

Green financing framework



KLEPIERRE

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1. Building the most sustainable platform for commerce by 2030

1.1 About Klépierre

Klépierre SA (hereafter referred to as “Klépierre” or “the Group”) is the **leading group** focusing on shopping malls only and in Continental Europe only.

At June 30, 2024,
the Group’s portfolio was valued at

€19.9 billion

More than

70 premium destinations

aligned with the positioning needs of the leading retailers. Klépierre holds a controlling stake in Steen & Strøm (56.1%), one of the leading operators of shopping centers in Scandinavia.

Klépierre is a French REIT (SIIC) listed on Euronext Paris and is included in the CAC Next 20 and EPRA Euro Zone indexes. It is also included in several ESG indexes, including Euronext CAC 40 ESG, Euronext CAC SBT 1.5, MSCI Europe ESG Leaders, FTSE4Good and Euronext Vigeo Europe 120, and features in CDP’s climate “A-list”.

These distinctions demonstrate the Group’s commitment to a proactive sustainable development policy and its leadership in the fight against climate change.



1.2 Klépierre and CSR

In 2018, Klépierre launched a five-year CSR plan based on 32 concrete objectives to act for the planet, for territories and for people. Two years later, in 2020, the Group climate strategy has been approved by the Science-Based Target Initiative (SBTi).

To date, the results have exceeded expectations, with the Group boasting an average achievement rate of 99.8% for these targets. In particular, Klépierre has reduced the energy intensity of its portfolio by more than 40% since 2013 and cut down its direct and indirect greenhouse gas (GHG) emissions by 88% since 2017.

With its new **Act4Good®** strategy launched in February 2023, Klépierre now intends to go a step further by **building the most sustainable platform for commerce by 2030**, thereby cementing its position as the sector's CSR leader.

The strategy is based on four pillars that support the UN Sustainable Development Goals, as illustrated on the next page.



**ACT AS A CLIMATE
LEADER**



**ACT AS A LOCAL
CONTRIBUTOR**



**ACT AS A SKILLS
DEVELOPER**



**ACT AS A GAME
CHANGER**

Achieving net-zéro

Act for the climate by achieving net-zero for its Scopes 1 & 2 greenhouse gas emissions by 2030.

Servicing communities

Act to service communities and territories around its shopping centers.

Growing people

Act as a skills developer for its employees, partners and visitors.

Promoting sustainable lifestyles

Act to promote sustainable lifestyles for its entire ecosystem – customers, retailers, employees, partners and citizens.

1.3 Achieving net-zero ambition

1.3.1 Net-zero in Scopes 1 & 2 emissions by 2030

The first Act4Good® commitment addresses the major environmental challenges that Klépierre faces, setting an objective to reach a net-zero carbon portfolio (Scopes 1 & 2 greenhouse gas emissions) by 2030. This means the Group will reduce the emissions linked to Klépierre-controlled areas by at least 90% by 2030 (compared to 2017) and then offset any residual Scopes 1 & 2 emissions as at last resort.

Over the course of its previous five-year CSR plan, Klépierre had already made significant progress towards the transition to a net-zero carbon footprint. It has surpassed its Scopes 1 & 2 SBTi 2030 approved target (set in 2020), eight years ahead of schedule, achieving an 82% reduction in CO₂ emissions per sq.m. between 2017 and 2022.

Under the new Act4Good® plan and to contribute to this net-zero commitment, the Group has set a new target **which is achieving an average portfolio energy efficiency of 70kWh/sq.m.** by 2030. This reflects the optimal estimated energy consumption ratio for a shopping mall, combining a high level of performance and visitors' comfort.

Klépierre is also aiming to maintain an exclusive supply of electricity from renewable sources, and to install renewable energy production units to reach up to 30% of self-consumption for 40 of its shopping centers.

1.3.2 Collaborating on GHG emissions related to tenant energy consumption

In addition to acting on GHG emissions linked to Klépierre-controlled areas, the Group is also committed to supporting its tenants in achieving a 20% reduction in their own energy intensity by 2030. This commitment is key to the Group's decarbonization strategy, as **retailers' energy consumption** is the main source of Klépierre shopping centers' carbon emissions (excluding visitor travel). This is also the main lever to achieving the Group's SBTi-approved target of reducing the GHG emissions associated with retailers' energy consumption per sq.m.⁽¹⁾

In 2018, Klépierre rolled out its BOOST sessions, which consist in a two-day internal audit at the end of which its experts work with the shopping centers' teams to develop a rigorous action plan with personalized performance objectives and a monthly review clause. BOOST sessions are the perfect opportunity for Klépierre to carry out on-site evaluations and share action plans with its tenants to improve the environmental footprint of the building as a whole. In addition, sustainable development provisions are included in the standard leases offered to all tenants.

(1) Target of a 41% decrease in GHG emissions between 2017 and 2030.

