SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Financing Framework

Unibail-Rodamco-Westfield SE

16 November 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	• Green financing instruments including green bonds, green loans, and any other green capital market instruments
Relevant standards	• Green Bond Principles, updated June 2021 (with June 2022 Appendix 1), administered by ICMA • Green Loan Principles, updated February 2021, administered by LMA • EU Taxonomy Climate Delegated Act (June 2021)
Scope of verification	• Unibail-Rodamco-Westfield's Green Financing Framework (as of November 10, 2022) • Unibail-Rodamco-Westfield's Eligibility Criteria (as of November 10, 2022)
Lifecycle	• Pre-issuance verification
Validity	• As long as no substantial changes to the Framework

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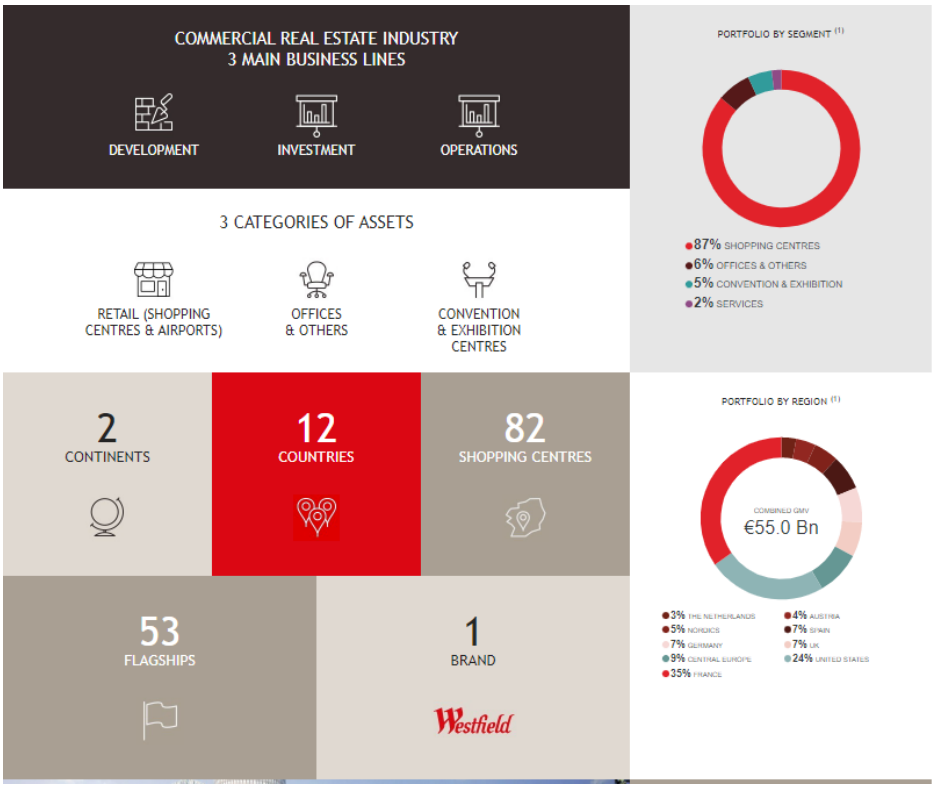
SCOPE OF WORK

Unibail-Rodamco-Westfield SE ("the issuer" or "URW") commissioned ISS ESG to assist with its green financing instruments by assessing four core elements to determine the sustainability quality of the instrument:

1. Green financing instruments link to URW's sustainability strategy – drawing on URW's overall sustainability profile and issuance-specific Use of Proceeds categories.
2. URW's Green Financing Framework (as of November 10, 2022) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs) and Loan Market Association's (LMA) Green Loan Principles (GLPs).
3. The Eligibility Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG's issue-specific key performance indicators (KPIs) (See Annex 1).
4. The Eligibility Criteria – whether specific issuer's Eligibility Criteria of green asset categories are eligible for alignment with the EU Taxonomy Technical Screening Criteria (Climate Change Mitigation Criteria only) of the Report on EU Taxonomy and associated Technical Annex (EU Taxonomy - Climate Delegated Act 2021) on a best effort basis.

URW's BUSINESS OVERVIEW

URW acquires, develops, and manages real estate assets, and finances real estate investments. The company's real estate portfolio is comprised of shopping centers, offices, and conventions and exhibitions centers in Europe and the US.



ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[1]
Part 1: **Green financing instruments link to issuer's sustainability strategy**	According to the ISS ESG Corporate Rating published on April 12, 2022, the issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Real Estate industry. The Issuer ranks 1st out of 375 companies within its industry. The Use of Proceeds financed through this green financing instruments are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing green financing instruments is clearly described by the issuer.	**Consistent with issuer's sustainability strategy**
Part 2: **Alignment with GBP and GLP**	The issuer has defined a formal concept for its green financing instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the International Capital Market Association's (ICMA) Green Bond Principles (GBPs) and Loan Market Association's (LMA) Green Loan Principles (GLPs).	**Aligned**
Part 3: **Sustainability quality of the Eligibility criteria**	The overall sustainability quality of the Eligibility Criteria in terms of sustainability benefits, risk avoidance and minimization is good [2] based upon the ISS ESG assessment. The green financing instruments will (re-)finance eligible asset categories which include: Renewable Energy, Green Buildings, and Energy Efficiency. Those use of proceeds categories have a significant contribution to SDGs 7 'Affordable and clean energy', 11 'Sustainable cities and communities', and 13 'Climate action'. The environmental and social risks associated with those use of proceeds categories have been well managed.	**Positive**
Part 4: **Assessment of specific Eligibility Criteria with the EU**	ISS ESG assessed the alignment of some specific URW's selection criteria for the eligible green asset categories against the Technical Screening Criteria for Climate Change Mitigation requirements of the EU Taxonomy (Climate Delegated Act of June 2021), on a best-efforts	

[1] ISS ESG's evaluation is based on the Unibail-Rodamco-Westfield's Green Financing Framework and eligibility criteria (as of November 10, 2022) and on the ISS ESG Corporate Rating updated on April 12, 2022 and applicable at the SPO delivery date.
[2] URW is rated as a Prime status on the ISS ESG Corporate Rating updated on April 12, 2022. Also, URW is the only company with rated as "B" in the absolute rating and ranks 1st out of 375 companies within its industry.

