

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

CEREIT
4 April 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Finance Instruments
Relevant standards	<ul style="list-style-type: none">• International Capital Market Association's (ICMA) Green Bond Principles (GBPs), updated as of June 2021• Loan Market Association's (LMA) Green Loan Principles (GLP), updated as of May 2020• ASEAN Capital Markets Forum's (ACMF) ASEAN Green Bond Standards (GBS), updated as of October 2018
Scope of verification	<ul style="list-style-type: none">• CEREIT Green Finance Framework (as of 29.03.2022)• CEREIT Selection Criteria (as of 29.03.2022)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• For as long as the Framework remains unchanged

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SCOPE OF WORK

Cromwell EREIT Lux Finco S.à r.l. – compartment 2 (“the Issuer”) commissioned ISS ESG to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instrument:

1. Green Finance Instruments link to CERET’s sustainability strategy – drawing on CERET’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. CERET’s Green Finance Framework (29.03.2022 version) – benchmarked against the ICMA’s GBPs, LMA’s GLP and ACMF’s ASEAN GBS.
3. The Eligibility Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 1).

CERET BUSINESS OVERVIEW

CERET is the largest REIT with 100% European portfolio listed on the Singapore Exchange Securities Trading Limited. It is a wholly-owned subsidiary of CERET’s sponsor, Cromwell Property Group a real estate investor and global real estate fund manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

CERET’s portfolio comprises 113 predominantly freehold properties with an appraised value of approximately €2,467 million in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, Slovakia, the Czech Republic and the United Kingdom with an aggregate lettable area of approximately 1.8 million sqm and 800+ tenant-customers.

