Accolade

GREEN FINANCE FRAMEWORK

February 2024

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INTRODUCTION

ABOUT ACCOLADE HOLDING

PARK LUBLIN

Accolade Holding, a. s., and its subsidiaries (which excludes any shares and ownership interests in companies held in any sub-fund of Accolade Fund SICAV p.l.c.) are a group of companies (collectively "the Group" or "Accolade" or "we") providing industrial infrastructure for businesses in Europe. We currently operate in eight European countries, where we develop modern, sustainable infrastructure for leading e-commerce, manufacturing, and logistics brands. Together with our partners, we deliver industrial parks in the Czech Republic, Poland, Germany, Spain, Slovakia, Netherlands, Croatia and Hungary, pursuing an eco-friendly approach to the environment, proven by Green Building Certification Systems.

Apart from implementing projects in new locations, we also make long-term investments in the revitalization of neglected brownfields. These are often promising locations for future tenants because, due to their industrial history, they have good technological, energy and transport infrastructure. We draw on tradition and redefine it, which is why we can create new business opportunities and make these regions a better place to live. By 2023, close to one million square meters of brownfields had been revitalized by Accolade.

Over the course of our more than twelve years in business, Accolade have built a portfolio of commercial properties with an area of nearly 3 million square metres (GLA) as of 2023. We are planning on staying on the growth path in the most sustainable way possible while also creating societal benefits.

Accolade is focused on creating environmentally conscious portfolios in the real estate industry with green building certifications as a standard, such as BREEAM or DGNB. These certifications evaluate various aspects, including energy use, health and wellbeing, pollution, transport, water, materials, waste, ecology, and resilience.

These certifications underscore the robust sustainability initiatives implemented in the past at the Cheb South, Stribro, and Szczecin industrial parks. Szczecin industrial park holds the distinction of being the first project in Poland's industrial and logistics construction sector to receive the highest level of BREEAM certification.

Moreover, Accolade's dedication to sustainability can be illustrated by its ability to deliver six buildings that received BREEAM Outstanding certification by the end of 2023. Among these buildings, the facility at the Cheb South industrial park achieved a score of 94.2% according to the BREEAM International New Construction 2016 methodology meaning it is currently the highest-rated green building not only in the Czech Republic, but also in the world based on the methodology. These significant strides solidified Accolade's commitment to championing environmentally friendly practices within the sector of industrial real estate.

PARK BRNO AIRPORT

PARK KOJETÍN

OUR APPROACH TO SUSTAINABILITY

PARK TEPLICE SOUTH

Accolade's ESG strategy is centered around 3 pillars: Governance, Environment and People & Prosperity.

Through focusing on material topics in each pillar we try to protect the environment and create positive impacts for society (including our employees), while always being transparent and fair towards our stakeholders.

Topics associated with material positive or negative impacts are:

- local communities;
- direct and indirect economic value;
- employment, human rights & inclusion, equality;
- climate;
- biodiversity and ecosystems;
- water resources.

ENVIRONMENT

An everyday emphasis on holistic environmental solutions is at the core of our approach at Accolade. Respect for the environment and its protection, not only in the vicinity of our corporate activities and assets, is part of our decision-making. Together with our partners, we have delivered a network of industrial parks. Achieving the highest standard for our tenants and raising their awareness of the principles of sustainability towards a joint increase in our environmental performance is among our highest priorities.

We want to be leaders in our sector, and we are therefore committed to high standards in the environmental aspects of construction. Where possible we prioritise the reclamation of brownfields and the promotion of biodiversity.

We recognise the real impacts we create on the environment, both positive and negative, actual and potential. Knowing our impacts helps us adopt appropriate solutions to eliminate the negative and strengthen the positive. To entrench this approach, we have developed a set of requirements, both internal and partner facing, that aim to allow the alignment of newly developed buildings with EU Taxonomy regulation criteria for a substantial contribution to climate change mitigation.

We focus on the development of modern industrial real estate. All buildings meet strict criteria for modern construction reducing environmental impact, as confirmed by their BREEAM sustainability certification. Thanks to this, our industrial parks also guarantee a high degree of energy self-sufficiency.

Our long-term goal is to reduce the carbon footprint of the industrial properties provided by Accolade. We aim to keep the technical standard of water related solutions and to use best practice technologies for water conservation at the highest possible level, always exceeding market standards for industrial buildings. We will continue our efforts to remove landfill waste disposal methods where possible. Finally, we will keep monitoring and compensating land and biodiversity loss.

PEOPLE & PROSPERITY

At Accolade, we have stood by strong values since our inception, which include being a responsible partner in every way – not only towards our business partners, but also towards our surroundings, our neighbors and people. We feel that we cannot focus purely on performance and growth, and above all we want to develop each other.

Employees are the foundation of our success; therefore, we treat them with care and respect. At Accolade, we hold very strongly to the motto "Because people matter", so we place great emphasis on creating suitable working conditions, the wellbeing of our employees, supporting equal opportunities, and motivating and assisting our employees in their personal development and work/life balance.

We breathe life into the entire region by bringing new modern operations and light manufacturing to various areas; these projects have the potential to boost local economies and stem the drain of skilled labor in these locations. The sites of our investments are unique from the perspective of the countries we invest in – through investments in emerging regions, we provide modern logistics infrastructure that boosts local economies and creates regional economic value.

The added value we generate on the market through our portfolio is important for maintaining economic stability in the regions where we operate. Our network of customers, contractors, tenants, suppliers and business partners add value to our business activities, which serve different people in different areas. This added value helps us to achieve maximum profitability for our stakeholders, and to address our financial obligations.

Engagement with local communities is an important element in identifying their needs and contributing to site development. For this reason, we cooperate with local governments and support amenities for people and local development wherever we operate.

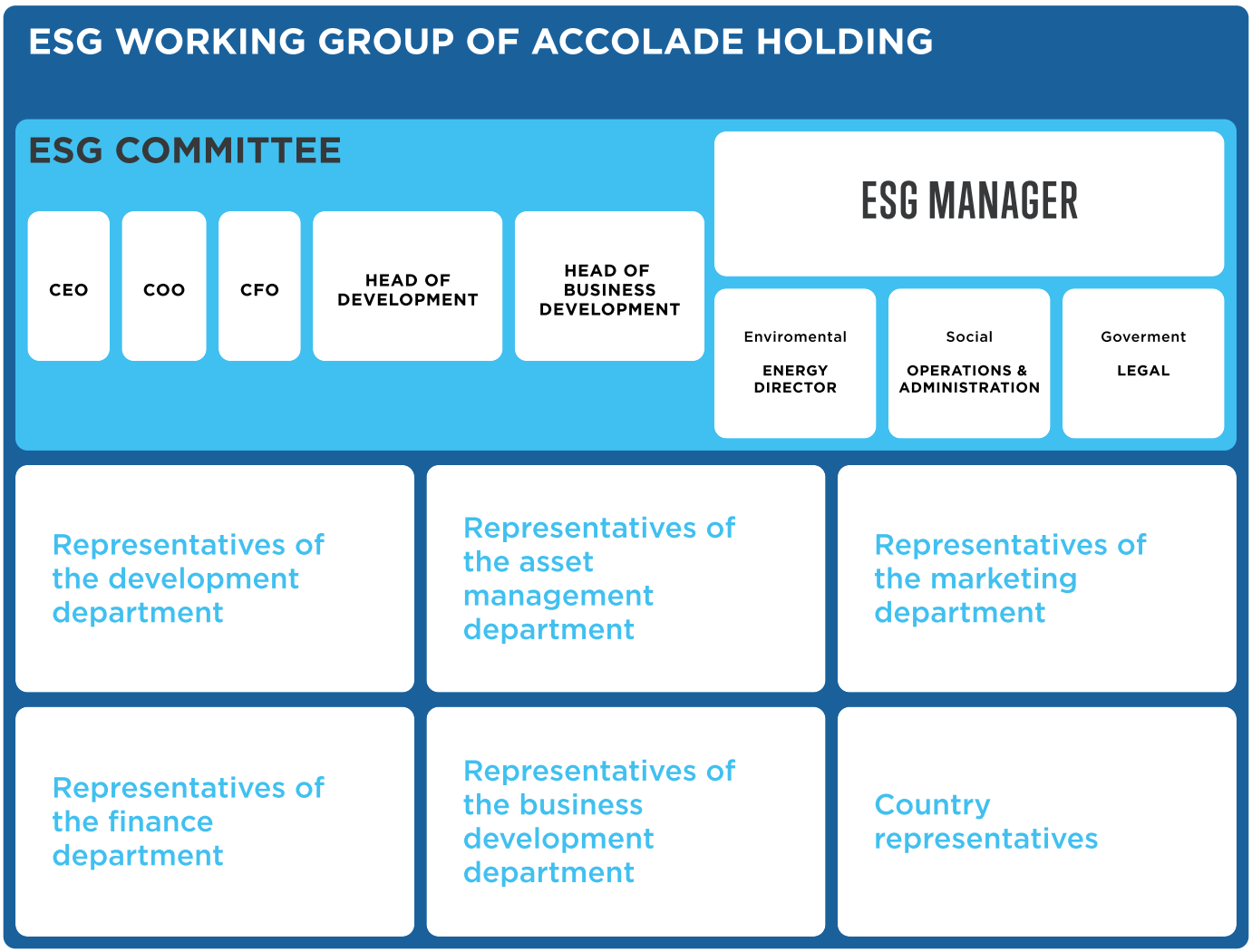
PARK BRNO AIRPORT

GOVERNANCE

Ever since Accolade has been in business, we have shown firm commitment to performing our activities responsibly and with an emphasis on the clear rules of operation, management principles and values that are always at the core of our corporate decisions. Over the years we have established several committees in order to monitor our compliance performance. Accolade's Board of Directors established an expert ESG committee in early 2020 to further strengthen our ability to be compliant with environmental, social and governance regulations. In 2022, the structure of the ESG Committee was updated and improved to better monitor and fulfil Accolade's sustainable performance.

The Committee comprises top management from Accolade, and is headed by its CEO (Chairman of the ESG Committee), COO (Vice Chairman of the ESG Committee), CFO, Head of Development, Head of Business Development, and members responsible for each of the ESG areas – Environmental, Social and Governance. Their activities are coordinated and synchronized by the ESG Manager. Representatives of the Development, Asset Management, Marketing, Finance, and Business Development departments, along with representatives from each country within Accolade and the ESG Committee members, form the ESG working group to cover all material ESG topics and Accolade locations.

Accolade has implemented a special Criminal Compliance Program (CCP) that includes a Criminal Compliance Code and a Code of Ethics. These documents present the measures taken to prevent crime and unethical practices – such measures apply to all individuals working for the Group.



CLIMATE RISK AND VULNERABILITY ASSESSMENTS

To pull together internal sustainability policies Accolade has created a 'White Book' which defines technical and quality specifications and processes, to ensure that sustainability considerations appear on a Group level. As part of constantly upgrading the White Book, we concluded simplified climate risk and vulnerability assessments of average buildings built in line with our technical requirements (in line with the Intergovernmental Panel on Climate Change report, which is based on Intergovernmental Panel on Climate Change Working Group I interactive Atlas, against climate-related hazards from Appendix A of (EU) 2021/2139). Even though we did not identify serious climate-related hazards, we chose to introduce extra requirements towards technical specifications for buildings and development processes (e.g. efficient water fixtures, flood risk assessment at the concept design stage).

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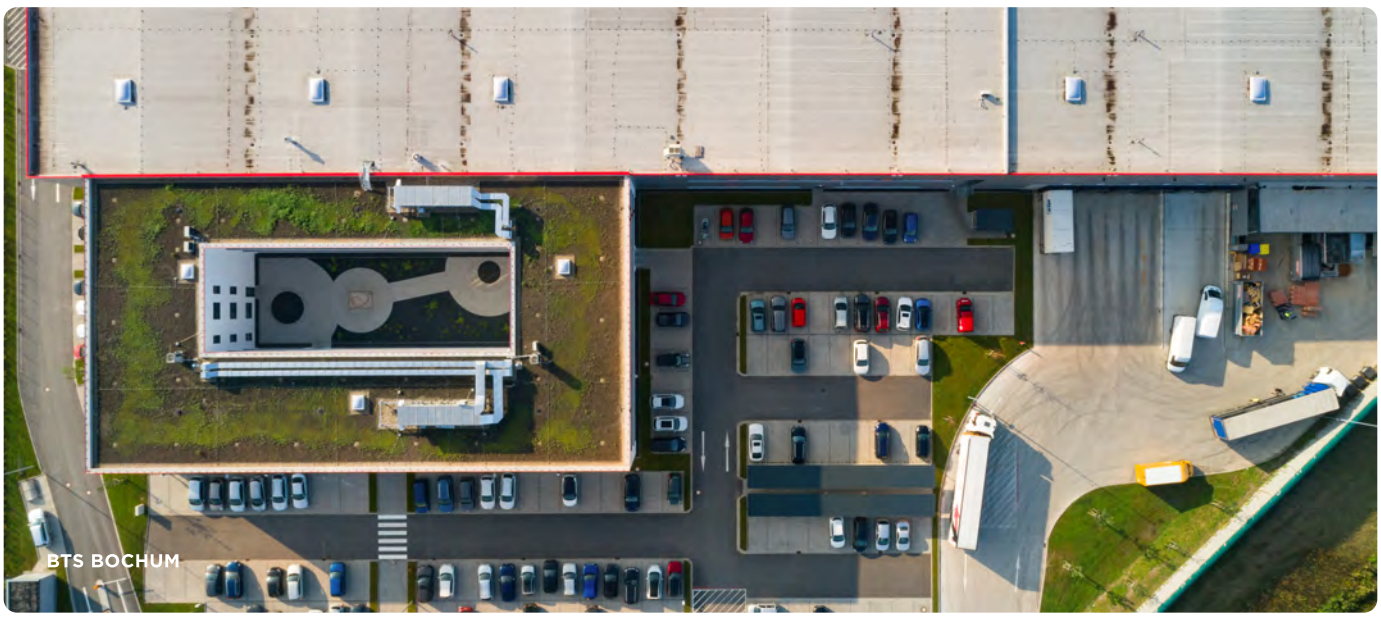

BTS BOCHUM

ACCOLADE'S CONTRIBUTION TOWARDS UN 'SUSTAINABLE DEVELOPMENT GOALS'

Accolade's ESG strategy is aligned with the UN 'Sustainable Development Goals' (SDGs). We identified 6 SDGs that our ESG targets aim at, which are also included in our sustanability report.

