

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework II

Atenor SA
03 February 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green Finance Instruments such as Green (Retail) Bonds, Green Notes, Green Private Placements and Green Loans (hereafter Green Finance Instruments)
Relevant standards	<ul style="list-style-type: none">Green Bond Principles (06.2021), administered by the International Capital Market AssociationGreen Loan Principles (02.2021), administered by the Loan Market Association
Scope of verification	<ul style="list-style-type: none">Atenor Green Finance Framework II (as of 26.01.2022)Atenor asset pool (as received on 21.01.2022)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">As long as there is no material change to Atenor's Green Finance Framework II and to the asset pool

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SCOPE OF WORK

Atenor SA (“the issuer” or “Atenor”) commissioned ISS ESG to assist with its Green Finance Framework II by assessing three core elements to determine the sustainability quality of the Green Finance Instruments:

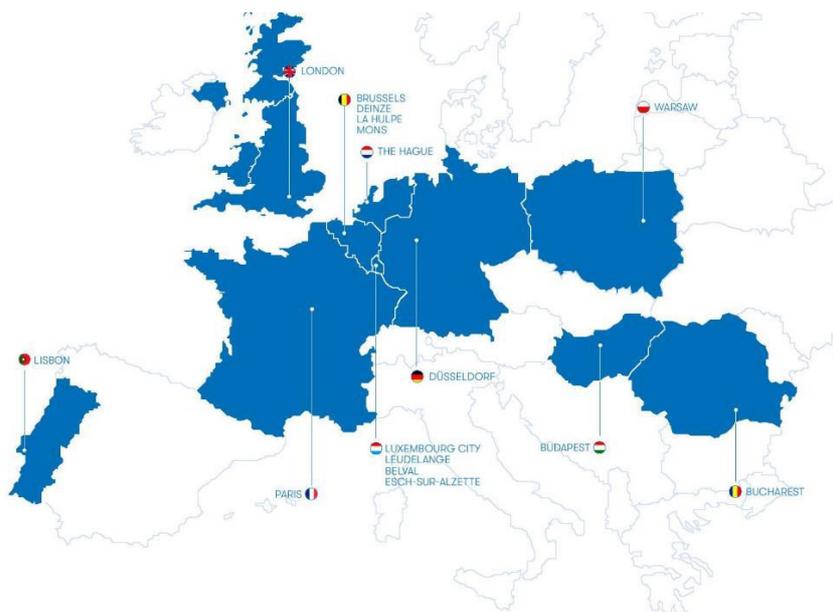
1. Green Finance Framework II’s link to Atenor’s sustainability strategy – drawing on Atenor’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Atenor’s Green Finance Framework II (26.01.2022 version) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and against Loan Market Association (LMA) Green Loan Principles (GLP).
3. The Eligible Green Assets – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 1).

ATENOR BUSINESS OVERVIEW

Atenor is an urban real estate development company with European expertise listed on the Euronext Brussels market. Through this framework, Atenor invests in large scale property projects meeting strict criteria in terms of location, economic efficiency and respect for the environment.

Its activity aims to generate capital gains at the end of a cycle of purchase-development-sale of real estate projects. The core of its strategy is the development of large mixed urban projects, mainly offices and housing.

Its projects, most of them held through subsidiaries, are located in Brussels (21%), The Hague (8%), Luxembourg (8%), Paris (5%), Lisbon (2%), Düsseldorf (1%), Warsaw (23%), Budapest (18%), Bucharest (6%), London (1%) to mention only the large cities.



Source: Atenor Green Finance Framework II

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Finance Instruments link to the issuer's sustainability strategy</p>	<p>Atenor is a real estate development company active in the EU. As such, it can contribute to the creation of sustainable communities, which it does to some extent by taking into account aspects characteristic of sustainable communities (e.g., access to public transport and creation of parks, community centers or other public spaces) in a number of its projects.</p> <p>ISS ESG finds that the Use of Proceeds of the Green Finance Instruments is consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Green Finance Instruments is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP and GLP</p>	<p>The issuer has defined a formal concept for its Green Finance Framework II regarding the 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 3:</p> <p>Sustainability quality of the Eligible Asset Pool</p>	<p>The overall sustainability quality of the Asset Pool in terms of sustainability benefits, risk avoidance and minimization is good based upon the ISS ESG assessment. The Green Finance Instruments will (re-)finance the eligible asset category "Green Buildings" – Office and residential buildings in the EU.</p> <p>This use of proceeds category has a significant contribution to SDG 11 'Sustainable cities and communities'. The environmental and social risks associated with this use of proceeds category have been well managed.</p>	<p>Positive</p>

