Second-Party Opinion

Montea Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Montea Green Finance Framework is credible and impactful and that it aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2020. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings and Renewable Energy – are aligned with those recognised by the Green Bond Principles 2018 and the Green Loan Principles 2020. Sustainalytics considers that the eligible categories will lead to positive environmental impacts by reducing energy consumption and increasing renewable energy generation, and advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.

PROJECT EVALUATION / SELECTION Montea's Investment Committee will be in charge of evaluating and selecting projects in accordance with the eligibility criteria subject to minimum environmental and social requirements. Sustainalytics considers the project selection process in line with market practice.

MANAGEMENT OF PROCEEDS Montea will establish the Eligible Green Project Portfolio to include Eligible Green Projects and ensure proceeds are allocated accordingly. Any unallocated proceeds will be held in Montea's treasury liquidity portfolio and/or invested in cash, and/or cash equivalents and/or other short term and liquid marketable instruments as its treasury policy. This is in line with market practice.

REPORTING Montea intends to provide annual reports on the allocation of proceeds and associated environmental impact metrics, starting a year after the issuance of the corresponding Green Finance Instrument and until full allocation. Allocation reporting will include (i) the total amount of proceeds allocated; (ii) the number of Eligible Green Projects by category; (iii) the balance of unallocated proceeds (if any); and (iv) where relevant, the levels of green building certification of the properties in the Eligible Green Project Portfolio. In addition, the Company is committed to reporting on relevant impact metrics. Sustainalytics views Montea's allocation and impact reporting as aligned with market practice.

Evaluation date	February 12, 2021
Issuer Location	Aalst, Belgium

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Introduction

Montea NV ("Montea", or the "Company") is a real estate company that specialises in developing and managing logistics properties. Listed on Euronext Brussels (MONT) and Paris (MONTP) since late 2006, Montea has operations in Belgium, France, The Netherlands and Germany. As of 2020, the Company's property portfolio represented a surface of approximately 1.4 million square meters across 74 sites.

Montea has developed the Montea Green Finance Framework (the "Framework") under which it intends to issue Green Financing Instruments, such as green bonds and loans, and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that provide environmental benefits such as reduced energy consumption or increased energy efficiency. The Framework defines eligibility criteria in two areas:

1. Green Buildings and Energy Efficiency
2. Renewable Energy

Montea engaged Sustainalytics to review the Montea Green Finance Framework, dated February 2021, and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)[1] and the Green Loan Principles 2020 (GLP).[2] This Framework has been published in a separate document.[3]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[4] opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Green Bond Principles 2018, as administered by ICMA, and the Green Loan Principles 2020, as administered by LMA, APLMA and LSTA[5];
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.6, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Montea's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Montea representatives have confirmed (1) they understand it is the sole responsibility of Montea to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Montea.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible

[1] The Green Bond Principles are administered by the International Capital Market Association and are available at: https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/.
[2] The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: https://www.lsta.org/content/green-loan-principles/.
[3] The Montea Green Finance Framework is available on Montea 's website at: https://montea.com/
[4] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.
[5] In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Montea has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Montea Green Finance Framework

Sustainalytics is of the opinion that the Montea Green Finance Framework is credible and impactful and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings and Energy Efficiency, and Renewable Energy – are aligned with those recognised by the GBP and GLP.
  - For the "Green Buildings" category, Montea intends to utilise net proceeds for the acquisition or development of properties that meet at least one of the following:
    - Green building certification including BREEAM "Very Good" or higher, LEED "Gold" or higher, DGNB "Gold" or above, and HQE "Very Good" or above. Regarding BREEAM, Sustainalytics recognises that for certain classes of developments, BREEAM "Excellent" may be viewed as best practice. Sustainalytics considers the use of BREEAM "Very Good" to be aligned with market expectations for logistics and warehousing real estate, and in any case, encourages the selection of BREEAM buildings that achieve a minimum score of 70% in the Energy category. Sustainalytics views the selected green building certification schemes as credible (see Appendix 1 for a further description of the referenced building schemes).
    - New or existing buildings that have an energy intensity of ≤75 kWh/m²/year for existing buildings, and 50 kWh/m²/year for future buildings. Sustainalytics notes that these thresholds are very likely to place Montea's buildings within the top 15% of comparable buildings in the national market.
    - Refurbished buildings which result in a minimum of 30% energy efficiency improvement in primary energy demand compared to the baseline before renovation.
    - The Framework contemplates expenditures aimed at improving energy efficiency and/or water efficiency of the Company' 's buildings such as, but not limited to, LED and other energy-efficient lighting, roof/walls/floors/envelop insulation and other improvements which result in a minimum 20% energy efficiency improvement compared to the baseline before implementation. Sustainalytics considers that investments that deliver the aforementioned levels of improvement, as well as the individual measures specified, to be in line with market practice.
  - For the "Renewable Energy" category, Montea intends to finance the acquisition, development, construction and/or installation of on-site renewable energy projects such as, but not limited to, solar panel installations. Renewable energy production units and storage systems should have a life cycle emission lower than 100g CO_2e/kWh. Sustainalytics considers this threshold to be in line with market practice.
- Project Evaluation and Selection:
  - Montea's internal departments will propose eligible investments, expenditures and/or projects to the Sustainable Executive Committee (the "Committee"). The Committee, comprised of a sustainability manager and a representative of the finance department, will evaluate and select