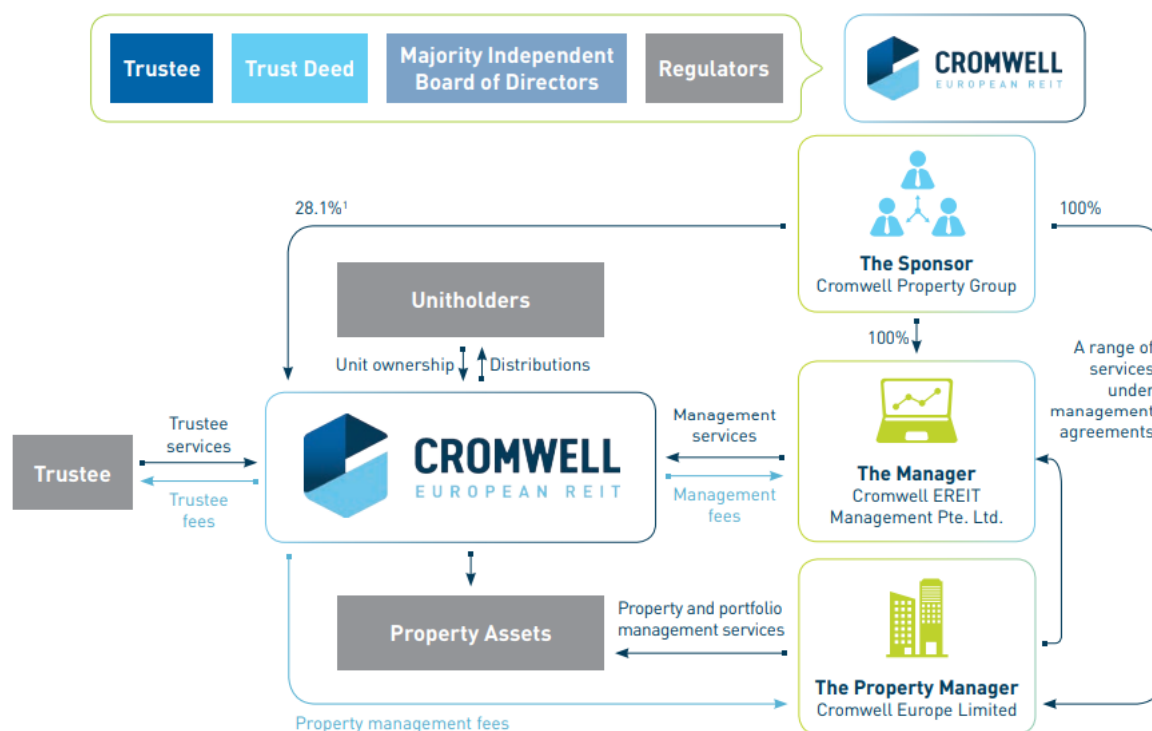


Figure 1 From CERET Green Finance Framework

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Finance Instruments link to issuer's sustainability strategy</p>	<p>CEREIT is a diversified real estate investment trust that invests into and manages commercial real estate assets across Europe.</p> <p>The Use of Proceeds financed through these Green Finance Instruments are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green Finance Instruments is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP, GLP, ASEAN GBS</p>	<p>The issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA's GBPs, LMA's GLP and ACMF's ASEAN GBS.</p>	<p>Aligned</p>
<p>Part 3:</p> <p>Sustainability quality of the Eligibility Criteria</p>	<p>The overall sustainability quality of the Eligibility Criteria in terms of sustainability benefits, risk avoidance and minimization is good based upon the ISS ESG assessment. The Green Finance Instruments will (re-)finance eligible asset categories which include: renewable energy, green buildings and energy efficiency.</p> <p>Those use of proceeds categories have a significant contribution to SDGs 11 'Sustainable cities and communities' and 13 'Climate action'. The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	<p>Positive</p>

¹ ISS ESG's evaluation is based on the CEREIT's Green Bond Framework as received on the 23.02.2022.

ISS ESG SPO ASSESSMENT

PART I: GREEN FINANCE INSTRUMENTS LINK TO CEREIF'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF CEREIF'S ESG PERFORMANCE

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

Industry classification:

Real Estate

Key Issues of the industry:

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

Indicative ESG risk and performance assessment

Cromwell European Real Estate Investment Trust (CEREIF) is a diversified real estate investment trust (REIT) listed on Singapore Exchange (SGX-ST) that invests in real estate assets across Europe. Its portfolio primarily includes light industrial / logistics and offices. It has a principal mandate to invest, directly or indirectly, in income-producing commercial real estate assets across Europe with a minimum portfolio weighting of at least 75% to Western Europe and at least 75% to the light industrial / logistics and office sectors. CEREIF currently targets a majority investment weighting to the light industrial / logistics sector while also investing in core office assets in gateway cities. For REITs involved in investment and management of real estate portfolios (through property managers), sustainability risks relate to ensuring resource efficiency of buildings, committing to sustainable procurement, providing a safe working environment, safeguarding tenant wellbeing, and implementing strategies to address climate change.

Regarding climate change, CEREIF has set the target to achieve Net Zero operational carbon emissions by 2040. While it has not set a science-based target to reduce greenhouse gas emissions (GHG) of properties yet, CEREIF has implemented a tool that is similar to the Carbon Risk Real Estate Monitor (CRREM) (called Deepki a SaaS-based ESG data intelligence tool in the EU for GHG data collection and analysis with the aim of setting up mid-term/long-term science-based targets aligned to the EU's commitment to Paris Agreement. CEREIF also plans to use the tool's findings to establish

asset level quantitative carbon emission reduction targets aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainable Finance Disclosure Regulation (SFDR) recommendations.

Regarding GHG emissions, CEREIT currently discloses two years (2018-2019) scope 1 and scope 2 emissions data for the properties where it has operational control and scope 3 emissions from tenant energy use, where it has no operational control. The boundaries of the reported energy consumption and carbon emissions are aligned to its Global ESG Benchmark for Real Assets (GRESB) assessment submission covering 75% and 77% of CEREIT's portfolio by floor area for the year 2018 and 2019, respectively. Additionally, GHG emission and energy use intensity data by property types are disclosed only on an annual basis based on GRESB data submission, starting from the year 2019. Hence, the three-year energy and GHG intensity trend could not be assessed.

