



Second-Party Opinion

IMPACT Developer & Contractor Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the IMPACT Developer & Contractor Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Sustainable Water and Wastewater Management, Renewable Energy, Clean Transportation – are aligned with those recognized by the Green Bond Principles 2021. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 11 and 12.



PROJECT EVALUATION / SELECTION IMPACT Group’s internal process in evaluating and selecting projects is overseen by the Company’s Green Bond Committee. Project timelines, progress and budgets are monitored by the relevant IMPACT teams with the support of external specialist monitoring advisors. IMPACT’s environmental and social risk management system applies to all allocation decisions made under the Framework. Sustainalytics considers the environmental and social risk management system adequate and the project selection process in line with market best practices.



MANAGEMENT OF PROCEEDS IMPACT Group’s processes for management of proceeds is overseen by the Finance department with approval from the Chief Financial Officer. IMPACT will track the net proceeds of the issuances using a portfolio approach and aim to fully allocate net proceeds from the Green Bond issuances within 24 months. Pending allocation to the Green Project Portfolio, IMPACT is expected to manage the unallocated proceeds by holding them in cash or other short-term instruments. This is in line with market practice.



REPORTING IMPACT Group intends to report allocation proceeds on its website on an annual basis until full allocation. The report will include a list of eligible projects financed and metrics such as the amount of net proceeds allocated from the Green Bonds at the project level, unallocated proceeds, and the share of financing and refinancing. In addition, IMPACT Group is committed to reporting on relevant impact metrics recommended under the Harmonized Framework for Impact Reporting. Sustainalytics views IMPACT Group’s reporting commitments aligned with market practices.

Evaluation Date	November 12, 2021 ¹
Issuer Location	Bucharest, Romania

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¹ This document is an update of a Second-Party Opinion, originally published in February 2021. In October 2021, IMPACT engaged Sustainalytics to assess the alignment of its Project Evaluation and Selection section. No changes were made to the eligible use of proceed categories. The scope of Sustainalytics

Introduction

IMPACT Developer & Contractor (“IMPACT”, the “Group” or the “Company”) is a Romanian real estate developer with a focus on building residential projects in Romanian cities, including Bucharest, Timisoara, Iasi and Constanta. The Company was founded in 1991 and, by 1996, listed on the Bucharest Stock Exchange (BSE). IMPACT has developed housing projects dedicated to the middle- and high-income segments in the past few years - namely GREENFIELD and BOREAL Plus, and LUXURIA, respectively. The Company plans to replicate these projects in major Romanian cities.

IMPACT has developed the IMPACT Developer & Contractor Green Bond Framework (the “Framework”) under which it intends to issue one or more green bonds and use the proceeds to finance and refinance, in whole or in part, existing or future projects that improve the environmental performance of its buildings and provide green facilities to the customers of IMPACT housing.

The Framework defines eligibility criteria in four areas:

1. Green Buildings
2. Sustainable Water and Wastewater Management
3. Renewable Energy
4. Clean Transportation

A list of eligible projects and projected allocations for the 2021 green bond issuance is provided in Appendix 1.

IMPACT engaged Sustainalytics to review the IMPACT Developer & Contractor Green Bond Framework, dated November 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).² This Framework has been published in a separate document.³

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ 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;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

Sustainalytics relied on its internal taxonomy, version 1.11, for the use of proceeds assessment, which is informed by market practices and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of IMPACT’s management team to understand the sustainability impact of their business processes and planned use of proceeds and management of proceeds and reporting aspects of the Framework. IMPACT representatives have confirmed that (i) they understand it is the sole responsibility of IMPACT to ensure that the information provided is complete, accurate or up to date; (ii) they have provided Sustainalytics with all relevant information, and (iii) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

update consists of assessing the updated Framework’s alignment with the Green Bond Principles 2021 as well as confirming that the Framework is aligned with current market practices.

