Net Zero Properties S.à.r.l.

Second-Party Opinion — Sustainable Financing Framework

Net Zero Properties S.à.r.l. is a Luxembourgish residential real estate platform operating in Germany. It has published a sustainable financing framework with three green use of proceeds (UoP) categories and one social UoP category. Transactions under the framework align with the core pillars of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG), and the LMA, LSTA and APLMA Green Loan Principles (GLP) and Social Loan Principles (SLP).

Excellent ✓ | Good | Aligned | Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	• Sustainable Fitch views the UoP categories as aligned with the ICMA GBP, SBP and SBG, as well as the LMA, APLMA and LSTA GLP and SLP. • The UoP categories have clear environmental and social benefits. For the green categories, these include improved energy efficiency and reduced GHG emissions. The affordable housing UoP improves housing access for low-to medium-income households and vulnerable populations with Wohnberechtigungsscheine (WBS; housing entitlement certificates).
Use of Proceeds – Other Information	Good	• The three-year lookback period for opex, and the absence of a specified lookback period for capex and assets, align with standard market practice.
Evaluation and Selection	Excellent	• The project evaluation and selection process is clearly defined, and its structure aligns with market best practice. The process is multi-layered and the committee includes a diverse set of expertise, including sustainability and ESG.
Management of Proceeds	Good	• We positively view Net Zero Properties' commitment to monitor and remove projects that are no longer eligible. • We view tracking proceeds internally and the temporary holding of unallocated proceeds in cash, cash equivalents, or investments in renovated assets as standard market practices.
Reporting and Transparency	Excellent	• The commitment to report allocation and impact annually until full allocation and in the event of material reallocations meets market best practice, as it provides transparency to investors throughout the instrument's term. • We also view positively the measurable impact metrics, which Net Zero Properties intends to align with the ICMA's reporting recommendations.

Relevant UN Sustainable Development Goals

Framework Type	Sustainability
Alignment	✓ Green Bond Principles 2025 (ICMA) ✓ Social Bond Principles 2025 (ICMA) ✓ Sustainability Bond Guidelines 2021 (ICMA) ✓ Green Loan Principles 2025 (LMA/LSTA/APLMA) ✓ Social Loan Principles 2025 (LMA/LSTA/APLMA)
Date assigned	7 September 2026
SPO Methodology	
See Appendix B for definitions.	

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Use of Proceeds Summary – ICMA Categories

Green	Green buildings Energy efficiency Renewable energy
Social	Affordable housing

Source: Net Zero Properties sustainable financing framework (August 2026)

Framework Highlights

We consider transactions under Net Zero Properties' sustainable financing framework to be aligned with the ICMA GBP, SBP and SBG as well as the LMA, APLMA and LSTA GLP and SLP.

Net Zero Properties has established its inaugural sustainable financing framework to align its financing strategy with its core sustainability focus; emphasise its dedication to ESG; and promote its goal of creating shared value for the business, society and the environment to market participants.

The framework clearly outlines processes for project evaluation and selection, management of proceeds, and reporting, in line with the four core components of the ICMA GBP, SBP and SBG as well as the LMA, APLMA and LSTA GLP and SLP. It includes three green UoP categories of green buildings, energy efficiency and renewable energy; and one social UoP of affordable housing.

The green buildings UoP covers the acquisition, construction, development and ownership of buildings that meet energy performance standards, including the thresholds in the EU taxonomy substantial contribution criteria (SCC) and having high energy performance certificate (EPC) ratings. This UoP will help buildings within Net Zero Properties' portfolio achieve best-in-class energy-efficiency performance.

The energy efficiency UoP covers investments in energy efficiency equipment as part of building retrofits that will achieve at least 30% energy savings. This UoP will improve the energy performance of the issuer's portfolio, which is a key decarbonisation lever given the need to upgrade existing building stock to support climate transition objectives.

The renewable energy UoP covers investments and expenditures related to the installation of on-site solar systems and the procurement of renewable energy through power purchase agreements (PPAs). This UoP supports renewable energy generation and sourcing for on-site consumption, promoting the transition to a low-carbon portfolio and reducing its reliance on fossil fuel-based electricity sources.

