



CROMWELL PROPERTY GROUP SUSTAINABLE FINANCE FRAMEWORK



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Disclaimer

Our assessment relies on the premise that the data and information provided by Cromwell to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnv.com)

DNV'S INDEPENDENT ASSESSMENT

Introduction

Cromwell Property Group (“**Cromwell**”) is a real estate investor and fund manager with a global investor base. As at 31 December 2022, Cromwell has a market capitalisation of \$1.8 billion and an Australian investment portfolio valued at \$2.8 billion, and a total assets under management of \$12 billion across Australia, New Zealand, and Europe. The Assets Under Management are spread across a range of sectors including Office, Retail, Industrial/Logistics, Property securities and Other. The portfolio consists of over 210 assets let to more than 2,300 tenants.

Cromwell has developed a Sustainable Finance Framework (the “**Framework**”) under which it intends to issue green or sustainability-linked loans and bonds, and to support and provide transparency to Cromwell’s commitment to fund low carbon, efficient, and resilient buildings that meet the ESG ambitions of the company and its suppliers and customers through the use of sustainable debt instruments.

Cromwell intends to apply the net proceeds of the Green Use of Proceeds Bonds and Loans to finance or refinance new and existing green assets or projects, in part or in full, new and/or existing Eligible Assets that fall under the Eligible Category:

- Green buildings
- Renewable energy

Proceeds from Sustainability-Linked Bonds (“SLB”) and Sustainability-Linked Loans (“SLL”) that are built on Key Performance Indicators (“KPIs”) and Sustainability Performance Targets (SPTs), will be utilised for general corporate purposes.

Scope and Objectives

DNV Business Assurance Australia Pty. Ltd. (henceforth referred to as “DNV”) has been commissioned by Cromwell as an independent body to provide verification of Cromwell’s Framework against the International Capital Market Association (ICMA) Green Bond Principles (GBP)² 2022, the Loan Market Association (LMA) Green Loan Principles (GLP)³ 2023, the ICMA Sustainability-Linked Bond Principles (SLBP)⁴ 2023, and the Loan Syndications and Trading Association (LSTA) Sustainability-Linked Loan Principles (SLLP)⁵ 2023. Our criteria and information covered to achieve this is described under ‘Work Undertaken’ below.

No assurance is provided regarding the financial performance of any Bond/Loan or the long-term environmental benefits of the transactions. Our objective has been to provide an assessment that the Framework meet the criteria of the GBP, GLP, SLBP, and SLLP.

Responsibilities of the Management of Cromwell and DNV

The management of Cromwell has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Cromwell management and other interested stakeholders in a loan or bond as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Cromwell. DNV is not responsible

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ <https://www.lsta.org/content/green-loan-principles/>

⁴ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Sustainability-Linked-Bond-Principles-June-2023-220623.pdf>

⁵ <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

for any aspect of the eligible categories referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Cromwell's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

DNV has adapted our assessment methodology to create the Cromwell-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol") that includes assessment of both Use of Proceeds and Sustainability-Linked instruments. Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

Use of Proceeds Instruments

As per our Protocol, the GBP and GLP criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds.

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond / borrower of a loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond / borrower of a loan should outline the process it follows when determining eligibility of an investment using Green Bond and Loan proceeds and outline the relevant environmental sustainability objectives.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that the proceeds of a Green Bond or Loan should be tracked in an appropriate manner, that separate portfolios should be created when necessary and that the intended placement of unallocated funds should be made known.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Sustainability-Linked Instruments

The SLBP and SLLP criteria against which the Framework has been reviewed are grouped under the four core components:

1. Principle One: Selection of Key Performance Indicators (KPIs)

The Issuer of an SLB / Borrower of an SLL should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed SPTs. The KPI should be reliable, material to the Borrower's core sustainability and business strategy, address relevant ESG challenges of the industry sector and be under management control.

2. Principle Two: Calibration of Sustainability Performance Targets (SPTs)

The SPTs should be ambitious, meaningful, and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.

3. Principle Three: Bond/Loan Characteristics

The bond or loan will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The loan documentation needs to include the definitions of the KPI(s) and SPT(s) and the potential variation of the SLL's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.

4. Principle Four: Reporting

Issuers and Borrowers should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report (see Principle 5) outlining the performance against the SPTs and the related impact and timing of such impact on the Bond or Loan's financial and/or structural characteristics, with such information to be provided to those institutions participating in the Bond or Loan at least once per annum.

