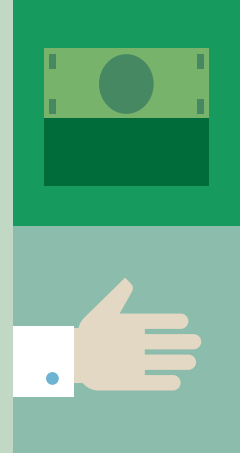


Green Bond Framework

September 2020



Introduction

CTP at a Glance

Founded in 1998, CTP is the largest full-service industrial and logistics property owner-developer in Central Eastern Europe, primarily operating in the Czech Republic.

CTP offers Class A warehouse spaces for logistics and manufacturing uses as well as adjacent commercial spaces. Per year end 2019, CTP operated a high quality portfolio with a gross asset value (GAV) of €5.2bn comprised of 96 premium business parks in key logistics hubs. With a proven track record, CTP has continued to spread this business model into new countries and asset types, resulting in it hosting over 70,000 employees in CTP parks as at the end of 2019.

The direct relationships CTP has with clients have resulted in high tenant retention and satisfaction as evidenced by the consistently high occupancy numbers. Proof of CTP's ability to provide the best products to clients are some of the recent recognitions it has received such as the CIJ Award in Czech Republic or the Hungarian / Balkans Real Estate Awards.

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2. Sustainability

Our vision

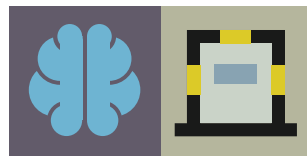
CTP has operated a develop-to-own-and-manage business model from the start so sustainability has always been a key characteristic of the firm. At CTP we commit to protecting the environment and to that end we aim to make our business carbon neutral by 2023. Furthermore, we believe we can positively impact the communities in which we operate. We currently have taken the following steps:



BREEAM Certification

We are the first European industrial developer to undertake BREEAM certification for our entire portfolio of industrial properties. We were also the first company outside the UK to be awarded to highest level of BREEAM certification for our portfolio of office buildings.

Currently over 75% of our portfolio, including non-industrial properties, is BREEAM certified. However, in order to achieve our carbon neutrality goal, we have undertaken BREEAM certification for our entire portfolio and aim for this to be completed by 2021. Our portfolio certification project is the largest BREEAM certification process ever undertaken, certifying almost 300 buildings across 6 countries.



Smart Buildings

Smart buildings include Building Management and Energy Management systems that allow monitoring of energy consumption in real-time, thus opening possibilities to make building operations more energy efficient and to save energy and protect the environment. As a result, we are implementing, throughout our entire portfolio, data-gathering technologies to better analyse and improve the building performance as part of our commitment towards sustainability.

ISO Certification

Our efforts to protect the environment also include obtaining ISO certification for environmental and energy management systems for our entire portfolio.

Currently all of our buildings in in the Czech Republic and Romania benefit from an ISO 14001 (Environmental management) and 50001 (Energy management) certification. As part of our commitment to towards sustainability we plan to finalise in the short-term ISO certification in all countries where we operate the CTPark Network.



Circular parks

We have recently started implementing in our A-class office portfolio the circular economy rationale to reduce waste and resource consumption. To achieve zero waste and greater efficiency we have partnered with the Czech-based institute of Circular Economics and we are currently running a pilot program in the Spielberk Office centre which we will later roll-out to our other office projects in Brno and Ostrava. Applicable aspects will also be rolled out to industrial buildings.



Solar Plan

Currently, we have 8 functioning solar farms in the Czech Republic. Starting in 2020, all of our buildings are going to be “solar ready” meaning either that (i) the roofs will be built to allow the creation of a solar farm on each building by incorporating the load bearing capacity, or (ii) they will be built with solar panels already installed. We are currently working on solar projects of 20MWp total capacity. We have also partnered with Nano Energies to enable all our clients to purchase 100% renewable energy.



CTForest

Key to achieving our carbon neutral strategy is the purchase and maintenance of forests in the countries in which we operate. To that end, we are committed to investing in preserving forests and do so on a 1:1 ratio of the area covered by our built portfolio (on a square metre basis) to the area we protect. The aim is not only to preserve the forest but to encourage biodiversity and help the battle against bark beetle infestation.

3. CTP Green Bond Framework

This Green Bond Framework (“Framework”) illustrates the alignment between CTP’s business and operations on the one hand, and our commitments and values on sustainability and corporate social responsibility on the other.

The Framework has been developed according to the Green Bond Principles (“GBP”) 2018¹, administered by ICMA. The Green Bond Principles are a set of voluntary guidelines which recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuing Green Bonds.