Taxonomy Technical Screening Criteria (Climate Change Mitigation Criteria only)	basis[3]. The categories that do not overlap or comply with the EU Taxonomy have not been assessed. Only EU Taxonomy activities (Construction and real estate activities) which substantially contribute to Climate Change Mitigation are highlighted. While URW takes into account the Do No Significant Harm criteria of the EU Taxonomy on a best effort basis in the process for project evaluation and selection, ISS did not analyse it as part of the SPO scope. During the engagement, there is no identified portfolio or assets for allocation reviewed. URW will report on its EU Taxonomy alignment during its allocation reporting after the bond issuances.	**Eligible**

[3] Whilst the Final Delegated Act for Mitigation and Adaptation were published in June 2021, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage ISS ESG evaluates the alignment with the EU Taxonomy on a "best efforts basis".

ISS ESG SPO ASSESSMENT

PART I: GREEN FINANCING INSTRUMENTS LINK TO URW'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF URW'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

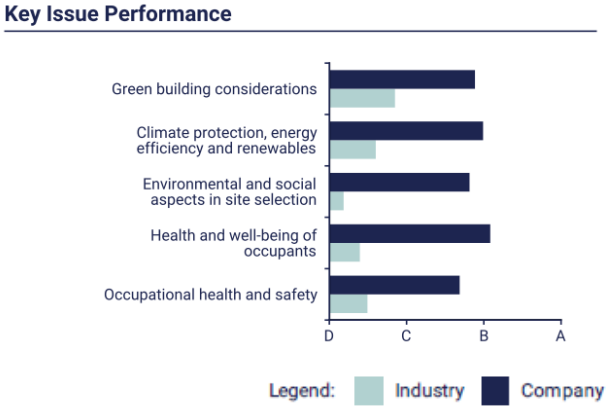
COMPANY	INDUSTRY	DECILE RANK	TRANSPARENCY LEVEL
URW	REAL ESTATE	1	VERY HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by the Real Estate industry as it obtains a Decile Rank relative to its industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of April 7, 2022, this rating places URW 1st out of 375 companies rated by ISS ESG in the Real Estate industry.

Key challenges faced by companies in this industry in terms of sustainability management are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.



Sustainability Opportunities

Unibail-Rodamco-Westfield (URW) acquires, develops, and manages real estate assets, and finances real estate investments. The company's real estate portfolio is comprised of shopping centers, offices, and conventions and exhibitions centers in Europe and the US. The company has several social projects which contribute to sustainable development, including favorable lease conditions for start-ups, and a comprehensive job opportunity program that operates at various locations. Regarding relevant environmental opportunities, approximately 43%[4] of the total floor area of URW's property portfolio has been certified with BREEAM In-Use sustainable building standard for the year 2021. This performance is above average for the Real Estate sector. Regarding its development projects, URW has set itself the permanent target of achieving BREEAM 'Excellent' certification for all new developments and extensions of more than 10,000m^2. This performance is above average for the Real Estate sector. Regarding its development projects, URW has set itself the permanent target of

[4] The total floor area of URW's property portfolio takes into account URW's assets and development pipeline (page 10 and 15 of 2021 Universal Registration Document.

achieving BREEAM 'Excellent' certification for all new developments and extensions of more than 10,000m^2.

Sustainability Risks

For a company active in real estate management and development, the main sustainability risks are the health and safety of employees, contractors, and tenants, climate change, and the resource efficiency of buildings (i.e., energy, water, and materials). Unibail-Rodamco-Westfield (URW) has implemented a health and safety management system for its European operations (70% of employees), which integrates contractors to some extent. Strategies to safeguard the health and safety of tenants and customers include design guidelines for developments and annual health and safety risk audits for standing assets. Additionally, URW's strategy for considerate construction addresses topics such as the reduction of negative impacts on neighborhoods including noise and visual pollution, as well as soil, water and air pollution, and waste management. Regarding URW's management of relevant environmental risks, these are addressed through strategies in areas such as energy efficiency, multi-modal transportation access, and by implementing green procurement guidelines. Environmental management systems are implemented across wholly owned and managed assets in Europe, yet so far only single properties seem to be covered by ISO 14001 certifications. The energy efficiency strategies cover topics such as building envelopes, lighting, heating, and ventilation. Additionally, the company has a policy on purchasing low-carbon energy and invests in low-carbon and renewable energy technologies. As part of the company's mobility strategy, URW has defined targets and strategies to provide for multi-modal transportation access at various properties, e.g. by offering connection to public transport, supporting car-sharing options, and facilitating the use of electric vehicles. To promote environmental awareness among tenants, the company has implemented green lease agreements and, among others, provides collection centers for recycling materials and informs tenants on responsible consumption and waste management. In regards to climate change, URW compiles full greenhouse gas emission inventories, conducts risk assessments and has set an ambitious target to reduce its carbon emissions by 50% by 2030 for its entire value chain as part of its CSR strategy 'Better Places 2030', which also includes an action plan to achieve the targets. Finally, the company has set science-based targets in line with the emission reductions required to limit the global temperature increase to 1.5°C compared to pre-industrial levels.

Governance opinion

Regarding Unibail-Rodamco-Westfield's (URW) governance structure, nearly all of the company's board members are independent, and the chair of the board (Leon Bressler) is also independent. The board has established separate committees in charge of audit, nomination, and remuneration, and the majority of the members of these committees are independent (all information as at April 26, 2021). URW publicly discloses the remuneration of its CEO and the highest-paid members of the executive management team. Compensation is sub-divided according to fixed amounts, variable performance-related components, and long-term incentive components, which can incentivize sustainable value creation.

