

Second-Party Opinion

Xior Student Housing N.V. Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Xior Student Housing N.V. Green Finance Framework aligns with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Pollution Prevention and Waste Management, Clean Transport, Water Management – are aligned with those recognized by the Green Bond Principles 2018 and Green Loan Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 11 and 12.



PROJECT EVALUATION / SELECTION Xior’s internal process in evaluating and selecting projects is managed by the Sustainable Working Group (the “Working Group”), comprised of the CEO, the operational manager, the manager responsible for sustainability and a representative from the Finance department. Eligible projects and assets must comply with the Framework eligibility criteria before being evaluated by the Working Group. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Xior’s processes for management of proceeds is overseen by the Working Group. The Xior finance team will manage the proceeds on a portfolio basis. Unallocated proceeds will be held in money market instruments and may be deployed at the Company’s discretion in cash or cash equivalent instruments. This is in line with market practice.



REPORTING On an annual basis, until full allocation, Xior intends to report to lenders and investors on the allocation of the net proceeds of issued green finance instruments. The report provides the following information: total amount outstanding, amount of unallocated proceeds and allocation of the net proceeds to the portfolio, including information on the composition of the portfolio, geographic split of the portfolio, share of financing vs refinancing and an overview of eligible projects if feasible. In addition, Xior Student Housing is committed to reporting on relevant sustainability metrics on an annual basis through its ESG reporting included in the annual report. Sustainalytics views Xior Student Housing N.V.’s allocation and impact reporting as aligned with market practice.

| | |
|------------------------|------------------|
| Evaluation date | March 19, 2020 |
| Issuer Location | Antwerp, Belgium |

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Introduction

Xior Student Housing N.V. (“Xior”, or the “Company”) is a Belgian real estate operator specialised in the student housing market, with a market capitalisation of \$1.152B as per February 21, 2020.¹ Xior is present in Belgium, the Netherlands, Spain and Portugal.

Xior has developed the Xior Student Housing N.V. Green Finance Framework (“Framework”) under which it intends to issue green finance instruments, including green bonds, green private placements, green loan facilities and other green debt instruments. Xior will use the proceeds to finance and refinance, in whole or in part, existing and future projects that aim at improving its green credentials, notably through energy efficient technologies, waste and wastewater management improvements and renewable energy generation. The Framework defines eligibility criteria in six areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Pollution Prevention and Waste Management
5. Clean Transportation
6. Water Management

Xior engaged Sustainalytics to review the Xior Student Housing N.V. Green Finance Framework, dated 13 March, 2020 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)² and Green Loan Principles 2018 (GLP).³ This Framework has been published in a separate document.⁴

As part of this engagement, Sustainalytics held conversations with various members of Xior’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 Xior’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Xior Student Housing N.V. Green Finance Framework and should be read in conjunction with that Framework.

¹ Bloomberg, “Xior Student Housing NV”, Company info”, at: <https://www.bloomberg.com/quote/XIOR:BB>

² 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/>

³ The Green Loan Principles are administered by the Loan Markets Association and are available at: https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

⁴ The Xior Student Housing N.V. Green Finance Framework is available on Xior’s website at: <https://www.xior.be/en/investor/investor-relations/publications>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Xior Student Housing N.V. Green Finance Framework

