

Wereldhave

Green Finance Framework.

13 March 2020

make every day count



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1. INTRODUCTION

1.1. About Wereldhave

Wereldhave is a retail property investor in the Netherlands, Belgium and France. We are convinced that successful commercial real estate goes beyond locations and should offer a broad range of partnerships and services to support tenants in doing better business and empower people to live a more well-balanced everyday life close to home. Together with all partners within the local eco-systems we will build Full Service platforms to make every day count.

Wereldhave was established in 1930. Shares in Wereldhave are listed on the Euronext Amsterdam (AMX) Stock Exchange. The company has the fiscal status of an investment institution; therefore, it pays no corporation tax in the Netherlands (other than for development activities in the Netherlands). Wereldhave's Belgian investments consist of a 66.53% interest in Wereldhave Belgium, a tax-exempt investment company listed on the Euronext Brussels Stock Exchange. The investments in France are subject to the SIIC regime.

To support our ambition, Wereldhave integrates sustainability into our overall strategy and operations.

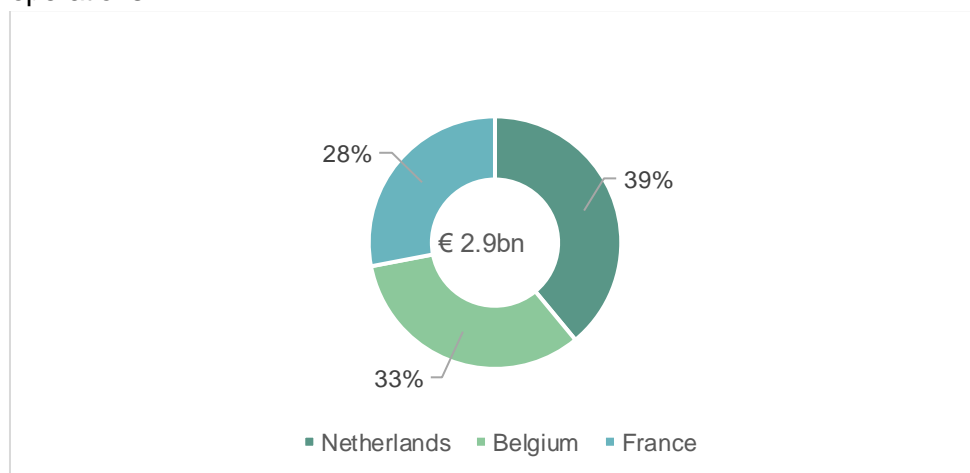


Figure 1 – Wereldhave portfolio breakdown as per December 31, 2019

1.2. Wereldhave and Corporate Social Responsibility

We want our new Full Service Centers to be low carbon and less wasteful. We also want to support the communities in which we operate, which we see as crucial to our long-term social license to operate. Our 2030 CSR program – A Better Tomorrow – focuses on three main areas: Better Footprint, Better Nature and Better Living. For each of these areas, we've set clear ambitions, and aligned these ambitions directly with specific UN Sustainable Development Goals (SDGs). A Better Tomorrow will improve our environmental management, reduce waste and carbon – strengthen our investment in local communities, and help protect urban wildlife, living close to our centers. We regard CSR as a key part of our value proposition to both tenants and visitors

In our 2020 Corporate Social Responsibility (CSR) program “**A Better Tomorrow**”, we have summarised these ambitions in three areas.

- **Better footprint:** We will further lower carbon emissions and waste based on science-based targets, and partner with tenants and visitors.

- **Better nature:** We will analyse climate-related hazards, such as heat stress and flooding, and implement solutions, for example green roofs, that also support urban wild life where relevant.
- **Better living:** We will continue operating safe and pleasant places, and empower employees to thrive professionally & personally. We will continue making positive social impact by offering space to social enterprises and charities, and by initiatives to create inclusive environments for individuals with disabilities, loneliness, or job markets.

As a result of our historical commitment to sustainability, our recent achievements include, among others, a 32% energy reduction on a visitor base (2013-2018) and the installation of over 15,500 solar panels (4.4 MW) on the roofs of 15 of our centres. In 2019, we also contributed EUR 1.5 million in kind and cash for social impact initiatives across Wereldhave shopping centers.




Among our other achievements, the Global Real Estate Sustainability Benchmark (GRESB) has awarded Wereldhave with 5 stars, the highest rating within GRESB, for the sixth year in a row. With a 91/100 score, Wereldhave is the 3rd company in the European listed retail real estate sector (out of 13). Wereldhave also scored EPRA sBPR Gold for the 4th year in a row and received a CDP climate change management score C.



