



Sustainability Financing Framework

April 2022

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1. Introduction

CA Immobilien Anlagen AG (“CA Immo”, or the “Group”) is a real estate company headquartered in Vienna and listed on the Vienna Stock Exchange. The company acts as an integrated investor, manager and developer of modern, high-quality office properties in the key gateway cities of Germany, Austria and Central and Eastern Europe. More than 400 employees at 9 core strategic cities (Berlin, Munich, Frankfurt, Duesseldorf, Vienna, Warsaw, Prague, Budapest and Bucharest) plan, build and operate office properties to the highest environmental and technological standards. In these carefully selected urban markets, favorable long-term structural trends such as urbanization and demographic change are expected to lead to above average job and wage growth and below average unemployment, sustainable occupational demand and high investment liquidity. A decentralized organisation allows on the ground teams to deliver best-in-class services to tenants and maintain an outstanding asset quality in terms of location, high-grade building quality and diversified blue-chip occupier base with a sustainable and resilient cash flow.

As at 31 December 2021 CA Immo owns and manages property assets of around €6.3 bn in Germany, Austria and Central- and Eastern Europe. Of this figure, income-producing investment properties account for around €5.0 bn (80% of total property portfolio), property assets under development (including active projects under construction and land reserves) represent €1.1 bn (18% of total property portfolio) with the remainder being short-term properties held for trading or sale. With a proportion of around 60% of total property assets, Germany accounts for the biggest regional segment.

The CA Immo Group divides its core strategic activity into the business areas of investment property management and property development. From the design and development of entire urban districts to the active management of income-producing investment properties, value is generated through a comprehensive value chain covering the entire lifecycle of the assets. As regards the investment portfolio, the CA Immo business model aims to ensure sustainable and resilient recurring cash flows from lettings to a high-quality pool of tenants with high credit ratings. The in-house development and incorporation of modern, energy efficient core properties primarily in the German core cities of CA Immo has been a key driver of organic growth in recent years and will continue to be in the future.

CA Immo’s extensive land reserves in inner-city locations in Munich, Frankfurt and Berlin and the company’s development expertise reflected in a strong track record with a successfully completed development volume of more than €3.0 bn constitute a strategic competitive advantage in a very competitive market for high-quality buildings in sought-after urban locations. Fully internalized development and construction management teams allow to apply expertise at the cutting edge of environmental and technological standards with a high degree of flexibility and responsiveness to tenant needs and market conditions.

Further information regarding the company is available at:
<https://www.caimmo.com/en/company/overview/>

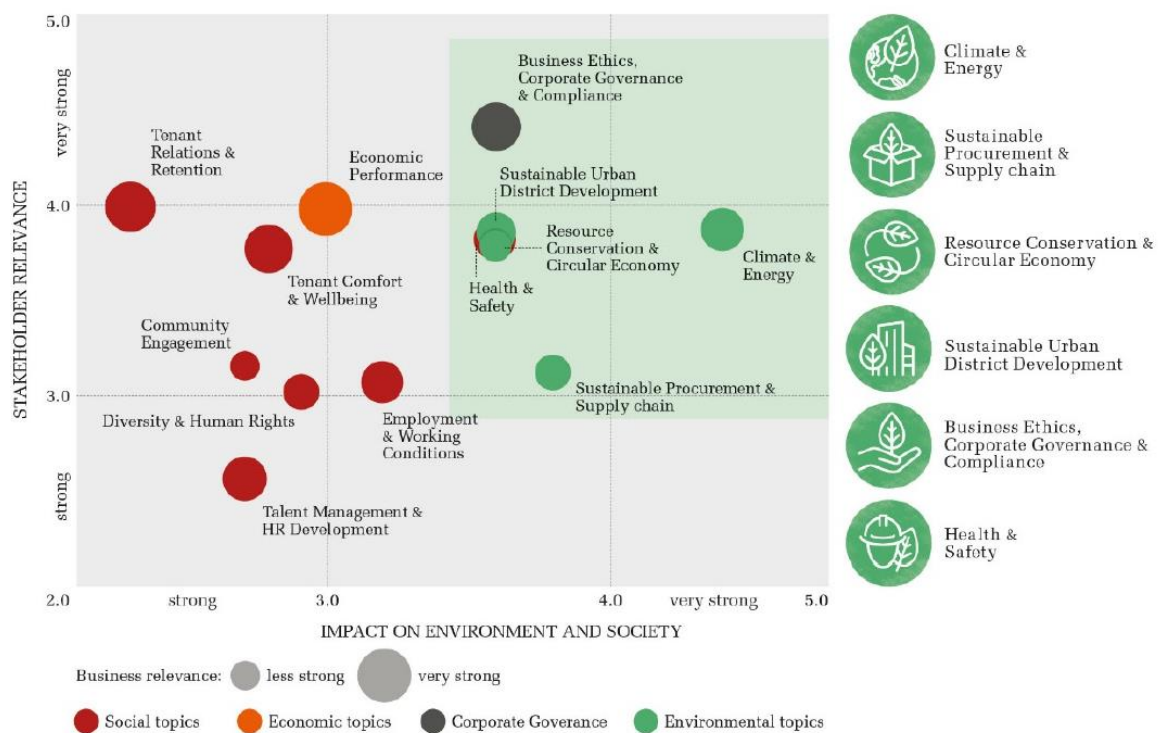
2. CA Immo Sustainability Strategy

The CA Immo business model is based on sustainable value creation for the long-term, taking account of environmental, economic, social and legal considerations at Group and product level. To meet the needs of all stakeholders as effectively as possible while ensuring the competitiveness of its property portfolio over the long term, the Group has adopted a comprehensive sustainability (ESG) policy.