projects that meet the eligibility criteria. In addition, the Company applies a core minimum environmental and social requirement for projects financed with the proceeds from any Green Finance Instruments to the eligibility criteria.
  - Based on the establishment of a Sustainable Executive Committee, Sustainalytics considers this evaluation and selection process to be in line with market practice.
- Management of Proceeds:
  - Montea's Sustainable Executive Committee will be in charge of tracking investments made in Eligible Green Projects. The Company will manage net proceeds from the Green Finance Instruments on a portfolio basis through the "Eligible Green Project Portfolio."
  - Montea intends to achieve a level of allocation to the Eligible Green Project Portfolio that matches or exceeds the balance of net proceeds from the outstanding Green Finance Instruments. Montea has communicated that it intends to immediately allocate net bond proceeds to eligible projects after each issuance. In case any of the proceeds from the Green Finance Instruments remain unallocated, the Company will hold proceeds in its treasury liquidity portfolio and/or invest it in cash and/or cash equivalents and/or other short term and liquid instruments as per Montea's treasury policy.
  - In case an asset, project or activity no longer meets the eligibility criteria, it will be removed from the Eligible Green Project Portfolio and replaced by an eligible project as soon as practicable.
  - Based on the establishment of the Eligible Green Project Portfolio and the handling of unallocated net proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Montea intends to keep readily available annual reports on the Eligible Green Project Portfolio on its website, a year after the issuance of the applicable Green Finance Instrument.
  - Allocation reporting will include (i) the total amount of proceeds allocated; (ii) the number of Eligible Green Projects by category, along with a description of the emblematic projects and/or example of projects or case studies; (iii) the balance of unallocated proceeds (if any), along with the type of temporary placement; and (iv) where relevant, the levels of green building certification of the properties in the Eligible Green Project Portfolio.
  - In addition, Montea will report on the environmental impact of the Eligible Green Project Portfolio, which may be supplemented by case-study reports on the outcomes and impacts of the projects funded. Impact reporting will include metrics, where feasible and available, such as the estimated CO_2e emissions reduced and/or avoided for green buildings and the annual generation of renewable energy (MWh).
  - Based on Montea's allocation and impact reporting commitments, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2020

Sustainalytics has determined that the Montea Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information, please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Montea

Contribution of Framework to Montea's sustainability strategy

Sustainalytics is of the opinion that Montea demonstrates a strong commitment to sustainability driven by its motto of "Space for Growth" through which it intends to turn its expertise in logistics into sustainable and long-term investments that create added value for all stakeholders. In addition, Montea is conducting studies to develop a concrete sustainability action plan called "Plan 2030/2050: Sustainability Vision for the Future", through which it intends to link the Company's ambitions with the "People, Planet, Profit and Policy" approach.[6]

Sustainalytics highlights the following points of Montea's corporate strategy for being particularly aligned with the Framework:

- Strategic locations supporting multi-functional and multi-modal solutions that help Montea enhance its operational and resource efficiency.

[6] Montea report, "Half-yearly financial report", at: https://montea.com/uploads/20200806-Halfjaarlijks-financieel-persbericht-30-06-2020_V8_UK.pdf

- Investments in infrastructure and innovation to support its clients, allowing them to excel in their operations while trying to minimise the impact on the planet.
- Well-prepared, versatile, and low-carbon warehouses that are long-term investments.
- Pro-actively reduce the Company's carbon footprint to commit to the European Green Deal's guidelines[7] and contribute its part in combating climate change.