GENERAL IMPACT AREAS

Our policies promoting equal employment opportunities are fully in line with applicable legal standards and respect for human rights. Our team is balanced with regards to gender and given the types of employee positions and we are committed to retain gender balance in future.

We prioritize investments in brownfield sites where possible. We are committed to only investing in buildings which do not have a negative impact on biodiversity and are not located in biodiversity-sensitive areas, on arable land, or inforests.

We have a transparent governance structure. We demonstrate a commitment to conducting our business responsibly and with an emphasis on clear operating rules, management principles, and values. As part of our policies, we introduce measures to prevent crime and unethical practices.

INDUSTRY SPECIFIC AREAS

We are delivering buildings that are equipped with the highest technical standard of water related components and which use best practice technologies for water conservation at the highest possible level, always exceeding market standards for industrial buildings.

Our target is to install photovoltaic power plants on the roofs of our assets wherever possible to offer renewable energy to our tenants. By introducing on-site renewable energy sources, we aim to increase energy security across our portfolio and among our tenants.

Our long term target is to develop quality, reliable, sustainable and resilient infrastructure for our tenants as well as to support economic development and human well-being in different regions where we operate.

THE GREEN FINANCE FRAMEWORK

ACCOLADE HOLDING GREEN FINANCE FRAMEWORK

Accolade Holding Green Finance Framework (the ”Framework”) has been established to support Accolade’s ESG strategy.

The Green Finance Framework is fully aligned with:

- the Green Bond Principles (GBP) 2021 with the 2022 June appendix I as administered by the International Capital Market Association (ICMA)[1];
- the Green Loan Principles 2023 (GLP) as administered by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA)[2]; and

The Green Loan Principles and/or Green Bond Principles categories have been aligned with the EU Environmental Objectives as defined in the EU Taxonomy Regulation.

Under the Green Finance Framework, the Group can issue a variety of Green Financing Instruments (”Green Financing Instruments”) to finance or refinance green projects (”Eligible Green Projects”), see the Use of Proceeds section below.

Green Financing Instruments:

- green bonds (including, among other things, hybrid and convertible bonds);
- green loans;
- Schuldschein instruments;
- commercial papers;
- guarantees; and
- letters of credit.

The Green Finance Framework is in alignment with the four Principles of ICMA GBP and GLP:

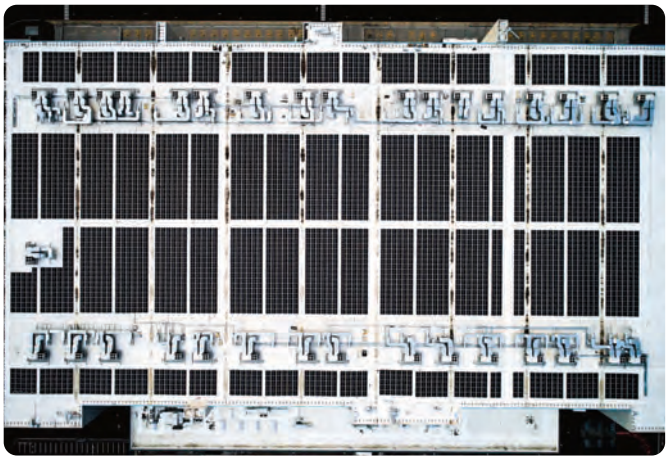
- use of proceeds;
- process for project evaluation and selection+
- management of proceeds;
- reporting.

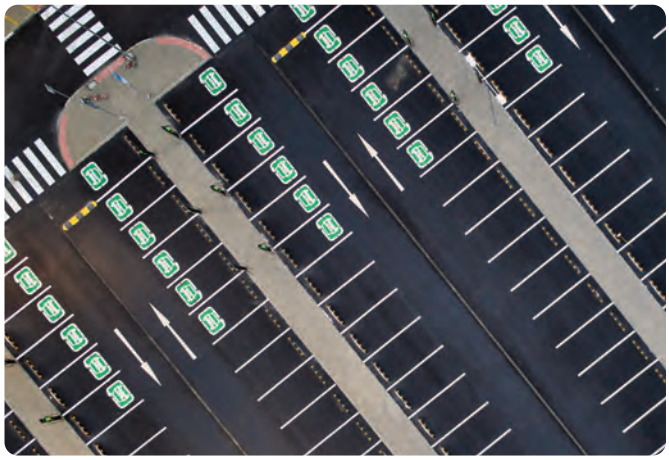
As both the Green Bond/Green Loan Principles and the green financing market overall are evolving quickly, this Green Finance Framework may be further updated or expanded. For the avoidance of doubt, any future changes to the eligibility criteria will not apply to Green Loans that have been allocated using the net proceeds of any Green Finance Instrument issued under this or previous frameworks. Accolade is paying particular attention to market developments on an EU-level and will look to adjust to the best extent possible its framework when the EU Green Bond Standard (EU GBS) become enforceable.

[1] https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf

[2] https://www.lma.eu.com/application/files/8916/9755/2443/Green_Loan_Principles_23_February_2023.pdf

USE OF PROCEEDS





The company aims to allocate net proceeds from Green Financing Instruments to finance and refinance, in part or in full, new and/or existing Eligible Green Projects[3].

Eligible Green Projects will display clear environmental benefits; these are determine by the Green Eligibility Criteria defined in this Green Finance Framework. Green eligibility criteria are determined in alignment with EU Taxonomy. Green proceeds originating from the issued bonds will only be directed towards economic activities that contribute to either climate change adaptation or mitigation. At least one of the sets of adaptation and mitigation criteria must be fulfilled. Activities deemed eligible will be subject to the Technical Screening Criteria (TSC), as well as the Do No Significant Harm (DNSH) and Minimum Social Safeguards (MSS) assessments of the EU Taxonomy. Eligible Green Projects will also contribute to the United Nation's Sustainable Development Goals as listed below.

[3] Assets and capital expenditures shall qualify for refinancing with no look-back period, while operating expenditures shall qualify with a maximum two-year look-back period from the time of issuance.

ELIGIBLE GREEN PROJECT CATEGORIES AS PER ICMA GBP / LMA GLP	ELIGIBLE EU TAXONOMY ECONOMIC ACTIVITY	GREEN ELIGIBILITY CRITERIA	CONTRIBUTION TO EU TAXONOMY ENVIRONMENTAL OBJECTIVE	CONTRIBUTION TO UN SDGS
Green Buildings Renewable Energy	7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.3 Installation, maintenance and repair of energy efficiency equipment 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 7.7 Acquisition and ownership of buildings 7.6 Installation, maintenance, and repair of renewable energy technologies	**Construction of new buildings** • Buildings designed to achieve a net primary energy demand that is at least 10% lower than the threshold required by the Nearly Zero-energy Buildings ('NZEB') in the local market; • BREEAM: Outstanding, Excellent or Very Good; or • As equivalent: WELL (Silver, Gold or Platinum), DGNB (Silver, Gold or Platinum), LEED (Silver, Gold or Platinum), EDGE (Level 1, 2 or 3). **Renovations of existing buildings** • The building renovation complies with the applicable requirements for major renovations[4]; • Alternatively, renovation leads to a reduction of primary energy demand of at least 30%. **Acquisition and owning of existing buildings** • Primary energy demand at least 10% lower than the threshold for Nearly Zero-energy Buildings ('NZEB') in the local market requirements (if built after 31 December 2020); • EPC A or top 15% of the national or regional building stock (if built before 31 December 2020); • BREEAM: Outstanding, Excellent or Very Good; or • As equivalent: WELL (Silver, Gold or Platinum), DGNB (Silver, Gold or Platinum), LEED (Silver, Gold or Platinum), EDGE (Level 1, 2 or 3). **Energy efficiency measures and renewable energy** • Installation of renewable energy and equipment to increase energy efficiency (excluding fossil fuel-powered equipment) such as (but not limited to) solar PV, heat pumps; wind turbines; solar hot water panels; solar transpired collectors; thermal or electric energy storage units; high efficiency micro-CHP; heat exchanger/recovery systems; smart control systems; new windows; new doors; improved thermal insulation; energy efficient lighting; ventilation systems. **Climate adaptation measures to owned existing buildings** • Implementation of adaptation solutions allowing for resilience to physical climate (risks such as drought, flooding, heavy precipitation) such as (but not limited to) upgrade of water fixtures in the building; technical solutions enabling the use of rainwater or graywater; solutions to improve the drainage of water from the roof slope; implementation of solutions that will allow for the management and utilization of surface water runoff and to avoid, reduce or delay the discharge of rainfall to public sewers.	Climate Change Mitigation Climate Change Adaptation	

[4] As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

EXCLUSIONS

There are certain industries the Group would like to distance themselves from to avoid encouragement of grey or controversial activities. The reasoning behind this is to provide additional evidence to stakeholders that the Group has a comprehensive intention to support activities that substantially contribute to ESG aspects. In order to act responsibly and ethically, it is necessary to always act in accordance with the principles of good business practice and in compliance with legislation and international conventions.

None of a project tenants' main business activities shall appear on the following investment restriction list:

- production or trade in any product or activity deemed illegal under relevant legislation or regulations or international conventions and agreements, including without limitation requirements related to environmental, health and safety and labor aspects;
- illegal production or trade in weapons and munitions, including explosives and nuclear weapons;
- production or trade in radioactive materials;
- any business relating to pornography or prostitution, including child pornography;
- illegal drugs, as well as chemicals used to manufacture illegal synthetic drug or drugs;
- human body parts and pathogens;
- trading of animal fur, bones, ivory and protected species;
- cultural objects such as sculptures, statues, antiques, collector items, archaeological pieces or trade in other pieces having historical, cultural and religious significance or of rare scientific value;
- extraction, storage, transport or manufacture of fossil fuels;
- industrial meat production;
- tabacco;
- gambling;
- other activities with detrimental environmental and social effect.

PROCESS FOR PROJECT EVALUATION AND SELECTIONS

GREEN FINANCE COMMITTEE

Accolade Holding established its Green Finance Committee ("GFC") as a decision-making body, responsible for handling matters related to the Green Finance Framework.

The Committee has a cross-functional role to engage members of Accolade Holding regarding ESG matters. Its upmost responsibility is to map green financing possibilities within the Group including potential project evaluation and the selection of green projects, and to establish and implement processes related to the Green Finance Framework.

The Green Finance Committee is subordinate to the CEO of Accolade Holding, with a reporting obligation towards the shareholders of Accolade Holding.

Green Finance Committee sessions are held at least once a year, but meetings can be more regular when it is reasonable. Meetings are summoned by the Chair of the Committee. Meetings are recorded in meeting minutes by a dedicated Secretary.

Green Finance Committee meetings are focused on green financing matters, including the evaluation and selection of projects that could be eligible for green financing, as well as the implementation of processes ensuring alignment with the Green Finance Framework.

Decisions are reached by simple majority voting. Results of the voting are considered valid if at least 80% of the permanent members with voting rights are present at the meeting. Temporary members of the committee do not participate in the decision-making process but can actively influence the topic discussion held before the voting, and therefore form an opinion on the subject matter.

ESG strategic goals are incorporated into green financing decisions to establish synergies among corporate goals. Subsidiaries of Accolade Holding can propose topics and potential green projects for discussion to the Green Finance Committee.

The Committee has the following Members with voting rights:

- Chair of the Committee – CEO;
- Vice Chair of the Committee – COO;
- Chief Financial Officer.
- Representatives of:
  - ESG Department;
  - Development Department;
  - Business Development Department;
  - Energy Department;
  - HR Department;
  - Legal Department.

The Committee is responsible for:

- Evaluation of proposed green projects to be financed through Green Financing Instruments.
- Evaluation and assessment of the environmental, social and governmental risks related to proposed green projects.
- Evaluation of the compliance of proposed projects with the eligibility criteria defined in the Green Finance Framework.
- Selection of Eligible Green Projects to be financed in alignment with the Green Finance Framework.
- Mitigation of risks related to the eligible projects, if meaningful environmental or social risks are identified.
- Implementation of relevant risk management procedures for ESG risk mitigation related to green financing.
- Observing developments in the sustainable financing markets and approving updates to this Green Finance Framework accordingly to reflect changes in the corporate strategy or market developments.

MANAGEMENT OF PROCEEDS

TRACKING OF NET PROCEEDS

The net proceeds of the Green Financing Instruments, or an amount equal to these net proceeds, will be credited to a sub-account.

The proceeds of Green Financing Instruments will be managed per instrument (instrument-by-instrument approach).

The Green Finance Committee is responsible for the transparent allocation of proceeds in alignment with the Green Finance Framework. It will monitor the compliance of financed green projects with the Green Eligibility Criteria set out in the Green Finance Framework. In order to do so, it will track the data collection related to the Eligible Green Projects and regularly revise the pool of eligible projects. In addition, starting one year after the issuance of any Green Financing Instrument, an independent external auditor will verify the internal tracking method and allocation of the funds until full allocation of the outstanding Green Financing Instruments, confirming that an amount equal to the net proceeds of the Green Financing Instruments has been allocated in compliance with the Use of Proceeds criteria set forth in this Green Finance Framework.

