



# GHELAMCO Group Green Finance Framework

November 2019

## Table of contents

- 1. Introduction..... 3**
- 1.1 About Ghelamco ..... 3
- 1.2 Ghelamco and sustainability ..... 3
- 1.3 Background of the Ghelamco Green Finance Framework..... 4
- 2. Ghelamco Green Finance Framework ..... 5**
- 2.1 Use of Proceeds ..... 5
- 2.2 Process for Project Evaluation and Selection..... 5
- 2.3 Management of Proceeds ..... 6
- 2.4 Reporting ..... 6
  - 2.4.1 Allocation of proceeds reporting ..... 6
  - 2.4.2 Impact reporting ..... 6
- 2.5 External review ..... 7
  - 2.5.1 Second Party Opinion..... 7
  - 2.5.2 Independent verification..... 7
- DISCLAIMER ..... 8

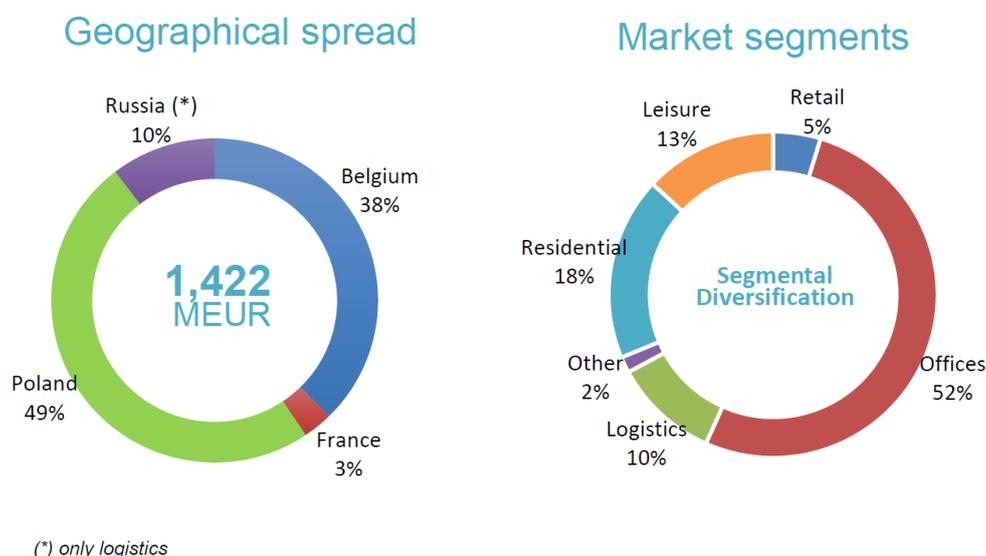
## 1. Introduction

### 1.1 About Ghelamco

Ghelamco Group Comm. VA (“Ghelamco”) is a leading European real estate investor and developer with a main focus on the office market segment. The company is further diversified by activities in the residential, retail, logistics and leisure markets. Ghelamco is active in Belgium, France, Poland and Russia with a focus on capital cities and regional central towns. Future expansion will potentially be located in the Cyprus, Luxemburg, the Netherlands and the United Kingdom. The company develops projects which combine prime and strategic locations with efficient and aesthetically inspiring designs.

Ghelamco has an unparalleled track record of growth over the past three decades and is highly recognised by the market and its peers for its top quality projects and pioneering work in the creation of sustainable and energy neutral concepts. As a development company, Ghelamco oversees and coordinates all project-development phases: land purchase, planning, construction and sale or lease.

As of June 30, 2019, Ghelamco’s investment and development portfolio has a value of EUR 1,422 million. The composition of the portfolio is as follows:



Figures 1 & 2 – Ghelamco portfolio composition

### 1.2 Ghelamco and sustainability

Ghelamco is aware of the role it plays with regard to the environment and community life, and accordingly feels it is critical to create sustainable urban solutions focussing on the sustainability and energy efficiency of its buildings through innovation and by exceeding applicable legal obligations.