In line with the abovementioned topics, Montea has set the following sustainability targets:

- By the end of 2021, Montea intends to make its operations carbon neutral. Towards this, the Company has joined the Science Based Targets Initiative and implemented a carbon emissions reduction plan. As an example of an ongoing initiative, Montea is replacing the current lighting systems at all its older warehouses with energy-efficient LED lights.
- Within the same period, the Company also intends to equip all its sites[8] with energy monitoring systems. As of Q4 2020, 70% of Montea's logistics area had already been equipped with energy monitoring systems.[9]
- By the end of 2023, Montea aims to equip at least 90% of its sites with renewable energy (RE) systems. In Belgium, for example, the Company has introduced a plan for developing Belgium's first fossil-free building for logistics that it intends to power by 100% renewable sources. As of December 2020, 55% of Montea's portfolio was already equipped with RE, resulting in a total installed capacity of 38-megawatt peak.[10]

Sustainalytics is of the opinion that the Montea Green Finance Framework is aligned with the Company's overall sustainability strategy and targets and will further the Company's action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognises that the net proceeds from the bonds and/or loans issued under the Framework will be directed towards eligible projects that are recognised by the GBP and GLP to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety; community relations/stakeholder participation; land use and biodiversity issues associated with large-scale development projects; emissions, effluents, and waste generated in construction.

Sustainalytics is of the opinion that Montea is able to manage and/or mitigate potential risks through implementation of the following policies and regulations:

- Montea's Code of Conduct obligates the Company to thoroughly examine all anomalies and environmental risks associated with the purchase of buildings. Montea addresses the risk of environmental pollution by conducting an investigation into the quality of the soil, subsoil and groundwater for buildings where high-risk activities are or were carried out. In the event of proven pollution, Montea makes "efforts to manage the potential associated risks with due care and attention".[11] In 2019, Montea joined the Green Deal Circular Construction by the Flemish Government which promotes the use of safe, recycled raw materials in the construction industry.[12]
- In addition, the projects funded by Montea that may be assessed to pose a risk to the environment must comply with the European Union (EU) Environmental Impact Assessment (EIA) Directive (the "Directive") for development projects within the EU. The EIA Directive is aimed at ensuring that projects which are likely to have a significant impact on the environment are adequately assessed before approval. With respect to biodiversity, the Directive instructs that measures must be taken to "avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats." Concerning land use, the Directive notes that the "EIA shall identify, describe and assess land use related impacts."[13]
- Regarding worker health and safety, the EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout Europe. Employers must "ensure the safety and health of workers in every aspect related to the work." Necessary measures due to be taken by the employers

[7] EU Comission website, "A European Green Deal", at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en
[8] As of 31st December 2020, the property portfolio represented a surface of 1,463,071 square meters across 74 sites.
[9] Montea report, "Annual Financial Press Release" (p17), at: https://montea.com/uploads/20210211-Annual-financial-press-release.pdf
[10] Ibid.
[11] Montea, "Corporate Governance Charter", at: https://montea.com/uploads/investor-relations/20200211-Montea_CG-Charter_Bijlage-1-Code-of-conduct_ENG_Reviewed.docx.pdf.
[12] Flemish Construction Confederation website, "Circular Construction Economy", at: https://www.circulairebouweconomie.be/en/
[13] EU, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment", (2014), at: https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052.

include "prevention of occupational risks and provision of information and training, as well as provision of the necessary organisation and means."[14]

Based on these policies and compliance with EU regulations, Sustainalytics is of the opinion that Montea has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

Both use of proceeds categories are aligned with those recognised by the GBP and GLP. Sustainalytics has focused below on how the impact is specifically relevant in the local context.

Importance of energy efficiency and low-carbon buildings in the EU

As part of the European Green Deal, the EU has set the goal to be climate-neutral by 2050.[15] By 2030, it aims to reduce GHG emissions by 55% compared to 1990 levels and to improve energy efficiency by 32.5%.[16] In the EU, as of 2018, the buildings sector accounted for approximately 40% of total energy consumption and 36% of CO_2 emissions, making it the single largest sector of energy consumption and emissions. Therefore, the buildings sector can play an important role in achieving the EU's short-term and long-term climate goals.[17] Around 97% of the EU building stock is energy inefficient,[18] demonstrating the need for constructing buildings that integrate higher climate and energy requirements, such as the ones financed under this Framework. However, given that it is projected that 94% of today's buildings will still be standing by 2050,[19] renovations have a major role in decarbonising the buildings sector. Estimations suggest that the renovation of existing buildings could reduce the total energy consumption and CO_2 emissions by approximately 5% to 6%.[20] Nevertheless, the current renovation speed is slow[21] and must triple from 1% to 3% annually to achieve a low-carbon building stock.[22]