1.3. Commitment to the Sustainable Development Goals

The UN Sustainable Development Goals inspired Wereldhave's sustainability ambitions. In 2015 the United Nations launched the 2030 agenda for sustainable development. This agenda contains seventeen sustainable development goals. Wereldhave has chosen to link its corporate strategy to the sustainable development goals that are the most relevant for its business activities: #7 Affordable and Clean Energy, #8 Decent Work and Economic Growth, #11 Sustainable Cities and Communities, #12 Responsible consumption and production, #13 Climate Action and #17 Partnership for Goals. These development objectives have been discussed with a number of stakeholders and are linked to the sustainability ambitions.

Table 1 - SDGs and related goals and targets relevant for the Wereldhave Green Finance Framework

SDG	SDG Goal	SDG Target Description
	Ensure access to affordable, reliable, sustainable and modern energy	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>
	Make cities inclusive, safe, resilient and sustainable	<p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>11.B By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels</p>
	Take urgent action to combat climate change and its impacts	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>

1.4. Background of the Wereldhave Green Finance Framework

Wereldhave has developed its Green Finance Framework (“the Framework”) with the aim to attract funding that will be allocated to sustainable and energy efficient real estate assets which contribute to social and sustainable engagement in local communities. Under this Framework, Wereldhave can issue a variety of green finance instruments, including green bonds, green private placements, green (syndicated) loan facilities and other green debt instruments.

The Framework provides a clear and transparent set of criteria for green finance instruments issued by Wereldhave and is consistent with the guidelines of the Green Bond Principles (ICMA, 2018) and the Green Loan Principles (LMA/APLMA, 2018). These voluntary process guidelines are developed in multi-stakeholder processes involving issuers, investors, financial institutions and NGO’s, with a view to promoting the development and integrity of the sustainable finance market.

Wereldhave may further update or expand this Green Finance Framework to align with emerging market standards and best-practices, such as the introduction of the EU Green Bond Standard (“EU GBS”) or other relevant standards and guidelines.

2. WERELDHAVE GREEN FINANCE FRAMEWORK




The Wereldhave Green Finance Framework follows the core components of the voluntary process guidelines of the Green Bond Principles (GBP) and Green Loan Principles (GLP) and includes the following sections:

1. *Use of proceeds*
2. *Process for project evaluation and selection*
3. *Management of proceeds*
4. *Reporting*
5. *External review*

2.1. Use of proceeds

Wereldhave intends to use the net proceeds of green finance instruments issued under this Framework to finance or refinance, in whole or in part, sustainable and energy efficient real estate assets (“Eligible Assets”).

Eligible Assets are required to meet the eligibility criteria included in the table below. The Eligible Assets are also mapped to the UN Sustainable Development Goals (SDGs) and EU Taxonomy of sustainable economic activities.

Category & SDG mapping	Eligibility Criteria	EU Taxonomy objective and economic activities
<p>Green Buildings</p>   	<p>Newly constructed, existing and renovated commercial buildings which meet one or more of the following criteria:</p> <ul style="list-style-type: none"> ▪ BREEAM New Construction, Refurbishment and Fit Out, or In-Use ≥ “Very Good” certified ▪ EPBD Energy Performance Certificate (EPC) with a minimum Energy Performance label of “A” ▪ Renovation that will achieve, or has achieved, energy savings of at least 30% in comparison to the baseline energy performance of the building 	<p>EU Environmental objective: Climate change mitigation</p> <p>Economic activities: 26.2 Construction of new buildings 26.3 Renovation of existing buildings 26.5 Acquisition and ownership of buildings</p>

2.2. Process for Project Evaluation and Selection

The use-of-proceeds defined in this Framework regard sustainable and energy efficient real estate assets which contribute to social and sustainable engagement in local communities. Hence, all potential Eligible Assets first and foremost comply with environmental and social laws and regulations as well as Wereldhave’s policies and standards which aim to manage and mitigate environmental, social and governance risks. These include, but are not limited to, the Wereldhave Environmental and Sustainability Policy and Supplier Code of Conduct.

On at least an annual basis, the Group Treasurer and Group CSR Manager review existing and potential Eligible Assets. Subsequently, the Wereldhave Management Team (consisting of CEO, CFO, and country directors) verify whether the proposed assets comply with the definition of Eligible Assets as included in paragraph 2.1 of this Framework and subsequently approves the final list of Eligible Assets.

