

Second-Party Opinion

Atrium European Real Estate Green Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the Atrium European Real Estate Green Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds Green buildings, Energy efficiency, Renewable energy, Waste management, Sustainable water management, Environmentally sustainable management of living natural resources and land use, Clean transportation are aligned with those recognized by the Green Bond Principles 2018 and Green Loan Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 11 and 12.



PROJECT EVALUATION / SELECTION Atrium's internal process in evaluating and selecting projects is managed by Atrium's Sustainability Committee (the "Committee"), comprised of members from the Group Executive Management Team and senior managers responsible for Asset Management, HR and Operational Centre Management. The Committee will review eligible projects on an annual basis. Atrium has established a 36 months allocation timeframe. Sustainalytics considers the project selection process in line with market practice



MANAGEMENT OF PROCEEDS Atrium's processes for management of proceeds is handled by Atrium's Group Finance Department. Atrium will establish a register to monitor eligible projects and the allocation of an amount equivalent of the net proceeds to the projects. Unallocated proceeds are due to be allocated in accordance with Atrium's normal liquidity management policy. This is in line with market practice



REPORTING Atrium intends to report allocation proceeds on its website on an annual basis until full allocation. Indicators reported include amount of outstanding green finance instruments, number of eligible projects in the register, list of eligible projects, share of certified buildings as % of total portfolio value, and share of financing vs. refinancing. In addition, Atrium is committed to reporting on relevant impact metrics. Sustainalytics views Atrium's allocation and impact reporting as aligned with market practice.

Evaluation date	February 6, 2020
Issuer Location	Jersey, United Kingdom

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For inquiries, contact the Sustainable Finance Solutions project team:

Evan Bruner (Amsterdam)
Project Manager
evan.bruner@sustainalytics.com
(+31) 20 205 0027

Phoebe Wang (Amsterdam)
Project Support
phoebe.wang@sustainalytics.com
(+31) 20 205 0044

Jean-Claude Berthelot (Amsterdam)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

Introduction

Atrium European Real Estate (“Atrium”, or “AERE”, or the “Company”) is a real estate company dedicated to shopping centres and retail estate, with a market capitalisation of \$1.305B as per February 14th, 2020.¹ Atrium owns 26 properties, representing a total gross leasable area of approximately 970K sqm, 84% of which is in Poland, Czech Republic and Slovakia.

Atrium has developed the Atrium European Real Estate Green Financing Framework (the “Framework”) under which it intends to issue multiple green financing instruments and use the proceeds to finance and refinance, in whole or in part, existing and future projects that aim at decarbonizing Atrium’s real estate portfolio, with a specific focus on properties in Poland and the Czech Republic. The Framework defines eligibility criteria in seven areas:

1. Green buildings
2. Energy efficiency
3. Renewable energy
4. Waste management
5. Sustainable water management
6. Environmentally sustainable management of living natural resources and land use
7. Clean transportation

Atrium engaged Sustainalytics to review the Atrium European Real Estate Green Financing Framework, dated February, 2020 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)² and the Green Loan Principles (GLP)³ This Framework has been published in a separate document.⁴

As part of this engagement, Sustainalytics held conversations with various members of Atrium’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Atrium European Real Estate Green Financing Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Atrium European Real Estate Green Financing Framework and should be read in conjunction with that Framework.

¹ Bloomberg, “Atrium European Real Estate Ltd – Company info”, at: <https://www.bloomberg.com/quote/ATRS:AV>

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

³ The Green Loan Principles are administered by the Loan Markets Association and are available at: https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

⁴ The Atrium European Real Estate Green Financing Framework is available on Atrium’s website at: <https://www.aere.com/Files/OtherDocuments/AEREGreenFinancingFramework.pdf>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Atrium European Real Estate Green Financing Framework

Sustainalytics is of the opinion that the Atrium European Real Estate Green Financing Framework is credible and impactful and aligns with the four core components of the GBP 2018 and GLP 2018. Sustainalytics highlights the following elements of Atrium's Green Financing Framework:

