



EAGLESTONE
Belgium – France – Luxembourg

Green Finance Framework

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1. Introduction

1.1. About Eaglestone Group

Eaglestone Group is a European real estate developer active in Belgium, Luxembourg and France. Created in 2011 in Belgium, the group expanded rapidly. Firstly, through the opening of an office in Luxembourg in 2015. Secondly, through the acquisition of two companies in France, Interconstruction in 2020 (active in Île-de-France) and Cardinal in 2022 (active in Île-de-France and other major regions in France).

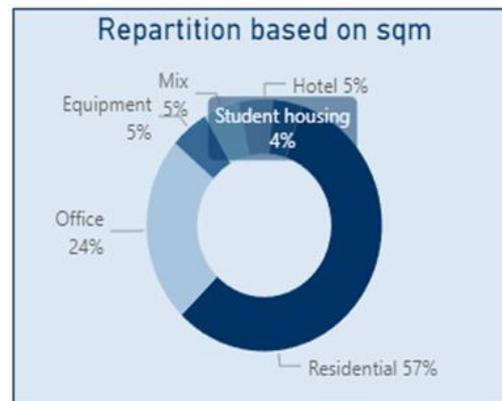
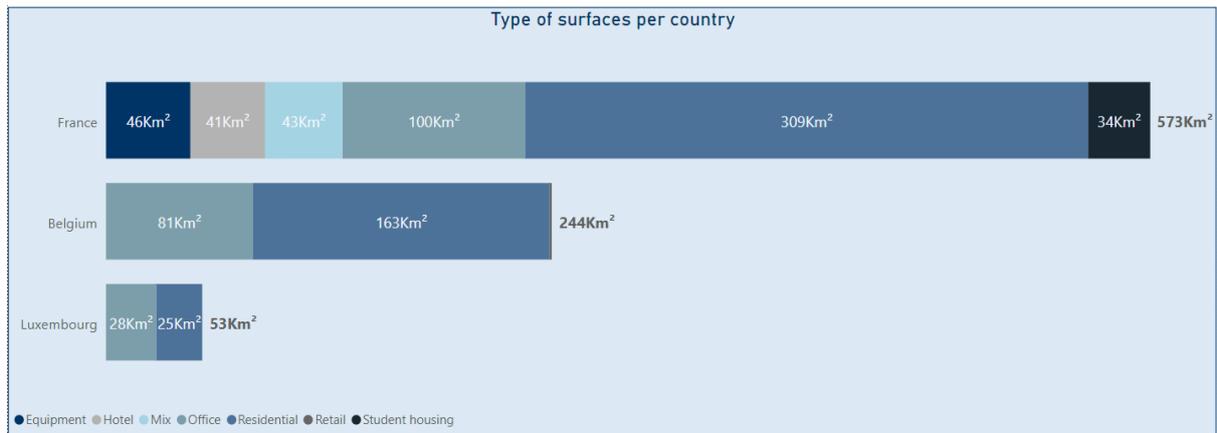
Recognized for the architectural and technical quality of its projects, Eaglestone’s DNA promotes the enhancement of the existing environment through the creation of responsible urban developments with a unique identity.

In harmony with these values, all Eaglestone developments are part of a strong environmental approach aiming to carbon neutrality but also the well-being and comfort of the occupants through the achievement of international certifications.

Currently the group employs approximately 220 people across three countries and has a portfolio of over 115 projects covering the residential, office, retail, hotel and student housing segments.

The portfolio represents more than 870,000m² in ownership (construction or development).

Here is in overview of Eaglestone Group’s portfolio as of 31.07.2022:



1.2. Eaglestone and Sustainability

Construction is the sector with the largest ecological footprint. As a developer, Eaglestone is aware of the difference it can make by adopting sustainable development and building methods. The Group strives for sustainability in urban development. Furthermore, it uses part of its profits to support good causes in the areas of health, culture and social inclusion.

In recent years, sustainability has become even more important, and COVID-19 has revealed how much we depend on nature. People are demanding a higher-quality living and working environment, one that offers them a high degree of comfort and promotes a healthy lifestyle. The pandemic has also shown that cities need open and green space, as well as walking and cycling infrastructure. Eaglestone strives for sustainability in all its assets to satisfy all its stakeholders, from governments to investors to customers.

Since 2019, Eaglestone has been a Carbon Neutral company for all its corporate activities. Since that year also, all new developments undergo an analysis of their carbon footprint and measures are taken to reduce these and to offset the remaining ones. Eaglestone works with independent sustainability experts (e.g. CO2Logic) to identify the greenhouse gases in their value chain and is developing an ambitious reduction plan. Eaglestone obtained its first Carbon Neutral certification® in collaboration with CO2logic in December 2020. CO2logic offers the CO2-Neutral certification® to organizations that calculate, reduce and offset their climate impact. Since 2015 this label is also certified by Vinçotte, an international independent certification body. There are many carbon neutral certifications around the world but few have a third-party validation by a serious and credible certifier.



