

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Asset Pool

Wereldhave Belgium N.V.
16 September 2020

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Finance Instruments
Relevant standards	<ul style="list-style-type: none">• ICMA Green Bond Principles• LMA Green Loan Principles
Scope of verification	<ul style="list-style-type: none">• Wereldhave Belgium's Green Finance Framework (as of 01.09.2020)• Wereldhave Belgium's Green Asset Portfolio (as of 01.09.2020)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• Until material modifications

CONTENTS

Overall Evaluation of the Green Finance Programme	3
ISS ESG ASSESSMENT SUMMARY	3
Contribution of the Green Instruments to the UN SDGs	4
ISS ESG SPO ASSESSMENT	5
PART I: GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES	5
PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL.....	9
Green commercial real estate.....	9
PART III: ASSESSMENT OF WERELDHAVE N.V.'S ESG PERFORMANCE.....	11
ANNEX 1: ISS ESG Corporate Rating.....	13
ANNEX 2: Methodology	18
ANNEX 3: Quality management processes	19
About ISS ESG SPO	20

Overall Evaluation of the Green Finance Programme

Wereldhave Belgium N.V. (“Wereldhave Belgium”) commissioned ISS ESG to assist with its Green Finance Programme by assessing three core elements to determine the sustainability quality of the Programme:

1. Wereldhave Belgium’s Green Finance Framework – benchmarked against the ICMA’s Green Bond Principles (GBPs) and the LMA’s Green Loan Principles (GLPs).
2. The asset pool – whether the projects aligned with ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).
3. Wereldhave N.V.¹’s sustainability performance, according to the ISS ESG Corporate Rating.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
Part 1: Performance against GBPs and GLPs	The issuer has defined a formal concept for its Green Finance Instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs and the LMA GLPs.	Positive
Part 2: Sustainability quality of the asset pool	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Green KPIs. The Green KPIs contain a clear description of eligible asset categories which include commercial green buildings. All assets of the asset pool are located in Belgium, a highly regulated and developed country. Legislative frameworks in this country set minimum standards, which reduce environmental and social risks.	Positive
Part 3: Issuer sustainability performance	Wereldhave N.V. shows a good sustainability performance and has been given a rating of C+, which classifies it as Prime by the methodology of the ISS ESG Corporate Rating. It is rated 17 th out of 359 companies within its sector as of 16.09.2020. This equates to a high relative performance, with a Decile Rank ³ of 1.	Status: Prime Rating: C+ Decile Rank: 1

¹ Wereldhave Belgium N.V. is a company controlled by a major shareholder Wereldhave N.V.

² The ISS ESG’s present evaluation will remain valid until any material modification of the Green Finance Framework and as long as the Corporate Rating does not change (last modification on the 17.09.2019). The controversy check of the underlying assets has been conducted on the 03.09.2020.

³ Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.

Contribution of the Green Finance Programme to the UN SDGs

Based on the assessment of the sustainability quality of the green finance asset pool and using a proprietary methodology, ISS ESG assessed the contribution of Wereldhave Belgium’s Green Finance Programme to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):



The instrument Use of Proceeds category has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Commercial Green Buildings	Significant Contribution	

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

1. 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.

GBP / GLP CATEGORY	ELIGIBLE CATEGORY DESCRIPTION	EU ENVIRONMENTAL OBJECTIVE ⁴
Green Buildings	<p>Newly constructed, existing and renovated commercial buildings in Belgium 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 	<ul style="list-style-type: none"> • EU Environmental Objective (1): Climate Change Mitigation • Economic Activities: <ul style="list-style-type: none"> ○ 26.2 Construction of new buildings ○ 26.3 Renovation of existing buildings ○ 26.5 Acquisition and ownership of buildings

Opinion: ISS ESG considers the Use of Proceeds description provided by Wereldhave Belgium’s Green Finance Framework as complete and aligned with the GBPs and the GLPs. Expected Environmental benefits are described. Wereldhave Belgium refers to the EU Environmental Objectives reflecting best market practices.

⁴ ISS ESG did not review that the selected use of proceeds categories aligned with the EU Environmental Objectives.

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 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](#).

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 the *Use of Proceeds* paragraph and subsequently approves the final list of Eligible Assets.

Opinion: ISS ESG considers the *Process for Project Evaluation and Selection* description provided by Wereldhave Belgium's Green Finance Framework as complete and aligned with the GBPs and the GLPs. Additionally, Wereldhave Belgium involve different stakeholders in the selection process, reflecting best market practices.