- Use of Proceeds:
 - The eligible use of proceeds categories, Green buildings, Energy Efficiency, Renewable energy, Waste management, Sustainable water management, Environmentally sustainable management of living natural resources and land use, and Clean transportation are aligned with those recognized by the GBP 2018 and GLP 2018. Sustainalytics considers the eligible projects as contributing to the overall sustainability of the building sector in the Czech Republic and Poland.
 - AERE intends to finance the acquisition or development of energy efficient buildings, as well as refurbishments. Certified green buildings must meet a minimum certification level of BREEAM "Very Good" or above.⁵ Sustainalytics positively underlines the contribution of these projects to the improvement of buildings carbon emissions intensity. In addition, regarding refurbishment and renovation activities, the Company aims at reducing buildings energy consumption by 20%⁶ compared to current level or achieve a two letters improvement in Energy Performance Certification ("EPC") levels. Measures include LED lighting, efficient building management systems and smart meters. Sustainalytics acknowledges that these technologies, have the potential to improve energy use efficiency. Also, AERE intends to install co/tri-generation plants to generate electricity, heat and cool. Sustainalytics positively notes that Atrium's Framework explicitly excludes the financing of assets that directly use fossil fuels as a source of energy.
 - Renewable energy financing may include the installation solar PV technology and related infrastructure for solar PV across building management systems. Sustainalytics positively acknowledges the contribution of solar technology to the reduction of buildings' carbon emissions.
 - AERE may use part of the proceeds to improve waste management within its facilities through, for example, the introduction of separate recycling bins. Sustainalytics notes the positive contribution of recycling and adequate disposal to mitigate the environmental impacts of waste.
 - Within the sustainable water management category, Atrium may finance the installation of technologies that can reduce water consumption and monitor efficiency e.g. automatic tap water sensors, grey water tanks. Sustainalytics acknowledges the positive environmental impact of water reduction projects and activities and encourages the Company to report on water savings achieved from the financed projects.
 - As part of the Environmentally sustainable management of living natural resources and land use, Atrium may use part of the proceeds to install green roof gardens, beehive rooftop installations and artificial nesting sites for birds. Sustainalytics positively views the "greening" of buildings and encourages the Company to report on financed projects and activities.
 - Under the Clean transportation category, Atrium may finance electric vehicles ("EVs") infrastructure and low impact means of transportation infrastructures e.g. cycling parking. Sustainalytics underlines the potential positive outcomes of these projects in terms of modal shifting towards clean transportation.
 - Sustainalytics notes that Atrium has established a 36-month lookback period.
- Project Evaluation and Selection:
 - Atrium's internal process in evaluating and selecting projects is managed by the Sustainability Committee (the "Committee"), which is comprised of members from the Group Executive Management Team, Senior Managers responsible for Asset Management, HR and Operational Centre Management. On an annual basis, the Committee will recommend screened projects to the Group Executive Management Team, which will also review eligible assets annually. Once eligible projects are approved, Atrium's Finance Department will track the proceeds using a green financing instruments register, which is due to be reported to Atrium's Board of Directors on a biannual basis. In addition, the allocation timeframe is set to be 36 months. Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:

⁵ For Sustainalytics' assessment of BREEAM certification schemes, please refer to Appendix 1.

⁶ Best practice is 30%.

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- Atrium's processes for management of proceeds is handled by Atrium's Group Finance Department. Atrium will establish a Green Financing Instruments Register to monitor eligible projects and the allocation of an amount equivalent of the net proceeds to the projects; the Register will be reported to Atrium's Board of Directors on a semi-annual basis. Green financing instruments will be managed on a portfolio level, which means that they will not be linked directly to eligible projects. Atrium is committed to ensuring that the asset value of eligible projects will match or exceed the amount of outstanding green financing instruments. Unallocated proceeds are due to be allocated in accordance with Atrium's normal liquidity management policy. Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Atrium intends to report on allocation of proceeds on its website, on an annual basis, until full allocation. The report will include amount of outstanding green finance instruments, number of eligible projects in the register, list of eligible projects, share of certified buildings as % of total portfolio value, and share of financing vs. refinancing. In addition, Atrium is committed to reporting on relevant impact metrics, such as type of certification and degree for green buildings, energy performance of buildings (kWh/m²), buildings GHG emissions (tCO₂), added renewable energy capacity (MWh p/a) and amount of water recycled and/or reduced (liters). Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2018