To make its property portfolio more energy and resource-efficient, CEREIT refers to the implementation of a program in FY2020 aimed at introducing energy efficiency best practices across its properties such as LED lighting, building management systems (BMS), smart meters, etc. While CEREIT provides evidence that some of its properties have implemented these practices, it has not been fully implemented across 100% of its portfolio.

CEREIT actively uses a renewable energy mix across its portfolio. In FY 2019, 100% of energy purchased for managed energy connections in Denmark, Germany, and the Netherlands were from renewable sources. It also plans to increase the share of renewable energy use in Poland and Italy in the near term. CEREIT plans to increase the share of renewable energy use in Poland and Italy in the near term. It also targets to have 100% renewable or low carbon energy use in landlord-controlled spaces within 3 years of asset purchase (new assets) or 2030 for existing assets.

With regards to green building considerations, CEREIT has a procurement policy aligned with ISO 20400 sustainable procurement principles. Yet, publicly available information does not indicate whether it includes requirements related to the green procurement of building materials covering relevant aspects such as renewable and recycled content, embodied energy, re-usability, durability and maintainability, third party certification of wood-based materials, and local sourcing/material origin.

To improve the environmental awareness of tenants, CEREIT has implemented a few measures such as green leases and supporting tenants in switching to renewable energy.

In terms of site selection, a few of CEREIT's indirectly owned properties are located closer to public transport or electric charging poles. Further, where CEREIT has operational control, the Manager takes steps to address environmental and social issues through maintenance and cleaning contracts of technical installations, and health and safety audits. However, there is no evidence of a strategic approach to reducing other negative impacts such as dust, pollution, indoor and outdoor microclimate in its building management practices.

Regarding occupational health and safety, CEREIT refers to the implementation of only some elements of a health and safety management system, such as a policy and the compilation of accident data inventories. As CEREIT exclusively operates in countries with comparably high social standards, it is legally required to provide further elements e.g., adequate structures and responsibilities, training and awareness-raising, and emergency response procedures on health and safety. CEREIT reports on zero work-related injuries and fatalities in the last two years. The health and safety of suppliers is briefly addressed in the sponsor's (Cromwell Property Group) supplier code of conduct to which the

Manager of CEREIT abides by. Additionally, the Manager of CEREIT has integrated contractors' health and safety into its management system through sign-in/out protocols or on-site registration, yet the presence of other best practice structures such as induction training, regular monitoring, and evaluation, and gathering of contractor accident data remains unclear.

Regarding tenant health and customer well-being aspects, CEREIT only provides general statements and reports on sporadic initiatives undertaken during the COVID-19 outbreak. Yet, there is no indication of concrete measures to avoid the exposure of building users to biological, physical, and chemical health factors and to protect their well-being and safety.

Indicative product portfolio assessment

Social impact of the product portfolio

CEREIT does not appear to be involved in projects that would contribute significantly to relevant SDG objectives such as ensuring health and delivering education (e.g., management of healthcare or educational facilities). The company's project portfolio of office and logistic properties is therefore considered to have no net positive or negative social impact.

Environmental impact of the product portfolio

As at 23 February 2022, CEREIT refers to 26 properties which are certified according to a green building standard (25 BREEAM and one LEED 3 certification) out of 112 freehold properties, i.e., an estimated 23% in total. Furthermore, some developed buildings are in the process of BREEAM upgrade. Additionally, the company targets to reach 25% overall BREEAM certifications in FY 2022. Therefore, the company's assets have a positive environmental impact.

Controversy Assessment

Company Screening

The analyst in charge of producing this report conducted a high-level controversy assessment, based on publicly available information exclusively. There is no indication of CEREIT being involved in any of the below mentioned controversies.

Industry risks

Based on a review of controversies in the period of January 2019 – November 2021, the greatest risk reported against companies operating in Real Estate industry relate to activities of labour rights and business malpractice. The top issues that have been reported against companies within the industry are as follows: failure to respect the right to just and favourable conditions of work, alleged failure to pay fair share of taxes, failure to respect consumer health and safety and failure to conduct human rights due diligence. In a lower scale, those are followed by the alleged failure to assess environmental impacts and failure to prevent money laundering.

B. CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH CEREIF'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

CEREIT has introduced a sustainability framework to align values with enterprise risks and corporate strategy, underpinning the development of a resilient business through strong corporate social governance. Under the sustainability framework, all material risks and opportunities are grouped under three main areas: Environment, Social (Stakeholders) and Governance.

1. Environment
 - a. Align CEREIT's environmental data reporting with its annual GRESB submission
 - b. Complete energy level audits across CEREIT's portfolio
 - c. Target to achieve Net Zero operational carbon emissions by 2040
2. Asset Quality and Sustainable Building Certifications
 - a. Regularly evaluates existing assets to improve on quality and add additional value to income streams, while considering a wide range of ESG factors
 - b. Obtaining globally-recognised green building certifications such as BREEAM and LEED for its assets
3. People
 - a. Ensure the health and safety of employees, visitors, tenant-customers, the general public and any others who have touch points with the Group's operations
 - b. Set diversity targets in line with the Group's, aiming to achieve at least 30% of each gender across leadership levels by the end of 2023
4. Community
 - a. Aim to deepen its engagement with charities, increase its financial donations and involve its employees in community and giving efforts
5. Materiality Review
 - a. Identify and prioritise the most relevant ESG issues against the evolving landscape

Rationale for issuance

The Green Finance Framework has been developed based on the ICMA Green Bond Principles, LMA Green Loan Principles, ACMF ASEAN Green Bond Standards and defines assets which are eligible for financing or refinancing by proceeds of Green Finance Instruments issued by CEREIT's indirectly and wholly-owned securitization vehicles. The Green Finance Instruments issued will be to finance and refinance eligible assets held in CEREIT's portfolio.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Finance Instruments with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the real estate sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Renewable Energy	✓	✓	Contribution to a material objective
Green Buildings	✓	✓	Contribution to a material objective
Energy Efficiency	✓	✓	Contribution to a material objective

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

PART II: ALIGNMENT WITH ICMA’S GREEN BOND PRINCIPLES, LMA’S GREEN LOAN PRINCIPLES AND ACMF’S ASEAN GREEN BOND STANDARDS

0. Criteria for ASEAN Green Bonds (ASEAN GBS)

CEREIT is listed on the Singapore Exchange Securities Trading Limited.

Opinion: ISS ESG finds that the issuer and origination process align with the ACMF’S ASEAN GBS.

1. Use of Proceeds

FROM ISSUER’S FRAMEWORK

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

GBP Eligible Categories	Eligibility Criteria and Example Projects
Green Buildings	<p>Acquisition, or refurbishment of existing buildings which meet recognised standards, such as:</p> <ul style="list-style-type: none"> • BREEAM certification of at least “Very Good” • LEED certification of at least “Gold” • EPC A or B <p>All new construction or redevelopment of buildings will target BREEAM “Very Good” and/or LEED “Gold” or above</p> <p>Existing assets eligible for inclusion include those with at least:</p> <ul style="list-style-type: none"> • BREEAM “Very Good” • LEED Gold • EPC A or B
Renewable Energy	<ul style="list-style-type: none"> • Installation of photovoltaic solar or other renewable energy² • Dedicated support infrastructure for photovoltaic solar e.g. for the roof and enhancing the building management systems • Purchase of renewable energy for electricity consumption under medium- and long-term power purchase agreements

² Any renewable energy source emitting less than 100gCO₂e/kWh)

	<ul style="list-style-type: none"> • Installation, maintenance and repair of renewable energy technologies³
Energy Efficiency	<ul style="list-style-type: none"> • Renovations or refurbishment of existing buildings, delivering a minimum 30% reduction in carbon emissions intensity • Installation, maintenance and repair of energy efficiency equipment • Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Collectively, the assets in the above categories will form the Green Portfolio. Assets will be recognised at their market value and shall qualify for refinancing without a specific look-back period. Expenditures (if any) shall qualify for refinancing with a maximum two-year look-back period before the issuance of or entry into the relevant Green Finance Instrument.