¹ ISS ESG's evaluation is based on the Atenor's Green Finance Framework II (26.01.2022 version), on the analysed Asset Pool as received on 06.01.2022, and on the ISS ESG Indicative Corporate Rating applicable at the SPO delivery date.

ISS ESG SPO ASSESSMENT

PART I: GREEN FINANCE INSTRUMENTS LINK TO ATENOR'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF ATENOR'S ESG PERFORMANCE

Methodological note: Please note that Atenor SA is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment by the analyst in charge of the financials/mortgage and public finance sector based on publicly available information exclusively. No direct communication between the issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

Industry classification

Construction

Key Issues of the industry

- Labor standards and working conditions
- Energy and resource efficiency
- Impact on land use and biodiversity
- Ethical business practices
- Protection of human rights and community outreach

Indicative ESG risk and performance assessment

Atenor is a real estate development company active in the EU. As such, it can contribute to the creation of sustainable communities, which it does to some extent by taking into account aspects characteristic of sustainable communities (e.g., access to public transport and creation of parks, community centres or other public spaces) in a number of its projects. In line with Atenor's commitment to the BREEAM and CO2-Neutral certifications, the company has implemented measures to improve the energy and resource efficiency of the construction process. Other topics considered as high-risk for a company in the construction industry such as human rights, labor rights and working conditions in the supply chain and the impact of its construction activities on land use and biodiversity are not addressed comprehensively by the company. With regard to responsible business practices, the company's code of conduct addresses topics such as conflicts of interest and insider trading in general terms, and employees are required to confirm in writing that they have read and understood the code. However, further relevant issues related to ethical business practices (e.g., bribery and corruption, antitrust violations) seem to remain unaddressed. Moreover, corresponding compliance procedures (e.g., compliance training, compliance audits) do not appear to be implemented.

Indicative Product portfolio assessment

Social impact of the product portfolio: The vast majority of the company's property portfolio is comprised of mixed complexes consisting of residential, office, and retail units, which are considered to not have any net positive/negative social impacts. Next to such mixed projects, the company's

portfolio also includes schools/educational facilities; these units, however, can be considered negligible as they are limited to single buildings/projects only.

Environmental impact of the product portfolio: Based on the information provided by the company regarding its property portfolio, it can be estimated that around 15% of its ongoing projects have obtained a comprehensive sustainable building certification (i.e. BREEAM), thereby contributing to the achievement of global environmental objectives by promoting sustainable building. The remaining 85% of the portfolio is in a process of obtaining a sustainable building certification.

Controversy Assessment

Company Screening

The analyst in charge of producing this report conducted a high-level controversy assessment. There is no indication of Atenor being involved in any of the below-mentioned controversies.

Industry risks

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Construction sector are as follows: Anti-competitive behavior, Failure to assess environmental impacts and Poor stakeholder consultation. This is closely followed by Failure to respect the right to safe and healthy working conditions, failure to respect the right to an adequate standard of living and failure to mitigate climate change impacts.

B. CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH ATENOR'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

ATENOR's environmental and social commitments accelerated in 2021:

- **Architectural excellence:** Atenor chooses to associate itself with renowned architectural firms and has also launched several architectural competitions, to make an enlightened choice, to develop innovative and creative visions for the cities.
- **The highest environmental standards:** BREEAM « Excellent » certification, WELL « Core and Shell »2 certification, DGNB, HQE, GRO and Quartier Durable for its projects or standard such as NZEB².
- **Cleaner sources of power:** Most of its buildings are equipped with photovoltaic panels, such as CITY DOX (Brussels) and HERMES BUSINESS CAMPUS (Bucharest).
- **Gardens, parks conceived for the respect of biodiversity and urban gardens:** in Belval (Luxembourg), the project TWIST (Luxembourg) will propose hanging gardens and in CITY DOX, an urban garden has been created for the residents of the Rest Home.
- **Support to soft mobility:** redevelopment of the canal banks, promenades and paths, secure spaces for bicycles, charging stations for electric vehicles and bicycles.
- **Respecting Diversity:** Atenor is developing real estate projects that enable the access and employment of people with specific needs. In Budapest, its projects will be built in line with the Access4You criteria, to achieve the highest certification level in terms of social responsibility, accessibility and functionality. This is already the case with the VACI GREENS office campus in Budapest.
- **Support to forests:** In 2020 Atenor, in partnership with the Royal Belgian Forestry Society (SRFB/ KBBM), had decided to plant 2,020 trees to celebrate the year 2020. In 2021 Atenor pursue this action and has decided to extend this action until 2025. Atenor has also implemented this action in Belgium and the 8 main European cities where the company is active and planted 2021 trees in each country where it is present.
- **CO₂ Neutral:** Atenor has obtained the Carbon Neutral certification® in collaboration with CO2logic in December 2021. Atenor is now taking the next step by using this input to set a streamlined climate reduction plan and strategy up until 2030. At the corporate level, the reduction efforts will in the first place mainly focus on energy-saving measures and opportunities to reduce the impact of its means of transport.

² Please see https://ec.europa.eu/energy/content/nzeb_en for more information

Rationale for issuance

In 2021, Atenor has launched its first Retail Green Bond on the Brussels financial market, ensuring targeted financing for its projects.

Atenor has developed its Green Finance Framework II (“Framework”) aiming to attract specific funding for green assets and real estate projects which contribute to its sustainability strategy.

Under this Framework, Atenor can issue a variety of Green Finance Instruments such as Green (Retail) Bonds, Green Notes, Green Private Placements and Green Loans.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Finance Instruments with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Construction industry. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g., climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds category.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Green Buildings	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the Use of Proceeds financed through the Green Finance Instruments is consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing Green Finance Instruments is clearly described by the issuer.*

PART II: ALIGNMENT WITH GBP AND GLP

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

The net proceeds of Atenor Green Finance Instruments will be allocated exclusively to finance in whole or in part, sustainable and energy-efficient real estate projects which contribute to its sustainability strategy ("Eligible Green Projects").

Eligible Green Projects are required to meet the eligibility criteria as set in the table below:

GBP/GLP CATEGORIES	ELIGIBILITY CRITERIA
<p>Green Buildings</p>	<p>Newly constructed, existing and/or refurbished buildings which meet recognized standards for best practices in energy and resource efficiency, sustainable building design, construction and operation. The certifications will be obtained at the latest at the delivery of the building.</p> <p><u>For office buildings</u></p> <ul style="list-style-type: none"> ▪ BREEAM minimum "Excellent" based on the BREEAM International New Construction 2016. Two of the three following requirements: <ul style="list-style-type: none"> ▪ <u>Energy and Carbon Performance</u>: Achieve a minimum of 70% of available credits of the BREEAM Energy category ▪ <u>Water efficiency and savings</u>: Achieve a minimum of 70% of available credits of the BREEAM Water category ▪ <u>Waste Management</u>: Achieve a minimum of 70% of available credits of the BREEAM Waster category <p>and additional other indicators (optional to core indicators):</p> <ul style="list-style-type: none"> ▪ <u>WELL Core and Shell</u> ▪ <u>DGNB</u> ▪ <u>HQE Sustainable Building minimum "Excellent"</u> ▪ <u>GRO</u> ▪ <u>Near Zero Energy Building ("NZEB")</u> ▪ <u>LEED</u> ▪ <u>PassiveHouse (PHI)</u> ▪ <u>Sustainable District</u> ▪ <u>Access4you</u> <p>Or equivalent certifications.</p>