Net Zero Properties incorporated the SCC for activities 7.1 "construction of new buildings" and 7.7 "acquisition and ownership of buildings" in the eligibility criteria of the green buildings UoP, although it does not intend to apply the criteria according to building construction dates. The buildings should nonetheless demonstrate strong energy performance. The renovation of buildings under the energy efficiency UoP will aim to improve final energy consumption by at least 30%. Primary energy demand (PED) is calculated as the product of final energy consumption and a primary energy factor; therefore, the UoP is likely to result in corresponding levels of PED reduction and support meaningful decarbonisation of the existing building stock.

We view alignment with science-based taxonomies, such as the EU taxonomy, as market best practice for identifying sustainable activities that contribute to environmental objectives. This strengthens our assessment of the expected environmental impact from financed projects and demonstrates their contribution to climate change mitigation.

The affordable housing UoP covers the development and provision of affordable housing units which are let at 15% below the local comparable rent or to tenants with a WBS. This UoP supports access to affordable housing for low- and moderate-income households as well as vulnerable groups, addressing affordability challenges in the German housing market.

Source: Sustainable Fitch, Net Zero Properties sustainable financing framework (August 2026)

Entity Highlights

Net Zero Properties is a Luxembourg-based residential real estate platform focused on acquiring, managing and upgrading residential properties in densely populated regions of Germany. It had secured around 15,500 residential units with a fair market value of EUR1.6 billion as of 30 June 2026. It has also identified an acquisition pipeline of around 21,100 units valued at EUR2 billion, by 30 September 2026. Its properties are in North Rhine-Westphalia, Schleswig-Holstein, Lower Saxony, East Germany and Bremen.

It is part of a vertically integrated real estate business that brings together investors, asset and property management, ESG expertise, and financing under a common operating strategy. The platform is backed by a group of investors that includes ZAGA German Residential Opportunities Fund II, with ZAGA Capital acting as investment adviser to all investors in the platform.

Net Zero Properties' ESG governance structure is closely linked to ZAGA Capital and ZAGA German Residential Opportunities Fund II. The fund is a Sustainable Finance Disclosure Regulation Article 8 fund managed by an alternative investment fund manager authorised by Luxembourg's Commission de Surveillance du Secteur Financier (financial sector supervisory commission). This provides a formal governance and reporting framework for the integration of environmental and social considerations throughout the investment life cycle, supporting the robustness and credibility of the platform's ESG strategy.

The platform operates a sustainability-led investment strategy centred on energy efficiency improvements and housing affordability within the German residential sector. Net Zero Properties acquires properties with lower EPC ratings where energy efficiency improvements have been deemed technically feasible and economically viable, and implements retrofit measures aimed at enhancing building energy performance and reducing tenants' energy costs.

Its "Manage-to-Green" strategy seeks to improve portfolio-wide energy performance through retrofit programmes and technology-enabled upgrades. Thirty-six percent of its portfolio was certified EPC ratings A to C and 64% was certified EPC ratings D to F at the time of this assessment. Net Zero Properties targets at least 75% of its portfolio by value to achieve EPC ratings of A, B or C. The strategy is supported by a third-party financed investment plan providing energy efficiency improvements including heat pumps, solar installations and smart energy management systems.

The platform integrates social objectives through a focus on affordability, tenant welfare and community stability. Net Zero Properties acquires properties in areas where rents are generally below national affordability thresholds, supporting access to housing for lower- and middle-income households. It undertakes retrofit activities without displacing residents, helping maintain housing security and community continuity. It also monitors tenant satisfaction, complaint response times, and health and safety indicators to support a positive tenant experience.

It embeds ESG considerations within governance, investment and risk management processes. This is evident through the incorporation of ESG factors, such as energy improvement potential and ESG controversies, into acquisition screening, counterparty due diligence and ongoing portfolio monitoring, with regular reporting on progress towards energy performance targets and broader sustainability objectives to the alternative investment fund manager and its investors.