Sustainalytics is of the opinion that the Xior Student Housing N.V. Green Finance Framework is credible and impactful and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of Xior's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green buildings, Renewable energy, Energy efficiency, Pollution prevention and Waste management, Clean transport, and Water management – are aligned with those recognized by the GBP 2018. Sustainalytics acknowledges that project financing can provide environmental benefits through increased energy, waste, and water efficiency in the development and operation of student residences.
 - Xior may finance or refinance the development or acquisition of new and/or existing green buildings in Belgium,⁵ the Netherlands,⁶ Spain and Portugal.⁷ Eligible buildings in Belgium, the Netherlands, Spain and Portugal fall within the top 15% best performing threshold of the total stock, as determined by national EPC label designations, which is positively highlighted by Sustainalytics. Sustainalytics notes that, in the above countries, EPC label A corresponds to the top 15% of building stock. In addition, Xior may finance or refinance renovations and/or refurbishments that achieve at least a 30% energy savings compared to baseline consumption. Sustainalytics is of the opinion that Xior's financings of energy efficient student residences can help facilitate the transition to a low-carbon economy.
 - Regarding Renewable energy, Xior may finance or refinance on-site renewable electricity generation and transmission, including rooftop solar photovoltaic ("solar PV"), wind and geothermal energy projects.⁸ Sustainalytics acknowledges the importance of financing increased renewable energy capacity.
 - As for Energy efficiency projects, Xior may finance a wide range energy efficient projects, activities and technologies, including appliances,⁹ equipment upgrades, energy storage, smart grids etc. Xior has clarified that district heating will come from residual heat and geothermal generation. While Sustainalytics recognizes that Xior's sourcing of waste heat reduces carbon emissions from industrial source, Sustainalytics notes that the such heat/cooling distribution infrastructure may require the continued operation of facilities that primarily rely on fossil fuels. Therefore, Sustainalytics recommends Xior to diversify its sourcing of waste heat to industrial processes that do not extend the life of fossil fuel usage.
 - Within the Pollution prevention and waste management category, Xior may finance investments that seek to achieve higher recycling rates and waste prevention, for instance, through the construction of fully integrated sorting lines. Sustainalytics notes the contribution of related expenditure to the reduction and recycling of waste in student residences.
 - In the Clean transportation category, Xior may use the proceeds to finance bike sheds and electric vehicles ("EVs") charging stations. Sustainalytics recognizes the importance of investments into infrastructure to encourage cycling and enhance accessibility for electric vehicles.
 - Xior can use the proceeds from the Water management category to finance projects that aim at reducing its potable water consumption e.g. through rainwater recycling, water saving landscape design or grey water treatment systems. Sustainalytics is of the opinion that these projects can reduce Xior's water consumption.
 - Xior has not established a lookback period for project refinancing.

⁵ Buildings/residences with a primary energy consumption of 100kWh/m² or lower (equivalent to EPC Label "A" or better), or an E-level of 70.

⁶ EPC Label "A++" or better for buildings in the Netherlands built in 2016 or later, or EPC Label "A" for renovations of existing buildings.

⁷ EPC Label A or better.

⁸ Geothermal energy projects are limited to small scale geothermal e.g. geothermal heat pump.

⁹ Refrigerators, cooking equipment, washing machines, etc.

Xior Student Housing N.V. Green Finance Framework

- **Project Evaluation and Selection:**
 - Xior’s internal process in evaluating and selecting projects is managed by the Sustainable Working Group (the “Working Group”), comprised of the CEO, the operational manager, the manager responsible for sustainability and a representative from the Finance department. On an annual basis, employees from various departments will overview eligible projects and assets in compliance with the Framework. Eligible projects and assets will then be evaluated and approved by the Working Group. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- **Management of Proceeds:**
 - Xior’s process for management of proceeds is overseen by the Working Group. The Xior finance team will manage the proceeds on a portfolio basis. If a project is no longer eligible, it will be removed from the portfolio. In such scenario, Xior will replace the project in order to ensure that the total volume of issued finance instruments exceed the value of the portfolio of eligible projects. Unallocated proceeds will be held in money market instruments and may be deployed at the Company’s discretion in cash or cash equivalent instruments. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- **Reporting:**
 - On an annual basis, until full allocation, Xior intends to report to lenders and investors on the allocation of the net proceeds of issued green finance instruments. The report provides the following information: total amount outstanding, amount of unallocated proceeds and allocation of the net proceeds to the portfolio, including information on the composition of the portfolio, geographic split of the portfolio, share of financing vs refinancing and an overview of eligible projects if feasible. In addition, Xior is committed to report on relevant impact metrics, such as avoided CO₂ emissions or energy generated for the total portfolio. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2018

