

## SECOND PARTY OPINION (SPO)

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Sustainability Quality of the Issuer and the Green Bond Asset Pool

Canary Wharf Group Investment Holding PLC  
16 March 2021

### VERIFICATION PARAMETERS

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Type(s) of instruments contemplated	<ul style="list-style-type: none"><li>• Green Bond</li></ul>
Relevant standards	<ul style="list-style-type: none"><li>• ICMA Green Bond Principles</li></ul>
Scope of verification	<ul style="list-style-type: none"><li>• Canary Wharf Group Investment Holding PLC Green Bond Framework (as of March 2021)</li><li>• Canary Wharf Group Investment Holding PLC Green Asset Pool (as of 10.02.2021)</li></ul>
Lifecycle	<ul style="list-style-type: none"><li>• Pre-issuance verification</li></ul>
Validity	<ul style="list-style-type: none"><li>• As long as no material changes are made to the framework. ISS ESG has provided a pre-issuance verification on the portfolio of the Issuer at the date of this SPO.</li></ul>

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## SCOPE OF WORK

Canary Wharf Group Investment Holding PLC ( “the issuer” and together, with its subsidiaries, “CWG”) commissioned ISS ESG to assist with its Green Bond by assessing three core elements to determine the sustainability quality of the instruments:

1. Green Bonds link to CWG’s sustainability strategy – drawing on CWG’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. CWG’s Green Bond Framework (March 2021) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
3. The Green Asset Pool – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

## ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>1</sup>
<p><b>Part 1:</b></p> <p><b>Green bonds link to issuer's sustainability strategy</b></p>	<p>CWG is a real estate company that develops, manages and owns interests in approximately 8 million square feet of office, retail and residential space across London.</p> <p>Recognizing that buildings account for a comparably large share of man-made CO<sub>2</sub> emissions, CWG is committed to transitioning to net zero operations by 2030 and has developed a climate strategy based on science-based targets required to limit global warming to 1.5°C as well as a corresponding action plan.</p> <p>ISS ESG finds that the Use of Proceeds financed through this framework are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing green bonds is clearly described by the issuer.</p>	<p><b>Consistent with issuer's sustainability strategy</b></p>
<p><b>Part 2:</b></p> <p><b>Alignment with GBPs</b></p>	<p>The issuer has defined a formal concept for its green bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles.</p>	<p><b>Positive</b></p>
<p><b>Part 3:</b></p> <p><b>Sustainability quality of the green asset pool</b></p>	<p>The overall sustainability quality of the green asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Green Bond will (re-)finance eligible asset categories which exclusively include green buildings. Under its framework, the issuer has also selected other use of proceeds categories: renewable energy and clean transportation.</p> <p>This use of proceed category has a significant contribution to SDG 11 "Sustainable cities and communities". The environmental and social risks associated with the assets have been well managed.</p>	<p><b>Positive</b></p>

<sup>1</sup> ISS ESG's evaluation is based on the CWG's Green Bond Framework (February 2021 version), on the analysed Green Asset Pool as received on the 10.02.2021. ISS ESG underwent a controversy screening of the asset pool on the 23.02.2021.

## ISS ESG SPO ASSESSMENT

### PART I: GREEN BONDS LINK TO CWG'S SUSTAINABILITY STRATEGY

#### A. CWG'S INDICATIVE SUSTAINABILITY PROFILE

**Methodological note:** Please note that CWG is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment conducted by the analyst in charge of the Real Estate sector based on publicly available information exclusively. No direct communication between the issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

Sector classification: Real Estate<sup>2</sup>

Key Issues of the sector:

1. Green building considerations
2. Climate protection, energy efficiency and renewables
3. Environmental and social aspects in site selection
4. Worker safety and accident prevention
5. Health and well-being of occupants

Indicative ESG risk and performance assessment:

Canary Wharf Group Investment Holding Plc is a real estate company that develops, manages and owns interests in approximately 8 million square feet of office, retail and residential space across London.

Recognizing that buildings account for a comparably large share of man-made CO<sub>2</sub> emissions, CWG is committed to transitioning to net zero operations by 2030 and has developed a climate strategy based on science-based targets required to limit global warming to 1.5°C as well as a corresponding action plan.