Sustainalytics has determined that Atrium's green bond and loans align to the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance and Strategy of the Issuer

Contribution of framework to Atrium's sustainability performances and strategies

Atrium's sustainability vision is guided by three pillars: Our Customers, Our Places and Our People.⁷ The Company uses these pillars to guide its environmental impact reduction while increasing its social and economic impact. Regarding this Framework, the projects and activities financed will primarily be aimed at achieving the strategy and targets related to Our Places pillar. In the Company's most recent sustainability report, which was released in 2017, the following sustainability commitments and progress were made:⁷

- Reduce environmental impact
 - Atrium aims to optimize energy and carbon intensity by 10% between 2016-2020, on a like-for-like basis. Between 2016 and 2017, the Company was able to decrease total energy consumption from all sources by approximately 3.1% and its total direct and indirect GHG emissions by 4%.
 - The Company aims to reduce water intensity by 10% between 2015-2020 by incorporating water efficiency measures including dual flush toilets, landscaping that does not require a lot of water and actively monitoring water consumption to identify any abnormal consumption and/or leakages. In 2017, the Company reported an increase of 0.8% in water consumption.
- Develop sustainable assets
 - In the short-term, the Company aims to achieve 30% of its total portfolio value to be certified to BREEAM "Very Good" or higher within 18 months of issuance and, in the long-term (3-5 years) the Company aims to achieve 50% of its existing portfolio and every major new development to BREEAM "Very Good" or above.⁸

In addition to the above performance and targets, Atrium introduced a sustainable procurement policy and has begun to target opportunities for improved waste management at Atrium's facilities through the introduction of separate waste bins for recycling. Sustainalytics positively acknowledges that Atrium has disclosed its environmental performance as of 2017 and actively pursues international recognized certifications for its properties.⁷ However, Sustainalytics notes that the Company has not established quantitative, time-bound targets for all relevant ambitions. Atrium has indicated to Sustainalytics that revised sustainability targets will be released in the first half of 2020. Based on the above, Sustainalytics is of the opinion that the projects and activities financed from the Framework will contribute to the Company's long-

⁷ Atrium, "Sustainability Report 2017", (2018), at: https://www.aere.com/files/2017_SUSTAINABILITY_REPORT.pdf

⁸ Atrium European Real Estate Green Financing Framework

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term sustainability commitments and encourages the Company to release up-to-date environmental performance data.

Well positioned to address common environmental and social risks associated with the projects

While the eligible categories are aligned with those recognized by the GBP and GLP 2018, Sustainalytics also recognizes that the eligible projects and activities have associated environmental and social risks such as workers' health and safety, land-use change, and stakeholder engagement. Sustainalytics highlights the following measures that Atrium has taken in order to mitigate potential risks:

- Atrium has implemented a Health and Safety Policy which consists of emergency evacuation plans, trained emergency response officers, and clear instructions on illness response procedure. Health and safety assessments are performed annually through internal assessments, with indicators published in annual reporting.⁷
- Atrium has implemented an Environmental Management System that is aligned with ISO 14001,⁹ which provides guidance for corporates to improve its environmental performances and fulfill compliance obligations from defining objectives, measurement setting, performance improvement action planning, to reporting procedures.
- Sustainalytics notes that the national regulations for occupational health and safety in both Poland and Czech Republic are based on European Agency for Safety and Health at Work for its workers' health and safety policy. The basis of the regulations covers the establishment of unionized organization that oversee employee health and safety on an organization level, the tasks and rights of the employees, trainings and resources.¹⁰

Based on the above, Sustainalytics is of the opinion that Atrium has adequate policies and procedures in place to mitigate environmental and social risks commonly associated with its financing under its Green Financing Framework.