Source: Sustainable Fitch, Net Zero Properties sustainable financing framework (August 2026), issuer website

Use of Proceeds – Eligible Projects — Alignment: Excellent

Company Material	Sustainable Fitch's View	
Green buildings		
• Acquisition, construction, development or ownership of new and existing buildings that meet one of the following criteria: – buildings with a PED that is at least 10% lower than the threshold required for nearly zero-energy buildings in the local market; – buildings with an EPC with energy class A+, A and B; and – buildings belonging to the top 15% of the national or regional building stock in terms of PED.	• This UoP is aligned with the green buildings category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • Buildings have a significant environmental footprint due to their intensive consumption of energy and materials throughout their life cycle. According to the UN Environment Programme and the Global Alliance for Buildings and Construction, the buildings and construction sector accounted for 32% of global final energy consumption and 34% of global CO_2 emissions in 2024, making it one of the largest contributors to climate change. • Buildings typically remain in use for several decades; therefore, ensuring their high energy performance is critical to reducing long-term energy demand and emissions, and supporting the transition to a net-zero economy by 2050. • We therefore consider this UoP to have a positive environmental impact as it finances highly energy-efficient buildings and supports the decarbonisation of the built environment. • This contributes to Net Zero Properties' target of achieving EPC ratings of A, B and C for at least 75% of its property value. • An EPC gives a standardised indication of a building's energy efficiency, with higher-rated buildings generally having lower energy demand and better operational performance. • EPC ratings A+, A and B include residential buildings with good to very high energy performance in Germany, with EPCs A+ and A being identified as representing the top 15% of energy performers among German residential building stock by the Association of German Pfandbrief Banks (vdp) and property consultants Drees & Sommer. • The EU taxonomy considers construction of new buildings and acquisition and ownership of buildings as eligible activities for contributing to climate change mitigation. It uses science-based energy performance criteria to assess these. The framework's inclusion of the thresholds in the EU taxonomy SCC for both activities indicates a strong impact towards climate change mitigation. • Net Zero Properties does not intend to fully align with the SCC based on building date, ie buildings built after 2021 having a PED at least 10% lower than nearly zero-energy buildings and buildings built before 2021 belonging to top 15% of building stock. Such buildings should nonetheless represent highest levels of energy efficiency performance in Germany.	11 SUSTAINABLE CITIES AND COMMUNITIES
Energy efficiency		
• Financing related to investments in energy and resource efficiency, including improvement of energy efficiency in various sectors, such as refurbishments of buildings to include energy-saving retrofit of fixtures (doors, windows, etc.), lighting equipment, heating systems, etc. • These projects will aim to achieve a minimum 30% energy savings compared to baseline.	• This UoP is aligned with the energy efficiency category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • Existing buildings account for the vast majority of building stock and will remain in use for decades. Improving their energy performance through retrofit and refurbishment measures is critical to reducing energy demand, lowering GHG emissions and avoiding the lock-in of inefficient assets. • This aligns with the issuer's core Manage-to-Green strategy of acquiring lower-performing residential assets and implementing retrofit measures to improve their energy performance. This is an important decarbonisation lever for the real estate sector, as achieving climate objectives will require substantial improvements to the performance of the existing building stock.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