1.3.3 Developing a 100%-certified asset portfolio

Klépierre's entire portfolio has been certified BREEAM In-Use since 2019. In 2023, the full portfolio underwent a re-certification process to transition from BREEAM In-Use Version 5 to Version 6, which is more demanding. 76% of the Group's assets were still scored as "Very Good" or above.

1.3.4 Improving climate resilience

Safeguarding the Group's long-term value means understanding the risks of disruption to its operations. To effectively manage its climate-related risks and capitalize on the opportunities to mitigate them, Klépierre's low-carbon building policy brings together all aspects of its approach. For example, during operations, it considers how energy management systems can be optimized based on different climatic conditions, and during refurbishment, it identifies opportunities to incorporate features such as green walls, roofs and windows with a lower U-factor. Leveraging both climate mitigation and adaptation efforts allows the Group to improve the portfolio's resilience.

In addition, in 2022, Klépierre carried out a portfolio-level study to identify its top physical and transition risks and opportunities as well as their likelihood and impact on the Group's activities between now and two-time horizons: 2030 and 2050.

Overall, Klépierre's assets do not present critical threats from physical risks at the portfolio level. However, riverine flooding—meaning flooding from a river, lake or stream—was identified as the most significant current risk and could potentially result in



property damage and higher capital or operating expenditure for affected sites if no further action is taken. In the long-term (2050), the increase in average and extreme heat is likely to become a high risk with greater potential impacts on assets including temporary closures, disruption of public transport operations and higher operating expenditure related to the increase in energy needs combined with higher and/or unstable energy prices if no further action is taken.

Having compiled the results of the study into its operational environmental monitoring tools, which will be used to monitor the climate risk associated with each asset, Klépierre is now drafting a climate change adaptation action plan for each asset in the portfolio.

1.3.5 Contributing to a circular economy and biodiversity preservation

Operating, refurbishing and extending shopping centers consumes a significant amount of natural resources and generates considerable volumes of waste. This is why the Group is deploying new models of product use and recycling, embedding circular economy principles into its business model, and reimagining the management of operational waste and consumption of resources in its shopping centers, including for its tenants. To support this endeavor, Klépierre applies the BREEAM certification standard, which certifies products and materials that promote resource efficiency and low emissions. These products and materials are easy to maintain, reuse and recycle and must have an eco-label or lower environmental impact (such as PEFC™ or FSC®-certified timber). Throughout the building lifecycle of a mall, preference is always given to suppliers with certified environmental management systems.

The Group's 2030 objectives are the following:

- Reach 100% waste enhancement with a strong focus on recovering materials (with 60% material recovery)
- Ensure all new developments/refurbishment projects include low-carbon solutions
- Support tenants in creating low-carbon shops (structural works and fit outs)



In addition, Klépierre actively protects and enhances the biodiversity value of its assets throughout their lifecycles, from design to operation. This commitment is underpinned by a target for all development projects to implement a biodiversity plan as well as a mandatory requirement for development projects to have obtained a minimum BREEAM New Construction certification level of "Excellent". For development projects, ecologists and landscape architects are involved in the design and development of new assets or extensions to existing buildings. Klépierre has committed to net-zero land use for all shopping center development projects by 2030.

1.3.6 Innovating for sustainable mobility

Ensuring accessibility for all forms of mobility is an integral part of Klépierre's strategy. Location, urban density and transport connectivity are key criteria in the Group's investment selection process and Klépierre is acting across its portfolio to diversify the transportation and mobility offering of its centers. The Group has made significant efforts to collaborate with local municipalities to adapt local transport lines and has deployed its own private solutions when this has not been possible. The Group has already reached its targets of 100% of shopping centers being accessible by public transport and being equipped with charging stations for electric vehicles across Europe.

As part of its 2030 CSR ambition, Klépierre intends to pursue its efforts in promoting sustainable mobility (upgrading soft mobility infrastructure, stepping up the development of charging stations for electric vehicles, awareness campaigns and incentives for visitors, etc.) and will go further in engaging with its visitors, with the aim of achieving a 41% decrease in carbon emissions related to their transportation.





1.4 CSR Governance at Klépierre

Klépierre's sustainability strategy is embedded in the Group's management and governance structure, all areas of the business and all countries in which it operates, as well as the various external initiatives in which it participates. The strategy is supported by dedicated tools to track sustainability performance, and managed through the governance structure set out on the next page.



Klépierre’s global leadership in sustainability has been widely recognized once again in 2023.

