



Green Bond Framework

June 2022

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1. Introduction

1.1 Green Bonds

Green bonds are bonds which are used by investors to finance green investments, assets or operations within a company, focusing on reducing the negative environmental impacts and/or improving the positive impacts that a company has on the environment.

The current Green Bond Framework of LAMDA Development S.A. (the “Company”) presents the description of the use of proceeds of the green bonds and the process for the evaluation and selection of eligible investments, as well as the significance of the green bonds based on the international Green Bond Principles (GBP) published by the International Capital Markets Association (“ICMA”) in June 2021, towards the successful implementation of the Company’s Sustainable Development Strategy.

The Green Bond Principles offer guidelines on the core components for the successful issuing of a reliable green bond. In addition, the GBP ensure the availability of the necessary data, for the objective evaluation of the environmental impacts of the investments financed by the green bonds.

The current Green Bond Framework contains details on the following basic characteristics of LAMDA Development Green Bonds:

- a. Use of Proceeds
- b. Evaluation and Selection of Investments
- c. Management of Proceeds
- d. Annual Reporting

1.2 LAMDA Development

LAMDA Development S.A. is listed on the main market of the Athens Stock Exchange and is a holding company that specializes in the development, investment and management of real estate, through its subsidiaries, the provision of real estate management services and the provision of design, construction and technical supervision services. The Company is a leader in the real estate development sector in Greece, with successful investments on the development of residential buildings and offices mainly in Greece, as well as in countries of SE Europe.

The main investments of the Company are: three Shopping and Entertainment Centers (The Mall Athens and Golden Hall in Athens & the Mediterranean Cosmos in Thessaloniki), the Flisvos Marina on the Athenian Riviera and the regeneration of the Ellinikon Metropolitan area.

¹[Green-Bond-Principles-June-2021-140621.pdf \(icmagroup.org\)](https://www.icmagroup.org/green-bond-principles-june-2021-140621.pdf)

2. Sustainable Development

At a global level, stakeholders such as local communities, citizens, governments, non-governmental organizations, etc., express their concerns about the impacts caused to the natural environment, society and the economy and require companies to adopt responsible operating practices. Climate change and the limitation of the availability of natural resources are inducing changes in business models while investors are currently evaluating companies in terms of how they integrate sustainable development into their operations prior to making any investment decisions.

In this context, during the 70th General Assembly of the United Nations on September 25th, 2015, the Agenda for Sustainable Development, its 17 Sustainable Development Goals (SDGs), and the 169 targets that accompany it were developed and adopted. The SDGs are universal in nature and of general application with an implementation timeline by 2030. They create implementation commitments for all countries, both developed and developing, considering the national differences, in terms of development stages, national policies and priorities. The 2030 Agenda for Sustainable Development promotes the integration of all three dimensions of sustainable development - social, environmental and economic - into all sectoral policies, while promoting the interconnection and coherence of the SDGs-related policies with the legislative frameworks.



2.1 Sustainable Development Strategy

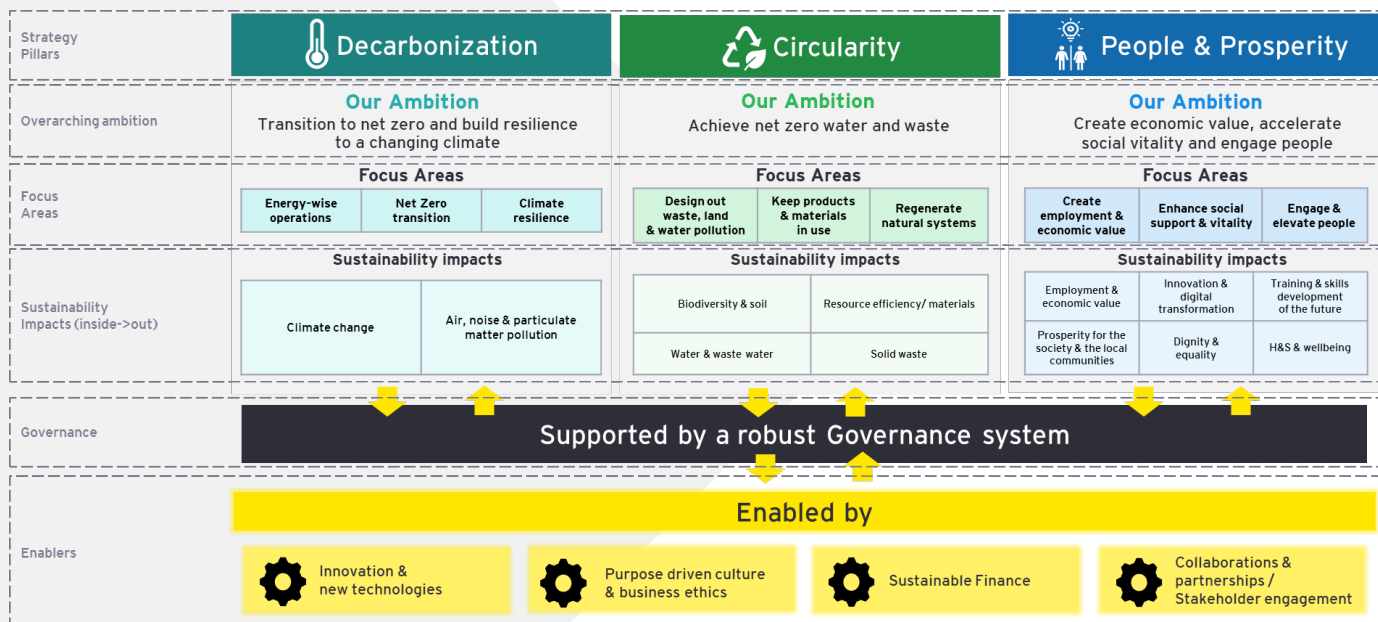
At LAMDA Development, Sustainable Development is intertwined with the Company's vision, business strategy and values, as it is the mean to create a sustainable future not only for the Company, but also for the economy, broader society and the natural environment. The long-term goal for the Company is the strategic approach for Sustainable Development, within the whole range of its business activities, seeking to create long-term value for all.