To ensure that sustainability reporting and strategy follows the right priorities, CA Immo carried out an analysis for the first time in the 2020 business year to determine the key sustainability issues. The results of this three-dimensional materiality analysis are presented below in the form of a matrix.

The six focus topics derived from this (**strongest impact on the environment, society and economy, while at the same time having a high stakeholder relevance**) define the framework within which CA Immo can make a relevant contribution to a sustainable economy – and the associated key risks and opportunities.









CA IMMO SUSTAINABILITY: MATERIALITY MATRIX AND FOCUS AREAS



The diagram shows an overview of the relevant CA Immo sustainability topics according to their impact intensity on the environment, society and the economy (horizontal axis) and stakeholder relevance (vertical axis). The relevance to the company's success is reflected in the size of the circular areas. The coloured area indicates the CA Immo focus areas (equally high impact and stakeholder relevance).

UN Sustainable Development Goals (SDGs) and EU Taxonomy Regulation

As a relevant player in the European real estate sector, CA Immo supports the Sustainable Development Goals (SDGs) of the United Nations. The table below also presents an initial assessment of the company's relevant economic activities covered by the EU Taxonomy.

CA Immo activities contribution to the UN Sustainable Development Goals		
Focus Area	EU Taxonomy Regulation topics	UN SDGs
Climate & Energy	<ul style="list-style-type: none"> Climate Change Mitigation Climate Change Adaptation 	
Sustainable Procurement & Supply Chain	<ul style="list-style-type: none"> Pollution prevention and control Supply chain responsibility 	
Resource Conservation & Circular Economy	<ul style="list-style-type: none"> Transition to a circular Economy Sustainable use and protection of water and marine resources 	
Sustainable Urban District Development	<ul style="list-style-type: none"> Protection and restoration of biodiversity and ecosystems 	 
Business Ethics, Corporate Governance & Compliance	<ul style="list-style-type: none"> Human Rights Workers' rights Fight against corruption 	 
Health & Safety		

2.1. Environment

The buildings sector has one of the highest carbon footprints: over the whole life cycle – from construction, use, renovation to demolition – buildings in the EU are responsible for around 40% of energy consumption and around 36% of energy-related greenhouse gas emissions (CO₂).¹

CA Immo wants to make a contribution to limiting global warming to 1.5° Celsius and protecting the environment. Therefore, the company has set the goal of reducing the CO₂ footprint of business activities and evaluating and intensifying the measures taken so far to protect the environment.

2.1.1. Energy efficiency of the asset portfolio

CA Immo is aware that the increase in energy efficiency, reduction of GHG emissions and the conservation of resources is a major theme affecting the future of the real estate sector on its way to carbon neutrality.

CA Immo holds international investment properties of many different kinds at many stages of the property lifecycle. In order to ensure the longest possible value retention, marketability and comprehensive sustainability of all properties, CA Immo applies a diversified quality management approach.

We adopt a needs-based modernisation of investment properties to ensure user health, safety and comfort, increase energy efficiency and ensure asset longevity as well as overall portfolio quality.

Group-wide energy management

CA Immo continuously collects and analyses the energy consumption from heat and electricity as well as the resulting CO₂ emissions of the portfolio. In order to enable even more detailed and timely energy monitoring in the future, a digitally supported energy management system is being implemented.

The basis for this is the conversion to smart meters (digital meters) as well as an evaluation for upgrading or retrofitting the building management systems (BMS) in the international building stock. Digital energy data management will ensure continuous and effective monitoring of current consumption data.

The majority of the German and around half of the Austrian CA Immo buildings were converted to digital electricity meters in 2021, with the CEE countries to follow by 2025 and the installation of digital gas meters also to be completed. The expansion of building digitalisation (intelligent BMS control of technical building infrastructure such as lighting, air-conditioning and heating systems) is intended to further optimise energy efficiency in operations.

Energy consumption and CO₂ footprint

In order to determine and optimise the impact of a building on its environment (including CO₂ emissions) in all phases of its life cycle, CA Immo carries out a comprehensive life cycle assessment (LCA) as early as the building planning stage. For all new construction projects certified according to DGNB or LEED (15 buildings in the period 2011-2021), corresponding LCAs were carried out.²

¹ https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

² www.dgnb.de/de/aktuell/pressemitteilungen/2021/studie-co2-emissionen-bauwerke

CA Immo invests continuously in optimising the energy efficiency of its portfolio. The following measures are part of this energy modernisation programme:

- Replacing old pumps with energy-saving high-efficiency pumps
- Successive replacement of conventional lighting with LED technology and modern sensors
- Installation of heat recovery in ventilation systems
- Modernisation and system improvements, e.g. of heating and cooling media; and,
- Modern energy management systems to identify optimization potential in the building at an early stage.

In 2020, the average CO2 emission intensity (annual CO2 emissions per sqm) of the CA Immo portfolio (Scope 1+2, excluding tenant energy purchase) was reduced by around 11% compared to the previous year.

Reduction of carbon emissions through conversion of building operations to green energy

The national bundling and Group-wide conversion of electricity procurement to renewable energy sources (wind, water and solar energy) was initiated in 2020 and completed in summer 2021. The country-specific contracts cover the period 2020 to 2025 and include the purchase of green electricity³ for all common areas and services provided by the landlord (general electricity incl. cooling, lighting, lifts) in our multi-tenant buildings as well as the electricity supply in own-used CA Immo office areas.

