Montea
Green Finance Framework

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MONTEA
SPACE FOR GROWTH

I Introduction

1. About Montea

Montea NV ("Montea" or the "Company") is a public regulated real estate company (RREC) under Belgian law (SIR – SIIC), specialised in the development and the management of logistics property in Belgium, France, The Netherlands, and Germany. The Company is a leading player in this market. Montea literally provides its clients with the space to grow, through flexible and innovative property solutions.

On 31 December 2020, the property portfolio represented a surface of 1,463,071 m² across 74 sites. Montea has been listed on Euronext Brussels (MONT) and Paris (MONTP) since late 2006. Montea shares are aimed at Belgian and foreign individual and institutional investors looking for an indirect investment in logistics property and seeking to achieve a relatively high dividend yield while incurring a moderate risk.

2. Corporate social responsibility at Montea

Montea has been committed to a sustainable growth of the value of our quality portfolio since its IPO in 2006.

True to our motto "SPACE FOR GROWTH", we want to turn our expertise in logistics into sustainable and long-term investments that create added value for all stakeholders. For Montea, sustainability is a lot more than mere environmental issues. We refuse to live at the expense of the future and focus on 4 main topics:

- Strategic locations that support multi-functional and multi-modal solutions.
- Investments in infrastructure and innovation to support our clients, allowing them to excel in their operations, while trying to minimise the impact on our planet.
- Well-prepared, versatile, and low-carbon warehouses that are long-term investments.
- Pro-actively reduce our carbon footprint to commit to the guidelines of the European Green Deal and contribute our part in the battle against climate change. Through it, we also support our clients in their decarbonisation efforts with our low-carbon warehouses (materials, longevity, clean energy solutions).

Sustainable entrepreneurship is all about establishing and cultivating long-term relationships, but also about making future-oriented business choices.

Montea has analysed the United Nations Sustainable Development Goals ("SDGs") and besides subscribing to all of them, pinpointed the SDGs on which we have the highest contribution within our activities. We are targeting our efforts accordingly.

Some of our targets and actions:

- Montea has calculated its carbon footprint, implemented a carbon emissions reduction plan, and joined the Science Based Targets Initiative. By the end of 2021, Montea intends to make its operations carbon neutral.

- In the past we have already invested heavily in renewable energy systems on our assets, mainly solar PV. On 31 December 2020, 55% of our portfolio is equipped, resulting in a total installed power of 38 MWp and a CO_2 reduction of ca. 8.800 tons/year. We have the intention of increasing this to at least 90% of all sites where it is technically possible by the end of 2023.

- By the end of 2021, all Montea sites will be equipped with energy monitoring systems. This will allow the tenant to follow its own consumption, to raise awareness, but also provide us with the necessary data for our energy performance improvement programs.

- On our standing assets, we help our clients to reduce their carbon footprint as well as the energy cost. To this regard, we are implementing energy performance improvement programs. Some examples:
    - The lighting in our older buildings is being replaced by energy-efficient LED lighting, resulting in significant lower energy cost and carbon emissions, but also enhancing safety and wellbeing in the workplace. Our LED lighting is combined with daylight and motion detection.
    - Heating systems are being switched to heat pumps or other low carbon systems, resulting in lower energy cost and carbon emissions.
    - Heating, ventilation, and air conditioning systems are connected to a Building Management System ("BMS") to detect deviations, errors and avoid waste of energy. These BMS also contribute to a healthier and higher quality of indoor conditions.
    - Demand side management solutions (like battery storage, smart consumption strategies) are being investigated to augment the own consumption ratio of the locally green electricity from our renewable energy systems. This will result in lower costs and lower emissions.
    - In case of major renovations of assets, they will be upgraded to a standard in energy performance that is future proof.
    - Montea is launching a client awareness program to underline the importance of energy performance and help them with this topic.

- Montea has its own "Building Manual". New buildings are designed as "fossil free", considering for example life cycle analysis, energy performance, carbon emissions, well-being, circularity and versatility, to make our developments future proof. Some of the measures being implemented are purification of rainwater into drinking water, focus on air tightness to prevent heat losses, limit the volume of coolants to a strict minimum, use of heat pumps and light catchers.

  We are planning a "fossil free" logistics property in Belgium. All the energy needed will be from renewable sources.

