

# Second-Party Opinion CA Immo Green Financing Framework

## Evaluation Summary

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



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



**PROJECT EVALUATION AND SELECTION** CA Immo's Green Bond Committee is responsible for evaluating and selecting eligible projects in line with the Framework's eligibility criteria. CA Immo adheres to applicable laws and regulations and has an environmental and social risk mitigation process for all project evaluation and selection decisions made under the Framework. Sustainalytics considers this to be in line with market practice.



**MANAGEMENT OF PROCEEDS** CA Immo's Finance Department will be responsible for managing proceeds using a portfolio approach. CA Immo intends to fully allocate proceeds within 24 months of issuance. Pending full allocation, unallocated proceeds will be held in cash deposits in accordance with CA Immo's internal treasury and responsible investment policies. This is in line with market practice.



**REPORTING** CA Immo commits to report on the allocation of proceeds and corresponding impact on an annual basis until the instruments mature and thereafter if material changes to the eligible portfolio occur. The allocation and impact report will be published on CA Immo's website. Allocation reporting will include the total amount of proceeds allocated by category, the proportion of refinancing and the amount of unallocated proceeds. Sustainalytics considers CA Immo's allocation and impact reporting as aligned with market practice.

Second-Party  
Opinion



Reviewed by:

MORNINGSTAR

SUSTAINALYTICS

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**For inquiries, contact the Sustainable Corporate Solutions project team:**

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**Siga Wu (Amsterdam)**  
Project Manager

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**Astrid Bruchou (Amsterdam)**  
Project Support

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

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## Introduction

CA Immobilien Anlagen AG (“CA Immo” or the “Company”) invests, manages and develops office properties in Germany, Austria and countries in the Central and Eastern Europe (CEE) region. Headquartered in Vienna, Austria, the Company owns properties valued at EUR 5.2 billion and employed 307 staff (FTE) as of December 2023.<sup>1</sup>

CA Immo has developed the CA Immo Green Financing Framework dated April 2024 (the “Framework”), under which it intends to issue green bonds, loans, Schuldscheine and convertible bonds<sup>2</sup>, and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to improve the environmental performance of the building stock in Germany, Austria and countries in the CEE region. The Framework defines eligibility criteria in four areas:

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

CA Immo engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)<sup>3</sup> and the Green Loan Principles 2023 (GLP).<sup>4</sup> The Framework will be published in a separate document.<sup>5</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>6</sup> opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

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

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.16, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of CA Immo’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. CA Immo’s representatives have confirmed that: (1) they understand it is the sole responsibility of CA Immo to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly 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 CA Immobilien.

<sup>1</sup> CA Immo, “CA Immo in figures”, at: <https://www.caimmo.com/en/company/overview/>

<sup>2</sup> Sustainalytics has communicated to CA Immo that for standard convertible bonds, once the conversion has occurred the SPO is no longer valid for the assessed securities falling under this asset class. In the case of mandatory convertible bonds, proceeds should be allocated prior to the conversion date to be eligible. CA Immo has confirmed understanding of this specific consideration on convertible bonds.

<sup>3</sup> 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/>.

<sup>4</sup> 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/>

<sup>5</sup> The Green Financing Framework is available at: <https://www.caimmo.com/en/company/sustainability/>

<sup>6</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

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

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that CA Immo has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the CA Immo Green Financing Framework