The Committee is responsible for:

- Transparent allocation of proceeds in alignment with the Green Finance Framework.
- Monitoring compliance of financed green projects with the eligibility criteria and other relevant criteria set out in the Green Finance Framework.
- Tracking data collection related to the Eligible Green Projects.
- Validation and monitoring of annual reporting in alignment with the Green Finance Framework.
- Replacing projects that no longer meet the Eligible criteria or due to any divestments.

TEMPORARY HOLDINGS

The unallocated proceeds generated from Green Financing Instruments may be temporarily deposited in the liquidity reserve or allocated to any other business activities, which shall not be associated with carbon-intensive or controversial activities according to exclusion criterias, and managed in accordance with principles set out in the Green Finance Framework. These proceeds shall be fully allocated within 24 months.

REPORTING

The Green Finance Committee will create annual allocation (until full allocation of the proceeds) and impact reports which will include selected KPIs to measure performance on a consistent basis.

The Committee will establish data collection and reporting procedures and will maintain up-to-date data on the environmental impact of financed green projects. In case the reporting market standards changes, the Committee will change the reporting procedures accordingly. The documentation related to the issuance and allocation of Green Finance proceeds will be published on Accolade's website, which will serve as the main platform for communication with stakeholders and investors.

ALLOCATION REPORT

The allocation report will include the following information:

- Total amount of Green Financing Instruments issued.
- Description and current status of Eligible Green Projects that were financed from net proceeds in the given period.
- Total amount of allocated net proceeds per Green Project category and Eligible Project.
- Total amount of unallocated net proceeds.

The allocation report shall be verified by a third party.

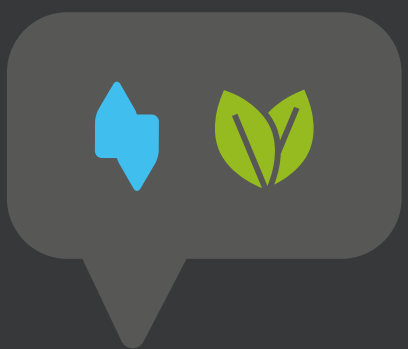
IMPACT REPORT

The Group will define KPI's to measure the environmental performance of each Eligible Project Category stated in the Use of Proceeds section. Where relevant data availability allows, the KPI's will be defined in alignment with the Harmonised Framework for Impact Reporting by the ICMA, which will be included in the Impact Report. Calculation and data collection methodologies used during the process will be detailed in the Report, as will the final conclusions regarding the actual environmental and social impacts.

Impact reporting will be based on the following impact indicators (if applicable):

ELIGIBLE PROJECT CATEGORY	INDICATOR USED
Green buildings	**Carbon reduction** - Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent. **Energy performance** - Percentage of energy use reduced/avoided. **Green building certificates** - Level of certification by building. **Climate change adaptation** - Information on the type of physical climate risk mitigated.
Renewable energy	- Annual GHG emissions reduced/avoided in tonnes of CO_2 equivalent. - Annual renewable energy generation in MWh/ GWh (electricity) and GJ/TJ (other energy). - Capacity of renewable energy plant(s) constructed or rehabilitated in MW.

EXTERNAL REVIEW



SECOND-PARTY OPINION

Accolade Holding has engaged Sustainalytics to provide an External Review in the form of a Second Party Opinion on the Green Finance Framework to confirm alignment with the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 with the 2022 June appendix I. and with the Loan Market Association's (LMA) Green Loan Principles 2023 (GLP), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). The External Review will be made publicly available on Accolade's website as will the Green Finance Framework itself.

Disclaimer

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No representation is made as to the suitability of any Green Financing Instrument to fulfil environmental and sustainability criteria required by prospective investors or creditors. Each potential purchaser or creditor of any Green Financing Instruments should determine for itself the relevance of the information contained or referred to in this Green Finance Framework or the relevant bond documentation for such Green Financing Instrument, as applicable, regarding the use of proceeds and its purchase of Green Financing Instrument should be based upon such investigation as it deems necessary.

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Second-Party Opinion

Accolade Holding Green Finance Framework

Evaluation Summary

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

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

PROJECT EVALUATION AND SELECTION Accolade Holding's Green Finance Committee will be responsible for evaluating and selecting eligible projects in line with the Framework's eligibility criteria. The Green Finance Committee is chaired by Accolade Holding's Chief Executive Officer, and comprised of representatives from the management, finance, legal, human resource and sustainability teams. Accolade Holding's processes for mitigating environmental and social risks apply to all allocation decisions made under the Framework. Sustainalytics considers this to be in line with market practice.

MANAGEMENT OF PROCEEDS Accolade Holding's Green Finance Committee will be responsible for managing and tracking proceeds using an internal tracking system on an individual project basis. Accolade Holdings intends to fully allocate net proceeds within three years of issuance. Pending allocation, proceeds will be temporarily deposited in the liquidity reserve or allocated to other business activities. Accolade Holding has confirmed that financing to other business activities will not be associated with carbon-intensive or controversial activities in line with the Framework's exclusionary criteria. This is in line with market practice.

REPORTING Accolade Holding commits to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include the total amount of green instruments issued, a description of the green projects financed, the total amount of allocation to eligible projects per category and the balance of unallocated proceeds. In addition, Accolade Holding commits to report on relevant impact metrics. Sustainalytics views Accolade Holding's allocation and impact reporting as aligned with market practice.

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For inquiries, contact the Sustainable Finance Solutions project team:

Lea Muething (Amsterdam)
Project Manager
lea.muething@morningstar.com
(+44) 20 3107 0137

Flora Mile (Amsterdam)
Project Support

Nimisha Shah (Mumbai)
Project Support

Zoe Wittmann (Amsterdam)
Project Support

Ayaka Okumura (Amsterdam)
Project Support

Kibii Sisulu (London)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

EU Taxonomy

Sustainalytics has assessed the Accolade Holding Green Finance Framework for alignment with the EU Taxonomy. Sustainalytics mapped the eligibility criteria in the Framework's two categories to seven activities in the EU Taxonomy. Sustainalytics is of the opinion that the criteria defined in the Framework's two use of proceeds categories are aligned with the applicable technical screening criteria for Substantial Contribution (SC) and 15 of the Do No Significant (DNSH) criteria. No categories were determined to be not aligned. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

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Introduction

Accolade Holding, a.s. and its subsidiaries[1] collectively known as ("Accolade" or the "Group"), is a Czech investment company focused on industrial real estate and infrastructure. Headquartered in Prague, Accolade, which develops infrastructure for businesses in e-commerce, logistics and the manufacturing industry and has developed more than 50 industrial parks in Czechia, Poland, Germany, Slovakia, Croatia, Hungary, the Netherlands and Spain.

Accolade has developed the Accolade Green Finance Framework dated February 2024 (the "Framework"), under which it intends to issue green bonds, including hybrid and convertible bonds,[2] Schuldscheine, commercial papers, guarantees, letters of credit[3] and green loans.[4] The proceeds will be used to finance or refinance, in whole or in part, existing or future projects that are expected to contribute towards the decarbonization of Accolade's industrial real estate portfolio. The Framework defines eligibility criteria in two green categories:

1. Green Buildings
2. Renewable Energy

Accolade engaged Sustainalytics to review the Accolade Green Finance Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)[5] and the Green Loan Principles 2023 (GLP).[6] The Framework will be published in a separate document.[7]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[8] opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

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

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

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.15, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Accolade'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 Framework. Accolade representatives have confirmed (1) they understand it is the sole responsibility of Accolade to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

[1] Accolade Holding's subsidiaries exclude any shares and ownership interests in companies held in any sub-fund of Accolade Fund SICAV p.l.c.
[2] For convertible bonds, once the conversion has occurred, the SPO is no longer valid for the assessed securities in this asset class.
[3] For guarantees and letters of credit, Accolade has confirmed that assets and projects linked to such financial instruments are eligible as per the criteria outlined in the Framework.
[4] In case of multiple tranche loan facilities, Accolade has committed to only label tranches of such facilities whose proceeds will be allocated according to the Framework's eligibility criteria.
[5] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf
[6] The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at https://www.lsta.org/content/green-loan-principles/
[7] The Accolade Green Finance Framework will be available at: https://accolade.eu/en/about/social-responsibility
[8] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Accolade.

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

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

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Accolade Green Finance Framework

Sustainalytics is of the opinion that the Accolade Green Finance Framework is credible and impactful and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of Accolade's Green Finance Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings and Renewable Energy – are aligned with those recognized by the GBP and GLP.
  - Sustainalytics notes that Accolade has established a two-year look-back period for its opex refinancing activities, which is in line with market practice.
  - Accolade confirmed to Sustainalytics that expenditures under the Framework will be limited to the development of industrial buildings, including permitting processes and the acquisition of such buildings. Buildings intended for tenants dedicated to the extraction, storage, transport or manufacture of fossil fuels will not be included in the scope of financing. Furthermore, tenants engaged in industrial meat production, firearms, weapons, tobacco, gambling and other activities with detrimental environmental and social effects, are excluded from financing under the Framework.
  - Under the Green Buildings category, Accolade may finance or refinance eligible projects for the construction, acquisition or renovation of industrial buildings, according to the following criteria:
    - Construction of new buildings with a net primary energy demand (PED) that is at least 10% lower than the PED resulting from the local nearly zero-energy buildings (NZEB) requirements. Sustainalytics considers this to be in line with market practice.
    - Acquisition of existing buildings: i) built after 31 December 2020, with a PED that is at least 10% lower than the PED resulting from the local NZEB requirements; or ii) built before 31 December 2020, with an EPC A or among the top 15% energy-performing buildings in the relevant area based on emissions intensity performance or PED. Sustainalytics notes that EPCs do not apply in Slovakia, as there are no energy classes available for industrial buildings in the country. In such cases, the 15% threshold will be the applicable criterion.[9] Sustainalytics considers this to be in line with market practice.

[9] Accolade has communicated to Sustainalytics that in case there is no national database available for Slovakia, the top 15% threshold developed by the Polish government to align with EU Taxonomy standards will be applied and determined through energy modeling in line with the Polish methodology of calculation. The energy performance of a building, reflected in PED, will be compared to an identical one in line with the Polish methodology.

- All buildings will obtain one of the following green building certification levels: BREEAM[10] Very Good or above, or equivalent schemes, such as DNGB Gold or above, LEED Gold or above, EDGE or WELL[11]. In the context of new buildings, Sustainalytics considers BREEAM Excellent to be aligned with market practice and encourages Accolade to select BREEAM-certified buildings that score high enough in the energy category (which Sustainalytics regards as the most important category) to fulfil the requirements for BREEAM Excellent in that category. Further, Sustainalytics notes that existing logistics buildings face additional challenges in achieving higher certification levels, such as BREEAM Excellent or above, mainly due to the lack of data availability for operational buildings. That said, Sustainalytics considers the use of BREEAM Very Good to be aligned with market expectations for existing logistics buildings and encourages Accolade to strive for higher levels where feasible. Sustainalytics further notes that Accolade has communicated its reliance on the listed building certifications as complementary to the criteria outlined above for construction of new and acquisition of existing buildings.
- Renovation of buildings in line with one of the following criteria: i) leads to a reduction of PED of at least 30% over pre-renovation performance; or ii) the renovation meets cost-optimal minimum energy performance requirements in accordance with the Directive 2010/31/EU.[12] Expenditures under this category will be limited to expenditures directly linked to renovations and not entire building costs. Sustainalytics considers the criterion i) to be in line with market practice. Further, Sustainalytics notes that the EU Taxonomy[13] requires meeting the relevant cost-optimal minimum energy performance requirements in the EPBD, which vary among EU Member States. Sustainalytics therefore encourages Accolade to report on the actual improvement on primary energy demand performance or energy savings achieved in comparison with the existing building stock in the area or region.
- Climate adaptation measures designed to provide the financed buildings' protection against extreme weather events, such as heavy rain, flood and drought, including: i) upgrades of water fixtures; ii) technical solutions enabling the use of rainwater or greywater; iii) technical solutions to improve the drainage of water from the roof slope; and iv) technical solutions that allow for the management and utilization of surface water runoff and avoid, reduce or delay the discharge of rainfall to public sewers. Accolade has confirmed to conduct a vulnerability assessment and establish a climate adaptation plan for all projects related to climate adaptation. Sustainalytics considers this to be in line with market practice.

