

CA Immobilien Anlagen AG

Type of Engagement: Annual Review

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Introduction

In October 2020, CA Immobilien Anlagen AG (“CA Immo”) issued a green bond aimed at financing eligible residential and commercial properties (the Nominated Projects) that have achieved or are expected to achieve a green building certification including LEED and DGNB, or that have a primary energy requirement that is below the levels prescribed by the German Energy Saving Ordinance (EnEV)¹ or below the Czech building energy performance regulation (PENB).² In November 2021, CA Immo engaged Sustainalytics to review the projects funded through the issued 2020 green bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the CA Immo’s Sustainability Bond Framework (the Framework).³ Sustainalytics provided a Second-Party Opinion⁴ on the Framework in October 2020.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2020 green bond based on whether the projects and programmes:

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

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

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

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Green Buildings	Financing/refinancing of <ul style="list-style-type: none"> • construction of new commercial properties meeting the criteria for the LEED or DGNB Gold sustainability certification (as a minimum standard); and/or, • In Germany, properties where the primary energy requirement is at least 25% lower than that prescribed by the EnEV, will be considered eligible for investment. • In the Czech Republic, properties where the primary energy requirement is at least 25% lower than that prescribed by PENB, will be considered eligible for investment. 	<ul style="list-style-type: none"> • tCO₂e avoided • Green building certification⁵

¹ German Energy Agency, “German Energy Saving Ordinance”, at: <https://home.barclays/content/dam/home-barclays/documents/citizenship/ESG/Barclays-Sustainable-Finance-Framework-2020.pdf>

² TZUS, “Building Energy Performance Certificates”, at: <https://www.tzus.cz/en/services/certification-of-buildings/energy-audits-building-energy-performance-certificates-building-envelope-energy-labels/building-energy-performace-certificates>

³ CA Immo, “Sustainability Bond Framework”, (2020), at:

https://www.caimmo.com/fileadmin/documents/CA_Immo_Sustainability_Bond_Framework.pdf

⁴ CA Immo, “CA Immo Sustainability Bond Second-Party Opinion”, (2020), at:

https://www.caimmo.com/fileadmin/documents/CA_Immo_Sustainability_Bond_Framework_Second-Party.pdf

⁵ Sustainalytics notes the addition of green building certifications as a reporting indicator for the Green Buildings category.

Issuing Entity’s Responsibility

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

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of CA Immo’s 2020 green bond Use of Proceeds. The work undertaken as part of this engagement included the collection of documentation from CA Immo employees and a review of documentation to confirm the conformance with the Sustainability Bond Framework.

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

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

Conclusion

Based on the limited assurance procedures conducted,⁶ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of CA Immo’s 2020 green bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Sustainability Bond Framework. CA Immo has disclosed to Sustainalytics that it raised a total of EUR 350 million from the 2020 green bond issuance, of which EUR 221.65 million has been allocated as of September 2021. CA Immo has communicated to Sustainalytics that they intend to allocate all bond proceeds within 24 months after issuance.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the 2020 green bond to determine if projects aligned with the Use of Proceeds Criteria outlined in the CA Immo Sustainability Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the 2020 green bond to determine if the impact of the projects was reported in line with the KPIs outlined in the CA Immo Sustainability Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

⁶ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation to the Nominated Projects

Use of Proceeds Category	Property Location	Property Name	Rental Area (sqm)	Expected Green Building Certification ⁷	Expected Completion of the Development Project	Net Bond Proceeds Allocation (EUR)
Green Buildings	Berlin, Germany	Grasblau	13,350	DGNB Gold	Q4 2022	20.2 million
	Berlin, Germany	Hochhaus am Europaplatz	22,948	DGNB Gold	Q1 2024	26.1 million
	Prague, Czech Republic	Mississippi House	13,444	LEED Platinum	Q3 2021	25.6 million
	Prague, Czech Republic	Missouri Park	7,429	LEED Platinum	Q3 2021	15.7 million
	Frankfurt, Germany	ONE	68,575	DGNB Platinum	Q1 2022	120.6 million
	Berlin, Germany	Upbeat	34,911	DGNB Gold	Q1 2026	13.5 million
Total Allocation of Net Bond Proceeds (EUR)						221.65 million

⁷ Ca Immo has communicated to Sustainalytics that green building certifications will be obtained once all building work has been completed, which might go beyond the expected completion date (according to IFRS rules) of the development projects.

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