



# GREEN BOND

Reporting at 31/12/2017



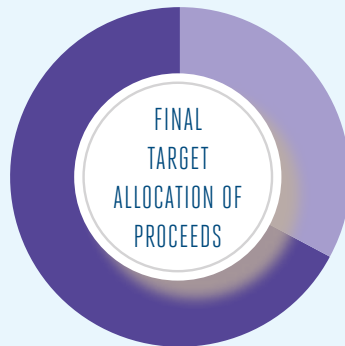
# KEY FIGURES AT 31/12/2017

**€600m** Amount issued for Icade's inaugural green bond.

**59%** of green bond investors are green investors.

**8** HQE/BREEAM-certified assets covering **167,700 sq.m** and **3** types of green projects financed or refinanced.

**773 tonnes** of CO<sub>2</sub> emissions avoided.



**59.9%** GREEN ASSETS: ENERGY PERFORMANCE

**14.4%** GREEN ASSETS: PRIVATE LOW-IMPACT TRANSPORT

**18.2%** GREEN PROJECTS: ENERGY EFFICIENCY

**5.4%** GREEN PROJECTS: RENEWABLE ENERGY

**2.1%** GREEN PROJECTS: ECOMOBILITY

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# ICADE, A COMMITTED PARTICIPANT IN ENVIRONMENTAL TRANSITION AND THE FIGHT AGAINST CLIMATE CHANGE

The real estate sector accounts for 25% of greenhouse gas emissions in France. Aware of the major impact of the real estate sector on climate change, Icade has set ambitious goals to reduce its greenhouse gas emissions in order to step up its energy transition and assist its tenants along this same path. Its key commitments toward mitigating climate change and promoting environmental transition include:

## REDUCING

CO<sub>2</sub> emissions by **40%** in offices and business parks between 2011 and 2020

(in kg CO<sub>2</sub>/sq.m/year)

## REACHING

**20%** of renewable energy in the portfolio's energy mix by 2020

## INCREASING

the in-use certified office space of its existing properties by **5%** per year through to 2020

## OBTAINING

**HQE certification for 100%** of new offices starting in 2018

## EQUIPPING

**100%** of the offices and business parks with charging stations for electric vehicles in 2018

## REACHING

its goal of **100%** of green lease committees in 2018





The strategic importance of green financing for Icade: as a logical extension of its CSR commitments and given its economic model which requires funds to be raised on a regular basis, Icade is committed to getting actively involved in green financing and contributing to its growth. As a result, it issued its inaugural €600 million “Green Bond” in September 2017 aligned with the best market practices and Green Bond Principles.

Following this first issue, Icade announced at the Climate Finance Day in December 2017 in Paris that it had signed the Green Bond Pledge, alongside eight of the main industrial issuers of green bonds (EDF, Enel, ENGIE, Iberdrola, Paprec, SNCF Réseau, SSE and TenneT). In doing so, it undertakes to promote the development of the green bond market as part of its financing strategy and policy, and to become actively involved in discussions on reporting and interaction with investors.

Lastly, this project has provided Icade with an excellent opportunity to bolster cross-functional collaboration and collegiality within the company and to better manage its projects. A real sense of collective pride is created when employees not used to working together join forces to contribute their knowledge and expertise. As a consequence, the Finance, CSR, Commercial Property Investment, Investments and Legal teams have rallied around this project, further strengthening the CSR culture embraced by Icade employees.

**“Cross-functional working and the involvement of several professional specialisations** played a crucial role in this issue’s success—teams from the Property Investment Division, Finance, Financial Communication, Legal and CSR all took part! Over the long term, this green bond will contribute to Icade’s position as CSR leader in the real estate sector.”



The Green Bond project team



Victoire Aubry  
Head of Finance, Legal Affairs and IT

**“Issuing a Green Bond—a tool that allows companies to reinvent themselves—has been an incredible human experience for Icade.”**



# GREEN BOND FEATURES

The purpose of this inaugural green bond, with a maturity of ten years and an annual coupon of 1.50%, is to finance and refinance both "green" assets and projects. Almost three times oversubscribed, the issue was met with great success by both French and international socially responsible investors.

## KEY FEATURES:

Amount: €600m

Maturity: 10 years

Pricing date: 4 September 2017

Start date: 13 September 2017

IPT: MS + 100 bps area

Re-offer spread : MS + 80 bps

Re-offer yield: 1.597%

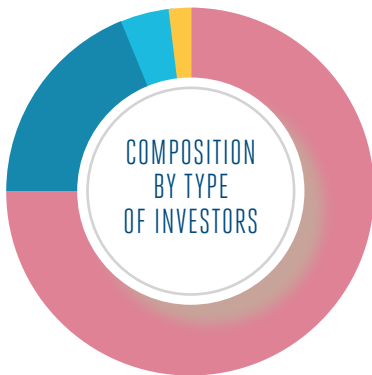
Coupon: 1.50%

Joint bookrunners: BNPP, CACIB, HSBC, Natixis, SG CIB

First book: > €2.3bn

Final book: > €1.5bn

ISIN code: FR0013281755



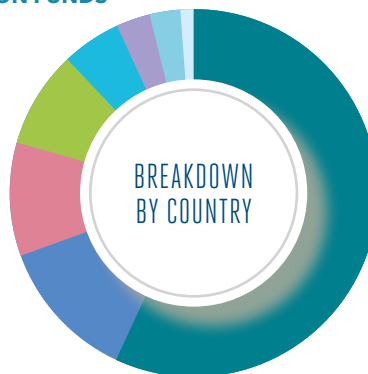
COMPOSITION BY TYPE OF INVESTORS

75% ASSET MANAGERS

17% INSURANCE COMPANIES AND PENSION FUNDS

5% BANKS

3% OTHER



BREAKDOWN BY COUNTRY

58% FRANCE

14% GERMANY AND AUSTRIA

10% ITALY

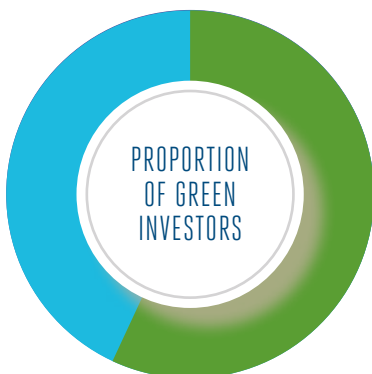
9% UNITED KINGDOM AND IRELAND

4% NORDIC COUNTRIES

2% BENELUX

2% OTHER EUROPEAN COUNTRIES

1% OTHER COUNTRIES OUTSIDE EUROPE



PROPORTION OF GREEN INVESTORS

59% GREEN INVESTORS

41% CONVENTIONAL INVESTORS

# A Green Bond aligned with best practice



This green bond complies with Green Bond Principles 2017<sup>1</sup> issued by the International Capital Market Association (ICMA).



It is subject to an independent second party opinion provided by the ESG rating agency Sustainalytics, available on Icade's website:

[http://www.icafe.fr/content/download/15351/179252/version/2/file/ICADE+Green+Bond\\_Second+Opinion+by+Sustainalytics.pdf](http://www.icafe.fr/content/download/15351/179252/version/2/file/ICADE+Green+Bond_Second+Opinion+by+Sustainalytics.pdf)

Monitoring the allocation of proceeds and compliance with the eligibility criteria is subject to an annual verification by an independent third party, PricewaterhouseCoopers (as appended hereto).

In line with its commitment, Icade has published herein its annual green bond report which makes it possible to monitor output and impact indicators, in addition to a methodological guide to quantifying avoided greenhouse gas emissions.

## Each year, Icade pledges to report in detail on:

- the allocation of the proceeds;
- the list of assets and projects financed;
- the environmental benefits of the assets and projects financed,

using specific output and impact indicators. Icade also agreed to publish its methods for quantifying avoided carbon emissions.

*All documentation relating to the green bond is available on Icade's website:*

<http://www.icafe.fr/en/finance/financing/bond-issue>

# A RIGOROUS SELECTION PROCESS FOR GREEN ASSETS AND PROJECTS

## A Eligibility criteria

The proceeds from this issue are used to finance or refinance green assets and projects for the Commercial Property Investment Division, based on stringent eligibility criteria. These criteria have been selected to reflect Icade's environmental policy, which covers the property's entire life cycle. For this reason, the selection criteria also include the environmental quality of new builds, improvement projects for existing properties, tenant support programmes and access to low-impact transport.

Proceeds from the green bond will be used by Icade to finance green assets and projects that comprise a "green portfolio" as defined below:

### Green assets:

These involve investments in the construction and renovation of "green" commercial buildings (green assets) in France, meeting the following cumulative criteria:

- **HQE Certification** (construction or renovation) and/or **BREEAM** with a minimum rating of "Very Good";
- **Distance from public transport** less than or equal to 400 metres (bus, train, tram, metro, river shuttle, private shuttle bus);
- **Green Lease Committee** organised<sup>2</sup> by Icade with tenants to share best practices and draft action plans to reduce energy and water consumption and improve waste management (for occupied assets subject to Green Lease clauses<sup>3</sup>, i.e. for commercial space over 2,000 sq.m), subject to the tenants' approval.