Ghelamco has a strong track-record of developing sustainable and energy efficient projects in line with international sustainability standards. Back in 2010, the company developed the Trinity Park III office building, the first building that was granted a BREEAM certificate in Poland. Since 2011, all office developments are aligned with the BREEAM “Very Good” certification criteria, or even higher standards. One of its most recent projects under development, the Spectrum office building project in Brussels, is designed as a ‘Nearly Zero Energy Building’ and expected to be awarded BREEAM “Excellent” certification. The EU Energy Performance of Buildings Directive (EPBD) requires all new commercial buildings to be Nearly Zero Energy Buildings (NZEB) as of 2021, this means that Ghelamco is ahead of its time with the development of Spectrum as NZEB.

As real estate is a key sector in the transition to a sustainable and low-carbon economy, Ghelamco is committed to contribute to the United Nations' Sustainable Development Goals (SDGs). Given its consistent and ongoing focus on developing sustainable and energy efficient projects which add value to local communities, Ghelamco contributes to the following SDGs: #3 Good Health and Well Being, #6 Clean Water & Sanitation, #7 Affordable and Clean Energy, #8 Decent Work and Economic Growth, #9 Industry, Innovation and Infrastructure, #11 Sustainable Cities and Communities, #12 Responsible Consumption and Production, #13 Climate Action, and #15 Life on Land (as highlighted in figure 3 below).



Figure 3 – Ghelamco SDG contribution

### 1.3 Background of the Ghelamco Green Finance Framework

Ghelamco 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 projects in its investment and development portfolio. Under this Framework, Ghelamco can issue a variety of green finance instruments, including green bonds, green private placements, and green (syndicated) loan facilities.

The Framework provides a clear and transparent set of criteria for green finance instruments issued by Ghelamco 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.

Under this Framework, Ghelamco can issue green finance instruments at the Ghelamco Group level, Ghelamco Invest, or any of its other subsidiaries (collectively referred to as “Ghelamco”). The Ghelamco Green Finance Framework is intended to accommodate secured and unsecured transactions in various formats and currencies. Further details will be provided in the applicable announcements and transaction documentation.

Ghelamco 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 Taxonomy of sustainable economic activities and the EU Green Bond Standard (“EU GBS”) or other relevant standards and guidelines.

## 2. Ghelamco Green Finance Framework

The Ghelamco Green Finance Framework follows the core components of the voluntary process guidelines of the Green Bond Principles (GPB) 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

Ghelamco 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 projects (“**Eligible Projects**”). Eligible Projects will mainly be located in Belgium, France and Poland, potentially complemented with Cyprus, Luxembourg, the United Kingdom and the Netherlands as a result of future investments.

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

Category & SDG mapping	Eligibility Criteria	EU Taxonomy objective and economic activities
<p><b>Green Buildings</b></p>  	<p>Newly constructed, existing and refurbished buildings which have received, or are designed to receive, any of the following environmental classifications:</p> <ul style="list-style-type: none"> <li>▪ BREEAM ≥ “Excellent”</li> <li>▪ Nearly Zero Energy Building (NZEB)<sup>1</sup></li> <li>▪ LEED ≥ “Gold”</li> <li>▪ DGNB ≥ “Gold”</li> <li>▪ HQE ≥ “Excellent”</li> <li>▪ EBPB / EPC label: A<sup>2</sup></li> </ul>	<p><b>EU Environmental objective:</b></p> <ul style="list-style-type: none"> <li>▪ Climate change mitigation</li> </ul> <p><b>Economic activities:</b></p> <ul style="list-style-type: none"> <li>▪ Construction of new buildings</li> <li>▪ Renovation of existing buildings</li> <li>▪ Acquisition and ownership of buildings</li> </ul>

### 2.2 Process for Project Evaluation and Selection

The use-of-proceeds defined in this Framework regard sustainable and energy efficient projects which add value to local communities. Hence, all potential Eligible Projects first and foremost comply with environmental- and social laws and regulations as well as the policies and standards of Ghelamco which aim to manage and mitigate ethical and governance risks.