- 5. Principle Five: Verification (Post-issuance).** The Issuer or Borrower should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, at least once per annum. It is recommended that verification of the performance against the SPTs should be made publicly available where appropriate.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by Cromwell in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the Framework to address both Use of Proceeds and Sustainability-Linked assessment, as described above and in Schedule 2 to this Assessment.
- Assessment of documentary evidence provided by Cromwell on the Framework and supplemented by a high-level desktop research. These checks refer to current DNV assessment best practices, guidance and/or standards methodology.
- Review of published materials by Cromwell and Cromwell's website.
- Review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

Use of Proceeds Instruments

DNV's findings on the alignment of Use of Proceeds Instruments with the GBP and GLP are listed below:

1. Use of Proceeds

Cromwell intends to exclusively apply an amount equivalent to the net proceeds from Green Bonds or Loans issued pursuant to this Framework to finance or refinance, in part or in full, new and existing assets, projects or activities that fall under the Eligible Category:

- Green buildings
- Renewable energy

DNV undertook an analysis of the associated project types to determine the eligibility as "Green" in line with the GBP and GLP. Cromwell has provided mapping of its Use of Proceeds with the United Nations Sustainable Development Goals ("UN SDGs"). DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the GBP and GLP.

DNV considers the Use of Proceeds set out in the Framework to be well aligned with the GBP and GLP.

2. Process for Project Evaluation and Selection

The Framework describes the process for project evaluation and selection. DNV reviewed the process and confirms it appropriately describes Cromwell's investment process overview, investment decision-making process and key resources involved. The Framework clarifies that the Cromwell Treasurer, who is part of the Cromwell Green Finance Committee (the "Committee") will be responsible for compliance with the Framework. This includes ensuring proceeds from Green Bonds and Green Loans are appropriately earmarked and meet the eligibility criteria; identification and evaluation of projects that meet the eligibility criteria (including removal and replacement of projects that no longer meet the criteria or have been disposed of); managing compliance to certification; validating reporting requirements; and maintaining the Framework in accordance with the evolving market and latest legislation, standards, and best practice.

DNV concludes that the Framework appropriately describes the process of project evaluation and selection. DNV considers the Process for Project Evaluation and Selection set out in the Framework to be well aligned with the GBP and GLP. Additionally, DNV considers the eligible categories described in Schedule 1 to have been selected in accordance with the Framework.

3. Management of Proceeds

The Framework states that Cromwell's Treasury team will manage the net proceeds from Green Bonds and Loans by maintaining an internal register. The register will be used to record information regarding Green Loans or Green Bonds issued under the Framework and allocations for tracking and reporting purposes. Cromwell has indicated that they will maintain an aggregate balance of Green Assets that is at least equal to the aggregate net proceeds of all Green Bonds and Loans that are concurrently outstanding. In the event that there are not sufficient eligible assets to fully cover the amount equal to net proceeds, the portion of Net Proceeds that have not been allocated to the Green Portfolio will be maintained in cash and cash equivalents.

DNV has reviewed the evidence presented and can confirm that the proceeds arising from Green Bonds and Loans will be appropriately managed. DNV considers the approach to Management of Proceeds set out in the Framework to be well aligned with the GBP and GLP.

4. Reporting

Cromwell will provide Use of Proceeds reporting annually for all outstanding Green Bonds or Green Loans, which will include the following information:

- Allocation reporting
- Impact Reporting

DNV concludes that Cromwell's reporting as set out in the Framework is aligned with the GBP and GLP.

Sustainability-Linked Instruments

DNV’s findings on the alignment of Sustainability Linked Instruments with the SLLP and SLBP are listed below:

1. Selection of Key Performance Indicators (KPIs).

DNV confirms that the Framework’s KPIs are core, relevant, material, and consistent with the company’s overarching sustainability position and strategy. Cromwell’s potential KPIs may be selected as described below:

Cromwell ESG Strategy focus area	Example potential KPI themes
Environment	<ul style="list-style-type: none"> • Carbon emissions reduction • Renewable electricity usage • Emissions intensity • Green building certifications and environmental performance ratings (e.g. NABERS, Green Star, BREEAM, or LEED)
People	<ul style="list-style-type: none"> • Gender diversity and equality
Places & Communities	<ul style="list-style-type: none"> • Health and wellbeing certification • Procurement spend with local businesses, social enterprises or Indigenous-owned businesses
Governance	<ul style="list-style-type: none"> • ESG screening of suppliers and tenants • External ESG performance benchmarks (e.g. GRESB)

The proposed KPIs are considered to be material to the activities of Cromwell and that these are core to the sustainability of the organisation, its stakeholders and are appropriate in the context of the business operations and their geographical extent.