The proceeds will be used to finance new green assets (disbursements started on 1 January 2017) and/or to refinance existing assets (having a completion or renovation date on or after 1 January 2015).

<sup>2</sup> - Existing or planned at the reporting date.

<sup>3</sup> - Law No. 2010-788 of 12 July 2010 on the national commitment to the environment.



## Green projects:

These involve investments in the energy transition of existing properties, falling under one of the following categories:

- **Energy efficiency equipment:** projects enabling energy savings of at least 20% and/or reducing CO<sub>2</sub> emissions by 20% compared to the previous level. This mainly involves not only replacing existing light bulbs with LEDs, which represents one of the best ways to save energy in buildings, but also installing more energy-efficient heating, cooling and air handling systems;
- **Renewable energy:** this mainly involves the installation of solar photovoltaic panels, wind power and geothermal energy. These installations will help Icade meet its goal of 20% of renewable energy in its mix by 2020;
- **Ecomobility:** this involves the installation of charging stations for electric vehicles or any other equipment promoting the use of low-carbon urban transport systems. This initiative will help Icade meet its goal of equipping 100% of its offices and business parks with charging stations for electric vehicles by 2018.

The proceeds will be used to finance new green projects (disbursements started on 1 January 2017).





## B Selection and assessment process

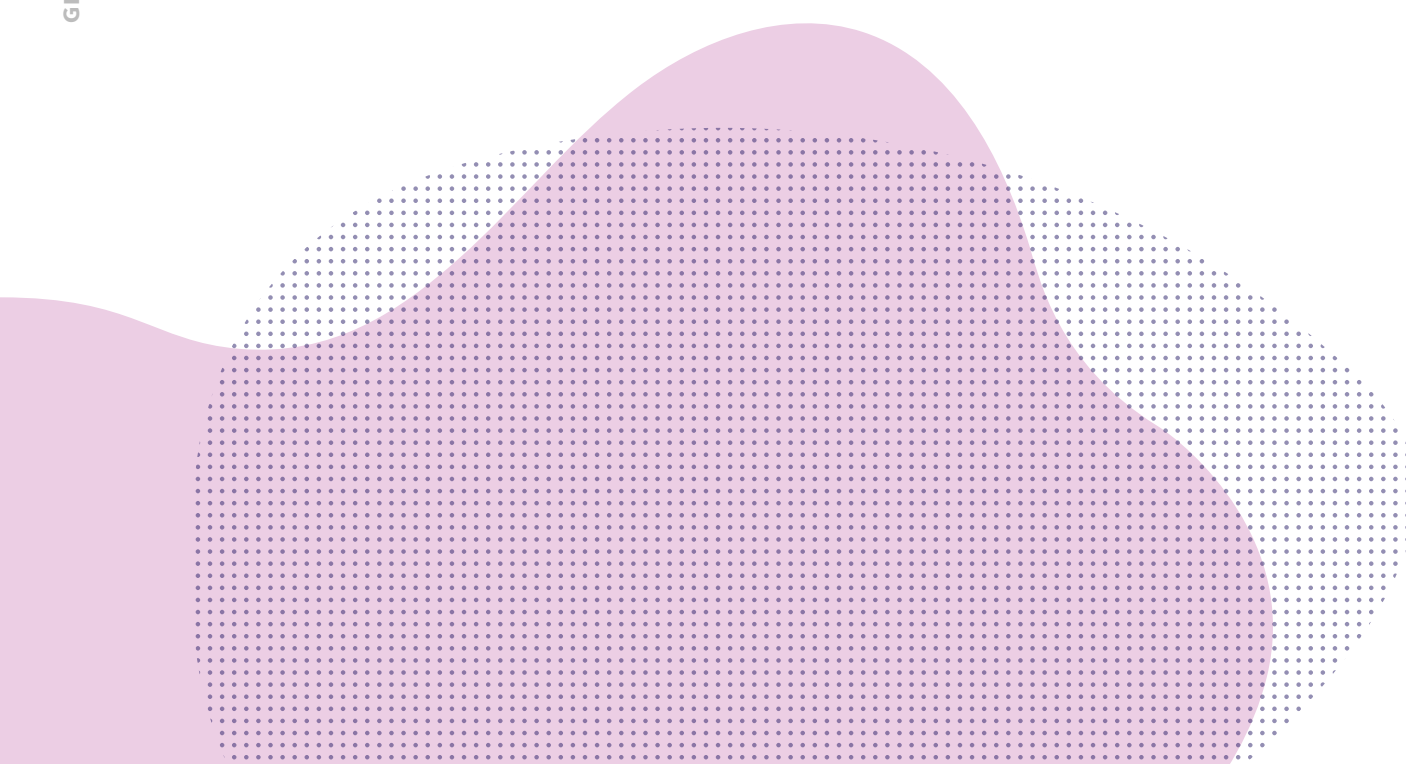
The selection and assessment process for eligible green assets and projects is clearly defined, in line with Icade's investment and CSR policies<sup>4</sup>, which are based on rigorous procedures to identify and reduce social and environmental risks.

The green assets and projects are assessed and selected by a dedicated Green Committee, chaired by the member of the Executive Committee in charge of Finance, and which includes representatives from Investor Relations, CSR, Environmental Transitions, Commercial Property Investment (including the member of the Executive Committee in charge of the Commercial Property Investment Division), Portfolio Management (including the member of the Executive Committee in charge of Portfolio Management), Investments, Legal and Finance.

On an annual basis or as often as circumstances require, this Committee reviews and approves the allocation of proceeds to green assets and projects, the annual reporting and any rotation of the green portfolio. Asset rotation takes place if an asset is sold or becomes ineligible.

Icade's second Green Bond Committee was held on 25 June 2018 to approve the asset portfolio, projects, their respective allocation and this reporting.

4- The investment and CSR policies are summarised in Sections 1.1 and 1.2. of the Framework: [http://www.icafe.fr/content/download/15350/179248/version/2/file/ICADE+Green+Bond+Framework\\_July+2017.pdf](http://www.icafe.fr/content/download/15350/179248/version/2/file/ICADE+Green+Bond+Framework_July+2017.pdf) and detailed in the CSR Chapter in the Registration Document, available on Icade's website: <http://www.icafe.fr/en/finance/results-and-publications/annual-report-reference-document-interim-financial-report>





# Allocation of proceeds to green assets and projects

Out of the €600 million, close to €500 million were allocated over 2017, including more than €100 million for financing. Unallocated proceeds, totalling less than €100 million, will be dedicated to new financing for assets and projects. Thus, 1/3 of funds will ultimately be allocated to financing and 2/3 to refinancing.

The Green Bond Committee decided to allocate the funds as follows:

Categories	FINANCING		REFINANCING	
	Amounts disbursed (in millions of euros, as of 31 December 2017)	% of total	Amounts disbursed (in millions of euros, as of 31 December 2017)	% of total
<b>Assets financed:</b> 8 office assets located in France have been financed:	<b>97.4</b>	<b>19.8</b>	<b>395.4</b>	<b>80.2</b>
Millénaire 4	0.1	0.0	101.0	20.5
Veolia	0.1	0.0	88.6	18.0
Open	0.7	0.2	62.6	12.7
Pulse	23.4	4.7	18.3	3.7
Monet	—	—	86.1	17.5
Québec	0.3	0.1	38.9	7.9
Gambetta	71.4	14.5	—	—
Eko Active	1.5	0.3	—	—
<b>Projects financed:</b>				
<b>Energy efficiency equipment:</b> lighting, heat and cold generation	<b>3.2</b>	<b>100</b>	—	—
	2.4	75.0		
<b>Renewable energy:</b> solar photovoltaic panels	<b>0.7</b>	<b>21.9</b>	—	—
<b>Ecomobility:</b> charging stations for electric vehicles	<b>0.1</b>	<b>3.1</b>	—	—
<b>TOTAL : €496.0m</b>	<b>100.6</b>	<b>20.3</b>	<b>395.4</b>	<b>79.7</b>

It should be noted that unlike green assets, which are for the most part refinanced, green projects are only funded through new financings. The amounts allocated to green projects refer to 2017, 2018 and 2019, with most of the funds to be disbursed in 2018 and 2019. Consequently, the proportion dedicated to financing green projects will increase in the Green Bond's next two annual reports.

Amounts raised but not yet allocated are managed by the Icade group's cash management teams. This liquidity is invested in compliance with the Icade group's management policy for its cash investments. Authorised investment vehicles are always denominated in euros, with short-term investment horizons, often under 3 months (short-term money market funds, time deposit accounts, interest-bearing accounts, etc.). Socially responsible investment vehicles are given priority.