In this context, the Company has developed a Sustainable Development Strategy for the Ellinikon Project, which is going to be specialized as well for the rest of the Company's business activities within the next period. The Strategy is an integral part of the Company's business strategy, focused on achieving the UN Sustainable Development Goals.

In the context of developing the Company's Sustainable Development Strategy, the economic, social and environmental aspects of the Company's activities related to its business model have been identified, based on the methodology of the internationally sustainability reporting standards, the GRI standards. The Company then proceeded with the prioritization of the identified aspects, through electronic survey sent to its stakeholders (both internal and external), requesting to prioritize the aspects according to the degree that they:

1. Significantly affect the assessments and decisions of the stakeholders in relation to the Company.
2. Reflect the most significant economic, environmental and/or social impacts of LAMDA Development for Greece, regardless of the importance of the impacts that each issue has specifically for the respective stakeholder group.

The results of this prioritization form the basis of the Company's Sustainable Development Strategy, which is summarized in the following table:



The Sustainable Development Strategy focuses on the following 3 pillars:

1. Decarbonization
2. Circularity
3. People & Prosperity

For each pillar there is an overarching ambition and focus areas, consistent with the prioritized sustainability aspects, as emerged from the above-mentioned process.

Specifically:

- In the “Decarbonization” Pillar, the ambition is the transition to a net zero carbon footprint economy throughout the range of the business activities of the Company and the resilience development in an evolving environment with the following focus areas:
 - energy efficiency,
 - transition to net zero greenhouse gas emissions; and
 - resilience and adaptation to climate change.
- In the “Circularity” Pillar, the ambition is the net zero impacts related to water consumption and waste management with the following focus areas:
 - zero waste and land and water pollution mitigation planning
 - extension of the life cycle of products/materials; and
 - regeneration of natural ecosystems.
- In the “People & Prosperity” Pillar, the ambition is to create economic value, accelerate social prosperity and people inclusion with the following focus areas:
 - job creation and economic value,
 - strengthening social support and prosperity; and
 - people inclusion and development.

In addition, the Company has published on its website its Sustainable Development Policy. The Company seeks, through the application of standards, principles and practices of good corporate governance, to operate with ethics, extroversion and transparency in every aspect of its business activity in order to enhance its competitiveness and create benefits.

2.2 Enablers that make the implementation of the strategy possible

The following enablers have been identified for the effective implementation of the Company’s Sustainable Development Strategy:

- Sustainable funding
- New technologies and innovation
- Culture and business ethics
- Collaborations with stakeholders

Sustainable funding

As reflected in the Sustainable Development Strategy, LAMDA Development defines sustainable financing, and in particular the issuance of green bonds as one of the basic means towards the implementation of the commitments it has undertaken. In this context, LAMDA Development intends to finance, with amounts equal to the net proceeds, investments with environmental benefits through the issuance of Green Bonds. The investments in which the proceeds of each green bond will be allocated are described as eligible in section “3. Use of Proceeds”.

The eligible investments will contribute to the implementation of all the pillars of the Company’s Strategy, as well as to specific environmental objectives, as this is analyzed in the section “3. Use of Proceeds”.

New Technologies and Innovation

In addition to the sustainable funding, another important factor enabling the strategy to be implemented is the new technologies and innovation aiming to the reduction of the environmental impacts and in particular improving energy efficiency, water consumption, natural resources conservation and adoption of practices that promote the circular economy.

Culture and business ethics

Since the beginning of its operation, LAMDA Development has adopted a corporate culture with values and rules of conduct, characterized by integrity, ethics, transparency, and personal responsibility for each employee of the Company. Basic pillars of this culture are, among others, enhancing transparency, fighting corruption, anti-competitive behavior, responsible taxation, environmental compliance and personal data protection.

Collaborations with stakeholders

The Company's strategy is based, among others, on the principle of Stakeholder engagement and communication, which is carried out, in accordance with:

- The current Greek regulatory and legislative requirements, including the relevant legislation of the European Union.
- The EBRD's environmental and social policy, and stakeholder requirements (EBRD PR10).
- EBRD Complaints Management - Guidance Note (2012).