In line with the Green Bond Principles, CTP’s Green Bond Framework is presented through the following key pillars:

- | | |
|----|--|
| 1. | Use of Proceeds |
| 2. | Process for Project Evaluation and Selection |
| 3. | Management of Proceeds |
| 4. | Reporting |

3.1 Use of Proceeds

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

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

ELIGIBILITY CRITERIA

GBP Eligible Categories	Eligibility Criteria and Example Projects	SDG Targets
Green Buildings	<p>1) Existing buildings owned and managed by CTP that have received the below certifications (“Existing Buildings”):</p> <ul style="list-style-type: none"> → Building Research Establishment Environmental Assessment Method (BREEAM): Outstanding, Excellent or Very Good; → Leadership in Energy and Environmental Design (LEED): Platinum or Gold; → Other equivalent internationally and/or nationally recognized certifications. <p>Examples of activities performed to obtain the certifications:</p> <ul style="list-style-type: none"> → Offsite renewable energy purchase; → Waste management in place to ensure better recycling rates; → Incorporate clean transportation infrastructure (electric vehicle charging stations, bike facilities); → Building energy retrofits (equipment upgrades, lighting/HVAC or deep retrofits — systems/envelope). <p>2) Investments in or expenditures related to construction, development and upgrades of new properties that have received or are expected to receive the below certifications (“New Construction Project”):</p> <ul style="list-style-type: none"> → BREEAM: Outstanding, Excellent or Very Good; → LEED: Platinum or Gold; → Other equivalent internationally and/or nationally recognized certifications. 	<p>9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
Renewable Energy	<p>New or existing investments in or expenditures on the acquisition, development, construction and/or installation of renewable energy production units. Renewable energy can include (but are not limited to):</p> <ul style="list-style-type: none"> → Solar energy projects owned and/or managed by the Issuer or one of its affiliates; → Wind-related energy projects. 	<p>7.2 Increase substantially the share of renewable energy in the global energy mix.</p>

Collectively, the assets in the above categories will form the Green Asset Pool. Existing buildings will be recognised at their market value and shall qualify for refinancing without a specific look-back period provided that at the time of issuance they follow the relevant eligibility criteria. Other projects will be recognised at the amount invested and shall qualify for refinancing with a maximum three year look-back period before the issuance of the Green Bond.

Reclassifying a property from a New Construction Project to an Existing Building requires that the final certification has been obtained.

For the avoidance of doubt, any properties used for tobacco storage will be excluded from the Green Asset Pool.

3.2 Process Evaluation and Selection

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

The Committee will be co-chaired by the CEO and the Group CFO and furthermore composed of representatives from each of CTP’s Funding, Design and Construction teams, and will meet semi-annually. The Green Bond Committee will be responsible for:

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

3.3 Management of Proceeds

An amount equivalent to the net proceeds from Green Bond issuances will be allocated and managed by the Funding team. The Funding team will track the allocation of proceeds to such projects in line with CTP’s internal systems.

Pending allocation to the Green Asset Pool, net proceeds from Green Bond issuances may be temporarily invested or otherwise maintained in cash and cash equivalents. Payment of principal and interest on the Green Bonds will be made from CTP’s general funds and will not be directly linked to the performance of the Green Asset Pool.

CTP commits on a best effort basis to reach full allocation within [three] years following the Green Bond issuance.

3.4 Reporting

Starting one year from issuance of any Green Bond , CTP will prepare and make readily available on the corporate website information on the allocation of net proceeds to the Green Asset Pool (“Green Bond Report”), and will update that information annually, until full allocation. Wherever feasible, and until full allocation, CTP will also make available information on the environmental impact of the Green Asset Pool.

Allocation Reporting

Green Bond Reports will be made available publicly on CTP’s website. To the extent practicable, the Issuer will provide information such as:

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

Impact Reporting

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

Green Buildings:

- Number and floor space of Existing Buildings meeting the eligibility criteria
- BREEAM certification level (Outstanding, Excellent or Very good)
- LEED certification level (Gold or Platinum)
- Estimated annual CO₂ emissions avoided (tCO₂) from CTP's own operations
- Estimated water savings
- Quantity of electricity used for EVs
- Reduction of non-recyclable waste

Renewable Energy:

- Total installed capacity (MW)
- Estimated annual CO₂ emissions avoided (tCO₂) through local zero emission power sources

4. External Review

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

Second Party Opinion

CTP has appointed Sustainalytics to provide an independent Second Party Opinion report ("SPO") on this Framework. The SPO will be made publicly available on CTP's corporate website at: <https://www.CTP.eu>.

Post-Issuance Verification

In addition, starting one year after issuance of any green financing issuance an independent external party will verify the internal tracking method and allocation of funds annually until full allocation of the outstanding green financing instruments, confirming that an amount equal to the net proceeds of the financial instruments has been allocated in compliance with all material respects of the eligibility criteria set forth in the Green Financing Framework.

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