# THE GREEN PORTFOLIO'S OUTPUT AND IMPACT INDICATORS

## A The green assets' output and impact indicators at 31/12/2017

SUMMARY TABLE		DETAILED TABLE	Millénaire 4	Veolia
Number of assets	8	Location	Paris	Aubervilliers (Paris region)
Total floor area	167,700 sq.m (including 110,700 sq.m completed and 57,000 sq.m under construction)	Floor area	24,500 sq.m	45,000 sq.m
Certifications	HQE Outstanding: 2 assets	Estimated or actual date of completion	October 2016	July 2016
	HQE Excellent: 5 assets			
	BREEAM Excellent: 2 assets			
	BREEAM Very Good: 3 assets			
Distance to closest low-impact transport	Between 23 metres and 305 metres depending on the asset	Certifications	NF HQE Outstanding (Construction)	NF HQE Outstanding (Construction) BREEAM Excellent (Construction)
			Labels	HPE (High Environmental Performance)
Green Lease Committees	1 green lease committee held on 20 November 2017, 3 committees planned in 2018, 4 committees to which the requirement does not apply (awaiting occupancy)	Distance to closest low-impact transport	305 metres (river shuttle)	98 metres (river shuttle)
		Green Lease Committee*		
		Percentage improvement in assets' energy performance compared to baseline scenario (%)*		
		Percentage improvement in assets' carbon performance compared to baseline scenario (%)*		
		Total annual CO <sub>2</sub> emissions avoided as a result of the buildings' energy performance, compared to the baseline scenario*		
		Average CO <sub>2</sub> intensity of the assets*		
		Total annual CO <sub>2</sub> emissions avoided as a result of the availability of private low-impact transport options		

5 - The French Thermal Regulation requires that the calculation consider only the energy consumption of five end uses (space heating, cooling, lighting, water heating and ventilation).

6 - Consumption for all end uses accounts for a building's overall energy consumption. It is calculated based on data from Dynamic Thermal Simulations if the building is not occupied or actual data (bills) if the building is occupied. The calculation is explained in the Methodological Guide to Quantifying Avoided Greenhouse Gas Emissions, which is available on the website.

\*This data has been aggregated for confidentiality reasons.

Open	Pulse	Monet	Québec	Gambetta	Eko Active
Issy-les-Moulineaux (Paris region)	Saint-Denis (Paris region)	Saint-Denis (Paris region)	Rungis (Paris region)	Paris	Marseille (Sud Provence-Alpes-Côte d'Azur)
9,100 sq.m	28,700 sq.m	20,600 sq.m	11,500 sq.m	20,000 sq.m	8,300 sq.m
April 2017	Q1 2019 (estimated)	June 2015	March 2015	Q1 2019 (estimated)	Q3 2019 (estimated)
NF HQE Excellent (Construction and In-Use)  BREEAM Very Good (Construction and In-Use)	NF HQE Excellent (Construction)	NF HQE Excellent (Construction and In-Use)	NF HQE Excellent (Construction and In-Use)  BREEAM Excellent (Construction)	NF HQE Excellent (Construction)  BREEAM Very Good (Construction)	BREEAM Very Good (Construction)
	BBCA (low-carbon building) E+C- (positive energy and low-carbon buildings)	HPE (High Environmental Performance)	HPE (High Environmental Performance)		
31 metres (bus)	27 metres (metro)	249 metres (bus)	60 metres (private shuttle bus)	115 metres (bus)	23 metres (bus)
1 green lease committee held on 20 November 2017, 3 committees planned in 2018, 4 committees to which the requirement does not apply (awaiting occupancy)					
<ul style="list-style-type: none"> <li>Conservative approach (RT calculation using 5 end uses)<sup>5</sup>: -12% on average (baseline scenario: French Thermal Regulation)</li> <li>All end-use approach<sup>6</sup>: -51% on average (baseline scenario: OID Barometer 2017, based on the latest "2012 Offices" scope : energy consumption for 2016 of offices completed between 2012 and 2015)</li> </ul>					
<ul style="list-style-type: none"> <li>Conservative approach (RT calculation using five end uses): -42% on average (baseline scenario: French Thermal Regulation)</li> <li>All end-use approach: -54% on average (baseline scenario: OID Barometer 2017, based on the latest "2012 Offices" scope : CO<sub>2</sub> emissions for 2016 of offices completed between 2012 and 2015)</li> </ul>					
<ul style="list-style-type: none"> <li>RT calculation (conservative approach): 463 tonnes of CO<sub>2</sub></li> <li>All end-use calculation: 1,162 tonnes of CO<sub>2</sub></li> </ul>					
<ul style="list-style-type: none"> <li>Conservative approach (RT calculation using five end uses): 3.6 kg CO<sub>2</sub>/sq.m/year</li> <li>All end-use approach: 6.5 kg CO<sub>2</sub>/sq.m/year</li> </ul>					
<ul style="list-style-type: none"> <li>111 tonnes of CO<sub>2</sub></li> <li>Private low-impact transport options provided by Icade: electric shuttle buses and river shuttles, carpooling and ride-sharing, Autolib' and Velib' terminals</li> </ul>					

# B The green projects' output and impact indicators

at 31/12/2017

	INDICATORS
<b>Energy efficiency equipment: lighting, heat &amp; cold</b>	
Proportion of floor area covered (% of mapped floor area)	17%
Percentage of average energy savings	41% <sup>7</sup>
CO <sub>2</sub> emissions avoided	141 tonnes of CO <sub>2</sub>
<b>Renewable energy: solar photovoltaic panels</b>	
Installed capacity	511 kWc
Electricity generation	496 MWh <sub>fe</sub> /year
Avoided CO <sub>2</sub> emissions	42 tonnes of CO <sub>2</sub>
<b>Ecomobility: charging stations for electric vehicles</b>	
Number of charge points* installed	12
Avoided CO <sub>2</sub> emissions	16 tonnes of CO <sub>2</sub>
<b>Total avoided CO<sub>2</sub> emissions - Green projects</b>	<b>199 tonnes of CO<sub>2</sub></b>

\*Each charging station can have one or two charge points

7 - Energy efficiency projects achieved at least 20% in energy savings in 2017 (with a maximum of 83%).

## C Summary graphs

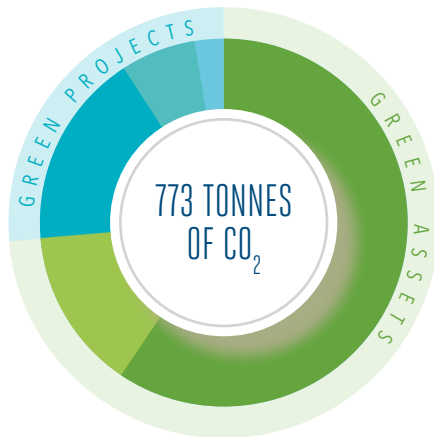


- 97.4** ASSETS: **FINANCING**
- 395.4** ASSETS: **REFINANCING**
- 2.4** PROJECTS: **ENERGY EFFICIENCY**
- 0.7** PROJECTS: **RENEWABLE ENERGY**
- 0.1** PROJECTS: **ECOMOBILITY**

In 2017, 20% of the allocated funds went toward the financing of assets and projects. This proportion will increase to ultimately reach 33%.



Avoided CO<sub>2</sub> emissions in 2017 (conservative approach)



**59.9%** GREEN ASSETS:  
**ENERGY PERFORMANCE**

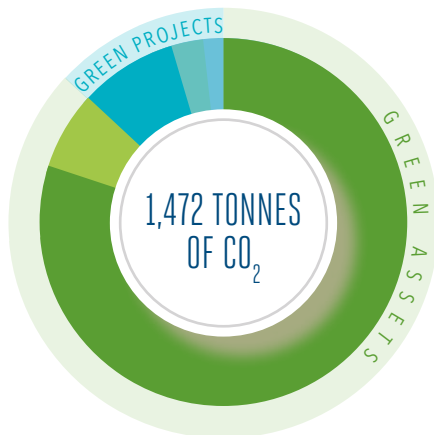
**14.4%** GREEN ASSETS:  
**PRIVATE LOW-IMPACT TRANSPORT**

**18.2%** GREEN PROJECTS:  
**ENERGY EFFICIENCY**

**5.4%** GREEN PROJECTS:  
**RENEWABLE ENERGY**

**2.1%** GREEN PROJECTS:  
**ECOMOBIILITY**

Avoided CO<sub>2</sub> emissions in 2017 (all end-use)



**78.9%** GREEN ASSETS:  
**ENERGY PERFORMANCE**

**7.5%** GREEN ASSETS:  
**PRIVATE LOW-IMPACT TRANSPORT**

**9.6%** GREEN PROJECTS:  
**ENERGY EFFICIENCY**

**2.9%** GREEN PROJECTS:  
**RENEWABLE ENERGY**

**1.1%** GREEN PROJECTS:  
**ECOMOBIILITY**

CO<sub>2</sub> emissions avoided as a result of the assets' energy performance represent the Green Bond's main source of greenhouse gas reductions in 2017. However, it should be noted that, as set out in Part 2.c), the proportion of CO<sub>2</sub> emissions avoided from green projects will increase over the coming years.

The method for calculating avoided emissions is explained in the Methodological Guide to Quantifying Avoided Greenhouse Gas Emissions, available on the website <http://www.icafe.fr/en/finance/financing/bond-issue>.