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

³ The IMPACT Developer & Contractor Green Bond Framework is available on IMPACT Group’s website at: <https://www.impactsa.ro/>

⁴ 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 IMPACT.

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 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 realized allocation of the bond 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 IMPACT has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the IMPACT Developer & Contractor Green Bond Framework

Sustainalytics is of the opinion that the IMPACT Developer & Contractor Green Bond Framework is credible and impactful and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of IMPACT's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Sustainable Water and Wastewater Management, Renewable Energy, Clean Transportation – are aligned with those recognized by the GBP. Sustainalytics notes that projects and activities that will be financed under this Framework will be located exclusively in Romania. While Sustainalytics notes that IMPACT's primary activity is related to the development of Green Buildings and related infrastructure, the other use of proceeds categories adds value to developing related green infrastructure. Therefore, the category of Green Buildings is where the majority of funds are expected to be allocated, and IMPACT expects to finance housing projects like "GREENFIELD & BOREAL Plus" and "LUXURIA", and their replication in major cities in Romania.
 - Under the Green Buildings Category, IMPACT may finance or refinance the construction, development, and refurbishment of residential buildings and commercial facilities that have received or are expected to receive one of the following green building certifications, including LEED (Gold and Platinum) and BREEAM (Very Good and above). Sustainalytics views the LEED certification as credible and the levels selected (Gold and Platinum) as impactful while considering BREEAM Excellent to be aligned with market practice. Thus, Sustainalytics encourages IMPACT to select BREEAM-certified buildings that score high enough in the Energy category (which Sustainalytics regards as the most important one) to fulfill the requirements for BREEAM Excellent in that category. See Appendix 1 for a further description of the referenced building standards.
 - Within the Sustainable Water and Wastewater Management Category, IMPACT may finance or refinance projects that support construction and refurbishment activities that increase the efficiency of water distribution and drainage, increase consumption efficiency and mitigate the effects of flooding in residential and commercial developments. Sustainalytics notes that a vulnerability assessment or adaptation plan will be carried out by IMPACT prior to financing any flood management projects.

- Regarding the Renewable Energy Category, IMPACT will finance or refinance projects that support the integration of solar or geothermal (<100g CO₂ per kWh) energy solutions in new buildings and retrofit solar or geothermal energy solutions in existing developments. Sustainalytics notes that the emission threshold for geothermal is aligned with market practice.
- Within the Clean Transportation Category, IMPACT may finance or refinance projects that complement their green building developments such as fully electric charging stations and cars, fully electric public transport, green ride-sharing solutions such as bicycles and electric scooters, and development of bike paths and bike stations. Sustainalytics positively notes financing of fully electric vehicles and related infrastructure.
- Project Evaluation and Selection:
 - IMPACT's internal process for evaluating and selecting projects is managed by its board-level Green Bond Committee (the "Committee"), assisted by relevant teams such as the ESG Department, the investment team, project management and legal team, and the Company's management. Potentially eligible projects that meet Framework criteria, internal policies of the Company, and local regulation are submitted for approval to IMPACT Group's Board of Directors. All project elements such as project timelines, progress and budgets are monitored by the relevant IMPACT team, such as the investment team and project team, together with the support of external specialist monitoring advisors. Additionally, health, safety and environmental risks are monitored before and during the project, as it involves the development or construction of the property.
 - The Committee will review the allocation of the proceeds to eligible project categories annually or, if deemed necessary, earlier. IMPACT's ESG Department is responsible for the selection, monitoring and reporting of green financing.
 - IMPACT has an environmental and social risk management system applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management system to be adequate and aligned with market expectations. For additional detail, see Section 2.
 - Sustainalytics considers this process to align with market best practices based on the detailed project selection and evaluation process.
- Management of Proceeds:
 - IMPACT will track and allocate funds to the Green Project Portfolio. With the approval of the Chief Financial Officer, the finance department will manage the Green Project Portfolio, and proceeds will be allocated using a portfolio approach.
 - IMPACT intends to fully allocate proceeds of the Green Bond issuance within the first 24 months after issuance. However, if the proceeds are not allocated, unallocated proceeds will be held in cash or other short-term instruments until allocation. IMPACT mentions that payment of principal and interest on the Green Bonds will be made from the Company's general funds and will not be directly linked to the performance of the Green Project Portfolio.
 - Based on the management of the Green Project Portfolio, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - On an annual basis, IMPACT will report on the allocation of the net proceeds until they are fully allocated. The report will be publicly available on the Company's website and will include the total amount of proceeds allocated to Eligible projects to date, including a breakdown of projects of Eligible Assets and region, the share of financing vs refinancing, the status of the project, and the amount of unallocated proceeds if any.
 - IMPACT is also committed to reporting on relevant impact metrics recommended under the Harmonized Framework⁵ for Impact Reporting on its website. The Company will report on the environmental impact of the Eligible Assets (re)financed by the proceeds annually. The impact report will be made available on IMPACT's website and include quantitative metrics, where feasible and available.
 - Based on the frequency and transparency of allocation reporting and impact reporting, Sustainalytics considers this process to be in line with market practice.