Regarding URW's governance of sustainability, the company has established a CSR Strategic Committee, however, the team is primarily comprised of members of the company's senior management team and is not at the board level. In regards to remuneration, sustainability performance objectives impact both long-term incentive (LTI) as well as short-term incentive components of the CEO and CFO. For example, 10% of the LTI is attributable to the achievement of

clearly defined sustainability targets. The company has established a comprehensive code of ethics covering issues such as conflicts of interest, corruption and bribery, insider dealings, and gifts and entertainment. The code of ethics applies to all employees and subsidiaries and is distributed to all employees, who are asked to confirm the acceptance of its terms. URW has also established compliance measures such as confidential non-compliance reporting channels, comprehensive compliance training, and conducts third party anti-corruption due diligence.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of URW's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product characteristics and does not include practices along URW's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE[5]	DIRECTION OF IMPACT	UN SDGS
Buildings certified to a comprehensive sustainable building standard	43%[6]	CONTRIBUTION	

Breaches of international norms and ESG controversies

At the date of publication, the company is not facing any severe controversy according to ISS ESG.

[5] Properties' floor area is used as a proxy for revenue for Real Estate sector.
[6] Using a proprietary methodology, ISS ESG assessed that 43% of the total floor area of URW's property portfolio has been certified with BREEAM In-Use sustainable building standard hence contributing to the Sustainable Development Goals defined by the United Nations (UN SDGs).

B. CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH URW'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Unibail-Rodamco-Westfield has placed sustainability at the core of its strategy and culture for long term-value creation. As early as 2007, URW published its first Corporate Social Responsibility ("CSR") strategy, which the issuer has continuously updated over the years.

In 2016, the issuer designed its *Better Places 2030* programme, presenting its long-term commitment to reduce its carbon footprint across its value chain, including emissions from construction works, transportation of visitors and employees, and energy consumption by tenants.

In 2019, URW further enhanced the *Better Places 2030* programme in 2019 to broaden the scope of topics to other environmental and social challenges, such as circular economy, biodiversity, diversity and inclusion, and well employee well-being.

This enhanced programme has been built around the following pillars, each associated with a key target:

Better Spaces

URW core ambition is to reduce its GHG emissions across the value chain by 50% by 2030 compared to 2015.

In 2020, the issuer's GHG reduction targets were approved by the Science Based Targets initiative[7] ("SBTi"):

- The targets covering GHG emissions from the issuer's operations (Scopes 1 and 2) are consistent with reductions required to limit warming to 1.5°C, the most ambitious goal of the Paris Agreement; and

[7] https://cdn.urw.com/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Nasdaq/2020-12-11Unibail-Rodamco-Westfields-ambitious-carbon-reduction-targets-recognized-by-the.ashx?revision=10a4b5a9-1448-473a-98fa-e6039673bebf

- The targets for the emissions from the issuer's value chain (Scope 3) meet the SBTi's criteria for ambitious value chain goals, in line with current best practices.

As emphasized on its plan to reduce GHG emissions, circular economy and biodiversity protection are at the core of the issuer's strategy. URW commits to having 100% of its development projects to integrate a circular economy design solution by 2025.

On biodiversity, URW started developing its strategy in 2020 based on the three following commitments, recognised as "SMART" by the Act4nature international multi-stakeholders steering committee in 2021:

- 100% new development projects to achieve a biodiversity net gain[8] by 2022;
- 100% development projects to implement a biodiversity action plan by 2022; and
- 100% standing assets with high biodiversity stake's to implement a biodiversity action plan by 2022

Better Communities

URW strives to be a catalyst for growth within the communities in which it operates and it targets:

- 100% flagship assets to support local entrepreneurship through commercial partnerships and regional networks from 2020 onwards;
- 100% of flagship assets to support at least one local charity or NGO-sponsored long-term project (over 2 years) by 2022; and
- 100% of flagship assets supporting and promoting at least one sustainable consumption initiative by 2022.

Better together

The issuer empowers its employees to become sustainability and diversity changemakers by promoting diversity & inclusion, and developing & training talent.

URW has set the following key targets:

- Achieve a 60/40 gender balance by 2025 in senior management roles;
- 100% of Group employees with yearly individual CSR objectives from 2020 onwards;
- 100% of Group employees to have participated in CSR training by 2022; and
- Improve employee engagement on diversity and inclusion

Rationale for issuance

URW has a number of track records in the Sustainable Finance Market. In February 2014, URW published its first Green Bond Framework and issued the industry's first Green Bond on the Euro market, as well as the first international non-Swedish Green Bond on the SEK market from a corporate the following May of that year. In April 2015, the issuer issued its second Green Bond on the Euro market. Some of those Green Bonds have reached maturity while some others have been part of a tender offer exercise as part of the issuer's active debt management strategy, leaving the issuer with

[8] Based on the "Biodiversity Metric 2.0" methodology, created by the Department for Environment, Food and Rural Affairs in the UK (DEFRA). It was created to calculate a biodiversity baseline and to forecast biodiversity losses and gains (on-site or off-site) resulting from development or land management changes.

outstanding Green Bond issuances in 2021 of €1.14bn. In 2021, URW also strengthened its commitment with a five-year €3.1 billion sustainability-linked revolving credit facility.

All these issuances by URW aim to further emphasize its commitment to its CSR ambitions and diversify its financing sources.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under these green financing 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 Real Estate 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 categories.