In the case of Belgium, the building sector accounts for around 18.3% of the country's total GHG emissions.[23] The Belgian Government aims for complete decarbonisation in the building sector by 2050 through energy-efficient solutions and a carbon-free energy mix.[24] Similar trends are seen in the Netherlands, where the building sector is responsible for approximately 28% of total energy consumption. The Dutch Government has taken a proactive approach to emission reduction in the sector by establishing a national target of improving the average energy labels for the existing building stock to A[25] by 2030.[26] In France, the building sector is the leading final energy consumer and accounts for 42% of total energy consumption. The French Government established a Climate Plan in 2017 which aims to accelerate the energy transition over a 5-year period and outlines energy efficiency in renovation as a key priority. By renovating 500,000 buildings over the period, the Government aims to prioritise energy retrofitting of buildings, improving energy efficiency, and developing the role of private finance in leading this transition.[27]

Sustainalytics is of the opinion that the projects financed under the Green Buildings and the Energy Efficiency categories are impactful and could help to reduce the environmental footprint of the buildings sector, as well as assisting the EU in meeting its short and long-term targets.

[14] EU, "Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work", (1989), at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR.
[15] European Commission, "European Climate Law", (2020), at: https://ec.europa.eu/clima/policies/eu-climate-action/law_en.
[16] EU, Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009, at: https://eur-lex.europa.eu/eli/dir/2009/28/oj
[17] European Commission, "EU Science Hub: Buildings", at: https://ec.europa.eu/jrc/en/energy-efficiency/buildings.
[18] European Parliament, "Report on maximizing the energy efficiency potential of the EU building stock", (2020), at: https://www.europarl.europa.eu/doceo/document/A-9-2020-0134_EN.htm.
[19] Ibid.
[20] European Commission, "New rules for greener and smarter buildings will increase quality of life for all Europeans", (2019), at: https://ec.europa.eu/info/news/new-rules-greener-and-smarter-buildings-will-increase-quality-life-all-europeans-2019-apr-15_en
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[22] European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU", (2019), at: https://ec.europa.eu/energy/sites/ener/files/documents/1.final_report.pdf
[23] The Belgian federal website, "Vision and strategic workstreams for a decarbonised Belgium by 2050", at: https://climat.be/doc/visionandstrategicworkstreamsforadecarbonisedbelgiumby2050.pdf
[24] Ibid.
[25] A label- most energy-efficient building; G label- least energy-efficient building.
[26] Dutch Government, "Energy Report Transition to sustainable energy" (2016), at: Energy Report Transition to sustainable energy | Report | Government.nl
[27] Ministere de la Transition Ecologique, "Energy retrofit plan for buildings" (2020), at: Plan de rénovation énergétique des bâtiments | Ministère de la Transition écologique (ecologie.gouv.fr).

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds and loans issued under the Montea Green Finance Framework advance the following SDGs and targets.

Use of Proceeds Category	SDG	SDG target
Green Buildings and Energy Efficiency	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	7. Affordable and Clean Energy	7.4 By 2030, double the global rate of improvement in energy efficiency.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

Conclusion

Montea has developed the Montea Green Finance Framework under which it will issue Green Financing Instruments and use the proceeds to finance projects that provide environmental benefits such as reduced energy consumption or increased energy efficiency. Sustainalytics considers that the projects funded by the net proceeds are expected to provide positive environmental impact.

The Montea Green Finance Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Montea Green Finance Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7 and 9. Additionally, Sustainalytics is of the opinion that Montea has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Montea is well-positioned to issue Green Financing Instruments, and that the Montea Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2020.

Appendices

Appendix 1: Summary of Referenced Green Building Certification Schemes

	LEED[28]	DGNB[29]	BREEAM[30]	HQE[31]
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, BREEAM can be used for new, refurbished and extension of existing buildings.	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.
Certification Levels	• Certified • Silver • Gold • Platinum	• Bronze • Silver • Gold • Platinum	• Pass • Good • Very Good • Excellent • Outstanding	• Pass • Good • Very good • Excellent • Exceptional
Areas of Assessment	• Energy and Atmosphere • Sustainable Sites • Location and Transportation • Materials and Resources • Water Efficiency • Indoor Environmental Quality • Innovation in Design • Regional Priority	• Environment • Economic • Sociocultural and • functional aspects • Technology • Processes & Site	• Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation	• Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality)
Requirements	Prerequisites (independent of level of certification) + Credits with associated points. These points are then added together to obtain the LEED level of certification. There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-	Percentage-based performance index. The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. Depending on the total performance index, a DGNB award will be given to the project, starting from Silver. Bronze is awarded for existing buildings and is conferred as the lowest rank.	Prerequisites depending on the levels of certification. Credits with associated points. This number of points is then weighted by item and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.