Opinion: ISS ESG considers the Use of Proceeds description provided by CEREIT’s Green Finance Framework as aligned with the ICMA’s GBPs, LMA’s GLP and the ACMF’S ASEAN GBS. The issuer defines a look-back period of maximum 2 years for any expenditures, which is in line with best market practice.

2. Process for Project Evaluation and Selection

FROM ISSUER’S FRAMEWORK

Climate Change Risk Management

Physical impact from changing climate and extreme weather conditions is projected to have a growing impact on climate risk exposure across CEREIT’s various locations of operation. In order to understand and prepare for associated impact, the Manager has committed to embedding risk management and resilience assessments into all relevant acquisitions and operational strategies. In FY 2020, the Manager has integrated environmental risks into CEREIT’s ERM framework, allowing these risks to be considered and managed holistically along with other organisational risks. This will also support CEREIT in meeting the newly-introduced MAS Guidelines on Environmental Risk Management.

Managing Social Risks

The Manager firmly believes that anticipating, understanding and responding to stakeholder needs is key to CEREIT’s successfully managing social risks. The Manager is proactive in engaging with various stakeholder groups through regular two-way communication. Five of the 14 material topics that the Manager currently tracks and reports against are focused on social risks – namely: “Strong Partnerships”, “Tenant-customer satisfaction”, “Talent attraction”, “Retention and career

³ CEREIT’s Deepki software tool will be used to track current consumption data and the associated impact achieved from these technologies

development”, “Keeping our people and communities safe” and “Creating and embracing a diverse and inclusive workforce”.

The Manager mitigates social risk through a variety of initiatives under these material topics. Some examples include:

- Providing timely and relevant updates to the market as necessary, especially important in the context of the global COVID-19 outbreak
- Maintaining proactive investment and media community outreach
- Conducting yearly ‘voice of customer’ surveys for tenant-customers and developing and implementing adequate action plans to address feedback
- Prioritising employee health and safety, particularly considering the prolonged work-from-home period and striving to offer innovative solutions that encourage movement and healthy living
- Commitment to set diversity and inclusion targets, establishment of regional D&I committee to champion and support D&I and maintaining a senior leadership representative within the Group Diversity Leadership Council
- Conducting regular performance reviews and creating meaningful training and development opportunities
- Conducting a yearly ‘employee satisfaction’ survey (most recent score is 89%, well above the global and group average)

CEREIT’s Green Finance Committee (the “Committee”) will oversee the project evaluation and selection process and ensure selected projects comply with the eligibility criteria defined in the Use of Proceeds section and with CEREIT’s corporate responsibility strategy.

The Committee is chaired by the CEO and comprises the CFO, Head of Property and the COO (all Key Management Personnel). The Committee meets two times per year. The Management Sustainability Committee will be responsible for:

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

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by CEREIT’s Green Finance Framework as aligned with the ICMA’s GBPs, LMA’s GLP and the ACMF’S ASEAN GBS. The frequency of the green finance committee’s meetings is defined. Moreover, CEREIT

manages social and environmental risks associated with the relevant projects, in line with best market practice.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

The net proceeds from each Green Finance Instrument will be deposited to a general account in the name of Cromwell EREIT Lux Finco S.à r.l. on behalf of its compartment 2 and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects as selected by the Committee.

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

Payment of principal and interest on the Green Finance Instruments will be made from CERET's securitization vehicle general funds and will not be directly linked to the performance of the Green Portfolio.

All relevant information regarding the issuance of Green Finance Instruments and the Eligible Green Projects (re)financed will be monitored and maintained in CERET's internal records.

CERET and its securitization vehicle intend, to the best of their abilities, to fully allocate the proceeds within 12 months after the issuance date of each Green Finance Instrument and will strive to maintain full allocation until maturity by replacing any projects that may have been divested or are no longer eligible due to other circumstances.