In particular, stakeholder engagement includes the following elements: Identification and analysis of stakeholders, Stakeholder engagement plan, Information disclosure, Consultation and engagement, Grievance mechanism, Systematic briefing of stakeholders.

2.3 Implementation of the strategy and achievements

Existing Portfolio

The Company's shopping centers ensure that they operate in an environmentally friendly way, in the context of sustainable development and responsible entrepreneurship. The shopping centers are equipped with Building Management Systems that ensure optimum energy consumption and maximum energy efficiency, while state-of-the-art practices and procedures on waste management are being implemented emphasizing on recycling (separation of five waste streams). Furthermore, used oils derived from health-regulated establishments, are collected by authorized third parties to avoid disposal through local sewerage system. In such establishments, as well as in the underground parking areas, strict standards apply with respect to air quality monitoring to keep air contamination low and steadily within permissible limits. Investments related to energy conservation like replacement of lamps of old technology have been implemented in all 3 shopping centers, while additional interventions are planned which will also lead to additional energy savings and reduction of air conditioning needs of the centers (e.g. installation of photovoltaic systems, replacement of air conditions, application of bioclimatic design elements, etc.).

At the same time, all operations in the Flisvos Marina are certified by both ISO 9001:2008 and ISO 14001:2004, which refer to a comprehensive solid and liquid waste management system, systematic sea water quality control and training activities on port environmental issues for crews, pupils and students from all educational levels, earning thus major distinctions for the Marina, such as a Blue Flag and the 5 Golden Anchors award from respective European programs. It is also certified by the EFQM on its Commitment to Business Excellence.

The Company is constantly monitoring technological developments to apply on the existing portfolio new technologies which will assist on the efficiency improvement of its portfolio, to further reduce pollutants and to adapt to future climate conditions. The goal is the continuous energy upgrade of the shopping centers and the reduction of their carbon footprint in accordance with the Sustainable Development Strategy of the Company.

The Ellinikon

The Ellinikon Development is the largest urban regeneration in Europe, which includes the former Ellinikon Airport and the Coastal Zone, with a total area of 6.2 million sq.m. The investment includes residential developments, hotel units, commercial activities, family spaces for activities - entertainment, museums, cultural centers, health and wellness centers, sports facilities and recreation areas, a model business park of education, research and entrepreneurship, the configuration of the existing marina as well as the upgrading of the coastal front which, along with the park, will be the project's biggest attraction.

The Ellinikon is predominantly identified by the creation of a Metropolitan Park of a total of 2 million sq.m., as well as the promotion of the coastal front with free access to all. Not only the Metropolitan Park, but also the coastal front is designed in accordance with the principles of sustainable development with the aim of minimizing their carbon footprint, protecting and restoring natural resources as well as the existing natural ecosystem, minimizing irrigation and electricity needs as well as enhancing biodiversity and resilience. Extensive open spaces, the penetration of green spaces within the urban areas, the revitalization and rearrangement of existing waterbodies, as well as the unification of the coastal front and the connection of the city with the sea, are important environmental and social goals of the development. The Project encourages sustainable urban mobility, as an extensive network of sidewalks and bicycle lanes has been designed, as well as bicycle parking and charging stations for electric vehicles.

The Ellinikon will bear a low building coefficient, of less than 0.5, and is set to create a new living experience that combines leisure, wellness, culture and protection of natural environment along with the climate and local cultural heritage. All the developments of Ellinikon holistically follow the highest standards of sustainable development during both the design, construction and operation phases. In accordance with the requirements of the international certifications of Sustainable Development followed in the Project (LEED, WELL, SITES etc.), LAMDA Development, has set goals for high energy efficiency and reduction of greenhouse gas emissions through the integration of bioclimatic design, passive and active systems and the use of advanced simulation software for dynamic energy simulation, daylight analysis and Life Cycle Assessment (LCA).

A pioneering and innovative project will be the special wastewater treatment plant, which aims to meet the irrigation needs of the Metropolitan Pole. At the same time, a solid waste management facility will be set up inside the development, which will include a recycling center and a composting unit, aiming to manage waste and strengthening the Circular Economy. The preservation of the materials from the first phase demolitions of the buildings has been already initiated, aiming to cover the future needs of the Project.

In order to make the Project resilient to future climate conditions, specialized studies and projects have been carried out for many relevant parameters, such as flood protection, protection in the event of a possible change in sea level, etc. During development phase, a full program of monitoring of environmental parameters has been already initiated and will be implemented, such as the monitoring of acoustic environment, atmospheric environment, surface and groundwater, vibration, liquid and solid waste, etc.

Ellinikon is designed to be equipped with all the natural infrastructures but also the Information and Communications Technology systems that will convert it as a model of a Smart City. Telecommunication networks (fiber optics, Wi-Fi, 5G and IoT) will allow several sensors and devices to communicate and work together to minimize resource consumption, environmental footprint and achieve the goals of the sustainable development strategy and on the other hand to offer unique digital services to residents, visitors and businesses within The Ellinikon. Indicative applications: Fiber to the Premise and public Wi-Fi across the entire area, smart power management, smart home, smart lighting, smart parking, smart waste management, smart environmental monitoring, Ellinikon resident app, Ellinikon visitor app, smart bike parking pods, smart irrigation and many more.