3. 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.

Opinion: ISS ESG finds that *Management of Proceeds* proposed by Wereldhave Belgium is well aligned with the GBPs and the GLPs. As the issuer intendance to fully allocate the proceeds at issuance, no expected allocation period is defined.

4. 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 intends to provide aggregated reporting for all of Wereldhave Belgium's Green Finance instruments. 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)."

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

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/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

Opinion: ISS ESG finds that the reporting proposed by Wereldhave Belgium is in line with the GBPs and the GLPs. The expected allocation and impact reporting is well described and reflect best market practices.

External review

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](#).

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.

PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

Green commercial real estate

Sustainability Benefits and Risks of the Asset Category

Green buildings are beneficial from an environmental point of view as they contribute to climate protection through optimised energy efficiency and air quality. Further, green buildings help to conserve natural resources and reduce environmental impact through the reduction of waste and wastewater. From a social point of view, green buildings can improve occupant health and comfort.

At the same time, there are possible sustainability risks that need to be taken into account. Possible social risks stem from working conditions at construction sites, the integration of new buildings into the social context and the safety of building users. Environmental risks stem from impacts on biodiversity at the planning stage, as well as from poor resource efficiency during construction phase and at the use stage.

All assets selected under the Green Finance Framework are located in Belgium, a highly-regulated and developed country.

Association of the Asset Category with the SDGs

As a Use of Proceeds category, green commercial real estate has a significant contribution to the SDG 11 “Sustainable cities and communities”, when receiving BREAM “Very Good” certification.

ASSESSMENT AGAINST ISS ESG KPI

Prerequisite for Green Buildings

- ✓ 100% of projects underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency.

Site selection

- ✓ The issuer has policies in place on responsible site selection (e.g. brownfield development, exclusion of protected areas and sites of high environmental value). Additionally, the assets are based in Belgium where high biodiversity standards are in place.
- ✓ 100% of the assets are located within 1 km from one or more modalities of public transport.

Construction standards

- ✓ 100% of projects are located in Belgium where high labour and health and safety standards are in place (e.g. ILO core conventions).

- ✓ 100% of assets provide for sustainable procurement regarding building materials (e.g. recycled materials, third-party certification of wood-based materials).

Water use minimization in buildings

- ✓ 100% of assets provide for measures to reduce water consumption (e.g. water metering, high-efficiency fixtures and fittings, rainwater harvesting).

Safety of building users

- ✓ 100% of assets provide for measures to ensure operational safety, according to the Belgian Building Decree (e.g. emergency exits, fire sprinklers, fire alarm systems).
- ✓ 100% of assets received BREEAM 'Very Good' certification.

Controversy assessment

A controversy assessment was conducted and revealed no controversies on the assets.

PART III: ASSESSMENT OF WERELDHAVE N.V.'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides a rating and then designates a company as 'Prime⁵' or 'Not Prime' based on its performance relative to the industry sector. It is also assigned a Decile Rank, indicating this relative industry group performance, with 1 indicating a high relative ESG performance, and 10 a low relative ESG performance.

COMPANY	STATUS	Rating	DECILE RANK
WERELDHAVE N.V.	PRIME	C+	1

This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by ISS ESG. In ISS ESG's view, the securities issued by the company therefore meet the basic requirements for sustainable investments.

Although the ISS ESG Corporate Rating is on the level of Wereldhave N.V., it should be noted here that there is a clear link between Wereldhave N.V. and Wereldhave Belgium N.V.. Wereldhave Belgium N.V. is a company controlled by a major shareholder Wereldhave N.V.. Wereldhave Belgium N.V. implements (sustainability) goals defined together with the other entities of the group, while also supplementing them for its own portfolio.

As of 16.09.2020, this rating places Wereldhave N.V. 17th out of 359 companies rated by ISS ESG in the Real Estate sector.

Key Challenges facing companies in term of sustainability management in this sector are:

- Green building considerations
- Climate protection, energy efficiency and renewables
- Environmental and social aspects in site selection
- Worker safety and accident prevention
- Health and well-being of occupants

In five of the key issues, Wereldhave N.V. rates above the average for the sector. A very significant outperformance was achieved in "Climate protection, energy efficiency and renewables" and "Environmental and social aspects in site selection".

The company does not face any controversy.

Details on the rating of the issuer can be found in Annex 1.