More specifically, the company commits to reduce absolute scope 1, 2 and 3 GHG emissions from downstream leased assets by 65% until 2030 based on 2017 levels. Furthermore, CWG commits that 60% of its suppliers will have science-based targets by 2025. The company reduced overall emission by 34% since 2012 and refers to 100% of electricity consumption generated from renewable sources in all managed assets. The company has also set targets to support tenants with switching to renewable energy.

In order to make its property portfolio more energy efficient, CWG refers to measures taken related to building and equipment upgrades.

With regard to environmental and social aspects of site selection, the company carries out biodiversity action plans, conducts biodiversity impact assessments and sets site-specific biodiversity targets and objectives. These biodiversity action plans also include the identification and implementation of mitigation measures, as well as the monitoring and evaluation of such measures.

<sup>2</sup> According to ISS ESG's classification methodology.

Tenant health and well-being aspects are enhanced in line with the company's biodiversity action plans by providing green space to tenants.

The company has implemented an occupational health and safety management system certified to OHSAS 18001. CWG also discloses data with regard to occupational injuries and illness of contractors.

Indicative Product portfolio assessment:

- **Social impact of the product portfolio<sup>3</sup>:** The company generates a minor share of revenues from the management of affordable and intermediate residential properties (rental income), which is considered as a basic service. A residual share of revenue is related to the development of positive social impact buildings such as education and healthcare.
- **Environmental impact of the product portfolio:** The company refers to 100% of developments in 2019 achieving BREEAM certification. Furthermore, some developed buildings are also certified to the Code for Sustainable Homes. At the time of this report, 68%<sup>4</sup> of CWG's total assets were rated 'Pass' or greater by sustainability certifications, showcasing that the company's assets have a significant positive environmental impact.

**Controversy assessment:** A controversy assessment was conducted by the analyst in charge of this report based on publicly available information. The assessment did not reveal any controversy that can be directly attributed to the issuer.

## B. CONSISTENCY OF GREEN BONDS WITH CWG'S SUSTAINABILITY STRATEGY

### *Key sustainability objectives and priorities defined by the issuer*

In 2019, CWG has re-assessed its sustainability risks and have identified six material risks to the organization:

- Climate change: Not addressing corporate responsibilities and missing long-term local and global requirements
- Unethical supply chain: Reputational damage resulting from unethical local or global suppliers
- Resource scarcity: Failure to recognise that waste is a resource and to capitalise on significant benefit available to the Group
- Unhealthy built environment: Failure to demonstrate 'wellness' of the Estate
- External stakeholders' perceptions: Failure to engage our stakeholders effectively on sustainability to maximize outcomes
- CWG sustainability awareness: Failure to appropriately address emerging sustainability trends and opportunities, which impact the Group

<sup>3</sup> Further social initiatives are undertaken by the company that can be found on its website: <https://sustainability.canarywharf.com/better-community/>

<sup>4</sup> Defined by net internal area

In order to address these risks and to continue to address its impacts throughout its operations, CWG has defined the following key sustainability objectives and priorities:

- Climate Action, including the goal to become a zero-carbon business.
- Beyond Zero Waste (Zero waste to landfill from managed operations since 2009)
- Well-being
- Responsible Business

These four focus areas will allow CWG to tackle its biggest environmental impacts and maintain its commitment to ethical and responsible business, by setting long-term goals and targets.

Furthermore, CWG commits to reduce absolute Scope 1,2 and 3 GHG emissions from downstream leased assets by 65% by 2030 from a 2017 baseline. Making CWG the first commercial district in the world to set a collective Science Based Target according to the issuer's statement. This target has been ratified by the Science Based Targets Initiative (SBTi) in June 2020. Additionally, CWG commits that 60% of its suppliers by emissions covering purchased good and services will have Science Based Targets by 2025.

The company's Net Zero Carbon Pathway will act as a roadmap for working with its tenants and suppliers to achieve the target of reaching net zero carbon by 2030. CWG is also the first real estate company to sign The Climate Pledge<sup>5</sup>, a commitment to reach net zero at least ten years ahead of the Paris Agreement.

### *Rationale for issuance*

CWG strives to create sustainable places by improving energy efficiency and reducing carbon emissions in order to combat climate change. The company is committed to transitioning to net zero to support the global decarbonization effort.