- In 2019 Montea joined the Green Deal Circular Construction of the Flemish Government.

- Montea supports research and innovation. For example:
  - Sponsor and support the Dennie Lockefeer chair at the University of Antwerp. This fundamental research group conducts scientific studies on multimodality and the use of inland waterways as a possible solution to improve mobility.
  - Feasibility of a hydrogen storage system on one of our sites to gain insight and deeper knowledge on this promising energy storage system.
  - Development of a logistics site where intermodal transport can be combined with last-mile concepts.

- Montea believes in sharing:
  - On a regular basis we organize seminars with partners (like VIL, Spryg) to share knowledge and insights with as many stakeholders as possible.
  - Support of charities like the Asino therapy center De Kampenhoeve, Roparun, Stichting Sinar Binthang, Donkey Parade, We're only Human, Afrika Tikkun and more.

3. Background of the Montea Green Finance Framework

Montea has established this Green Finance Framework under which the Company intends to issue Green Finance Instruments, which may include bonds, loans, private placements, and any other green finance instruments, to finance and/ or refinance sustainable projects with a clear benefit to environment and society.

The International Capital Markets Association ("ICMA") Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of green financing instruments. The Montea Green Finance Framework is consistent with the ICMA Green Bond Principles (hereafter "GBP") 2018 edition[1] as well as the LMA Green Loan Principles ("GLP") 2020 edition[2].These voluntary process guidelines are developed in multi-stakeholder processes involving issuers, investors, financial institutions, and NGO's, with a view to promoting the development and integrity of the sustainable finance market.

[1] https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf
[2] https://www.lma.eu.com/application/files/1815/8866/8537/Green_Loan_Principles_V03.pdf

II Montea Green Finance Framework

The Montea Green Finance Framework follows the core components of the voluntary guidelines of the Green Bond Principles and Green Loan Principles and includes the following sections:

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

1. Use of Proceeds

Montea intends to allocate an amount equal to the incremental net proceeds of any Green Finance Instruments to a portfolio of eligible green projects (the "Eligible Green Projects") falling in one of the following categories:

A. Green Buildings

- New, existing, or refurbished buildings which have received at least one or more of the following certifications:
  - BREEAM: "Outstanding" "Excellent", "Very Good"
  - LEED: "Platinum", "Gold"
  - DGNB: "Gold" and above
  - HQE: "Excellent", "Very Good" and above

- Existing buildings that have an energy intensity for buildings ≤ 75 kWh/m²/year and for new buildings ≤ 50 kWh/m²/year.

- Refurbished buildings with an improved energy efficiency of at least 30% in primary energy demand (PED) compared to a baseline before the renovation.

- Implementation of individual improvements and refurbishments in properties in order to significantly improve energy efficiency and/ or water efficiency of, or make other environmentally beneficial improvements to, a building, building subsystem or land, including but not limited to investments in LED and other energy efficient lighting, roof/ walls/ floors/ envelop insulation, cool roof and other sustainability-oriented construction materials, waste diversion, water and energy-saving technologies and materials, charging stations for electric vehicles in buildings, and other improvements. Minimal improvement should be 20% compared to a baseline before implementation.

B. Renewable Energy

- New or existing investments in or expenditures on the acquisition, development, construction and/ or installation of on-site renewable energy production units and storage systems with maximum life cycle emissions lower than 100g CO2e/kWh, on rooftops of properties owned and/ or managed by the Company or one of its affiliates.

2. Process for Project Evaluation and Selection

Eligible Green Projects are evaluated and selected based on compliance with the eligibility criteria described in the 'Use of Proceeds' section above, by Montea's Sustainable Executive Committee. Investments, expenditures and/or projects are proposed by internal departments. A Sustainable Executive Committee (consisting of a sustainability manager and a representative of the finance department) will evaluate the compliance of the project with the eligibility criteria and internal policies.

The Sustainable Executive Committee's role will be to:

1. Review, select and validate the pool of Eligible Green Projects, based on the Green Finance Framework.
2. Validate annual reporting for investors.
3. Review the Framework to reflect any changes with regards to the Company's sustainability strategies and initiatives, and any change in their third-party verifier of social and environmental criteria for green buildings.