In order to also reduce CO2 emissions from the heating of the building stock, the district heating contracts are also to be successively switched to green or CO2-neutral energy sources (e.g. from waste heat or reduction certificates), depending on local availability.

Tenant participation: Green Lease Agreements

By means of Green Lease Agreements (customer eco-efficiency programme), we offer our tenants the opportunity to participate in our environmental and climate protection initiative in a spirit of partnership and to send a strong signal for sustainability. Corresponding contract components were finalised in 2021 and the first green lease agreements were concluded (primarily in Germany). In the coming years, new and existing contractual relationships are to be successively converted to green leases.

Resource conservation & circular economy in building operations

As CA Immo centrally organises both water purchasing and waste disposal for all multi-tenant office buildings, water consumption and waste data is available for the majority of investment buildings (2020: 59 of 67 buildings). Water consumption is to be further optimised through the installation of digital water consumption meters (smart meters) and corresponding consumption monitoring.

The waste recycling rate (incl. reuse) was 21% in 2020 and thus 3 percentage points above previous year's value. In terms of efficient operating cost and sustainability management, our aim is to optimise existing disposal concepts, to further increase the waste recycling rate and to close the last data gaps. A framework agreement for professional waste management of the German buildings was concluded in 2021 and is in force as of 1 January 2022.

³ Green electricity - electricity from renewable energy sources

In addition, the continuous conversion to green lease contracts should contribute to better waste separation by the building users (tenant participation).

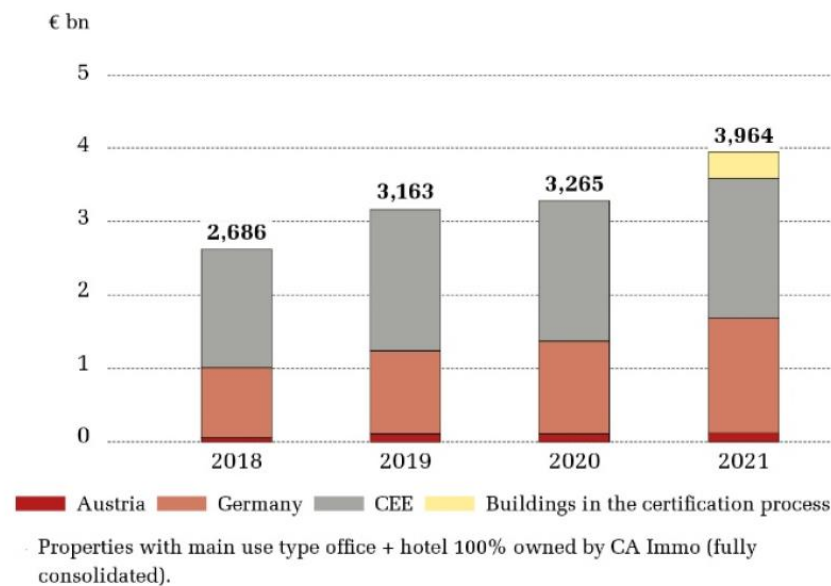
2.1.2. Sustainability certification for development projects and investment properties

Sustainable in-house project development for the own portfolio in order to enhance the quality of CA Immo’s investment portfolio has been an important component of the Group’s sustainability strategy for many years.

Since 2011, all office and hotel properties developed by CA Immo have been built to high sustainability standards (at least DGNB⁴ or LEED⁵ gold), taking into account the experience and expertise gained over many years in the ongoing operation of buildings. In addition, sustainability certification has also been sought for strategic core investment properties as transparent and objective evidence of the building quality.

As of 31 December 2021, 44 office properties and two hotel properties are certified according to DGNB, LEED or BREEAM standards: by book value, around 72% of the total CA Immo portfolio and 75% of the total office portfolio were certified. A further five investment buildings (four German project completions and one investment building in Warsaw) were in the certification process.

CERTIFIED PROPERTY ASSETS BY BOOK VALUE



⁴ The DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) System is a sustainability certification developed by the German Sustainable Building Council in order to offer a planning and optimisation tool for evaluating sustainable buildings and urban districts

⁵ The LEED (Leadership in Energy and Environmental Design) is a green building certification program used worldwide, and originally developed by the non-profit U.S. Green Building Council

2.1.3. Sustainable city quarter development

Through its real estate and urban district development activities, CA Immo is helping to shape the skylines of major cities like Vienna, Berlin, Frankfurt and Munich. To comply with the multifarious requirements arising at all levels, CA Immo only constructs offices (since 2011) and hotels (since 2013) certified to LEED or DGNB Gold standards (minimum standard) on a Group-wide basis. By fulfilling a wide range of certification requirements, the careful use of resources such as energy and water, the minimization of emissions and waste, short transport routes, the use of environmentally friendly and recyclable materials, as well as comprehensive health and safety impacts throughout the entire building life cycle are taken into account.

In order to determine and optimise the impact of a building on its environment (including CO₂ emissions) in all phases of its life cycle, CA Immo carries out a comprehensive life cycle assessment (LCA) as early as the building planning stage. These analyses distinguish between two types of emissions:

Embodied carbon emissions

- Emissions resulting from the production of building materials and their transport
- Emissions from the construction process
- Emissions from maintenance, repairs/refurbishment during the life cycle
- Emissions from demolition and disposal
- Emission credits from reuse and recycling

Operational carbon emissions

- Emissions from energy consumption in building operation (heating, hot water, lighting, air conditioning, ventilation);
- Emissions from water consumption

Since the takeover of German city quarter developer Vivico Real Estate in 2008, CA Immo has been developing large, formerly derelict or industrial inner city sites into modern urban districts (brownfield development). As part of the revitalisation of these old sites and brownfield sites, some of which have been used for industrial and commercial purposes for over 100 years by Deutsche Bahn (German Railways), and some of which are polluted, the CA Immo land preparation and development department organises the technical site assessment, the preparation and, if necessary, remediation of developable plots, infrastructural development and, if necessary, the creation of compensation areas and biotopes.

