

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Financing Framework

KLEPIERRE

26 July 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green financing instruments

Relevant standards

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles (GLP), as administered by the Loan Market Association (LMA) (as of February 2023)
- EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)

Scope of verification

- Klépierre Green Financing Framework (as of July 26, 2024)
- Klépierre Eligibility Criteria (as of July 26, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

Klépierre (“the Issuer” or “the Company”) commissioned ISS-Corporate to assist with its green financing instruments by assessing four core elements to determine the sustainability quality of the instruments:

- Klépierre’s Green Financing Framework (as of July 26, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and the Loan Market (LMA) Green Loan Principles (GLP).
- The Eligibility Criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
- The alignment of the project categories with the EU Taxonomy on a best-effort basis¹ — whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including Substantial Contribution to Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Safeguards requirement as included in the EU Taxonomy Delegated Act (as of June 2023).²
- Consistency of the green finance instruments with Klépierre’s Sustainability Strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

¹ While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a “best efforts basis.”

² Commission Delegated Regulation (EU) 2021/2139 of June 2021, [URL https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139).

KLÉPIERRE OVERVIEW

Klépierre SA operates as a real estate investment trust, which focuses on shopping centers. It operates in the following geographical segments: France-Belgium, Italy, Scandinavia (Norway, Sweden and Denmark), Iberia (Spain and Portugal), Central Europe (Poland and Czechia), the Netherlands, Germany, Turkey and Greece. Its portfolio notably includes Val d'Europe and Créteil Soleil (France), Hoog Catharijne (Netherlands), Porta di Roma (Italy), Field's (Denmark), Novy Smichov (Czech Republic), Oslo City (Norway) or Plenilunio (Spain). The company was founded in November 1990 and is headquartered in Paris.



ESG risks associated with the Issuer Industry

Klépierre is classified in the real estate industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies³ in this industry are green building considerations, climate protection, energy efficiency and renewables, environmental and social aspects in the site selection, worker safety and accident prevention, and health and well-being of occupants.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

³ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁴
<p>Part I:</p> <p>Alignment with GBP/GLP</p>	<p>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 GBP and GLP.</p>	<p>Aligned</p>
<p>Part II:</p> <p>Sustainability quality of the eligibility criteria</p>	<p>The green finance instruments will (re)finance the following eligible asset categories:</p> <p>Green categories: Green Buildings, Renewable Energy, and Clean Transportation</p> <p>Product and/or service-related use of proceeds categories⁵ individually contribute to one or more of the following SDGs:</p>  <p>Process-related use of proceeds categories⁶ individually (i) improve the Issuer's/Borrower's operational impacts and (ii) mitigate potential negative externalities of the Issuer's/Borrower's sector on one or more of the following SDGs:</p>  <p>The environmental and social risks associated with the use of proceeds categories are managed.</p>	<p>Positive</p>

⁴ The evaluation is based on Klépierre's Green Financing Framework, on the analyzed Eligibility Criteria as received on July 26, 2024.

⁵ Green Buildings, Renewable Energy and Clean Transportation

⁶ Green Buildings

<p>Part III: Alignment with EU Taxonomy</p>	<p>Klépierre’s project characteristics, due diligence and policies have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act of June 2023) on a best-effort basis⁷. The nominated project categories are considered to be:</p> <ul style="list-style-type: none"> ▪ Aligned with the Climate Change Mitigation Criteria ▪ Aligned with the Do No Significant Harm Criteria ▪ Aligned with the Minimum Safeguard requirements 	<p>Aligned</p>
<p>Part IV: Consistency of the green finance instruments with Klépierre’s sustainability strategy</p>	<p>The key sustainability objectives and the rationale for issuing green bonds and green loans are clearly described by the Issuer. All project categories financed are in line with the Issuer’s sustainability objectives.</p>	<p>Consistent with Issuer’s sustainability strategy</p>

⁷ While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis."

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of the Klépierre’s Green Financing Framework (as of July 26, 2024) with the GBP and GLP.

