



Home Invest Belgium

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Green Finance Framework

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1. Introduction

1.1. Home Invest Belgium: Introduction

Home Invest Belgium is the leading developer, owner and operator of accessible residential rental properties in the Belgian private housing market.

Beyond a place to live, Home Invest Belgium provides its tenants with a place to build their lives in buildings embedded in the vibrant communities that we shape. It is the company's outspoken ambition to be the landlord of choice for tenants, answering their housing needs throughout different stages and ways of life.

Home Invest Belgium owns a young, sustainable and high-quality real estate portfolio of over 2,400 rental units. More than 50% of the portfolio is younger than 10 years.

Home Invest Belgium is a Belgian public regulated real estate company (BE-REIT), listed on Euronext Brussels since 1999. Through its listing on the stock exchange, the company aims to offer its shareholders the opportunity to own real estate through an investment that is safe, hassle-free and sustainably profitable.

1.2. Home Invest Belgium's sustainability approach

When determining the priorities and materiality for Home Invest Belgium, a number of the UN Sustainable Development Goals (SDGs) were retained. They were selected on the one hand because of the relative impact of the construction sector in general (as identified by the World Green Building Council), and on the other hand because of the specific activities of Home Invest Belgium in particular (development of residential buildings in an urban environment).

The retained SDGs are combined in 6 main thematic themes:

1. Sustainable Cities
2. Climate and Energy
3. Responsible Consumption and Innovation
4. Biodiversity and Water
5. Health and Well-being
6. Equality

Specifically for Climate and Energy, the EU climate goal is to cut greenhouse gas emissions by at least 55% by 2030 and to become climate neutral by 2050. Carbon dioxide (CO₂) is

the primary greenhouse gas emitted through human activities. Home Invest Belgium is active in the real estate sector, which accounts for roughly one third of the EU's CO₂-emissions.

Home Invest Belgium is a sustainable and responsible real estate company. The company is committed to support climate protection and to reduce CO₂-emissions. Over the coming years, Home Invest Belgium will continue to invest in the quality and energy efficiency of its buildings. By renovating existing buildings and constructing new low carbon and carbon neutral buildings, Home Invest Belgium aims to contribute to achieving the EU climate goals.

1.3. Background and rationale for Green Finance Framework

Home Invest Belgium has developed its Green Finance Framework ("**Framework**") aiming to attract specific funding for green assets and real estate projects which contribute to its sustainability strategy. Under this Framework, Home Invest Belgium can issue a variety of Green Finance Instruments such as f.i. Green Bonds, Green (Treasury) Notes, Green Private Placements, Green (syndicated) Loans.

The Framework provides a clear and transparent set of criteria for Green Finance Instruments issued by Home Invest Belgium and is consistent with the guidelines of the Green Bond Principles ("**GBP**") (as issued by the International Capital Market Association (ICMA) and last updated in June 2021¹ and the Green Loan Principles ("**GLP**") (from the Loan Market Association (LMA), last updated in February 2021. These voluntary process guidelines are developed in multi-stakeholder processes involving issuers, investors, financial institutions and NGOs, with a view to promoting the development and integrity of the sustainable finance market.

Home Invest Belgium is also willing to align its Framework with the best market practices and applicable market guidelines, to the extent possible.

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>



2. Home Invest Belgium’s Green Finance Framework



Home Invest Belgium’s Framework follows the core components of the voluntary process guidelines of the ICMA Green Bond Principles (GBP) and Green Loan Principles (GLP) and will cover the following sections:

- 2.1. Use of Proceeds;
- 2.2. Process for Project Evaluation and Selection;
- 2.3. Management of Proceeds;
- 2.4. Reporting; and
- 2.5. External Review.

2.1. Use of Proceeds

Home Invest Belgium intends to allocate an amount equivalent to the proceeds of Green Finance Instruments under this Framework exclusively to finance and/or refinance in whole or in part, projects and assets which contribute to its sustainability strategy (“**Eligible Green Projects**”) outlined in the table below. The Eligible Green Projects are also mapped to the UN Sustainable Development Goals (UN SDGs).

Eligible Green Projects CATEGORY & UN SDGs	ELIGIBILITY CRITERIA
<p>Green Buildings</p>  	<ul style="list-style-type: none"> • Newly constructed and existing buildings which meet recognized external standards for best practices in energy efficiency. The buildings comply with, or are under development to comply with any of the following criteria: <ul style="list-style-type: none"> - Belgium <ul style="list-style-type: none"> (i) EPC label “A” or better, or (ii) Primary energy consumption of 100 kWh/m²/year or lower - The Netherlands <ul style="list-style-type: none"> (i) EPC label “A++” or better for buildings built as from 2016, or (ii) EPC Label “A” for renovations of existing buildings

	<ul style="list-style-type: none"> Renovated buildings that achieved a reduction in energy demand of at least 30%.
<p>Renewable Energy</p>  	<ul style="list-style-type: none"> Investments related to: <ul style="list-style-type: none"> Solar photovoltaic power Geothermal power Energy storage of renewable energy such as solar power or geothermal power

We will not knowingly allocate proceeds from any issuance of a Green Finance Instrument to the following:

- Weapon manufacturers;
- Tobacco companies;
- Palm oil producers;
- Companies that relate to the exploration, production or transportation of fossil fuels (e.g., coal, oil and gas);
- Speculative food commodity derivatives; or
- Any other activity that Home Invest Belgium determines is ineligible for allocation of proceeds at the time of allocation

2.2. Process for Project evaluation and selection

Home Invest Belgium will follow a transparent process for selection and evaluation of Eligible Green Projects.