⁵ ICMA, "Impact Reporting", (2020), at: <https://www.icmagroup.org/sustainable-finance/impact-reporting/>

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the IMPACT Developer & Contractor Green Bond Framework aligns with the four core components of the GBP. Please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form for detailed information.

Section 2: Sustainability Performance of IMPACT/ Sustainability Strategy of IMPACT

Contribution of the Framework to IMPACT Group's sustainability strategy

Sustainalytics is of the opinion that IMPACT demonstrates a commitment to sustainability with a focus on two key environmental areas: (i) reduction of carbon emissions and (ii) social responsibility initiatives.⁶

The Company is directing the fund proceeds to replicate its existing housing projects – GREENFIELD and BOREAL Plus, and LUXURIA; in major Romanian cities. While the existing housing projects incorporate features to make the building and related infrastructure energy efficient and low carbon, the replication of sustainable housing projects displays the Company's commitment to sustainability. The Company has set a target of having at least 80% of the projects developed from 2022 to 2027 to be green-certified. It is noted that the construction and development projects are mainly focused on residential buildings with commercial facilities for use by residents.⁷

IMPACT strives to recognize, measure, and reduce the environmental impacts of its developments. Projects to date include implementing rainwater harvesting and greywater recycling systems, low-carbon design, and energy monitoring in their existing housing projects.

The Company has collaborated with residents and city authorities around the existing housing projects to develop safe, healthy neighbourhoods and protect the surrounding green environment. All the mentioned use of proceed categories contribute to this focus area of IMPACT's sustainability commitment through projects such as air quality monitoring systems, designing projects for alternative clean transport, integration of renewable energy solutions, and providing easy access to public transport.

In 2021, IMPACT established an ESG department⁸ to manage the application of the Green Bond Framework by promoting green sustainable technologies in their business practices to address their environmental objective of climate change mitigation, ultimately contributing towards the wider UNSDGs. While Sustainalytics notes that IMPACT has published its Sustainability report on its website, it also encourages IMPACT to set and communicate time-bound quantitative targets and KPIs showing environmental performance and progress.

Sustainalytics is of the opinion that the IMPACT Developer & Contractor Green Bond Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities, and would encourage IMPACT to establish GHG emission reduction target for its projects in the future to demonstrate its commitment to sustainability

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

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects recognized by the GBP to have a positive environmental impact, such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects include occupational health and safety, community relations/stakeholder participation, land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents, and waste generated in the construction.