	<p><u>For Residential Buildings</u></p> <p>Core indicators</p> <ul style="list-style-type: none"> EPC levels of eligible projects per country/region <table border="1" data-bbox="472 510 1390 808"> <tr> <td>Belgium – Brussels</td> <td>EPC – A</td> </tr> <tr> <td>Belgium – Flanders</td> <td>EPC – A</td> </tr> <tr> <td>Belgium – Wallonia</td> <td>EPC – A</td> </tr> <tr> <td>Germany</td> <td>EPC – B</td> </tr> <tr> <td>Netherlands</td> <td>EPC – A</td> </tr> <tr> <td>Luxembourg</td> <td>EPC – A - A</td> </tr> <tr> <td>Romania</td> <td>EPC – A</td> </tr> <tr> <td>Hungary</td> <td>EPC – BB</td> </tr> </table> <ul style="list-style-type: none"> Or Maximum of 100 kWh/sqm/year of Primary Energy Demand <p>Regarding the residential portfolio, the selection of projects is based on the best Energy Performance Certificates (EPC)³, as defined by European Norms EN 15217 and EN15251. As the graduation scale differs in each country/region, the comparison between projects might be irrelevant; meaning that an ‘A’ classification in Romania might not correspond to an ‘A’ in Germany.</p> <p>To clarify the selection, Atenor has also specified an alternative criterion based on a maximum Primary Energy Demand, also part of the EPC calculation, expressed in a metric unit: kWh/m²/year. This alternative criterion allows the comparison between projects and sets up the same minimum performance for all the residential projects across Europe.</p>	Belgium – Brussels	EPC – A	Belgium – Flanders	EPC – A	Belgium – Wallonia	EPC – A	Germany	EPC – B	Netherlands	EPC – A	Luxembourg	EPC – A - A	Romania	EPC – A	Hungary	EPC – BB
Belgium – Brussels	EPC – A																
Belgium – Flanders	EPC – A																
Belgium – Wallonia	EPC – A																
Germany	EPC – B																
Netherlands	EPC – A																
Luxembourg	EPC – A - A																
Romania	EPC – A																
Hungary	EPC – BB																
	<p>100% of assets received or will receive an EPC label from A to BB.</p>																

Opinion: ISS ESG considers the Use of Proceeds description provided by Atenor’s Green Finance Framework II as aligned with the GBP and GLP. The project category is aligned with the issuer’s broader sustainability strategy and the environmental benefits of the projects are quantitatively described. The fact that the issuer includes specific thresholds for certain BREEAM sub-categories and develops optional indicators in addition to the core indicators, is considered to be best market practices. A detailed analysis of the environmental and social risks associated with the asset pool is available in Section III.

³ Atenor confirms that all buildings will have an EPC label

2. Process for Project Evaluation and Selection

FROM ISSUER'S FRAMEWORK

Atenor will follow a transparent process for the selection and evaluation of Eligible Green Projects.

Projects financed through the Green Finance Instruments issued under Atenor Framework are evaluated and selected based on compliance with the Eligibility Criteria as set under paragraph 2.1 Use of Proceeds.

All potential Eligible Green Projects comply with local laws and regulations, including applicable regulatory environmental and social requirements, as well as Atenor's standards for environmental, social and governance risks (ESG). The Process for Green Project evaluation and selection is fully integrated in ATENOR's management in particular through its Archilab structure.

Archilab's mission is to improve the environmental, economic and social performance of the project portfolio. In order to do so, Archilab gathers sustainability and ESG experts with Atenor's highest level of decision. The Archilab Committee is composed of the Executive Committee, International Executives, Marketing and Sales Directors, and a dedicated assistant. The Archilab Committee meets every two months and, according to the agenda, internal or external experts are invited to contribute. Archilab's director reports directly to the CEO. Its role is both to support the Company's strategy and ensure coordination between the decision-making and operational sides.

In the first phase of the Process, the Archilab Committee sets out the eligibility criteria for Green Project evaluation and the requirements for selection. At this stage, the Archilab Committee also sets out the environmental risks assessment applicable for all projects. Following up, the members of Archilab ensure that the decisions are implemented in the corporate company process and in its portfolio of projects.

In the second phase of the Process, each potential Eligible Green Project is evaluated by the Executive Committee according to the criteria and the ESG risks defined by Archilab. Specific Executive Committee sessions are planned twice a week, in order to review each project several times a year with the dedicated team of the project.

In the last phase of the Process, the final list of eligible projects is designated by the Executive Committee (including CEO and CFO).

Atenor holds five Boards of Directors per year for which the Executive Committee prepares a management report including ESG data from projects under development.