On at least an annual basis, the Ghelamco Treasury department populates an overview of potential Eligible Projects at Ghelamco Group level. The list of potential Eligible Projects is subsequently evaluated by the dedicated Ghelamco Green Finance Committee (comprising of representatives of the Managing Board and Technical teams), which verifies whether the proposed projects comply with the definition of Eligible Projects as included in paragraph 2.1 of this Framework and subsequently approves the final list of Eligible Projects.

<sup>1</sup> Nearly Zero Energy Building, as defined by local building legislation

<sup>2</sup> EBPB / EPC label: A or any other indication that the building belongs to the top 15% of the local building stock in terms of energy and greenhouse gas emissions performance

## 2.3 Management of Proceeds

The Ghelamco Treasury department 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, Ghelamco aims to allocate an amount equivalent to the net proceeds of these instruments towards a portfolio of Eligible Projects. If a specific project is divested, discontinued or does no longer meet the definition of Eligible Projects as included in paragraph 2.1, it will be removed from the portfolio of Eligible Projects. In such a scenario, Ghelamco will strive to replace the project with another Eligible Project as soon as reasonably practicable. Ghelamco aims to ensure that the total volume of issued green finance instruments will not exceed the value of portfolio of Eligible Projects at Ghelamco Group level.

Pending the allocation of the net proceeds of issued green finance instruments to the portfolio of Eligible Projects, or in case insufficient Eligible Projects are available, Ghelamco will manage the unallocated proceeds in line with its regular treasury criteria.

The allocation of the net proceeds of issued green finance instruments to Eligible Projects will be reviewed and approved by the dedicated Ghelamco Green Finance Committee 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, Ghelamco will report to investors on the allocation of the net proceeds of issued green finance instruments to its portfolio of Eligible Projects. 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 Projects, including information of the composition of the of the portfolio of Eligible Projects and a breakdown by geographical area (country level)
- a breakdown of the allocation of proceeds in terms of new financing and refinancing (i.e. share of allocation to projects under construction and share of allocation to existing projects)
- the amount of unallocated proceeds, if any

### 2.4.2 Impact reporting

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

- an overview of Eligible Projects and their environmental classification (i.e. BREEAM, NZEB, LEED, DGNB, HQE and/or EBPD / EPC), including the specific classification level where applicable (e.g. “Excellent”).
- selected case studies of Eligible Projects

The allocation- and impact reporting will be made publicly available on the Investor Relations section of the [Ghelamco corporate website](#).

## 2.5 External review

### 2.5.1 *Second Party Opinion*

Prior to the inaugural issuance under this Framework, Ghelamco has commissioned Sustainalytics to provide a Second Party Opinion for its Green Finance Framework. Sustainalytics reviewed the Ghelamco Green Finance Framework and issued a Second Party Opinion which concluded that the Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018.

The Second Party Opinion is available on the investor relations section of the [Ghelamco corporate website](#).

### 2.5.2 *Independent verification*

Ghelamco 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

Ghelamco Group Comm. VA is a limited partnership (“commanditaire vennootschap op aandelen”) registered under Belgian law, with its registered office at Zwaanhofweg 10, 8900 Ypres, Belgium. The Company is registered in the Belgian commercial register under the number BE 0879.623.417.

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

This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Ghelamco Group and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Ghelamco Group as to the fairness, accuracy, reasonableness or completeness of such information. This Framework may contain statements about future events and expectations that are forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework.

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. Ghelamco Group has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with the Ghelamco 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 Ghelamco Group fails to adhere to this Framework, whether by failing to fund or complete Eligible Projects, 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 Projects 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 Projects 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 Projects. Each environmentally focused potential investor should be aware that Eligible Projects may not deliver the environmental or sustainability benefits anticipated, and may result in adverse impacts.

This Framework does not constitute a recommendation regarding any securities of Ghelamco Group. This Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by Ghelamco Group. In particular, neither this document nor any

other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase or otherwise 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.