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

- In 2013, Romania submitted a national plan to comply with the European Union's directive on "Nearly Zero-Energy Buildings",⁹ according to which all new buildings will have to be equipped with energy

⁶ Sustainability Report 2020, at: <https://www.impactsa.ro/pictures/documents/2976-IMPACTSustainabilityReport.pdf>

⁷ IMPACT, "Sustainability Report 2021", at: <https://www.impactsa.ro/pictures/documents/2976-IMPACTSustainabilityReport.pdf>

⁸ IMPACT, "IMPACT establishes an ESG department and switches to electric cars", (2021) at: <https://www.impactsa.ro/article/impact-establishes-an-esg-department-and-switches-to-electric-cars>

⁹ European Commission, "Nearly Zero Energy Buildings Romania", (2013), at: https://ec.europa.eu/energy/sites/ener/files/documents/romania_en_version.pdf

performance monitoring devices and use household devices that are efficient, such as lighting and heating devices. IMPACT has committed to applying this standard to all its buildings developed after January 1, 2021.¹⁰

- To mitigate the risks of occupational health and safety, land use, and biodiversity issues associated with large-scale development, emissions, effluents and waste generated in construction, IMPACT has obtained ISO 45001:2018 certification¹¹ that demonstrates processes in place to control hazards and ensure the health and safety of employees and visitors at the Company's working sites. Additionally, IMPACT has obtained an ISO 9001:2015 certification,¹² which specifies the requirement of a robust quality management system and ISO 14001:2015 certification,¹³ which specifies the requirement of a robust environmental management system.
- To mitigate risks associated with community relations and stakeholder participation, IMPACT has adopted a policy of managing 'conflicts of interest' between the Company, clients, shareholders, and other related stakeholders. The policy provides a process of identifying, monitoring, managing, controlling, and avoiding conflicts of interest ethically and professionally.¹⁴
- IMPACT provided a detailed 'Risk Management and Internal Control Policy' to regularly and reliably manage the type and level of risk that the Company faces.¹⁵

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

Section 3: Impact of Use of Proceeds

Importance of Green Buildings in Romania

Romania is a part of the European Union (EU) and follows the Energy Performance of Buildings Directive (EPBD)¹⁶ to modernize the building sector and support construction or renovation of the energy-efficient building stock.¹⁶ This is because the building sector is responsible for approximately 40% of EU energy consumption and 36% of the greenhouse gas emissions, thus, the largest energy consumer in Europe.¹⁷ In 2019, EU households represented 26% of final energy consumption, with approximately 64% of the energy being used for space heating.¹⁸ Similarly, in 2018 the residential sector of Romania was responsible for 32% of energy consumption, the highest of all sectors, while the carbon footprint of the sector has remained the same at seven mtCO₂ since 2000.¹⁹ Since 2000, Romania has encountered the warmest years in 2015 and 2018 and an increased frequency of floods, water scarcity and wildfires, thus, demonstrating the need for climate adaptation.²⁰

Approximately 35% of EU buildings are more than 50 years old in the EU territory, and 75% of building stock is not energy efficient.²¹ Zooming into Romania, approximately 56% of buildings are more than 50 years old.²² In 2012, approximately 11% of Romanian buildings were found to be built after the year 2000. Thus, they are expected to be much more energy-efficient than the buildings built before.²³ In 2019, Romania had over 250

¹⁰ IMPACT, "Sustainability Report 2021", at: <https://www.impactsa.ro/pictures/documents/2976-IMPACTSustainabilityReport.pdf>

¹¹ IMPACT, "ISO 45001 certificate", (2021), at: <https://www.impactsa.ro/pictures/documents/2870-ISO45001.PDF>

¹² IMPACT, "ISO 9001 certificate", (2021), at: <https://www.impactsa.ro/pictures/documents/2869-ISO9001.PDF>

¹³ IMPACT, "ISO 14001 certificate", (2021), at: <https://www.impactsa.ro/pictures/documents/2868-ISO14001.PDF>

¹⁴ IMPACT, "Policy on the Management of Conflict of Interests and Transactions with the Related Parties", at: <https://www.impactsa.ro/pictures/documents/2850-POLICYONTHEMANAGEMENTOFCONFLICTOFINTERESTSANDTRANSACTIONS.pdf>

