and safety coordinators along with construction project supervisors to monitor the implementation through a General Coordination Plan. Icade follows the 2020 health and safety guide of France's Organisme Professionnel de Prévention du Bâtiment et des Travaux Publics (OPPBTP),²⁷ which deals with the specific health and safety risks associated with the COVID-19 pandemic and to control the spread of the virus in construction sites. Additionally, Icade has in place a Health, Safety and Working Conditions Commissions with elected employee representatives that is actively involved in the development of the company's health and safety policies.
- Icade commits to comply with French law on construction and urban planning, under which the Company shall meet all mandatory requirements, including those on land use and local stakeholder consultation, to obtain building permits.²⁸ For buildings with surface area over 10,000 m², the Company must in addition carry out an environmental impact assessment and a consultation process with local associations, inhabitants and other stakeholders.²⁹ At the company level, Icade seeks to obtain HQE certification for all its buildings and thus follows the HQE's requirements on local community relations. The requirements include management of nuisance such as noise and lighting issues associated with the construction. Additionally, Icade has implemented a voluntary policy for its development projects, under which Icade holds dialogue with the local stakeholders through neighbourhood meetings and local conferences ahead of new developments.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Icade has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with projects in the eligible categories.

Section 3: Impact of Use of Proceeds

All four use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics focuses below on those whose impact is specifically relevant in the local context.

Importance of green building and energy efficiency in France

In December 2020, the European Union set a target to reduce its GHG emissions by at least 55% below 1990 levels by 2030, an improvement over the EU's previous pledge of 40% reduction by 2030.³⁰ France, under its EU obligations, has committed to reducing its GHG emissions by 40% and energy consumption by 20% by 2030.³¹

²⁵ CDC Biodiversité is a private subsidiary of the Group Caisse des Dépôts – France's leading long-term investor serving local and regional economic development.

²⁶ Icade, Cycle Up, at: <https://www.icafe.fr/newsroom/actualites-evenements/du-nouveau-pour-cycle-up>

²⁷ Organisme Professionnel de Prévention du Bâtiment et des Travaux Publics (OPPBTP) is a body set up in 1947, jointly administered by employee and employer representatives, tasked with the prevention of occupational accidents and diseases in the building and public works sector. Its guide serves as a reference in terms of managing the health impact of the Covid-19 crisis on construction sites as it defines the best prevention practices that need to be implemented and was co-developed with the French Ministry of Labour. It is updated each time government health protocols are modified

²⁸ Government of France, Urban Planning Code, at: https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006074075/LEGISCTA000006158639/#LEGISCTA000006158639

²⁹ Government of France, Environmental Code, at: <https://www.legifrance.gouv.fr/codes/id/LEGIARTI000038247383/2019-04-01/>

³⁰ European Commission, "2030 Climate Target Plan", at: https://ec.europa.eu/clima/policies/eu-climate-action/2030_ctp_en

³¹ Government of France, "Integrated National Energy and Climate Plan for France", (2020), at: https://ec.europa.eu/energy/sites/default/files/documents/fr_final_necp_main_en.pdf

The building sector is the largest energy consumer in France, accounting for 45% of the country's total energy consumption and 25% of France's GHG emissions.³² In order to reduce the carbon footprint of buildings, the French government announced an ambitious emissions reduction trajectory, aiming to reduce emissions in the sector by 49% by 2030 compared to 2015 and reach complete decarbonization of the energy consumed in the building sector by 2050.³³ In its National Low-Carbon Strategy (SNBC), the French government estimates that the residential and commercial building sector is lagging behind the reduction targets in the short term, particularly as the pace of building renovation is expected to accelerate sharply in the coming years.³⁴ The SNBC also defines the future strategy for the sector, which includes steering France's energy mix choices towards zero-carbon energy consumption in existing buildings and new builds, encouraging the renovation of all existing residential and tertiary buildings to achieve the target of low-energy building standards, and increasing energy and carbon performance levels in new builds under future environmental regulations.³⁵ The French building sector requires an estimated EUR 15-25 billion per year to reach the emissions reduction targets.³⁶ In light of the ambition of the French government to almost halve emissions in the sector before 2030, there is a demonstrated need for investments in green building, renewable energy and building energy efficiency.