As part of its commitment to sustainable development, CWG began certifying buildings under BREEAM in 1998 and have since produced one of the largest environmentally certified footprints in the UK, having developed c10 million square feet of commercial and residential space sustainably certified (BREEAM and Code for Sustainable Homes) – c6.2m sq ft of which remains within its ownership (either fully or partially owned and including properties currently under construction). In addition, and as part of its commitment to responsible purchasing, CWG also target FSC Full Project Certification<sup>6</sup> on all developments.

All proceeds financed under this issuance, will be used to (re)finance green buildings that achieved certifications according to the eligibility criteria as per CWG's green bond framework. Through its long commitment to sustainability, the issuer has built a strong rationale to issue green finance instruments.

### *Contribution of Use of Proceeds categories to sustainability objectives and priorities*

ISS ESG mapped the Use of Proceeds categories financed under this Green Bond Framework with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in

<sup>5</sup> <https://www.theclimatpledge.com/>

<sup>6</sup> <https://www.fsc-uk.org/en-uk/business-area/fsc-certificate-types/project-certification>

the ISS ESG Corporate Rating methodology for the Real Estate sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
<b>Green Buildings</b>	<ul style="list-style-type: none"> <li>• Climate action</li> <li>• Well-being</li> <li>• Beyond waste</li> <li>• Responsible business</li> </ul>	<ul style="list-style-type: none"> <li>• Green building considerations</li> <li>• Climate protection, energy efficiency and renewables</li> <li>• Environmental and social aspects in site selection</li> <li>• Health and well-being of occupants</li> </ul>	Contribution to a material objective
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>• Climate action</li> <li>• Wellbeing</li> <li>• Responsible business</li> </ul>	<ul style="list-style-type: none"> <li>• Climate protection, energy efficiency and renewables</li> </ul>	Contribution to a material objective
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>• Climate action</li> <li>• Responsible business</li> </ul>	<ul style="list-style-type: none"> <li>• Climate protection, energy efficiency and renewables</li> </ul>	Contribution to a material objective

**Opinion:** ISS ESG finds that the Use of Proceeds financed through this framework are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing green bonds is clearly described by the issuer.

## PART II: ALIGNMENT WITH THE GREEN BOND PRINCIPLES (GBP)

### 1. Use of Proceeds

An amount equivalent to the net proceeds from Green Bonds issued pursuant to this Framework will be allocated to finance or refinance a selected pool of new and existing assets that promote the transition to low-carbon and climate resilient growth and which meet the criteria outlined below (“Green Asset Pool”).

In addition, each category has been identified by the issuer as aligning with the applicable Sustainable Development Goal (“SDG”).

#### *Eligibility Criteria*

GBP ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA AND EXAMPLE PROJECTS	GREEN ASSET POOL
<b>Green Buildings</b>	<p>1) New or existing commercial and/or residential buildings owned and managed by CWG that have received the below certifications:</p> <ul style="list-style-type: none"> <li>• Building Research Establishment Environmental Assessment Method (<b>BREEAM</b>): Outstanding, Excellent or Very Good;</li> <li>• Leadership in Energy and Environmental Design (<b>LEED</b>): Platinum or Gold;</li> <li>• Energy Performance Certificate (<b>EPC</b>): B rating or above;</li> <li>• Code for Sustainable Homes (<b>CfSH</b>): Level 4 or above;</li> <li>• Other equivalent internationally and/or nationally recognized certifications.</li> </ul>	<p><b>100%</b></p> <p><i>£3.5Bn certified buildings and £0.7Bn under construction<sup>7</sup></i></p>

<sup>7</sup> At the time of this SPO.

<p><b>Renewable Energy</b></p>	<p>New or existing investments in or expenditures on the acquisition, development, construction and/or installation of renewable energy such as wind and solar. Renewable energy can include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• On-site solar energy projects;</li> <li>• Purchase Power Agreements (PPAs) which are project-specific and with a long-term maturity greater than 15 years.</li> </ul>	<p><b>0%</b></p>
<p><b>Clean Transportation</b></p>	<p>Investments related to energy efficient low carbon transport, such as:</p> <ul style="list-style-type: none"> <li>• Implementation of infrastructure to support clean transportation including, but not limited to, electric vehicle charging stations</li> </ul>	<p><b>0%</b></p>

Collectively, the assets in the above categories will form the Green Asset Pool. Assets will be recognised at their market value and shall qualify for refinancing without a specific look-back period. Expenditures (if any) shall qualify for refinancing with a maximum three-year look-back period before the issuance of the Green Bond.