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

- Use of Proceeds:
  - The eligible categories, Green Buildings, Renewable Energy, Energy Efficiency and Clean Transportation are aligned with those recognized by the GBP and GLP.
  - CA Immo intends to finance and refinance two types of expenditures under the Framework: i) development, acquisition, ownership and refurbishment cost of green buildings ("Eligible Assets"); and ii) green capital expenditures for energy efficiency, renewable energy and clean transportation measures ("Green Capex"). The Company has established a two-year look-back period for its refinancing of Green Capex and no look-back period for Eligible Assets. Sustainalytics considers this to be in line with market practice.
  - Under the Green Buildings category, CA Immo may finance or refinance the following projects:
    - Construction of new commercial buildings that meet one of the following criteria:
      - Buildings that will achieve or have achieved one of the following minimum green building certification levels: LEED Gold,<sup>7</sup> DGNB Gold<sup>8</sup> or BREEAM Excellent;<sup>9</sup> or
      - Buildings with primary energy demand (PED) at least 10% lower than the local nearly zero-energy building (NZEB) requirements. In addition, buildings that are larger than 5000 m<sup>2</sup> should undergo airtightness and thermal integrity testing and life cycle global warming potential calculation.
    - Refurbishment and renovation of existing buildings according to the following criteria:
      - Refurbishments that lead to one of the following minimum green building certification levels: LEED Gold, DGNB Gold or BREEAM Excellent.
      - Renovations that comply with the requirements for major renovation of the EU Taxonomy.<sup>10</sup> 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 the Energy Performance Buildings Directive, could vary by region (EU Member States). Sustainalytics, therefore, encourages CA Immo to report on the actual PED performance or energy savings achieved in comparison with the existing building stock in the region.

<sup>7</sup> LEED: <https://www.usgbc.org/leed>

<sup>8</sup> DGNB: <https://www.dgnb.de/en/building-certification>

<sup>9</sup> BREEAM: <https://bregroup.com/products/breeam/>

<sup>10</sup> European Commission, "Annex I to the Commission Delegated Regulation", (2021) at: [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

- Renovations that lead to a minimum 30% reduction in PED compared to the pre-renovation levels within three years.
  - Sustainalytics considers this to be in line with market practice.
- Acquisition and ownership of commercial buildings according to the following criteria:
  - Buildings that will achieve or have achieved one of the following minimum green building certification levels: LEED Gold, DGNB Gold or BREEAM Very Good with a minimum 70% score in the energy category.
  - i) Buildings built before 31 December 2020 with an energy performance certificate (EPC) A or above, or in the top 15% of the national or regional building stock in terms of PED; ii) buildings built after 31 December 2020 with PED at least 10% lower than the local NZEB requirements. In addition, for large non-residential buildings,<sup>11</sup> they should be operated through energy performance monitoring and assessment.
  - Sustainalytics considers this to be in line with market practice.
- Under the Renewable Energy category, CA Immo may finance or refinance the installation, maintenance and repair of renewable energy production facilities, including solar photovoltaic systems and electric heat pumps. CA Immo has communicated to Sustainalytics that it will restrict the use of high-GWP refrigerants in electric heat pumps following the EU's F-gas Regulation.<sup>12</sup> Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems, and recommends the Company to continue its efforts in limiting financing to heat pumps with low-GWP refrigerants coupled with a robust system for refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life. Sustainalytics considers this to be in line with market practice.
- Under the Energy Efficiency category, CA Immo may finance or refinance the upgrade and replacement of energy efficiency equipment and technologies, including: i) insulation added to the existing building envelope; ii) energy-efficient windows; iii) heating, ventilation and air conditioning systems; iv) energy-efficiency lighting, such as LED lighting; v) upgrades to building management systems; and vi) water consumption management equipment, including time delay faucets and water meters. CA Immo has confirmed to exclude equipment that are primarily driven by fossil fuels from this category. Sustainalytics considers this to be aligned with market practice.
- Under the Clean Transportation category, CA Immo may finance or refinance the installation, maintenance and repair of electric vehicle charging stations in buildings. The Company has confirmed that parking spaces will be excluded from the financing. Sustainalytics considers this to be in line with market practice.
- In addition, the Framework excludes financing activities that are in relation to fossil fuels, nuclear, defence, alcohol, tobacco and gambling.
- Project Evaluation and Selection:
  - CA Immo has established a Green Bond Committee, which is responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The Green Bond Committee consists of the head of the following departments: Capital Markets, Corporate Communications (leader of ESG Competence Center), Debt Funding Services, Controlling, Development and Asset Management. CA Immo's Executive Board will provide final approval on projects selected by the Committee.
  - CA Immo manages environmental and social risks associated with the eligible assets and projects through an internal process. The risks will be evaluated annually by the responsible department and risk mitigation measures will be developed accordingly. The Company also adheres to applicable laws and regulations for environmental and social risks.
  - Based on the establishment of a dedicated committee for project evaluation and selection and the presence of risk management system, Sustainalytics considers this process to be in line with market practice.