– Under the Renewable Energy category, Accolade may finance or refinance the installation of renewable energy technologies and equipment, as well as energy efficiency technologies on buildings.
  - Renewable energy technologies and equipment, including: i) solar PVs; ii) wind turbines; iii) solar transpired collectors; iv) solar thermal hot water systems without fossil fuel back up and with a minimum 85% of electricity generated from the facility derived from solar energy sources; v) electric heat pumps; and vi) thermal and electric energy storage connected to renewables. Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems. Nevertheless, Sustainalytics recommends Accolade to exclude financing of heat pumps with high-GWP refrigerants, and to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life.
  - Energy efficiency technologies, including: i) equipment for combined heat and power (CHP) installations using biomass waste; ii) heat exchange and recovery systems; iii)

[10] BREEAM: https://bregroup.com/products/breeam/
[11] Accolade has confirmed to Sustainalytics that buildings with WELL certifications will only be financed complementary with one of the abovementioned credible green building certifications.
[12] EUR Lex, "Directive 2010/31/EU of the European Parliament and of the Council", at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:en:PDF
[13] European Commission, "EU Taxonomy Delegated Act", (2021), at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

smart control systems; iv) energy-efficient windows and doors with low U value; v) insulation products with low thermal conductivity; vi) LED lighting; and vii) energy-efficient electrified HVAC systems, including ventilation systems. Accolade has confirmed the exclusion of fossil fuel-powered technologies and products and has communicated to Sustainalytics that smart control systems include smart gas meters. While noting that this expenditure is consistent with the EU Taxonomy Delegated Act for Climate Change Mitigation, such investments may prolong fossil fuel consumption.
        - Sustainalytics considers this to be in line with market practice.
- Project Evaluation and Selection:
  - Accolade has established a Green Finance Committee, which is responsible for evaluating and selecting eligible projects in line with the Framework's eligibility criteria. The Green Finance Committee is chaired by the Group's Chief Executive Officer and comprised of representatives from the management, finance, legal, human resource and sustainability teams.
  - Accolade has processes in place to mitigate environmental and social risks associated with the eligible assets and projects, which apply to all allocation decisions made under the Framework. These processes include: i) assessment of technical standards of a building as outlined in the Group's White Book; ii) environmental impact assessments; iii) site screening in line with the ASTM Environmental Site Assessment Standard; and iv) environmental and social screening of proposed financing against the Group's exclusion list and relevant environmental and social laws. For additional details on risk management systems, please refer to Section 2.
  - Based on the presence of a dedicated committee with cross-functional expertise and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Accolade's Green Finance Committee will be responsible for managing and tracking the proceeds using an internal tracking system on an individual project basis approach.
  - The Group intends to fully allocate net proceeds within three years of issuance.
  - Pending allocation, proceeds will be temporarily deposited in the liquidity reserve or allocated to any other business activities. Accolade has confirmed that financing to other business activities will not be associated with carbon-intensive or controversial activities and that the Framework's exclusion criteria apply to the temporary use of proceeds.
  - Based on the use of a tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Accolade commits to report on the allocation of proceeds in an allocation report and corresponding impact in an impact report on an annual basis until full allocation of bond proceeds or full drawdown of loan proceeds. Allocation and impact reporting will be publicly available on the Group's website.
  - Allocation reporting will include the total amount of green instruments issued, a description of eligible green projects financed in the given period, the total amount of allocation to eligible projects per category and the outstanding balance of unallocated proceeds.
  - Impact reporting may include the environmental impact of projects where feasible, including annual GHG emissions reduced or avoided (in tCO_2e), energy use reduced or avoided (in %), annual renewable energy generation (in MWh or GWh for electricity and GJ or TJ for other energy), capacity of renewable energy plants constructed (in MW) or rehabilitated (MW).
  - Based on the annual allocation and impact reporting commitments, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the Accolade Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information please refer to Appendix 5: Green Bond/Green Bond Programme External Review Form.

Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework's eligible green use of proceeds criteria against the relevant criteria in the EU Taxonomy and determined their alignment with each of the Taxonomy's three sets of requirements. The results of this assessment are as follows:

1. Technical Screening Criteria for Substantial Contribution (SC)
   - The criteria in the two eligible categories defined in the Framework were mapped to seven activities of the EU Taxonomy. At the time of assessment, the criteria in both categories align with the applicable technical screening criteria for substantial contribution to an environmental objective of the EU Taxonomy.
2. Do No Significant Harm (DNSH) Criteria
   - The criteria in the two eligible categories were assessed as aligned with the 15 applicable DNSH criteria.
3. Minimum Safeguards
   - Based on a consideration of the policies and management systems applicable to the Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy's Minimum Safeguards requirements will be met.
   - For Sustainalytics' assessment of alignment with the Minimum Safeguard, see Section 2 below.

Table 1 provides an overview of the alignment of Accolade Holding's Framework with the applicable SC criteria and DNSH criteria of the EU Taxonomy.

Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy

Framework Criterion	Alignment with Technical Screening Criteria		Alignment per EU Environmental Objective					
	SC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
7.1 Construction of new buildings	■	■		■	■	■	■	■
7.2 Renovation of existing buildings	■	■		■	■	■	■	-
7.3 Installation, maintenance and repair of energy efficiency equipment	■	■		■	-	-	■	-
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	■	■		■	-	-	-	-
7.6 Installation, maintenance and repair of renewable energy technologies	■	■		■	-	-	-	-
7.7 Acquisition and ownership of buildings	■	■		■	-	-	-	-

Framework Criterion	Alignment with Technical Screening Criteria		Alignment per EU Environmental Objective					
	SC	DNSH	Adaptation	Mitigation	Water	Circular Economy	Pollution	Eco-systems
7.7 Acquisition and ownership of buildings	■	■		■	-	-	-	-

Legend	
Aligned	■
Partially aligned	◘
Not aligned	☒
Not applicable	–
Grey shading indicates the primary EU Environmental Objective	

Section 2: Sustainability Strategy of Accolade Group

Contribution to Accolade Group's sustainability strategy

Sustainalytics is of the opinion that Accolade demonstrates a commitment to sustainability through an overarching focus on the decarbonization of its industrial real estate portfolio as part of its ESG strategy, which identifies the following environmental focus areas: i) brownfield reclamation and revitalization of areas around its parks; ii) achievement of BREEAM certification rating of Very Good or higher; iii) increase in renewable energy; iv) carbon footprint reduction; v) water efficiency management; and vi) environmentally-friendly technology.[14,15] Accolade commits to launch a 2027 ESG strategy in 2024, as part of which the Group aims to further build on its environmental focus areas.[16]

For brownfield initiatives, which represent 31% of Accolade's portfolio, Accolade creates green spaces to advance biodiversity through various initiatives such as creating beehives, lizard habitats and insect hotels.[17] As of August 2023, Accolade's industrial real estate portfolio in Czechia, Poland, Germany, Spain, the Netherlands and Slovakia is certified BREEAM Good or above as follows: i) 16% certified Good; ii) 48% Very Good; iii) 21% Excellent; and iv) 15% Outstanding.[18]

To advance the use of renewable energy in its portfolio, the Group has installed renewable energy charging stations in its industrial parks and solar PV panels on roofs. In addition, Accolade already installed white roof membranes on the buildings in its industrial parks, which reflect sunlight and help to reduce the heat absorbed by the roof and building.[19] To advance water efficiency management, Accolade has installed systems for stormwater infiltration and retention in its parks which also leads to improved water quality, better groundwater recharging and reduced risk of flooding. Accolade also uses technology to improve energy efficiency in its properties, such as smart control systems, improved thermal insulation and LED lights as a replacement to conventional ones.[20] As per its internal policy, Accolade's sustainability procurement plan requires that materials be sourced responsibly following ISO 14001 and that all wood-based materials be FSC certified.[21]

Sustainalytics is of the opinion that the Accolade Green Finance Framework is aligned with Accolade's ESG strategy and initiatives and will further the Group's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Key environmental and social risks possibly associated with the eligible projects include i) land use and biodiversity issues associated with large-scale infrastructure development, ii) occupational health and safety (OHS), iii) emissions, effluents and waste generated in construction, and iv) stakeholder participation.

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

- Accolade has developed a White Book that requires agreements with contractors to consider various technical, environmental and social aspects during the construction phase of a project. In terms of

[14] Accolade, "We Invest In Smart Industrial Parks For a Sustainable Future", (2022), at: https://accolade.eu/assets/download_material/files/22-12-ACC-general-brozura-v61-EN.pdf
[15] Accolade, "ESG Strategy", at: https://accolade.eu/en/about/social-responsibility
[16] Accolade, "Presentation Accolade Group", (2023), at: https://accolade.eu/assets/download_material/files/13-03-ACC-General-presentation-EN.pdf
[17] Accolade," Presentation Accolade Group", (2023), at: https://accolade.eu/assets/download_material/files/13-03-ACC-General-presentation-EN.pdf
[18] Ibid.
[19] Ibid.
[20] Accolade has shared its White Book with Sustainalytics confidentially.
[21] Accolade has shared this information with Sustainalytics confidentially.

the environment, the Group mandates its contractors to comply with relevant EU Directives and local regulations, and to utilize energy-efficient and circular materials where possible.[22]

- To address risks related to land use and biodiversity, Accolade's Green Finance Committee is responsible for evaluating and assessing the environmental and social risks associated with potential green projects prior to construction. Where significant risks are identified, the Group develops mitigation measures and implements risk management procedures accordingly. The EU Environmental Impact Assessment Directive 2014/52/EU requires all projects with potentially significant adverse effects on the environment to be assessed prior to project approval, and for the identified risks to be properly addressed through avoidance, mitigation and offset measures.[23] If the proposed construction site is a potentially contaminated site (brownfield), Accolade undertakes a survey for potential contaminants in line with ASTM Environmental Site Assessment Standards,[24] and reports on the results of such assessment. The results of the assessment are taken into account in the decision-making regarding the utilization of the contaminated site, as well as the project development process.
- To ensure OHS, Accolade's Code of Conduct for Business Partners enforces compliance with health and safety regulations during construction processes. The Group also expects contractors and suppliers to: i) report all incidents and accidents related to Accolade projects and workplaces; ii) ensure that all electrical equipment and machinery is regularly maintained and all employees are authorized to use them; iii) develop emergency plans; and iv) follow applicable safety protocols.[25]
- For the management of emissions, effluents and waste, Accolade ensures to develop a site waste management plan for each project site, which includes details of the licensed external contractors responsible for waste treatment, as well as management procedures to minimize non-hazardous waste in various categories, such as concrete, packaging, plastic and timber.[26] This information is reported through a waste reporting tool that enables the Group to monitor waste management for each building.[27]
- Accolade operates in Czechia, Poland, Germany, Slovakia, Croatia, Hungary, the Netherlands and Spain, which are recognized as Designated Countries under the Equator Principles,[28] indicating the presence of robust environmental and social governance legislation systems, legislation and institutional capacity to ensure the mitigation of common environmental and social risks associated with projects financed under the Framework.

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

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should be in compliance with the International Labour Organisation's (ILO) declaration on Fundamental Rights and Principles at Work.

Human Rights and Labour Rights

Accolade has implemented the following policies and procedures regarding human rights:

- Accolade's Code of Conduct and the Group's Code of Conduct for Business Partners requires its employees and suppliers to comply with general principles of human rights set out in universal declarations and guidelines, such as the Ten Principles of the United Nations Global Compact on human rights, labour standards, the environment, anti-corruption, human trafficking, child labour, forced labour and illegal employment. Signatories are also expected to provide workers with proper working conditions, working hours, pay and benefits that comply with national and local regulations and the relevant ILO conventions.[29]

[22] Accolade has shared its White Book with Sustainalytics confidentially.
[23] European Union, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at:https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0052&from=EN
[24] ASTM, "ASTM Environmental Site Assessment Standards", at: https://www.astm.org/e1527-21.html
[25] Accolade has shared its Code of Conduct for Business Partners with Sustainalytics confidentially.
[26] Accolade has shared its Site Waste Management Plan with Sustainalytics confidentially.
[27] Accolade has shared its Waste Management Reporting Tool with Sustainalytics confidentially.
[28] Equator Principles, "Designated & Non-Designated Countries", at: https://equator-principles.com/about-the-equator-principles/designated-countries/
[29] Accolade has shared its Code of Conduct for Business Partners with Sustainalytics confidentially.

- In terms of OHS, the Group's Code of Conduct for Business Partners requires suppliers and contractors to ensure the safety of workers in all types of workplaces, to provide workers and the wider supply chain with the training and equipment necessary to perform their jobs safely, to report all incidents and occupational accidents, and to ensure that all employees are properly trained. The code also requires employees to ensure regular maintenance of electrical equipment and machinery, to ensure that all employees have the appropriate qualifications and authority to use such equipment or machinery, and to develop emergency plans and follow applicable safety protocols.[30]
- Regarding diversity and non-discrimination, the Code of Conduct and the Code of Conduct for Business Partners commit that the Group, its employees, and its contractors promote the principles of equal treatment and non-discrimination on the basis of gender, race, religion, sexual orientation, health status, social, etc. Accolade requires business partners to take action against all forms of disrespect, bullying, discrimination, harassment or sexual misconduct. It also requires that all employees and applicants for employment are given equal opportunities and treatment on the basis of their experience, performance or achievements.[31]
- The Group's White Book requires suppliers and contractors to comply with relevant international standards, such as the OECD Guidelines for Multinational Enterprises,[32] the UN Guiding Principles on Business and Human Rights,[33] the ILO Declaration on Fundamental Rights and Principles at Work,[34] the eight ILO fundamental conventions,[35] and the International Bill of Human Rights. [36,37]
- Accolade is a signatory of the UN Global Compact, which demonstrates its commitment to promoting environmental responsibility, and operating in a manner that protects human rights and eliminates unfair labour practices and corruption.[38]
- Further, Accolade has communicated to Sustainalytics that the Group has a due diligence procedure in place, which will be carried out on a regular basis by an external company based on a review of the White Book with regard to human rights, labour rights, bribery and corruption. All identified incidents will be included in the Group's annual ESG report.

Sustainalytics has evaluated the performance of Accolade in the area of human and labour rights and has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human and labour rights in relation to the activities of the Framework.