## D Spotlight on key assets and projects



Saint-Denis Paris region

Estimated completion date:

Q1 2019

Floor area: 28,700 sq.m

### Pulse

#### CERTIFICATIONS AND LABELS:

- **Certification** : NF HQE Excellent (Construction)
- **Other certifications and labels**: BBCA (low-carbon building), E+C- (positive energy and low-carbon buildings) Business park having ISO 14001 certification and the EcoJardin label

#### ACCESS TO PUBLIC TRANSPORT:

- **Metro**: 27 metres
- **Private bus shuttles**: 100 metres
- **Bus**: 120 metres

#### OTHER CSR CHARACTERISTICS:

- Wood and concrete structure
- Reuse of materials
- Rooftop vegetable garden
- Collection of water and organic waste to produce compost to be used in the vegetable garden
- Local hiring and back-to-work schemes





Icade's headquarters

Issy-les-Moulineaux Paris region

Completion date: April 2017

Floor area: 9,100 sq.m

## Open

### CERTIFICATIONS AND LABELS:

- **Certification :**  
NF HQE Excellent (Construction and In-Use)  
BREEAM Very Good (Construction and In-Use)

### ACCESS TO PUBLIC TRANSPORT:

- **Bus:** 31 metres
- **Regional Express Railway:** 33 metres
- **Tram:** 33 metres

### OTHER CSR CHARACTERISTICS:

- 100% green electricity
- Energy performance contract with the building operations manager
- Shared vegetable garden
- Car-sharing fleet and reserved parking spaces for electric vehicles
- Telemedicine booth
- Green Lease clause signed on 01/08/2017
- Green Lease Committee scheduled for September 2018

## D Spotlight on key assets and projects



Icade's Paris-Orly-Rungis  
business park Val-de-Marne

3,140 sq.m of solar  
photovoltaic panels installed  
throughout the park in 2017

### Renewable energy project

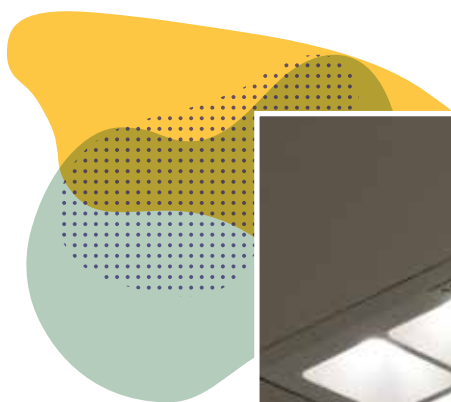
- **Example:** installing rooftop photovoltaic kits and shade structures for car parks in the Paris-Orly-Rungis business park (Val-de-Marne)

#### APPROACH:

- Inventory of available technology
- Selection of polycrystalline solar panel kits (from the French company Voltec)
- Roof evaluations and feasibility studies
- Installation on suitable roofs in the Paris-Orly-Rungis business park since 2017 and in other parks starting in 2018
- Installation of shade structures for car parks
- An ultralight alternative solution currently being studied

#### REPORTING AND IMPACT INDICATORS:

- Total installed capacity: 511 kWc
- Total renewable energy generation: 496 MWh<sub>f<sub>e</sub></sub>/year
- 42 tonnes of CO<sub>2</sub> emissions avoided in total



Business parks and buildings not located in business parks

Common areas and private areas

## Energy efficiency project

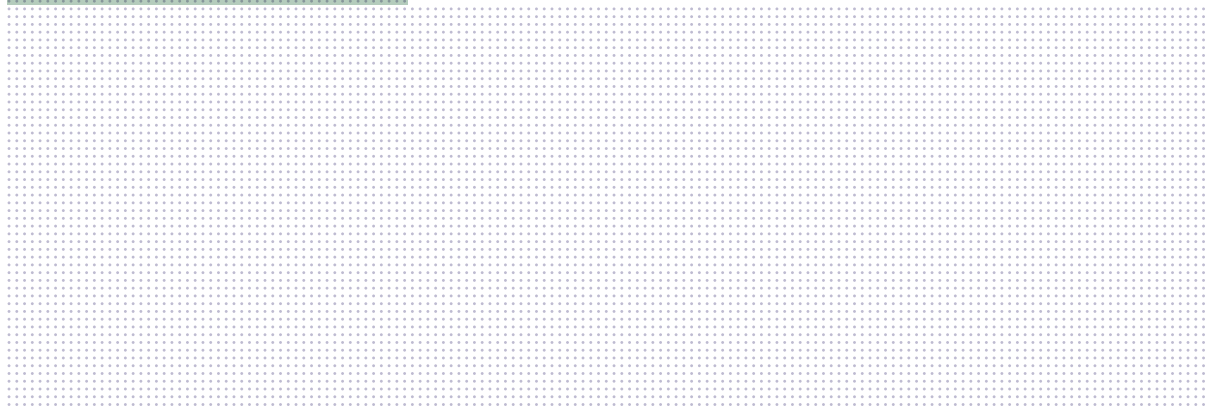
- **Example:** LED relamping of the common areas and private areas in business parks and offices not located in business parks

### APPROACH:

- Inventory of lighting sources (business parks and buildings not located in business parks)
- Selection of the best technology in terms of energy efficiency, visual comfort and maintenance (Premium solution)
- Implementation of the Premium solution as a minimum in both the common and private areas
- Implementation of specific solutions (geared toward visual comfort for example) upon request by the tenants

### REPORTING AND IMPACT INDICATORS:

- Floor area with LED lighting: 16% of CSR scope
- Between 29 and 83% of energy savings and 63% on average
- 54 tonnes of CO<sub>2</sub> emissions avoided in total



## D Spotlight on key assets and projects



Icade's business parks  
in the Paris region

Indoor and outdoor  
car parks

### Ecomobility project

- **Example:** installation of charging stations for electric vehicles

#### APPROACH:

- Short- and medium-term needs of the business parks studied using specialised Project Management Support
- Selection of Open Charge Point Protocol (OCPP) to ensure interoperability and supervision of charging stations
- Incremental deployment with capacity for expansion

#### REPORTING AND IMPACT INDICATORS:

- 12 charge points installed to date out of 56 currently being deployed
- 16 tonnes of CO<sub>2</sub> emissions avoided in 2017

The issuance of a green bond has allowed Icade to factor environmental criteria into its policies and activities at a faster pace. As a result, a virtuous cycle has been created in terms of asset quality and the selection of projects under development.

APPENDIX 1  
SECOND PARTY OPINION

**ICADE GREEN BOND  
FRAMEWORK**

Second opinion by Sustainalytics  
August 2017



**SUSTAINALYTICS**

[www.sustainalytics.com](http://www.sustainalytics.com)





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# INTRODUCTION

Founded in 1954, Icade SA (Icade) is a real estate investor and developer entirely based in France. With a commercial and healthcare property portfolio of EUR 9.7 billion (as of 31/12/16) and as a property developer (2016 revenue of EUR 1,005 million), Icade is a significant player in the Greater Paris area and major French cities. Icade is listed on Euronext Paris as a French Listed Real Estate Investment Company (SIIC).

Icade's Corporate Social Responsibility (CSR) strategy has a strong focus on innovation in the real estate sector and on being a leader in environmental performance with the aim of fostering the emergence of tomorrow's greener, smarter and more responsible cities. In alignment with its CSR strategy, Icade has developed a Green Bond Framework<sup>1</sup> in accordance with which it intends to issue a green bond. Proceeds of the bond will be used to finance or refinance:

## 1. Investments in construction and/or renovation of green buildings that meet each of the eligibility criteria defined below:

(i) HQE certification (construction or renovation) 'Very Good' minimum level and/or BREEAM 'Very Good' minimum level certification;

(ii) Distance to public transport not exceeding 400m (bus, train, tram, metro, river shuttle, private bus shuttle);  
and

(iii) Existing or planned set-up of a Green Lease Committee ("Comité bail vert") with its tenants, with a specific action plan regarding energy, carbon, waste and water, subject to acceptance by the tenant (for properties under the Environmental Appendix regulation, i.e. commercial properties >2,000 sq.m).

## 2. Investments in energy efficiency and energy transition projects:

(i) Energy efficiency equipment projects that reach a minimum threshold of 20% in energy savings (in kWh<sub>PE</sub>/sq.m/year), and/or 20% CO<sub>2</sub> emissions reduction (in kg CO<sub>2</sub><sub>eq</sub>/sq.m/year), compared to the existing situation (theoretical performance calculation based on technical documentation provided by equipment suppliers).

(ii) Renewable energy production projects that fall under the following technology categories:

solar (photovoltaic power system, solar thermal energy in urban areas), wind (in urban areas) or geothermal energy solutions, in order to reach Icade's goal of 20% of renewable energy in its property assets' energy mix by 2020.

(iii) Eco-mobility projects that include electric vehicle (EV) charging stations and any infrastructure promoting the use of low-carbon transport solutions in urban areas, such as electric vehicles and bicycles.

The targeted investments are part of Icade's Commercial Property Investment Division.

Icade has engaged Sustainalytics to provide a second opinion on its Green Bond Framework and on the framework's environmental credentials. As part of this engagement process, Sustainalytics held conversations with various members of Icade's CSR, Management and Treasury teams to understand the environmental impact of their activities, the planned use of proceeds, management of proceeds and reporting aspects of Icade's green bond. Following this engagement, some elements of Icade's Green Bond Framework were clarified to ensure an alignment with the level of disclosure expected by ICMA's Green Bond Principles 2017<sup>2</sup>. Sustainalytics also reviewed relevant public and internal documents.

This document contains Sustainalytics' opinion on Icade's Green Bond Framework and should be read in conjunction with that framework.

