Second-Party Opinion

Akropolis Group Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Akropolis Group Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:

USE OF PROCEEDS The eligible category for the use of proceeds – Green Buildings – is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.

PROJECT EVALUATION AND SELECTION Akropolis has established a Green Finance Working Group, which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The Company has implemented internal processes, overseen by the working group, to identify potential material environmental and social risks associated with eligible projects and establish appropriate mitigation measures. Sustainalytics considers the project selection process to be in line with market practice.

MANAGEMENT OF PROCEEDS Akropolis' Finance Team will manage the net proceeds using a portfolio approach and will track their allocation using an internal tracking system. The Company intends to allocate proceeds within 24 months of each issuance. Pending full allocation, unallocated proceeds will be temporarily held in cash or cash equivalents, or invested in debt repurchasing or refinancing, in line with Akropolis' Treasury management policy. The Company has confirmed that unallocated proceeds will not be invested in carbon-intensive assets. This is in line with market practice.

REPORTING Akropolis will report on the allocation of proceeds and their corresponding impact on its website annually until full allocation or in the event of material changes. Allocation reporting will include the size of the portfolio of eligible projects, the balance of unallocated proceeds, if any, the amount or share of new financing versus refinancing, the geographic location of the projects, if feasible, and the amount or percentage of projects aligned with the EU Taxonomy, if feasible. Sustainalytics views Akropolis' allocation and impact reporting as aligned with market practice.

Second-Party Opinion
Reviewed by: MORNINGSTAR | SUSTAINALYTICS

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Introduction

Akropolis Group UAB ("Akropolis" or the "Company") is a real estate management company. The Company and its subsidiaries (the "Group") develop, own, manage and lease shopping and entertainment centres and offices in Lithuania and Latvia. Headquartered in Vilnius, Lithuania, and Riga, Latvia, the Group owns and manages five shopping centres and 336,000 square meters of retail and office space, employing 129 people.[1]

Akropolis has developed the Akropolis Group Green Finance Framework dated February 2025 (the "Framework"), under which the Group[2] intends to issue green bonds, including senior bonds and subordinated bonds, medium-term notes, promissory notes, commercial papers, and obtain contingent facilities, including bonding lines, guarantee lines and letters of credit and loans, including revolving credit facilities and multi-tranche loans, and other debt financing instruments[3] and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to contribute to the decarbonization of the building stock in Europe.

The Framework defines eligibility criteria in one area:

1. Green Buildings

Akropolis engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)[4] and the Green Loan Principles 2023 (GLP).[5] The Framework will be published in a separate document.[6]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[7] opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Akropolis' management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Akropolis representatives have confirmed that: (1) they understand it is the sole responsibility of Akropolis to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

[1] Akropolis Group, "Company", at: https://akropolis.eu/en/investors#en-investors-company
[2] For instruments issued or obtained by its subsidiaries, the Company has communicated to Sustainalytics that it will be responsible for ensuring continual alignment of such transactions with the criteria defined in the Framework.
[3] Sustainalytics has reviewed only those financial instruments that are specified in the Framework.
[4] The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/.
[5] The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at https://www.lsta.org/content/green-loan-principles/
[6] The Akropolis Group Green Finance Framework is available at: https://www.akropolis.eu/en/investors
[7] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Akropolis.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Akropolis has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Akropolis Group Green Finance Framework

Sustainalytics is of the opinion that the Akropolis Group Green Finance Framework is credible, impactful and aligned with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category, Green Buildings, is aligned with those recognized by the GBP and GLP.
  - Akropolis may finance or refinance fixed asset value, capital expenditures and operating expenditures. The Company has established a look-back period of three years for the refinancing of operating expenditures, which Sustainalytics considers to be in line with market practice.
  - Akropolis has communicated to Sustainalytics that financing under the Framework will mainly take place in Latvia and Lithuania, with the possibility of financing projects in other EU countries and the UK as well.
  - The Company intends to invest equity in entities that derive 90% or more of their revenues from activities that comply with the eligibility criteria in the Framework. Sustainalytics is of the opinion that project- and activity-based investing generally results in more direct environmental benefits and ensures compliance with the eligibility criteria in the Framework. However, Sustainalytics acknowledges that equity investment in pure play companies through green bond proceeds is a commonly accepted approach that is likely to generate positive impacts by supporting the end activities of the pure play company.
  - Under the Green Buildings category, Akropolis may finance or refinance projects related to:
    - The construction, renovation, acquisition and ownership of residential and commercial buildings, including offices and warehouses, according to the following criteria:
      - Buildings certified or expected to be certified to one of the following minimum certification levels: i) BREEAM Very Good,[8] or ii) LEED Gold.[9]
        - Akropolis has communicated to Sustainalytics that the Group's current portfolio of BREEAM-certified assets is also in the top 15% of the local building stock in terms of Primary Energy Demand (PED). Akropolis has further communicated to Sustainalytics that while the Group's current portfolio does not include logistics buildings (including warehouses), the Group may finance such buildings under the Framework in the future.
        - For the financing of residential and commercial buildings, Sustainalytics considers BREEAM Excellent to be aligned with market practice. Sustainalytics encourages Akropolis to select