Green Energy

The strategic choice of the Company is the shift to “Green” Energy, with investments in various forms of Renewable Energy Sources (RES). In this way, it will succeed in covering the energy needs of The Ellinikon as well as the needs of the rest of the Company’s portfolio (shopping centers, marinas, etc.), in the context of the Sustainable Development Strategy, aiming to the reduction not only of the carbon footprint, but also of the energy consumption cost.

3. Use of Proceeds

The Company intends to allocate an equivalent amount of the net proceeds from the issuance of the Green Bond for the financing or refinancing, in part or in full, of projects that fall within the categories of eligible investments, or for financing through share capital increase, shareholder loans or convertible loans, companies, and/or the repayment/refinancing of all, or part, of corporate loans, and/or the acquisition of shares of companies, the income of which will result from activities which fall into the categories of eligible investments, which will contribute to specific environmental objectives² as well as the United Nations Sustainable Development Goals³, as described below:

²https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en.

It is noted that the relevant contribution to the environmental objectives, does not imply eligibility and/or alignment with the EU Taxonomy

³[Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds-2020-June-2020-090620.pdf](https://www.icmagroup.org/~/media/2020/06/Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds-2020-June-2020-090620.pdf) (icmagroup.org)

Eligible Investment Category	Alignment with ICMA GBP Eligible Green Project Categories	Investment Description	Eligibility Criteria
SUSTAINABLE BUILDINGS & LANDSCAPES	GREEN BUILDINGS	<ul style="list-style-type: none"> Land acquisition for development / construction of new buildings or development/construction of new buildings or acquisition or renovation of existing buildings, which will be certified with sustainable building certifications. 	Sustainable building certifications issued by the respective certification body depending on the type of certification: <ul style="list-style-type: none"> LEED “Silver” or greater, from the Green Business Certification Inc. (GBCI) BREEAM “Very Good” or greater, from the Building Research Establishment (BRE)
		<ul style="list-style-type: none"> Land acquisition for development /construction of new buildings or development/construction of new buildings with optimal energy efficiency. 	The Primary Energy Demand (PED), defining the energy performance of the buildings, is at least 10% lower than the threshold set for the nearly Zero Energy Buildings (nZEB) requirements in national measures implementing Directive 2010/31/EU, and stated in the Commission Delegated Regulation (EU) 2021/2139 for the construction of new buildings, as this will be confirmed by the Energy Performance Certificate (EPC) of each building.
		Acquisition or renovation of existing buildings with optimal energy efficiency.	Buildings or the renovated parts achieving within a maximum of three years: <ul style="list-style-type: none"> The Primary Energy Demand (PED) is at least equal to the nearly Zero Energy Buildings (nZEB) requirements for “major renovation” in national measures implementing Directive 2010/31/EU. A reduction of primary energy demand (PED) of at least 30 %, as stated in the Commission Delegated Regulation (EU) 2021/2139 for the renovation of existing buildings and as this will be confirmed by the Energy Performance Certificate (EPC) of each building.
	ENERGY EFFICIENCY	Implementation of cost-optimal individual or multiple renovation measures in existing buildings that improve their energy efficiency.	<ul style="list-style-type: none"> Measures regarding the Installation, maintenance and repair of energy efficiency equipment: <ul style="list-style-type: none"> Addition of insulation to existing envelope components; replacement of existing windows and exterior doors with new energy efficient models; Installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems with highly efficient technologies; Installation and replacement of energy efficient light sources; Installation of low water and energy using kitchen and sanitary water fittings. The above measures should comply with: <ul style="list-style-type: none"> requirements of Ecodesign 2009/125/EU where applicable, or requirements as stated in the Commission Delegated Regulation (EU) 2021/2139 EU for Installation, maintenance and repair of energy efficiency equipment: <ul style="list-style-type: none"> the minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369. Measures regarding the installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings: <ul style="list-style-type: none"> zoned thermostats, smart thermostat systems and sensing equipment; building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS); smart meters for gas, heat, cool and electricity; façade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation, as stated in the Commission Delegated Regulation (EU) 2021/2139.