1 - Available at <http://www.icafe.fr/en/finance/financing/bond-issue>

2 - "The Green Bond Principles 2017", dated 2 June 2017, issued by the International Capital Market Association (ICMA).



# SUSTAINALYTICS' OPINION

## SECTION 1

### Sustainalytics' Opinion on the Icade's Green Bond Framework

Overall, Sustainalytics is of the opinion that Icade's Green Bond Framework is credible and robust and aligns with four pillars of the Green Bond Principles 2017. In addition, Sustainalytics views the following elements of the Icade Green Bond Framework positively:

● **A dedicated Green Bond Committee for project selection and evaluation.**

Icade's eligible projects and assets are evaluated and selected by a dedicated Green Bond Committee comprising the Chief Financial Officer, the Head of Investor Relations, the Finance department, the Property Investment department, the Portfolio Management, the Corporate Social Responsibility department and the Environmental Transition department.

Sustainalytics is of the opinion that having a dedicated committee with 'C-level' involvement is a best practice among green bond issuances.

● **Strong commitment to allocation and impact reporting.**

Icade has a strong commitment to allocation and impact reporting. Icade will provide a list of the projects financed and an external auditor will verify annually both the allocated proceeds to eligible green projects and the remaining balance of unallocated proceeds (i.e. allocation reporting), as well as validate

the conformity of the assets with the eligibility criteria (commonly known as annual compliance review).

Additionally, Sustainalytics considers that the impact reporting framework provides transparent impact information as well as a good insight into the financed assets. Sustainalytics is of the opinion that this is a best practice among green bond issuances, and aligned with recommendations by the Green Bond Principles.

● Sustainalytics is of the opinion that Green Lease Committees that promote engagement with tenants go beyond market practice and exemplify Icade's leadership in this sector.

**Alignment with the Green Bond Principles 2017**

Sustainalytics has determined that Icade's Green Bond aligns with the four pillars of ICMA's Green Bond Principles, 2017. An analysis of the alignment of these four pillars is available in Appendix IV: Green Bond External Review Form.

## SECTION 2

### Sustainability Performance of the Issuer

**Contribution of the proceeds of the Green Bond to Icade's sustainability strategy**

Icade has a comprehensive CSR strategy that is centred around three pillars:

1) Developing solutions that include new habits and lifestyles in partnership with local authorities and communities;

2) Stepping up energy transition and saving resources;

3) Promoting the development of employee expertise, workplace well-being and diversity.

In order to achieve its sustainability vision for the second pillar, Icade has defined important commitments related to sustainable buildings, energy efficiency, water and waste reduction, and promoting biodiversity and eco-mobility. Below, Sustainalytics describes how the Icade Green Bond contributes to furthering the advancement of several of these areas.

### **Sustainable Buildings - Certifications and labels**

Icade demonstrates its commitment to sustainable building through its membership in key industry initiatives such as France Green Building Council (GBC) and Association pour la Haute Qualité Environnementale (HQE). As of fiscal year 2016, 60% of the office floor area of Icade's Commercial Property Investment Division were HQE- and/or BREEAM-certified. This represents a substantial improvement over the fiscal year of 2016 (this percentage was 41% in FY 2015) showing Icade's commitment to green building certification. Furthermore, the company has set the following targets for green building certifications:

- Increase the surface areas of certified offices (HQE or BREEAM) in operation by +5% per year through to 2020;
- 100% HQE-certified (High Environmental Quality) for new offices starting in 2018.

According to the Icade's 2016 CSR Report, the company is well on track to achieve these targets, and the proceed from Icade's Green Bond will also positively contribute to this effort.

### **Energy efficiency and greenhouse gas (GHG) emissions**

Given Icade's operational focus in France, energy efficiency and GHG emissions are also material to the company. Icade embraces energy efficiency as one of its focus areas. To this effect, the company implements measures such as the deployment of Energy Performance Contracts<sup>3</sup> and Green Lease Committees<sup>4</sup>, and replacement of less efficient and high-energy heating equipment. Sustainalytics considers that Icade's Energy Performance Contracts and Green Lease Committees that promote engagement with tenants demonstrate the company's leadership in this sector. Furthermore, Icade has established a minimum threshold of 20% energy efficiency improvement and/or 20% carbon emissions reduction for eligible investments, providing an extra assurance of a positive impact associated with these projects. Icade has clarified to Sustainalytics that all the

projects included under 'renewable energy production' refer to projects developed by Icade and integrated in its real estate projects.

In addition, Icade has several targets that show its commitment to improve its energy use and GHG emissions overall performance:

- Reduce by 40% its CO<sub>2</sub> emissions related to the operation of its commercial properties between 2011 and 2020;
- Reduce by 12% those related to the construction of new properties between 2015 and 2020;
- Reduce energy consumption by 30% of its commercial properties between 2011 and 2020;
- Reach 20% of renewable energy in the energy mix of the assets by 2020<sup>5</sup>;
- Reach 90% of Green Lease Committees by the end of 2017.

Sustainalytics is of the opinion that projects funded by the proceeds of the green bond will contribute to achieving these targets and are well aligned with the company's overall strategy with respect to reducing energy use and GHG emissions.

### **Other environmental issues: Eco-mobility, Water and Biodiversity**

In addition to the above-mentioned material issues, Icade's CSR strategy also targets other environmental areas for which real estate has an important environmental impact. In this light, Icade commits to reducing its water consumption by 25% between 2011 and 2020, and to promote eco-mobility by:

- i) Equipping 100% of the offices and parks with charging terminals for electric vehicles by 2018; and
- ii) Investing in projects that are located within a 400-meter distance from public transport, starting in 2016.

Sustainalytics considers that Icade's Green Bond proceeds will also contribute to meeting these targets.

Sustainalytics would finally highlight Icade's efforts to preserve biodiversity in its properties. Biodiversity assessments are systematically performed for new constructions and Icade has a target to reach a net positive impact on biodiversity for 25% of its of properties and new construction projects by 2020<sup>6</sup>.

3 - Energy Performance Contracts give building operations managers quantitative targets for reducing energy consumption.

4 - According to Icade's 2016 CSR Report, a building's environmental performance largely depends on the behavior of its users, hence Icade pledges to work with users to help them reduce their energy consumption and expenses in the form of Green Lease Committees. Icade has set up Committees enabling the property owner and the tenant(s) to exchange best practices and formulate an action plan, with quantifiable targets, for the consumption of energy, carbon, water and waste production.

5 - The 20% target will be reached by using a mix of own energy production and purchasing green certificates from energy providers.

### Contribution of the green bond to Icade's sustainability strategy

Overall, Sustainalytics considers that Icade's Green Bond strongly aligns with the company's CSR strategy, namely with the second pillar focusing on stepping up energy transition and saving resources, by financing key activities that will allow Icade to improve its environmental performance and achieve defined goals in several environmental areas.

### Well positioned to mitigate common environmental and social risks associated with green buildings

As real estate company operating only in France, Icade's projects follow French regulation which includes obligations to mitigate or avoid material environmental and social risks. Legal obligations include for instance: soil depollution, environmental and technological risks related to the project and protection of historic or natural sites. Furthermore, HQE- and BREEAM-certified

projects increase the scope of this assessment as they require:

- An impact assessment on local populations (neighbourhood);
- An impact assessment on noise and visual negative impacts;
- Air, water and electromagnetic quality studies; waste management practices and use of local materials;
- Biodiversity protection.

Given the contribution of the Icade Green Bond to the company's comprehensive CSR strategy, its demonstrated performance on defined targets, and Icade's processes to detect and avoid common environmental and social risks, Sustainalytics is of the opinion that the company is well positioned to issue a green bond. Furthermore, Icade rates as one of the leading companies in the real estate industry in terms of ESG performance, as per Sustainalytics' ESG research universe.<sup>7</sup>

## SECTION 3

### Contextual Impact of Use of Proceeds

#### Importance of sustainable real estate in France

With an increasing rate in urban development, the real estate sector has one of the most significant environmental footprints in terms of consumption of natural resources, and is a growing contributor to CO<sub>2</sub> emissions. In addition, the real estate sector has other environmental impacts, including waste production, pollution, use of water and consumption of other natural resources.

In France, the real estate sector accounts for 43% of final energy consumption<sup>8</sup> and 25% of greenhouse gas emissions. In light of this, and in alignment with France's Paris Agreement<sup>9</sup> pledge, the French government has engaged with the real estate sector to reach the government's objectives in reducing greenhouse gas emissions, as put forward by the *Grenelle Laws* and the *Sustainable Building Plan*<sup>10</sup>. The *Grenelle Law 2* states that "all buildings must have their energy consumption reduced by

more than 38% before 2020". The awareness around the importance of green buildings and quality certification of buildings by independent third parties contributes to this objective of the Grenelle Law 2. Additionally, the European Union has reviewed its 'Energy Efficiency Directive' and 'Energy Performance of Buildings Directive', the EU's main legislation covering the reduction of the energy consumption of buildings, and setting European targets for energy efficiency. Given that about 35% of the EU's buildings are over 50 years old<sup>11</sup>, energy efficiency measures represent an important part of the required investments to achieve those targets.

