

## REPORT REVIEW

# Eaglestone Green Retail Bond Report

Green Retail Bond Allocation and Impact Report of Eaglestone Group

09 October 2024

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Green Bond Allocation and Impact Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting (HFIR), as administered by International Capital Market Association (ICMA), as of June 2023
- Eaglestone's Green Retail Bond Allocation and Impact Report (as of Sept. 16, 2024)

### Scope of verification

- Eaglestone's Green Finance Framework (as of Sept. 13, 2022)
- Bond identification:

Issue date	ISIN	Maturity date	Amount raised (EUR)
Oct 7, 2022	BE0002883644	Oct 7, 2026	26 million

### Lifecycle

- Post-issuance verification
- First update of the [Report Review](#) as of Oct. 9, 2023

### Validity

- As long as no changes are undertaken by the Issuer to its Green Retail Bond Allocation and Impact Report (as of Sept. 16, 2024)

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## SCOPE OF WORK

Eaglestone Group (“the Issuer” or “Eaglestone”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Green Retail Bond Allocation and Impact Report by assessing:

- The alignment of Eaglestone’s Green Retail Bond Allocation and Impact Report (as of Sept. 16, 2024) with the commitments set forth in Eaglestone’s Green Finance Framework (as of Sept. 13, 2022).<sup>2</sup>
- Eaglestone’s Green Retail Bond Allocation and Impact Report, benchmarked against the Harmonised Framework for Impact Reporting (HFIR), as administered by the International Capital Market Association (ICMA), updated as of June 2023.
- The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the green bond issued.

## EAGLESTONE GROUP OVERVIEW

Eaglestone Group is classified in the construction industry, as per ISS ESG’s sector classification. Eaglestone operates as a European real estate developer and investor with real estate properties in three areas: residential, offices and retail. It has operations in Belgium, Luxembourg and France. Eaglestone was incorporated in 2011 in Belgium. The group’s real estate portfolio represents more than 870,000 square meters in ownership (construction or development).

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in Eaglestone’s Green Retail Bond Allocation and Impact Report. A review of the use of proceeds allocation and impact reporting is solely conducted against the core principles and recommendations of ICMA’s standards (Green Bond Principles), where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. Eaglestone is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

<sup>2</sup> The Framework was assessed as aligned with the Green Bond Principles as of Sept. 13, 2022.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part I</b></p> <p><b>Alignment with the Issuer’s commitments set forth in the Framework</b></p>	<p>Eaglestone’s Green Retail Bond Allocation and Impact Report meets the Issuer’s commitments set forth in the Green Finance Framework.</p>	<p><b>Aligned</b></p>
<p><b>Part II</b></p> <p><b>Alignment with the Harmonised Framework for Impact Reporting</b></p>	<p>The Green Retail Bond Allocation and Impact Report is in line with the HFIR. The Issuer follows core principles and, where applicable, key recommendations.</p> <p>The report was produced on an annual basis and includes impact indicators for the financed eligible expenditure categories to illustrate the environmental impact of the project. Allocated proceeds are reported in a single currency. ESG risks associated with the expenditure categories are identified and managed appropriately.</p>	<p><b>Aligned</b></p>
<p><b>Part III</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of the bond’s proceeds has been disclosed, with a detailed breakdown across different eligible projects as proposed in the Framework.<sup>3</sup></p> <p>Eaglestone’s Green Retail Bond Allocation and Impact Report has adopted an appropriate methodology to report on the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>3</sup> The assessment is based on the information provided in the Issuer’s report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN FINANCE FRAMEWORK<sup>4</sup>

The following table evaluates the Green Retail Bond Allocation and Impact Report against the commitments set forth in Eaglestone’s Green Finance Framework, which are based on the core requirements of the Green Bond Principles and best market practices.

GREEN BOND PRINCIPLES	OPINION	ALIGNMENT WITH COMMITMENT
<p><b>Process for Project Evaluation and Selection</b></p>	<p>Eaglestone confirms to follow the Process for Project Evaluation and Selection described in Eaglestone’s Green Finance Framework. The Issuer applied the eligibility criteria set in the Framework to determine whether projects fit within the defined categories.</p> <p>ESG risks associated with the project categories are identified and managed appropriately, as defined in the Framework.</p>	<p>✓</p>
<p><b>Management of Proceeds</b></p>	<p>Eaglestone confirms to follow the Management of Proceeds described in Eaglestone’s Green Finance Framework.</p> <p>The proceeds collected equal the amount allocated to eligible projects, with no exceptions. The proceeds are tracked appropriately and attested in a formal internal process.</p>	<p>✓</p>
<p><b>Reporting</b></p>	<p>The report is in line with the initial commitments set in Eaglestone’s Green Finance Framework.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	<p>✓</p>

<sup>4</sup> Eaglestone’s Green Finance Framework was assessed as aligned with the GBP (as of June 2021) as of Sept. 13, 2022.

## PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Green bond issuers are required to report on both the use of green bond proceeds and the environmental impacts at least annually until full allocation or maturity of the bond. The HFIR has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Eaglestone’s Green Retail Bond Allocation and Impact Report against the HFIR.

CORE PRINCIPLES		
ICMA HFIR	GREEN RETAIL BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Reporting on an annual basis	As reporting is a core component of the GBP, Eaglestone reported within one year of the last report. The report will be available on Eaglestone’s website.	✓
Illustrating the environmental impacts or outcomes	The assessment and measurement of the impacts generated by Eaglestone’s green retail bond covered the following areas: <ul style="list-style-type: none"> <li>a. Green building certifications (i.e., BREEAM, WELL), including the specific classification level where applicable (e.g., BREEAM Outstanding)</li> <li>b. Primary energy demand (i.e., kWh/m<sup>2</sup>)</li> </ul>	✓
ESG risk management	To identify and manage the ESG risks of eligible projects, Eaglestone developed criteria for the evaluation and selection of projects. These criteria include green building certifications such as BREEAM. Furthermore, a minimum requirement on energy and carbon performance, water efficiency and savings, and waste management are set for the evaluation and selection of projects. Where official certificates are not applicable, an energy	✓

	<p>efficiency criterion is set in the project evaluation and selection process.</p> <p>Additionally, the projects are located in the EU and follow local and regional laws and regulations, including applicable regulatory environmental and social requirements. To ensure the respect of these requirements, Eaglestone has an internal checklist that covers all of these points.</p>	
Transparency on the currency	All green bond-related cash flows are reported in one currency, euros, both when allocating the green bond proceeds and when reporting on the projects.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds	<p>All proceeds that have been allocated to green projects as of the date of Eaglestone’s Green Retail Bond Allocation and Impact Report have only been allocated to green projects that meet the eligibility criteria stated in the Framework.</p> <p>The Issuer confirms that the verification of eligibility of green projects for the allocation of proceeds is integrated in the regular lending/investment operations.</p>	✓

**RECOMMENDATIONS**

ICMA HFIR	GREEN RETAIL BOND ALLOCATION AND IMPACT REPORT	ASSESSMENT
Define and disclose period and process for including/removing projects in the report	<p>The entirety of the proceeds have been allocated to green assets.</p> <p>As part of its due diligence, the Issuer monitors the projects included as part of its eligible assets. No modification (removal or addition of projects) of the portfolio is planned.</p> <p>The Issuer followed a transparent process for the selection and evaluation of eligible green projects. Projects refinanced through the green bond issued under the Green Finance</p>	✓

	<p>Framework were evaluated and selected based on compliance with the eligibility criteria as laid out in the Framework.</p>	
<p>Signed amount and amount of green bond proceeds allocated to eligible disbursements</p>	<p>Eaglestone indicates the total signed amount and the amount of green bond proceeds allocated to eligible disbursements.</p> <p>Signed amount: EUR 26 million</p> <p>Allocated amount: EUR 26 million</p>	<p>✓</p>
<p>Report at project or portfolio level</p>	<p>The Green Retail Bond Allocation and Impact Report includes the total amount of proceeds allocated per specific project, type of building and geographical breakdown (country).</p>	<p>✓</p>
<p>Approach to impact reporting</p>	<p>The report identifies the individual projects and clearly defines, for each project, the overall project impacts with information about the total project size and the Issuer's share of total financing. The Issuer clearly defines, for each project, the project's total amount allocated, green building certification or primary energy demand.</p>	<p>✓</p>
<p>Report the estimated lifetime results and/or project economic life (in years)</p>	<p>The Issuer has not disclosed the estimated lifetime results and/or project economic life for the projects.</p>	<p>-</p>
<p>Ex-post verification of specific projects</p>	<p>The Issuer does not plan to carry out ex-post verification of projects.</p>	<p>-</p>
<p>Report on at least a limited number of sector-specific core indicators</p>	<p>The Issuer reports on certification standards (BREEAM, DGNB, WELL) and primary energy demand, which are core indicators for the green building sector.</p>	<p>✓</p>
<p>Disclose own methodologies, where there is no single commonly used standard</p>	<p>The Issuer uses commonly used standards in reporting for green buildings.</p>	<p>-</p>



Disclosure on the conversion approach	None of the reported units require conversion.	-
Projects with partial eligibility	All projects are 100% eligible for financing.	N/A
Use (and disclosure) of the attribution approach	The impact achieved by each of the financed projects are attributed to one type of intervention only (e.g., green building certification).	N/A