[8] BREEAM: https://bregroup.com/products/breeam/
[9] LEED: https://bregroup.com/products/breeam/

BREEAM-certified buildings that score high enough in the energy category (which Sustainalytics regards as the most important one) to fulfil the requirements for BREEAM Excellent in that category.
    - In case of financing of logistics buildings (including warehouses), Sustainalytics notes that existing logistics buildings may face additional challenges in achieving higher performance levels, such as Excellent or above, mainly due to the lack of data availability for such buildings. As such, Sustainalytics considers the use of BREEAM Very Good to be aligned with market expectations for existing logistics buildings but encourages Akropolis to strive for higher levels, where feasible.
    - Sustainalytics views LEED Gold certification scheme level as credible and impactful.
  - Buildings built after 31 December 2020 with PED at least 10% lower than the threshold set for the applicable nearly zero-energy buildings (NZEB).
  - Buildings built before 31 December 2020 with an energy performance certificate (EPC) A or those in the top 15% of the local building stock based on operational PED.
  - Buildings renovations that lead to PED savings of at least 30%, achieved within three years of issuance, or that meet the applicable requirements for major renovations upon completion of the renovation. The renovations must meet the cost-optimal minimum energy performance requirements in the local rules implementing Directive 2010/31/EU (EPBD) where the building is located.[10]
    - Sustainalytics notes that the EU Taxonomy requires renovations to comply with the requirements for "major renovations" set in the applicable national and regional building regulations implementing the EPBD, so that the energy performance of the building or renovated part meets the cost-optimal minimum energy requirements of the EPBD. Sustainalytics therefore encourages Akropolis to report on the actual improvement in PED performance or the energy savings achieved in comparison with the existing building stock in the area or region.
    - The Company has confirmed to Sustainalytics that investments under this category will be limited to renovation expenditures, and the total asset value will not be financed.
- The installation, maintenance and repair of the following projects:
  - Energy-efficient equipment, including the replacement of outdated chillers, renovation of building management systems, and installation and replacement of LED lighting.
    - Akropolis has confirmed to Sustainalytics that technologies, products and systems that are primarily driven or powered by fossil fuels will be excluded from financing.
  - Electric vehicle (EV) charging stations and parking spaces attached to buildings. Akropolis has communicated to Sustainalytics that expenditure under the Framework excludes standalone parking spaces. Akropolis has further communicated that the EV charging stations and parking spaces will be attached to buildings that meet the eligibility criteria for green buildings outlined above.
  - Renewable energy technologies in buildings and related ancillary equipment, including: i) solar photovoltaic systems; ii) building-integrated photovoltaics; iii) solar hot water panels; iv) solar carports and canopies; v) heat pumps; vi) heat exchanger and recovery systems; vii) solar transpired collectors; viii) thermal and electric energy storage systems, including solar battery storage; and ix) geothermal energy technologies. Akropolis has confirmed the following to Sustainalytics:
    - For solar hot water panels, at least 85% of the electricity will be generated from solar energy sources.
    - The Company may finance both electric heat pumps and absorption heat pumps driven by geothermal-heated water, and has confirmed

[10] European Parliament, "Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010", (2010), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010L0031