			The alignment with the eligibility criteria will be documented by a technical description that will include the detailed list of measures to be implemented, as well as, where applicable, the justification related to the way in which each measure meets the respective requirements as mentioned above
		Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Charging stations for electric vehicles as stated in the Commission Delegated Regulation (EU) 2021/2139 and as this will be confirmed by the technical specifications of the installation.
	CLIMATE CHANGE ADAPTATION & RESILIENCE	Implementation of measures in new or existing buildings with the aim of their optimal adaptation to conditions that are formed due to climate change and other important emergency factors that may affect their adaptation and resilience.	<ul style="list-style-type: none"> Measures following the performance of a robust climate risk and vulnerability assessment as stated in the Commission Delegated Regulation (EU) 2021/2139 (Appendix 1) of EU Taxonomy 2020/852, as well as in the IPCC Climate Change 2014 Impacts Adaptation and Vulnerability⁴, or International building certification for health and wellbeing WELL standard at “Silver” or greater level, from the Green Business Certification Inc. (GBCI), or Construction, modernisation, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist, as stated in the Commission Delegated Regulation (EU) 2021/2139. <p>The alignment with the eligibility criteria will be confirmed either by a robust climate risk and vulnerability assessment study, or by the certificate issued by the respective certification body, or by the technical description of the individual mobility infrastructure according to what is defined above per eligibility criterion.</p>
	SUSTAINABLE LANDSCAPES	<ul style="list-style-type: none"> Land acquisition for the development of sustainable urban landscapes. Regeneration/development of sustainable urban landscapes. securing natural resources and halting climate change. 	<ul style="list-style-type: none"> Urban landscapes that ensure natural resources availability and the climate change mitigation with indicative measures such as: <ul style="list-style-type: none"> Measures for rainwater management Biodiversity enhancement Conservation and protection of ecosystems Reduction of potable water use Preservation and restoration of healthy soils Selection of suitable, native and adaptive plants Selection of environmentally optimal materials (recycled content, local materials, responsible and sustainable construction, etc.) Reduction of light pollution Solid and/or land-clearing waste management International certification SITES for sustainable landscapes at “Silver” or greater level, from the Green Business Certification Inc. (GBCI) <p>The alignment with the eligibility criteria will be confirmed either by a technical description that will include a detailed list of the measures to be implemented, or by the certificate that will be issued by the respective certification body according to what is defined above per criterion.</p>

⁴Part A: Global and Sectoral Aspects (ipcc.ch)

GREEN ENERGY	<ul style="list-style-type: none"> • RENEWABLE ENERGY • ENERGY EFFICIENCY 	<p>Acquisition, construction/development, installation and/or operation of electricity generation units from renewable energy sources and hydrogen.</p>	<ul style="list-style-type: none"> • Electricity generation facilities from solar photovoltaic (PV) technology. • Electricity generation facilities from wind power. • Electricity generation facilities from geothermal energy, that comply with the life-cycle GHG emissions requirement of lower than 100 g CO₂e/kWh. • Electricity generation facilities from hydropower, that comply with either of the following criteria: <ul style="list-style-type: none"> o the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; o the power density of the electricity generation facility is above 5 W/m²; o the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100 g CO₂e/kWh. • Manufacture of hydrogen and hydrogen-based synthetic fuels, that comply with the life-cycle GHG emissions savings requirement of 73,4 % for hydrogen (resulting in life-cycle GHG emissions lower than 3tCO₂e/tH₂) and 70 % for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94 g CO₂e/MJ. <p>As stated in the Commission Delegated Regulation (EU) 2021/2139 which applies to all the above-mentioned eligibility criteria of this category.</p> <p>The alignment with the eligibility criteria will be confirmed by the technical description of the respective investment, as well as where required based on the criterion, from the greenhouse gas emissions calculation study.</p>
		<p>Acquisition, construction/development, installation and/or operation of energy storage units and hydrogen.</p>	<p>Construction and operation of facilities:</p> <ul style="list-style-type: none"> • that store electricity and return it at a later time in the form of electricity, • that store hydrogen and return it at a later time, <p>as stated in the Commission Delegated Regulation (EU) 2021/2139 and as this will be confirmed by the technical description of the respective investment.</p>
SMART CITIES	<ul style="list-style-type: none"> • ENERGY EFFICIENCY • POLLUTION PREVENTION & CONTROL • CLEAN TRANSPORTATION • SUSTAINABLE WATER & WASTEWATER MANAGEMENT • CLIMATE CHANGE ADAPTATION • CIRCULAR ECONOMY ADAPTED PRODUCTS, PRODUCTION TECHNOLOGIES AND PROCESSES 	<p>Acquisition, construction, development and installation of Smart City systems.</p> <p>The applications utilize advanced networking technologies, sensors and central control software, aiming at the sustainable management and optimization of systems while minimizing the consumption of natural resources and energy.</p>	<ul style="list-style-type: none"> • Smart systems of monitoring and control of energy consumption, such as: <ul style="list-style-type: none"> o Smart management and operation of outdoor lighting and street lighting. o Smart energy meters. o Smart consumptions' management. o Smart building automation systems. • Smart systems for water resources management, such as: <ul style="list-style-type: none"> o Smart monitoring of water networks and water consumption to minimize water consumption and leakage. o Smart monitoring of irrigation networks and water consumption to minimize consumption and leakage. o Smart monitoring of rainwater networks for early warning and flood prevention • Smart pollution prevention and control systems, such as: <ul style="list-style-type: none"> o Smart robotic coastal water treatment and cleaning systems. o Smart stations for environmental and meteorological measurements. o Smart air quality improvement devices through particles removal • Smart systems that serve circular economy purposes, such as smart waste management systems that aim to optimize the collection of municipal solid waste in order to prepare it for reuse or recycling, as well to reduce pollutants emitted through optimized route. • Smart systems related to sustainable transport, such as: <ul style="list-style-type: none"> o smart parking control, smart infrastructure to support green urban mobility, traffic monitoring systems and digital signage. • Smart telecommunication networks, such as low power (LPWAN), Internet of Things (IoT) and last generation WiFi and 5G networks which will support the operation of the above-mentioned systems aiming to minimize the environmental impacts as described above. <p>The alignment with the eligibility criteria will be confirmed by relevant technical descriptions that will include a detailed list of the systems to be implemented.</p>