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

Opinion: *ISS ESG finds that the Use of Proceeds financed through the green finance instruments are 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 GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

An amount equal to the net proceeds from the issuance of any Green Financing Instrument under this Framework will be used to finance and/or refinance (via loan or investment) eligible projects managed by Unibail-Rodamco-Westfield, which fall under one of the following eligible categories (the "Eligible Green Assets"):

Eligible Categories	*EU Taxonomy economic activity*	*Eligibility criteria*	*Environmental objective*
CONSTRUCTION OF NEW BUILDINGS *Development of building projects (residential and non-residential) and buildings already delivered with a maximum look-back period of 3 years post delivery*	*7.1*	1. The primary energy demand (PED), defining the energy performance of the building resulting from the construction, is at least 10% lower than the PED resulting from local NZEB requirements. The energy performance must be certified using an as built Energy Performance Certificate (EPC). 2. For buildings larger than 5,000 sqm, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative, where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. 3. For buildings larger than 5,000 sqm, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the	Climate Change Mitigation

		life cycle and is disclosed to investors and clients on demand. OR Achieved or expected certification "New-build"[9]: at least BREEAM « Excellent » or HQE « Excellent » or LEED « Platinum » or any equivalent environmental certification AND Asset is or will be located with a good accessibility (no more than 400m) from an existing/expected/planned public transportation station (train, subway, bus, bike, tramway, car/scooter sharing stations)	
ACQUISITION AND OWNERSHIP OF BUILDINGS *Purchase and ownership of buildings*	*7.7*	1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A or alternatively is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED)[10]. 2. For buildings built after 31 December 2020, the building meets the criteria specified in Activity 7.1 of EU Taxonomy that are relevant at the time of the acquisition (including PED criterion and additional criteria specified for buildings larger than 5,000 sqm). 3. For large non-residential buildings (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW): they must be efficiently	Climate change mitigation

[9] The design stage certificate can be used as evidence for this requirement
[10] demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings

		operated through energy performance monitoring and assessment OR The building has a certification "New-build" or "In-Use": at least BREEAM «Excellent» or HQE «Excellent» or LEED «Platinum» or any equivalent environmental certification. OR CO_2 emission thresholds[11] : • 30 kgCO_2/sqm/year at end-2025 • 20 kgCO_2/sqm/year at end-2029 • 10 kgCO_2/sqm/year at end-2030[12] and after. AND Asset is or will be located with a good accessibility (no more than 400m) from an existing/expected/planned public transportation station (train, subway, bus, bike, tramway, car/scooter sharing stations)	
SIGNIFICANT RENOVATION *Civil engineering works of buildings or acquisition of buildings with civil engineering works.*	*7.2*	The renovations lead to an actual reduction of at least 30% in primary energy demand (PED) – compared to a baseline before the renovation. This can be achieved through a succession of measures within a maximum of 3 years OR Acquisition[13] and renovation of buildings with a targeted certification "In-Use" or "Refurbishment" of at least: BREEAM "Excellent" or, HQE "Excellent" or, LEED	Climate change mitigation

[11] Measured as per URW's CSR Reporting protocol.
[12] 2030 threshold aligned with CRREM GHG intensity reduction pathway for Shopping Centres in France aligned to limit global warming to 1.5°C.
[13] This refers to buildings acquired with substandard environmental and energy performances that URW commits to renovate and for which URW has obtained the internal assurance that this asset will achieve in the next 36 months one of the listed certifications above. If the building fails to achieve the certification in this timeframe, it ceases to become eligible and URW commits to replace it as soon as reasonably practicable.

		"Platinum" or, any equivalent environmental certification. AND Asset is or will be located with a good accessibility (no more than 400m) from an existing/expected/planned public transportation station (train, subway, bus, bike, tramway, car/scooter sharing stations).	
INDIVIDUAL RENOVATION MEASURES	7.3; 7.4; 7.5; 7.6	**Energy Efficiency** Investments related to installation, maintenance and repair of energy efficiency equipment and renovation of existing buildings. This includes (but not limited to) the insulation of existing roofs /walls, the installation/replacement of windows, doors, lightning, heating, ventilation and air-conditioning systems, low water equipment, LED lighting… Measures must achieve, where applicable, energy ratings in the highest two populated classes of energy efficiency[14]. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. This includes (but not limited to) Smart Thermostat, Zoned Thermostat, building energy management system, smart meters for gas/heating/cooling/electricity, façade and roofing elements with a solar shading or solar control function. **Clean Transportation** Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). **Renewable Energy** Investment in installation and operation of new or existing renewable energy production facilities. This refers (but not	Climate change mitigation

[14] In accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation.

		limited to) to on-site renewable energy technologies such as: Solar photovoltaic systems, solar hot water panels, wind turbines, solar transpired collectors, thermal or electric energy storage units and high efficiency micro CHP are eligible.	

Opinion: *ISS ESG considers the Use of Proceeds description provided in URW's Green Financing Framework as aligned with the ICMA's Green Bond Principles and LMA's Green Loan Principles. The issuer provides a qualitative analysis of the environmental contribution of the project category in line with best market practice.*

2. Process for Project Evaluation and Selection

FROM ISSUER'S FRAMEWORK

ESG Risk Management

URW systematically monitors key aspects of business risk. ESG risk assessment is built into URW's development and investment processes, ensuring that URW identify and adequately address material risks related to environmental management practices, working and safety conditions, anti-bribery and corruption practices, and compliance with relevant local and international laws and regulations.

For further details, ESG risks and associated response by the issuer are identified in the Universal registration document (see "Corporate Social Responsibility" chapter")

In addition, URW takes into account the Do No Significant Harm criteria of the EU Taxonomy, wherever possible, and on a best effort basis.

Green Financing Committee

URW has established a dedicated internal Green Financing Committee (the "Committee") to identify and select the Eligible Green Assets. The Committee is an Asset & Liability Management ("ALM") [15] Committee (formed of representatives from the issuer Treasury Department and from The Management Board) extended to representatives from CSR team.