Sustainalytics has determined that the Xior Student Housing N.V. Green Finance Framework aligns to the four core components of the GBP 2018 and GLP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Xior

Contribution of framework to Xior Student Housing N.V.’s sustainability strategy

Sustainalytics is of the opinion that Xior demonstrates a strong commitment to sustainability with a focus on four key environmental areas: (i) energy-efficient procurement, design, construction & furnishing, (ii) energy consumption, (iii) water, and (iv) waste, as highlighted by the following actions:¹⁰

- (i) Xior is committed to reducing environmental impact by using “appropriate construction materials”,¹¹ ensuring proper insulation, and implementing energy efficient measures including green roofs, LED lighting and energy efficient appliances.¹⁰ In 2018, Xior installed solar panels on three student residences in Belgium and on six in the Netherlands.¹⁰ By using sustainable materials and investing into more energy efficient and renewable technologies, Xior further demonstrates its commitment to energy-efficient procurement, design, construction & furnishing.
- In terms of (ii) energy consumption, Xior strives to exercise a positive influence on the behavior of users by installing individual energy meters when feasible and encouraging a reduction of tenant’s energy consumption.¹⁰ Between 2017 and 2018, a like-for-like analysis¹² showed a 2.37% decrease in electricity consumption, primarily due to the replacement of conventional lightning and faulty household appliances.¹⁰ Total fuel consumption also decreased during the same reporting period, by 0.41%.¹⁰ Energy efficiency measures funded through the Framework can further reduce Xior’s residential buildings energy consumption.
- Regarding (iii) water management, Xior included rainwater utilization in some of its buildings e.g. Hoostraat in Ghent and intends to provide water-saving shower heads in bathrooms for the Overwale Campus in Ghent.¹⁰ Between 2017 and 2018, the buildings portfolio water consumption increased

¹⁰ Xior, “Xior Annual Financial Report”, (2018), at: https://www.xior.be/uploads/inv_year_reports/5/XIOR_ANNUALREPORT_2018.pdf

¹¹ Appropriate construction materials include modular prefab CD20 system and cross laminated timber (“CLT”).

¹² Data related to energy and water consumption cover the portfolio of student residences in Belgium and the Netherlands.

by 5.07%, because of a water leak in the Vijverdalseweg building in Maastricht.¹⁰ Water management related projects can decrease the Company water consumption.

- As for (iv) waste management, Xior is fostering recycling and adequate collection of waste.¹⁰ which aligns with the projects funded through the Pollution Prevention and Waste Management category. Sustainalytics encourages the Company to further demonstrate its commitment to sustainable waste management by disclosing its total weight of waste by disposal route.

Sustainalytics is of the opinion that the Xior Student Housing N.V. Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities. Sustainalytics encourages the Issuer to develop quantitative time-bound targets for the four environmental-related areas mentioned above.

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

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the GBP, 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, and land use and biodiversity issues associated with large-scale infrastructure development.

Xior outsources the development and construction of student residences to contractors, and as such is not directly responsible for managing potential E&S impacts of the projects financed through the Framework. As such, Sustainalytics is of the opinion that the regulatory environment in which projects are due to take place offers appropriate guarantees related to the management of potential risks through the following:

- The Directive 89/391/EEC ensures minimum safety and health requirements throughout Europe. Employers "have a duty to ensure the safety and health of workers in every aspect related to the work."¹³ Necessary measures to be taken by employers include "prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means."¹⁴
- The EIA Directive 2014/52/EU¹⁵ aims at ensuring that projects, which are likely to have significant impact on the environment, are adequately assessed before approval. The Directive requires 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."¹⁵
- The EIA Directive also integrates land use issues associated with land-intensive projects.¹⁵ Large scale projects should limit their impact of land and on soil, "including as regards organic matter, erosion, compaction and sealing."¹⁵

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Xior 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

All six use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on four below where the impact is specifically relevant in the local context.

