

# CODIC International Green Finance Reporting

October, the 20<sup>st</sup> of 2022



## 1. Introduction

Codic International has been operating as a real estate developer since 1970 and develops its know-how in six European countries: Belgium, France, the Grand Duchy of Luxembourg, Spain, Hungary and Romania.

CODIC focuses its development mainly on office, retail, residential projects, as well as on large multifunctional projects.

CODIC is positioned on large projects with a focus on the excellence of the location, the quality of the program, a strong architectural identity, the use of high-level technologies and neat landscaping, answering, if the case is applicable, to international and public consultations contest.

As part of this strategy, CODIC systematically develops its projects according to higher environmental standards, seeking a harmonious balance between professional spaces, urban and living spaces.

CODIC has a continuous commitment to sustainable development for all its buildings.

Following its working philosophy, CODIC chose to integrate works of art into our projects.

## 2. CODIC's Green Finance Framework and Reporting

As a reminder, the Green Finance Framework (hereinafter “the Framework”) established by Codic on October 2021 is consistent with the voluntary guidelines of the Green Bond Principles (“GBP”) (as issued by the International Capital Market Association (ICMA) and last updated in June 2021<sup>1</sup> and the Green Loan Principles (“GLP”) (from the Loan Market Association (LMA), last updated in February 2021<sup>2</sup>).

### 2.1. Use of Proceeds principles

CODIC has used the net proceeds of its 20 million EUR Green Finance Instrument issued on October 2021 under the above-mentioned Framework to finance part of the acquisition and related development costs of two sustainable and energy efficient new buildings in accordance with ICMA definition which contribute to its sustainability strategy (“Eligible Green Projects”).

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<sup>1</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

<sup>2</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/39>

Eligible Green Projects, which are also mapped to the UN Sustainable Development Goals (UN SDGs), are required to meet the eligibility criteria as set in the table below:

Eligible Green Projects CATEGORY & UN SDGs	ELIGIBILITY CRITERIA
<p><b>Green Buildings</b></p>  <p>GSDG 11: Sustainable Cities and Communities Eligible Assets contribute to the target to "Make cities and human settlements inclusive, safe, resilient and sustainable"</p>  <p>SDG 7: Affordable and Clean Energy Eligible Assets contribute to the target to "Ensure access to affordable, reliable, sustainable and modern energy for all".</p>  <p>GSDG 13: Climate Action Eligible Assets contribute to the target to "strengthen resilience and adaptive capacity to climate-related hazards and natural disasters"</p>	<p>Newly constructed, existing and/or refurbished buildings which have received, or are expected to receive at least one of the following third-party certifications :</p> <p><b>Offices :</b></p> <ul style="list-style-type: none"> <li>• BREEAM or BREEAM In-Use of minimum 'Very Good'</li> <li>• HQE of minimum 'Very Good'</li> <li>• Well classification</li> <li>• Wiredscore classification</li> <li>• Access 4 you label</li> <li>• Near Zero Energy Building (NZEB) classification</li> <li>• Or any comparable international certifications</li> </ul> <p><b>Residential :</b></p> <ul style="list-style-type: none"> <li>• For <b>Belgium</b> : A building certificate equivalent to EPC 'A' or corresponding to a Primary Energy Demand of maximum 100 kWh/m<sup>2</sup>/year ;</li> <li>• For <b>Luxembourg</b>: A building certificate equivalent to EPC 'A-A' or corresponding to a Primary Energy Demand of maximum 100 kWh/m<sup>2</sup>/year ;</li> <li>• For <b>Hungary</b> : A building certificate equivalent to EPC 'BB' or corresponding to a Primary Energy Demand of maximum 100 kWh/m<sup>2</sup>/year ;</li> </ul>

## 2.2. Allocation and Impact Reporting

Allocation of the net proceed and impact reporting								
Amount allocated 20 000 000 €							Costs incurred on each project between 20/10/2021 - 20/10/2022*	
Project	Country	Type	Size (m <sup>2</sup> )	Eligibility	Expected Impact	Status		New financing or Refinancing
The View	Luxembourg	Offices	4 050	Yes	BREEAM Excellent	In process	8 083 025 €	New financing
Caractères	Luxembourg	Residential	8 000	Yes	EPC 'AAA'	In process	16 222 117 €	New financing
<u>Total</u>							<u>24 305 142</u>	

\*The 20.000.000 € of the green bond have been fully allocated to both projects. The additional 4.305.142 € have been financed by other funding means.

## **Allocation Reporting**

The allocation report includes:

- an overview of all the Green Finance Instruments issued under the Framework,
- the year of investment,
- the amounts of investments allocated to Eligible Green Projects,
- the geographic distribution of the portfolio of Eligible Green Projects,
- the proportion of new financing and refinancing, and
- the balance of unallocated proceeds (if any).

## **Impact reporting**

CODIC reports on expected environmental impacts of the Eligible Green Projects (re-)financed by the net proceeds of the Green Finance Instruments.

The expected impact included in the Allocation and Impact Report is the expected certification level that Codic intends to achieve regarding the design and development of each real estate project on the basis of the studies carried out with the support of its external technical advisers.