Opinion: *ISS ESG finds that the Management of Proceeds description proposed by CERET's Green Finance Framework is well aligned with the ICMA's GBPs, LMA's GLP and the ACMF'S ASEAN GBS. Moreover, the issuer has defined an expected allocation period of 12 months, in line with best market practice.*

4. Reporting

FROM ISSUER'S FRAMEWORK

For all issuances under this Framework, the Committee intends to produce an allocation report (the "Allocation Report") as well as an impact report (the "Impact Report") annually until full allocation of the Green Finance Instrument proceeds and on a timely basis in case of material developments.

The information will be made available on CERET's corporate website and/or within its annual Sustainability Report.

Allocation Reporting

To the extent practicable, the Committee will provide information on a portfolio level such as:

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

Impact Reporting

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

- Green Buildings:
 - Level of certifications (BREEAM, LEED) by property
 - Percentage of total property portfolio which has achieved BREEAM 'Very Good' or above, LEED Gold or above
- Renewable Energy:
 - Renewable energy usage as a percentage of total energy consumption
- Energy Efficiency:
 - Annual GHG emissions per total property footprint
 - List of properties which have achieved EPC A or B certifications

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

Opinion: ISS ESG finds that the reporting proposed by CERET's Green Finance Framework is aligned with ICMA's GBPs, LMA's GLP and the ACMF's ASEAN GBS. The issuer commits to annually report on allocation and impact in a clear, detailed and transparent manner. Furthermore, the issuer has defined the level of impact reporting, frequency, scope and duration of the impact reporting, in line with best market practice.

5. External review

FROM ISSUER'S FRAMEWORK

The Issuer has appointed ISS-ESG to provide an independent Second Party Opinion report (“SPO”) on this Framework. The SPO will be made publicly available on CEREIT’s corporate website at: <https://www.cromwelleuropeanreit.com.sg/sustainability>

An independent external party will verify the internal tracking method and allocation of funds, confirming that an amount equivalent to the net proceeds of the Green Finance Instrument have been allocated in compliance with all material respects of the eligibility criteria set forth in the Green Finance Framework. The Issuer will seek external verification on the Allocation Report on an annual basis, until full allocation of the proceeds from any Green Finance Instrument issuance or entry into has been achieved.

Opinion: ISS ESG finds that External Review proposed by CEREIT’s Green Finance Framework is aligned with the recommendation of ICMA’s GBPs, LMA’s GLP and the ACMF’S ASEAN GBS

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE








A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Finance Instruments Eligibility Criteria and using a proprietary methodology, ISS ESG assessed the contribution of the Issuer's Green Finance Instruments to the Sustainable Development Goals defined by the United Nations (UN SDGs).


This assessment is displayed on a 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the Green Finance Instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings Acquisition or refurbishment of existing buildings, or new construction or redevelopment with: <ul style="list-style-type: none"> BREEAM certification "Very good" and/or above LEED certification "Gold" and/or above 	Significant contribution	
Green Buildings Acquisition or refurbishment of existing buildings with EPC A or B ⁴	Limited Contribution	
Renewable Energy Installation and maintenance of on-site solar panels and related dedicated infrastructure	Limited contribution	 
Renewable Energy Purchase of renewable electricity with medium and long term power purchase agreements	Limited contribution	 
Energy Efficiency Refurbishments of buildings that achieve reduction in primary energy demand of 30% in comparison to the	Limited Contribution	

⁴ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology.

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
baseline performance (before the refurbishment) Energy Efficiency <ul style="list-style-type: none"> • Energy efficiency equipment • Instruments and devices for energy performance of buildings 	<div style="background-color: #008000; color: white; padding: 5px; text-align: center;"> Significant Contribution⁵⁶ </div> <div style="background-color: #cccccc; padding: 5px; text-align: center; margin-top: 10px;"> No Net Impact </div>	<div style="text-align: center;">  </div>

⁵ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer's product and service portfolio on the SDGs. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

Green Finance Instruments Use of Proceeds Categories

The table below presents the findings of an ISS ESG assessment of the Eligibility Criteria against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

KPI Relevant to All Categories

Labour, Health & Safety of workers

100% of assets are located in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, Slovakia, the Czech Republic and the United Kingdom where high labour and health and safety standards are in place (e.g. ILO core conventions).