Anti-bribery and anti-corruption

Accolade has implemented the following policies and procedures on anti-bribery and anti-corruption:

- Accolade's Code of Conduct requires all employees to adhere to national law and internal laws, prohibiting all forms of corruption. The code prescribes a zero-tolerance policy for any violations of regulations and rules in this area. Additionally, the Group's Code of Conduct for Business Partners requires all contractors, suppliers and employees to comply with applicable laws, international standards and EU regulations, and follow anti-corruption principles.
- The Group's Criminal Compliance Code provides detailed definitions of the main risk areas in relation to corruption, fiscal crimes and illegal activities, requiring compliance with applicable laws and regulations. Accolade has a Criminal Compliance Programme in place that includes training for employees on compliance and business ethics and disclosure of relevant policies to external stakeholders. The programme also creates a contact point for anonymous reporting of non-compliance and suspicious events.[39]

[30] Ibid.
[31] Accolade has shared its Code of Conduct with Sustainalytics confidentially.
[32] OECD, "OECD Guidelines for Multinational Enterprises", (2011), at: https://www.oecd.org/corporate/mne/
[33] UN Human Rights Office of the High Commissioner, "United Nations Guiding Principles on Business and Human Rights", (2011), at: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
[34] ILO, "ILO Declaration on Fundamental Principles and Rights at Work", (2022), at: https://www.ilo.org/declaration/lang--en/index.htm
[35] International Labour Organization, "ILO Conventions", at: https://www.ilo.org/moscow/areas-of-work/gender-equality/WCMS_249143/lang--en/index.htm#:~:text=The%20ILO%20Conventions%20cover%20a,issues%20have%20a%20long%20history
[36] OHCHR, "The International Bill of Human Rights", at: https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights
[37] Accolade has shared its White Book with Sustainalytics confidentially.
[38] United Nations, "Global Compact", at: https://unglobalcompact.org/what-is-gc/participants/156580-Accolade-s-r-o-
[39] Accolade has shared its Criminal Compliance Code with Sustainalytics confidentially.

Sustainalytics has evaluated the performance of Accolade in the area of anti-bribery and anti-corruption and has not detected involvement in any relevant controversies that would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard anti-bribery and anti-corruption in relation to the activities of the Framework.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Accolade's policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Section 3: Impact of Use of Proceeds

The green projects categories are aligned with those recognized by the GBP and GLP. Sustainalytics focuses below on how the financing of green commercial buildings contributes to the decarbonization of the buildings sector in the EU.

Importance of green commercial buildings in the EU

The buildings sector is a key contributor of GHG emissions and the largest energy consuming sector in the EU. In 2022 it accounted for 36% of the total energy-related GHG emissions and 40% of total energy consumption in the bloc.[40,41] Commercial buildings in particular, including logistics and distribution centres, have a sizeable environmental footprint driven by their extensive use of lighting, heating and cooling. For instance, lighting alone, , accounts for up to 80% of the total expenditure in energy use of warehouses.[42]

Under its 2030 Climate Target Programme, the EU has committed to reduce GHG emissions by 55% by 2030 compared to 1990 levels, and to achieve climate neutrality by 2050.[43] To meet its targets, the EU needs to reduce GHG emissions from buildings by 60%, final energy consumption by 14%, and energy consumption from heating and cooling by 18% by 2030 compared to 2015 levels.[44,45] As part of the Fit for 55 package, the European Parliament adopted the revised Building Energy Performance Directive in March 2023, which aims to strengthen targets for the energy performance of buildings.[46] It requires existing non-residential buildings to obtain an energy performance certificate rated E by 2027 and D by 2030, and new buildings from 2028 onwards to be zero emissions and, where technically suitable and economically and functionally feasible, to be equipped with solar technologies.[47] The European Commission's Renovation Wave also aims to renovate 35 million buildings by 2030[48] and to reduce emissions from the EU's building stock by an estimated 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030 compared to 2015 levels.[49] In the specific context of warehouses and logistics buildings, energy efficiency opportunities include implementation and installation of energy-efficient features, such as LED lighting, energy-efficient heating solutions and on-site solar PVs.[50]

Based on the above, Sustainalytics is of the opinion that Accolade's financing of green commercial buildings is expected to contribute to the reduction of GHG emissions and energy consumption in the buildings sector in the countries where Accolade operates, and more broadly to support the EU in achieving its climate change targets.

[40] European Climate Foundation, "Building Europe's Net-Zero Future", (2022), at: https://europeanclimate.org/wp-content/uploads/2022/03/ecf-building-emmissions-problem-march2022.pdf
[41] European Commission, "Energy efficiency in buildings", (2020), at: https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en
[42] Environmental Finance, "Building green warehouses – a new frontier for Asia", (2019), at: https://www.environmental-finance.com/content/market-insight/building-green-warehouses-a-new-frontier-for-asia.html
[43] European Commission, "2030 Climate Target Plan", at: https://ec.europa.eu/clima/eu-action/european-green-deal/2030-climate-target-plan_en
[44] European Environment Agency, "Greenhouse gas emissions from energy use in buildings in Europe", at: https://www.eea.europa.eu/data-and-maps/indicators/greenhouse-gas-emissions-from-energy/assessment
[45] European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF
[46] Dao, B., (2023), "EU Parliament votes for warmer homes and climate protection", European Environmental Bureau, at: https://eeb.org/eu-parliament-votes-for-warmer-homes-and-climate-protection/
[47] European Parliament, "Energy performance of buildings: climate neutrality by 2050", (2023), at: https://www.europarl.europa.eu/news/en/press-room/20230206IPR72112/energy-performance-of-buildings-climate-neutrality-by-2050
[48] European Commission, "Renovation Wave", at: https://ec.europa.eu/commission/presscorner/detail/en/FS_20_1844
[49] Ibid.
[50] Carbon Trust, "Warehousing and logistics – Energy Efficiency opportunities", at: https://ctprodstorageaccountp.blob.core.windows.net/prod-drupal-files/documents/resource/public/Warehousing-and-logistics-guide.pdf

Contribution to SDGs

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

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Accolade has developed the Accolade Holding Green Finance Framework under which it intends to issue green bonds, including hybrid and convertible bonds, Schuldscheine, commercial papers, guarantees, letter of credit and green loans. The proceeds will be used to finance or refinance, in whole or in part, green buildings and renewable energy projects. Sustainalytics considers that the projects funded by the green finance proceeds are expected to provide positive environmental impacts.

The Accolade Holding Green Finance Framework outlines a process for tracking, allocating and managing proceeds and makes commitments for Accolade to report on their allocation and impact. Sustainalytics believes that the Accolade Holding Green Finance Framework is aligned with the overall sustainability strategy of the Group and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7 and 9. Additionally, Sustainalytics is of the opinion that Accolade has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Sustainalytics has assessed the Accolade Holding Green Financing Framework for alignment with the EU Taxonomy. The criteria defined in the Framework's two use of proceeds criteria map to seven EU Taxonomy activities. Sustainalytics is of the opinion that the eligibility criteria are aligned with the applicable technical screening criteria for substantial contribution to an environmental objective of the EU Taxonomy. Further, the eligibility criteria align with all 14 applicable Do No Significant Harm Criteria. Moreover, the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Based on the above, Sustainalytics is confident that Accolade Holding is well positioned to issue green bonds and loans, and that the Accolade Holding Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant activity in the EU Taxonomy. This appendix describes Sustainalytics' process and presents the outcome of its assessment of alignment with the Taxonomy's applicable technical screening criteria for substantial contribution (SC) to an environmental objective of the EU Taxonomy and the applicable "do no significant harm" (DNSH) criteria. Sustainalytics' assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics' assessment process involves mapping each criterion in the Framework to a relevant and applicable activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one activity in the EU Taxonomy and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a specific activity in the EU Taxonomy. In such cases, Sustainalytics has mapped to the activity that is most relevant with respect to the primary environmental objective established in the EU Taxonomy.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the EU Taxonomy. In other cases, some categories which are traditionally included in green bonds and loans may not be associated with a specific EU Taxonomy activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

Table 2 below displays Sustainalytics' mapping process for this report.

2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics' process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the SC criteria and the DNSH criteria is usually based on the specific criteria contained in the issuer's Framework and may in many cases (especially DNSH criteria) also be based on management systems and processes or regulatory compliance. To assess alignment with the EU Taxonomy's Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds criteria, including the regulatory context in the geographical location of activities and projects. (See Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant technical screening criteria. In these cases, Sustainalytics has assessed the activity for alignment with the DNSH criteria across all objectives.

Sustainalytics' detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU Taxonomy Activity	Corresponding NACE Code	Primary EU Environmental Objective	Refer to Table
Green Buildings	New buildings	7.1 Construction of new buildings	F41.1, F41.2, F43	Mitigation	Table 3
Green Buildings	Renovations	7.2 Renovation of existing buildings	F41, F43	Mitigation	Table 4
Renewable Energy	Energy efficiency measures and renewable energy	7.3 Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21,	Mitigation	Table 5

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			S95.22 and C33.12		
Renewable Energy	Energy efficiency measures and renewable energy	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28	Mitigation	Table 6
Renewable Energy	Energy efficiency measures and renewable energy	7.6 Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28	Mitigation	Table 7
Green Buildings	New buildings, Renovation and Existing building	7.7 Acquisition and ownership of buildings	L68	Mitigation and Adaptation	Table 8 and 13

Appendix 2: Comprehensive EU Taxonomy Alignment Assessment – Substantial Contribution to Climate Change Mitigation

The tables below provide a detailed assessment of the alignment of the Framework criteria with the technical screening criteria for substantial contribution to an environmental objective and the DNSH for each relevant EU Taxonomy activity.

Table 3

Framework Activity assessed		Green Buildings	
EU Taxonomy Activity		7.1. Construction of new buildings	
Associated NACE Codes		F41.1, F41.2 and F43	
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	Constructions of new buildings for which: 1. The Primary Energy Demand (PED),[51] defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.[52] The energy performance is certified using an as built Energy Performance Certificate (EPC). 2. For buildings larger than 5000 m^2,[53] upon completion, the building resulting from the construction undergoes testing for airtightness and thermal integrity,[54] and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. 3. For buildings larger than 5000 m^2,[55] the life-cycle Global Warming Potential (GWP)[56] of the building resulting from the construction has been	1. Accolade has confirmed to Sustainalytics that building construction activities under the Framework will comply with the following criteria: the PED defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. Accolade has further confirmed to Sustainalytics that the energy performance of the buildings will be certified using an as built Energy Performance Certificate (EPC). The above is valid for buildings in all countries where Accolade is currently operating as listed above and all future countries which Accolade will expand to except for the following cases: i) Industrial buildings in Poland, where Directive 2010/31/EU of the European Parliament and of the Council has been implemented, but EPC classes were not developed Accolade has communicated that in Poland every new	Aligned

[51] The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m2 per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC)
[52] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13)
[53] For residential buildings, the testing is made for a representative set of dwelling/apartment types
[54] The testing is carried out in accordance with EN13187 (Thermal Performance of Buildings - Qualitative Detection of Thermal Irregularities in Building Envelopes - Infrared Method) and EN 13829 (Thermal performance of buildings. Determination of air permeability of buildings. Fan pressurisation method) or equivalent standards accepted by the respective building control body where the building is located.
[55] For residential buildings, the calculation and disclosure are made for a representative set of dwelling/apartment types.
[56] The GWP is communicated as a numeric indicator for each life cycle stage expressed as $kgCO_2e/m^2$ (of useful internal floor area) averaged for one year of a reference study period of 50 years. The data selection, scenario definition and calculations are carried out in accordance with EN 15978 (BS EN 15978:2011. Sustainability of construction works. Assessment of environmental performance of buildings. Calculation method). The scope of building elements and technical equipment is as defined in the Level(s) common EU framework for indicator 1.2. Where a national calculation tool exists, or is required

	calculated for each stage in the life cycle and is disclosed to investors and clients on demand.	building needs to meet the established NZEB criteria, and that newly constructed buildings financed under the Framework will have a PED 10% lower than NZEB requirements. Buildings will also obtain a built EPC. However, Accolade has informed Sustainalytics that such an EPC will not include an EPC class since EPC classes are not available in Poland. ii) Accolade has informed Sustainalytics that industrial warehouses are excluded from the EPC scheme in Slovakia. Moreover, there is no NZEB in Slovakia for any buildings falling under the scope of financing under the Framework. As per EU Taxonomy guidance,[57] in cases where an EPC is not offered or NZEB is not clearly defined in the national legislation, equivalents may be used instead. Hence, for any buildings falling into the category warehouse category that are exempt from an EPC and where NZEB is not available, Accolade has confirmed that the Polish EPC and NZEB methodology will be applied to the respective building. In all other cases, where EPCs are available, an EPC will be obtained as per EU Taxonomy criteria. 2. Accolade requires airtightness and thermal integrity testing in line with BREEAM requirements and in accordance with the following ISO standards: a) ISO 6781:1983 - Thermal performance of buildings. Qualitative detection of thermal irregularities in building envelopes using infrared method. b) ISO 9972:2015 - Thermal performance of buildings. Determination of air permeability of buildings using fan pressurisation method. 3. Accolade confirms to calculate the GWP for the building for each stage in the life cycle. The outcome of the analysis is being reported, including the methodology and factors used. Given the limitations regarding the fulfilment of EPC and NZEB requirements in Poland and Slovakia, Sustainalytics considers this activity to be aligned with the EU Taxonomy.	
DNSH Criteria		**Alignment with DNSH Criteria**	
Climate change adaptation	Please refer to the assessment set out in Appendix 3, Table 9.		Aligned

for making disclosures or for obtaining building permits, the respective tool may be used to provide the required disclosure. Other calculation tools may be used if they fulfil the minimum criteria laid down by the Level(s) common EU framework (version of [adoption date]: https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/412/documents), see indicator 1.2 user manual.