⁵ Prime is only awarded to the top sector performers, often less than 10% of companies within the respective sector.

DISCLAIMER

Validity of the SPO: This SPO is valid until material modifications to Wereldhave Belgium N. V.'s Green Finance Framework and on the basis of the information received as the date of issuance. Future modifications to Wereldhave's ESG Corporate Rating and changes to the asset portfolio are out of scope of the present SPO.

1. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
2. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
3. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
4. We would point out that this SPO, in particular the images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are protected under copyright and trademark law. Any use thereof shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

The issuer that is the subject of this report may have purchased self-assessment tools and publications from ISS Corporate Solutions, Inc. ("ICS"), a wholly-owned subsidiary of ISS, or ICS may have provided advisory or analytical services to the issuer. No employee of ICS played a role in the preparation of this report. If you are an ISS institutional client, you may inquire about any issuer's use of products and services from ICS by emailing disclosure@issgovernance.com.

This report has not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. While ISS exercised due care in compiling this report, it makes no warranty, express or implied, regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes. In particular, the research and scores provided are not intended to constitute an offer, solicitation or advice to buy or sell securities nor are they intended to solicit votes or proxies.

ISS is an independent company owned by entities affiliated Genstar Capital ("Genstar"). ISS and Genstar have established policies and procedures to restrict the involvement of Genstar and any of Genstar's employees in the content of ISS' reports. Neither Genstar nor their employees are informed of the contents of any of ISS' analyses or reports prior to their publication or dissemination. The issuer that is the subject of this report may be a client of ISS or ICS, or the parent of, or affiliated with, a client of ISS or ICS.

© 2020 | Institutional Shareholder Services and/or its affiliates

ANNEX 1: ISS ESG Corporate Rating

The following pages contain extracts from Wereldhave N.V. 2020 ISS ESG Corporate Rating.

Wereldhave N.V.

Corporate ESG Performance
Prime
 RATED BY
ISS ESG

Company Information

Country
Netherlands

ISIN
NL0000289213

Industry
Real Estate

Key Results

Rating
C+

Decile Rank
1

Transparency Level
Very High

Status
Prime

Performance score
58.94

Prime Threshold
C

Absolute Rating

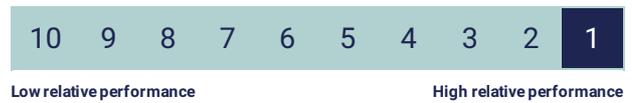


The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively.

Transparency Level



Decile Rank

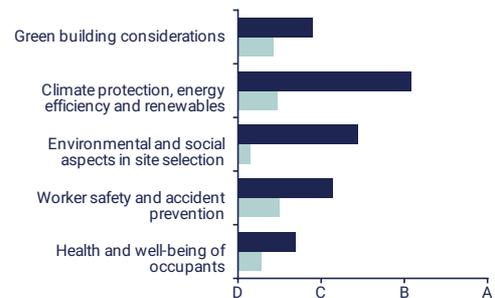


Industry Leaders

Company name (in alphabetical order)	Country	Grade
Gecina S.A.	FR	B-
Mercialys	FR	B-
Unibail-Rodamco-Westfield SE	FR	B

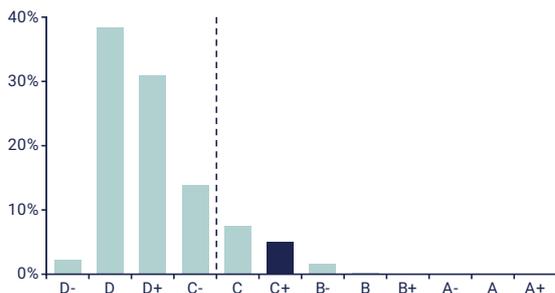
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance



Distribution of Ratings

359 companies in the industry



Rating History



Wereldhave N.V.

Analyst Opinion

Sustainability Opportunities

Apart from providing local employment opportunities, Wereldhave's property portfolio does not comprise real estate properties with a high social benefit such as favourable lease conditions for tenants with a social focus. However, on the environmental side, at the end of 2018, more than 60% of the company's total floor area was estimated to be certified to the green building standard BREEAM. In comparison to the industry average, the percentage is outperforming.