2. Calibration of Sustainability Performance Targets (SPTs).

DNV confirmed Cromwell committed in their Framework to determine their SPTs based on consistency with the Cromwell ESG Strategy approved by the Cromwell Board. The SPTs will be set with appropriate ambition and timeframe, and specified in relevant documentation for each Sustainability-Linked Loan or Bond together with material factors that may impact the achievement of SPTs. The Framework states that targets will be set with reference to historical, peer performance or regional/national/international targets and negotiated with the relevant lender group and determined on either an asset or portfolio basis. All calculation methodologies will also be disclosed in the relevant documentation. Alignment to the SLBP/SLLP Calibration of SPTs principles will be confirmed by external review for each SLB and SLL prior to issuance. DNV do not opine on these at this time.

3. Sustainability-Linked Bond and Loan Characteristics

DNV confirmed that Cromwell have committed in their Framework to use proceeds of any of Cromwell’s Sustainability-Linked Loans and Bonds for general corporate purposes unless otherwise stated. These transactions will feature financial or structural characteristics which encourage the achievement of the relevant SPTs, including incentives if the SPTs are met and penalties if they are not, depending on the transaction. The financial or structural characteristic will be meaningful and aligned with market practice. The magnitude of the pricing adjustment, as well as the effective trigger event date(s), will be clearly detailed in the relevant documentation for each transaction. Alignment to the SLBP/SLLP Characteristics principles will be confirmed by external review for each SLB and SLL.

prior to issuance.

4. Reporting

DNV confirmed Cromwell have committed in their Framework to transparency and will clearly state the scope, detail and frequency of reporting in the relevant documentation for each Sustainability-Linked Bond or Loan.

For Sustainability-Linked Bonds, at a minimum, the relevant Cromwell fund will undertake annual reporting regarding the issuance and performance in relation to the SPTs and will make such reporting available on its website or to lenders as required by market standards.

For Sustainability-Linked Loans, on origination, the relevant Cromwell fund and the arranging banks will agree on the appropriate reporting frequency, format and timing for disclosing information on sustainability performance to the lender(s). Cromwell will provide updates to lenders at least once annually thereafter. Alignment to the SLBP/SLLP Reporting principles will be confirmed by external review for each SLB and SLL prior to issuance

5. Verification

DNV confirmed Cromwell have committed in their Framework to provide certainty on alignment to the SLLP and SLBP, for each Sustainability-Linked Loan or Bond on issue, appropriate external review will be undertaken. This includes obtaining a second party opinion on each Sustainability-Linked Bond or Loan individually as well as ongoing annual post-issuance assurance of sustainability performance in relation to the selected SPTs for each instrument. Post-issuance assurance will cover any material change to the KPI methodology or SPT calibration, if applicable. Alignment to the SLBP/SLLP Verification principles will be confirmed by external review for each SLB and SLL prior to issuance.

On the basis of the information provided by Cromwell and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol and is aligned with the GBP, GLP, SLBP, and SLLP.

for DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia / 23 June 2023



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Schedule 1: Use of Proceeds Categories and Sustainability-Linked Focus Areas

Description of categories to be financed or refinanced by Use of Proceeds Instruments through Cromwell's Sustainable Finance Framework

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Green Buildings	<ul style="list-style-type: none"> Existing, planned or refurbished buildings or portfolios which meet one of the following regional, national or internationally recognised standards or certifications for environmental performance. 	DNV considers the stated Eligible Green Project Categories described by the Framework to be aligned with the GBP and GLP.
Renewable Energy	<ul style="list-style-type: none"> Photovoltaic solar arrays on-site and dedicated support infrastructure and expenditures; Installation, maintenance and repair of solar photovoltaic, wind turbines, hydrogen, geothermal technology or energy storage. 	

Description of ESG strategy focus areas as potential KPIs that may be linked to Sustainability-Linked Bonds and Loans issued through Cromwell's Sustainable Finance Framework

Cromwell ESG Strategy focus area	Example potential KPI themes	DNV Findings
Environment	<ul style="list-style-type: none"> Carbon emissions reduction Renewable electricity usage Emissions intensity 	DNV considers the stated Potential KPIs described by the Framework to be aligned with the SLBP and SLLP.