CA Immo's special brownfield development expertise covers the following environmental aspects of land preparation:

- Inventory of buildings, underground "old buildings", deconstruction;
- Assessment of explosive ordnance risks and ordnance clearance;
- Contaminated site risks (soil, water, soil vapour), soil and groundwater remediation;
- Evaluation of waste and disposal services;
- Nature conservation recording of flora and fauna;
- Resettlement measures of protected animal species like lizards, green toads, bats;
- Creation of biotopes, green compensation areas;

- Production of future public roads, paths, squares, playgrounds and parks.

In the context of land preparation - especially in and around protected areas - biodiversity, species protection or any habitat changes that may occur are taken into account throughout the process. All properties are inspected by specialists from CA Immo's construction management subsidiary omniCon⁶. If necessary, remediation and compensatory measures such as the creation of green path connections, compensation areas or the planting of trees and bushes are carried out.

Open exchange and partnership-based cooperation with municipalities, neighboring residents and other stakeholders in the context of development projects is a key success factor for the Group in creating sustainable and lively neighborhoods. This is why we engage in active dialogues with the relevant groups at an early stage of the project. Every CA Immo neighbourhood development project begins with an urban and landscape planning architectural competition, which is announced transparently and put out to international tender. Representatives of all interest groups associated with the neighbourhood are involved in this process. The most recent example of early communication with neighbors and stakeholder engagement are the citizen events and the architectural competition in the course of the development of the Munich Eggartensiedlung (www.eggarten-siedlung.de).

2.1.4. Climate-friendly mobility

CA Immo's commitment to climate and environmental protection applies at both operational and Group level. Substantial contribution is made here by reducing CA Immo's air travel and the CO₂ emissions of the company cars provided to employees. With this in mind, we are increasingly offering employees the opportunity to use electric or hybrid vehicles as company cars. At the end of 2021, the hybrid share of company cars across the Group was 12% (2020: 7%), while electric cars accounted for 5% (2020: 2%). These shares are to be successively further expanded.

In addition, we support the mobility transition by installing electric vehicle charging stations (EV charging stations) in our own buildings. In total, 154 EV charging stations were available in our buildings as of 31 December 2021. In the 2022 financial year, we plan to carry out a Group-wide, property-related inventory analysis, which will form the basis for a bundled conversion to EV charging stations.

Our travel policy stipulates that employees use rail instead of air travel wherever possible. Through further activities such as the promotion of the BahnCard or job tickets for local public transport, we want to encourage our employees to switch from car to public transport.

⁶ <https://www.omnicon.de/en/>

Climate & Energy

Objectives

- Reduction of the average Scope 1+2 CO₂ emission intensity of the investment portfolio by 50% by 2030 (base year 2019).
- All new construction projects completed from 2030 onwards are climate neutral in operation (net zero carbon).
- Climate neutrality by 2050.

Measures

- Conversion of electricity contracts to 100% electricity from renewable energy sources in the investment portfolio by 2023 (landlord-obtained).
- Purchase of climate neutral district heating according to local availability.
- Green lease programme to reduce CO₂ emissions (Scope 3) in the investment portfolio (tenant participation).
- Establishment of a digital energy monitoring and management system for the Group-wide portfolio by 2025.
- Renovation programme to systematically reduce the energy consumption and carbon footprint of the investment portfolio.
- Continuous reduction of the energy demand of development projects.
- Expansion of renewable energy sources in and on development projects (e.g. photovoltaics, solar thermal energy, geothermal energy).
- Reduction of embodied carbon emissions in development projects.
- Compensation of unavoidable emissions through offsetting measures e.g. CO₂ reduction certificates)

<p style="text-align: center;">Sustainable Procurement & Supply Chain</p> <p>Objectives</p> <ul style="list-style-type: none"> • Social and environmental requirements in CA Immo Procurement Directive. <p>Measures</p> <ul style="list-style-type: none"> • Obligation of all construction service providers to comply with the sustainability standards according to DGNB Gold or LEED Gold (e.g. material declaration, worker protection). 	<p style="text-align: center;">Resource Conservation & Circular Economy</p> <p>Objectives</p> <ul style="list-style-type: none"> • Increase the share of recycled/recyclable waste. • Reduction of water consumption. <p>Measures</p> <ul style="list-style-type: none"> • Implementation of an active waste management system and water consumption monitoring in building operations. • Green lease programme for resource-saving, sustainable building use.
<p>Sustainable Urban District Development</p> <p>Objectives</p> <ul style="list-style-type: none"> • Focus on brownfield developments (revitalisation of old sites). <p>Measures</p> <ul style="list-style-type: none"> • Continuation of the strategic focus on revitalisation of old sites. • Implementation of all new office developments for the own long-term portfolio according to at least DGNB Gold or LEED Gold certification standard. • Definition of a Group-wide standard for sustainable project development based on tenant needs and the EU Taxonomy Regulation. 	

2.2. Social Engagement

CA Immo also takes measures in the social sphere to set positive impulses and responsible standards within its sphere of influence. Our strategy focuses in particular on health & safety, employment & working conditions and the social aspects of a sustainable supply chain and urban district development.