Identification and selection of Eligible Green Assets:

The selection of Eligible Green Assets will be done as part of the Committee with the following approach:

- The CSR team determines the list of Eligible Green Assets within the issuer portfolio and/or development pipeline on the basis of the eligibility criteria. This list is reviewed by a specific ALM Committee which verifies the total amount of eligible assets available in relation to the amount of the issue and validates the assets selected and the allocation of the funds between these assets.
- The Green financing Instrument is then executed by the issuer Treasury Department, in line with the issuer Treasury Policy itself defined by the ALM Committee:
- The Committee will also:
    - Verify and provide annual reporting on allocation and impact of the net proceeds raised through the Green Financing Instruments,
    - Monitor the on-going evolution of the markets, the GBPs, the EU Taxonomy and EU GBS, particularly in relation to disclosure and reporting, to ensure continuous alignment with market practices
    - Manage any future updates of the Framework and ensure that a Second Party Opinion is provided following each update of the section 2 of this Framework. Updates of the

[15] Please refer to section 6.2.2.2, page 427 of URW's Universal Registration Document 2021.

Framework will only apply to Green Financings that take place after the issuance of such new Second Party Opinion.

The Committee will meet on an annual basis, or more frequently as required, to review proposed allocations and ensure that these are in alignment with the herein Framework.

Opinion: *ISS ESG considers the Process for Project Evaluation and Selection description provided in URW's Green Financing Framework as aligned with the ICMA's Green Bond Principles and LMA's Green Loan Principles. The issuer involves various relevant stakeholders in this process, clearly defines responsibilities in the process for project evaluation and selection which is in line with best market practice. Besides that, the issuer is transparent about it and identified a number of other social and environmental risks from the project, in line with best market practice.*

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

In line with the selection and monitoring procedure above, an amount equal to the funds generated by the Green Financing Instruments are allocated to Eligible Green Assets following the eligibility criteria defined in the "Use of Proceeds" section.

Allocation of funds will be managed and overseen by the Committee. The Committee will ensure, on a best efforts basis, that the portfolio of Eligible Green Assets exceeds, or at least is equal to, the amount of outstanding Green Financing Instruments raised under this Framework.

Pending full allocation, proceeds will be invested on a temporary basis, in accordance with relevant internal policies, in cash, cash equivalents or similar instruments.

In the case of an Eligible Green Asset disposal during the funding period (i.e. prior to the green financing maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another Eligible Green Asset held by the issuer, based on the same process. Replacement of the assets will be done on a best effort basis within a reasonable period of time of 24 months following the disposal.

In case an Eligible Green Asset is subject to major controversies, as defined by URW internal committee, or ceases to comply with the eligibility criteria during the funding period (i.e. prior to the green financing maturity), URW will intend to re-allocated the proceeds initially allocated to this asset to another Eligible Green Asset held by the issuer, based on the same process and under the same period of time as above and on a best effort basis.

Look-back period

Eligible Green Assets can include Buildings and/or Capital Expenditures which will be included according to the following rules:

a) Buildings are included without a specific look-back period and at their appraisal value;

b) Capital Expenditures are included with a maximum look-back period of 3 years and for the amount of the investment in accordance with the expected useful life of the investment.

Opinion: *ISS ESG finds that Management of Proceeds proposed in URW's Green Financing Framework is well aligned with the ICMA's Green Bond Principles and LMA's Green Loan Principles. The issuer discloses the nature of temporary investments and defines a look-back period of 3 years for capital expenditures, in line with best market practice.*

4. Reporting

FROM ISSUER'S FRAMEWORK

Within the next 12 months following the issuance of Green Financing Instrument under this Framework, and as long as Green Financing Instruments are outstanding in the Market, an amount equal to the net proceeds are earmarked in full to Eligible Green Assets, and later in case of any material change in the list of Eligible Green Assets, URW will publish annually (i) an Allocation Report and (ii) an Impact Report.

The reports will be publicly available on URW's website.

Allocation Report - with the aim of providing disclosure on the allocation of net proceeds, the Allocation Report will include:

- The amount of proceeds allocated to Eligible Green Assets, along with the list of Eligible Green Assets,
- The proportion of the proceeds allocated to financing vs refinancing
- The balance of unallocated proceeds invested in cash or cash equivalents (if any)

Impact Report - the Impact Report will provide information on the associated environmental impacts, through qualitative description and/or using impact metrics.

Impact reporting metrics may include for example:

Eligible Category	Examples of Key Performance Indicators	Examples of Impact Indicators
Construction of new buildings (7.1)	Distance to a public transport (m) and at least one of the following indicators: ▪ Date and level of BREEAM "New build" certification or equivalent obtained or expected ▪ Average energy performance of new building compared to regulatory standard ▪ Life cycle Global Warming Potential (GWP) of the building	Average GHG emission avoided (in tCO_2e) by the building compared to relevant benchmark (regulatory standard, market performance, initial situation)

	▪ Air-tightness and thermal integrity report (upon completion of the building) ▪ Carbon intensity performance per sqm (expected or actual) ▪ Energy intensity performance per sqm (expected or actual) ▪ Existence of a biodiversity audit and/or action plan for the asset/project	
Acquisition of buildings (7.7)	Distance to a public transport (m) and at least one of the following indicators: ▪ Date and level of BREEAM "New build" or "In Use" certification or equivalent obtained or expected ▪ Average energy performance of new building compared to market performance ▪ Carbon intensity performance per sqm ▪ Energy intensity performance per sqm ▪ Existence of a biodiversity audit and/or action plan for the asset/project ▪ Number of people integrating a job or a qualifying training certification URW employment programme(s) ▪ Asset supporting at least one local charity or NGO	Average GHG emission avoided (in tCO2e) by the building compared to relevant benchmark (regulatory standard, market performance, initial situation)
Significant renovation (7.2)	Distance to a public transport (m) and at least one of the following indicators: ▪ Date and level of BREEAM "In Use" or "Refurbishment" certification or equivalent obtained or expected ▪ Average energy performance of new building compared to initial situation and/or regulatory standard ▪ Carbon intensity performance per sqm expected or actual ▪ Energy intensity performance per sqm expected or actual ▪ Existence of a biodiversity audit and/or action plan for the asset/project	Average GHG emission avoided (in tCO2e) by the building compared to relevant benchmark (regulatory standard, market performance, initial situation)
Individual renovation measures (7.3,7.4,7.6)	At least one of the following indicators: <u>Energy efficiency</u>	Average GHG emission avoided (in tCO2e) by the building/equipment/solution compared to relevant