GREEN BOND PRINCIPLE AND GREEN LOAN PRINCIPLES	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by Klépierre’s Green Financing Framework is aligned with the GBP and GLP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP and GLP.</p> <p>Criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described.</p> <p>The Issuer defines a lookback period of two years for CapEx, in line with best market practice.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Klépierre’s Green Financing Framework is aligned with the GBP and GLP.</p> <p>The project selection process is defined, and ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer’s sustainability strategy.</p> <p>The Issuer involves various stakeholders in this process, in line with best market practice.</p> <p>The Issuer identifies alignment of its Green Bond Framework and green projects with the EU Taxonomy and references any green standards or</p>

		certification used, in line with best market practice.
3. Management of Proceeds	✓	<p>The Management of Proceeds provided by Klépierre’s Green Financing Framework is aligned with the GBP and GLP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects and are tracked appropriately. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer has defined an expected allocation and reallocation period of 24 months each.</p>
4. Reporting	✓	<p>The allocation and impact reporting provided by Klépierre’s Green Financing Framework is aligned with the GBP and GLP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. Klépierre has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the project portfolio level. Moreover, the Issuer commits to report annually as long as the green bond(s) are outstanding.</p> <p>The Issuer is transparent on the level of impact reporting and the information reported, and further defines the duration, scope, and frequency of the impact reporting, in line with best market practice.</p> <p>The Issuer commits to having the allocation report audited by an external party, in line with best market practices.</p>

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE U.N. SDGs⁸

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- Specific products/services
- Improvements of operational performance



1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:



Each of the green finance instruments' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p><i>Acquisition and ownership of new or existing shopping centers that comply with one of the following criteria:</i></p>	<p>Contribution</p>	 

⁸ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

- *Technical screening criteria⁹ and minimum social safeguards set out in the EU Taxonomy Regulation, mainly inter alia:*
 - *Buildings built before Dec. 31, 2020: EPC label “A” or belonging to the top 15% in primary energy demand (PED)*
 - *Buildings built after Jan. 1, 2021: PED 10% below locally applicable Nearly Zero energy building (NZEB) requirements*
- *CRREM energy efficiency threshold for shopping centers in the relevant country 5 years ahead (the applicable threshold is the energy intensity threshold as of green bond reporting year +5 years in kWh_{Finalenergy}/m²/year).¹⁰*

Green Buildings

Acquisition and Ownership of new or existing shopping centers that comply with the following criteria:

- *BREEAM “In-use” certification ≥ “Excellent” or equivalent certification*

Renewable Energy

Investments in installation and operation of new or existing renewable energy technologies (e.g., on-site solar photovoltaic systems, heat pumps) which comply with the Technical Screening Criteria¹¹ and minimum social safeguards set out in the EU Taxonomy Regulation.

Clean Transportation

Investments and expenditures to promote sustainable transportation modes (e.g., electric vehicle charging infrastructure and bicycle parking) which comply with the Technical



⁹ See Appendix 1 of Klépierre’s Green Financing Framework for the comprehensive criteria that align with the Technical Screening Criteria for Climate Change Mitigation of Activity 7.7.

¹⁰ See Appendix 2 of the Green Klépierre’s Green Financing Framework for the comprehensive criteria.

¹¹ The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of EU Taxonomy for Activity 7.6.