Section 3: Impact of Use of Proceeds

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

Importance of green buildings in the Czech Republic and Poland

According to eurostat, GHG emissions per capita (tonnes of CO₂eq/capita/year) in Czech Republic and Poland were 12.3 and 11.0 in 2017, respectively, compared to the average emissions per capita across the EU, which is approximately 8.8.¹¹ As such, it is evident that significant reductions in emissions are needed to be on par with Europe, and more broadly to meet the objectives of the Paris agreement.

The Ministry of Environment of the Czech Republic, in their 2017 *Climate Protection Policy of the Czech Republic*, outlines a strategy and plan for climate protection to 2050. As outlined in the report, combustion of fossil fuels for energy (including transportation, buildings, etc.) represent a significant share (more than 82%) of total GHG emissions in the country. The policy sets out both primary emissions targets (to 2020 and 2030) and long-term indicative emissions reduction targets (to 2040 and 2050). While the Czech Republic has a higher level of CO₂eq compared to the EU, the aggressive trajectory of reduction targets is projected to lead to an 80% reduction in emissions compared to 1990 levels by 2050, putting the Czech Republic in line with EU figures. As noted in the policy report, final energy consumption, including the energy performance of buildings, plays a key role in helping to meet these targets.¹² To demonstrate support for companies' transition towards energy efficient and sustainable buildings, the establishment of *Czech Green Building Council* in 2009 was put in place to provide guidance for compliance to international certification standards.¹³

Poland's GHG emissions are higher than the EU average on both a level and intensity basis. Poland was one of the top 5 emitters across the 28 member states in 2017, largely due to its reliance on coal and lignite for energy generation. In 2015, coal and lignite generated the vast majority (more than 90%) of electricity in the

⁹ ISO 14001:2015 Environmental Management Systems – Requirements with Guidance for Use. To be accessed at: <https://www.iso.org/standard/60857.html>

¹⁰ L. Fulton (2018) Health and Safety Representation in Europe. Labour Research Department and European Trade Union Institute. Further details to be accessed at: <https://www.worker-participation.eu/National-Industrial-Relations/Across-Europe/Health-and-Safety2>

¹¹ European Commission (eurostat): https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=t2020_rd300

¹² Climate Protection Policy of the Czech Republic (2017), Ministry of the Environment of the Czech Republic. To be retrieved from: https://unfccc.int/files/na/application/pdf/cze_climate_protection_policy_summary.pdf

¹³ Czech Green Building Council. Further information to be accessed at: <https://www.czqbc.org/en/about-us>

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country.¹⁴ Although Poland rejected the *European Green Deal* which aims to achieve climate neutrality for Europe by 2050, Poland submitted a final NECP (national energy and climate plan) in 2019 that commits to a 7% reduction in greenhouse gas emissions by 2030 compared to 2005 levels for sectors not covered by the EU Emissions Trading System (non-ETS sectors), and a 23% increase in energy efficiency (or 23% reduction of primary energy consumption) by 2030.¹⁵ As noted in the plan, Poland intends to provide more information and clarity around measures for reductions in those sectors not covered by the EU ETS including buildings, agriculture, land use change, among others. However, it appears evident that there is recognition that buildings can play a role in reducing energy consumption in the country. Furthermore, as identified by the International Finance Corporation in a report focusing on Poland, retail buildings, including shopping centres, have the highest potential for green building certification penetration, due to reduced operating costs (i.e. reduced energy).¹⁶ This cost savings potential for building owners and developers, coupled with Poland's national commitment to reduce energy consumption in the buildings sector demonstrates the importance of internationally certified green buildings in Poland. In addition, Poland has established the *Polish Green Building Council* in 2008 in order to promote, support and provide guidance following the international green building certifications such as LEED, BREEAM among others.¹⁷