Given this context, Sustainalytics is of the opinion that Icade's Green Bond provides an important contribution to addressing priorities of France and the French Government to reduce its carbon emissions and improve energy efficiency, allowing the country to achieve European and international targets on climate change.

6 - Similarly to a positive energy building which produces more energy than it uses, a construction site with net positive biodiversity observes marked improvements in biodiversity over time as a result of initiatives taken in key areas affecting biodiversity such as the proportion of green space, the sustainable management of these spaces (the absence of pesticides, ecological mowing, etc.), artificial night-time lighting that is not harmful to local wildlife, sound water management and monitoring animal and plant life. In practice, expert ecologists establish a baseline for the monitoring indicators on these crucial topics and will be responsible for measuring them over time. Obtaining positive feedback from these indicators, and thus improving the site's biodiversity compared with the starting point, is the goal. This progression is what determines the net positive impact. Icade has already established the baselines on several Commercial Property Investment Division sites and will measure its first biodiversity indicators in 2017.

7 - Information as per July 2017; for further details please refer to Appendix III.

8 - Policy measure fact sheet - France, European Construction Sector Observatory, European Commission, September 2016.

9 - Parties to the UN Climate Change Conference (COP21), which took place in Paris, France, in December 2015, agreed to a deal to keep global warming below 2°C (the "Paris Agreement"). To achieve this target, the World Bank estimates that a 36% reduction in total CO<sub>2</sub> emissions in the real estate sector is required by 2030.

10 - <http://www.planbatimentdurable.fr/> 11 - Energy Statistics, European Commission, <https://ec.europa.eu/energy/en/topics/energy-efficiency/buildings>, accessed in April 2017.

### Assessing the impact of green building certifications

Icade is striving to increase the areas of offices and new buildings with green building certification, namely HQE certification and BREEAM. Overall Sustainalytics considers these certification schemes to be credible and ensure an integration of social and environmental considerations during all stages of a building's life cycle. Appendix I shows a comparison between these certification schemes and LEED.

However, Sustainalytics notes that the majority of BREEAM indicators are tradable and without minimum requirements, meaning that buildings can receive the same certification based on the fulfilment of different indicators. Sustainalytics considers that this weakness is partly overcome in Icade's framework as the company commits to transparent reporting, disclosing energy consumption and carbon footprint on a portfolio level, regardless of the certification used. Furthermore, to be eligible for the use of proceeds from Icade's Green Bond, buildings

need to achieve a minimum of BREEAM 'very good' or HQE 'very good', providing assurance to investors that those assets are well aligned with green building expectations. Sustainalytics recommends Icade to keep striving to achieve the highest levels of certifications within those schemes, as certifications can be obtained with different (lower) levels of performance. As of July 2017, Icade has clarified that 100% of the assets identified to be eligible, are at least HQE 'excellent' or 'exceptional', in alignment with best practices.

Lastly, Icade has clarified to Sustainalytics that the certifications obtained will be focused on the construction phase of the assets, and that there is a minimum risk that the assets would lose the assigned certification during the term of the bond<sup>12</sup>, as it could potentially be the case of 'in-use' certification that needs to be renewed annually. In case an eligible asset would lose its certification, Icade commits to replacing it by another asset that complies with the eligibility criteria.

## CONCLUSION

Icade, one of the leading companies in the real estate industry in terms of ESG performance, as per Sustainalytics' ESG research universe, developed a Green Bond Framework for the future issuance of a Green Bond. The proceeds will be allocated towards financing or refinancing:

- (i) the construction and/or renovation of green buildings (i.e. buildings that received a minimum of HQE 'very good' and/or BREEAM 'very good' certification, that are located within 400m of public transport and for which there is an existing or planned set-up of a Green Lease Committee); and
- (ii) investments in energy efficiency and energy transition projects, including energy efficiency equipment projects, renewable energy production projects and eco-mobility projects.

Sustainalytics is of the opinion that the use of third party green building certification schemes ensures the integration of environmental and social considerations, and Icade commits to certification levels that represent a good performance level. Sustainalytics recommends

Icade to keep striving to achieve the highest levels of certifications within those schemes. In addition, Icade will ensure a high level of transparency in terms of the environmental performance of the financed assets, including key impact metrics such as energy consumption and emissions avoided.

Overall, Icade's Green Bond Framework aligns with the Green Bond Principles 2017, displaying best practices in process selection and evaluation, and allocation and impact reporting. Additionally, Icade's Green Bond Framework fully aligns with the company's CSR strategy (namely with the second pillar focusing on stepping up energy transition and saving resources) and will support Icade in achieving several environmental targets that are important both to the company and to the French real estate context.

Based on the above, Sustainalytics is confident that Icade is well positioned to issue a Green Bond and Icade's Green Bond Framework is transparent, credible, and in alignment with the four pillars of ICMA's Green Bond Principles 2017.

12 - Construction certifications are related to the building materials and equipment used. Hence, unless there is a dramatic change of the structure of the building, HQE and BREEAM construction certification will be maintained continuously during the bond for every asset. Losing a construction certification would imply demolishing or renovating heavily a major part of the building. Since all the assets to be financed with Icade's Green Bond are new buildings or equivalent new buildings (recently refurbished and certified), it is very unlikely that a major refurbishment would affect the certification.



# APPENDICES

## APPENDIX I

### Overview and comparison of Real Estate Certification Schemes<sup>13</sup>

	HQE	BREEAM	LEED
<b>Background</b>	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/Certivea/Cerqual.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit US Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.
<b>Certification levels</b>	Pass Good Very good Excellent Exceptional	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum
<b>Areas of Assessment: Environmental Project Management</b>	Global management system	Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.
<b>Areas of Assessment: Environmental Performance of the Building</b>	<ul style="list-style-type: none"> <li>Energy</li> <li>Environment (Site, Components, Worksite, Water, Waste, Maintenance)</li> <li>Comfort (Hydrothermal, Acoustic, Visual, Olfactory)</li> <li>Health (Spaces quality, Air Quality, Water Quality)</li> <li>Principles of Equivalence</li> </ul>	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority
<b>Requirements</b>	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing  The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.  Based on the total number of stars obtained per area, an overall HQE level is then given.  Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.	Prerequisites depending on the levels of certification + Credits with associated points  This number of points is then weighted by item <sup>14</sup> and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose who to comply with to build their BREEAM performance score.  BREEAM has two stages/audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	Prerequisites (independent of level of certification) + Credits with associated points  These points are then added together to obtain the LEED level of certification.  There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).
<b>Performance display</b>			
<b>Accreditation</b>	HQE Construction Certification Referent HQE Operations Certification Advisor	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	LEED AP BD+C LEED AP O+M
<b>Qualitative considerations</b>	HQE certification has the most number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).	Used in more than 70 countries. Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	Widely recognised internationally, and strong assurance of overall quality.

13 - Based on information provided in the analysed certification initiatives and a comparison study:

- BREEAM: BREEAM International 2013

- HQE: HQE 2013 Non-Residential, updated in October 2014

- LEED: LEED Green Building Design + Construction V4

International environmental certifications for the design and construction of non-residential buildings - The positioning of HQE certification relative to BREEAM and LEED, France GBC and Alto Ingenierie, June 2015.

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

## APPENDIX II

### Documents reviewed

Sustainalytics reviewed the following documents for the purposes of writing this report:

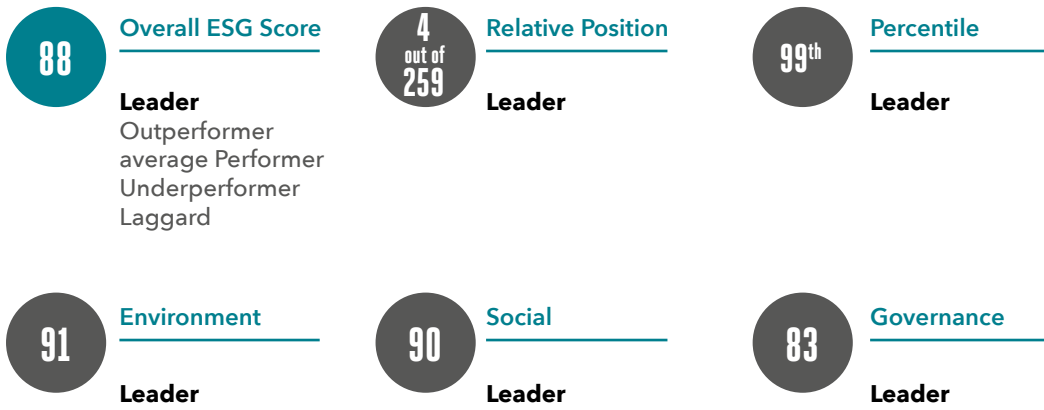
NUMBER	DOCUMENT NAME
1	Icade's website – <a href="http://www.icafe.fr">www.icafe.fr</a>
2	Icade 2016 Registration Document – includes 2016 Corporate Social Responsibility Chapter
3	<i>CDP Climate Change Report 2016 - France and Benelux edition</i> , CDP, October 2016
4	<i>Industry Agenda: Environmental Sustainability Principles for the Real Estate Industry</i> , World Economic Forum, January 2016
5	<i>Policy measures fact sheet – France</i> , European Construction Sector Observatory, European Commission, September 2016
6	France's Sustainable Building Plan - <a href="http://www.planbatimentdurable.fr/">http://www.planbatimentdurable.fr/</a>
7	<i>International environmental certifications for the design and construction of non-residential buildings - The positioning of HQE certification relative to BREEAM and LEED</i> , France GBC and Alto Ingenierie, June 2015
8	Energy Statistics, European Commission
9	EU's 2030 policy framework - <a href="http://www.ecsee.org/policy-areas/2030-policy-framework">http://www.ecsee.org/policy-areas/2030-policy-framework</a>
10	Sustainalytics' ESG Assessment – Icade SA, accessed in May 2017

## APPENDIX III

### Sustainalytics' ESG Assessment of Icade

#### ESG Summary

##### OVERALL PERFORMANCE



##### ENVIRONMENT



# APPENDIX IV

## Green Bond External Review Form

### Section 1. Basic Information

**Issuer name:** Icade SA

**Green Bond ISIN or Issuer Green Bond Framework Name:** Icade Green Bond

**Review provider's name:** Sustainalytics

**Completion date of this form:** August 2017

**Publication date of review publication:**

### Section 2. Review overview

#### SCOPE OF REVIEW

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

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

#### ROLE(S) OF REVIEW PROVIDER

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

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

Please refer to Icade Green Bond Framework, July 2017, available at <http://www.icable.fr/en/finance/financing/bond-issue> and Second Opinion document above.