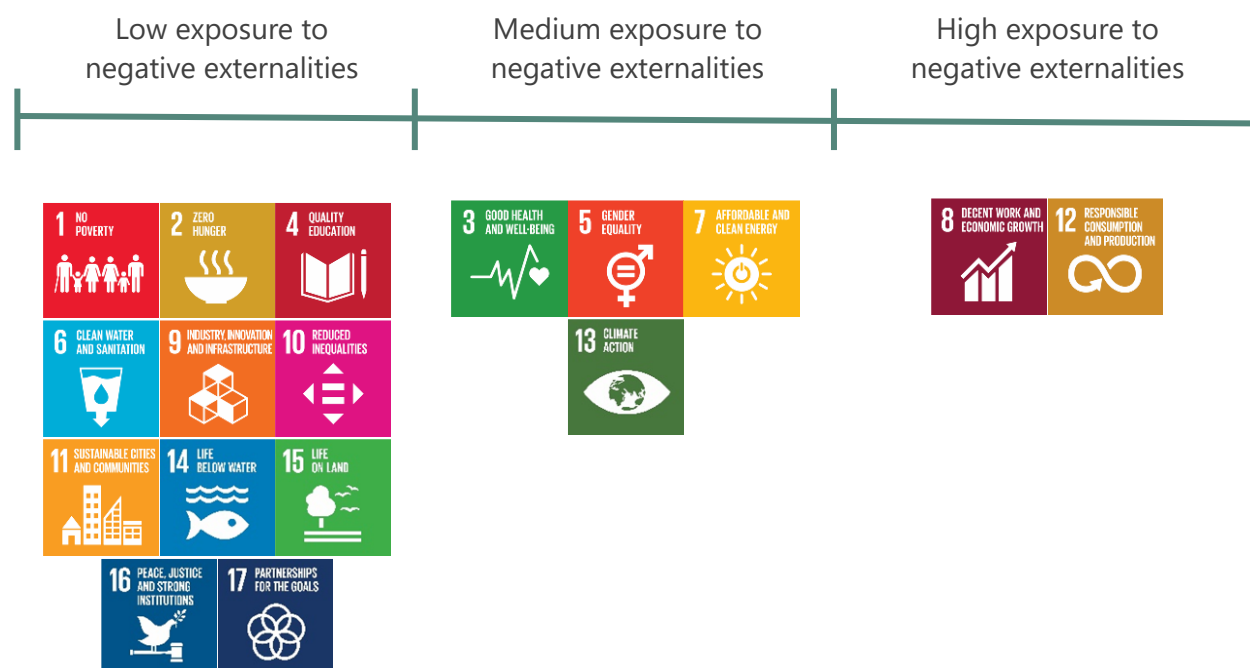
Screening Criteria¹² and minimum social safeguards set out in the EU Taxonomy Regulation.



2. Improvements of operational performance (processes)

The below assessment aims to qualify the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related U.N. SDGs impacted. The assessment displays how the UoP categories mitigate the exposure to the negative externalities relevant to the Issuer’s business model and sector.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities in the real estate sector (to which Klépierre belongs) are the following:





The table below displays the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

¹² The Issuer confirms the alignment with Substantial Contribution Criteria to Climate Change Mitigation of EU Taxonomy for Activity 7.4.

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Sustainability Quality of the Issuer
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USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ¹³	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings – Renovation</p> <p><i>Renovation of shopping centers that comply with the following criteria:</i></p> <ul style="list-style-type: none">▪ <i>BREEAM “Refurbishment and Fit Out” ≥ “Excellent” or any equivalent certification</i>	<p>✓</p>	 

¹³ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

The table below evaluates the eligibility criteria against issuance-specific KPIs. All assets are/will be located in France, Belgium, Italy, Norway, Sweden, Denmark, Spain, Portugal, the Netherlands, Germany, Poland, Czechia, Greece and Turkey.

ASSESSMENT AGAINST KPIs

Green Buildings

Conservation and biodiversity management

The Issuer has measures in place systematically ensuring that assets financed under this framework undergo environmental impact assessments at the planning stage:



Klépierre, committed to having its assets BREEAM-certified, assesses biodiversity in compliance with the certification requirements. These include the assessment of impacts on biodiversity and the undertaking of the appropriate mitigation measures. The Issuer's action in favor of biodiversity considers unique local conditions. Ecologists and landscape architects are involved in design and development activities to guide developers through existing ecosystems and select the adequate species to protect local wildlife. As part of the Issuer's target to achieve net zero land use for all its shopping center development projects, no new developments on greenfield land will be built under this Framework. Instead, activities are planned to take place on brownfields such as parking lots, roads and existing buildings.

Environmental aspects of construction (or production) and operation

The Issuer has measures in place systematically ensuring that assets financed under this framework obtained at least BREEAM "Very Good".