	• We therefore consider this UoP to have a positive environmental impact, as it finances measures that improve the energy efficiency of existing buildings and reduce their operational footprint. • The EU taxonomy SCC for activity 7.6 "installation, maintenance and repair of renewable energy technologies" recognise individual measures as eligible investments, although there is no information on whether the measures under this UoP will fully align with the SCC by complying with the minimum requirements in the applicable national measures implementing Directive 2010/31/EU and where applicable, be rated in the highest two populated classes of energy efficiency. • However, these projects are part of building renovations that target an improvement in energy efficiency by at least 30%. • The EU taxonomy also recognises the renovation of existing buildings as an eligible activity contributing to climate change mitigation, setting the SCC at a 30% reduction in PED. • Net Zero Properties has clarified that it will measure energy savings in terms of final energy consumption of the refurbished buildings, although it is likely that a 30% reduction in final energy consumption from building improvements results in corresponding levels of PED reduction. • This is because PED is derived as the product of final energy consumption and primary energy factor. The primary energy factor is generally a policy-based coefficient that evolves gradually rather than fluctuating from year to year. We therefore consider this achievement to result in material improvements in building energy performance and support the climate change mitigation objective.	
Renewable energy		
• Investments and/or expenditures on acquisition, development, construction, and/or installation of renewable energy production and storage units to generate on-site renewable energy, including (but not limited to): – on-site solar systems; and – PPAs, virtual PPAs and any other investments that provide for the procurement of renewable energy through a long-term contract (at least 10 years) that is aligned with the GHG Protocol.	• This UoP is aligned with the renewable energy category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • The transition of the energy system towards renewable sources is a key component of global and European climate mitigation efforts. The revised Renewable Energy Directive (EU) 2023/2413 establishes a binding EU-level target for renewable energy to represent at least 42.5% of gross final energy consumption by 2030, supporting the European Green Deal objective of achieving climate neutrality by 2050. • In Germany, the deployment of renewable energy forms a central pillar of the Energiewende, the country's long-term strategy to achieve climate neutrality by 2045. Increasing the supply and consumption of renewable electricity can reduce reliance on fossil fuels, lower GHG emissions and support the decarbonisation of buildings. • We therefore consider this UoP to have a positive environmental impact as it supports the generation and procurement of renewable energy, contributing to the reduction of GHG emissions associated with energy consumption. The transition to renewable energy also supports Net Zero Properties' strategy to improve EPC ratings of existing buildings. • On-site solar systems are aligned with the SCC for the installation, maintenance and repair of renewable energy technologies, thereby delivering a strong contribution to climate change mitigation. • Net Zero Properties will procure renewable electricity through PPAs and virtual PPAs in Germany, where onshore wind, offshore wind and solar PV represent major sources of renewable energy generation. Long-term procurement arrangements help accelerate renewable energy deployment by providing developers with predictable revenue streams	7 AFFORDABLE AND CLEAN ENERGY

	and facilitating investment in new renewable energy projects. • The identified sources of renewable energy further align with the SCC without specific performance thresholds, demonstrating significant contribution to climate change mitigation.	
Affordable housing		
• Development and/or provision of affordable housing units that aim to help address or mitigate a specific social issue and to target vulnerable groups. Investments in this category are evaluated based on the German local context. • The eligible projects include housing units that are let based on the German law on social subsidised housing, whereby the tenant has to have received a so-called WBS, which is a housing entitlement certificate. • They also include housing units that are let at a discount of 15% to the local customary comparable rent, Ortsübliche Vergleichsmiete (OVM), under Section 558 of Bürgerliches Gesetzbuch (the German Civil Code). • Evaluation criteria of this rent index are: year of construction, location (popularity of the city district, traffic noise level, connections, infrastructure, building density, etc.), size or living space, quality of the equipment (sanitary facilities, sound insulation, types of heating, renovation, floors, etc.) and economical energy consumption (sealing, thermal insulation, thermal insulation glazing, etc.). • Target populations include: – for WBS: low-income populations, vulnerable young people and students, people with disabilities, seniors, unemployed people, and foreigners in vulnerable situations; and – for housing unit let under the OVM approach: low- to medium-income populations.	• This UoP is aligned with the affordable housing category of the ICMA SBP and the LMA, LSTA and APLMA SLP. • Access to affordable housing is an important social challenge across Europe, particularly in urban areas where housing costs have increased faster than incomes for many households. • In Germany, Destatis (the Federal Statistical Office) reported that 11.2% of the population lived in households overburdened by housing costs in 2025, meaning that they spent more than 40% of their disposable income on housing. Germany also had the highest proportion of tenants in the EU, with 52.8% of the population living in rented accommodation, underscoring the importance of affordable rental housing. • We therefore consider this UoP to have a positive social impact, as it supports access to affordable housing for populations with identified housing needs and affordability constraints. • Housing units eligible under this category follow locally recognised approaches to social and affordable housing, such as those targeted at tenants holding a WBS and units let at a 15% discount to the OVM. These contribute to UN Sustainable Development Goal 11.1 by ensuring access for all to adequate, safe and affordable housing. • A 15% discount to the OVM is not an official definition of affordable housing in Germany; however, it provides a market-based benchmark for demonstrating that housing is offered below prevailing local rental levels. This represents a meaningful reduction relative to local market rents, and housing providers and labelled debt issuers commonly use it as criteria for enhanced affordability. • Housing units serving WBS holders provide a strong contribution towards addressing housing affordability challenges. These holders either meet income-based eligibility requirements or are priority groups with particular social needs. Such housing units improve access to housing for low-income and vulnerable populations.	
Source: Net Zero Properties sustainable financing framework (August 2026)	Source: Sustainable Fitch	