**Opinion:** ISS ESG considers the Use of Proceeds description provided by CWG’s Green Bond Framework as complete and aligned with the Green Bond Principles (GBPs). Environmental benefits are clearly described, and the eligible categories are aligned with the broader sustainability strategy of the issuer.

## 2. Process for Project Evaluation and Selection

CWG has set up a Green Bond Committee (“Committee”) to oversee the project evaluation and selection process and ensure selected projects comply with the eligibility criteria defined in the Use of Proceeds section and with CWG’s corporate responsibility strategy.

The Committee will be chaired by the CFO and furthermore composed of representatives from each of CWG’s Sustainability, Funding, Design Operations and Construction teams, and will meet twice per year. The Green Bond Committee will be responsible for:

- Reviewing and approving the selection of projects for the Green Asset Pool based on the selection criteria defined in the Use of Proceeds;
- Monitoring the Green Asset Pool, throughout the life of the Bond(s);
- Removing from the Green Asset Pool any projects that no longer meet the eligibility criteria, and replacing them with new projects as soon as feasible;
- Reviewing and validating the annual report for investors and external verification.

**Opinion:** ISS ESG considers the description of the Process for Project Evaluation and Selection provided by CWG's Green Bond Framework as aligned with the GBPs. Through the creation of a Green Bond Committee, CWG is ensuring that relevant and diversified internal stakeholders are involved in this process. CWG is setting a structured and transparent project selection process, including monitoring for eventual changes.

### **3. Management of Proceeds**

CWG's Sustainability team will establish a Green Bond Register for the purpose of recording the assets and projects in the Green Asset Pool.

It is CWG's intention to maintain an aggregate amount of assets in the Green Asset Pool that is at least equal to the aggregate net proceeds of all Green Bonds that are concurrently outstanding. However, there may be periods when a sufficient aggregate amount of assets have not yet been allocated to fully cover an amount equal to the net proceeds of all outstanding CWG Green Bonds, either as the result of changes in the composition of the Green Asset Pool or the issue of additional CWG Green Bonds. Any such portion of the net proceeds that have not been allocated to the Green Asset Pool will be maintained in cash and cash equivalents.

Payment of principal and interest on the Green Bonds will be made from CWG's general funds and will not be directly linked to the performance of the Green Asset Pool.

**Opinion:** ISS ESG finds that Management of Proceeds proposed by CWG's Green Bond Framework aligns with the GBPs. CWG has implemented tools enabling the group to efficiently track the allocated and non-allocated proceeds.

### **4. Reporting**

Within one year from issuance of any Green Bond and annually until full allocation CWG will prepare and make readily available information on the allocation of net proceeds to the Green Asset Pool and associated impact metrics. The information will be made available on CWG's corporate website and/or within its Sustainability Report.

#### **Allocation Reporting**

To the extent practicable, the Issuer will provide information such as:

- The total amount of proceeds allocated;
- The share of financing vs refinancing;
- The number of projects and level of certification; and
- The balance of unallocated proceeds.

#### **Impact Reporting**

To the extent possible, CWG plans to report on the environmental impact in aggregate for the Green Bond project categories, together with the aforementioned allocation status in future Green Bond Reports. Examples of possible environmental indicators could include:

- **Green Buildings:**
  - Number and floor space of Green Buildings meeting the eligibility criteria
  - BREEAM certification level (Outstanding, Excellent or Very good)
  - LEED certification level (Gold or Platinum)
  - EPC rating (B or above)
  - CfSH (Level 4 or above)
  - Estimated annual CO<sub>2</sub> emissions avoided (tCO<sub>2</sub>) from CWG's own operations
  - Number of projects receiving FSC Full Project Certification
  
- **Renewable Energy:**
  - Total installed capacity (MW)
  - Estimated annual CO<sub>2</sub> emissions avoided (tCO<sub>2</sub>)
  
- **Clean Transportation:**
  - Number of EV charging stations

In addition, CWG may provide qualitative descriptions of the outcomes and impacts of selected eligible projects funded. Where relevant, information will be provided on the impact assessment and data reporting methodologies applied by CWG.

***Opinion:** ISS ESG finds that the CWG's Reporting description is aligned with the GBPs. The issuer has clearly defined the scope and level to which it will conduct the allocation and impact reporting, reflecting best market practices.*

## External Review

### **Second Party Opinion and Verification**

CWG has appointed ISS ESG to provide an independent Second Party Opinion report on this Framework and a pre-issuance verification report on the Green Asset Pool as at the date of the SPO.