▪ **Affordable housing**

While the focus of the investment portfolio is clearly on high-quality and sustainable office buildings, CA Immo has also implemented numerous residential developments that include an affordable housing component. A significant portion of CA Immo's land reserves is earmarked for residential development, primarily in the city of Munich. Making these sites ready for construction is a central part of CA Immo's development strategy. A possible construction of such residential projects will be decided on a project-by-project basis and, in the event of realisation, the construction of affordable housing units would be a relevant component. In principle, residential projects are sold and not incorporated into the investment portfolio.

- **Health and safety**

Health and safety assessments are also carried out in all buildings throughout the Group during building operations. All legal requirements, e.g. concerning electrical installations, elevator systems and fire protection measures, are complied with. CA Immo has set a long-term objective and an action plan to reach it, as presented below.

Health & Safety	
Objective	<ul style="list-style-type: none"> • Avoiding accidents in buildings and on construction sites. • Maintaining the long-term performance of own and external employees (tenants, contractors).
Measures	<ul style="list-style-type: none"> • Consideration of a wide range of measures for the health and comfort of future users already in the course of building planning and development (DGNB, LEED, WELL certification standards). • Standardised safety concepts in buildings on construction sites. • Comprehensive Covid-19 protection measures. • Occupational health care, flexible working time models.

- **Tenants**

Comfort and Wellbeing

CA Immo considers the safety and health impacts of buildings as early as the planning, design and development phase of construction projects. In this respect, CA Immo relies on additional certification standards for selected buildings.

The **WELL building standard** specifies measures to promote health and well-being in buildings in the categories of air, water, light, movement, thermal comfort, nutrition, noise, materials, spirit and community. Currently, one CA Immo office building in Prague holds a Gold WELL Core and Shell certification and projects under construction are scheduled for WELL certification.

Relations and Retention

CA Immo has had local teams on the ground in its core cities for many years, taking care of active tenant support and retention as well as the efficient management and maintenance of our buildings. At the end of 2021, we conducted a survey on tenant satisfaction. Once analyzed, the results of the survey are used for targeted optimization of our buildings and services with the aim of increasing tenant loyalty and satisfaction.

- **Sustainable procurement and supply chain**

In the case of construction services, CA Immo obliges its contractors and supply chain partners for compliance with statutory regulations on occupational health and safety, workplace and working time regulations and collective agreements.

In addition to the economic evaluation of bids, compliance with social and environmental standards is requested from potential contractors and taken into account in award processes.

- **Employees**

As an employer, we want to create the best possible conditions for our employees to fully develop their potential, strengths and competencies.

As part of its **strategic training and development program** (CA Immo Academy), CA Immo provides its employees with a wide range of regular internal and external training and development opportunities. In 2021, training courses were held in the specialist areas of asset and portfolio management as well as data analysis and forecasting (Real Estate Analyst Training).

Safety and health plans are drawn up at all CA Immo construction sites; the company's own employees received regular safety briefings at the sites.

CA Immo operates in numerous countries of different languages and cultures and recognises **social diversity** and the rights of every individual. CA Immo commits to fair and respectful treatment of our employees in its corporate social responsibility (CSR) policy. At the same time, CA Immo commits its employees to respectful and fair behavior towards each other and towards third parties (applicants, service providers, contractual partners etc.).

CA Immo ensures **equality and balance** in the composition of its employee structure, across the workforce as a whole and at all managerial and executive levels. Since 2020, CA Immo supports the **initiative Women in Leadership (FIF)**⁷, which actively promotes the change towards more diversity and a contemporary leadership culture in the real estate industry.

In order to ensure that succession planning and the promotion of young executives are appropriately diverse, 50% women and 50% men are regularly nominated for the **international talent program (FIRE)** and care is taken to ensure that the participants have as wide a range of tasks and country coverage as possible.

2.3. Governance

- **Organisational anchoring and management of sustainability issues and risks**

The entire Management Board is responsible for the group-wide, holistic implementation of the sustainability strategy in the corporate strategy and its compliance.

⁷ <https://www.frauen-in-fuehrung.info/>

CA Immo's ESG commitment comprises goals, corresponding measures and strategies for achieving these goals, comprehensive reporting and a commitment to compliance with various established standards in the areas of the environment, social affairs and governance.

The climate and general sustainability risks relevant to CA Immo are re-evaluated annually as part of the Group wide risk catalogue, and appropriate risk-reducing measures are derived (risk profiles). A summary of the risk catalogue is presented to the Executive Board and Supervisory Board once a year. Risk prevention measures are implemented by the responsible departments as required.

Responsibility for the management of these risks lies with the entire Executive Board; the individual Executive Board members are responsible for ensuring the operational effectiveness of the internal control systems and risk mitigation in their areas of responsibility. This proactive approach is designed to ensure that any risks are minimised through early countermeasures and that the company can react to changing conditions in good time.

The cross-departmental CA Immo Sustainability Task Force, headed by the Head of Sustainability, coordinates the ongoing implementation of the sustainability strategy and drives the development of new initiatives. The framework conditions, targets, measures and related progress in the context of ESG are presented to the Management Board at regular Management Board meetings and other management meetings at least once a quarter. In addition, the supervisory board is informed about ESG issues at least once a year as part of ongoing reporting.

In 2019, CA Immo launched a Group-wide project to define and manage its strategic sustainability activities under the motto "Tomorrow Proof by CA Immo".

Business Ethics, Corporate Governance & Compliance

Objective

- Compliance with ESG regulations.
- Voluntary best practice commitment.