<sup>11</sup> Large non-residential buildings are those with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air conditioning and ventilation of over 290 kW.

<sup>12</sup> Regulation (EU) 2024/573 of the European Parliament and of the Council of 7 February 2024, at: [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L\\_202400573](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202400573)

- Management of Proceeds:
  - CA Immo’s Finance Department will be responsible for managing and tracking the allocation of proceeds using an internal tracking system on a portfolio basis, and will ensure that the aggregated amount of proceeds from the sustainable financing instruments issued under the Framework is lower than the outstanding amount of the Eligible Portfolio.
  - CA Immo intends to fully allocate proceeds within 24 months of issuance.
  - Pending full allocation, unallocated proceeds will be held in cash deposits in accordance with the Company’s internal treasury policies excluding investment in activities that may have negative environmental and social impact.
  - CA Immo has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. CA Immo confirmed that proceeds from all tranches of such facilities will be allocated to projects meeting the Framework’s eligibility criteria.
  - Based on the above Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - CA Immo commits to report on the allocation of proceeds and corresponding impact on an annual basis until the instruments mature and thereafter if material changes to the eligible portfolio occur. The allocation and impact report will be published on the Company’s website.
  - Allocation reporting will include the total amount of proceeds allocated by category, the proportion of refinancing, and the amount of unallocated proceeds.
  - Impact reporting may include quantitative metrics such as building GHG emissions (in tCO<sub>2</sub>e), energy consumption (in kWh), primary energy demand of development projects, among others.
  - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

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

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

## **Section 2: Sustainability Strategy of CA Immo**

### **Contribution to CA Immo’s sustainability strategy**

CA Immo has developed a sustainability strategy that focuses on six key environmental areas: i) climate and energy; ii) sustainable procurement and supply chain; iii) resource conservation and circular economy; iv) sustainable urban district development; v) business ethics, corporate governance and compliance; and vi) health, safety and well-being.

The Company has set a target to achieve carbon neutrality across its portfolio by 2050, with an intermediate goal of reducing the emissions intensity of its investment portfolio by 50% (scope 1 and 2 emissions) by 2030, compared to a 2019 baseline.<sup>13</sup> In addition, the Company aims to have all construction projects completed from 2030 onwards to be climate neutral in operation.<sup>14</sup> To support its GHG emissions targets, the Company has defined several measures and targets, including to reduce by 15% the energy intensity of its investment portfolio and establishing a digital energy monitoring and management system by 2025.<sup>15</sup>

Under its sustainable procurement and supply chain and sustainable urban district development pillars, CA Immo requires its construction service providers to comply with DGNB Gold or LEED Gold requirements covering construction material declaration and worker protection. The Company also implements these standards in all new office developments.<sup>16</sup> Moreover, CA Immo sets a target to contribute to the redevelopment of old inner cities by achieving: i) at least 70% of its investment portfolio to be certified by green building certification schemes, including DGNB, LEED, BREEAM; and ii) all new construction projects launched after 2022 being certified.<sup>17</sup>

Additionally, the Company integrates resource protection and circular economy into its ESG strategy through committing to: i) creating a material passport for each new construction project to record building materials and optimize raw material consumption and emission load; ii) increasing the share of waste separation and

<sup>13</sup> CA Immo ESG Report (2023), <https://www.caimmo.com/fileadmin/documents/Finanzberichte/2023/Annual-Report-2023.pdf>

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

iii) reducing water consumption in the buildings.<sup>18</sup> In 2023, CA Immo's buildings were powered 82% by electricity from renewable energy sources, and the Company reduced its scope 1 and scope 2 emissions intensity by 67% between 2019 and 2023.<sup>19</sup> In addition, 67% of the Company's total portfolio and 68% of its office portfolio were certified to a green building certification in 2022. The waste diversion rate reached 84% by 2023 and CA Immo reduced the buildings' water consumption by in 2023 by 16% compared to 2022.<sup>20</sup>

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

#### **Approach to managing environmental and social risks associated with the projects**

Sustainalytics recognizes that proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks that are possibly associated with the eligible projects may include: i) land use and biodiversity loss associated with large infrastructure projects; ii) emissions, effluents and waste; iii) occupational health and safety (OHS); iv) business ethics; and v) community relations.