	▪ Percentage of energy savings compared to initial situation (at equipment level and/or asset level) ▪ Proportion of floor area covered with energy efficiency equipment (LED lightning, Smart Thermostat, BEMS) ▪ Numbers of devices installed (LED, smart meters) <u>Renewable energy</u> ▪ Installed capacity (MW) ▪ Energy Generation (MWh) <u>Low Carbon transportation</u> ▪ Proportion of floor area accessible to charging points ▪ Number of charging stations installed [as a number and/or % of total parking spaces] ▪ Number of low carbon mobility equipment	benchmark (regulatory standard, market performance, initial situation)

Opinion: *ISS ESG finds that the reporting proposed in URW's Green Financing Framework is aligned with the ICMA's Green Bond Principles and LMA's Green Loan Principles. The issuer commits to annually report, until maturity, on allocation and impact in a clear, detailed and transparent manner. Furthermore, the issuer is transparent on the level of impact reporting and the information that will be reported in the impact report in line with best market practices.*

Besides that, the issuer will disclose the split between existing and future investments, information regarding the allocation to portfolio disbursements and portfolio balance of unallocated proceeds. Furthermore the frequency of the impact report as well as disclosure in the Framework of the location and link of the report is in line with best market practices.

External review

FROM ISSUER'S FRAMEWORK
ISS ESG has been appointed to review the Framework and ultimately verify its alignment with the ICMA Green Bond Principles, LMA Green Loan Principles, and market practices. The Second Party Opinion can be found on the URW's website. For post-issuance, URW will an independent auditor to verify that the assets financed meet the eligibility criteria defined under this Framework.

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

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

Based on the assessment of the sustainability quality of the green financing instruments eligibility criteria and using a proprietary methodology, ISS ESG assessed the contribution of the URW's Green financing instruments to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 1 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution

Each of the Green financing instruments' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
CONSTRUCTION OF NEW BUILDINGS, ACQUISITION OF BUILDINGS and SIGNIFICANT RENOVATION *The building has or is expected to obtain a certification "New-build" or "In-Use" or "Refurbishments" at least[16]:* • *BREEAM "Excellent" or* • *HQE "Excellent" or* • *LEED "Platinum"*	**Significant contribution**	
CONSTRUCTION OF NEW BUILDINGS *The primary energy demand (PED), defining the energy performance of the building resulting from the construction, is at least*	**Limited contribution[17]**	

[16] The review is limited to certifications spelled out in the framework.
[17] 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.

10% lower than the PED resulting from local NZEB requirements. The energy performance must be certified using an as built Energy Performance Certificate (EPC).	**Significant contribution**[18]	
ACQUISITION OF BUILDINGS *For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A or alternatively is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED)*[19]*.* *For buildings built after 31 December 2020, the Primary Energy Demand (PED) is at least 10% lower than the threshold set for nearly zero-energy building (NZEB).*	**Limited Contribution**[20]	
	Significant contribution[18]	
ACQUISITION OF BUILDINGS *CO_2 emission thresholds*	**No Net Impact**[21]	
ENERGY EFFICIENCY (*SIGNIFICANT RENOVATION*) *The renovations lead to an actual reduction of at least 30% in primary energy demand (PED) – compared to a baseline before the renovation. This can be achieved through a succession of measures within a maximum of 3 years.*	**Limited Contribution**	
	Significant Contribution[18]	
ENERGY EFFICIENCY (INDIVIDUAL RENOVATION MEASURES)	**Limited Contribution**	

[18] 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. For the projects to be financed under Use of Proceeds categories that are based on with the Technical Screening Criteria defined by the EU Taxonomy Technical Annex, a significant contribution to climate change mitigation is attested. Assets compliance with EU taxonomy is not evaluated under the SPO.

[19] Demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.

[20] 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.

[21] This assessment result is purely based on ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an issuer's product and service portfolio on the SDGs.

Investments related to installation, maintenance and repair of energy efficiency equipment and renovation of existing buildings. *Insulation of existing roofs /walls.*		
ENERGY EFFICIENCY (INDIVIDUAL RENOVATION MEASURES) *Investments related to installation, maintenance and repair of energy efficiency equipment and renovation of existing buildings. This includes the installation/replacement of windows, doors, lightning, heating, ventilation and air-conditioning systems, low water equipment, LED lighting… Measures must achieve, where applicable, energy ratings of at least class A.*	**Limited Contribution** **Significant Contribution**[18]	 
ENERGY EFFICIENCY (INDIVIDUAL RENOVATION MEASURES) *Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. This includes (but not limited to) Smart Thermostat, Zoned Thermostat, building energy management system, smart meters for gas/heating/cool/electricity, façade and roofing elements with a solar shading or solar control function.*	**No** **Net Impact**[22] **Significant Contribution**[18]	
CHARGING STATION (INDIVIDUAL RENOVATION MEASURES) *Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings.*	**Limited Contribution** **Significant Contribution**[18]	 

[22] This assessment result purely based on ISS ESG SDG Solutions Assessment (SDGA) proprietary methodology designed to assess the impact of an issuer's product and service portfolio on the SDGs.