OPINION

*Eaglestone follows the Harmonised Framework for Impact Reporting's core principles and some key recommendations. Eaglestone adhered to the core principles by reporting the allocated proceeds from the green bond annually and the ESG risk management process, illustrating the environmental impacts generated by the green bond, and disclosing the currency associated with the allocation of green bond proceeds. The Issuer provides transparency on the project selection and evaluation process, total signed amount of the green bond, and internal process for the allocation and report on the allocation of proceeds, in alignment with best practices.*

## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of proceeds allocation

Use of proceeds allocation reporting is key to putting the impacts into perspective with the number of investments allocated to the respective use of proceeds projects.

The use of proceeds allocation reporting occurred within one year of the issuance, after full allocation of the proceeds.

This is the second year of allocation reporting and the 100% of allocation in 2024 compares with the 100% allocation in 2023. The use of proceeds allocation reporting occurred within the regular annual cycle from the issuance.

### Proceeds allocated to eligible projects/assets

The proceeds allocation is broken down by project level.

The report provides information about projects that were removed from the allocation register due to a change in the strategy of the project. Ypso will not be redeveloped immediately and therefore will not meet the green building certification criteria.

The Allocation Reporting section of Eaglestone's Green Retail Bond Allocation and Impact Report aligns with best market practices by providing information on:

- The number of projects (re-)financed
- The total amount of proceeds (in million euros)
- Breakdown of the allocated amount per project for financing and refinancing
- Location of the assets (per country)
- Size of the assets (per m<sup>2</sup>)
- Type of building
- Year of acquisition
- Project status (development or construction)
- Expected delivery of the projects



### Impact reporting indicators

The table below presents an independent assessment of the Issuer’s report and disclosure on the output, outcome and/or impact of projects/assets using impact indicators.

ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicator chosen by the Issuer for this bond is the following:</p> <p><b>Green building certifications</b></p> <ul style="list-style-type: none"> <li>a) BREEAM Outstanding</li> <li>b) WELL certified</li> </ul> <p><b>Primary energy use</b></p> <ul style="list-style-type: none"> <li>c) Primary energy demand (kWh/m2)</li> </ul> <p>These indicators are quantitative, qualitative and material to the use of proceeds categories financed through this bond and in line with the HFIR’s suggested impact reporting metrics for green building projects. This aligns with best market practices.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>For its impact indicator(s), the Issuer uses internationally recognized certification standards for green buildings such as BREEAM and WELL Building Standard.</p> <p>Additionally, the Issuer measures the energy usage using third parties specialized in EPC measurement. The calculation methodology is based on the Th-BCE 2012 methodology for French assets and on the <a href="#">PEB software</a> for assets located in Belgium.</p> <p>The indicators rely on external reference, leveraging country-specific thresholds and regulations. Each unit of the project is measured, and a dedicated report is issued.</p>
<p><b>Baseline selection</b></p>	<p>The impact data is compared with relevant baselines because regionally, nationally or internationally recognized standards provide important baselines against which the green building project can be benchmarked. In this sense, the report is in line with the suggestion of the HFIR.</p>
<p><b>Scale and granularity</b></p>	<p>The impact data is presented at the project level for the indicator(s).</p>

### High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories refinanced by the bonds as disclosed in the Issuer’s Green Retail Bond Allocation and Impact Report, the impact indicator(s) adopted by Eaglestone for its green bond can be mapped to the following SDGs, according to ISS ESG SDG Solutions (SDGA), a proprietary methodology designed to assess the impact of an Issuer’s product or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Green Buildings</b></p> <p>Green building certifications (e.g., BREEAM, WELL), including the specific classification level where applicable (e.g., BREEAM Outstanding)</p>	
<p><b>Green Buildings</b></p> <p>Primary energy demand (kWh/m<sup>2</sup>)</p>	

### OPINION

*The allocation of the bond’s proceeds has been disclosed, with a detailed breakdown of the eligible project category as proposed in Eaglestone’s Green Finance Framework. Eaglestone has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. In addition, the impact indicators used align with best market practices using ICMA’s recommended metrics in the HFIR.*

## DISCLAIMER

1. Validity of the External Review ("External Review"): Valid for the bond report issued on Sept. 16, 2024.
2. ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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## ANNEX 1: Methodology

### Review of the post-issuance reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary [methodology](#).

### High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using proprietary method based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Green Retail Bond Allocation and Impact Report
- Green Finance Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Report Review has been conducted by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Eaglestone took place in September and October 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For information on report review services, contact [sposales@iss-corporate.com](mailto:sposales@iss-corporate.com).

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