Measures





- Aiming for UN Global Compact membership.
- OECD Guidelines as a guideline for corporate action.

2.4. Integrated Sustainability Reporting and ESG Ratings

In order to prepare CA Immo's sustainability topics as transparent as possible and in an internationally comparable manner, the company bases its reporting on two common international standards: the **EPRA Sustainability Best Practice Recommendations 3rd Edition (sBPRs)**⁸ and the recommendations of the **Task Force on Climate Related Financial Disclosures (TCFD)**, which stand for consistent disclosure of climate-related financial risks.

CA Immo aims to optimise the transparency of its sustainability performance through reporting that is as relevant and meaningful as possible. In 2021, the CA Immo sustainability report, which is integrated into the Annual report, received an "EPRA sBPR Gold" Award for exemplary ESG reporting for the second year in a row.

In addition, CA Immo actively participates annually in established ESG ratings. CA Immo was also ranked for another consecutive year as the only real estate company in the VÖNIX sustainability index of the Vienna Stock Exchange⁹.

CA Immo ESG Ratings performance		
Rating Agency	Score 2020	Score 2021
 MSCI	A	AA
 SUSTAINALYTICS	17.1 (low risk)	14.6 (low risk)
 ISS ESG	C-	C-
 EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	Gold Award	Gold Award

The goal for the coming reporting periods is to further expand our reporting in line with international standards (e.g. the EU Taxonomy and the Corporate Sustainability Reporting Directive CSRD), best practice examples and the requirements of our stakeholders.

⁸ Based on the standards of the Global Reporting Initiative (GRI), the EPRA (European Public Real Estate Association) Sustainability Best Practice Recommendations provide a consistent and more comparable way of measuring sustainability performance of listed real estate companies in Europe. First published in 2011, the third version of the guidelines released in September 2017 covers environmental, social and corporate governance impact categories.

⁹ www.voenix.at

3. Rationale of the Sustainability Financing Framework

CA Immo is fully committed to playing a role in the transition to a low-carbon and sustainable economy. Through the scale it brings to bear, the company believes it is well positioned to facilitate the increased penetration of energy efficient and low-carbon construction and building management techniques and technologies.

Through a focus on delivery of affordable housing, the company also makes an important contribution to meeting a critical societal need. The company wishes to communicate this contribution by issuing sustainability instruments, allowing fixed-income investors an opportunity to support its strategic efforts in these areas, as well as helping to meet investors' own responsible investment objectives.

The Framework aims at covering bonds, loans, Schuldschein Darlehen (promissory notes) and convertible bonds whose characteristics are linked to green or social projects.

The Framework covers any Green, Social and Sustainability financing in various formats and currencies. In particular, CA Immo can issue three types of bonds (the "Bonds") under this Framework:

1. Green Bonds – for which the funds raised are exclusively allocated to Eligible Green Projects;
2. Social Bonds – for which the funds raised are exclusively allocated to Eligible Social Projects; and
3. Sustainability Bonds – whereby the funds raised are allocated to both Eligible Green Projects and Eligible Social Projects.

Alignment with the Sustainability Bond Guidelines

The Sustainability Bond Guidelines (SBG)¹⁰ administered by the International Capital Markets Association (ICMA), updated as of June 2021, recommend alignment of Sustainability Bonds with the four core components of both the 2021 Green Bond Principles (GBP)¹¹ and 2021 Social Bond Principles (SBP)¹², collectively known as "The Principles".

This Framework is also aligned with the Green Loan Principles 2021¹³ (GLP) and Social Loan Principles 2021 (SLP)¹⁴ published by the Loan Market Association (LMA).

These Principles outline eligible project categories for green and social projects. The Principles are voluntary process guidelines that recommend transparency, disclosure and promote integrity for best practices when issuing Green, Social and Sustainability Bonds or Loans.

This Sustainability Financing Framework aligns with the four core components of the GBP and SBP.

¹⁰ [Sustainability-Bond-Guidelines-June-2021-140621.pdf \(icmagroup.org\)](#)

¹¹ [Green-Bond-Principles-June-2021-140621.pdf \(icmagroup.org\)](#)

¹² [Social-Bond-Principles-June-2021-140621.pdf \(icmagroup.org\)](#)

¹³ [Green Loan Principles - LSTA](#)

¹⁴ [Social Loan Principles \(SLP\) - LSTA](#)

Section 4 is presented through the following five core components:



- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Verification

4. CA Immo Sustainability Financing Framework


4.1. Use of Proceeds

An amount equal to the net proceeds raised by the issuance of the relevant debt instrument will be used to finance or re-finance, in whole or in part the Eligible Green and Social Projects (“Eligible Projects”) which meet the criteria specified below.

CA Immo intends to allocate an amount equal to the net proceeds raised by the issuance to the Eligible Projects where financing has taken place within a 24-month period preceding the date of the issuance, and/or (ii) where financing takes place within a 24-month period following the date of issuance.