[57] European Commission, "FAQ – Climate Delegated Act", at: https://ec.europa.eu/sustainable-finance-taxonomy/faq

Sustainable use and protection of water and marine resources	Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E to the Annex I of the Climate Delegated Act. a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; b) showers have a maximum water flow of 8 litres/min; c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. To avoid impact from the construction site, demonstrate the activity complies with the criteria set out in Appendix B to the Annex I of the Climate Delegated Act.	Accolade confirms that water appliances installed in the building fulfil the requirements as per the criteria a) to d) and has informed Sustainalytics that its minimum requirements for buildings are the following thresholds:[58] a) wash hand basin taps have a maximum water flow of 2 liters/min and kitchen taps have maximum water flow of 6 liters/min; b) showers have a maximum water flow of 6 liters/min; c) WC with double push button have a full flush volume of maximum 6 liters and maximum average flush volume of 3.5 liters; d) urinals have a maximum full flush volume of 1 liter. Moreover, Accolade confirms that technical specifications of water appliances align with those outlined in Appendix E.[59] The Water Framework Directive 2000/60/EC mentioned in Appendix B[60] has been transposed into national regulations in Czech Republic, Poland, Germany, Spain, the Netherlands, Slovakia and Croatia, where the projects are intended to be financed.[61] Accolade only intends to use proceeds in countries where the Directive has been transposed into national regulation.	Aligned
Transition to a circular economy	At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste	Accolade confirms that new constructions comply with the EU Directive 2008/98/EC (Waste Framework Directive), which specifies that at least 70 % (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling and other material recovery. The Directive 2008/98/EC has been transposed into national law in Czech Republic, Poland, Germany,	Aligned

[58]. Accolade has informed Sustainalytics that regarding water appliances, Accolade may opt for products whose flow measured under conditions set in Appendix E is higher than the one set in the criteria but are specifically chosen due to their EPD certificates and durability. Accolade has confirmed that the necessary reductions will be achieved with flow restriction devices such as perlators in order to meet the conditions set in Appendix E.

[59] The technical specifications of water appliances outlined in Appendix E include: 1) the flow rate is recorded at the standard reference pressure 3 -0/+ 0,2 bar or 0,1 -0/+0,02 for products limited to low pressure; 2) the flow rate at the lower pressure 1,5 -0/+ 0,2 bar is ≥ 60 % of the maximum available flow rate; 3) For mixer showers, the reference temperature is 38 ± 1°C; 4) where the flow has to be lower than 6 L/min, it complies with the rule set out in point 2;
5) For taps the procedure described in clause 10.2.3 of EN 200 is followed, with the following exceptions: (a) for taps that are not limited to low pressure applications only: apply a 3 -0/+ 0,2 bar pressure to both the hot and the cold inlets, alternatively; (b) for taps that are limited to low pressure applications only: apply a 0,4 -0/+0,02 bar pressure to both the hot and the cold inlets and fully open the flow control.

[60] The Technical Criteria for Sustainable Use and Protection of Water and Marine Resources include: i) Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC of the European Parliament and of the Council 326 and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders. Ii) Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council327 and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed. (p193): https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_2&format=PDF

[61] EUR Lex, "National transposition measures communicated by the Member States concerning: Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy", at: https://eur-lex.europa.eu/legal-content/en/NIM/?uri=CELEX:32000L0060&qid=1695651749600

	hierarchy and the EU Construction and Demolition Waste Management Protocol.[62] Further confirm that operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887[63] or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.	the Netherlands, Slovakia and Croatia and Accolade has confirmed that it will be in all countries that Accolade intends to finance projects in.[64] Accolade has a process in place to establish a mandatory Site Waste Management Plan in accordance with the EU Construction and Demolition Waste Management Protocol and prior to construction (if applicable, also a pre-demolition audit is required). Accolade confirms that waste is being segregated into at least five groups. It is obligatory to document the methodology of waste handling per waste group. At the end of site construction, it is obligatory to submit an overall summary table for the entire duration of the construction, broken down by month. Further, Accolade confirms that building designs and construction techniques support circularity, ease of disassembly, adaptability and design to be more resource efficient and adaptable to reuse materials at final demolition, in line with requirements outlined by the BREEAM green buildings certification under 'functional adaptability'.[65] The Company reported that the aim is to set up a functional adaptation strategy and have adaptation measures in place such as potential for major redevelopment and replacement of basic elements in the building amongst others.	
Pollution prevention and control	Building components and materials used in the construction comply with the criteria set out in Appendix C to the Annex I of the Climate Delegated Act.	Accolade complies with the EU regulations outlined in criteria a) to g) of Appendix C of the Technical Annex I to the Climate Delegated Act,[71] including Regulation (EU) 2019/1021[72] on persistent organic pollutants, Regulation (EU) 2017/852[73] to ensure high level	Aligned

[62] EU Construction and Demolition Waste Protocol (version of [adoption date]: https://ec.europa.eu/growth/content/eu-construction-and-demolition-waste-protocol-0_en).
[63] ISO 20887:2020, Sustainability in buildings and civil engineering works - Design for disassembly and adaptability - Principles, requirements and guidance (version of [adoption date]: https://www.iso.org/standard/69370.html).
[64] EUR Lex, "National transposition measures communicated by the Member States concerning Directive 2008/98/EC", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098
[65] BREEAM, "WST 06 – Functional adaptability", at: https://kb.breeam.com/wp-content/plugins/breeamkb-pdf/pdf/?c=131
[71] The Technical Criteria for Pollution Prevention and Control Regarding Use and Presence of Chemicals include: The activity does not lead to the manufacture, placing on the market or use of: (a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament and of the Council, except in the case of substances present as an unintentional trace contaminant; (b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council; (c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council330;
(d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council, except where there is
full compliance with Article 4(1) of that Directive; (e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council, except where there is full compliance with the conditions specified in that Annex; (f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society; (g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society. (p 194), at:https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_2&format=PDF
[72] Regulation (EU) 2019/1021, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=e
[73] Regulation (EU) 2019/1021, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=en 85 Regulation (EU) 2017/852, at: https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32017R0852&rid=7#:~:text=This%20Regulation%20establishes%20measures%20and,of%20protection%20of%20human%20health

	Building components and materials used in the construction that may come into contact with occupiers[66] emit less than 0,06 mg of formaldehyde per m³ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/EN 16516[67] or ISO 16000-3:2011[68] or other equivalent standardised test conditions and determination methods.[69] Where the new construction is located on a potentially contaminated site (brownfield site), demonstrate that the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400.[70] Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.	protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds, Regulation (EC) No 1005/2009, 86 Directive 2011/65/EU, 87 and Regulation (EC) 1907/2006.[74] Regarding building components and materials used in the building renovation, Accolade confirmed to comply with Regulation (EC) No 1907/2006, including the threshold for formaldehyde. Where the new construction is located on a potentially contaminated site (brownfield site), the site needs to be investigated for potential contaminants, preferably in line with the ASTM Environmental Site Assessment Standard.[75] Documentation of the assessment results is required. Accolade confirms to take measures to reduce noise, dust and pollutant emissions during construction work in line with requirements outlined by BREEAM green building certification under monitoring of site impacts.	
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in Appendix D to Annex I of the Climate Delegated Act. The new construction is not built on one of the following: a) arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to the EU LUCAS survey;[76] b) greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List[77] or the IUCN Red List;[78]	Please refer to the assessment set out in Appendix 3, Table 10. Moreover, alignment with criteria a) to c) has been confirmed by Accolade.	Aligned

[66] Applying to paints and varnishes, ceiling tiles, floor coverings, including associated adhesives and sealants, internal insulation and interior surface treatments, such as those to treat damp and mould.
[67] CEN/TS 16516: 2013, Construction products - Assessment of release of dangerous substances - Determination of emissions into indoor air
[68] ISO 16000-3:2011, Indoor air — Part 3: Determination of formaldehyde and other carbonyl compounds in indoor air and test chamber air — Active sampling method (version of [adoption date]: https://www.iso.org/standard/51812.html)
[69] The emissions thresholds for carcinogenic volatile organic compounds relate to a 28-day test period
[70] ISO 18400 series on Soil quality — Sampling
[74] Regulation (EC) 1907/2006, at: https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-%20,Regulation%20(EC)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20(REACH)&text=The%20purpose%20of%20this%20regulation,Commun%20ity%20workplace%20and%20environmental%20legislation
[75] ASTM, "Standard Practice for Environmental Site Assessment", at: https://www.astm.org/e1527-21.html
[76] JRC ESDCA, LUCAS: Land Use and Coverage Area frame Survey version of [adoption date]: https://esdac.jrc.ec.europa.eu/projects/lucas
[77] IUCN, The IUCN European Red List of Threatened Species (version of [adoption date]: https://www.iucn.org/regions/europe/our-work/biodiversity-conservation/european-red-list-threatenedspecies).
[78] IUCN, The IUCN Red List of Threatened Species (version of [adoption date]: https://www.iucnredlist.org).

	c) land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest.[79]		

Table 4

Framework Activity assessed	Green Buildings		
EU Taxonomy Activity	7.2. Renovation of existing buildings		
Associated NACE Codes	F41 and F43		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The building renovation complies with the applicable requirements for major renovations.[80] Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30 %.[81]	Accolade confirms that renovations lead to a reduction of PED of at least 30%. Reductions in net primary energy demand through renewable energy sources are not taken into account. Energy performance of the building will be measured by a qualified energy modelling engineer or an accredited expert before (if an EPC is not available) and after reconstruction.	Aligned
DNSH Criteria		**Alignment with DNSH Criteria**	
Climate change adaptation	Please refer to the assessment set out in Appendix 3, Table 9.		Aligned
Sustainable use and protection of water and marine resources	Where installed as part of the renovation works, except for renovation works in residential building units, confirm that the specified water use for the following water appliances is attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E to the Annex I of the Climate Delegated Act.: a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; b) showers have a maximum water flow of 8 litres/min;	Accolade confirms that water appliances installed in the building fulfil the requirements as per the criteria a) to d) and has informed Sustainalytics that its minimum requirements for buildings are the following thresholds: a) wash hand basin taps have a maximum water flow of 2 liters/min and kitchen taps have maximum water flow of 6 liters/min; b) showers have a maximum water flow of 6 liters/min; c) WC with double push button have a full flush volume of maximum 6 liters and maximum average flush volume of 3.5 liters;	Aligned

[79] Land spanning more than 0,5 hectares with trees higher than five meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ. It does not include land that is predominantly under agricultural or urban land use, FAO Global Resources Assessment 2020. Terms and definitions. (version of [adoption date]: http://www.fao.org/3/I8661EN/i8661en.pdf).
[80] As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.
[81] The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method and validated through an Energy Performance Certificate. The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account) and can be achieved through a succession of measures within a maximum of three years.

	c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.	d) Urinals have a maximum full flush volume of 1 liter. Moreover, Accolade confirms that technical specifications of water appliances align with those outlined in Appendix E. For taps with original flow measures higher than the ones outlined under Appendix E, Accolade will apply perlators to ensure that conditions set in Appendix E are met. Accolade has confirmed to Sustainalytics that to ensure compliance with these criteria the Group requires its partners to obtain maximum points under BREEAM for categories specific to water appliances in buildings.	
Transition to a circular economy	At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol.[82] Further confirm that operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887[83] or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.	Accolade confirms that new constructions comply with the EU Directive 2008/98/EC (Waste Framework Directive), which specifies that at least 70 % (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling and other material recovery. The Directive 2008/98/EC has been transposed into national law in Czech Republic, Poland, Germany, the Netherlands, Slovakia and Croatia and Accolade has confirmed that it will be in all countries that Accolade intends to finance projects in.[84] Accolade has a process in place to establish a mandatory Site Waste Management Plan in accordance with the EU Construction and Demolition Waste Management Protocol and prior to construction (if applicable, also a pre-demolition audit is required). Accolade confirms that waste is being segregated into at least five groups. It is obligatory to document the methodology of waste handling per waste group. At the end of site construction, it is obligatory to submit an overall summary table for the entire duration of the construction, broken down by month. Further, Accolade confirms that building designs and construction techniques support circularity, ease of disassembly, adaptability and design to be more resource efficient and adaptable to reuse materials at final demolition, in line with requirements outlined by the BREEAM green buildings certification under 'functional adaptability'.[85]	Aligned

[82] EU Construction and Demolition Waste Protocol (version of [adoption date]: https://ec.europa.eu/growth/content/eu-construction-and-demolition-waste-protocol-0_en).
[83] ISO 20887:2020, Sustainability in buildings and civil engineering works - Design for disassembly and adaptability - Principles, requirements and guidance (version of [adoption date]: https://www.iso.org/standard/69370.html).
[84] EUR Lex, "National transposition measures communicated by the Member States concerning Directive 2008/98/EC", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098
[85] BREEAM, "WST 06 – Functional adaptability", at: https://kb.breeam.com/wp-content/plugins/breeamkb-pdf/pdf/?c=131

		The Group reported that the aim is to set up a functional adaptation strategy and have adaptation measures in place such as potential for major redevelopment and replacement of basic elements in the building amongst others.	
Pollution prevention and control	Buildings components and materials used in the construction complies with the criteria set out in Appendix C to the Annex I of the Climate Delegated Act. Buildings components and materials used in the building renovation that may come into contact with occupiers[86] emit less than 0,06 mg of formaldehyde per m³ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/EN 16516 or ISO 16000-3:2011[87] or other equivalent standardised test conditions and determination methods.[88] Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.	Accolade complies with the EU regulations outlined in criteria a) to g) of Appendix C of the Technical Annex I to the Climate Delegated Act,[89] including Regulation (EU) 2019/1021[90] on persistent organic pollutants, Regulation (EU) 2017/852[91] to ensure high level protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds, Regulation (EC) No 1005/2009, 86 Directive 2011/65/EU, 87 and Regulation (EC) 1907/2006.[92] Regarding building components and materials used in the building renovation, Accolade confirmed to comply with Regulation (EC) No 1907/2006, including the threshold for formaldehyde. Accolade confirms to take measures to reduce noise, dust and pollutant emissions during construction work in line with requirements outlined by BREEAM green building certification under monitoring of site impacts.	Aligned