that: i) heat pumps using refrigerants that have a high global warming potential will be excluded; ii) projects financed will have a refrigerant management system to measure, monitor and minimize leakages, including features such as leak detection alarm systems, regular leak detection inspections, and equipment maintenance and cleaning; and iii) absorption heat pumps driven by fossil fuels, such as natural gas or propane, will not be financed.
        - Energy storage units will be dedicated to renewables.
        - Geothermal technologies will involve the procurement of geothermal energy[11] through power purchase agreements (PPAs) and virtual purchase agreements (VPPAs), with at least a five-year tenure. Additionally, for both PPAs and VPPAs, the attached renewable energy certificates will be purchased and retired by the buyer of the certificates.
    - Akropolis has communicated to Sustainalytics the exclusion of: i) buildings intended for the extraction, storage, transportation or production of fossil fuels; and ii) industrial facilities linked to controversial activities with harmful social or environmental impacts, including tobacco, weapons and gambling.
    - Sustainalytics considers investments under this category to be aligned with market practice.
- Project Evaluation and Selection:
  - Akropolis has established a Green Finance Working Group, which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The Working Group convenes at least annually and consists of representatives from the Finance, Development, Accounting, Legal and Sustainability teams, as well as other relevant business teams.
  - The Company has implemented internal processes, overseen by the Working Group, to identify potential material risks of negative environmental and social impacts associated with eligible projects and establish appropriate mitigation measures. Sustainalytics considers these environmental and social risk management systems to be adequate. For additional details, see Section 2.
  - Based on the established process for project evaluation and selection, and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Akropolis' Finance Team will manage the net proceeds using a portfolio approach and will track their allocation using an internal tracking system.
  - The Company intends to allocate proceeds within 24 months of each issuance. Pending full allocation, unallocated proceeds will be temporarily held in cash or cash equivalents, or invested in debt repurchasing or refinancing in line with Akropolis' Treasury management policy. The Company has confirmed that unallocated proceeds will not be invested in carbon-intensive assets.
  - The Company has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. The Company intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
  - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Akropolis will report on the allocation of proceeds and their corresponding impact on its website annually until full allocation or in the event of material changes.
  - Allocation reporting will include the size of the portfolio of eligible projects, the balance of unallocated proceeds, if any, the amount or share of new financing versus refinancing, the geographic location of the projects, if feasible, and the amount or percentage of projects aligned with the EU Taxonomy, upon discretion. Akropolis intends to have an external auditor provide a limited assurance report for the allocation of proceeds on an annual basis until full allocation.
  - Akropolis has communicated to Sustainalytics that if it obtains revolving credit facilities, it will report on allocation until loan maturity.
  - Impact reporting will include relevant environmental impact metrics, such as green building certifications and levels obtained, annual reduced GHG emissions compared to a baseline year

[11] Akropolis has confirmed that energy procurement will exclude power from natural gas facilities.

(in tCO_2e) and reduced GHG emissions per square metre of the average portfolio of gross leasable operating assets compared to a baseline year (in %). The impact report will also provide a description of relevant projects and a breakdown of projects by activity.

- Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the Akropolis Group Green Finance Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of Akropolis

Contribution to Akropolis' sustainability strategy

Akropolis' sustainability strategy is built on three pillars: environment, customers and communities, and employees.[12] In the environmental pillar, the Company focuses on: i) climate and energy; ii) waste management and recycling; iii) water management; and iv) biodiversity and ecosystems.[13]

In 2024, the Company established the following GHG reduction targets: i) reduce scope 1 and 2 GHG emissions by 65% per square metre of the average portfolio gross leasable area by 2030 compared to a 2023 baseline; and ii) reduce scope 3 emissions for categories 5 (waste) and 13 (downstream leased assets), which accounted for 81% of total scope 3 emissions in 2023, by 55% within the same timeframe.[14] Additionally, the Company has set the following sustainability targets: i) reduce energy intensity in common areas[15] to 110 kWh/m^2 by 2030 compared to the 2023 baseline of 119 kWh; ii) achieve and maintain at least "BREEAM-in-Use Very Good" certification for all existing assets by 2030; iii) reach a 55% waste recycling rate by 2030 from 47% in 2023; and iv) develop a biodiversity policy and action plan by the end of 2026 to conserve and enhance biodiversity across its properties.[16]

To achieve these targets, the Company is implementing various measures, including a gradual transition to 100% renewable energy sources in the properties it manages and its offices, expanding EV charging stations across its property portfolio and developing a waste management strategy.[17] Additional initiatives include water-saving measures, such as employing sensor-equipped plumbing fixtures, using low-emission construction materials, such as certified materials with environmental product declarations, and integrating energy efficiency solutions in new building constructions.[18,19] Furthermore, Akropolis collaborates with city infrastructure planners and developers to enhance the accessibility of public and green transportation options, including bicycles, scooters and EVs, to its shopping centres. As of 2023, the Company introduced green clauses in leasing agreements to enhance environmental sustainability among tenants. These clauses cover recommendations on energy efficiency, water consumption monitoring, waste management and GHG emissions reduction to improve the environmental performance of leased properties. Additionally, in 2023, the Company began replacing low-efficiency refrigeration machines, transitioning to LED lighting and utilizing heat recovered from ice arena refrigeration machines.[20]

Sustainalytics is of the opinion that the Akropolis Group Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further support the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity loss; ii) emissions, effluents and waste generated in construction; iii) occupational health and safety (OHS); and iv) community relations.