In 2022, all entities of Eaglestone defined together the six United Nations Sustainable Development Goals (“UN SDGs”) to which every development project should significantly contribute:



1. Goal 6 - Ensure availability and sustainable management of water and sanitation for all
2. Goal 7 - Ensure access to affordable, reliable, sustainable and modern energy for all
3. Goal 11 - Make cities and human settlements inclusive, safe, resilient and sustainable
4. Goal 12 - Ensure sustainable consumption and production patterns
5. Goal 13 - Take urgent action to combat climate change and its impacts
6. Goal 15 – Protect, restore and promote sustainable use of terrestrial ecosystems

Each phase (design – construction – use) of Eaglestone’s project is now screened based on these goals in order to identify and improve their contribution to these goals.

This assessment will help Eaglestone design sustainable cities and communities that offer a better quality of life, where natural resources are used wisely. By contributing to these six goals, Eaglestone commits to:

1. **Develop healthy buildings and environments.** Eaglestone designs buildings to improve the health and quality of life of those who live and work there. Eaglestone also commits to targeted actions to increase biodiversity and to design more ecological cities.
2. **Reduce the environmental impact.** Eaglestone reduces its ecological footprint through mindful water and energy consumption, and by reducing and offsetting its CO2 emissions.
3. **Be a civil and socially responsible real estate player.** As an important player in the real estate sector in Europe, Eaglestone aims to play a leading role in the transformation towards the sustainable cities and communities of tomorrow and promote the trend towards sustainability in the real estate sector. Eaglestone wants to contribute to the urban mix, promote the local economy and encourage soft mobility.
4. **Integrate sustainability in our work and in the workplace.** Eaglestone wants to make sustainability an integral part of its projects and of all layers of in the organization. Eaglestone promotes a healthy and innovative working atmosphere in which employees feel good.

Besides, also in 2022, the Group decided to define and implement a full ESG strategy, with its strategic axes and KPI's. A first ESG report will thus be available in 2023. Eaglestone is supported in this process by Wild Trees, a French consultancy and engineering company specialized in ecological, energy and climate issues.

2. Eaglestone Green Finance Framework

Eaglestone has developed its Green Finance Framework aiming to attract specific funding for green real estate projects which contribute to its sustainability strategy. Under this Framework, Eaglestone can issue a variety of Green Finance Instruments such as Green (Retail) Bonds, Green Notes, Green Private Placements and Green Loans.

The Framework provides a clear and transparent set of criteria for Green Finance Instruments issued by Eaglestone and is consistent with the guidelines of the Green Bond Principles (“GBP”) (as issued by the International Capital Market Association (ICMA) and last updated in June 2021 (with June 2022 Appendix 1)¹ and the Green Loan Principles (“GLP”) (from the Loan Market Association (LMA), last updated in February 2021²).

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.

Eaglestone may further update or expand its Framework to align with emerging markets standards and best-practices, such as the introduction of the EU Taxonomy of sustainable economic activities and the EU Green Bond Standard and/or other relevant standards and guidelines.

The Framework will cover:

1. The use of proceeds
2. The evaluation and selection process
3. The management of proceeds
4. The reporting
5. The external review.

2.1 The use of proceeds

The net proceeds of Eaglestone Green Finance Instruments will be used to finance and/or refinance, in whole or in part, assets, projects and activities which contribute to Eaglestone’s ESG strategy (the “Eligible Assets”). Eligible Assets include construction or acquisition of new or on-going assets and which fall under one of the categories in the table below:

¹ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

² <https://www.lsta.org/content/green-loan-principles/>

Eligible assets	Eligibility criteria
Acquisition or construction /refurbishment of Green Buildings	<p>New acquisitions, construction of new building or refurbishment of existing buildings which have received or will be designed to receive specific certifications:</p> <ol style="list-style-type: none"> 1. For new or deeply refurbished office buildings: <ul style="list-style-type: none"> ○ <u>1st mandatory requirement:</u> BREEAM: minimum “Excellent” or any equivalent internationally recognized third-party verified certification scheme (DGNB, HQE). ○ <u>2nd mandatory requirement:</u> Minimum one of the three following requirements: <ul style="list-style-type: none"> ▪ <u>Energy and Carbon Performance:</u> achieve a minimum of 75% of available credits of the BREEAM Energy category (Ene 01 to Ene 10) ▪ <u>Water efficiency and savings:</u> achieve a minimum of 75 % of available credits of the BREEAM Water category (Wat 01 to Wat 04) ▪ <u>Waste management:</u> achieve a minimum of 75 % of available credits of the BREEAM Waste category (Wst 01 to Wst 06) ○ Additional optional indicator: <ul style="list-style-type: none"> ▪ WELL Core and Shell³ 2. For assets not subject to official classification (mostly residential) <ul style="list-style-type: none"> ○ Achieve a high level of energy efficiency with a maximum Primary Energy Demand (“PED”)⁴ of 85 kWh/sqm
Geography	Located in countries in which Eaglestone operates (France, Belgium, Luxembourg) and might operate in the future: the UK and the EU member countries with the exclusion of Greece, Hungary and Bulgaria