Use of Proceeds – Other Information	Alignment: Good
Company Material	**Sustainable Fitch's View**
• An amount equivalent to the net proceeds from the issuance of sustainable financing instruments (SFIs) will be used to finance or refinance, in part or in full, eligible green and/or social projects (eligible projects) that meet the eligibility criteria set out in the framework. Eligible projects may include assets, capex and opex. • Assets and capex will qualify without a specific lookback period, while opex is subject to a maximum lookback period of three years and will be recognised at its invested amounts. • Assets are revalued by a recognised property valuation expert such as JLL every six months (June and December) and held at their appraised market value. • For the avoidance of doubt, financing related to the following activities is excluded from the financing by Net Zero Properties' SFIs: – upstream, midstream and downstream oil and gas activities; – thermal coal mining or coal-fired electricity generation capacity; – nuclear energy; – large hydropower (over 25MW); – gambling; – tobacco; – alcohol; – weapons; and – adult entertainment.	• Net Zero Properties has committed to report the share of financing and refinancing in its allocation reports as recommended under the ICMA GBP and SBP and the LMA, LSTA and APLMA GLP and SLP. • The framework does not specify a minimum proportion of proceeds to be allocated to new financing. Market guidance, such as in the International Finance Corporation Green Bond Handbook, generally considers new financing to provide greater impact additionality than refinancing, as it supports positive projects that may not otherwise have been undertaken or recognised. • The lookback period of three years for opex, and including asset and capex financing without applying a lookback period, both align with standard market practice. We view a one-year lookback period as best practice among labelled bond issuers, as this ensures proceeds are directed towards more recent investments and sustainability outcomes. • Net Zero Properties has defined an exclusionary list of controversial activities such as fossil fuels, weapons, tobacco and gambling. This aligns with more robust market practice, as it provides greater assurance that financing is not associated with activities that may undermine the framework's environmental and social objectives.
Source: Net Zero Properties sustainable financing framework (August 2026)	Source: Sustainable Fitch

Evaluation and Selection	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• Net Zero Properties has established a sustainable finance committee with responsibility for governing the selection and monitoring of the eligible projects. • The committee will be chaired by the head of the sustainability and consists of senior members of the following teams: finance and treasury, operations, and audit. The committee will be supported by members of the transaction team, finance team, ESG team and any other teams from across Net Zero Properties, its divisions and its operating businesses, as well as joint venture partners, as appropriate. The committee will meet on a bi-annual basis, and as required for specific issuances. • The committee is the oversight mechanism for reviewing and validating the eligible projects, as well as oversight of the selection process as follows. – Members from different project teams will have delegated responsibility for the assessment of eligible projects, with oversight from the committee to ensure that on an ongoing basis, selected projects continue to meet the eligibility criteria. – The committee will further review and assess that the eligible projects meet the eligibility criteria laid out in the UoP section of the framework, as well as Net Zero Properties' sustainability policies and procedures. – The committee will also annually review the list of eligible projects against the eligibility and exclusionary criteria. If a project no longer meets the eligibility criteria set forth in the framework, the eligible project will be removed from the register and, on a best-efforts basis, replaced as soon as a substitute has been identified. – The committee will further be responsible for overseeing, approving and publishing the allocation and impact reporting, including external assurance statements.	• The project evaluation and selection process is well defined and robust, reflecting best practice among labelled bond issuers. • The sustainable finance committee comprises representatives from diverse functions across Net Zero Properties' operations, including sustainability expertise, supporting informed decision making and oversight. • The framework incorporates a multi-layered review and approval structure, whereby project teams assess eligibility and the committee approves project selection, providing additional checks and balances. • This approach is aligned with the requirements of the ICMA GBP and SBP, as well as the LMA, LSTA and APLMA GLP and SLP.