Sustainalytics is of the opinion that CA Immo is able to manage and mitigate potential risks through implementation of the following:

- Regarding risks related to land use and biodiversity loss, projects financed in the EU are expected to comply with Directive 2014/52/EU, which requires projects that are likely to have significant environmental effects to be adequately assessed before approval. It also requires that adequate measures be undertaken to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats. For land-intensive projects, the directive requires land use-related impacts to be identified, described and assessed through an environmental impact assessment. For large-scale projects, this also includes limiting impacts on land and soil, including organic matter, erosion, compaction and sealing.<sup>21</sup>
- Regarding emissions, effluents and waste generated in construction process, CA Immo installs waste disposal logistics and recycling management procedures in all construction sites, which include daily waste collection, separation and disposal performed by external waste disposal logistics company. CA Immo follows the applicable EU guidelines and regulations for waste management and disposal, such as the EU Construction and Demolition Waste Protocol and Guidelines,<sup>22</sup> the EU Waste Framework Directive,<sup>23</sup> the Waste Electrical and Electronic Equipment Directive<sup>24</sup> and the European Waste Shipment Regulation.<sup>25</sup> These regulations aim to ensure that waste management is carried out without endangering human health or negatively impacting the environment. In addition, the Company uses a Building Information Modelling technology in its new construction process and participates in the development of a software platform for systematically cataloguing the construction material used in new construction projects. Both of these initiatives will enable the Company to determine and document the recyclability, recycling rate, toxicity and CO<sub>2</sub> bound in the building materials during the construction process.<sup>26</sup>
- CA Immo integrates OHS considerations into the planning and construction phases of all project developments. Its health and protection coordinator performs regular safety inspections of all projects and will take immediate action if hazards are identified.<sup>27</sup> The Company also requires all project contractors to appoint a safety officer and have a health and safety plan in place. OHS measures should be incorporated into construction site regulations as part of the plan. Additionally, CA Immo undertakes regular health and safety assessments regarding technical functionality in all

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> European Commission, "Directive 2014/52/EU of the European Parliament and of the Council of 16 April 2014", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0052>

<sup>22</sup> European Commission, "EU Construction and Demolition Waste Protocol and Guidelines", (2018), at: [https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18\\_en](https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18_en)

<sup>23</sup> European Parliament, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives", (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0098>

<sup>24</sup> European Parliament, "Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE)", (2012), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012L0019>

<sup>25</sup> European Parliament, "Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste", (2006), at: <https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006R1013>

<sup>26</sup> CA Immo ESG Report (2023), <https://www.caimmo.com/fileadmin/documents/Finanzberichte/2023/Annual-Report-2023.pdf>

<sup>27</sup> Ibid.



buildings to avoid equipment failures and malfunctions.<sup>28</sup> The Company also established an occupational health and safety programme which aims to protect its employees' long-term physical and mental health. Under the programme, occupational physicians will conduct inspections to promote health at work, medical professionals give presentations on health promotion and mental health and free tick and flu vaccinations are also provided annually.<sup>29</sup>

- With respect to business ethics, CA Immo's Code of Ethics and Code of Conduct sets out guidelines for ethical behaviour, professional conduct, transparency, fairness and conflicts of interest. It also sets standards for evaluating and improving the Company's environmental performance and preventing corruption and bribery.<sup>30</sup> Moreover, the Company requires its suppliers and contractors to comply with the Company's Code of Ethics and Code of Conduct and internal guidelines. In 2018, CA Immo established a whistleblower system for its employees and third parties to report illegal behaviour, ethical violations and misconducts.<sup>31</sup>
- CA Immo has internal procedures in place to address risks regarding community relations, including: i) active dialogue with relevant stakeholders at project development stage through neighbourhood or public events, local press and personal meetings; ii) active dialogue and contact with investors, business partners, local authorities, media, employees and job applicants; iii) ensure tenant participation in the decision-making of the buildings' ESG initiatives; iv) ensure internal and external stakeholders' (tenants, banks, investors) participation in the Company's risk analysis.<sup>32</sup>