2.3. Management of Proceeds

The Wereldhave Group Treasurer will manage the net proceeds of issued green finance instruments on a portfolio basis. As long as the green finance instruments issued under this Framework are outstanding, Wereldhave aims to allocate an amount equivalent to the net proceeds of these instruments towards a portfolio of Eligible Assets.

If a specific project is divested, discontinued or does no longer meet the definition of Eligible Assets as included in paragraph 2.1, it will be removed from the portfolio of Eligible Assets. In such a scenario, Wereldhave will strive to replace the project with another Eligible Assets as soon as reasonably practicable. Wereldhave aims to ensure that the total volume of issued green finance instruments will not exceed the value of portfolio of Eligible Assets.

Wereldhave intends to fully allocate the net proceeds of issued green finance instruments within 12 months after issuance. Pending the allocation of the net proceeds to the portfolio of Eligible Assets, or in case insufficient Eligible Assets are available, Wereldhave will manage the unallocated proceeds in line with its treasury policy.

The allocation of the net proceeds of issued green finance instruments to the portfolio of Eligible Assets will be reviewed and approved by the Wereldhave Management Team on at least an annual basis, until full allocation of the net proceeds of issued green finance instruments.

2.4. Reporting

2.4.1. Allocation of proceeds reporting

On an annual basis, until full allocation, Wereldhave will report to investors on the allocation of the net proceeds of issued green finance instruments to its portfolio of Eligible Assets. The report provides the following information:

- an overview of the green finance instruments issued under the Framework and the total amount outstanding (in EUR) of issued green finance instruments
- the allocation of the net proceeds of issued green finance instrument to a portfolio of Eligible Assets, including information on:
 - the composition of the portfolio of Eligible Assets
 - a breakdown by geographical area (country level)
 - a breakdown of new financing vs. refinancing (i.e. share of allocation to projects under construction/refurbishment and share of allocation to existing projects)
- the amount of unallocated proceeds, if any

2.4.2. Impact reporting

On an annual basis, Wereldhave intends to report on the environmental impact of the portfolio of Eligible Assets to which the proceeds of issued green finance instruments have been allocated. The impact reporting will include:

- An overview of Eligible Assets and their environmental classification (i.e. BREEAM certification, EPC label, refurbishment), including the classification level where applicable (e.g. “Very Good”, “EPC label A”).
- Energy intensity of the Eligible Assets (in kWh/m²) (scope 1 and 2)
- Carbon intensity of the Eligible Assets (in kg CO₂e/m²) (scope 1 and 2)
- Onsite renewable energy generation powering the Eligible Assets and/or distributed to the grid (in kWh)
- Offsite renewable energy purchase (in kWh)
- Science-Based Targets initiative-validated target
- Selected case studies of Eligible Projects

The allocation- and impact reporting will be made publicly available as part of the annual report and will be available on the Investors section of the [Wereldhave corporate website](#).

2.5. External review

2.5.1. Second Party Opinion

Prior to the inaugural issuance under this Framework, Wereldhave has commissioned ISS-ESG to provide a Second Party Opinion for its Green Finance Framework. ISS-ESG has reviewed the Wereldhave Green Finance Framework and issued a Second Party Opinion which concluded that the Framework is both the Performance against the Green Bond Principles and Sustainability quality of the asset pool are evaluated as positive.

The Second Party Opinion is available on the Investors section of the [Wereldhave corporate website](#).

2.5.2. Independent verification

Wereldhave will appoint an independent verifier to provide a post-issuance review addressing the allocation of the net proceeds of issued green finance instruments on an annual basis until full allocation, or in case of significant changes in the allocation of proceeds.

DISCLAIMER

The information and opinions contained in this Wereldhave Green Finance Framework (the **Framework**) are provided as at the date of this Framework and are subject to change without notice. None of Wereldhave N.V. or any of its affiliates (jointly referred to as **Wereldhave**) assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Wereldhave policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations.

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No representation is made as to the suitability of any green financing instruments to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of green financing instruments should determine for itself the relevance of the information contained or referred to in this Framework or the relevant green financing instruments documentation for such green financing instruments regarding the use of proceeds and its purchase of green financing instruments should be based upon such investigation as it deems necessary.

Wereldhave has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds, reporting and external review, in connection with the Wereldhave green financing instruments. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such green financing instruments if Wereldhave fails to adhere to this Framework, whether by failing to fund or complete Eligible Assets or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the Eligible Assets as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Assets being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Assets. Each environmentally focused potential investor should be aware that Eligible Assets may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts.

Wereldhave – Green Finance Framework

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