Evaluation and Selection	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
– The committee will also be monitoring the on-going market evolution, particularly in relation to disclosure and reporting, to ensure Net Zero Properties is in-line with market practices.	
Source: Net Zero Properties sustainable financing framework (August 2026)	Source: Sustainable Fitch

Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
• Net Zero Properties' treasury team will manage the allocation of an amount equivalent to the net proceeds of its SFIs on an aggregated basis for multiple SFIs (portfolio approach). To manage this process, Net Zero Properties will establish a sustainable financing register, which will be reviewed semi-annually by the committee. • Net Zero Properties will strive to achieve a level of allocation to the eligible project portfolio that matches or exceeds the balance of net proceeds of its outstanding SFIs. Net Zero Properties will strive to fully allocate net proceeds to eligible projects within three years from the year of issuance, to align with its strategy of acquiring and refurbishing residential properties to improve their energy consumption and significantly reduce their CO_2 emissions. • Pending full allocation of an amount equal to the net proceeds of outstanding SFIs, the unallocated proceeds will be held in cash or cash equivalents and/or assets that are pending or in the process of receiving energy efficiency or CO_2 emissions upgrades. • The sustainable finance committee reviews the list of eligible projects against the eligibility and exclusionary criteria annually. If a project no longer meets the eligibility criteria set forth in this framework, the eligible project will be removed from the register and, on a best-efforts basis, replaced as soon as a substitute has been identified.	• Net Zero Properties will manage proceeds internally through a sustainable financing register, which is in line with standard market practice. However, market best practice is to segregate proceeds from general treasury accounts through a separate bank account, as this provides additional assurance that funds remain linked to eligible projects throughout the life of the instrument and reduces the risk of commingling. • Pending allocation, unallocated proceeds may be held in cash, cash equivalents or invested in the issuer's renovated assets. This approach is consistent with standard market practice. We consider the temporary investment of unallocated proceeds in short-term instruments with positive environmental or social characteristics to represent market best practice, as it supports alignment with the framework's sustainability objectives during the allocation period. • Net Zero Properties has committed to monitoring eligible projects on an annual basis and removing projects that no longer meet the framework's eligibility criteria. This provides assurance that proceeds will remain allocated to qualifying projects and continue to support the intended environmental and social outcomes over time. • The management of proceeds is aligned with the requirements of the ICMA GBP and SBP, as well as the LMA, LSTA and APLMA GLP and SLP.
Source: Net Zero Properties sustainable financing framework (August 2026)	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• Net Zero Properties commits to publish on its website an allocation and impact report(s) annually, starting one year after issuance and until full allocation of the proceeds and in the event of any material changes until the relevant maturity date. • Net Zero Properties will provide information on the allocation of the net proceeds of its SFIs on its website. The information will contain at least the following details: – net proceeds of outstanding SFIs; – amount of net proceeds allocated to eligible projects as defined in the UoP section of the framework; – where feasible, a list of the eligible projects financed through Net Zero Properties' SFIs; – the proportional allocation of proceeds between existing projects (refinancing) and new projects; and – the remaining balance of unallocated proceeds, if any. • Net Zero Properties intends to align, on a best-effort basis, with the reporting recommendations as outlined in ICMA's Handbook – Harmonised Framework for Impact Reporting (June 2026). • Net Zero Properties will provide impact reporting at the eligible project category level, including project-level information where possible, which may include the following estimated impact reporting metrics. – Green buildings: number of buildings with relevant certification standards (type of scheme, certification level); absolute energy demand in kWh or energy demand intensity in kWh/sqm; and absolute GHG emissions reduced and/or avoided in tCO_2e, or GHG	• Net Zero Properties' commitment to allocation and impact reporting is aligned with the requirements of the ICMA GBP and SBP, as well as the LMA, LSTA and APLMA GLP and SLP. • It will report allocation and impact annually until full allocation and in the event of material changes, which provides transparency and accountability on the UoP and sustainability outcomes achieved. • Allocation and impact information will be provided at the UoP category level and will be aggregated for its portfolio where multiple sustainability instruments are outstanding. This aligns with standard market practice, although we consider project-level reporting to provide greater granularity and transparency over the impact of specific instruments and projects financed. • The proposed impact metrics are measurable and Net Zero Properties intends to align these to recognised market guidance and reporting recommendations. This supports the comparability and credibility of reported outcomes and enables investors to better assess the sustainability impacts associated with financed projects. • Net Zero Properties commits to obtaining an assurance review report from an external review provider on its allocation reporting, which is consistent with standard market practice and provides an additional level of confidence regarding the allocation of proceeds. • However, the framework does not specify whether it will seek external assurance of its impact reporting. This limits our assessment, as having such assurance would provide greater confidence in the reliability of sustainability outcomes disclosed.