The SPO will be made publicly available on CWG's corporate website at:

<https://group.canarywharf.com/>.

## PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

### A. CONTRIBUTION OF THE GREEN BOND TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Asset Pool and using a proprietary methodology, ISS ESG assessed the contribution of the CWG's Green Bonds to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

<b>Significant Obstruction</b>	<b>Limited Obstruction</b>	<b>No Net Impact</b>	<b>Limited Contribution</b>	<b>Significant Contribution</b>
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The Green Bond's Use of Proceeds category has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<b>Green Buildings</b>	<b>Significant contribution</b>	

### B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE GREEN ASSET POOL

#### Green buildings

As a Use of Proceeds category, green commercial real estate has a significant contribution to the SDG 11 'Sustainable cities and communities', when obtaining sustainability labels taking into account the sustainability envelope of buildings, such as BREEAM. The table below presents the findings of an ISS ESG assessment of the Green Asset Pool against ISS ESG KPIs.

#### ASSESSMENT AGAINST ISS ESG KPI

##### Prerequisite for Green Buildings

- ✓ 100% of assets underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency.

##### Site selection

- ✓ 100% of assets are not located in protected areas. CWG's activity is fully concentrated in the Canary Wharf Estate which is inherently a brownfield site.

- ✓ 100% of assets are located within a maximum of 1 km from one or more modalities of public transport.

#### **Construction standards**

- ✓ 100% of the assets are located in countries, where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions).

72.7% of the fully constructed assets follow sustainable procurement regarding building materials (e.g. recycled materials, third-party certification of wood-based materials). Of the

- ✓ assets included in the current eligible portfolio, comprising of both fully constructed buildings and buildings under construction (for which no information is currently available), 53.3% follow sustainable procurement regarding buildings materials. Furthermore, the issuer has put in place specific guidelines regarding sustainable procurement of materials<sup>8</sup>.

#### **Water use minimization in buildings**

90.9% of the fully constructed assets follow good water use minimization standards in buildings.

- ✓ Of the assets included in the current eligible portfolio, comprising of both fully constructed buildings and buildings under construction (for which no information is currently available), 66.6% follow good water use minimization standards in buildings.

#### **Safety of building users**

- ✓ 100% that provide for measures to ensure operational safety (e.g. emergency exits, fire sprinklers, fire alarm systems).

#### **Sustainability labels / Certificates**

- ✓ 73.3% of the assets obtained a certification or interim certification of BREEAM 'Very Good' or higher and CfSH (level 4 or above). The assets which have achieved this status comprise 100% of the green portfolio. The remaining assets that are currently under constructions are currently in the process of receiving sustainability certifications<sup>9</sup>.

#### **Controversy assessment**

The controversy assessment did not reveal any controversy that can directly be attributed to the issuer.

<sup>8</sup> <https://sustainability.canarywharf.com/better-environment/promoting-responsible-sourcing/>

<sup>9</sup> Only assets that meet the eligibility criteria as per CWG's Green Bond Framework will be included within the portfolio.

## DISCLAIMER

1. Validity of the SPO: As long as no material changes are made to the framework. ISS ESG has provided a pre-issuance verification on the portfolio of the Issuer at the date of this SPO.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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## ANNEX 1: Methodology

### ISS ESG GREEN KPIS

The ISS ESG Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of CWG’s Green Bonds.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

### Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by CWG (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

### Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which CWG’s Green Bonds contributes to related SDGs.

## ANNEX 2: Quality management processes

### SCOPE

CWG commissioned ISS ESG to compile a Green Bonds SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the Green Bond Principles (GBPs) and to assess the sustainability credentials of its Green Bonds, as well as the issuer's sustainability strategy.

### CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles (GBPs)
- ISS ESG KPI set: - Commercial Buildings

### ISSUER'S RESPONSIBILITY

CWG's responsibility was to provide information and documentation on:

- Framework
- Asset pool / Eligibility criteria
- Documentation of ESG risks management at the asset level

### ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bonds to be issued by CWG based on ISS ESG methodology and in line with the ICMA Green Bond Principles (GBPs).

The engagement with CWG took place in February and March 2021.

### ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, contact:

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