

Wereldhave  
BELGIUM

Green Finance Framework  
September 2020



# 1. Introduction

## 1.1 Company Profile:

Founded in 1972, Wereldhave Belgium is a public regulated real estate company with a focus on commercial property in Belgium. Wereldhave Belgium targets its new investments on shopping centres and retail parks in Belgium and in the Grand Duchy of Luxemburg. The value of the real estate portfolio, including project developments, amounted to €936.5 mln on 30 June 2020. On 30 June 2020 the existing operational retail portfolio amounted to €845 mln (around 90% of the total portfolio) and it includes amongst others shopping centres in Liège, Nivelles, Tournai, Genk and Kortrijk and retail parks in Brugge, Turnhout and Tournai. In addition, the portfolio of real estate investments includes offices in Vilvoorde and Antwerp.

Wereldhave Belgium wants to create value through the active management of its retail properties and the (re)development of it for its own portfolio. With the help of its own employees, Wereldhave Belgium maintains direct contact with its lessees. This is how Wereldhave is informed at an earlier stage of any issues experienced by the lessees and how it acquires up-to-date market information. The knowledge gained as a result is also used in the context of project development.

Since 27 October 2014, Wereldhave Belgium has been a public regulated real estate company (RREC). Wereldhave Belgium Services N.V., a 100% subsidiary of Wereldhave Belgium, acts as a real estate manager for the real estate investment portfolio. The Wereldhave Belgium shares are traded on the Euronext continuous stock exchange in Brussels. On 30 June 2020, Wereldhave N.V. and Wereldhave International N.V., Schiphol, directly or indirectly held 66.53% of the shares.

## 1.2 Wereldhave Belgium Corporate Social Responsibility

Since 2013, the company has actively conducted monitoring and communication activities aimed at making the portfolio more sustainable, raising awareness within the company and encouraging the engagement of its stakeholders. This is a concerted effort together with initiatives taken at the level of Wereldhave Group.

In the past five years, expertise has been acquired and shared between the different countries. Today, the Wereldhave Group is recognised as one of the leaders in the real estate sector. For example, it was included in the top 20% of GRESB with a score of 91/100, giving us a 5-star label. On top of that, for the third year in a row, Wereldhave Belgium received the EPRA Gold Award for its Financial & Sustainability Report 2018.

In this context, a distinction should be made between the Wereldhave Group and Wereldhave Belgium. Wereldhave Belgium implements goals defined together with the other entities of the group, while also supplementing them for its own portfolio. Since 2016, the CSR report has been integrated into the annual report. Since the Wereldhave parent company is GRI compliant, reference is made to Wereldhave Belgium's annual report.

Wereldhave renewed its CSR program in 2019 to further integrate sustainability into its business strategy. The defined objective is that the retail assets emit less CO<sub>2</sub> and waste. The objective is also to support the local communities where the company operates. The 2030 CSR program – **A Better Tomorrow** – therefore focuses on three areas:

### Better Footprint

- We'll have all common areas operate at net zero carbon by 2030
- We'll reduce waste and use more circular solutions
- We'll also help tenants and visitors to reduce their own waste and carbon leading to a net zero value chain by 2050

### **Better Nature**

- We'll strengthen our buildings' resilience to climate risk
- We'll help protect urban wildlife living close to our centers

### **Better Living**

- We'll make sure our centers are safe and pleasant places to be and work
- We'll help employees thrive both personally and professionally
- We'll make a positive social impact in local communities.

We have set clear ambitions for each area and have aligned these ambitions with specific UN Sustainable Development Goals (SDGs). A Better Tomorrow will improve our environmental management and reduce waste and CO<sub>2</sub>, strengthen our investments in local communities, and protect urban flora and fauna. We see CSR as a value proposition for both our tenants and visitors.

## **2. Wereldhave Belgium Green Finance Framework**

Wereldhave Belgium has established this Green Finance Framework under which the company intends to issue Green Finance Instruments, which may include bonds, loans, private placements and any other green finance instruments, to finance and/or refinance sustainable products or projects with a clear benefit to environment and/or society. As such, Wereldhave Belgium intends to issue Green Finance Instruments under this Green Finance Framework, and not under the Wereldhave (Group) Green Finance Framework.

The International Capital Markets Association (“ICMA”) Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of green financing instruments. The Wereldhave Belgium Green Finance Framework follows the ICMA Green Bond Principles (hereafter “GBP”) 2018 edition<sup>1</sup> as well as the LMA Green Loan Principles (GLP) 2020 edition<sup>2</sup>, which provides guidelines in the form of five core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External review

As both the Green Bond Principles, Green Loan Principles and the green financing market overall are evolving rapidly, this Green Finance Framework shall be monitored, updated or expanded in the future. Any future updated version of this Framework will either keep or improve the current levels of transparency and reporting disclosures.