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
emissions intensity reduced and/or avoided in tCO_2e/sqm or tCO_2e/kWh. – Energy efficiency: annual energy savings in kWh (electricity) and GJ or TJ (other energy savings); absolute GHG emissions reduced and/or avoided in tCO_2e, or GHG emissions intensity reduced and/or avoided in tCO_2e/sqm or tCO_2e/kWh. – Renewable energy: additional capacity of renewable energy generation installed in kW; absolute GHG emissions reduced and/or avoided in tCO_2e, or GHG emissions intensity reduced and/or avoided in tCO_2e/sqm or tCO_2e/kWh; annual energy savings in kWh (electricity) and GJ or TJ (other energy savings). – Affordable housing: number of dwellings and/or buildings; number of individuals and/or families benefiting from subsidised housing. • Net Zero Properties will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of SFI proceeds to eligible projects, provided by an external review provider.	
Source: Net Zero Properties sustainable financing framework (August 2026)	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.
- **7.3:** By 2030, double the global rate of improvement in energy efficiency.

- **9.4:** By 2030, 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.

- **11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Sustainability

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes

Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.

1) Use of Proceeds (UoP) – Based on Expected or Actual Instrument Allocation

UoP as per Green Bond Principles (GBP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	No
Environmentally sustainable management of living natural resources and land use	No
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	No
Sustainable water and wastewater management	No
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	Yes
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.

Use of Proceeds as per Social Bond Principles (SBP)	
Affordable basic infrastructure	No
Access to essential services	No
Affordable housing	Yes
Employment generation (through SME financing and microfinancing)	No
Food security	No
Socioeconomic advancement and empowerment	No
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.

Target Populations	
Living below the poverty line	No
Excluded and/or marginalised populations and /or communities	No
People with disabilities	Yes
Migrants and/or displaced persons	No
Undereducated	No
Underserved, owing to a lack of quality access to essential goods and services	No
Unemployed and/or workers affected by climate transition	Yes
Women and/or sexual and gender minorities	No
Aging populations and vulnerable youth	Yes

Type of Instrument: Sustainability	
Other vulnerable groups, including as a result of natural disasters, climate change and/or climate transition projects that cause or exacerbate socioeconomic inequity	No
Other	WBS holders

2) Project Evaluation and Selection	
Evaluation & Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability bond proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.

Evaluation & Selection/Responsibility and Accountability	
Evaluation/selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.

3) Management of Proceeds	
Tracking of Proceeds	
Sustainability bond proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.

Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting	
UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.

UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability bond-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting

Type of Instrument: Sustainability

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.

Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	No
Number of beneficiaries	Yes
Target populations	No
Other ESG indicators	EPC ratings, additional capacity of renewable energy generation, number of affordable housing dwellings and/or buildings

Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Blue	Proceeds will be used for blue projects as identified in the instrument documents. The instrument may be aligned with the IFC Guidelines for Blue Finance, the ICMA Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, or other relevant principles, guidelines or taxonomies.
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds, as well as relevant guidance for blue finance.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
IFC	International Finance Corporation. In the Second-Party Opinion we refer to alignment with the IFC's Guidelines for Blue Finance: a set of guidelines for financing activities that support sustainable water management, marine and coastal resources, and related blue economy activities.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.