Improving Student Residences Energy Efficiency in the EU

Within the EU, buildings represent 40% of the energy consumption and 36% of CO₂ emissions, making it the largest energy consuming sector. The EU Commission acknowledges the role of energy efficiency and the importance of the building sector to achieve its energy and climate goals.¹⁶ The Energy Performance of Buildings Directive ("EPBD" or the "Directive") is the main legislative instrument to decarbonize the buildings

¹³ Section II, Article 5. EUR-Lex, "Directive 89/391/EEC", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

¹⁴ Section II, Article 6. EUR-Lex, "Directive 89/391/EEC", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

¹⁵ EUR-Lex, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

¹⁶ EU Commission, "Commission Recommendation (EU) 2019/786 of 8 May 2019 on building renovation", (2019), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1557992239852&uri=CELEX:32019H0786>

sector. The Directive requires Member States to adopt long-term renovation strategies and minimum requirements for newly constructed buildings. Consequently, green buildings projects funded through the Framework have the potential to assist the EU in meeting its energy and climate goals, and further help Member States in conducting their transition towards energy efficient buildings.

In addition, projects funded under the Energy efficiency and Renewable Energy categories have the potential to reduce Xior's student residences energy consumption. First, upgrading equipment such as LED lightning or motion detectors can reduce electricity consumption.¹⁷ In addition, smart grid technologies can increase power delivery efficiency through demand response or by enabling consumers to have greater control on their electricity consumption e.g. individual energy meters. Studies have shown that the availability of real-time information has positive effects on student energy behavior, raising their awareness and contributing to lower their energy consumption.¹⁸ In addition, the installation of solar panels on buildings enables decentralized electricity production and therefore reduces grid power losses. Finally, storage solutions can increase flexibility and thus reduce peak load demand.

Sustainalytics is of the opinion that the projects falling under Green buildings, Energy efficiency and Renewable energy can make student residences more energy efficient and contribute to reducing their energy consumption and increasing demand flexibility.

The Importance of Reducing and Recycling Municipal Solid Waste

Waste prevention provides clear environmental benefits. A study estimated that preventing 13% of the waste mass entering the waste management system reduces global warming potential by 12% and nutrient enrichment by 45%.¹⁹ As such, the EU adopted a waste management approach²⁰ based on the waste hierarchy, which consists of giving priority, in order, to prevention, reuse and recycling.²¹ By putting the emphasis on reducing and recycling waste, Xior is following the waste hierarchy. The projects funded through the Framework e.g. waste sorting rooms, can reduce waste and increase recycling.

In addition, in 2016, the EU generated 2.5B tons of waste,²² accounting for 3.49% of EU GHG emissions in 2017.²³ Acknowledging the importance of reducing waste generation, the EU Action Plan for the Circular Economy targets a 65% reduction for municipal waste and a maximum of 10% of total waste disposal by 2030.²⁴ Sustainalytics is of the opinion that Xior's waste management projects may contribute to assist the EU in achieving its waste generation reduction targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

| Use of Proceeds Category | SDG | SDG target |
|---------------------------------|--|---|
| Green Buildings | 11. Sustainable Cities and Communities | 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 7.3 By 2030, double the global rate of improvement in energy efficiency |

¹⁷ Byung-Lip, A., et al., (2014), "Effect of LED lighting on the cooling and heating loads in office buildings", Applied Energy, at: <https://www.sciencedirect.com/science/article/abs/pii/S0306261913006946>

¹⁸ Emeakaroha, A., et al., (2014), "Integrating persuasive technology with energy delegates for energy conservation and carbon emission reduction in a university campus", Energy, at: <https://www.sciencedirect.com/science/article/abs/pii/S0360544214009633?via%3Dihub>

¹⁹ Gentil, E. C., et al., (2011), "Environmental evaluation of municipal waste prevention", Waste Management, <https://www.ncbi.nlm.nih.gov/pubmed/21924602>

²⁰ The Waste Framework Directive (2008/98/CE) is the cornerstone of the European waste management strategy.