³ <https://v2.wellcertified.com/en/wellv2/overview>

⁴ https://www.bpie.eu/wp-content/uploads/2021/06/Nearly-zero_EU-Member-State-Review-062021_Final.pdf.pdf

2.2 The evaluation and selection process

Eaglestone will follow a transparent process for selection and evaluation of Eligible Assets. Assets financed through the Green Finance Instruments issued under Eaglestone Framework are evaluated and selected based on compliance with the Eligibility Criteria as set under paragraph 2.1 Use of Proceeds.

All potential Eligible Assets comply with local laws and regulations, including applicable regulatory environmental and social requirements. To ensure the respect of those requirements, Eaglestone has an internal checklist which covers all those points. The Process for Eligible Assets evaluation and selection is fully integrated in Eaglestone's management.

On a regular basis, the management and transaction teams of each country populates an overview of potential Eligible Assets at Eaglestone's country level. After an analysis of the commercial, technical and financial feasibility of the projects, a short list of potential Eligible Assets is subsequently evaluated and challenged on a quarterly basis by Eaglestone Group's entities/countries Boards.

The eligibility criteria as described under 2.1 are assessed two times, at the end of the design stage and at delivery of the building.

2.3 The management of proceeds

Eaglestone's finance and transaction departments will manage the net proceeds of issued Green Finance Instruments on a portfolio basis. As long as the Green Finance Instruments under this Framework are outstanding, Eaglestone aims to allocate an amount equivalent to the net proceeds of these instruments in its Green Assets Portfolio.

If a specific asset 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 Green Assets Portfolio and it will be replaced by another Eligible Asset as soon as reasonably practicable.

Pending the allocation of the net proceeds of issued Green Finance Instruments to the Green Assets Portfolio, or in case insufficient Eligible Assets are available, Eaglestone will manage the unallocated proceeds in cash or cash equivalent, in line with its regular treasury criteria. Full allocation of the net proceeds is expected at issuance, or ultimately within 24 months following the issuance of a given Green Finance Instrument.

The allocation of the net proceeds of issued Green Finance Instruments to the portfolio of Eligible Assets will be reviewed and approved by Eaglestone Group's entities/countries Boards on a quarterly basis, until full allocation of the net proceeds of issued Green Finance Instruments.

2.4 The reporting

Eaglestone will report annually, until the last Green bond matures, on the allocation of its net proceeds of issued green finance instruments to its Green Assets Portfolio. This reporting will be available one year after the issuance of the first Green Finance Instrument on Eaglestone's website: <https://eaglestone.group/>.

2.4.1 Allocation reporting

The allocation report will include details on:

- the year of acquisition of the Green Asset,
- the amounts of investments allocated to Eligible Assets,
- the geographic distribution of the portfolio of Eligible Assets,
- the balance of unallocated proceeds (if any), and,
- the proportion of new financing and refinancing.

2.4.2 Impact reporting

Eaglestone will report on environmental impacts of the Eligible Assets (re-)financed by the net proceeds of the Green Finance Instruments.

The impact report will provide information regarding:

- Eligible Assets and their certifications (i.e. BREEAM, WELL, HQE, DGNB...),
- Including for Office Buildings, the specific classification level where applicable (e.g. "Excellent") and the credits reached for the specific BREEAM categories Energy, Water and Waste, as mentioned in the Use of Proceeds.

Additional impact indicators are subject to availability of data and could include:

- Expected annual generation of renewable energy (in kWh) and the related CO2 emission avoidance,
- Expected quantity of recycled material (in metric tons per year).

2.5 The external review

A Second Party Opinion (SPO) will be issued by an independent external verifier in order to provide an external verification on Eaglestone's Green Finance Framework. This external opinion will certify Eaglestone's Framework alignment with the applicable Green Principles, such as the Green Bond Principles (GBP) and the Green Loan Principles (GLP). The Second Party Opinion is available on Eaglestone's website.

Eaglestone will appoint an independent verifier to provide a post-issuance review of the annual allocation and impact report.

3 Disclaimer

The information and opinions contained in this Eaglestone Group Green Finance Framework are provided as at the date of this Framework and are subject to change without notice. None of Eaglestone Group SARL or any of its affiliates (jointly referred to as Eaglestone) 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.

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Any decision to invest in any green financing instruments should be made solely on the basis of the information to be contained in any offering document provided in connection with the offering of such green financing instruments. Prospective investors are required to make their own independent investment decisions. This Framework does not constitute a prospectus or an offering memorandum.