[86] Applying to paints and varnishes, ceiling tiles, floor coverings (including associated adhesives and sealants), internal insulation and interior surface treatments (such as to treat damp and mould).
[87] ISO 16000-3:2011, Indoor air — Part 3: Determination of formaldehyde and other carbonyl compounds in indoor air and test chamber air — Active sampling method (version of [adoption date]: https://www.iso.org/standard/51812.html).
[88] The emissions thresholds for carcinogenic volatile organic compounds relate to a 28-day test period.
[89] The Technical Criteria for Pollution Prevention and Control Regarding Use and Presence of Chemicals include: The activity does not lead to the manufacture, placing on the market or use of: (a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament and of the Council, except in the case of substances present as an unintentional trace contaminant; (b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council; (c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council330;
(d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council, except where there is
full compliance with Article 4(1) of that Directive; (e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council, except where there is full compliance with the conditions specified in that Annex; (f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society; (g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society. (p 194), at: https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_2&format=PDF
[90] Regulation (EU) 2019/1021, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=e
[91] Regulation (EU) 2019/1021, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=en 85 Regulation (EU) 2017/852, at: https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32017R0852&rid=7#:~:text=This%20Regulation%20establishes%20measures%20and,of%20protection%20of%20human%20health
[92] Regulation (EC) 1907/2006, at: https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-,Regulation%20(EC)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20(REACH)&text=The%20purpose%20of%20this%20regulation,Community%20workplace%20and%20environmental%20legislation

Table 5

Framework Activity assessed	Renewable Energy		
EU Taxonomy Activity	7.3. Installation, maintenance and repair of energy efficiency equipment		
Associated NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22 and C33.12		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in one of the following individual measures provided that they comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation: a) addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive); b) replacement of existing windows with new energy efficient windows; c) replacement of existing external doors with new energy efficient doors; d) installation and replacement of energy efficient light sources; e) installation, replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies; f) installation of low water and energy using kitchen and sanitary water fittings which comply with technical specifications set out in Appendix E to the Annex I of the Climate Delegated Act and, in case of shower solutions, mixer showers, shower outlets and taps, have a max water flow of 6 L/min or less attested by an existing label in the Union market.	Accolade has confirmed that it will meet the criteria outlined under a) to f). Where applicable, measures are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation. Accolade confirmed that individual measures comply with the minimum requirements set for individual components and systems in line with national measures implementing Directive 2010/31/EU. The respective Directive has been transposed into national law in Czech Republic, Poland, Germany, the Netherlands, Slovakia and Croatia and Accolade has confirmed that requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU will be met in all countries where Accolade intends to finance projects.[93]	Aligned
DNSH Criteria		**Alignment with DNSH Criteria**	

[93] EUR Lex, "National transposition measures communicated by the Member States concerning Directive 2010/31/EU", at: https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32010L0031

Climate change adaptation	Please refer to the assessment set out in Appendix 3, Table 9.		Aligned
Pollution prevention and control	Building components and materials comply with the criteria set out in Appendix C to the Annex I of the Climate Delegated Act. In case of addition of thermal insulation to an existing building envelope, a building survey is carried out in accordance with national law by a competent specialist with training in asbestos surveying. Any stripping of lagging that contains or is likely to contain asbestos, breaking or mechanical drilling or screwing or removal of insulation board, tiles and other asbestos containing materials is carried out by appropriately trained personnel, with health monitoring before, during and after the works, in accordance with national law.	Accolade complies with the EU regulations outlined in criteria a) to g), including Regulation (EU) 2019/1021[94] on persistent organic pollutants, Regulation (EU) 2017/852[95] to ensure high level protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds, Regulation (EC) No 1005/2009, 86 Directive 2011/65/EU, 87 and Regulation (EC) 1907/2006.[96] Further, Accolade confirms that in case of addition of thermal insulation to an existing building envelope, a building survey is carried out in accordance with national law by a competent specialist with training in asbestos surveying.	Aligned

Table 6

Framework Activity assessed	Renewable Energy		
EU Taxonomy Activity	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		
Associated NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in one of the following individual measures: a) installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including. motion and day light control; b) installation, maintenance and repair of building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS); c) installation, maintenance and repair of smart meters for gas, heat, cool and electricity;	Accolade confirms to finance individual measures as listed under a) to d).	Aligned

[94] Regulation (EU) 2019/1021, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=e
[95] Regulation (EU) 2019/1021, at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=en%2085%20Regulation%20(EU)%202017/852,%20at:%20https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32017R0852&rid=7#:~:text=This%20Regulation%20establishes%20measures%20and,of%20protection%20of%20human%20health
[96] Regulation (EC) 1907/2006, at: https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-,%20Regulation%20(EC)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20(REACH)&text=The%20purpose%20of%20this%20regulation,Commun%20ity%20workplace%20and%20environmental%20legislation

	d) installation, maintenance and repair of façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation.		
DNSH Criteria		**Alignment with DNSH Criteria**	
Climate change adaptation	Please refer to the assessment set out in Appendix 3, Table 9.		Aligned

Table 7

Framework Activity assessed	Renewable Energy		
EU Taxonomy Activity	7.6. Installation, maintenance and repair of renewable energy technologies		
Associated NACE Codes	F42, F43, M71, C16, C17, C22, C23, C25, C27 and C28		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	The activity consists in one of the following individual measures, if installed on-site as technical building systems: a) installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment; b) installation, maintenance and repair of solar hot water panels and the ancillary technical equipment; c) installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment; d) installation, maintenance and repair of wind turbines and the ancillary technical equipment; e) installation, maintenance and repair of solar transpired collectors and the ancillary technical equipment; f) installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment; g) installation, maintenance and repair of high efficiency micro-CHP (combined heat and power) plant; h) installation, maintenance and repair of heat exchanger/recovery systems.	Accolade confirms to finance individual measures as listed under a) to h).	Aligned
DNSH Criteria		**Alignment with DNSH Criteria**	
Climate change adaptation	Please refer to the assessment set out in Appendix 3, Table 9.		Aligned

Table 8

Framework Activity assessed	Green Buildings		
EU Taxonomy Activity	7.7. Acquisition and ownership of buildings		
Associated NACE Code	L68		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Mitigation	1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. 2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of the Annex I of the Climate Delegated Act that are relevant at the time of the acquisition. 3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW), demonstrate that it is efficiently operated through energy performance monitoring and assessment.[97]	1. Accolade has confirmed to Sustainalytics that it will fulfil the criteria outlined under 7.7 (1). Sustainalytics notes that EPCs do not apply in Slovakia, as there are no energy classes available for industrial buildings in the country. In such cases, the 15% threshold will be the applicable criterion.[98] 2. For assessment details, please refer to Table 3. 3. Accolade intends only to allocate proceeds to assets that meet the requirement of being equipped with building management system that is in line with the requirements of Directive 2010/31/EU or are operated through energy performance contracting that meets the requirements of Directive 2012/27/EU.	Aligned
DNSH Criteria		**Alignment with DNSH Criteria**	
Climate change adaptation	Please refer to the assessment set out in Appendix 3, Table 9.		Aligned

[97] This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.
[98] Accolade has communicated to Sustainalytics that in case there is no national database available for Slovakia, the top 15% threshold developed by the Polish government to align with EU Taxonomy standards will be applied and determined through energy modeling in line with the Polish methodology of calculation. The energy performance of a building, reflected in PED, will be compared to an identical one in line with the Polish methodology.

Appendix 3: Criteria for "Do No Significant Harm" (DNSH) to Climate Change Adaptation and Protection and Restoration of Biodiversity and Ecosystems

Table 9

Criteria for DNSH to Climate Change Adaptation		
DNSH Criteria	***Alignment***	
The physical climate risks that are material to the activities mentioned above have been identified by the Issuer by performing a robust climate risk and vulnerability assessment.[99] The assessment must be proportionate to the scale of the activity and its expected lifespan, such that: • for investments into activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using downscaling of climate projections; • for all other activities, the assessment is performed using high resolution, state-of-the-art climate projections across a range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 years climate projections scenarios for major investments. The issuer has developed a plan to implement adaptation solutions to reduce material physical climate risks to the selected activities under the Framework. • For new activities the Issuer ensures that adaptation solutions do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts. • For activities that involve upgrading or altering existing assets or processes, the Issuer must implement adaptation solutions identified within five years from the start of the activity. In addition, selected adaptation solutions must not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts.	Accolade will conduct a climate risk and vulnerability assessment for activities eligible for financing under the Framework, following the criteria set forth in the EU Taxonomy Regulation. This assessment will utilize available data and studies carried out by external, qualified specialists in accordance with Accolade's requirements. The results will be integrated into Accolade's internal Corporate Responsibility and Value Assessment (CRVA) and the Group's retrofit and modernization plan. To ensure the assessment is proportionate to the scale of the activity and its expected lifespan Accolade will consider the RCP8.5 scenario for climate risk and vulnerability assessment. In cases where the risk is deemed high, Accolade commits to implementing adaptation solutions over a five-year period which will be developed by qualified specialists in line with local, sectoral, regional, or national adaptation strategies. Accolade is committed to conducting a comprehensive climate change adaptation strategy appraisal, focusing on structural and fabric resilience. This will involve a systematic risk assessment to identify and evaluate the building's susceptibility to climate change impacts throughout its projected life-cycle. The stages of the assessment includes: i) hazard identification; ii) hazard assessment; iii) risk estimation; iv) risk evaluation; v) risk management; and vi) adaptation solutions.	Aligned

Table 10

Criteria for the Protection and Restoration of Biodiversity and Ecosystems	
DNSH Criteria	***Alignment***

[99] The EU Delegated Act identifies several climate related risk and classifies them into chronic or acute risks, Chronic risks include -changing temperature (air, freshwater, marine water), changing wind patterns, changing precipitation patterns and types, coastal erosion, heat stress, ocean acidification, sea-level rise, and solifluction. Acute risks pertain to – heat/ cold wave, wildfire, cyclone, hurricane, tornado, storm, drought, landslide, flood, and glacial lake outburst. For a complete list of climate related risk please refer to Section 2 of Appendix E of EU's draft delegated regulation (Annex 1), at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptation-taxonomy#ISC_WORKFLOW

• An Environmental Impact Assessment (EIA) or screening has been completed, for activities within the Union, in accordance with Directive 2011/92/EU. For activities in third countries, an EIA has been completed in accordance with equivalent national provisions or international standards. • Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. • For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.	Accolade has confirmed to Sustainalytics that an EIA will be part of the permitting process and a prerequisite for obtaining a building use permit. Furthermore, Accolade requires mitigation and compensation measures to be implemented and documented based on the EIA for the protection of the environment establishing necessary requirements for Accolade's partners line with BREEAM requirements. In this regard Accolade requires compliance minimum credits of BREEAM Land use and ecology category which encourages sustainable land use, habitat protection and creation, and improvement of long-term biodiversity for the building's site and surrounding land. More specifically Accolade requires its partners to obtain 2 points under BREEAM category 'LE 02', 3 points under 'LE 04' and 2 points under 'LE 05'. Accolade's strategy focuses on investing in brownfields or greenfields with minimal ecological significance. The Group imposes specific requirements on its partners, mandating the attainment of 2 points in the BREEAM category 'LE 05' This requirement ensures the use of external Sustainability, Quality, and Environmental (SQE) experts who confirm compliance with all relevant EU, local, and national regulations for the protection and enhancement of ecology during the design and construction phases.	Aligned

Table 11

Criteria for the Pollution Prevention and Control Regarding Use and Presence of Chemicals		
DNSH Criteria	***Alignment***	
The activity does not lead to the manufacture, placing on the market or use of: a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament and of the Council,[100] except in the case of substances present as an unintentional trace contaminant; b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council;[101]	Accolade intends to finance eligible projects in EU countries, where the outlined regulations in the Pollution Prevention and Control DNSH criteria are legally binding. Directive 2011/65/EU has been transposed into national regulations in Czech Republic, Poland, Germany, the Netherlands, Slovakia and Croatia and Accolade has confirmed that use of proceeds will be eligible only for projects in countries where Directive 2011/65/EU is transposed.[105]	Aligned

[100] Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169, 25.6.2019, p. 45)
[101] Regulation (EU) 2017/852 of the European Parliament and of the Council of 17 May 2017 on mercury, and repealing Regulation (EC) No 1102/2008 (OJ L 137, 24.5.2017, p. 1).
[105] EUR Lex, "National transposition measures communicated by the Member States concerning: Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recast) text with EEA relevance", at: https://eur-lex.europa.eu/legal-content/DE/NIM/?uri=celex:32011L0065

c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council;[102] d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council,[103] except where there is full compliance with Article 4(1) of that Directive; e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council,[104] except where there is full compliance with the conditions specified in that Annex; f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society; g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society.		

Table 12

Criteria for the Technical Specifications for Water Appliances		
DNSH Criteria	***Alignment***	
1. The flow rate is recorded at the standard reference pressure 3 -0/+ 0,2 bar or 0,1 -0/+0,02 for products limited to low pressure. 2. The flow rate at the lower pressure 1,5 -0/+ 0,2 bar is ≥ 60 % of the maximum available flow rate. 3. For mixer showers, the reference temperature is 38 ± 1˚C. 4. Where the flow has to be lower than 6 L/min, it complies with the rule set out in point 2	Accolade has confirmed to Sustainalytics compliance with criteria 1 to 4.	Aligned

Appendix 4: Comprehensive EU Taxonomy Alignment Assessment – Substantial Contribution to Climate Change Adaptation

Table 13

Framework Activity assessed	Green Buildings

[102] Regulation (EC) No 1005/2009 of the European Parliament and of the Council of 16 September 2009 on substances that deplete the ozone layer (OJ L 286, 31.10.2009, p. 1)
[103] Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment. (OJ L 174, 1.7.2011, p. 88)
[104] Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC. (OJ L 396, 30.12.2006, p. 1).