## **3. Use of Proceeds**

Wereldhave Belgium 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”) in Belgium.

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.

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<sup>1</sup> <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf>

<sup>2</sup> [https://www.lma.eu.com/application/files/1815/8866/8537/Green\\_Loan\\_Principles\\_V03.pdf](https://www.lma.eu.com/application/files/1815/8866/8537/Green_Loan_Principles_V03.pdf)

GBP / GLP category	Eligible category description	UN SDGs	EU Environmental Objective
Green Buildings	<p>Newly constructed, existing and renovated commercial buildings <i>in Belgium</i> which meet one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>BREEAM New Construction, Refurbishment and Fit Out, or In-Use ≥ “Very Good” certified</li> <li>EPBD Energy Performance Certificate (EPC) with a minimum Energy Performance label of “A”</li> <li>Renovation that will achieve, or has achieved, energy savings of at least 30% in comparison to the baseline energy performance of the building</li> </ul>	  	<ul style="list-style-type: none"> <li><b>EU Environmental Objective (1):</b> Climate Change Mitigation</li> <li><b>Economic Activities:</b> <ul style="list-style-type: none"> <li>26.2 Construction of new buildings</li> <li>26.3 Renovation of existing buildings</li> <li>26.5 Acquisition and ownership of buildings</li> </ul> </li> </ul>

#### 4. 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 Belgium’s policies and standards which aim to manage and mitigate environmental, social and governance risks. These include, but are not limited to, the Wereldhave Belgium Sustainable Supplier Code and Responsible Maintenance Strategy. The environmental and social policies can be found on the company’s website: <https://www.wereldhavebelgium.com/en/sustainability>

On at least an annual basis, the Wereldhave Belgium’s Head of Building and Maintenance and Group CSR Manager review existing and potential Eligible Assets. Subsequently, the Wereldhave Belgium Effective leaders (consisting of CEO and CFO) verify whether the proposed assets comply with the definition of Eligible Assets as included in paragraph 3 of this Framework and subsequently approves the final list of Eligible Assets.

#### 5. Management of Proceeds

The proceeds of the Green Finance instruments will be managed by Wereldhave Belgium in a portfolio approach.

Wereldhave Belgium intends to allocate the proceeds from the Green Finance instruments to an Eligible Green Asset Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above.

Wereldhave Belgium will strive, over time, to achieve a level of allocation for the Eligible Green Asset Portfolio which, after adjustments for intervening circumstances matches or exceeds the balance of net proceeds from its outstanding Green Finance instruments. Additional Eligible Green Assets will be added to the Issuer’s Eligible Green Asset Portfolio to the extent required to ensure that the net proceeds from outstanding Green Finance instruments will be allocated to Eligible Green Assets.

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 Belgium Effective leaders (consisting of CEO and CFO) on at least an annual basis, until full allocation of the net proceeds of issued green finance instruments.

Whilst any net proceeds of the Green Finance instruments remain unallocated, Wereldhave Belgium will hold and/or invest, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments or to pay back a portion of its outstanding indebtedness, the balance of net proceeds not yet allocated to the Eligible Green Asset Portfolio.

## 6. Reporting

Wereldhave Belgium intends to make and keep readily available reporting, covering the allocation of net proceeds to the Eligible Green Asset Portfolio and, wherever feasible, reporting on the impact of the Eligible Green Asset Portfolio, at least at the category level. Reporting shall be renewed at least annually or until the maturity of all outstanding Green Finance instruments.

Wereldhave Belgium intends to provide aggregated reporting for all of Wereldhave Belgium's Green Finance instruments. Reports will be made publicly available on Wereldhave Belgium's [Corporate website](#).

Wereldhave Belgium will align, on a best effort basis, the reporting with the portfolio approach described in "Handbook – Harmonized Framework for Impact Reporting (April 2020)."

### 6.1 Allocation Reporting

To the extent practicable, Wereldhave Belgium will provide:

- 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 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

### 6.2 Impact Reporting

Where feasible, the report may include information indicating the impact of the Eligible Assets on an aggregated level:

- 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/m<sup>2</sup>) (scope 1 and 2)
- Carbon intensity of the Eligible Assets (in kg CO<sub>2</sub>e/m<sup>2</sup>) (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

## 7. External Review

### 7.1 *Second Party Opinion (pre issuance)*

This Wereldhave Belgium Green Finance Framework has been reviewed by ISS-ESG who has issued a Second Party Opinion. The Second Party Opinion as well as the Green Finance Framework will be made publicly available on Wereldhave Belgium's [Corporate website](#).

### 7.2 *Verification (post issuance)*

Wereldhave Belgium intends to request a verification by its external statutory auditor (KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren or any subsequent external auditor) or a management statement on the allocation of the proceeds of the Green Finance instruments to the Eligible Green Asset Portfolio.

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