## Section 3. Detailed review

### 1. USE OF PROCEEDS

#### Overall comment on section:

Proceeds of the Icade Green Bond will be allocated towards:

1. Investments in construction and/or renovation of green buildings that meet each of the eligibility criteria defined below:
  - (i) HQE certification (construction or renovation) 'Very Good' minimum level and/or BREEAM 'Very Good' minimum level certification;
  - (ii) Distance to public transport not exceeding 400m (bus, train, tram, metro, river shuttle, private bus shuttle); and
  - (iii) Existing or planned set-up of a Green Lease Committee ("Comité bail vert") with its tenants, with a specific action plan regarding energy, carbon, waste and water, subject to acceptance by the tenant (for properties under the Environmental Appendix regulation, i.e. commercial properties >2,000 sq.m.).
2. Investments in energy efficiency and energy transition projects
  - (i) Energy efficiency equipment projects that reach a minimum threshold of 20% in energy savings (in kWh<sub>PE</sub>/sq.m/year), and/or 20% CO<sub>2</sub> emissions reduction (in kg CO<sub>2</sub><sub>eq</sub>/sq.m/year), compared to the existing situation (theoretical performance calculation based on technical documentation provided by equipment suppliers).
  - (ii) Renewable energy production projects that fall under the following technology categories: solar (photovoltaic power system, solar thermal energy in urban areas), wind (in urban areas), geothermal energy solutions, in order to reach Icade's goal of 20% of renewable energy in its property assets' energy mix by 2020.
  - (iii) Eco-mobility projects that include electric vehicle (EV) charging stations and any infrastructure promoting the use of low-carbon transport solutions in urban areas, such as electric vehicles and bicycles.

Sustainalytics considers that the use of third party green building certification schemes ensures the integration of environmental and social considerations, and Icade commits to certification levels that represent a good performance. Sustainalytics recommends Icade to keep striving to achieve the highest levels of certifications within those schemes.

Overall, Sustainalytics is confident that Icade's Green Bond will provide a positive contribution to the efforts of the French government and of Icade to improve the environmental impact of the real estate market in France, by promoting several measures that will reduce GHG emissions and improve resource efficiency.



USE OF PROCEEDS CATEGORIES AS PER GBP

- Renewable energy
- Pollution prevention and control
- Terrestrial and aquatic biodiversity conservation
- Sustainable water management
- Eco-efficient products, production technologies and processes
- Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs
- Energy efficiency
- Sustainable management of living natural resources
- Clean transportation
- Climate change adaptation
- Other (*please specify*): Green Buildings: the GBP 2017 identifies Green Buildings as an eligible project category



## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

### Overall comment on section:

ICADE's eligible projects and assets are evaluated and selected by a dedicated Green Bond Committee comprising the Chief Financial Officer, the Head of Investor Relations, the Finance department, the Property Investment department, the Portfolio Management, the Corporate Social Responsibility department and the Environmental Transition department. Additionally, an independent third party will validate the conformity of the assets with the eligibility criteria on an annual basis (commonly known as annual compliance review). Sustainalytics is of the opinion that having a dedicated committee with 'C- level' involvement is a best practice among green bond issuances.

### EVALUATION AND SELECTION

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other (please specify):  |

### INFORMATION ON RESPONSIBILITIES AND ACCOUNTABILITY

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Evaluation/Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify):   |   |

### 3. MANAGEMENT OF PROCEEDS

#### Overall comment on section (if applicable):

An amount equal to the net proceeds of the Green Bond issue will be credited to the treasury liquidity portfolio of Icade. Pending allocation to eligible projects and assets, unallocated proceeds will temporarily be invested in accordance with Icade's investment guidelines in cash, deposits and money market instruments. Allocation reporting will be externally audited. This is in line with market practices.

#### TRACKING OF PROCEEDS

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

#### ADDITIONAL DISCLOSURE

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

### 4. REPORTING

#### Overall comment on section (if applicable):

##### Allocation Reporting

An external auditor will verify annually both the allocated proceeds to eligible green project categories and the remaining balance of unallocated proceeds. Icade will also provide details on the list of projects and assets financed. Additionally, an external party will provide an annual compliance review, analysing the compliance of the financed projects with the eligibility criteria defined in the Icade Green Bond Framework. This is in line with best market practice.

##### Impact Reporting

Sustainalytics considers that the impact reporting framework defined by Icade provides transparent impact information, communicating information on the type of assets financed, green building certification levels, installed renewable energy capacity, avoided CO<sub>2</sub> emissions, among other metrics.

Overall, Sustainalytics would highlight Icade's strong commitment to allocation and impact reporting, in line with best practices among green bond issuances.

## USE OF PROCEEDS REPORTING

- Project-by-project  On a project portfolio basis
- Linkage to individual bond(s)  Other (please specify):

## INFORMATION REPORTED

- Allocated amounts  GB financed share of total investment
- Other (please specify):

## FREQUENCY

- Annual  Semi-annual
- Other (please specify):

## IMPACT REPORTING

- Project-by-project  On a project portfolio basis
- Linkage to individual bond(s)  Other (please specify):

## FREQUENCY

- Annual  Semi-annual
- Other (please specify):

## INFORMATION REPORTED (EXPECTED OR EX-POST)

- GHG Emissions / Savings  Energy savings
- Other ESG indicators (please specify):  
building certifications, average distance to public transport, presence of a Green Lease Committee, leasable floor area with LED lighting, installed power facilities, leasable floor area with electric vehicle (EV) charging stations



**MEANS OF DISCLOSURE**

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (please specify):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): allocation reporting and conformity of the assets with the eligibility criteria on an annual basis (commonly known as annual compliance review).

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

**USEFUL LINKS (E.G. TO REVIEW PROVIDER METHODOLOGY OR CREDENTIALS, TO ISSUER'S DOCUMENTATION, ETC.)**

<http://www.icade.fr/en/finance/financing/bond-issue>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

## ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- (i) **Consultant Review:** an issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/ review of an issuer’s Green Bond framework. “Second opinions” may fall into this category.
- (ii) **Verification:** an issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- (iii) **Certification:** an issuer can have its Green Bond or associated Green Bond Framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties/certifiers.
- (iv) **Rating:** an issuer can have its Green Bond or associated Green Bond Framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer’s ESG rating as they typically apply to individual securities or Green Bond frameworks/programmes.

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*The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.*

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[www.sustainalytics.com](http://www.sustainalytics.com)





**REPORT FROM ONE  
OF THE STATUTORY AUDITORS  
ON INFORMATION RELATING  
TO THE ALLOCATION,  
AS OF 31 DECEMBER 2017,**

of the proceeds  
from the Green Bond issue  
of 13 September 2017



# SOMMAIRE

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2 / Informations relatives à l'allocation des fonds levés dans le cadre des obligations vertes	46

À la Direction générale,  
**ICADE S.A.**  
 27, rue Camille Desmoulins  
 92130 Issy-les-Moulineaux

Mesdames, Messieurs,

En notre qualité de commissaires aux comptes d'ICADE SA (« la Société ») et en réponse à votre demande, nous avons établi la présente attestation sur les informations relatives à l'allocation, au 31 décembre 2017, des fonds levés dans le cadre des émissions obligataires Green Bond du 13 septembre 2017, d'un montant de 600 millions d'euros, figurant dans le document ci-joint, intitulé « Informations relatives à l'allocation des fonds levés dans le cadre des obligations vertes (Green Bond Icade FR0013281755) », et établi conformément aux termes et conditions du contrat d'émission du 11 septembre 2017.

Ces informations ont été établies sous la responsabilité de la Direction générale d'ICADE SA. Elles font ressortir une allocation des fonds levés à des projets éligibles depuis la date de réception des fonds jusqu'au 31 décembre 2017 d'un montant de 496 069 436,93 euros.