In 2019, the Issuer committed to BREEAM In-Use certification for all its assets across Europe. As of 2023, 100% of the assets have achieved Part 1 certification (assessment of building performance characteristics), and 69% have achieved Part 2 certification (assessment of center management policies, procedures, and practices related to building operations).¹⁴ Extensions and renovations have the "Excellent" level as the minimum performance target, in addition to the New Construction or Refurbishment and Fit-Out standards. Besides building-level certifications, Klépierre has opted for ISO 14001 certification. As of 2023, 50% of the Group's properties have ISO 14001 certification for their

¹⁴ Klépierre, 2023 Universal Registration Document, Page 92 : <https://www.klepierre.com/en/finance/document-d-enregistrement-universel-2023-6603e4d50535f>

environmental management system. For the assets financed by the framework, the Issuer limits the scope of building certifications to the BREEAM certification and no other equivalent (LEED, HQE, etc.,).

The Issuer has measures in place systematically ensuring that assets financed under this framework provide for sustainable procurement of construction materials:



Through BREEAM certification, the Issuer considers whether products and materials have ecolabels and/or lower environmental impact (such as PEFC™/FSC® certified timber). Preference is given to suppliers with certified environmental management systems in addition to the establishment of partnerships with organizations (e.g., CycleUp¹⁵), committed to extending the lifespan of materials during refurbishment projects.

Site location

The Issuer has measures in place systematically ensuring that assets financed under this framework are located within a maximum of 1 km from one or more modalities of public transport:



Klépierre committed to making 100% of its centers accessible by public transport by 2022. The target has been reached in 2021 and remains so for 2024. The Issuer has engagements with local authorities and services to ensure that the continued accessibility of public transport for its customers.

User safety

The Issuer has measures in place systematically ensuring that assets financed under this framework provide for measures to ensure operational safety in buildings (e.g., emergency exits, fire sprinklers, fire alarm systems).



Health and safety policies follow local regulations in which the shopping centers are located. Each shopping center is responsible for identifying, assessing, monitoring and managing its own security risks. The Issuer supports its centers through site visits, ensuring that security and safety providers and other responsible stakeholders maintain appropriate awareness of the Standard Operating Procedures. Accountability has been transparently given to the country and mall managers as indicated in their job description. Additional information and awareness is provided via the use of Komply, the Group's compliance tool for technical, security and safety issues. The tool also records incidents and extracts that information as KPIs for the Standard Operating Procedures.

¹⁵ For more information on CycleUp, visit <https://cycle-up.eu/>.

Water

The Issuer has measures for the reduction of water usage and is committed to reducing its water consumption wherever possible. Preference is given to water utility suppliers that are certified by ISO 9001 or 14001 management systems for technical services. In addition to water-related requirements under BREEAM and ISO 14001 standards, water consumption data is collected monthly via the Deepki reporting platform. Water management awareness is primarily targeted on the identified water-intensive systems. Following a forthcoming update of data collection, the Issuer expects to be able to provide a more granular analysis of its activities and tenants.

Labor

The Issuer has measures in place systematically ensuring that assets financed under this framework provide high labor standards for its own employees and volunteers (e.g., ILO core conventions).

The assets to be financed under this framework are located in France, Belgium Italy, Norway, Sweden, Denmark, Spain, Portugal, the Netherlands, Germany, Poland, Czechia, and Greece. These countries are bound by EU labor standards.

The Issuer, as a signatory to the U.N. Global Compact since 2012, compensates for the gap in international standards for labor rights in Turkey. The Issuer annually communicates its commitment to implementing the Ten Principles of the U.N. Global Compact. Additionally, the Issuer is committing to achieving access to preventative healthcare programs in all workplaces and shopping centers by 2030. Moreover, the 2030 gender parity objectives have been reached ahead of time, with 45% of women in top management in 2023 compared to the 2030 target of 40%. The Issuer has a whistleblowing platform in place enabling anonymous reporting of potential business ethics violations with strict confidentiality of the identity of the whistleblower. This platform is accessible to all, both internally and externally.

Health and safety

The Issuer has measures in place systematically ensuring that assets financed under this framework provide for high health and safety standards for its own employees and volunteers (e.g., ILO core conventions).

The assets to be financed under this framework are located in France, Belgium, Italy, Norway, Sweden, Denmark, Spain, Portugal, the Netherlands, Germany, Poland, Czechia, Greece and Turkey. All countries meet international health and safety standards.