Based on the local context in Poland and Czech Republic, Atrium's financing of green buildings that are compliant to international green building certifications and/or achieve specific energy savings thresholds through renovation and refurbishment will further advance and support the national CO₂ emissions reductions targets in both countries. As such, Sustainalytics views Atrium's use of proceeds as relevant and impactful in the contexts of Poland and Czech Republic.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This Framework advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Energy efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Renewable energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Waste management	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Sustainable water management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Environmentally sustainable management of living natural resources and land use	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources
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

¹⁴ Poland's Transition to a Cleaner Economy (2018), Environmental and Energy Study Institute. Further details to be accessed at: <https://www.eesi.org/articles/view/polands-transition-to-a-cleaner-economy>

¹⁵ Executive Summary of Poland's National Energy and Climate Plan 2021-2030: https://ec.europa.eu/energy/sites/ener/files/documents/pl_final_necp_summary_en.pdf

¹⁶ Green Buildings Market Intelligence Poland Country Profile (2017), International Finance Corporation (World Bank Group), to be retrieved from: <https://www.edgebuildings.com/wp-content/uploads/2017/09/Poland-Green-Building-Market-Intelligence-EXPORT.pdf>

¹⁷ Polish Green Building Council. Further information to be accessed at: <https://www.czgbc.org/en>

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Conclusion

Atrium has developed the Atrium European Real Estate Green Financing Framework under which it will issue green financing instruments and use proceeds to finance the acquisition, development and refurbishment of green buildings, energy consumption reduction projects, renewable electricity generation, waste management, water efficiency measures, “greening” projects for buildings, and clean transportation. Sustainalytics considers that the projects funded by the green financing instruments proceeds will provide positive environmental impact and contribute to the Company’s internal sustainability targets as well as broader national climate targets.

The Atrium Real Estate Green Financing Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Additionally, Sustainalytics is of the opinion that Atrium has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Atrium is well-positioned to issue green financing instruments and that the Atrium Real Estate Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018.

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Appendix 2: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	Atrium
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Atrium Real Estate Green Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	14 February 2020
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Atrium European Real Estate Green Financing Framework

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible use of proceeds categories Green buildings, Energy efficiency, Renewable energy, Waste management, Sustainable water management, Environmentally sustainable management of living natural resources and land use, Clean transportation are aligned with those recognized by the Green Bond Principles 2018 and Green Loan Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 11 and 12.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Waste management |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Atrium's internal process in evaluating and selecting projects is managed by Atrium's Sustainability Committee (the "Committee"), comprised of member from the Group Executive Management Team and senior managers responsible for Asset Management, HR and Operational Centre Management. The Committee will review eligible projects on an annual basis. Atrium has established a 36 months allocation timeframe. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

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- | | |
|--|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Atrium's processes for management of proceeds is handled by Atrium's Group Finance Department. Atrium will establish a Green Financing Instruments Register to monitor eligible projects and the allocation of an amount equivalent of the net proceeds to the projects. Unallocated proceeds are due to be allocated in accordance with Atrium's normal liquidity management policy. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Atrium intends to report allocation proceeds on its website on an annual basis until full allocation. Indicators reported include amount of outstanding green finance instruments, number of eligible projects in the register, list of eligible projects, share of certified buildings as % of total portfolio value, and share of financing vs. refinancing. In addition, Atrium is committed to reporting on relevant impact metrics. Sustainalytics views Atrium's allocation and impact reporting as aligned with market practice.

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Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): amount of outstanding green finance instruments, number of eligible projects in the register, list of eligible projects, share of certified buildings as % of total portfolio. | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): type and degree of buildings certification, energy performance for buildings (kWh/m ²), GHG emissions for buildings (tCO ₂ e), renewable energy capacity added/rehabilitated (MWh p/a), and amount of water recycled and/or reduced (liters) |

Means of Disclosure

- | | |
|--|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
|--|--|

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Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

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