The internal acquisition team assesses projects based on a number of criteria including environmental and social criteria. After a positive assessment, projects are proposed to the Investment Committee of Home Invest Belgium for first approval and subsequently to the Board of Directors for final approval. All new built residential projects in Belgium and the Netherlands proposed for approval must meet the eligibility criteria for new Green Buildings.

Projects financed and/or refinanced through the Green Finance Instruments issued under Home Invest Belgium's Green Finance 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 first comply with local laws and regulations, including any applicable regulatory environmental and social requirements, as well as Home Invest Belgium's standards managing ethical and governance risks.

The potential Eligible Green Projects will be designated by the Sustainable Finance Committee (the "Committee").

The Committee's role will be to:

- Review, select and validate the pool of Eligible Green Projects, based on the Green Finance Framework.
- Validate annual reporting for investors.
- 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.

The Committee is composed of the CFO, the Head of Portfolio Management and the Head of Acquisition & Development.

2.3. Management of Proceeds

Home Invest Belgium 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, Home Invest Belgium aims to allocate an amount equivalent to the net proceeds of these instruments towards its Eligible Green Projects, as defined in the 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. Home Invest Belgium 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 Home Invest Belgium will manage the unallocated proceeds in cash or cash equivalents in line with its regular treasury criteria. Home Invest

Belgium 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 Committee until full allowance of the net proceeds of issued Green Finance Instruments.

2.4. Reporting

Home Invest Belgium will report at the first anniversary of the issuance and then annually, until full allocation of the net proceeds, on the allocation of its net proceeds of issued green finance instruments to its portfolio of Eligible Green Projects. This reporting will be on Home Invest Belgium's website: <https://corporate.homeinvest.be/publications/other-publications/green-finance-framework>.

2.4.1 Allocation of proceeds

The allocation report, which will be integrated in the ESG reporting included in the annual report, will include details on:

- the list of projects financed (can be aggregated by type of projects), description of projects and amounts allocated
- the share of financing vs refinancing
- the balance of unallocated cash and/or cash equivalent, as the case may be

2.4.2 Impact reporting

Home Invest Belgium will annually report on its sustainability initiatives through its ESG reporting included in the annual report, available on the investor section of the company's website. The impact reporting will include quantitative indicators, environmental impact metrics directly associated with the Eligible Green Projects, such as

- Number of eligible green buildings and total size in m²;
- Distribution of eligible green buildings in terms of EPC label;
- Energy savings (in kWh/m²) and the related CO₂ emission avoidance;
- Installed renewable energy capacity (in MW)
- Installed energy storage capacity (in MW)
- Greenhouse gas emission avoidance (in tCO₂ eq.)

2.5. The External Review

2.5.1 Second Party Opinion

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

The Second Party Opinion is available here on Home Invest Belgium's website: <https://corporate.homeinvest.be/publications/other-publications/green-finance-framework>.

2.5.2 Independent verification

Home Invest Belgium will request on an annual basis, starting one year after issuance of its inaugural Green Finance Instrument and for as long as any Green Finance Instruments under this framework are outstanding, a limited assurance report of the allocation of the proceeds to its Eligible Green Projects, provided by an independent external auditor.

The limited assurance report will be available on Home Invest Belgium's website or integrated in the annual report.

3. Disclaimer

This document may contain statements about future events and expectations that are forward-looking statements (“forward-looking statements”). By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the forward-looking statements will not be achieved.

Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in, or implied by, such forward-looking statements. Such forward-looking statements are based on various hypotheses and assessments of known and unknown risks, uncertainties and other factors which seemed sound at the time they were made, but which may or may not prove to be accurate. Some events are difficult to predict and can depend on factors on which Home Invest Belgium has no control.

Consequently, the reality may prove substantially different from any such forward-looking statements. Given these uncertainties, investors are advised not to place undue reliance on these forward-looking statements. Additionally, the forward-looking statements only apply on the date of this document. Home Invest Belgium expressly disclaims any obligation or undertaking, unless if required by applicable law, to release any update or revision in respect of any forward-looking statement, to reflect any changes in its expectations or any change in the events, conditions, assumptions or circumstances on which such forward-looking statements are based. Neither Home Invest Belgium, nor its representatives, officers or advisers, guarantee that the assumptions underlying the forward-looking statements are free from errors, and neither of them makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.

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