Gilli, M., et al., (2018), "Behavioural attitudes towards waste prevention and recycling", Ecological Economics, <https://www.sciencedirect.com/science/article/abs/pii/S0921800917312922>

²¹ ADEME, « Grands principes de la réglementation européenne sur les déchets », (2018), at : <https://www.ademe.fr/expertises/dechets/elements-contexte/politique-vigueur/dossier/cadre-reglementaire/grands-principes-reglementation-europeenne-dechets>

²² Eurostat, "Generation of waste by waste category, hazardiousness and NACE Rev.2 activity", at:

https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_wasgen&lang=en

²³ Eurostat, "Greenhouse gas emissions by source sector", at: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=env_air_gge&lang=en

²⁴ European Commission, "An EU action plan for the Circular Economy", (2015), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0614>

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| | | |
|----------------------------------|--|--|
| Renewable Energy | 7. Affordable and Clean Energy | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix |
| Energy Efficiency | 7. Affordable and Clean Energy | 7.3 By 2030, double the global rate of improvement in energy efficiency |
| Pollution Prevention and control | 12. Responsible Consumption and Production | 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse |
| Clean Transportation | 11. Sustainable Cities and Communities | 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons |
| Water/Wastewater Management | 6. Clean Water and Sanitation | <p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p> |

Conclusion

Xior has developed the Xior Student Housing N.V. Green Finance Framework under which it can issue green bonds, loans and other financing instruments and the use of proceeds to finance energy efficient student residences, on-site renewable energy generation, energy efficient technologies and appliances, clean transportation infrastructures and wastewater and waste reduction projects. Sustainalytics considers that the projects funded by the green finance proceeds will provide positive environmental impact.

The Xior Student Housing N.V. 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 Xior Student Housing N.V. 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 6, 7, 11 and 12. Additionally, Sustainalytics is of the opinion that Xior has sufficient 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 the Company is well-positioned to issue green bonds, loans or other instruments and that the Xior Student Housing N.V. Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Finance Programme - External Review Form

Section 1. Basic Information

| | |
|--|---|
| Issuer name: | Xior Student Housing N.V. |
| Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i> | Xior Student Housing N.V. Green Finance Framework |
| Review provider's name: | Sustainalytics |
| Completion date of this form: | March 19, 2020 |
| Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i> | |

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 GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

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, Renewable Energy, Energy Efficiency, Pollution Prevention and Waste Management, Clean Transport, Water Management are aligned with those recognized by the Green Bond Principles 2018 and Green Loan Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 11 and 12.

Use of proceeds categories as per GBP:

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

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Xior's internal process in evaluating and selecting projects is managed by the Sustainable Working Group (the "Working Group"), comprised of the CEO, the operational manager, the manager responsible for sustainability and a representative from the Finance department. Eligible projects and assets must comply with the Framework eligibility criteria before being evaluated by the Working Group. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

Xior Student Housing N.V. Green Finance Framework

- | | |
|--|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|--|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Xior's processes for management of proceeds is overseen by the Working Group. The Xior finance team will manage the proceeds on a portfolio basis. Unallocated proceeds will be hold in money market instruments and may be deployed at the Company's discretion in cash or cash equivalent instruments. 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:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

On an annual basis, until full allocation, Xior intends to report to lenders and investors on the allocation of the net proceeds of issued green finance instruments. The report provides the following information: total amount outstanding, amount of unallocated proceeds and allocation of the net proceeds to the portfolio, including information on the composition of the portfolio, geographic split of the portfolio, share of financing vs refinancing and an overview of eligible projects if feasible. In addition, Xior Student Housing is committed to reporting on relevant sustainability metrics on an annual basis through its ESG reporting included in the annual

report. Sustainalytics views Xior Student Housing N.V.'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*): amount of unallocated proceeds, information on the composition of the portfolio, geographic split of the portfolio, share of financing vs refinancing and overview of eligible projects if feasible

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*):

Frequency:

- Annual
 Semi-annual
- Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (*please specify*):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
- Information published in ad hoc documents
 Other (*please specify*):
- 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.)

<https://www.xior.be/en/investor/investor-relations/publications>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

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 recognized 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 specialized 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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