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[12] Akropolis Group, "Sustainability 2023", (2023), at: https://www.akropolis.eu/view-file/509_EN_Sustainability.pdf
[13] Ibid.
[14] Akropolis Group, "Our sustainability targets", at: https://akropolis.eu/en/sustainability#en-sustainability-sustainability-targets
[15] The Company defines common areas as shopping centres, alleys and other spaces not leased to tenants.
[16] Ibid.
[17] Akropolis Group, "Sustainability 2023", (2023), at: https://www.akropolis.eu/view-file/509_EN_Sustainability.pdf
[18] Ibid.
[19] Akropolis Group, "Sustainability policy", at: https://www.akropolis.eu/view-file/496_Sustainability%20Policy%20EN.pdf
[20] Ibid.

Sustainalytics is of the opinion that Akropolis is able to manage and mitigate potential risks through implementation of the following:

- To address land use and biodiversity risks, the Company has confirmed that eligible projects will comply with Directive 2014/52/EU, which requires projects that are likely to have significant environmental effects to be adequately assessed before approval.[21] It also requires such projects to have in place adequate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats. For land-intensive projects, the directive mandates land-use-related impacts to be identified, described and assessed through an environmental impact assessment. Large-scale projects must also limit impacts on land and soil, including organic matter, erosion, compaction and sealing. Additionally, the Company follows the EU Habitats Directive and Birds Directive, which are part of the EU's Biodiversity Strategy for 2030 and require EU Member States to conserve the diversity of their wild flora and fauna, with a special focus on threatened and endemic species.[22,23]
- Regarding emissions, effluents and waste generated in construction, the EU regulation on construction and demolition waste requires companies in the EU to carry out waste management without endangering human health or causing harm to the environment.[24] The Company promotes waste sorting and responsible waste management among its tenants through its waste management guidelines, which emphasize avoiding harmful substances in sewage systems.[25] Furthermore, Akropolis manages its environmental systems following ISO 14001,[26] which requires robust processes to enable the mitigation of business activities' negative impacts on the environment.[27] Additionally, the Company has communicated to Sustainalytics that it is conducting a waste management study to assess whether waste is properly sorted at the properties it manages. Based on the findings, Akropolis will develop a waste management plan for its entire portfolio by the end of 2025.
- With respect to OHS, Akropolis is ISO 45001-certified, indicating robust policies and risk control measures.[28] Additionally, safety training is conducted during the onboarding of new employees and periodic sessions on proper use of personal protective equipment.[29] In these training sessions, employees are educated on health procedures, safety rules, crisis prevention action plans and steps to be taken in case of crisis.[30] Akropolis has contracted an independent third party expert to oversee changes in health and safety regulations, as well as draft rules and procedures related to health and safety for implementation in the Company.[31]
- To address community relation risks, Akropolis' sustainability policy mandates consultation with local communities during the planning and development phases of property construction.[32]

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Akropolis has implemented adequate measures and is well positioned to manage and mitigate environmental, social and governance risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of green buildings in Latvia and Lithuania

The buildings sector is a significant contributor to GHG emissions in the EU, accounting for 40% of the EU's total energy consumption and more than one-third of energy-related emissions in 2023.[33] To address this, the

[21] European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052
[22] European Commission, "Biodiversity strategy for 2030", at: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en
[23] European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at: https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02009L0147-20190626
[24] European Commission, "Directive 2008/98/EC on waste", (2008), at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32008L0098&from=EN
[25] Akropolis Group, "Sustainability 2023", (2023), at: https://www.akropolis.eu/view-file/509_EN_Sustainability.pdf
[26] ISO, "ISO 14001:2015", at: https://www.iso.org/standard/60857.html
[27] Akropolis Group, "ISO Certificates", at: https://www.akropolis.eu/en/sustainability#en-sustainability-iso-certificates
[28] ISO, "ISO 45001:2018", at: https: www.iso.org/standard/63787.html
[29] Akropolis Group, "Sustainability 2023", (2023), at: https://www.akropolis.eu/view-file/509_EN_Sustainability.pdf
[30] Ibid.
[31] Ibid.
[32] Ibid.
[33] European Commission, "Energy Performance of buildings Directive" at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en#facts-and-figures

EU has committed to reducing GHG emissions by 55% by 2030 compared to 1990 levels, requiring a 60% reduction in buildings sector emissions relative to 2015.[34, 35]