EU Taxonomy Activity	7.7. Acquisition and ownership of buildings		
Associated NACE Code	L68		
EU Technical Screening Criteria		**Alignment with Technical Screening Criteria**	
Climate change adaptation	1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity. 2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A[106] to this Annex by performing a robust climate risk and vulnerability assessment with the following steps: (a) screening of the activity to identify which physical climate risks from the list in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Appendix A to this Annex, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that: (a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios[107] consistent with the expected lifetime	Accolade has confirmed to be financing physical and non-physical adaptation solutions that will make buildings more resilient to climate change through substantially reducing the most important physical climate risks that are material to the activity. Such adaptation solutions can be applied to any building in Accolade's portfolio. For new constructions, climate change adaptation solutions fall under overall building costs and are therefore included in the mitigation assessment in table 3. 1. In the context of acquisition and ownership of buildings, the financing solely relates to the adaptation solutions, which will meet the substantial contribution to climate change adaptation criteria. Accolade commits to conducting a comprehensive climate change adaptation strategy appraisal, focusing on structural and fabric resilience of each building. This involves a systematic risk assessment to identify and evaluate the building's susceptibility to climate change impacts throughout its projected life-cycle. The stages of the assessment include: i) hazard identification; ii) hazard assessment; iii) risk estimation; iv) risk evaluation; v) risk management; and vi) adaptation solutions. 2. Accolade has confirmed that it will conduct a climate risk and vulnerability and subsequently a materiality assessment for such buildings to determine such adaptation activities, following the criteria outlined in the EU Taxonomy. Such assessment is based on available data and studies collected and conducted by external specialists. The results will be integrated into Accolade's internal Corporate Responsibility and Value Assessment (CRVA) and its retrofit and modernization plan. In cases where the risk is deemed high, Accolade commits to implementing adaptation solutions over a five-year period.	Aligned

[106] Temperature related- Chronic: Changing temperature (air, freshwater, marine water), heat stress, temperature variability, permafrost thawing
Wind-related- Chronic: Changing wind patterns
Water-related-Chronic: Changing precipitation patterns and types (rain, hail, snow/ice), precipitation or hydrological variability, ocean acidification, saline intrusion, sea level rise, water stress
Solid mass-related- Chronic: Coastal erosion, soil degradation, soil erosion, solifluction
Temperature related- Acute: Heat wave, cold wave/frost, wildfire
Wind-related- Acute: Cyclone, hurricane, typhoon, storm (including blizzards, dust and sandstorms), tornado
Water-related- Acute: Drought, heavy precipitation (rain, hail, snow/ice), flood (coastal, fluvial, pluvial, ground water), glacial lake outburst
Solid mass-related-Acute: Avalanche, landslide, subsidence
[107] Future scenarios include Intergovernmental Panel on Climate Change representative concentration pathways RCP2.6, RCP4.5, RCP6.0 and RCP8.5.

	of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. 3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports[108], scientific peer-reviewed publications and open source[109] or paying models. 4.The adaptation solutions implemented: (a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (b) favour nature-based solutions[110] or rely on blue or green infrastructure[111] to the extent possible; (c) are consistent with local, sectoral, regional or national adaptation plans and strategies; (d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; (e) where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.	Accolade has conducted a study through an external company to develop the climate change adaptation strategy for single warehouses in Poland. The report outlines the possible climate hazards and data on the frequency of these hazards in the respective regions. In addition, the report outlines climate change scenarios between 2006 and 2100 as per IPCC (RCP4.5). Accolade has confirmed that it will conduct such studies for all assets financed under the Framework in other regions in line with local, sectoral, regional, or national adaptation strategies using climate scenarios based on RCP8.5. 3. To ensure the assessment is proportionate to the scale of the activity and its expected lifespan, Accolade will consider the RCP8.5 scenario for climate risk and vulnerability assessment, in line with analysis and related methodologies used in IPCC reports. As the designed lifetime of the building is 50 years, the relevant time period will be used. 4. Accolade has communicated that chosen implemented adaptation solutions will be developed by qualified specialists in line with local, sectoral, regional, or national adaptation strategies and will be monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met. If the implemented solution is physical and consists of an activity for which technical screening criteria have been specified, the solution complies with the do no significant harm technical screening criteria for that activity. Accolade outlines and considers the climatic conditions that affect the construction sector depending on aspects such as the location of the building, the foundation, the load-bearing, external casing as well as its thermal insulation and internal installation. To address issues related to climate change, Accolade intends to adopt design solutions, such as: i) drainage of the roof with a gravity-based system; ii) construction of linear drainages and rainwater inlets with drainage of water to a reservoir and the rainwater drainage system; iii) greenery; iv) waterproofing of the floor on the ground; v) adjusting the amount of fresh air by using tilt-and-turn windows in	

[108] Assessments Reports on Climate Change: Impacts, Adaptation and Vulnerability, published periodically by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change produces, https://www.ipcc.ch/reports/.
[109] Such as Copernicus services managed by the European Commission.
[110] Nature-based solutions are defined as 'solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions'. Therefore, nature-based solutions benefit biodiversity and support the delivery of a range of ecosystem services (version of [adoption date]: https://research-and-innovation.ec.europa.eu/research-area/environment/nature-based-solutions_en)
[111] See Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Green Infrastructure (GI) — Enhancing Europe's Natural Capital (COM/2013/0249 final)

		office buildings; vi) use of mechanical supply and exhaust ventilation; vii) the municipal sewage network; viii) use of rainwater as greywater for flushing toilets and urinals. Accolade has confirmed that will conduct such studies for all other projects financed under the Framework in line with local, sectoral, regional, or national adaptation strategies.	
DNSH Criteria		**Alignment with DNSH Criteria**	
Mitigation	The building is not dedicated to extraction, storage, transport or manufacture of fossil fuels. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class C. As an alternative, the building is within the top 30% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. For buildings built after 31 December 2020, the Primary Energy Demand (PED)[112] defining the energy performance of the building resulting from the construction does not exceed the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation implementing Directive 2010/31/EU. The energy performance is certified using an as built Energy Performance Certificate (EPC).	Accolade has confirmed that buildings eligible for the application of adaptation solutions will not be dedicated to the extraction, storage, transport or manufacture of fossil fuels. Accolade has confirmed that the following criteria will be met by buildings eligible for the application of adaptation measures: i) buildings built before 31 December 2020, reach at least EPC C or fulfil the top 30% criteria;[113] and ii) buildings built after 31 December 2020 do not exceed the nearly zero-energy building (NZEB) requirements in national regulation. The above is valid for buildings in all countries where Accolade is currently operating as listed above and all future countries which Accolade will expand to except for the following cases: Accolade has confirmed that that for Slovakia's buildings built after December 31, 2020, the Polish or Czech methodology will be applied to the respective building in order to apply NZEB requirements. Slovakia's buildings built before December 31, 2020: Accolade has confirmed that the Polish or Czech methodology will be applied to the respective building in order to confirm that the building is at least class C or within the top 30%. i) Industrial buildings in Poland, where Directive 2010/31/EU of the European Parliament and of the Council has been implemented, but EPC classes were not developed. Accolade has communicated that in Poland every new building needs to meet the established NZEB criteria and that newly constructed buildings financed under the Framework will have a PED meeting NZEB requirements. Buildings will also obtain an As built EPC. However, Accolade has informed Sustainalytics such an EPC will not include an EPC class since EPC classes are not available in Poland.	Aligned

[112] The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m2 per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).
[113] In the absence of national database, the top 30% PED will be determined through energy modelling measured by a qualified energy modelling engineer.

		ii) Accolade has informed Sustainalytics that industrial warehouses are excluded from the EPC scheme in Slovakia. As per EU Taxonomy guidance,[114] in cases where an EPC is not offered, equivalents may be used instead. Hence, any buildings falling into the category warehouse category that are exempt from an EPC, Accolade has confirmed that the Polish EPC methodology will be applied to the respective building. In all other cases, where EPCs are available, an EPC will be obtained as per EU Taxonomy criteria. iii) Accolade has informed Sustainalytics that there is no NZEB in Slovakia for any buildings falling under the scope of financing under the Framework. As per EU Taxonomy guidance,[115] when NZEB is not clearly defined in the national legislation, equivalents can be used, e.g. equivalents or thresholds from an EU country with a similar climate, when possible. Hence, Accolade has confirmed that the Polish or Czech NZEB methodology will be applied to the respective building in order to compare buildings.	

[114] European Commission, "FAQ – Climate Delegated Act", at: https://ec.europa.eu/sustainable-finance-taxonomy/faq
[115] European Commission, "FAQ – Climate Delegated Act", at: https://ec.europa.eu/sustainable-finance-taxonomy/faq

Appendix 5: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Accolade Holding
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Accolade Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	February 28, 2024
Publication date of review publication: **Original publication date *[please fill this out for updates]*:**	

Section 2. Review overview

SCOPE OF REVIEW

The review:

☒ assessed the 4 core components of the Principles (complete review) and confirmed the alignment with the GBP.

☐ assessed only some of them (partial review) and confirmed the alignment with the GBP/SBP/SBG (delete where appropriate); please indicate which ones:

☐ Use of Proceeds ☐ Process for Project Evaluation and Selection

☐ Management of Proceeds ☐ Reporting

☐ assessed the alignment with other regulations or standards (CBI, EU GBS, ASEAN Green Bond Standard, ISO 14030, etc.); please indicate which ones:

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

☒ Second Party Opinion ☐ Certification

☐ Verification ☐ Rating

☐ Other (please specify):

Does the review include a sustainability quality score?

☐ Of the issuer ☐ Of the project

☐ Of the Framework ☐ Other (please specify

☒ No scoring

ASSESSMENT OF THE PROJECT(S)

Does the review include:

☒ The environmental and/or social features of the type of project(s) intended for the Use of Proceeds?

☒ The environmental and/or social benefits and impact targeted by the eligible Green and/or Social Project(s) financed by the Green, Social or Sustainability Bond?

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☒ The potentially material environmental and/or social risks associated with the project(s) (where relevant)?

ISSUER'S OVERARCHING OBJECTIVES

Does the review include:

☒ An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?

☒ An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?

☒ A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

CLIMATE TRANSITION STRATEGY

Does the review assess:

☐ The issuer's climate transition strategy & governance?

☐ The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?

☐ The credibility of the issuer's climate transition strategy to reach its targets?

☐ The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).

☐ If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?

☐ The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways that are deemed necessary to limit climate change to targeted levels?

☐ The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically?

Overall comment on this section:

Section 3. Detailed review

1. USE OF PROCEEDS

Does the review assess:

☒ the environmental/social benefits of the project(s)?

☒ whether those benefits are quantifiable and meaningful?

☐ for social projects, whether the target population is properly identified?

Does the review assess if the issuer provides clear information on:

☐ the estimated proceeds allocation per project category (in case of multiple projects)?

☐ the estimated share of financing vs. re-financing (and the related lookback period)?

Overall comment on this section: The eligible categories for the use of proceeds – Green Buildings and Renewable Energy – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Does the review assess:

☒ whether the eligibility of the project(s) is aligned with official or market-based taxonomies or recognised international standards? Please specify which ones. Sustainalytics has a proprietary taxonomy which is influenced by the EU taxonomy, Climate Bonds Initiative taxonomy as well as international standards.

☒ whether the eligible projects are aligned with the overall sustainability strategy of the issuer and/or if the eligible projects are aligned with material ESG-related objectives in the issuer's industry?

☒ the process and governance to set the eligibility criteria including, if applicable, exclusion criteria?

☒ the processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)?

☒ any process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s)?

Overall comment on this section: Accolade Holding's Green Finance Committee will be responsible for evaluating and selecting eligible projects in line with the Framework's eligibility criteria. The Green Finance Committee is chaired by the Accolade Holding's Chief Executive Officer, and comprised of representatives from the management, finance, legal, human resource and sustainability teams. Accolade Holding's processes for mitigating environmental and social risks apply to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.

3. MANAGEMENT OF PROCEEDS

Does the review assess:

☒ the issuer's policy for segregating or tracking the proceeds in an appropriate manner?

☒ the intended types of temporary investment instruments for unallocated proceeds?

☐ Whether an external auditor will verify the internal tracking of the proceeds and the allocation of the funds?

Overall comment on this section: Accolade Holding's Green Finance Committee will be responsible for managing and tracking the proceeds using an internal tracking system on an individual project basis approach. Accolade Holdings intends to fully allocate net proceeds within three years of issuance. Pending allocation, proceeds will be temporarily deposited in the liquidity reserve or allocated to any other business activities. Accolade Holding has confirmed that financing to other business activities will not be associated with carbon-intensive or controversial activities in line with the Framework's exclusionary criteria. This is in line with market practice.

4. REPORTING

Does the review assess:

☒ the expected type of allocation and impact reporting (bond-by-bond or on a portfolio basis)?

☒ the frequency and the means of disclosure?

☐ the disclosure of the methodology of the expected or achieved impact of the financed project(s)?

Overall comment on this section: Accolade Holding commits to report on the allocation of proceeds which will be published on its website on an annual basis until full allocation. Allocation reporting will include the total amount of green instruments issued, description of green projects financed, the total amount of allocation to eligible projects per category and the balance of unallocated proceeds. In addition, Accolade Holding commits to report on relevant impact metrics. Sustainalytics views Accolade Holding's allocation and impact reporting as aligned with market practice.

Section 4. Additional Information

Useful links *(e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.)*

Analysis of the contribution of the project(s) to the UN Sustainable Development Goals:

Additional assessment in relation to the issuer/bond framework/eligible project(s):

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics` opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit http://www.sustainalytics.com/legal-disclaimers.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

Accolade

ACCOLADE HOLDING, A. S.

www.accolade.eu

CZECH REPUBLIC

Sokolovská 394/17
186 00 Prague 8

info@accolade.eu
+420 220 303 019

POLAND

Emilii Plater 53
00-113 Warsaw

poland@accolade.eu
+48 508 611 226

SPAIN

Avda. Aragón, 30, piso 8,
46021 Valencia

spain@accolade.eu

CROATIA

Ul. Ivana Šibla 17
10 000 Zagreb