PART III: ALIGNMENT OF THE ELIGIBILITY CRITERIA WITH THE EU TAXONOMY CLIMATE DELEGATED ACT

The alignment of Klépierre's project characteristics, due diligence processes and policies for the nominated use of proceeds project categories have been assessed against the relevant Climate Change Mitigation and Do No Significant Harm Criteria (DNSH) Technical Screening Criteria, and against the Minimum Safeguards requirements of the EU Taxonomy Climate Delegated Act¹⁶ (as of June 2023), based on information provided by Klépierre. Where Klépierre's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

Klépierre's project selection criteria overlap with the following economic activities in the EU Taxonomy:

- 7.4 Installation, maintenance or repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6 Installation, maintenance and repair of renewable technologies
- 7.7 Acquisition and ownership of buildings

All projects financed under the Green Financing Framework are and will be located in France, Belgium, Italy, Norway, Sweden, Denmark, Spain, Portugal, the Netherlands, Germany, Poland, Czechia and Turkey.¹⁷

Note: To avoid repetition, the evaluation of the alignment of Klépierre's assets to the Do No Significant Harm Criteria to Climate Change Adaptation is provided in Section d). They are applicable to all of the above activities.

Furthermore, this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can access the original criteria at the following [link](#).

¹⁶ Commission Delegated Regulation (EU) 2020/852, https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en.

¹⁷ For future financing, Turkey's assets will be considered only under Activity 7.7.

a) 7.4– Installation, maintenance or repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)



PROJECT CHARACTERISTICS AND SELECTION PROCESSES ¹⁸	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The financed projects involve the installation, maintenance and repair of electric vehicle charging stations.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See d)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	

b) 7.6– Installation, maintenance or repair of renewable energy technology



PROJECT CHARACTERISTICS AND SELECTION PROCESSES ¹⁹	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

¹⁸ This column is based on input provided by the Issuer.

¹⁹ This column is based on input provided by the Issuer.


<p>Klépierre confirmed that the financed projects consist of one of the following individual measures, if installed on-site as technical building systems:</p> <ul style="list-style-type: none"> ▪ Installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment ▪ Installation, maintenance and repair of solar hot water panels and the ancillary technical equipment ▪ Installation, maintenance, repair and upgrade of heat pumps contributing to the targets for renewable energy in heat and cool in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment ▪ Installation, maintenance and repair of wind turbines and the ancillary technical equipment ▪ Installation, maintenance and repair of solar transpired collectors and the ancillary technical equipment ▪ Installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment ▪ Installation, maintenance and repair of high efficiency micro-CHP (combined heat and power) plant ▪ Installation, maintenance and repair of heat exchanger/recovery systems 	
<p>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See d)</p>	
<p>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	
<p>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>N/A: there is no EU Taxonomy criteria for the category</p>	

c) 7.7– Acquisition and ownership of buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²⁰	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>Klépierre confirmed that none of its assets were built after Dec. 31, 2020. Hence, to comply with the substantial contribution criteria, the financed assets will be within the top 15% of the national or regional building stock in terms of operational Primary Energy Demand (PED).</p> <p>To demonstrate that large non-residential buildings (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) are efficiently operated through energy performance monitoring and assessment, Klépierre uses Deepki's monitoring tool to track the energy consumption of 100% of its assets by value and compares the primary energy intensity for 2023 against Deepki's ESG Index, using national values when available and relevant, or European values otherwise. Additionally, all their assets are equipped with a building management system to supervise the daily functioning of equipment.</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See d)	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category	

²⁰ This column is based on input provided by the Issuer.

d) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²¹	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
<p>Klépierre confirms that for the activities financed under this Framework, the physical climate risks that are material to the activities have been identified and that a climate risk and vulnerability assessment has been performed as follows:</p> <ul style="list-style-type: none"> ▪ In 2022, Klépierre commissioned a study to identify its top climate physical and transition risks and opportunities as well as their impact on its activities during its expected lifetime based on scenarios consistent with the IPCC (SSP 4.5 and 8.5) and the Task Force on Climate-related Financial Disclosures (TCFD). ▪ For the activities where one or more of the physical risks listed in the EU Taxonomy were identified, Klépierre conducted a climate risk vulnerability assessment to assess the materiality of the physical climate risks on economic activity. The company defined indicators for each category of hazard and defined levels of severity through absolute and evolution thresholds. Risk levels were evaluated based on the three components of the risk (hazard, exposure and vulnerability). Each risk identified was then appraised in terms of potential impact on Klépierre's activities, based on the potential likelihood and impact magnitude. Impacts were assessed based on three criteria: a qualitative assessment of impact's materiality level for Klépierre (between 0-1), the percentage of visitors affected, and the share of sites at high and moderate risk. ▪ Klépierre also has processes in place to assess the adaptation solutions to reduce the identified physical climate risk. Klépierre is currently in the process of evaluating the climate risks for which mitigation and adaptation measures are already in place to calculate the net risk of each asset. From this, Klépierre will be able to identify where other measures need to be implemented to achieve a low net risk and will commit to creating a climate change adaptation plan for each asset in the portfolio. 	

²¹ Ibid.

- To evaluate the likelihood and impact of 10 physical risks over various time horizons, Klépierre carried out an assessment utilizing two scenarios consistent with IPCC and TCFD frameworks to evaluate the likelihood and impact of the physical risks over various time horizons (2030 and 2050):

 - (i) Base case SSP2-4.5: Middle of the road scenario with an average temperature rise of 2.7°C by 2100. Associated with more transition risks (e.g., leading to heightened operational costs, reputational risks and costs to meet tightening standards; comparable to RCP4.5)
 - (ii) Pessimistic case SSP5-8.5: Fossil-fueled development scenario in which by 2100, the average global temperature is 4.4°C higher. Associated with more physical risks that can lead to increased costs (e.g., costs to repair damages, capital expenditure for adaptation measures and stranded asset risk; comparable to worst-case RCP8.5)
- For existing assets and new activities using existing physical assets, Klépierre already implemented adaptation solutions. The adaptation measures include, but are not limited to: photovoltaic panel installation, periodic watercourse cleaning to prevent flooding, etc.
- Klépierre confirms that the adaptation solutions are implemented by ensuring that it does not adversely affect adaptation efforts or the level of resilience to physical climate risks of other people, nature, cultural heritage, assets and other economic activities. The Issuer also ensures that the adaptation solutions are also consistent with local, sectoral, regional or national adaptation strategies and plans and considers the use of nature-based solutions or reliance on blue or green infrastructure to the extent possible.

Minimum Safeguards

The alignment of the project characteristics and selection processes in place with the EU Taxonomy Minimum Safeguards as described in Article 18 of the Taxonomy Regulation²² have been assessed. The results of this assessment are applicable for every project category financed under this framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ²³	ALIGNMENT WITH THE EU TAXONOMY REQUIREMENT
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²² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>.

²³ This column is based on input provided by the Issuer.

Klépierre complies with both national and European legislation across the countries in which it operates: France, Belgium, Italy, Norway, Sweden, Denmark, Spain, Portugal, the Netherlands, Germany, Poland, Czechia, Greece and Turkey. As a signatory to the U.N. Global Compact since 2012, the Group consistently reviews and monitors its ethics and human rights risks across all operational countries. Klépierre also established processes to ensure full alignment with the EU Taxonomy, including the minimum safeguards regarding human and labor standards, and thus follows the OECD Guidelines for Multinational Enterprises including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Company has developed policies and processes to ensure high standards of business ethics, including discrimination, health and safety, and harassment. The Group’s Code of Conduct is available on its corporate website and distributed to every new employee,²⁴ and is supplemented by a set of ethics and compliance internal procedures and policies. Periodic events are held internally as part of ongoing efforts to raise awareness regarding the Group’s ethical business practices among all employees (e.g., an “Ethics Day,” Q&A sessions).