Alignment of the eligible investments with the Company's Sustainable Development Strategy as well as with specific Environmental Targets and the Sustainable Development Goals of the United Nations

Eligible Investment Category	Alignment with ICMA GBP Eligible Green Project Categories	EU Environmental Objectives ⁵	Alignment with LAMDA Development Sustainability Strategy	UN Sustainable Development Goals
SUSTAINABLE BUILDINGS AND LANDSCAPES	<ul style="list-style-type: none"> • Green Buildings • Energy Efficiency • Climate Change Adaptation & Resilience • Environmentally sustainable management of living natural resources and land use 	Climate Change Mitigation	<ul style="list-style-type: none"> • Decarbonization • Circularity • People & Prosperity 	<ul style="list-style-type: none"> • GOAL 3: Good Health and Well-being • GOAL 6: Clean Water and Sanitation • GOAL 7: Affordable and Clean Energy • GOAL 11: Sustainable Cities and Communities • GOAL 12: Responsible Consumption and Production • GOAL 13: Climate Action
GREEN ENERGY	<ul style="list-style-type: none"> • Renewable Energy • Energy Efficiency 	Climate Change Mitigation	<ul style="list-style-type: none"> • Decarbonization 	<ul style="list-style-type: none"> • GOAL 7: Affordable and Clean Energy • GOAL 13: Climate Action
SMART CITIES	<ul style="list-style-type: none"> • Energy Efficiency • Pollution Prevention and control • Clean transportation • Sustainable water and wastewater management • Climate change adaptation • Circular economy adapted products, production technologies and processes 	<ul style="list-style-type: none"> • Climate change mitigation • Climate change adaptation • The sustainable use and protection of water and marine resources • The transition to a circular economy • Pollution prevention and control 	<ul style="list-style-type: none"> • Decarbonization • Circularity 	<ul style="list-style-type: none"> • GOAL 6: Clean Water and Sanitation • GOAL 7: Affordable and Clean Energy • GOAL 9: Industry, Innovation and Infrastructure • GOAL 11: Sustainable Cities and Communities • GOAL 12: Responsible Consumption and Production • GOAL 13: Climate Action

⁵Based on the categorization of environmental objectives according to EU Taxonomy. Not eligible for EU taxonomy eligibility or alignment.

4. Evaluation and Selection of Investments

4.1 Process of Investments' Evaluation and Selection

For the evaluation and selection of investments to be financed by green bonds, a special procedure will be followed to ensure that the investments meet the eligibility criteria mentioned in section "3. Use of Proceeds". This process will include the following basic steps:

1. The qualified departments of the Company (Development, Investment, Asset, Marinas etc.) prepare the proposal of the, under evaluation, investment to receive financing from the issuance of a green bond. Each proposal to be submitted, will be accompanied by a memorandum of identification, recording and management of risks and opportunities in relation to substantial environmental and social factors of the Company. The respective memorandum should be derived from the Archer Risk Management System of the Company.
2. The proposal of each project/investment will be submitted to the Sustainable Development Unit and will be recorded in the list of proposed investments (Green Bond Register) that will be maintained by the Unit.
3. The Sustainable Development Unit will carry out an initial evaluation of the proposed investments against the criteria of the green bond framework and the Sustainable Development Strategy of the Company. It will then evaluate in collaboration with other departments, the proposed investments in compliance with the procedures for the identification and management of substantial environmental and social risks of the Company related to each of them.
4. The qualified departments of the Company will finally submit the proposed investment to the Investment Committee, or the list of proposed investments, as formulated by the previous evaluations of steps (2) and (3), as well as the proposed amount of financing for each investment. The Investment Committee will evaluate the proposed investments in terms of the criteria of the green bond framework and approve (or reject) the list of eligible investments as well as each one's financing amount of the green bond. The final list with the respective financing amounts will be recorded in the Green Bond Register.

The Investment Committee has as permanent members, with the right to vote, the Chief Executive Officer as its Chairman, the Investment Director, the Chief Financial Officer and the Director of Strategy and Investor Relations. The Director of Legal Service and Regulatory Compliance as well as the Director of Corporate Affairs and Business Development, respectively, also participate in the meetings of the Investment Committee related to decisions on business development under their responsibility.

The eligible investments will remain in the Green Bond Register as long as they meet the eligibility criteria, without being affected by subsequent changes and issues of the Green Bond Framework.