RENEWABLE ENERGY (INDIVIDUAL RENOVATION MEASURES) *Investment in installation and operation of new or existing renewable energy production facilities. This refers to on-site renewable energy technologies such as: Solar photovoltaic systems, solar hot water panels, wind turbines, solar transpired collectors, thermal or electric energy storage units.*	**Limited Contribution**	
ENERGY EFFICIENCY (INDIVIDUAL RENOVATION MEASURES) *Investment in installation and operation of new or existing energy efficiency facilities. High-efficiency micro-CHP powered by renewable energy sources.*	**Limited Contribution**	
	Significant Contribution[18]	
ENERGY EFFICIENCY (INDIVIDUAL RENOVATION MEASURES) *Investment in installation and operation of new or existing energy efficiency facilities. High-efficiency micro-CHP powered by non-renewable energy sources (Gas or liquified petroleum gas (LPG)).*	**No** **Net Impact**[23]	
	Significant Contribution[18]	

[23] This assessment result purely based on 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 & SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

Green commercial buildings

The table below presents the findings of an ISS ESG assessment of some specific Eligibility criteria against ISS ESG KPIs. The KPI assessment has been performed over the criteria that do not overlap or comply the with EU Taxonomy Technical Screening Criteria for Climate Change Mitigation exclusively.

ASSESSMENT AGAINST ISS ESG KPI	
Labour, Health & Safety	
✓	URW complies to high labour standards set by the International Labour Organization ("ILO"). URW's Corporate and Construction Health and Safety policies incorporate regulations and are based on industry-accepted best practices in the absence of a specific governing regulation.
Site selection	
✓	URW carries out an environmental impact assessment of each project. URW also develops a "BIODIVERSITY ACTION PLAN" to integrate biodiversity in development projects in the designing stage with the environmental impact assessment, as it is a prerequisite for obtaining a building permit and commercial planning permission in some countries like France. URW ensures that project site selection exclude of protected areas and sites of high environmental value by implementation of EIA through building permit.
✓	All assets (Construction of new buildings and acquisition of buildings) financed under this framework will be located with a good accessibility to an expected/planned public transports, located no more than 400m from public transportation station (train, subway, bus, bike, tramway, car/scooter sharing stations)."
Construction standards	
✓	URW has guidelines in practising sustainable procurement regarding building materials, e.g. third-party certification of 100% timber used and favour materials with recycled content for all projects. For a large project, at least 10% of structure mass from bio-sourced materials or 30% from reused or recycled materials are used and undertake full life cycle analysis with an external consultant.
Water use minimization in buildings	
✓	URW has guidelines for all projects to achieve a minimum of 3 credits in BREEAM Wat 01, which requires at least 40% water consumption improvement. The issuer also has measures in place to reduce water consumption (e.g. water-efficient equipment, optimise operating practices, and leak detection and rapid maintenance).[24]

[24] Please refer to section 2.2.3.5, page 81 of URW's Universal Registration Document 2021.

Safety of building users	
✓	All projects and properties financed under this framework are located in EU, UK, and United States, with strict legal requirements for building users' safety (e.g. emergency exits, fire sprinklers, fire alarm systems). URW carry out routine inspection on fire safety aspect as required by local fire regulations. Besides that, URW appoints independent third parties (Bureau Veritas and FM Global) to ensure high operational safety within all assets.
Environmental aspects of energy efficiency equipment	
✓	URW confirms that all assets follow local regulations, e.g. Toxic Substances Control Act in the US and REACH in Europe and conducts health & safety, and environmental risk assessments ensuring that all assets do not contain substances of concern.
✓	In line with national legislation for high environmental standards regarding take-back and recycling of equipment at the end-of-life stage. More Particularly, URW has guidelines in place to conduct comprehensive life-cycle assessments for large projects to assess low carbon alternatives and design optimization options, engage environmental consultants to undertake life cycle cost studies and develop circular economy framework to ensure the longevity of the equipment.
✓	URW commits to protecting the environment in its value chain by adopting a procurement strategy to ensure all purchases must respect applicable local environmental laws and regulations. URW also maps CSR-related risks, including resources consumption, pollution, waste generation, climate change and biodiversity in its supply chain to define and implement risk management action plans.
Environmental aspects of renewable energy	
✓	URW commits to fulfil the threshold defined by the European Directive on the Restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive) for assets outside and within Europe.
✓	URW has a policy and a considerate construction Charter in place to ensure that projects meet requirements during the construction phase (e.g. minimisation of environmental impact during construction work).
✓	URW commits to following local regulations to recycle all solar panels to be (re)financed under this FW, e.g. European Waste Electrical and Electronic Equipment Directive (WEEE Directive), and regulations under the Resource Conservation and Recovery Act (RCRA) for US assets to make sure the panels are safely recycled or disposed of.

PART IV: ALIGNMENT OF SPECIFIC ELIGIBILITY CRITERIA WITH THE ENVIRONMENTAL CATEGORIES OF THE EU TAXONOMY

ISS ESG assessed the alignment of some specific URW's project selection criteria and processes as well as company policies for the nominated Use of Proceeds, project categories, with the relevant Climate Change Mitigation requirements of the EU Taxonomy Climate Delegated Act[25] (June 2021), on a best-efforts basis, based on information provided by URW.

The eligibility criteria that do not overlap or comply with the EU Taxonomy have not been assessed in this section, notably:

- Achieved or expected certification "New-build": at least BREEAM « Excellent » or HQE « Excellent » or LEED « Platinum » or any equivalent environmental certification
- The building has a certification "New-build" or "In-Use": at least BREEAM « Excellent » or HQE « Excellent » or LEED « Platinum » or any equivalent environmental certification
- CO2 emission thresholds
- The building has a certification "In-use" or "Refurbishment": at least BREEAM « Excellent » or HQE « Excellent » or LEED « Platinum » or any equivalent environmental certification.