Klépierre also engages with external stakeholders along the value chain to ensure robust business standards are embedded. They require business partners to commit to the Group’s Responsible Procurement Charter. Also, through its “Know Your Business Partner” procedure, Klépierre checks compliance records, identifying any breaches of international sanctions and public controversies. In 2023, Klépierre updated its Responsible Procurement Charter to align with its new Act4Good™ strategy. Since its initial publication in 2018, the charter has been integrated into all of France’s framework contracts. Klépierre is working to extend the Charter’s principles, covering human rights, business conduct and ethics, environmental management, and societal responsibility across all major contracts within the Group.

The Group Risk Management Department, supported by experts, leads the development of internal controls and Enterprise Risk Management, identifying and addressing key risks. In 2023, the Group formalized its Human Rights Risk Mapping, with action plans already in place for the main identified risks. This mapping is supplemented by various thematic risk maps covering areas such as IT, human resources, corruption and human rights. Risk universe and assessment scales were defined by the risk management and sustainability departments, based on the U.N.’s human rights framework, the Danish Institute for Human Rights, and benchmarks with other companies, then



²⁴ Klépierre’s Code of Professional Conduct: <https://www.klepierre.com/en/notre-identite/ethique-conformite>

refined to focus on risks relevant to Klépierre's business. The risk assessment was carried out by a working group comprising the general secretary, chief sustainability officer, chief legal officer, chief human resources officer, and group head of risk management. The level of control related to human rights risks caused by suppliers and service providers in France and Belgium was reviewed by the business unit engineering and sustainability team.

Finally, Klépierre's whistleblowing platform enables anonymous reporting of potential business ethics violations and guarantees the strict confidentiality of the identity of the whistleblower accessible to all, both internally and externally. External stakeholders can access the platform through the Group's Ethics & Compliance webpage, providing a mechanism for local communities and wider stakeholders to report their complaints and grievances to Klépierre. Not only does this facilitate two-way engagement, but it allows the Group to collect and record the reports and address and rectify any issues while putting preventative measures in place.

Klépierre externally communicates its human rights due diligence process approach and the actions that are taken to address adverse impacts on its annual integrated ESG reports, available on its website.

PART IV: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH KLÉPIERRE’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer focuses on:</p> <ul style="list-style-type: none"> ▪ “Achieving Net-Zero” ▪ “Servicing Communities” ▪ “Growing People” ▪ “Promoting Sustainable Lifestyles” <p>These sustainability pillars have been defined as part of the Issuer's CSR roadmap, titled Act4Good, which includes a number of binding objectives.</p>
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Issuer has set the following objectives:</p> <ul style="list-style-type: none"> ▪ Achieving Net-Zero <ul style="list-style-type: none"> ▪ Net zero in Scope 1 and 2 by 2030 ▪ 20% energy consumption reduction for tenants ▪ Net zero land use for new development by 2030 ▪ 40% GHG reduction from visitor transportation by 2030 ▪ Servicing Communities <ul style="list-style-type: none"> ▪ 100% of centers to offer green services by 2030 (e.g., repair, recycling, clothing collection points) ▪ By 2030, one center per local territory to be equipped with a disaster relief plan for local communities ▪ Growing People <ul style="list-style-type: none"> ▪ By 2030, achieve the development of 50,000 individuals (e.g., upskill, employability rate, women in top management, disability inclusion, CSR training)
<p>Action plan</p>	<p>The Issuer has the Act4Good program in place to achieve its objectives. It has been designed through a multi-stakeholder</p>