Ces informations ont été établies à partir des livres comptables ayant servi à la préparation des comptes consolidés d'ICADE SA pour l'exercice clos le 31 décembre 2017. Il nous appartient de nous prononcer sur :

- l'utilisation des fonds levés tels que définis par les Green Bond Principles de l'International Capital Market Association<sup>1</sup> et repris dans le ICADE Green Bond Framework, publié en juillet 2017 ;
- la conformité des actifs immobiliers éligibles et des projets éligibles pris en compte dans le document ci-joint, avec les critères d'éligibilité définis dans le contrat d'émission du 11 septembre 2017 ;
- la concordance du montant des fonds alloués au financement ou au refinancement des actifs immobiliers éligibles au 31 décembre 2017 dans le cadre de l'émission, avec la comptabilité et les données sous-tendant la comptabilité ;
- la concordance des dépenses engagées en projets éligibles, avec la comptabilité et les données sous-tendant la comptabilité.

Il ne nous appartient pas en revanche :

- de remettre en cause les critères d'éligibilité définis en annexe du contrat d'émission et, en particulier, de donner une interprétation des termes du contrat d'émission ;
- de nous prononcer sur l'utilisation effective des fonds alloués aux actifs et projets éligibles postérieurement à leur allocation ;
- de nous prononcer sur les informations communiquées au titre de l'estimation des émissions de CO<sub>2</sub> évitées suite au financement des projets par le Green Bond ;
- de nous prononcer sur la gestion du produit net de l'émission résultant des fonds non encore alloués.

Dans le cadre de notre mission de Commissariat aux comptes, nous avons effectué, conjointement avec le co-Commissaire aux comptes, un audit des comptes consolidés de la Société pour l'exercice clos le 31 décembre 2017, arrêtés par le Conseil d'administration du 9 février 2018. Notre audit, effectué selon les normes d'exercice professionnel applicables en France, avait pour objectif d'exprimer une opinion sur les comptes consolidés pris dans leur ensemble, et nous n'exprimons aucune opinion sur ces éléments pris isolément. Ces comptes consolidés, qui ont été approuvés par l'Assemblée générale des actionnaires, ont fait l'objet de notre rapport en date du 16 mars 2018.

En outre, nous n'avons pas mis en œuvre de procédures pour identifier, le cas échéant, les événements survenus postérieurement à l'émission de notre rapport sur les comptes consolidés en date du 16 mars 2018.

Notre intervention, qui ne constitue ni un audit ni un examen limité, a été effectuée selon les normes d'exercice professionnel applicables en France.

Ces travaux ont consisté, par sondages ou au moyen d'autres méthodes de sélection, à :

- vérifier la correcte prise en compte du principe d'utilisation des fonds levés tels que définis par les Green Bond Principles de l'International Capital Market Association ;
- prendre connaissance des procédures mises en place par la Société pour déterminer les informations figurant dans le document ci-joint ;
- vérifier, sur la base de sondages, la conformité des actifs et projets éligibles pris en compte dans le document ci-joint avec les critères d'éligibilité, tels que définis en annexe du contrat d'émission ;

1 - « The Green Bond Principles 2018 », juin 2018, document publié par l'International Capital Market Association (ICMA).

- effectuer les rapprochements nécessaires entre ces informations et la comptabilité dont elles sont issues et vérifier, sur la base de sondages, qu'elles concordent avec les éléments ayant servi de base à l'établissement des comptes consolidés de l'exercice clos le 31 décembre 2017, et en particulier :

- > pour les actifs immobiliers financés ou refinancés éligibles, vérifier la valeur brute inscrite dans les comptes consolidés d'ICADE SA avec les montants déclarés dans le document joint comme finançant ou refinançant ces actifs immobiliers ;
- > pour les projets éligibles, vérifier l'existence d'inscription en comptabilité, traduisant, sur la période concernée du 1<sup>er</sup> janvier au 31 décembre 2017, l'existence d'un engagement de dépense comptabilisé en charge ou immobilisé au titre de ces projets éligibles.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur :

- l'utilisation des fonds levés tels que définis par les Green Bond Principles de l'International Capital Market Association ;
- la conformité des actifs immobiliers éligibles et des projets éligibles pris en compte dans le document ci-joint, avec les critères d'éligibilité définis dans le contrat d'émission ;
- la concordance du montant des fonds alloués au 31 décembre 2017 aux actifs immobiliers et projets éligibles dans le cadre de l'émission, avec la comptabilité et les données sous-tendant la comptabilité.

Cette attestation est établie à votre attention dans le contexte précisé au premier paragraphe et ne doit pas être utilisée, diffusée ou citée à d'autres fins.

Les diligences mises en œuvre dans le cadre de la présente attestation ne sont pas destinées à remplacer les enquêtes et diligences que les banques et établissements financiers parties à la convention de prêt pourraient par ailleurs mettre en œuvre dans le cadre de cette convention, et nous ne portons pas d'avis sur leur caractère suffisant au regard des besoins des banques et établissements financiers concernés.

En notre qualité de commissaires aux comptes de la société ICADE SA, notre responsabilité à l'égard de votre société et de ses actionnaires est définie par la loi française et nous n'acceptons aucune extension de notre responsabilité au-delà de celle prévue par la loi française. Nous ne sommes redevables et n'acceptons aucune responsabilité vis-à-vis de tout tiers, y compris les banques et établissements financiers (ainsi que tout emprunteur, agent ou toute autre partie à la convention de prêt), étant précisé que nous ne sommes pas partie à cette convention. PricewaterhouseCoopers Audit ne pourra être tenu responsable d'aucun dommage, perte, coût ou dépense résultant ou de l'exécution de la convention de prêt ou en relation avec celle-ci.

En aucun cas PricewaterhouseCoopers Audit ne pourra être tenu responsable d'aucun dommage, perte, coût ou dépense résultant d'un comportement dolosif ou d'une fraude commise par les administrateurs, les dirigeants ou les employés de votre société.

Cette attestation est régie par la loi française. Les juridictions françaises ont compétence exclusive pour connaître de tout litige, réclamation ou différend pouvant résulter de notre lettre de mission ou de la présente attestation, ou de toute question s'y rapportant. Chaque partie renonce irrévocablement à ses droits de s'opposer à une action portée auprès de ces tribunaux, de prétendre que l'action a été intentée auprès d'un tribunal incompétent, ou que ces tribunaux n'ont pas compétence.

Fait à Neuilly-sur-Seine, le 13 septembre 2018

L'un des commissaires aux comptes  
PricewaterhouseCoopers Audit



Eric Bulle  
Associé



L'Immobilier de tous vos futurs

## 2 / INFORMATIONS RELATIVES À L'ALLOCATION DES FONDS LEVÉS DANS LE CADRE DES OBLIGATIONS VERTES

AU 31/12/2017

(GREEN BOND ICADE FRO013281755)

**ALLOCATION TOTALE** 496 069 436,93 €

<b>ACTIFS</b>	<b>492 850 580,57 €</b>
REFINANCEMENT	395 415 496,46 €
FINANCEMENT	97 435 084,11 €
<b>PROJETS</b>	<b>3 218 856,36 €</b>
FINANCEMENT	3 218 856,36 €

### CRITÈRES D'ÉLIGIBILITÉ\*

Critères de sélection cumulatifs :  
ACTIFS VERTS

• **CRITÈRE 1 : NIVEAU DE CERTIFICATION  
(CONSTRUCTION/RÉNOVATION)**

Certification HQE « Très Bon » et/ou BREEAM « Very Good » a minima

• **CRITÈRE 2 : MOBILITÉ DURABLE**

Distance inférieure ou égale à 400 m d'un transport : bus, tramway, métro, RER, navettes électriques

• **CRITÈRE 3 : COMITÉ BAIL VERT**

(sous réserve d'occupation des locaux et d'acceptation du locataire)

Critères de sélection :

PROJETS TRANSITIONS ENVIRONNEMENTALES

• **CRITÈRE 1 : ÉQUIPEMENT D'EFFICACITÉ  
ÉNERGÉTIQUE**

• **CRITÈRE 2 : ÉNERGIE RENOUVELABLE**

• **CRITÈRE 3 : MOBILITÉ DURABLE**

**Victoire Aubry**

*Membre du Comité Exécutif en charge  
des Finances, du Juridique, des Systèmes  
d'information et de l'Environnement de travail*

*Date de signature : 4 septembre 2018*

\* Les critères indiqués sont définis dans le prospectus et le Framework de l'émission obligataire.

**Icade - Immeuble OPEN - 27, rue Camille Desmoulins - CS 10166 - 92445 ISSY-LES-MOULINEAUX CEDEX**  
**Tél. : 01 41 57 72 00 - [www.icode.fr](http://www.icode.fr)**

Société Anonyme au capital de 113 607 220,94 euros - RCS Nanterre 582 074 944 - Siret 582 074 944 01211 - APE 6820B  
N° TVA intracommunautaire FR 95 582 074 944 - Titulaire d'une carte « Gestion Immobilière et Transaction sur Immeubles »  
N° CPI 7501 2015 000 002 045 délivrée par la Chambre de commerce et d'industrie de Paris Île-de-France  
Garant CEGC - 16, rue Hoche - Tour Kupka B - TSA 39999 - 92919 La Défense Cedex