Additionally, the Group has specific Anti-Slavery and Human Trafficking Statements as well as a Human Rights policy published on its website. CEREIF's property managers have Operational Manuals, which are based on local legislation.

KPI Relevant to Green Buildings Category

Site selection

CEREIT utilizes an ESG checklist and a proprietary EU Taxonomy Tool (e.g. on brownfield) that provide guidance for screening acquisitions. Furthermore, the share of plant cover of the targeted real estate assets and the use of the land will be assessed as part of the technical due diligence. CEREIF monitors the share of plant cover in its properties. CEREIF also confirms all of its properties are in compliance with relevant legislation and local regulation regarding protected areas and sites of high environmental value.



CEREIT does not have policies regarding whether its properties are within 1km from public transport access. However, CEREIF confirms that all assets are located predominantly in or near major gateway cities in Europe, which typically have good levels of public transport. Except for one asset, all of the other selected assets in the portfolio are within 1km from public transport access.



Construction standards

CEREIT commits to optimise the sustainability characteristics of any construction or major renovations related to its portfolio. It incorporates sustainability into its selection of contractors, suppliers and materials. The property managers are also committed to meeting relevant regulations relating to materials procurement. CEREIF is also committed to improving the embodied carbon footprint of its materials.



For assets that are BREEAM certified, the Certification includes sustainable procurement.

Water use minimization in buildings

- CERETIT does not have a comprehensive policy or measures in place regarding water consumption reduction. CERETIT does measure the water consumption in the buildings, which is included in its GRESB reporting. For assets that are BREEAM and LEED certified, the certifications include measures to reduce water consumption.

Safety of building users

- ✓ Operational safety procedures and measures such as fire alarms and plans is covered in the buildings' operational handbooks. They are also based on local legislation.

KPI Relevant to Renewable Energy Category

Environmental aspects of solar panels used

- ✓ All the solar panels financed or refinanced under this framework comply with the European Waste Electrical and Electronic Equipment Directive (WEEE Directive) requiring the creation of collection schemes where consumers can return electronic equipment free of charge.
- ✓ All the solar panels financed or refinanced under this framework comply with national law, including the requirements of the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).

KPI Relevant to Energy Efficiency Category

Waste management

- As part of CERETIT's SFDR disclosure under Article 4, "Description of principal adverse sustainability impacts, page 8, under Land Artificialization" CERETIT explains that it has a policy in place to ensure end-of-life recycling to assets financed under this framework.
- ✓ CERETIT commits to optimise the sustainability characteristics of any construction or major renovations related to its portfolio. The property managers are also committed to meeting relevant regulations relating to waste management and also policies minimising waste in any construction and renovations works.

DISCLAIMER

1. Validity of the SPO: The SPO will be valid as long as the Framework remains unchanged.
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ANNEX 1: Methodology

ISS ESG Green Bond KPIs

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

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

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

Environmental and social risks assessment methodology

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

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

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

Assessment of the contribution and association to the SDG

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

ANNEX 2: Quality management processes

SCOPE

Cromwell EREIT Lux Finco S.à r.l. – compartment 2 commissioned ISS ESG to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the ICMA's GBPs and LMA's GLP and to assess the sustainability credentials of its Green Finance Instruments, as well as CEREIT's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA's GBPs and LMA's GLP
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

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

ISS ESG'S VERIFICATION PROCESS

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

ISS ESG has conducted this independent Second Party Opinion of the Green Finance Instruments to be issued by the Issuer based on ISS ESG methodology and in line with the ICMA's GBPs and LMA's GLP.

The engagement with the Issuer took place from February to March 2022.

ISS ESG'S BUSINESS PRACTICES

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

About ISS ESG SPO

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

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

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

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

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

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