ISS ESG notes that as of now, URW has not identified specific projects or assets for allocation of proceeds and therefore this alignment assessment is only on the selection criteria and URW's processes and policies for project selection. URW will be confirming the actual alignment of its portfolio with the EU Taxonomy criteria requirements as part of its allocation reporting.

The following table below show the alignment of the selection criteria with the relevant EU Taxonomy activity, based on the Technical Screening Criteria of the EU Taxonomy Substantial Contribution to Climate Change Mitigation, Where the project selection criteria fully meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

- Where the project selection criteria have overlapped with the EU Taxonomy activity, but not fully align with the criteria, URW has clarified that they will incorporate the relevant Taxonomy Criteria requirements in their project selection criteria on a best-efforts basis. Therefore, "eligible for assessing alignment at later date" is used.
- Where the project selection criteria have no overlap with the relevant Technical Screening Criteria, or there is no relevant EU Taxonomy activity, a "red circle" is shown in the table below (if any).

The results for the activities with Substantial Contribution to Climate Change Mitigation is as follows:

FRAMEWORK PROJECT CATEGORY	FRAMEWORK SELECTION AND ELIGIBILITY CRITERIA	EU TAXONOMY ACTIVITY, BASED ON SUBSTANTIAL CONTRIBUTION TO MITIGATION	ELIGIBLE FOR TSC (MITIGATION)
Construction of new buildings	The primary energy demand (PED), defining the energy performance of the building resulting from the construction, is at least 10% lower than the PED resulting from local NZEB	7.1 Construction of new buildings	✓ Except for projects

[25] EU Taxonomy Climate Delegated Act

	requirements. The energy performance must be certified using an as built Energy Performance Certificate (EPC). For buildings larger than 5,000 sqm, upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative, where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing. For buildings larger than 5,000 sqm, the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.		outside of the EU
Significant renovation	The renovations lead to an actual reduction of at least 30% in primary energy demand (PED) – compared to a baseline before the renovation. This can be achieved through a succession of measures within a maximum of 3 years.	7.2. Renovation of existing buildings	✓ Except for projects outside of the EU
Individual renovation measures	Investments related to installation, maintenance and repair of energy efficiency equipment and renovation of existing buildings. This includes (but not limited to) the insulation of existing roofs /walls, the installation/replacement of windows, doors, lightning, heating, ventilation and air-conditioning systems, low water equipment[26], LED lighting…	7.3. Installation, maintenance and repair of energy efficiency equipment	✓ Except for projects outside of the EU

[26] low water equipment comply with technical specifications set out in Appendix E (EU Taxonomy) Annex and have a max water flow of 6 L/min or less attested by an existing label in the Union market.

	Measures must achieve, where applicable, energy ratings in the highest two populated classes of energy efficiency[27].		
Individual renovation measures	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	✓ Except for projects outside of the EU
Individual renovation measures	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings. This includes (but not limited to) Smart Thermostat, Zoned Thermostat, building energy management system, smart meters for gas/heating/cooling/electricity, façade and roofing elements with a solar shading or solar control function.	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	✓ Except for projects outside of the EU
Individual renovation measures	Investment in installation and operation of new or existing renewable energy production facilities. This refers (but not limited to) to on-site renewable energy technologies such as: Solar photovoltaic systems, solar hot water panels, wind turbines, solar transpired collectors, thermal or electric energy storage units and high efficiency micro CHP are eligible.	7.6. Installation, maintenance and repair of renewable energy technologies	✓ Except for projects outside of the EU

[27] In accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation

Acquisition of buildings (7.7)	For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A or alternatively is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED)[28] For buildings built after 31 December 2020, the building meets the criteria specified in Activity 7.1 of EU Taxonomy that are relevant at the time of the acquisition (including PED criterion and additional criteria specified for buildings larger than 5,000 sqm). For large non-residential buildings (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW): they must be efficiently operated through energy performance monitoring and assessment	7.7. Acquisition and ownership of buildings	✓ Except for projects outside of the EU

[28] demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.

DISCLAIMER

1. Validity of the SPO: As long as no substantial changes to the Framework.
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 standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we provide Second Party Opinion (SPO) on bonds based on data provided by 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.
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ANNEX 1: Methodology

EU Taxonomy

ISS ESG evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Sustainable Funding Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2021).

The evaluation shows to understand if URW's project categories are indicatively in line with the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by URW (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the issuer.

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 URW's Green financing 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 URW (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 URW's green financing instruments contributes to related SDGs.

ANNEX 2: ISS ESG Corporate Rating Methodology

The following pages contain methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.
The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:
(1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
(2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
(3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

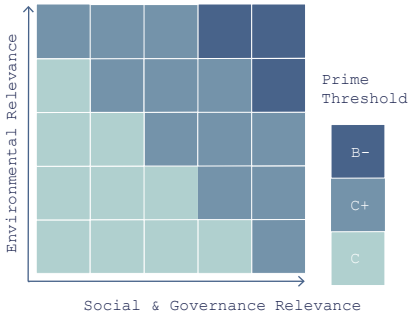
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 3: Quality management processes

SCOPE

URW commissioned ISS ESG to compile a green financing instruments SPO. The Second Party Opinion process includes verifying whether the Green Financing Framework aligns with the ICMA GBP and LMA GLP and to assess the sustainability credentials of its green financing instruments, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles (June 2021)
- LMA Green Loan Principles (February 2021)
- EU Taxonomy Delegated Act, June 2021
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the Framework 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 financing instruments to be issued by URW based on ISS ESG methodology and in line with the ICMA GBP and LMA GLP.

The engagement with URW took place from April to November 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 more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific green financing instruments SPO, please contact: SPOOperations@iss-esg.com

Project team

Project lead	Project support	Project supervision
Adams Wong	Alice Wong	Viola Lutz
AVP	Consultant	Executive Director
SPO Operations	ESG Consultant	Head of ISS ESG Climate Services