Sustainalytics is of the opinion that Icade's investment in green building and energy efficiency improvements for buildings will help reduce the carbon emissions of the French building sector and support France in meeting its short and long-term climate targets.

Alignment with/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 the year 2030. The instruments eventually issued under the Icade Green Financing Framework are expected to 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
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
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
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

³² Government of France, "Experimenting with the construction of the high-performance building of tomorrow", at: <https://www.ecologie.gouv.fr/experimenter-construction-du-batiment-performant-demain-0>

³³ Government of France, "National Low Carbon Strategy", (2020), at: https://www.ecologie.gouv.fr/sites/default/files/en_SNBC-2_complete.pdf

³⁴ Government of France, "National Low Carbon Strategy", (2020), at: https://www.ecologie.gouv.fr/sites/default/files/en_SNBC-2_complete.pdf

³⁵ Ibid.

³⁶ Government of France, "Integrated National Energy and Climate Plan for France", (2020), at: https://ec.europa.eu/energy/sites/default/files/documents/fr_final_necp_main_en.pdf

Conclusion

Icade has developed the Icade Green Financing Framework under which it may issue green bonds and/or loans and use the proceeds to finance Green Buildings, Energy Efficiency, Renewable Energy and Clean Transportation. Sustainalytics considers that the projects funded by the green bond proceeds are expected to improve the Company's environmental performance and contribute to the low-carbon transition in France.

The Icade Green Financing 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 Icade Green Financing Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9 and 11. Additionally, Sustainalytics is of the opinion that Icade 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 Icade is well-positioned to issue green bonds and that the Icade Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.

Appendices

Appendix 1: Overview and Assessment of Green Building Certification Schemes

	BREEAM	LEED	HQE
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).	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.
Certification levels	Pass Good Very Good Excellent Outstanding	• Certified • Silver • Gold • Platinum	• Pass • Good • Very good • Excellent • Exceptional
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	• Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence
Requirements	Prerequisites depending on the levels of certification and credits with associated points This number of points is then weighted by item³⁷ 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.	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	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing 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.

³⁷ 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.

	BREAAM has two stages/audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	Based on the total number of stars obtained per area, an overall HQE level is then given. Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.
Performance display			

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

Section 1. Basic Information

Issuer name:	Icade
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Icade Green Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November 26, 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, Energy Efficiency, Renewable Energy, 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 are expected to improve the Company's environmental performance, contribute to the low-carbon transition in France and to advance the UN Sustainable Development Goals, specifically SDGs 7, 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 (<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):

Icade's Green Committee, comprised of the Chief Financial Officer and the heads of the following departments: Investor Relations, Finance, Property Investment, Portfolio Management and Corporate Social Responsibility is responsible for selecting and validating eligible projects and expenditures. Icade has processes in place to identify and mitigate common environmental and social risks possibly associated with Eligible Green Portfolio, which apply to all allocation decisions under the Framework and are viewed as adequate risk management systems. Sustainalytics considers the project selection process 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 (<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 Green Committee is responsible for validating and monitoring the allocation of net proceeds. Icade will use its internal accounting system and appraisal reports to track the proceeds. Pending allocation, net proceeds will be temporarily held in cash, deposits, money market instruments or other liquid short-term marketable instruments. Icade aims to complete the full allocation of proceeds within two years of issuance. 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):

Icade intends to report on allocation and impact of proceeds on its website on an annual basis until full allocation. Allocation reporting will include an overview of outstanding green financial instruments, size of the Eligible Green Portfolio, balance of unallocated proceeds as well as amount or percentage of new and existing projects and expenditures. In addition, Icade is committed to reporting on relevant impact metrics. Sustainalytics views Icade'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):

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): Average energy intensity of the buildings included in Eligible Green Portfolio

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): on Icade's website <https://www.icafe.fr/en/finance/financing/sustainable-financing>
- ☒ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): allocation reporting and conformity of the assets with the eligibility criteria

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.)

<https://www.icafe.fr/en/finance/financing/sustainable-financing>

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

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