	<ul style="list-style-type: none"> • Green building certifications and environmental performance ratings (e.g. NABERS, Green Star, BREEAM, or LEED) 	
People	<ul style="list-style-type: none"> • Gender diversity and equality 	
Places & Communities	<ul style="list-style-type: none"> • Health and wellbeing certification • Procurement spend with local businesses, social enterprises or Indigenous-owned businesses 	
Governance	<ul style="list-style-type: none"> • ESG screening of suppliers and tenants • External ESG performance benchmarks (e.g., GRESB) 	

Schedule 2: GBP and GLP Eligibility Assessment Protocol

1. Use of proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Instrument	<p>Green Bonds/Loans are any type of bond or loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green Projects. Green Bonds/Loans must align with the four core components of the GBP and GLP:</p> <ol style="list-style-type: none"> 1. Use of Proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting 	<p>The Cromwell Green Finance Framework clearly describes Eligible Green Projects that fall within the green category. Cromwell also clarifies that the Framework has been developed based on the GBP and GLP.</p> <p>From the Framework</p> <p><i>This section of the Framework takes into account the core components of the Green Bond Principles and the Green Loan Principles, including:</i></p> <ol style="list-style-type: none"> 1. Use of Proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds 4. Reporting <p><i>An amount equivalent to the net proceeds from Green Bonds or Loans issued pursuant to this Framework will be allocated to finance or refinance, in part or in full, new and existing assets, projects or activities which meet the eligibility criteria outlined below.</i></p> <p>DNV confirms this to be in line with the GBP and GLP.</p>
1b	Green Projects	<p>The fundamental determinant of a Green Bond/Loan is the utilisation of the proceeds for Eligible Green Projects, which should be appropriately described in the finance documents, and, if applicable, marketing materials and/or a green financing framework.</p>	<p>Eligible project categories presented in the Sustainable Finance Framework by Cromwell are confirmed as:</p> <ul style="list-style-type: none"> • Green buildings • Renewable energy <p>DNV notes that these categories are considered Eligible Categories by the GBP and GLP, and that the Cromwell Sustainable Finance Framework appropriately describes the categories.</p>
1c	Environmental benefits	<p>All designated Green Projects should provide clear environmental benefits, which, where feasible, will be quantified by the borrower.</p>	<p>The Use of Proceeds set out in the Framework is considered by DNV to provide clear environmental benefits through the delivery and operation of the listed project types as follows:</p> <p>Green buildings</p> <ul style="list-style-type: none"> • Green Building Council of Australia Green Star “Design and/or As Built” and/or “Performance” rating of minimum 5 Stars;

Ref.	Criteria	Requirements	DNV Findings
			<ul style="list-style-type: none"> • NABERS, either of the following: <ul style="list-style-type: none"> ○ Individual properties with a NABERS Energy rating of minimum 5 Star; OR ○ Assets, projects or portfolios that meet the criteria outlined in the NABERS Sustainable Finance Framework for building upgrades or low carbon portfolios⁶; • Building Research Establishment Environmental Assessment Method (BREEAM) certification of minimum “Very Good”; • Leadership in Energy and Environmental Design (LEED) certification of minimum “Gold”; • Energy Performance Certificate (EPC) of A or B for European buildings; • Commercial office buildings certified to the CBS Sector Criteria for Buildings — Commercial Buildings Criteria; • Upgrade projects, including energy efficiency investments and refurbishments, which achieve a minimum 30% carbon emissions reduction against a business-as-usual baseline; • Any other assets that obtain a green building certification equivalent to the above. <p>DNV consider the investment in Green Buildings as defined to present meaningful GHG mitigation benefits associated with reduced energy usage and energy efficiency. The alignment of projects and assets with the above certification criteria require buildings to have demonstrably lower GHG emissions than those projects and assets that do not align.</p> <p>Renewable energy</p> <p>Renewable energy production, transmission, appliances and products, including:</p> <ul style="list-style-type: none"> • Photovoltaic solar arrays on-site and dedicated support infrastructure and expenditures; • Installation, maintenance and repair of solar photovoltaic, wind turbines, hydrogen, geothermal technology or energy storage. <p>DNV considers the investments in Solar PV or procurement of renewable energy PPAs to present clear GHG mitigation benefits.</p> <p>The nominated Eligible Green Categories set out in Schedule 1 have been reviewed by DNV and confirmed to meaningfully contribute to positive environmental outcomes for the categories listed and are aligned with the criteria set out in the Framework and the GBP and GLP.</p>

