

# S IMMO AG

**Type of Engagement:** Annual Review

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## Introduction

In February 2021, S IMMO AG (“S IMMO”) issued a green bond (the “2021 Green Bond”) aimed at financing low-carbon building projects. In April 2022, S IMMO engaged Sustainalytics to review the projects funded through the 2021 Green Bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the S IMMO Sustainable Bond Framework (the “Framework”).<sup>1</sup> Sustainalytics provided a Second-Party Opinion on the Framework in January 2021.<sup>2</sup>

## Evaluation Criteria

Sustainalytics evaluated the projects funded in 2021 based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

**Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs**

Use of Proceeds	Eligibility Criteria	KPIs
<b>Green Buildings</b>	Financing and/or refinancing the acquisition, construction or refurbishment of buildings which meet recognised standards, such as: <ul style="list-style-type: none"> <li>• BREEAM (Very Good and above)</li> <li>• LEED (Gold and above)</li> <li>• DGNB (Gold and above)</li> </ul>	<ul style="list-style-type: none"> <li>• Level of Green Building certificates</li> <li>• Estimate of annual CO<sub>2</sub> emissions avoided</li> <li>• Number of affordable housing units made available</li> </ul>

## Issuing Entity’s Responsibility

S IMMO is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of S IMMO’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from S IMMO employees and review of documentation to confirm the conformance with the Framework.

<sup>1</sup> S IMMO AG, “S IMMO AG Sustainable Bond Framework”, at: [https://www.simmoag.at/fileadmin/redakteur/Investor\\_Relations/Anleihen/S-IMMO-AG-Sustainable-Bond-Framework.pdf](https://www.simmoag.at/fileadmin/redakteur/Investor_Relations/Anleihen/S-IMMO-AG-Sustainable-Bond-Framework.pdf)

<sup>2</sup> S IMMO AG, “S IMMO AG Sustainable Bond Framework Second Party Opinion”, at: [https://www.simmoag.at/fileadmin/redakteur/Investor\\_Relations/Anleihen/S-IMMO-AG-Sustainable-Bond-Framework-Second-Party-Opinion.pdf](https://www.simmoag.at/fileadmin/redakteur/Investor_Relations/Anleihen/S-IMMO-AG-Sustainable-Bond-Framework-Second-Party-Opinion.pdf)

Sustainalytics has relied on the information and the facts presented by S IMMO with respect to the financed projects. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by S IMMO.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>3</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of S IMMO's 2021 Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework. S IMMO has disclosed to Sustainalytics that the proceeds of the sustainability bond were fully allocated as of November 30, 2021.

## Detailed Findings

**Table 2: Detailed Findings**

<b>Eligibility Criteria</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of the projects funded by the 2021 Green Bond to determine if projects aligned with the Use of Proceeds Criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the projects funded by the 2021 Green Bond to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

<sup>3</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

## Appendix

### Appendix 1: Allocation and Impact Reporting by Eligibility Criteria<sup>4</sup>

Use of Proceeds Category	Project Name	Project Location	Certificate Level	Rental area (m <sup>2</sup> )	Total Allocated (EUR – Mn)
<b>Green Buildings</b>	BudaPart Gate	Budapest, Hungary	LEED Gold	20,000	6
	Campus 6.2	Bucharest, Romania	LEED Platinum	38,000	50
	Campus 6.3	Bucharest, Romania	LEED Platinum		45
	The Mark	Bucharest, Romania	BREEAM Excellent	25,500	5
	Zagrebtower	Zagreb, Croatia	BREEAM Excellent	26,000	44
<b>Total allocation of bond proceeds (EUR – Mn)</b>					150
<b>Bond proceeds raised (EUR – Mn)</b>					150
<b>Balance of unallocated net proceeds (EUR – Mn)</b>					0

<sup>4</sup> As of November 30, 2021.

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