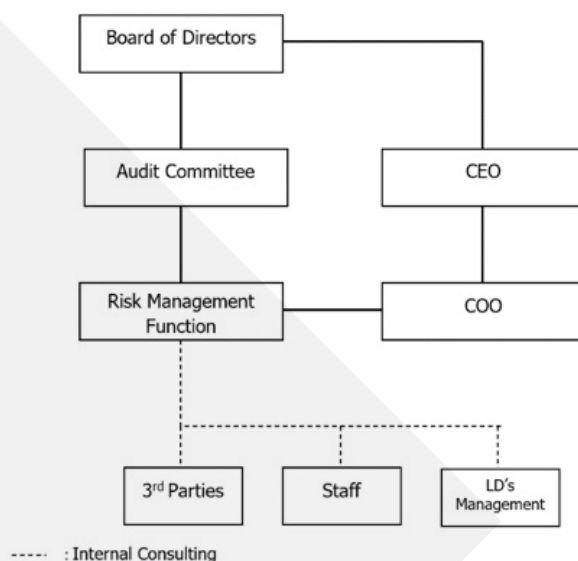
4.2 Risk Management

The Company has a Risk Management Unit, the main mission of which is to make a substantial contribution to the development of a modern operating framework at all organizational levels, for the identification, evaluation and management of the risks faced by the Company, as well as the risks posed by the Company to the broader economy, society and the environment (inside-out perspective), including environmental and social risks. Specifically for the risks related to Sustainable Development, the Company recognizes the significance of double materiality during risk assessment, which is on the one hand the significance of the risks for the financial performance of the Company ("outside-in" perspective or financial materiality) but also the significance of the impacts caused by the Company in the wider economy, society and environment ("inside-out" perspective).

The Risk Management Unit ensures that the risks undertaken by the Company's management go hand in hand with the risk-taking disposition and the tolerance limits set and formulated by the top management. The aim of the Unit is to strengthen the risk management culture of the Company and to contribute to the process of identification, recording, evaluation and management of risks in all its levels and functions.

Risk Governance Structure of LAMDA Development

The Risk management governance structure of LAMDA Development is presented in the following diagram. This structure illustrates that the risk management is supported from all organizational levels.



Corporate Risk Management System (ERMA)

LAMDA Development has taken steps to select, procure, customize, and install an Enterprise Risk Management application to foster Risk Culture and the use of Risk policies and procedures in a controlled and user-friendly environment. Ever since November 2021, Risk Management software application (RSA-Archer) of LAMDA Development is live.

The Enterprise Risk Management System is designed to enable access to all levels and functions within LAMDA Development to manage Risks, as well as various stakeholders and external parties, as deemed necessary.

RSA-Archer contains a wide selection of functionality features to help the decision-making process at all levels. Reports and Risk Heat maps help identify Risks that are currently positioned in areas that challenge our Company's Risk Appetite, Risks with no active Mitigation actions may be identified, etc. The system helps users and management navigate through Risk data until information driven response initiatives are formulated, prioritized, and put into action.

In combination with its Sustainable Development Strategy, the Company utilizes its organizational structure and risk management system, for the identification, prioritization and management of financial, social and environmental risks that may arise from the eligible investments described in this Framework. In this context, the internal and external environment is considered, as well as the needs of its stakeholders, in order to identify the threats and opportunities that need to be addressed or developed accordingly, with the ultimate goal of achieving the desired results and the goals of sustainable development and environmental compliance.

5. Management of Proceeds

The Company intends to allocate amounts equivalent to the net proceeds of the Green Bond, in accordance with this Green Bond Framework, to eligible green investments. The management of the Green Bond proceeds will be managed through a dedicated bank account. In parallel, in order to avoid any double counting, the management of proceeds will be carried out through the Green Bond Register, which will include, among others, the following:

- A brief description of the eligible investments for which the amount of net proceeds from the Green Bond has been committed in accordance with this Framework.
- Information regarding the evaluation and selection process of the respective eligible investment.
- Required capital expenditures per eligible investment.
- Amount of financing, refinancing or investment made.
- Any unallocated amount of the green bond proceeds, which has not yet been allocated against eligible investments.

Responsible for keeping the Green Bond Register is the Sustainable Development Unit, which will consider the proposals of the departments involved in the process of evaluation and selection of investments. The Sustainable Development Unit will monitor the distribution of proceeds and all other items in the Registry on an annual basis or earlier if necessary.

As long as the full allocation of net proceeds in eligible investments is pending, the Company will temporarily maintain unallocated amounts in short-term low-risk investments, such as time deposits and repurchase agreements.

In the event that the eligible investments cease to meet the eligibility criteria or are no longer included in the Company's assets, the Company will replace them immediately, up to the full allocation of an amount equal to the net proceeds, as stated in the Prospectus of each Green Bond. For the Company's first Green Bond the allocation will be completed by the end of 2025 at the latest. Alternatively, the Company may consider re allocation the Green Bond proceeds to other Eligible Green Investments.

6. Annual Reporting

The Company, on an annual basis, and until full allocation of the proceeds, will publish on its website the Green Bond Impact Report to Investors, which will include a description of the use of the funds raised in accordance with the Green Bond Principles. More specifically, information will be provided on:

- The distribution of the total funds raised
- The total amount of investments and expenditures on investments included in the Green Bond Register
- The total amount of unallocated green funding
- Description of the type of investments
- Information on the separation between new financing and refinancing

In addition, the Company will include, in the annual Green Bond Impact Report, any data related to the expected or existing environmental impacts of the eligible investments. In the table below, some indicative Key Performance Indicators by project category, which quantify the achieved impacts, are presented according to the Appendix of the guide “Harmonized Framework for Impact Reporting” (June 2021)⁶:

Category	Key Performance Indicators
SUSTAINABLE BUILDINGS AND LANDSCAPES	<ul style="list-style-type: none"> • Sustainable building certification and level of certification (such as LEED Gold, BREEAM Very Good) per building • Energy Performance Certificate which verifies the primary energy demand or the percentage of energy conservation per building • Annual GHG emissions reduced or avoided in tones of CO₂ equivalent • Sustainable landscape certification SITES and level of certification per urban area/landscape • Area improved based on climate change adaptation solutions (m²) • Savings in primary energy demand in MWh per building • Savings in potable water in ML
GREEN ENERGY	<ul style="list-style-type: none"> • Annual electricity production from renewable sources in MWh per renewable energy source • Capacity of each renewable energy production unit in MW • Annual GHG emissions reduced or avoided in tones of CO₂ equivalent
SMART CITIES	<ul style="list-style-type: none"> • Annual GHG emissions reduced or avoided in tones of CO₂ equivalent • Savings in potable water in ML • Annual quantity of waste diverted from landfill (tons)

⁶[Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021_100621.pdf \(icmagroup.org\)](#)

7. External Review

7.1 Pre-issuance

The Green Bond Framework has undergone a limited assurance prior to issuance (preissuance external review) in terms of its alignment with the voluntary Green Bond Principles published by the organization International Capital Market Association (ICMA) in June 2021, from PricewaterhouseCoopers. The external auditor's report will be published on the Company's website⁷.

7.2 Post-issuance

The Company will appoint an external auditor to provide independent assurance on the annual Green Bond Impact Report, in line with the current Green Bond Framework, until an amount equivalent to the total issued amount has been allocated to eligible investments. The purpose of the assurance is to confirm that the amount allocated has financed eligible investments as defined in the current Green Bond Framework in Section "3. Use of Proceeds", as well as any unallocated amounts. The external auditor's report will be published on the Company's website.

8. Modifications

The Sustainable Development Unit will periodically review this Green Bond Framework to confirm its agreement with any updated versions of the Green Bond Principles. If deemed necessary, based on the review, the current Green Bond Framework may be revised, after obtaining the necessary approval from the Company, in cases of major revisions.

Possible future revised versions of this Framework will maintain or improve the current levels of transparency and publicity, including the corresponding assurance by an external auditor. Any revised versions of the current Framework will be published on the Company's website and will replace the current Framework.

⁷[Lamda Development - Αρχική](#)

Appendices

Glossary

Term	Definition
BRE	Building Research Establishment: Organization that provides an extensive range of advisory, expert witness, certification, testing, research, training, conference and other services, covering all aspects of the built environment and associated industries.
BREEAM	("Building Research Establishment Environmental Assessment Method"): The internationally recognized method of assessing, calibrating and certifying the viability of buildings, developed by the Building Research Establishment of England.
Commission Delegated Regulation (EU) 2021/2139	Commission delegated regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
Ecodesign	Directive 2009/125/EC of the European Parliament and of the Council establishing a framework for the setting of ecodesign requirements for energy-related products
EPC	Energy Performance Certificate. The energy performance certificate (EPC) provides all that information about the energy structure and behavior of the building.
GBCI	GBCI is the premier organization for independently recognizing excellence in green business industry performance and practice globally, through third party verification services for certification and credentialing.
Green Bond Principles	The Green Bond Principles published by the International Capital Market Association (ICMA).
Green Bond Framework	The document that defines the framework for issuing green bonds in accordance with the requirements of the Green Bond Authorities.
LEED	("Leadership in Energy and Environmental Design"): The internationally recognized system for assessing, calibrating and certifying the sustainability of buildings, developed by the US Green Building Council.
NECP	National Energy and Climate Plan. The National Plan for Energy and Climate is for the Greek Government a Strategic Plan for the issues of Climate and Energy and presents in it a detailed road map for the achievement of specific Energy and Climate Objectives by the year 2030.
nZEB	nearly Zero Energy Buildings. A building with "almost zero energy consumption" is a building with very high energy efficiency whose almost zero or very low amount of energy required to meet its energy needs is largely covered by renewable energy sources, including the energy produced on the spot or near the building".
Regulation (EU) 2020/852	Regulation (EU) 2020/852 of the European parliament and of the council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

Term	Definition
RES	Renewable Energy Sources: Non-mineral sources such as wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydroelectric, biomass, landfill gases, wastewater gases and biogas.
SITES	A comprehensive program for designing, developing and maintaining sustainable landscapes. The SITES rating system helps conserve, restore and create the benefits provided by healthy ecosystems, developed by the US Green Building Council.
Sustainable development	A form of development policy that seeks to meet the economic, social and environmental needs of society in a way that ensures short-term, medium-term and, above all, long-term prosperity.
WELL	The WELL Building Standard is a performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing, through air, water, nourishment, light, fitness, comfort, and mind. WELL is managed and administered by the International WELL Building Institute (IWBI).

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Moreover, it should be noted that currently there is no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" project or as to what precise attributes are required for a particular project to be defined as "green" nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses which are the subject of, or related to, any eligible investments under this Green Bond Framework will meet any or all investor expectations regarding such "green" performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any eligible investments.

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