⁶ The building upgrades criteria is based on a building or portfolio achieving at least 30% reduction in emissions over a bond/loan period. The low carbon portfolios criteria recognises portfolios (2 or more buildings) that are performing in the top 15% of their cohort. Further information on the NABERS Sustainable Finance Framework can be found here: https://www.nabers.gov.au/sites/default/files/nabers_sustainable_financial_framework.pdf

Ref.	Criteria	Requirements	DNV Findings
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that borrowers/issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	The Framework indicates that net proceeds of each Green Loan and Bond will be managed in an internal register, and allocation reporting will include detail on the assets to be financed or refinanced, and the amount of net proceeds allocated to earmarked eligible assets. The register will contain the allocation and project information for the purposes of tracking and reporting.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond/Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> The environmental sustainability objectives of the Green Projects. A process to determine how the projects fit within the eligible Green Projects categories identified in the GBP and GLP; and The criteria making the projects eligible for using the Green Bond/Loan proceeds. 	<p>DNV viewed the Framework section titled Process For Project Evaluation And Selection which describes investment process overview and investment decision-making process. The Framework sets out that the Cromwell Treasurer, who is part of the Cromwell Green Finance Committee (the “Committee”) will have responsibility for the project selection process.</p> <p>From the Framework</p> <p><i>The Treasurer is ultimately responsible for compliance with the Cromwell Sustainable Finance Framework. This includes the following:</i></p> <ol style="list-style-type: none"> <i>Ensuring that proceeds from Green Bonds and Loans are earmarked for financing projects that meet the above eligibility criteria;</i> <i>Identifying, evaluating, selecting and scheduling projects that meet the eligibility criteria;</i> <i>Managing Green Bonds and Green Loans on issue;</i> <i>Removing any projects that no longer meet the eligibility criteria or have been disposed of, and replacing them with new projects as soon as feasible;</i> <i>Managing external reviews, including pre-issuance, post-issuance and annual assurance by an approved verifier against the relevant standards and compliance with certification;</i> <i>Validating reporting requirements;</i>

