



GREEN FINANCE FRAMEWORK

For Eurocommercial Properties NV

ALLOCATION AND IMPACT REPORTING

at 30.09.2023

Amsterdam, 31 January 2024

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1. Introduction

Eurocommercial continues the implementation of its sustainability strategy, approaching each business decision with a long-term view, evaluating its environmental and socio-economic impact and thereby ensuring the alignment of its ESG and business strategies. Each of our shopping centres offers its individual set of challenges and opportunities, yet we have developed a broad ESG vision and strategy to meet the global challenges and the future demands of our customers, tenants and employees while creating sustainable centres. Our approach is articulated around three strategic pillars: Be green, Be engaged, Be responsible, (available on the corporate website <https://www.eurocommercialproperties.com/esg/esg-strategy>).



Eurocommercial issued in 2023 its Green Finance Framework (“the GF Framework”) that aims to support the Company’s strategy and its transition towards a low carbon economy. Through its GF Framework, the Company intends to contribute to the growth of the Green Financing market, to the increased use of several Green Finance

Instruments and to address investors' willingness to finance sustainable green buildings existing or under development. This GF Framework is established as an overarching platform under which the Company intends to issue Green Finance Instruments - which may include bonds (also through private placements), commercial paper, bank loans, promissory notes (Schuldscheindarlehen) and any other finance instruments in various formats and currencies - to finance and/or refinance green projects with an environmental benefit.

2. Allocation and Impact reporting

2.1 General

In accordance with the recommendations from the Green Bond Principles and Green Loan Principles and as provided by the GF Framework, the Company is committed to make and keep readily available reporting on its outstanding Eligible Green Assets and Green Finance Instruments. This reporting shall be renewed annually and until any Green Finance Instruments are in place.

As provided by the GF Framework, the reporting is divided into two parts, the Allocation Report and the Impact Report.

The **Allocation Report** provides indicators such as:

- the total amount of the Company's Green Finance Instruments outstanding;
- the amount of net proceeds allocated to Eligible Green Assets;
- the balance of unallocated proceeds;
- for Eligible Green Assets, the amount of additions, the amount sold and disposed of and the amount of other changes occurred during the year;
- the percentage of new financings and refinancings.

The **Impact Report** provides potential impact indicators linked to Green Assets such as:

- number of total Eligible Green Assets and their square metres;
- Eligible Green Assets' environmental classification;
- Energy Performance Certificates of the Eligible Green Assets;
- water recycled/ reduced consumption in the Eligible Green Assets;
- greenhouse gas emissions for the Eligible Green Asset (in kg CO₂/sqm);
- onsite renewable energy generation (in kWh/year).

This reporting is based on the figures at 30 September 2023 and it will be updated in April 2024 with the data at 31 December 2023.

Starting from next year, this reporting will be published together with the publication of the Annual Report.

According to the definition provided by the GF Framework, an Eligible Green Asset is represented by a building that achieved a BREEAM certification “Very Good” or higher.

2.2 Allocation Report

As of 31 December 2022, ECP had Sustainability-linked Loans outstanding for €216.5 million, of which €116.5 million were also Green Loans according to the definition provided in the Company’s GF Framework.

The Sustainability-linked Loans are loans where the margin is adjusted on the basis of the achievement (or lack of) of certain KPIs agreed with the financing banks, both at Group level and at asset level. The adjustment can be positive or negative, depending on the number of KPIs achieved.

The KPIs usually agreed with the banks are the following:

- **Renewable Energy:** measured in % of total electricity used;
- **Waste To Landfill:** measured in weight %;
- **Number Of BREEAM Certificates:** with rating “Very Good” or “Excellent”;
- **Green Leases:** measured in number of green lease contracts signed during the year;
- **Social Events:** organised in the centres;
- **GHG Emissions intensity:** measured in tonnes CO₂/m².

As shown in the following table, during the first nine months of 2023 ECP increased its Green Loan portfolio by € 242.2 million.

MOVEMENTS OF GREEN & SUSTAINABILITY LOANS IN THE PERIOD 01/01/2023 - 30/09/2023		
Amounts in €/million	Green Loans	Sustainability linked
Balance 31.12.2022	116.5**	216.5
New Green Loans	242.2	
Galleria Verde S.r.l (50%)	79.6	
SAR Degeln AB*	162.6	
Other movements	-0.2	
Balance as of 30.09.2023	358.5	216.5
% of increase in new green finance loans during the year	208%	

*SEK amount of 1.875.000.000 converted to € with exchange rate of SEK/€ of 11.53

**also Sustainability linked loans

The movements of the first 9 months of 2023 are represented by:

- in March 2023 the upgrade of an existing loan with ING-BNP Paribas of €79.6 million (Group share) maturing in January 2026 into a Green Loan;
- in March 2023 the signing of a Green Loan with Nordea Bank for an amount of € 162.6 million (SEK 1.875 million) maturing in July 2027.

As of 30 September 2023, the outstanding Green Loans amounted to €358.5 million, with an increase of 208% in respect of 31 December 2022 and an incidence over the outstanding consolidated loans at 30 September 2023 of 21.3%.