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

### Section 3: Impact of Use of Proceeds

The use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

#### Importance of green buildings in Germany, Austria and Central and Eastern Europe

Buildings are a key contributor to emissions and the largest consumer of energy in the EU.<sup>33</sup> In 2021, the buildings sector accounted for approximately 35% of energy-related GHG emissions in the EU.<sup>34</sup> The EU has committed to an emissions reduction target of 55% by 2030 compared to 1990 levels.<sup>35</sup> To achieve this, the EU would need to reduce GHG emissions from buildings by 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030 compared to 2015.<sup>36,37</sup> The renovation of buildings to improve energy performance is expected to play a major role in decarbonizing the sector: it could reduce the EU's total energy consumption by an estimated 5-6% and lower its total emissions by 5%.<sup>38</sup> In this sense, the European Commission's Renovation Wave strategy aims to double annual energy renovation rates in 10 years.<sup>39</sup> In line with these commitments, the Energy Performance of Buildings Directive requires public buildings developed since 2019 and new buildings beginning in 2021 to be nearly zero-energy buildings (NZEB) under the Energy Performance of Buildings Directive (EPBD).<sup>40</sup>

Energy efficiency interventions in existing buildings and the increased adoption of green building practices in Germany, Austria and CEE countries could result in considerable environmental benefits in the EU. Germany accounted for 24% of net GHG emissions in the EU in 2021, and therefore, plays a significant role in meeting

<sup>28</sup> Ibid.

<sup>29</sup> Ibid.

<sup>30</sup> CA Immo, "Code of Ethics & Code of Conduct", at: [https://www.caimmo.com/fileadmin/documents/Investor-Relations/Corporate\\_Governance/Unsere-Werte/221213\\_Code\\_of\\_Ethics\\_and\\_Conduct\\_en.pdf](https://www.caimmo.com/fileadmin/documents/Investor-Relations/Corporate_Governance/Unsere-Werte/221213_Code_of_Ethics_and_Conduct_en.pdf)

<sup>31</sup> CA Immo, "Whistleblower System", at: [Whistleblower System \(caimmo.com\)](https://www.caimmo.com/Whistleblower_System)

<sup>32</sup> CA Immo, "ESG Report", (2023), <https://www.caimmo.com/fileadmin/documents/Finanzberichte/2023/Annual-Report-2023.pdf>

<sup>33</sup> European Parliament, "Report on maximizing the energy efficiency potential of the EU building stock", (2020), at:

[https://www.europarl.europa.eu/doceo/document/A-9-2020-0134\\_EN.html](https://www.europarl.europa.eu/doceo/document/A-9-2020-0134_EN.html)

<sup>34</sup> European Environment Agency, "Greenhouse gas emissions from energy use in buildings in Europe", (2023), at:

<https://www.eea.europa.eu/en/analysis/indicators/greenhouse-gas-emissions-from-energy>

<sup>35</sup> European Environment Agency, "2030 Climate Target Plan", at: <https://www.eea.europa.eu/policy-documents/2030-climate-target-plan>

<sup>36</sup> European Environment Agency, "Greenhouse gas emissions from energy use in buildings in Europe", at: <https://www.eea.europa.eu/data-and-maps/indicators/greenhouse-gas-emissions-from-energy/assessment>

<sup>37</sup> European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", at:

[https://ec.europa.eu/energy/sites/ener/files/eu\\_renovation\\_wave\\_strategy.pdf](https://ec.europa.eu/energy/sites/ener/files/eu_renovation_wave_strategy.pdf)

<sup>38</sup> European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU", (2019), at: [https://ec.europa.eu/energy/sites/ener/files/documents/1\\_final\\_report.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/1_final_report.pdf)

<sup>39</sup> European Commission, "Renovation Wave", at: [https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave\\_en](https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en)