Ref.	Criteria	Requirements	DNV Findings
			<p data-bbox="1070 308 1957 387"><i>7. Maintaining the Sustainable Finance Framework to remain up to date with the evolving sustainable financing market and the latest legislation, standards and best practice.</i></p> <p data-bbox="1010 437 1968 544">The Framework has been developed in compliance with the GBP and GLP by Cromwell to support and provide transparency to Cromwell’s commitment to fund low carbon, efficient and resilient buildings that meet the ESG ambitions of Cromwell and its suppliers and customers through the use of sustainable debt instruments.</p> <p data-bbox="1010 555 1899 608">The Framework states that the net proceeds of the Green Bonds or Loans are to be allocated to projects and assets that meet the Eligibility criteria of:</p> <ul data-bbox="1059 619 1308 676" style="list-style-type: none"> • Green buildings • Renewable energy <p data-bbox="1010 687 1939 762">DNV confirms that the process for evaluation and selection described in the Framework ensures that the use of the net proceeds of the Green Loans or Bonds drawn under the Framework are well aligned with the criteria of the GBP and GLP.</p>
2b	Borrower’s environmental and governance framework	In addition to information disclosed by a borrower on its Green Bond/Loan process, criteria and assurances, Green Bond Issuers and Green Loan borrowers should also communicate Information on the processes by which the borrower identifies and manages perceived environmental and social risks associated with the relevant projects.	<p data-bbox="1010 775 1980 858">The Framework states that Cromwell issue an annual materiality review in order to respond appropriately to stakeholder concerns. The approach to materiality is guided by the Global Reporting Initiative (GRI) Standards.</p> <p data-bbox="1010 890 1989 1086">From the Framework <i>We have used an independent third party to review stakeholder feedback - along with our commitments and policies, considering industry and peer performance - to give us the most important topics to our long-term value. Our methodology comprised a desktop review; stakeholder interviews and survey; consolidation and prioritisation of topics; and validation and reporting. The impact of these material topics was also assessed against the UN Sustainable Development Goals</i></p> <p data-bbox="1010 1098 1989 1182">DNV has found nothing to suggest the Framework, or overall performance regarding the identification and management of perceived environmental and social risks is not in line with good practice of the industry in which it operates.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	The net proceeds of a Green Bond/Loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner.	<p>The evidence reviewed shows how Cromwell plans to track the Green Loan or Bond proceeds, in accordance with the evaluation and selection process presented.</p> <p>From the Framework</p> <p><i>The net proceeds from each Green Bond and Loan will be managed by Cromwell’s Treasury team. They will maintain an internal register outlining:</i></p> <ul style="list-style-type: none"> • <i>Funding transaction:</i> <ul style="list-style-type: none"> ○ <i>Issuer entity, transaction date, principal amount of proceeds, maturity date, interest or coupon, the ISIN number (if applicable)</i> • <i>Use of Proceeds:</i> <ul style="list-style-type: none"> ○ <i>Notional amount allocation of net proceeds from any Green Bond or Loan</i> ○ <i>Aggregate amount of proceeds earmarked to eligible assets</i> ○ <i>Remaining balance of unallocated proceeds yet to be earmarked</i> • <i>Other information:</i> <ul style="list-style-type: none"> ○ <i>The value of each asset and other details on the assets to which the proceeds of the transaction have been allocated in accordance with the Framework</i> ○ <i>Compliance with the eligibility criteria</i> <p>The proposed tracking procedure is considered appropriate and in line with the criteria of the GBP and GLP.</p>
3b	Tracking procedure	The proceeds of Green Bonds/Loans can be managed per bond/loan (bond-by-bond/loan-by-loan approach) or on an aggregated basis for multiple green bonds/loans (portfolio approach).	<p>Cromwell intends to monitor the allocation of net proceeds and track the net proceeds through its internal register, adopting a portfolio approach.</p> <p>From the Framework</p> <p><i>It is Cromwell’s intention to maintain an aggregate amount of assets that is at least equal to the aggregate net proceeds of all Green Bonds and Loans that are concurrently outstanding.</i></p> <p>DNV confirms that the tracking procedure committed to by Cromwell is well aligned with the criteria of the GBP and GLP.</p>

Ref.	Criteria	Requirements	DNV Findings
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer/Borrower should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	The Framework states that in the event of an insufficient aggregate amount of assets being covered to fully cover the amount equal to net proceeds, the portion of Net Proceeds that have not been allocated to the Green Portfolio will be maintained in cash and cash equivalents. DNV confirms this is procedure is well aligned with the criteria of the GBP and GLP.

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers/Borrowers should provide at least annually a list of projects to which Green Bond/Loan proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected, and, where possible, achieved, impact.	<p>Cromwell commits to sharing a Use of Proceeds Report on an annual basis for all outstanding Green Bonds or Loans. The report will include details of use of proceeds of its Green Loans and Bonds</p> <p>From the Framework</p> <p>Use of Proceeds Reporting <i>Annually for all outstanding Green Bonds or Loans. This includes:</i></p> <ul style="list-style-type: none"> • <i>A list and description of the eligible assets being financed or refinanced;</i> • <i>The amount of net proceeds allocated to earmarked eligible assets;</i> • <i>Disclosure of unallocated proceeds;</i> • <i>Confirmation that assets in the Green Portfolio meet the eligibility criteria under this Framework including information on the characteristics and performance of the eligible assets;</i> • <i>Where applicable, impact reporting will be incorporated within “Use of Proceeds” reporting.</i> <p>The proposed Allocation reporting is considered to be well aligned with the criteria of the GBP and GLP.</p> <p>DNV notes that a range of impact reporting is expected to be incorporated within annual reporting where applicable and on a best-efforts basis. DNV notes that the impact reporting will be aligned with the portfolio approach as per the ICMA Handbook – Harmonised Framework for Impact Reporting (June 2022)⁷.</p> <p>Examples of possible environmental indicators include:</p> <p>Green buildings</p>

⁷ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Ref.	Criteria	Requirements	DNV Findings
			<ul style="list-style-type: none"> • Level of certification or rating (e.g., Green Star As-Built Rating, NABERS Energy Rating, EPC, BREEAM rating) by property • Percentage of total property portfolio which has achieved the minimum certification or rating described in the eligibility criteria <p>Renewable energy</p> <ul style="list-style-type: none"> • On-site solar generation capacity (MW) • On-site and off-site renewable electricity generation and usage (MWh) and as a percentage of total energy consumption <p>DNV considers the proposed impact and allocation reporting as described in the Framework by Cromwell to be reasonable in context and well aligned with the GBP and GLP.</p>