In Latvia, the buildings sector has the highest energy demand, representing 44% of the country's total energy consumption.[36] Only 16% of service sector buildings were constructed after 2010, reflecting high energy consumption.[37] Latvia aims to reduce GHG emissions by 59% from 1990 levels by 2030 and achieve climate neutrality by 2050.[38] To support these targets, the Latvian government introduced strict thermal requirements for building envelopes in 2015, where non-residential buildings constructed between 2015 and 2020 must meet a minimum energy efficiency level of 110 kWh/m², while those built after 2021 must achieve 100 kWh/m².[39] Additionally, since 2019, all new state and local government buildings must qualify as nearly zero-energy buildings.[40] Furthermore, in its National Energy and Climate Plan, Latvia has allocated EUR 1.7 billion for energy efficiency measures in buildings.[41]

Lithuania faces similar challenges regarding stock of ageing buildings, as only 6% of service sector buildings were constructed after 2010.[42] Furthermore, in 2022, commercial and public service buildings accounted for 10% of the country's total energy consumption.[43] To address this situation, Lithuania has implemented strict energy performance requirements, requiring all newly constructed buildings to meet at least A+ energy standards since 2018, with the requirement increasing to A++ in 2021.[44] Additionally, Lithuania has allocated EUR 307 million in energy efficiency renovations of buildings, as part of its Recovery and Resilience plan.[45]

Based on the above, Sustainalytics is of the opinion that Akropolis' financing of green buildings has the potential to reduce the environmental footprint of Latvia's and Lithuania's building stocks while supporting their emissions reduction goals more broadly.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Akropolis Group Green Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	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
	7. Affordable and Clean Energy	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

[34] European Commission, "Stepping Up Europe's 2030 climate ambition", (2020), at: https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:52020DC0562
[35] European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: https://eurlex.europa.eu/legal-content/EN/TXT/?qid=1603122220757&uri=CELEX:52020DC0662
[36] IEA, "Latvia: 2024 Energy Policy Review", (2024), at: https://iea.blob.core.windows.net/assets/40d40536-4044-459e-9891-d586f1977bfd/Latvia2024.docx.pdf
[37] Eurac Research, "European Building Stock Analysis", (2021), at: https://webassets.eurac.edu/31538/1643788710-ebsa_web_2.pdf
[38] IEA, "Latvia: 2024 Energy Policy Review", (2024), at: https://iea.blob.core.windows.net/assets/40d40536-4044-459e-9891-d586f1977bfd/Latvia2024.docx.pdf
[39] Latvian Ministry of Economics, "National Energy and Climate Plan for 2021-2030", (2021), at: https://www.em.gov.lv/en/national-energy-and-climate-plan-2021-2030?utm_source=https%3A%2F%2Fwww.google.com%2F
[40] IEA, "Latvia: 2024 Energy Policy Review", (2024), at: https://iea.blob.core.windows.net/assets/40d40536-4044-459e-9891-d586f1977bfd/Latvia2024.docx.pdf
[41] Ibid.
[42] Eurac Research, "European Building Stock Analysis", (2021), at: https://webassets.eurac.edu/31538/1643788710-ebsa_web_2.pdf
[43] IEA, "Lithuania", (2022), at: https://www.iea.org/countries/lithuania/efficiency-demand
[44] Lithuanian Ministry of the Environment, "Design and Certification of the Energy Performance of Buildings", (2016), at: https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/15767120a80711e68987e8320e9a5185/asr
[45] European Commission, "Lithuania's recovery and resilience plan", at: https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/lithuanias-recovery-and-resilience-plan_en

Conclusion

Akropolis has developed the Akropolis Group Green Finance Framework, under which it intends to issue green bonds, including senior bonds and subordinated bonds, medium-term notes, promissory notes, commercial papers, and obtain contingent facilities, including bonding lines, guarantee lines and letters of credit and loans, including revolving credit facilities and multi-tranche loans, and other debt financing instruments to finance or refinance, in whole or in part, existing and future projects that are expected to contribute to the decarbonization of the building stock in Europe. Sustainalytics considers that the eligible assets are expected to contribute positively to environmental impacts.

The Framework outlines a process for tracking, allocation and management of proceeds and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Akropolis Group Green Finance Framework is aligned with Akropolis' overall sustainability strategy and that the use of proceeds will contribute to the advancement of UN Sustainable Development Goals 7 and 9. Additionally, Sustainalytics is of the opinion that Akropolis has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible categories.

Based on the above, Sustainalytics is confident that Akropolis is well positioned to issue green bonds and obtain green loans and that the Framework is robust, transparent and in alignment with the four components of the Green Bond Principles 2021 and the Green Loan Principles 2023.

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