<sup>40</sup> European Commission, "Energy performance of buildings directive", at: [https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive\\_en](https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en)

the EU's climate goals.<sup>41</sup> The operation of buildings accounts for approximately 35% of Germany's total final energy consumption.<sup>42</sup> More specifically, a 60% share of the final energy demand from residential buildings in Germany is directed towards space heating, two-thirds of which powered by fossil fuels, while 83% of heating in non-residential buildings is produced using fossil fuels.<sup>43</sup> The German government has set a target to make Germany's building stock climate neutral by 2050 and reduce 68% of the GHG emissions from buildings by 2030 compared to 1990.<sup>44</sup> In addition, Germany committed to reducing the primary energy consumption of its building sector by at least 80% by 2050 relative to 2008 levels.<sup>45</sup> To achieve these goals, Germany focuses on increasing the adoption of renewable energy sources, reducing energy consumption and improving the energy efficiency of its building stock.<sup>46</sup>

In Austria, buildings accounted for 48% of the country's electricity consumption in 2021.<sup>47</sup> The Austrian government has set a target to reduce emissions from buildings by 3 GtCO<sub>2</sub>e compared to 2016 under the country's Integrated National Energy and Climate Plan (2021-2030).<sup>48</sup> This is intended to be achieved through phasing out fossil fuel use for heating and cooling, conducting thermal energy renovations and improving efficiency standards in new buildings.<sup>49</sup> This goal is now supported by the country's Recovery and Resilience Plan (RRP)<sup>50,51</sup> which has earmarked more than EUR 4 billion towards investments in low-emission buildings and the phase-out of oil and gas heating in private homes, among other initiatives.<sup>52,53</sup> Alongside the RRP, Austria also allocated EUR 26.4 million raised through a green bond towards improving the energy efficiency of new and existing buildings, achieving annual energy savings of 26,647 MWh and a reduction of 7,515 tCO<sub>2</sub>e in 2021.<sup>54</sup>

In Hungary, which accounts for just 1.7% of the EU's total GHG emissions, buildings accounted for 15% of the country's total emissions in 2023.<sup>55,56</sup> In 2021, the Hungarian government approved the Long-Term Renovation Strategy and Recovery and Resilient Plan, under which Hungary committed to achieving a sustainable domestic building stock by 2050 by expanding renewable energy use and improving energy efficiency.<sup>57,58</sup> In 2023, the National Energy and Climate Plan set forth a target to achieve an annual rate of deep renovations of 3% of the floor area of the Hungarian government building stock.<sup>59</sup>

Poland, in turn, is one of the 20 largest GHG emitters in the world with buildings being one of the primary contributors.<sup>60</sup> Approximately two-thirds of Poland's emissions are generated from residential buildings

<sup>41</sup> Simões, H., (2021), "Climate action in Germany: Latest state of play", European Parliament, at:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690661/EPRS\\_BRI\(2021\)690661\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690661/EPRS_BRI(2021)690661_EN.pdf)

<sup>42</sup> German Federal Ministry for Economic Affairs and Energy, "Enhancing energy efficiency in buildings", at:

<https://www.bmwi.de/Redaktion/EN/Dossier/enhancing-energy-efficiency-in-buildings.html>

<sup>43</sup> Build Energy Transition, "Database Closes Knowledge Gap about Non-Residential Buildings", (2021), at:

<https://www.energie-wendebauen.de/news/en/database-closes-knowledge-gap-about-non-residential-buildings>

<sup>44</sup> German Federal Ministry of Economic Affairs and Energy, "Climate Action Plan 2050", (2016), at:

[https://www.bmu.de/fileadmin/Daten\\_BMU/Pool/Broschueren/klimaschutzplan\\_2050\\_en\\_bf.pdf](https://www.bmu.de/fileadmin/Daten_BMU/Pool/Broschueren/klimaschutzplan_2050_en_bf.pdf)

<sup>45</sup> German Federal Ministry of Economic Affairs and Energy, "Climate Action Plan 2050", (2016), at:

[https://www.bmu.de/fileadmin/Daten\\_BMU/Pool/Broschueren/klimaschutzplan\\_2050\\_en\\_bf.pdf](https://www.bmu.de/fileadmin/Daten_BMU/Pool/Broschueren/klimaschutzplan_2050_en_bf.pdf)

<sup>46</sup> Appunn, K. et al., (2022), "Germany's greenhouse gas emissions and energy transition targets", Clean Energy Wire, at:

<https://www.cleanenergywire.org/factsheets/germanys-greenhouse-gas-emissions-and-climate-targets>

<sup>47</sup> Enerdata, "Austria Energy Information", at: <https://www.enerdata.net/estore/energy-market/austria/>

<sup>48</sup> Government of Austria, "Integrated National Energy and Climate Plan for Austria (2021-2030)", (2019), at:

[https://energy.ec.europa.eu/system/files/2020-03/at\\_final\\_necp\\_main\\_en\\_0.pdf](https://energy.ec.europa.eu/system/files/2020-03/at_final_necp_main_en_0.pdf)

<sup>49</sup> Government of Austria, "Integrated National Energy and Climate Plan for Austria (2021-2030)", (2019), at:

[https://energy.ec.europa.eu/system/files/2020-03/at\\_final\\_necp\\_main\\_en\\_0.pdf](https://energy.ec.europa.eu/system/files/2020-03/at_final_necp_main_en_0.pdf)

<sup>50</sup> European Parliament, "Austria's National Recovery and Resilience Plan," (2023), at:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729465/EPRS\\_BRI\(2022\)729465\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729465/EPRS_BRI(2022)729465_EN.pdf)

<sup>51</sup> European Commission, "2023 Country Report – Austria", (2023), at: [https://economy-finance.ec.europa.eu/system/files/2023-05/AT\\_SWD\\_2023\\_620\\_en.pdf](https://economy-finance.ec.europa.eu/system/files/2023-05/AT_SWD_2023_620_en.pdf)

<sup>52</sup> European Commission, "Austria's recovery and resilience plan", at: [https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/austrias-recovery-and-resilience-plan\\_en](https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/austrias-recovery-and-resilience-plan_en)

<sup>53</sup> Government of Austria, "Green Investor Report 2022", (2023), at: <https://www.oebfa.at/en/presse/presseuebersicht/2023/green-investor-report-2022.html>

<sup>54</sup> Ibid.

<sup>55</sup> Békés, M. et al., "Carbon-neutral Hungary", McKinsey and Company, (2022), at:

<https://www.mckinsey.com/capabilities/sustainability/ourinsights/carbon-neutral-hungary>

<sup>56</sup> European Parliament, "Climate action in Hungary: Latest state of play" (2021), at:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698060/EPRS\\_BRI\(2021\)698060\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698060/EPRS_BRI(2021)698060_EN.pdf)

<sup>57</sup> European Commission, "Long Term Renovation Strategy", (2021), at: [https://energy.ec.europa.eu/system/files/2021-08/hu\\_2020\\_ltrs\\_en\\_0.pdf](https://energy.ec.europa.eu/system/files/2021-08/hu_2020_ltrs_en_0.pdf)

<sup>58</sup> European Commission, "Hungary's recovery and resilience plan", at: [https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/hungarys-recovery-and-resilience-plan\\_en](https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/hungarys-recovery-and-resilience-plan_en)

<sup>59</sup> International Energy Agency, "Hungary – Energy Policy Review", (2022), at: <https://iea.blob.core.windows.net/assets/9f137e48-13e4-4aab-b13a-dcc90adf7e38/Hungary2022.pdf>

<sup>60</sup> IMF, "Poland: Staff Concluding Statement of the 2021 Article IV Mission", (2021), at: <https://www.imf.org/en/News/Articles/2021/12/13/poland-staff-concluding-statement-of-the-2021-article-iv-mission>



caused by the low level of thermal insulation.<sup>61,62</sup> In 2021, Poland adopted the Polish Energy Policy 2040 under which it set a target of connecting an additional 1.5 million households to district heating networks by 2030 and to connect all households by 2040. The country is committed to phasing out coal from individual heating in cities by 2030 and in rural areas by 2040. The Polish government is also developing a Long Term Renovation Strategy aiming to gradually increase the scale of deep building renovations<sup>63</sup> by approximately 3% annually.<sup>64</sup> Under the National Energy and Climate Plan for 2021-2030, Poland has set a target to thermally insulate 70% of the total housing stock in 2030, compared to 56% in 2015.<sup>65</sup>