Schedule 3: SLBP and SLLP Eligibility Assessment Protocol

1. Selection of KPIs

Ref.	Criteria	Requirements	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The Borrower’s sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the Borrower’s core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management’s control.</p> <p>The KPI should be of high strategic significance to the Borrower/Issuer’s current and/ or future operations.</p> <p>It is recommended that the Borrower/Issuer communicate clearly to lenders the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>DNV has reviewed Cromwell’s potential KPIs for the prospective instruments including:</p> <p><u>Environment</u></p> <ul style="list-style-type: none"> • Carbon emissions reduction • Renewable electricity usage • Emissions intensity • Green building certifications and environmental performance ratings (e.g., NABERS, Green Star, BREEAM, or LEED) <p><u>People</u></p> <ul style="list-style-type: none"> • Gender diversity and equality <p><u>Places & Communities</u></p> <ul style="list-style-type: none"> • Health and wellbeing certification • Procurement spend with local businesses, social enterprises or Indigenous-owned businesses <p><u>Governance</u></p> <ul style="list-style-type: none"> • ESG screening of suppliers and tenants • External ESG performance benchmarks (e.g., GRESB) <p>In addition to the example KPIs, Cromwell has shared its broader sustainability strategy and aims. These were reviewed and confirmed to include commitments to Achieving Net Zero emissions, 100% renewable energy by 2030, and diversity & inclusion targets. DNV reviewed proposed KPIs and conclude that they represent key sustainability impacts for the business and are material to the business. DNV also considers the KPIs to be appropriately selected relative to Cromwell key sustainability touchpoints as a business.</p>
1b	KPI - Measurability	KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be	DNV confirms that all of the example KPI themes are simply and readily externally verifiable and are based on quantifiable evidence that may be recorded and recalled for the purposes of verification.

Ref.	Criteria	Requirements	DNV Findings
		<p>benchmarked, i.e., as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Borrowers/Issuers are encouraged, when possible, to select KPI(s) that they have already been included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected. In situations where the KPIs have not been previously disclosed, Borrowers/Issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p>	
1c	KPI – Clear definition	A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology	DNV confirms that Cromwell have committed to selecting KPIs that are defined, comparable against peers, appropriately benchmarked, and consistent in their methodology calculation.

2. Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	DNV Findings
2a	Target Setting – Meaningful	The SPTs should be ambitious, realistic and meaningful to the Borrower’s business and be consistent with the Borrowers’/Issuer’s overall strategic sustainability/ESG strategy	<p>DNV confirmed that Cromwell committed in the Framework to ensure that the SPTs are consistent with Cromwell’s overall sustainability and GHG reduction strategy and are aligned with Cromwell’s ESG policy targets.</p> <p>The Framework states that the targets will be set with appropriate ambition, and with reference to historical performance, peer performance, regional, national or international targets and negotiated with the relevant lender group and determined on either an asset or portfolio basis. All calculation methodologies will also be disclosed in the relevant documentation.</p> <p>The Cromwell Framework provides a clear commitment to set ambitious and meaningful SPTs that are tied to improving sustainability performance across the defined KPIs, and this would be confirmed for each SLB and SLL entered into.</p>

Ref.	Criteria	Requirements	DNV Findings
2b	Target Setting - Meaningful	SPTs should represent a material improvement in the respective KPIs and be beyond a “Business as Usual” trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the Bond/Loan.	DNV confirmed that Cromwell committed in the Framework that meeting the requirements of the potential SPTs would represent a meaningful departure from BAU performance for Cromwell and where possible demonstrate a high level of performance ambition to external benchmarks.
2c	Target Setting – benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The Borrower’s own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the Borrower/Issuer’s peers where comparable or available, or versus industry or sector standards 3. Systematic reference to science-based scenarios, or absolute levels (e.g., carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies 	<p>DNV confirmed that Cromwell committed in the Framework that SPTs will be based on the appropriate combination of methodologies including benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The SPTs will be set with appropriate ambition and timeframe. 2. Targets will be set with reference to historical performance, performance of peers, and regional, national or international targets. 3. Targets will be set with reference to regional, national, or international targets. <p>DNV confirms these benchmarking commitments to be well aligned with the Principles, and this would be confirmed for each SLB and SLL entered into.</p>
2d	Target setting – disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. the timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) 2. and the frequency of review of the SPTs 	<p>DNV confirmed that Cromwell committed in the Framework to making the relevant disclosures and appropriate references on target setting:</p> <ol style="list-style-type: none"> 1. The timelines of SPT target achievement are appropriately referenced. 2. As mentioned in Reporting, for Sustainability-Linked Bonds/Loans, on origination, the relevant Cromwell fund and the arranging banks will agree on the appropriate reporting frequency, format and timing for disclosing information on sustainability performance to the lender(s). Cromwell will provide updates to lenders at least once annually thereafter.