Atenor doesn't consider a lookback period for the project evaluation and selection.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by Atenor's Green Finance Framework II as aligned with the GBP and GLP. The company has clearly documented its process to identify and manage potential ESG risks associated with the projects through a dedicated committee (Archilab Committee). Besides, an Executive Committee is responsible for the project evaluation and selection in the last phase of the process. The issuer will use the proceeds of the issuance for the development of newly built buildings only, which is seen positively by ISS ESG.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

Atenor will manage the net proceeds of issued Green Finance Instruments on a portfolio basis.

As long as the Green Finance Instruments under this Framework are outstanding, Atenor aims to allocate an amount equivalent to the net proceeds of these instruments towards its Eligible Green Projects, as defined in paragraph 2.1. Use of Proceeds. If a project is divested, discontinued or does no longer meet the definition of Eligible Green Projects as included in paragraph 2.1., it will be removed from the portfolio of Eligible Green Projects and replaced by another Eligible Green Project.

Atenor aims to ensure that the total value of issued Green Finance Instruments does not exceed the value of its portfolio of Eligible Green Projects. Pending the full allocation of the net proceeds of issued Green Finance Instruments to the portfolio of Eligible Green Projects Atenor will manage the unallocated proceeds in cash or cash equivalents in line with its regular treasury criteria. Atenor intends to allocate the full amount of proceeds within the next 24 months following the issuance of Green Financing Instruments.

The allocation of the net proceeds of issued Green Finance Instruments to Eligible Green Projects will be subject to at least an annual review and approved by the Executive Committee until full allowance of the net proceeds of issued Green Finance Instruments.

Opinion: ISS ESG finds that the Management of Proceeds proposed by Atenor's Green Finance Framework II is well aligned with the GBP and GLP. Earmarking of proceeds is ensured through a portfolio approach, while allocation and unallocated proceeds mechanisms and timeframe are also described. The procedure in case of divestment is also disclosed.

4. Reporting

FROM ISSUER'S FRAMEWORK

Atenor will report annually, until the full allocation of the net proceeds or until the bond matures, whichever is latest, on the allocation of its net proceeds of issued green finance instruments to its portfolio of Eligible Green Projects. This reporting will be available one year after the issuance of the first Green Finance Instrument on ATENOR's website: <http://www.atenor.eu/investors>

Allocation Reporting

The allocation report will include details on:

- the year of investment,
- the amounts of investments allocated to Eligible Green Projects,
- the geographic distribution of the portfolio of Eligible Green Projects,
- the balance of unallocated proceeds (if any), and,
- the proportion of new financing and refinancing

Impact reporting

Atenor will report on the environmental impacts of the Eligible Green Projects (re-)financed by the net proceeds of the Green Finance Instruments.

The impact report will provide information regarding Eligible Green Projects and their environmental classification (i.e. BREEAM, WELL, NZEB, HQE, Sustainable District, Access4You and/or EPC), including for Office Buildings, the specific classification level where applicable (e.g. “Excellent”) and the credits reached for the specific BREEAM categories Energy, Water and Waste, as mentioned in the Use of Proceeds.

Additional impact indicators are subject to availability of data and could include:

- Expected annual generation of renewable energy (in kWh) and the related CO2 emission avoidance,
- Expected quantity of recycled material (in metric tonnes per year),
- Number of electric vehicles charging stations installed,
- Number of secured bicycles storage.

Opinion: *ISS ESG finds that the reporting proposed by Atenor’s Green Finance Framework II is aligned with the GBP and GLP. The reporting is provided on both allocation and impact, and the frequency, scope and duration are in line with best market practices. Moreover, the reporting is made on an annual basis and will be publicly available on Atenor’s website. The issuer also provides a list of impact indicators that provides qualitative information about the project; an example of this can be seen in the intended disclosure on the quantity of recycled material for building construction.*

External review

FROM ISSUER’S FRAMEWORK

A Second Party Opinion (SPO) will be issued by an independent external verifier in order to provide an external verification on Atenor’s Green Finance Framework II. This external opinion will certify Atenor’s Framework alignment with the applicable Green Principles, such as the Green Bond Principles (GBP) and the Green Loan Principles (GLP).