In Czechia, which is responsible for 3.5 % of the EU’s total GHG emissions, the transport and buildings sectors are the two largest emitting sectors in the country.<sup>66</sup> Buildings account for 36% of the total energy consumptions in Czechia, with two-third of it coming from heating powered by coal and natural gas.<sup>67</sup> Czechia has been slow at reducing its emissions compared to the EU average, with the European Commission more recently urging the country to fully transpose the EPBD into its local legislation to ensure that Czechia is on track to provide an energy-efficient and decarbonized building stock by 2050.<sup>68,69</sup> Czechia expects to reduce the energy use of buildings by 24% by 2050 and reduce GHG emissions from buildings by 40% by 2050 from 2020 levels.<sup>70</sup>

Based on the above, Sustainalytics is of the opinion that CA Immo’s investment in green buildings in Germany, Austria and CEE markets will contribution towards the decarbonization efforts in these countries and will further support the EU’s climate goals.

**Contribution to SDGs**

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

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and clean energy	7.3 By 2030, double the global rate of improvement in energy efficiency

<sup>61</sup> Buildings Performance Institute Europe, “Ready for carbon neutral by 2050?”, at: [https://www.bpie.eu/wp-content/uploads/2021/12/BPIE\\_Assessing-NZEB-ambition-levels-across-the-EU\\_HD.pdf](https://www.bpie.eu/wp-content/uploads/2021/12/BPIE_Assessing-NZEB-ambition-levels-across-the-EU_HD.pdf)

<sup>62</sup> Polish Green Building Council, “Whole life carbon roadmap for Poland”, (2021), at: <https://www.worldgbc.org/sites/default/files/Whole-life-carbon-roadmap-for-Poland-2050.pdf>

<sup>63</sup> Deep Renovation or Deep Energy Renovation is a term for a renovation that captures the full economic energy efficiency potential of improvement works, with a main focus on the building shell, of existing buildings that leads to a very high-energy performance.

<sup>64</sup> Polish Green Building Council, “Whole life carbon roadmap for Poland”, (2021), at: <https://www.worldgbc.org/sites/default/files/Whole-life-carbon-roadmap-for-Poland-2050.pdf>

<sup>65</sup> Ministry of Energy, “National Energy and Climate Plan for the years 2021-2030”, (2019), at: [https://ec.europa.eu/energy/sites/ener/files/documents/poland\\_draftnecp\\_en.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/poland_draftnecp_en.pdf)

<sup>66</sup> European Parliament, “Climate Action in Czechia”, at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689329/EPRS\\_BRI\(2021\)689329\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689329/EPRS_BRI(2021)689329_EN.pdf)

<sup>67</sup> World Green Building Council, “Position of the Czech Green Building Council and partner organizations on the Czech EU Presidency 2022”, at: <https://www.czgbc.org/files/2022/09/8b9a49610af97a55cd491116476f97bd.pdf>

<sup>68</sup> European Parliament, “Climate Action in Czechia”, at: [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689329/EPRS\\_BRI\(2021\)689329\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/689329/EPRS_BRI(2021)689329_EN.pdf)

<sup>69</sup> European Commission, “July Infringements package: key decisions”, (2022), at: [https://ec.europa.eu/commission/presscorner/detail/EN/inf\\_22\\_3768](https://ec.europa.eu/commission/presscorner/detail/EN/inf_22_3768)

<sup>70</sup> BPIE, “A Review of EU Member States’ 2020 Long-term Renovation Strategies”, (2020), at: [https://www.bpie.eu/wp-content/uploads/2020/09/LTRS-Assessment\\_Final.pdf](https://www.bpie.eu/wp-content/uploads/2020/09/LTRS-Assessment_Final.pdf)

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
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## Conclusion

CA Immo has developed the CA Immo Green Financing Framework under which it may issue green bonds, loans, Schuldscheine and convertible bonds, and use the proceeds to finance projects that are expected to improve the environmental performance of the building stock in Germany, Austria and countries in the CEE region. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

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

Based on the above, Sustainalytics is confident that CA Immo is well positioned to issue green instruments and that the CA Immo Green Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

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