Montea applies core minimum environmental and social requirements for many of its activities, including those financed with the proceeds of the Green Finance Instruments. Hence, all potential Eligible Green Projects first and foremost comply with environmental and social laws and regulations as well as Montea's policies and standards which aim to manage and mitigate environmental, social and governance risks. These include, but are not limited to, the Montea Code of Conduct. The environmental and social policies can be found on the Company's website: https://montea.com/investor-relations/corporate-documents

3. Management of Proceeds

Montea will manage allocation of the net proceeds from the Green Finance Instruments to Eligible Green Projects on a portfolio basis (the "Eligible Green Project Portfolio").

To ensure proceeds are allocated in accordance with the Green Finance Framework, Montea's Sustainable Executive Committee will track investments in Eligible Green Projects. If a specific asset, project, or activity is divested, discontinued or does not longer meet the definition of Eligible Green Projects, it will be removed from the specific list of Eligible Green Projects and replaced by another Eligible Green Project as soon as practicable.

Montea will strive, over time, to achieve a level of allocation to the Eligible Green Project Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments. Additional Eligible Green Projects will be added to the Company's Eligible Green Project Portfolio to the extent required to ensure that an amount at least equal to the net proceeds from the outstanding Green Finance Instruments is allocated to Eligible Green Projects.

Montea's Sustainable Executive Committee will meet annually to (re)assess the Eligible Green Project Portfolio and adjust it as necessary. The Eligible Green Projects are selected in accordance with the use of proceeds criteria, and as per evaluation and selection process presented above. These projects can be newly built, existing but can also include refurbishments.

Whilst any net proceeds from Green Finance Instruments remain unallocated, Montea will hold any unallocated amount at its own discretion in its treasury liquidity portfolio, and/or invest it in cash and/or cash

equivalents and/or other short term and liquid marketable instruments, as per the Company's treasury policy.

4. Reporting

Montea will make and keep readily available reporting on the Eligible Green Project Portfolio towards which the net proceeds of the Green Finance Instruments are allocated, and, wherever feasible, on the associated environmental impact, (at category level), after a year from the issuance of the applicable Green Finance Instrument, and then annually until full allocation. Montea intends to provide aggregated reporting for all Montea's Green Finance Instruments outstanding.

The report will be made available on Montea's website: https://montea.com/investor-relations/corporate-documents

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

4.1 Allocation Reporting

The allocation report will provide:

- The total amount of proceeds allocated.
- The number of Eligible Green Projects by category, along with a description of the most emblematic projects and/or examples/case studies.
- The balance of unallocated proceeds (if any), along with the type of temporary placements; and
- Where relevant, the levels of certification of the properties in the Eligible Green Project Portfolio

4.2. Impact Reporting

On an annual basis, Montea intends to report on the environmental impact of the Eligible Green Project Portfolio. These may be supplemented by case-study reports on outcomes and impacts of the projects funded.

Where feasible and available, the impact reporting will include the following metrics regarding the environmental impact of the Eligible Green Projects:

GLP/ GBP category	Potential impact reporting indicators
Green Buildings	• Type of classification and rating. • (Estimated) ex-ante annual energy consumption in kWh/m2. • (Estimated) annual reduced and/or avoided emissions in tons of CO2e. • Energy efficiency improvement in primary energy demand (PED) following a renovation or refurbishment in %. • Energy efficiency improvement in primary energy demand (PED) following the implementation of the measure in %. • Water efficiency improvement in primary energy demand (PED) following the implementation of the measure in %.

Renewable Energy	• Total installed capacity in MW per type • Annual generation of renewable energy in MWh. • Estimated annual avoided emissions in tons of CO2e.

5. External Review

5.1 Second Party Opinion (pre issuance)

This Montea Green Finance Framework has been reviewed by Sustainalytics who has issued a Second Party Opinion. The Second Party Opinion as well as the Green Finance Framework will be made available on https://montea.com/investor-relations/corporate-documents.

5.2 Verification (post issuance)

Montea intends to request, one year after issuance or after full allocation, an external verification by its independent external auditor on the allocation of the Green Financing proceeds to the Eligible Green Project Portfolio, as well as on the associated environmental impact, in the form of 'Limited Assurance'. The verified allocation and impact report, along with the 'Limited Assurance' from the independent external third-party verifier, will be publicly available on the Montea corporate website.

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