[28] USGBC, "LEED rating system", at: www.usgbc.org/LEED.
[29] DGNB, "The certification process", at: https://www.dgnb-system.de/en/certification/certification-process/.
[30] BREEAM, "How certification works" at: https://www.breeam.com/discover/how-breeam-certification-works/.
[31] HQE,, " Introduction to HQE certification", at: https://www.behqe.com/cerway/essentials.

	/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).		their BREEAM performance score.	Based on the total number of stars obtained per area, an overall HQE level is then given. Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.
Performance Display				
Accreditation	LEED AP BD+C LEED AP O+M	DGNB Auditor DGNB Compliance Testing Team DGNB Certification Committee	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	HQE Construction Certification Referent HQE Operations Certification Advisor
Qualitative Considerations	Widely recognised internationally, and strong assurance of overall quality.	DGNB certification is based on current European Union standards and norms and is being recommended by the German Federal Ministry of Transport, Building and Urban Development. DGNB System has partnerships in a number of countries, among which Bulgaria, Denmark, Austria, Thailand and Switzerland.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	HQE certification has the greatest number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Montea Comm. VA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Montea Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	February 12, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Green Buildings and Renewable Energy – are aligned with those recognised by the Green Bond Principles 2018 and the Green Loan Principles 2020. Sustainalytics considers that the eligible categories will lead to positive environmental impacts by reducing energy consumption and increasing renewable energy generation, and advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.

Use of proceeds categories as per GBP:

☒ Renewable energy	☒ Energy efficiency
☐ Pollution prevention and control	☐ Environmentally sustainable management of living natural resources and land use
☐ Terrestrial and aquatic biodiversity conservation	☐ Clean transportation
☐ Sustainable water and wastewater management	☐ Climate change adaptation
☐ Eco-efficient and/or circular economy adapted products, production technologies and processes	☒ Green buildings
☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	☐ Other *(please specify)*:

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Montea's Investment Committee will be in charge of evaluating and selecting projects in accordance with the eligibility criteria and subject to a minimum environmental and social requirements. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

☒ Credentials on the issuer's environmental sustainability objectives	☒ Documented process to determine that projects fit within defined categories
☒ Defined and transparent criteria for projects eligible for Green Bond proceeds	☒ Documented process to identify and manage potential ESG risks associated with the project
☒ Summary criteria for project evaluation and selection publicly available	☐ Other *(please specify):*

Information on Responsibilities and Accountability

☒ Evaluation / Selection criteria subject to external advice or verification

☐ In-house assessment

☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Montea will establish the Eligible Green Project Portfolio to include Eligible Green Projects and ensure proceeds are allocated accordingly. Any unallocated proceeds will be held in Montea's treasury liquidity portfolio and/or invested in cash, and/or cash equivalents and/or other short term and liquid marketable instruments as its treasury policy. This is in line with market practice.

Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other *(please specify)*:

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements

☒ Allocation to a portfolio of disbursements

☒ Disclosure of portfolio balance of unallocated proceeds

☐ Other *(please specify)*:

4. REPORTING

Overall comment on section (if applicable):

Montea intends to provide annual reports on the allocation proceeds and associated environmental impact metrics, starting a year after the issuance of the corresponding Green Finance Instrument and until full allocation. Allocation reporting will include (i) the total amount of proceeds allocated; (ii) the number of Eligible Green Projects by category; (iii) the balance of unallocated proceeds (if any); and (iv) where relevant, the levels of green building certification of the properties in the Eligible Green Project Portfolio. In addition, the Company is committed to reporting on relevant impact metrics. Sustainalytics views Montea's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s) ☐ Other *(please specify):*

Information reported:

☒ Allocated amounts ☐ Green Bond financed share of total investment

☒ Other *(please specify):* 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.

Frequency:

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☐ Project-by-project ☒ On a project portfolio basis

☐ Linkage to individual bond(s) ☒ Other (please specify): At category level

Information reported (expected or ex-post):

☒ GHG Emissions / Savings ☒ Energy Savings

☐ Decrease in water use ☒ Other ESG indicators (please specify): Type of classification and rating; (Estimated) ex-ante annual energy consumption in kWh/m2; 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 %; total installed capacity in MW per type; annual generation of renewable energy in MWh.

Frequency

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Means of Disclosure

☐ Information published in financial report ☐ Information published in sustainability report

☐ Information published in ad hoc documents ☒ Other (please specify): Company's website

☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion) ☐ Certification

☐ Verification / Audit ☐ Rating

☐ Other *(please specify):*

Review provider(s): **Date of publication:**

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research

providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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