Sustainability Risks

For a real estate company also active in property development, the main sustainability issues include the health and safety of employees, contractors and tenants, resource efficiency of buildings and climate change related risks. Wereldhave does not demonstrate comprehensive strategies to manage the health and safety of employees and contractors, nor have systematic measures been implemented to protect tenants against exposure to e.g. physical, chemical and biological factors, as well as to improve their well-being and security. However, as the company is only active in countries with high social standards and some of these elements are also part of BREEAM certification, its exposure to these risks is considered to be limited.

Regarding the issue of climate change, Wereldhave has set itself greenhouse gas emission and energy reduction targets, and monitors progress towards these targets through environmental audits and the implementation of energy plans for each asset. In addition, measures to improve the energy efficiency of buildings such as installation of LED lighting, photovoltaic panels and procurement of green electricity are implemented. These, however, are not embedded in building design guidelines, nor have they systematically been implemented across the property portfolio. Regarding its tenants, Wereldhave proactively works to promote their environmental awareness by including environmental clauses in its leases.

Governance Opinion

Wereldhave's shareholder structure is dispersed. The largest shareholder is the venture capital firm Van Herk Investments (15% as at August 31, 2019). As far as its governance structure is concerned, separation of managerial and supervisory functions is ensured as all board members are independent. In addition, the chair of the board (Adriaan Nuhn as at July 29, 2019) is independent and independent committees in charge of audit, remuneration and nomination are in place. The compensation scheme is publicly disclosed for some members of the executive management team on an individual basis and sub-divided according to relevant components.

Regarding the company's governance of sustainability, there is no indication of the existence of an independent sustainability committee on board level. In terms of remuneration, the company's remuneration policy includes relevant sustainability performance objectives for the executive management team, specifying that 10% of short term variable remuneration is based on achieving a GRESB Green Star rating, an industry initiative evaluating the sustainability performance of real estate portfolios. This is a good reflection of the company's commitment to integrate sustainability criteria into its business planning. Finally, the company's code of business ethics covers all important aspects such as corruption, antitrust violation, insider dealings and conflicts of interest and requires its employees to confirm in writing that they have read and understood the code. Even though the company has implemented some compliance procedures such as compliance training and confidential reporting channels, it remains unclear whether further measures to ensure ethical business conduct such as procedures to ensure whistleblower protection and comprehensive compliance training, are in place.

Wereldhave N.V.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Controversial Business Practices - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

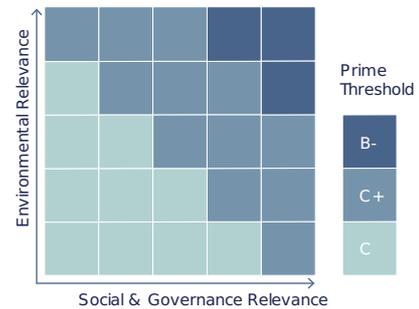
Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Wereldhave N.V.

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 2: Methodology

ISS ESG Green KPIs

The ISS ESG Green KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Wereldhave Belgium’s Green Finance Instruments.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Wereldhave Belgium (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association 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 a proprietary method, ISS ESG identifies the extent to which Wereldhave Belgium’s Green Finance Instrument contributes to related SDGs.

ANNEX 3: Quality management processes

SCOPE

Wereldhave Belgium commissioned ISS ESG to compile a Green Finance SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the ICMA Green Bond Principles and LMA Green Loan Principles and to assess the sustainability credentials of its Green Finance Instrument, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- LMA Green Loan Principles
- ISS ESG KPI set: Commercial Buildings

ISSUER'S RESPONSIBILITY

Wereldhave Belgium's responsibility was to provide information and documentation on:

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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.

ISS ESG has conducted this independent Second Party Opinion of the Green Finance Framework to be issued by Wereldhave Belgium based on ISS ESG methodology and in line with the ICMA Green Bond Principles and LMA Green Loan Principles.

The engagement with Wereldhave Belgium took place in September 2020.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour 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 ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, contact:

Federico Pezzolato

SPO Business Manager EMEA/APAC

Federico.Pezzolato@isscorporatesolutions.com

+44.20.3192.5760

Miguel Cunha

SPO Business Manager Americas

Miguel.Cunha@isscorporatesolutions.com

+1.917.689.8272

For Information about this Green Finance SPO, contact: SPOOperations@iss-esg.com

Project team

Project lead

Marine Durrieu
Analyst
ESG Consultant

Project support

Melanie Comble
Associate
Head of SPO Operations

Project supervision

Viola Lutz
Associate Director
Deputy Head of Climate Services