Green Bond Principles Category	Eligibility Criteria	Examples	Contribution to EU Environmental or Social objective	Relevant Sustainable Development Goals
Green Buildings (including development, acquisition and refurbishments)	<p>Financing/refinancing of properties meeting the following criteria:</p> <p><u>Construction of new commercial properties</u></p> <ul style="list-style-type: none"> ▪ LEED Gold or DGNB Gold or BREEAM Excellent certification (as a minimum standard); <p>or</p> <ul style="list-style-type: none"> ▪ Primary energy demand is at least 10% below the threshold set for nearly zero-energy building (NZEB). <p><u>Refurbishment of properties</u></p> <ul style="list-style-type: none"> ▪ Targeting LEED Gold or DGNB Gold or BREEAM 	<p>Eligible criteria for construction:</p> <p>In Germany, properties where the primary energy requirement is at least 10% lower than that prescribed by the GEG¹⁵ will be considered eligible for investment.</p> <p>In the Czech Republic, properties where the primary energy requirement is at least 10% lower than that prescribed by PENB will be considered eligible for investment.</p> <p>Examples of eligible projects:</p>	Climate change mitigation	<p>SDG 11 - Sustainable Cities and Communities</p>  <p>SDG 12 – Responsible Consumption & Production</p>  <p>SDG 13 – Climate Action</p>

¹⁵ [GEG – Gebäudeenergiegesetz \(Englisch: Building Energy Law\). GEG requirements correspond to the NZEB EU Directive](#)

	<p>Excellent certification (as a minimum standard);</p> <p>or</p> <ul style="list-style-type: none"> ▪ The building renovation complies with the applicable requirements for major renovations. Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 % (EU Taxonomy economic activity “Renovation of existing buildings”, substantial contribution criteria https://ec.europa.eu/sustainable-finance-taxonomy/activities/activity_en.htm?reference=7.2) <p><u>Acquisition and ownership of properties</u></p> <ul style="list-style-type: none"> ▪ LEED Gold or DGNB Gold or BREEAM Very Good certification (as a minimum standard); <p>or</p> <ul style="list-style-type: none"> ▪ For buildings built before 31 Dec. 2020, the building has at least an Energy Performance Certificate (EPC) class A or is within the top 15% of the national or 	<ul style="list-style-type: none"> • Berlin ‘grasblau’ building¹⁶ • Prague Visionary building¹⁷ 		
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¹⁶ Construction of the ‘grasblau’ office building in Berlin involves an optimised, innovative energy concept, where the requirements of the German Energy Saving Ordinance (EnEV) have been significantly exceeded. In addition, priority has been given to non-harmful and environmentally-friendly construction materials, and showers for cyclists and charging stations for electric cars and e-bikes will be installed. Gold standard certification by the German Sustainable Building Council is anticipated after the building is completed.

¹⁷ Acquisition of Class-A office building ‘Visionary’ in Prague. The building has received LEED Platinum and WELL Core & Shell certifications (first in the Czech Republic), which monitors factors that affect people’s health and wellbeing (e.g. quality of air, water and access to a source of light) and focuses on personal comfort, access to healthy food and the effect of buildings on physical and mental health.


	<p>regional building stock expressed as operational Primary Energy Demand (PED)</p> <ul style="list-style-type: none"> ▪ For buildings built after 31 December 2020, the primary energy demand (PED) of the building must be at least 10% lower than the threshold value for nearly zero energy buildings (NZEB) at the time of the acquisition 			
Renewable energy	<p>Investments in Installation, maintenance and repair of renewable energy technologies, on-site. The activity consists in one of the following individual measures, if installed on-site as technical building systems:</p> <ul style="list-style-type: none"> • installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment; • installation, maintenance and repair of solar hot water panels and the ancillary technical equipment; • installation, maintenance, repair and upgrade of heat pumps (limited to electricity) contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment; 			
Energy efficiency	<p>Investments related to replacement of obsolete equipment by new ones with</p>			

	<p>improved energy efficiency¹⁸ such as:</p> <ul style="list-style-type: none"> • addition of insulation to existing envelope components • replacement of existing windows with new energy efficient windows • heating, ventilation and air-conditioning equipment • energy efficient light sources (e.g. LED lights) • smart metering for heat, cool and electricity building energy management systems • Upgrade of BMS (Building Management Systems) • Water consumption management improvement (e.g. measurement devices, timed faucets, etc.) 			
Clean Transportation	Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings			
Social Bond Principles Category	Eligibility Criteria	Example		Relevant Sustainable Development Goals
Affordable Housing	Financing of construction, renovation/refurbishment and/or maintenance of affordable housing as defined under relevant Government policy ¹⁹	<p>Example of eligible project:</p> <p>Munich Eggartensiedlung Co-operative Housing²⁰</p>	Adequate living standards	SDG 11 - Sustainable Cities and Communities

¹⁸ With exclusion of equipment primarily driven by fossil fuels.

¹⁹ <https://www.bmi.bund.de/DE/bauen-wohnen/stadt-wohnen/wohnraumfoerderung/soziale-wohnraumfoerderung/soziale-wohnraumfoerderung-artikel.html>

²⁰ CA Immo is currently developing a new residential quarter (“Eggartensiedlung”) with approx. 1,750 to 2,000 residential units in the north of Munich. The plans aim to ensure that up to 50% of the apartments are built by cooperatives, thus creating the

	Target population: Households with low and moderate income		Inclusive societies	
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Exclusions

Allocations will be made strictly in accordance with the Use of Proceeds requirements as specified above. For the avoidance of doubt, no allocations to projects related to the fossil fuel, nuclear, defense, alcohol, tobacco or gambling industries will be made.

4.2. Process for Project Evaluation and Selection

To ensure that allocations are made to Eligible Sustainability Projects as specified above, the Company will establish a Sustainability Financing Committee.

The Sustainability Financing Committee will be responsible for:

- Ensuring the proposed allocations are aligned with the relevant CA Immo policies and procedures concerning project development;
- Ensuring the proposed Eligible Projects are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes to the register of Eligible Projects in the event that the projects no longer meet the eligibility criteria (e.g. following divestment, liquidation, technology switch, concerns regarding ongoing alignment with eligibility criteria etc.); and,
- Reviewing and approving allocation and impact reports, where relevant.
- Managing any future updates of the Framework and ensuring that a Second Party Opinion is provided following each update of the section 4 of this Framework. Updates of the Framework will only apply to Green, Social and Sustainability Financings that take place after the issuance of such new Second Party Opinion.