¹⁵ IMPACT, "Risk Management and Control", at: <https://www.impactsa.ro/pictures/documents/2851-RISKMANAGEMENTPOLICYANDINTERNALCONTROL.pdf>

¹⁶ EUR-Lex, "Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency", (2018), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2018.156.01.0075.01.ENG

¹⁷ European Commission, "Energy performance of buildings directive", (2020) at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en#facts-and-figures

¹⁸ Energy Consumption in Households, 2021, Eurostate, available: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_consumption_in_households

¹⁹ IEA, "Romania", at: <https://www.iea.org/countries/romania#policies>

²⁰ Climate ADAPT, "Romania", (2019), at: <https://climate-adapt.eea.europa.eu/countries-regions/countries/romania>

²¹ European Commission, "New Rules for Greener and Smarter Buildings will increase quality of life for all Europeans", (2019), at: https://ec.europa.eu/info/news/new-rules-greener-and-smarter-buildings-will-increase-quality-life-all-europeans-2019-apr-15_en

²² European Commission, "Romania", (2014), at: <https://ec.europa.eu/energy/sites/default/files/documents/rom.pdf>

²³ Dimulescu, V. (2014), "Energy efficiency in Romania's residential sector", at: https://www.roec.biz/wp-content/uploads/output/2014/10/ROEC_P_Valentina_Dimulescu-Energy_efficiency_in_Romanias_residential_sector_EN_-_output.pdf

“green” certified buildings, with 40 buildings that were certified green in the year of 2019,²⁴ thereby displaying an upward trend in green buildings.²⁵ The EU has put in place several guidelines, including the Energy Performance of Buildings Directive (EPBD)¹⁶, which requires all new buildings to be nearly zero-energy by the end of 2020 and new public buildings to be zero-energy by 2018.²⁶ In 2019, a study was conducted by the EU Commission that shows that the trend of uptake of nearly zero-energy buildings between 2012 and 2016 is on the rise with a peak in 2014.²⁷

Within this context, IMPACT Group’s Use of Proceeds to construct new and certified green buildings is expected to help Romania implement and comply with directives passed by the European Commission and contribute to the EU’s long-term energy goals. This is most relevant regarding the “Nearly Zero-Energy Building Program” which aims to reduce newly built buildings energy consumption to zero by the end of 2021.²⁶

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and formed an agenda for achieving sustainable development by 2030. The bonds issued under the IMPACT Developer & Contractor Green Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Sustainable Water and Wastewater Management	12. Responsible Consumption and Production	12. By 2030, achieve the sustainable management and efficient use of natural resources
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

Conclusion

IMPACT has developed the IMPACT Developer & Contractor Green Bond Framework under which it will issue green bonds and the use of proceeds to finance Green Buildings and relevant, sustainable infrastructure projects. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide a positive environmental impact.

The IMPACT Developer & Contractor Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made to report the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the IMPACT Developer & Contractor Green Bond Framework is aligned with the Company’s overall sustainability strategy and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7,11 and 12. Additionally, Sustainalytics is of the opinion that IMPACT has adequate measures to identify, manage and

²⁴ Romania Insider, “Romania has over 250 certified “green” buildings”, (2020), at: <https://www.romania-insider.com/ro-green-buildings-feb-2020>

²⁵ Euractiv, “Borncamp: Romanian green building market growing fast”, (2010), at: <https://www.euractiv.com/section/central-europe/interview/borncamp-romanian-green-building-market-growing-fast/>

²⁶ European Commission, “Nearly zero-energy buildings”, (2020), at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

²⁷ Publication Office of the EU, “Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU”, (2019), at: <https://op.europa.eu/en/publication-detail/-/publication/97d6a4ca-5847-11ea-8b81-01aa75ed71a1/language-en/format-PDF/source-119528141>

mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that IMPACT Developer is well-positioned to issue green bonds and that the IMPACT Developer & Contractor Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix



Appendix 1: Certification Schemes for Green Buildings

	LEED²⁸	BREEAM²⁹
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	Building Research Establishment Environmental Assessment Method (BREEAM) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, BREEAM is used for new, refurbished and extension of existing buildings.
Certification levels/rating	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding
Areas of Assessment: Environmental Performance of the Building	Energy and Atmosphere Sustainable Sites Location and Transportation Materials and Resources Water efficiency Indoor Environmental Quality Innovation in Design Regional Priority	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation
Requirements	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item ³⁰ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.

²⁸ USGBC, LEED, at: www.usgbc.org/LEED

²⁹ BREEAM, Building Research Establishment LTD, at: <https://breeam.com/>

³⁰ BREEAM weighting: Management 12%, Health, and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

<p>Performance display</p>		
<p>Accreditation</p>	<p>LEED AP BD+C LEED AP O+M</p>	<p>BREEAM International Assessor BREEAM AP BREEAM In Use Assessor</p>
<p>Qualitative considerations</p>	<p>Widely recognised internationally, and strong assurance of overall quality.</p>	<p>Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (fewer minimum thresholds) than LEED certifications.</p>

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	IMPACT Developer
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	IMPACT Developer & Contractor Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November 12, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

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

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

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

ROLE(S) OF REVIEW PROVIDER

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

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

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

Please refer to Evaluation Summary above.

Section 3. Detailed review

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

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Green Buildings, Sustainable Water and Wastewater Management, Renewable Energy, Clean Transportation – are aligned with those recognized by the Green Bond Principles 2021. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 11 and 12.

Use of proceeds categories as per GBP:

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

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

IMPACT Group's internal process in evaluating and selecting projects is overseen by the Company's board-level Green Bond Committee. Project timelines, progress and budgets are monitored by the relevant IMPACT teams with the support of external specialist monitoring advisors. -IMPACT's environmental and social risk management system are applicable to all allocation decisions made under the Framework. Sustainalytics considers the environmental and social risk management system to be adequate and the project selection process in line with market best practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available
- Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
- In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

IMPACT's processes for management of proceeds is overseen by the Finance department with approval from the Chief Financial Officer. IMPACT will track the net proceeds of the issuance(s) using a portfolio approach and will aim to fully allocate net proceeds from the Green Bond issuance within 24 months. Pending allocation to the Green Project Portfolio, IMPACT will manage the unallocated proceeds will be held in cash or other short-term instruments.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

IMPACT Group intends to report allocation proceeds on its website on an annual basis until full allocation. The report will include a list of eligible projects financed and metrics such as the amount of net proceeds allocated from the Green Bonds at the project level, the amount of unallocated proceeds, and the share of financing and refinancing. In addition, IMPACT Group is committed to reporting on relevant impact metrics recommended under the Harmonized Framework for Impact Reporting. Sustainalytics views IMPACT Group's reporting as aligned with market practice.

Use of proceeds reporting:

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

Information reported:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

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

Impact reporting:

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

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): |
| | Level of certification by property |
| | Annual volume of wastewater treated or avoided |
| | Annual water savings |
| | Treatment and disposal and/or reuse of sewage sludge |
| | Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) |
| | Capacity of renewable energy plant(s) constructed or rehabilitated in MW |
| | Passenger-kilometres and/or passengers; or tonne-kilometres and/or tonnes |
| | Reduction of air pollutants: particulate matter (PM), sulphur oxides (SOx), nitrogen oxides (NOx), |

carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)

Frequency

- Annual Semi-annual
 Other (please specify):

Means of Disclosure

- Information published in financial report Information published in sustainability report
 Information published in ad hoc documents Other (please specify):
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.impactsa.ro>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- Consultancy (incl. 2nd opinion) Certification
 Verification / Audit Rating
 Other (please specify):

Review provider(s):

Date of publication:

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.

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- 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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