The Second Party Opinion is available on the investor website: www.atenor.eu/en/investors

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Finance Framework II Asset Pool and using a proprietary methodology, ISS ESG assessed the contribution of Atenor’s Green Finance Instruments to the Sustainable Development Goals defined by the United Nations (UN SDGs).

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



Each of the Green Finance Instrument’s Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs⁴⁵:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings -Offices Certified LEED Gold or above, BREEAM Excellent or above, DGNB Gold or above, HQE High Level or above, or equivalent	Significant contribution	
Green Buildings -Residential Certified with Energy Performance Certification: EPC label “A” or equivalent, with Maximum of 100 kWh/sqm/year of Primary Energy Demand	Limited Contribution⁶	

⁴ This approach is based on the current methodology of the proprietary ISS ESG SDG Solutions Assessment (SDGA). However, deviating from this approach, ISS ESG also highlights that a contribution to SDGs 7 “Affordable and Clean Energy” and 13 “Climate Action” can be considered mainly due to Atenor’s construction practices (e.g., commitment of solar panels where feasible).

⁵ Please note that the Issuer’s Use of Proceed (UoP) categories are unvaried compared to Atenor’s last SPO as of March 5th 2021. However, the assessment displayed in this table is now based on a “most distinct logic”. When assessing the Atenor’s Green Buildings eligibility criteria (certified with an EPC label “A” or equivalent, or with a maximum of 100 kWh/sqm/year of Primary Energy Demand), ISS ESG deems that the company has a most distinct positive impact on SDG 11.

⁶ This assessment differs from the ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an Issuer’s product and service portfolio on the SDGs.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBLE ASSET POOL

Green Buildings

The Use of Proceeds categories, green buildings certified to a relevant sustainable building standard has a significant contribution to SDG 11 “Sustainable cities and communities” while residential buildings with EPC label above A or equivalent has a limited contribution. The table below presents the findings of an ISS ESG assessment of the (re-)financed assets against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Prerequisite for Green Buildings

- ✓ 100% of assets underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency. 100% of assets have received or will receive an EPC label from A to BB.

Site selection

- ✓ 100% of assets are developed in urban areas (e.g. brownfield development, exclusion of protected areas and sites of high environmental value).
- ✓ 100% of the assets are located within 1 km from one or more modalities of public transport.

Construction standards

- ✓ 75% of assets are located in countries where high labour and health and safety standards are in place (e.g. ILO core conventions). The remaining assets are located in Romania or Hungary and no information is available on measures to ensure high labour and health and safety standards for construction and maintenance work.
- ✓ 72% 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

- ✓ More than 50% 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 ensure operational safety (e.g. emergency exits, fire sprinklers, fire alarm systems).

Sustainability labels

- ✓ 69% of eligible assets are at least certified or targeted to be certified with a BREEAM certification ‘Excellent’, representing 100% of eligible offices. The remaining 31% refers to residential buildings with EPC label of A or equivalent.

DISCLAIMER

1. Validity of the SPO: As long as there is no material change to Atenor's Green Finance Framework II and to the asset pool
2. 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.
3. 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 asset pool is based solely on documents submitted by the issuer.
4. 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.
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ANNEX 1: Methodology

ISS ESG Green KPIs

The ISS ESG Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Atenor’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. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

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

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Atenor (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 Atenor’s Green Finance Instruments contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Atenor commissioned ISS ESG to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework II aligns with the GBP and GLP and to assess the sustainability credentials of its Green Finance Instruments, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA's Green Bond Principles
- LMA Green Loan Principles
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

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

- Green Finance Framework II
- Eligible 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 Instruments to be issued by Atenor based on ISS ESG methodology and in line with the ICMA GBP and LMA GLP.

The engagement with Atenor took place from January to February 2022.

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, please contact: SPOsales@isscorporatesolutions.com

For information about this specific Green Finance Instruments SPO, please contact: SPOOperations@iss-esg.com

Project team

Project lead

Camille Roux
Associate
ESG Consultant

Project support

Johanna-Charlotte Flemmig
Associate Vice President
ESG Consultant

Project supervision

Viola Lutz
Executive Director
Head of ISS ESG Climate
Services