	<p>materiality review conducted in 2022. Environmental, social and human resources risks and opportunities were assessed in accordance with their internal and external importance for the Issuer, as well as their impact on the environment and society. The panel that took part in the development of the Act4Good strategy included retailers, investors, human resources, CSR experts, scientists, NGOs and public authorities.</p>
<p>Climate Transition Strategy</p>	<p>The Issuer is one of the world's largest real estate portfolios by value to be BREEAM In-Use certified for the sustainable performance of its assets in each of its shopping centers.</p> <p>The Issuer has aligned its climate ambition with the Paris Agreement. The Issuer's 1.5°C target alignment is certified by the Science-Based Targets initiative (SBTi). Additionally, the Carbon Disclosure Project considers Klépierre to be part of its "A-list" in the fight against climate change.</p> <p>The Issuer is reporting a reduction of direct and indirect GHG emissions of 88% since 2017 (with choosing green energy suppliers as one of the main drivers). The Issuer has set an objective of becoming net-zero by 2030 for its Scope 1 and 2 emissions.</p> <p>The Issuer's Scope 3 emissions are also being assessed and mainly consist of the energy consumption from retail tenants and the travel of visitors to and from the malls. Operational best practices among tenants, awareness raising, and alternative mobility solutions are the current main actions to address Scope 3.</p>
<p>ESG Risk and Sustainability Strategy Management</p>	<p>ESG topics are validated by a CSR Scientific Committee that is composed of industry experts in the following fields: building energy performance, climate change, circular economy, biodiversity, community economic development, community engagement, urban mobility, and organizational transformation.</p> <p>Internal Stakeholders involved in assessing and managing ESG risks include the Sustainability Development Committee, which reviews the Group's sustainability processes and performance. The CSR Committee supports the Executive Board in implementing the sustainability strategy by setting</p>

	targets, approving action plans and reporting results. In addition, the CSR Department is responsible for coordinating the strategy.
Top three areas of breaches of international norms and ESG controversies in the industry²⁵	Accounting/disclosure standard, strike action, and unspecified pollution.
Breaches of international norms and ESG controversies by the Issuer	At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.
Sustainability Reporting	The Issuer reports on its ESG performance and initiatives annually. The Issuer’s report is prepared according to the GRI standards, TCFD recommendations and SASB standards.
Industry associations, Collective commitments	The Issuer is a member/signatory of: <ul style="list-style-type: none"> ▪ The U.N. Global Compact ▪ The Low-Carbon Buildings Association ▪ Gender Equality Charter in Real Estate ▪ Charter for Energy Efficiency of Tertiary Buildings
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	The following are sustainability-linked loan transactions: <ul style="list-style-type: none"> ▪ EUR 2.5 billion in undrawn facilities ▪ EUR 400 million in drawn facilities <p>These transactions were not reviewed by an SPO provider.</p>

Rationale for issuance

The real estate sector accounts for around 40% of total energy consumed and over one-third of the energy-related GHG emissions in Europe.²⁶ Therefore, the Issuer has a central role in the decarbonization of its shopping centers’ portfolios and the promotion of resilient/sustainable retail.

²⁵ Based on a review of controversies identified by ISS-Corporate over a two-year period, the top three issues that have been reported against companies within the real estate industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.

²⁶ Energy Performance of Buildings Directive, European Commission

SECOND PARTY OPINION

Sustainability Quality of the Issuer
and Green Financing Framework

ISS-CORPORATE 

This Framework is one step for the Issuer to align its financing strategy with its CSR objectives. Under this Framework, Klépierre can issue a variety of green financing instruments, including bonds and loans. By issuing green financing instruments, Klépierre aims to align its sustainability strategy with its financing policy.

Opinion: *The key sustainability objectives and the rationale for issuing green bonds and loans are clearly described by the Issuer. All of the project categories financed are in line with the Issuer's sustainability objectives.*

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary methodology. For more information, please visit: <https://www.iss-corporate.com/file/publications/methodology/iss-corporate-green-social-and-sustainability-bond-loan-spo-methodology-summary.pdf>.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Financing Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (as of June 2023).

The evaluation shows if Klépierre's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided on a confidential basis by Klépierre (e.g., Due Diligence Reports). Furthermore, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Klépierre commissioned ISS-Corporate to compile a green finance instruments SPO. The second-party opinion process includes verifying whether the Green Financing Framework aligns with the GBP and GLP and assessing the sustainability credentials of its green finance instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles and Green Loan Principles

ISSUER'S RESPONSIBILITY

Klépierre's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria
 - Documentation of ESG risks management at the Framework level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a 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 second-party opinion of the green finance instruments to be issued by Klépierre has been conducted based on a proprietary methodology and in line with the GBP and GLP.

The engagement with Klépierre took place from May to July 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 SPO

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 alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. 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.iss-corporate.com/solutions/sustainable-finance/bond-Issuers/>.

For more information on SPO services, please contact: SPOsales@iss-corporate.com.

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