Ref.	Criteria	Requirements	DNV Findings
		<p>3. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used</p> <p>4. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place</p> <p>5. Where possible and taking into account competition and confidentiality considerations, how the Borrower intends to reach such SPTs</p>	<p>3. Based on the review of the Framework DNV confirm that Cromwell have established verified baselines for the improvement of the KPIs.</p> <p>4. Any requirement for adjustments have been provided for in the Framework.</p> <p>5. The example KPIs set out in the Framework have been identified due to their central focus and materiality for Cromwell. Cromwell has in place plans for the management and upgrade of operations associated with all example KPIs and therefore has a justifiable and reasonable basis for setting SPTs that are achievable.</p> <p>After a review of Cromwell’s overall policy strategy and management approach, DNV concludes that the procedure and approach to setting SPTs is realistic and would likely be achievable. Target setting disclosures will be confirmed by an external verifier for each SLB and SLL entered into.</p>

3. Sustainability-Linked Loan and Bond Characteristics

Ref.	Criteria	Requirements	DNV Findings
3a	Bond/Loan Characteristics – SPT Financial/structural impact	The SLB/SLL will need to include a financial and/or structural impact based on whether the KPI(s) reach the predefined SPT(s).	<p>DNV confirmed that Cromwell committed in the Framework to use proceeds of any of Cromwell’s Sustainability-Linked Bonds and Loans for general corporate purposes unless otherwise stated. These transactions will feature financial or structural characteristics which encourage the achievement of the relevant SPTs, including incentives if the SPTs are met and penalties if they are not, depending on the transaction. The financial or structural characteristic will be meaningful and aligned with market practice. The magnitude of the pricing adjustment, as well as the effective trigger event date(s), will be clearly detailed in the relevant documentation for each transaction.</p> <p>DNV confirms that this is in line with the requirements outlined by the SLBP and SLLP and is common practice in the market. Bond/Loan characteristics will be confirmed by an external verifier for each SLB and SLL entered into.</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Reporting	<p>Issuers of SLBs/Borrowers of SLLs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the Bond/Loan's financial and/or structural characteristics 3. Any information enabling lenders to monitor the level of ambition of the SPTs <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB/SLL's financial and/or structural characteristics.</p>	<p>DNV confirmed that Cromwell committed in the Framework to transparency and will clearly state the scope, detail and frequency of reporting in the relevant documentation for each Sustainability-Linked Bond or Loan.</p> <p>For Sustainability-Linked Bonds, at a minimum, the relevant Cromwell fund will undertake annual reporting regarding the issuance and performance in relation to the SPTs and will make such reporting available on its website as required by market standards.</p> <p>For Sustainability-Linked Loans, on origination, the relevant Cromwell fund and the arranging banks will agree on the appropriate reporting frequency, format and timing for disclosing information on sustainability performance to the lender(s). Cromwell will provide updates to lenders at least once annually thereafter.</p> <p>DNV confirms the reporting commitments stated in the Framework are well aligned with the Principles and will be confirmed for each SLB and SLL entered into.</p>

5. Verification

Ref.	Criteria	Requirements	DNV Findings
5a	External Verification	<p>Borrowers/Issuers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year.</p>	<p>DNV confirms that Cromwell has committed in the Framework to obtain external and independent verification of each Sustainability-Linked Bond or Loan on issue. This includes ongoing annual post issuance assurance of sustainability performance in relation to the selected SPTs for each instrument.</p> <p>DNV confirms the verification commitments stated in the Framework are well aligned with the Principles and will be confirmed by an external verifier for each SLB/SLL entered into.</p>



About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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