The Sustainability Financing Committee will be comprised of the following representatives:

- Head of Capital Markets (who will have overall responsibility for approving selection of Eligible Projects);
- Head of Corporate Communications/leader of ESG Competence Center;
- Head of Debt Funding Services;
- Head of Controlling;
- Head of Development; and,
- Head of Asset Management.

largest cooperative housing project since the Second World War (and for the first time ever in Munich by private developers and on this scale). More information is available at www.eggarten-siedlung.de.

The Committee will meet on a semi-annual basis to review proposed allocations and ensure these are made in line with the specified uses here above.

- Management of Social & Environmental risks

The entire Management Board of CA Immo is responsible for the group-wide, holistic implementation of the sustainability strategy in the corporate strategy and its compliance. CA Immo's ESG commitment comprises goals, corresponding measures and strategies for achieving these goals, comprehensive reporting and a commitment to compliance with various established standards in the areas of the environment, social affairs and governance.

The climate and general sustainability risks relevant to CA Immo are re-evaluated annually as part of the Group wide risk catalogue, and appropriate risk-reducing measures are derived.

For further details, ESG risks and associated response by the Group are identified in the Group Management Report (sections “Risk Management Report” and “ESG report”²¹).

4.3. Management of Proceeds

The outstanding amount of proceeds of any sustainable financing will be managed on a portfolio basis. Finance department ensures that the proceeds raised by the aggregated amount of sustainable financings is lower than the outstanding amount of the Eligible Projects portfolio.

This process will be managed by the CA Immo Finance Department.

The Eligible Green Portfolio will be tested every year to evaluate the amount of Eligible assets and projects, which meet the criteria defined in the section, entitled “Use of Proceeds”. The Finance Department will track allocations to the projects matched to the Sustainability Bond proceeds.

Pending allocation, proceeds will be held in cash deposits on a temporary basis in accordance with the relevant internal treasury policies.

4.4. Reporting

Within 1 year of issuance, and annually thereafter until the proceeds are fully allocated, the Company will make available an External Report.

The External Report will be compiled by the CA Immo Capital Markets and Corporate Communications functions and will include (i) an Allocation Report and (ii) an Impact Report, subject to the availability of suitable information and data. Where impact data is reported, details of the methodology applied in compiling the data will be provided.

These reports will be made available publicly on the CA Immo website.

4.4.1. Allocation report

²¹ See Group Management Report 2021, pages 89-90, 96, 101-104 - [CAI Annual Report 2021](#)

It is anticipated that the Allocation Report will include:

- Total amount of proceeds allocated to Eligible Sustainability Projects per category, noting any instances where allocations could not be made as originally planned, due to e.g. divestments, project terminations or suspensions etc.;
- The proportion of the proceeds allocated to refinancing of existing Eligible Sustainability Projects; and,
- Unallocated proceeds.

4.4.2. Impact report

The Company will also report on selected environmental impacts of its Eligible Projects subject to the availability of suitable information and data.

Key environmental and social impact indicators per Eligible Green and Social Projects Category will include estimated expected quantitative reporting metrics when feasible such as those presented in the following table.

Green Bond Principles Category	Indicative Impact Metrics
Green Buildings (including development, acquisition and refurbishments)	<ul style="list-style-type: none"> ▪ Building CO2 emissions intensity (Scopes 1 & 2) in kgCO2e/sqm ▪ Buildings energy intensity (kWh/sqm) ▪ Share of renewable energy as % of total electricity consumption (%) ▪ Primary energy demand of development projects (kWh) ▪ Share and surface of certified buildings ▪ Buildings water consumption intensity (m³/sqm) ▪ Waste intensity (kg/sqm)
Social Bond Principles Category	Indicative Impact Metrics
Affordable Housing	<ul style="list-style-type: none"> ▪ Number of affordable housing units made available

4.5. External Review

Sustainalytics have provided a Second Party Opinion on the CA Immo Sustainability Bond Framework. The Second Party Opinion is available at <https://www.sustainalytics.com/sustainable-finance/our-work/>.

CA Immo also intends to commission an independent review within 1 year of the issuance of a Sustainability instrument and annually thereafter, with the intention of confirming that the proceeds have been allocated in accordance with the Use of Proceeds specified in this framework document.

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CA Immo has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and investor reporting, in connection with CA Immo Sustainability Bonds. However, it will not be an event of default or breach of contractual obligation under the terms and conditions of any CA Immo Sustainability Bonds if CA Immo fails to adhere to this Framework, whether by failing to fund or complete eligible Sustainability projects or to ensure that proceeds do not contribute directly or indirectly to the financing of any excluded activities, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the projects as described in this Framework might not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy, changes in laws, rules or regulations, the lack of available suitable projects being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the anticipated benefits of these initiatives, including the funding and completion of eligible Sustainability projects. In addition, each environmentally focused potential purchaser of CA Immo Sustainability Bonds should be aware that eligible Sustainability projects may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts. On this basis, all and any liability, whether arising in tort, contract or otherwise which any purchaser of CA Immo Sustainability Bonds or any other person might otherwise have in respect of this Framework or any CA Immo Sustainability Bonds as a result of any failure to adhere to or comply with this Framework is hereby disclaimed to the fullest extent permitted by law.