The table below provides the detail of the Green and of the Sustainability-linked Loans outstanding at 30th September 2023, with the indication of the related shopping centre.

Amounts in €/million

Shopping Centre	ECP-owned GLA	BREEAM rating	Bank	Green Loan	Sustainability linked
Fiordaliso (50%)	62,884	Excellent	ING/BNP	79.4	
Curno	20,924	Very Good	ING	66.5	66.5
CremonaPo	43,505	Very Good	ABN	50.0	50.0
Portali	7,867	Very Good	ABN		27.5
Castello	21,683	Very Good	ABN		22.5
Bergvik	32,800	Very Good			50.0
Ingelsta Shopping	25,300	Very Good	Nordea	162.6	
Elins Esplanad	26,500	Very Good			
Grand Samarkand	24,800	Very Good			
Total outstanding at 30/09/2023				358.5	216.5

At 30 September 2023 the outstanding amount of all the existing Green Loans is fully allocated to the Eligible Green Assets, as reported in the table below.

Amounts as of 30.09.2023 in €/million

Total amount allocated to the Eligible Green Assets*	358.5	Total amount of Green Loans	358.5
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* Market Value at 30/09/2023

The market value at 30 September 2023 of the Eligible Green Assets was €3,247.9 million.

The table below shows the movements of the Eligible Green Assets in the first nine months of 2023.

Amounts in €/million	
Eligible Green Assets at 31/12/2022	3,255
Addition of the period	14
Revaluation of the period	8
Foreign Currency Revaluation	-30
Eligible Green Assets at 30.09.2023	3,248

The Eligible Green Assets increased in the first nine months of the year by €14.4 million due to the capex of the period, by €8.4 million for the revaluation based on the independent valuations at 30/06/2023 and decreased by €29.6 for the devaluation of the SEK in respect of the Euro that occurred in the first nine months of 2023.

2.3 Impact Report

2.3.1 Number of total The Eligible Green Assets and square metres

At 30.09.2023, the Company has 23 Eligible Green Assets located in France, Italy and Sweden.

The following table shows the split of the Eligible Green Assets per country based on the Gross Lettable Area (GLA).

	Number of Eligible Green Assets	GLA (ECP owned)
France	8	122,987
Italy	8	329,375
Sweden	7	227,100
ECP	23	679,462

Out of the 23 Eligible Green Assets, 10 have a BREEAM rating “Excellent” (Passage Du Havre, Val Thoiry, MoDo, Les Portes de Taverny, Grand A, Centr’Azur and Shopping Etrembieres, in France; Carosello, Fiordaliso and I Gigli in Italy), while the remaining 13 properties achieved a BREEAM rating “Very Good”.

2.3.2 The Eligible Green Assets' environmental classification

The split of the BREEAM ratings on the basis of the GLA is reported in the table below.

BREEAM certificates based on GLA	
Excellent	43%
Very Good	57%

All BREEAM certificates renewed from 2023 must be compliant with the newest version V6 which sets more stringent requirements. The Company will manage to improve or keep unchanged its previous ratings.

2.3.3 Energy Performance Certificates of the Eligible Green Assets

The Energy Performance Certificates of the Eligible Green Assets are split on the basis of the GLA in the following table.

ECP based on GLA	
A	9%
B	6%
C	40%
D	25%
E	19%
F	0%

80% of the total GLA of the Eligible Green Assets refers to units with a certificate D or higher. The Company is committed to improve its EPCs labels in time, following the contract renewals timeline.

2.3.4 Water recycled/ reduced consumption in the Eligible Green Assets

As shown in the table below, in the first nine months of 2023 the Group saved in the Eligible Green Assets 10,757 litres of water, corresponding to 2.1% of the previous year's consumption; the increase of consumption in France has been more than compensated by the savings realised in Italy and Sweden.

	Water recycled/reduction consumption (liters saved)
France	2,229
Italy	-8,490
Sweden	-4,496
ECP	-10,757

2.3.5 Greenhouse gas emissions for the Eligible Green Assets (in kg CO2/sqm)

The latest available data on the CO2 emissions are those of the 12 months period ended at 30/09/2022. The following table shows the average quantity of CO2 emissions split by country.

	CO2/SQM 12 months to 30.09.2022* (Scope 1&2)
France	3.1
Italy	3.1
Sweden	0.2
ECP	2.2

* 2023 data will be published in April, following 2023 Annual Report

The CO2 emissions decreased considerably compared to the previous 12 months. Scope 1 emissions fell by 50% due to the gas dismissal in two Italian assets, while Scope 2 emissions decreased by 15% thanks to the increased use of electricity from renewable sources.

2.3.6 Onsite renewable energy generation (in kWh/year)

The table below shows the on site renewable energy generation for the Eligible Green Assets.

On site renewable energy generation (KWh/year)			
	12 months to 30.09.2021*	12 months to 30.09.2022*	% change
France	0	0	NA
Italy	145,000	153,140	5.6%
Sweden	1,029,000	2,801,455	172.3%
ECP	1,174,000	2,954,595	151.7%

* 2023 data will be published in April, following 2023 Annual Report

The Company is actively working to increase the installation of solar panels in its Eligible Green Assets, under the limitations foreseen by the local legislation frameworks.