In order to track and assess its performance against peers and other sustainability leaders and report transparently to its stakeholders, Klépierre has been awarded the following ESG accolades:



EUROPEAN LEADER	“A” LIST	CAC 40 ESG INDEX CAC SBT 1.5 INDEX	AA RATING	1.5°C
<ul style="list-style-type: none"> • Peers’ comparison: 1st Europe Retail Listed • Five-star rating 	<ul style="list-style-type: none"> • Klépierre is one of only 346 businesses worldwide included in the climate “A” list 	<ul style="list-style-type: none"> • Klépierre is integrated in the 2 ESG indices : • CAC 40 ESG with the Top 40 leaders in ESG • CAC SBT 1.5, a new, climate-focused version of the CAC40, including companies in line with the 1.5°C goal of the Paris Agreement 	<ul style="list-style-type: none"> • Klépierre belongs to the Top 33% of companies having a score of AA or higher within the Real Estate Management & Services universe. 	<ul style="list-style-type: none"> • In 2020, Klépierre's low-carbon strategy has been approved by the Science Based Targets initiative (SBTi) at the highest possible level, i.e., 1.5°C

Moreover, the Group has been awarded a Gold Award by EPRA on its application of the industry sustainable best practices of reporting (sBPRs) for ten years in a row.

For more information on Klépierre’s Sustainability strategy and commitments, please refer to its Universal Registration Documents, Sustainability Reports, and website.⁽²⁾

(2) Available [here](#).

1.5 Rationale for establishing a Green Financing Framework

The Real Estate sector accounts for around

40% of total energy

consumed and over one third of the energy-related GHG emissions in Europe.⁽³⁾ In this context and as a commercial real estate owner and manager, Klépierre has a central role to play in the decarbonization of its portfolio of shopping centers and in the promotion of resilient and sustainable retail.

This Green Financing Framework (the “Framework”) is an important next step for Klépierre to further align its financing strategy with its long-term CSR objectives as outlined in its Act4Good® program. The Framework enables Klépierre to issue “Use of Proceeds”-based green finance instruments.

Under the Framework, Klépierre can issue a variety of green finance instruments, including bonds, loans, and any other financing instruments. By issuing green finance instruments, Klépierre aims to link its financing policy to its pioneering sustainability strategy and, as a result, attract more ESG-focused investors to its credit profile.



(3) European Commission [here](#).

2. Klépierre Green Financing Framework



The present Framework is aligned with the International Capital Market Association Green Bond Principles (“GBP”, 2021)⁽⁴⁾ and Loan Market Association Green Loan Principles (“GLP”, 2023)⁽⁵⁾ and follows its four core components:

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

As Klépierre recognizes the importance of common definitions for sustainable economic activities as well as credible market standards, it has defined its Eligibility Criteria in line with best market standards for the sector, including the criteria set out in the EU Taxonomy for climate change mitigation⁽⁶⁾ as well as additional Eligibility Criteria, such as sustainable building certifications and energy performance requirements based on CRREM-SBTi decarbonization pathways.⁽⁸⁾ The Framework may be updated or expanded to reflect best market practices, such as the European Green Bond Standard regulation⁽⁹⁾ which enters into application from 21 December 2024, and developments in Klépierre’s business activities. These potential changes will either maintain or improve the current levels of transparency and reporting described in the Framework.

(4) ICMA Green Bond Principles (with June 2022 Appendix 1), available [here](#).

(5) LMA/LSTA/APLMA Green Loan Principles (2023), available [here](#).

(6) As defined by EU Taxonomy Appendix 1 of the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852.

(7) Carbon Risk Real Estate Monitoring, definitions and methodology available [here](#).

(8) Global Decarbonization Pathways – CRREM Project, available [here](#).

(9) Publication of the EU GBS in the Official Journal of the EU, available [here](#).



2.1 Use of Proceeds

Eligible Green Portfolio and Eligibility Criteria

Klépierre intends to use an amount equivalent to the net proceeds of the green finance instruments issued under the Framework to exclusively finance or refinance, in whole or in part, an Eligible Green Portfolio, that comprises eligible green assets and capital expenditures that will meet the corresponding Category Eligibility Criteria, as defined in the table below (the “Eligible Green Assets and Capital Expenditures”).

The financing of the Eligible Green Portfolio is expected to contribute to achieving Klépierre’s sustainability strategy, the **EU environmental objective of Climate Change Mitigation** as per the European Taxonomy as well as **Sustainable Development Goals 7 “Affordable and clean energy” and 11 “Sustainable cities and communities”**.

Prior to the issuance of green finance instruments, Klépierre has undertaken, on a best-effort basis, to provide the expected allocation of proceeds per Eligible Green Category as well as the estimated proportion of financing versus refinancing. Eligible Green Assets and Capital Expenditures are also mapped on the UN Sustainable Development Goals (SDGs) and the Economic activities included in the EU Taxonomy Climate Delegated Act.

Eligible Green Categories		Eligibility Criteria	Contribution
Green Buildings	Acquisition & Ownership	<p>Acquisition and ownership of new or existing shopping centers that comply with one of the following criteria:</p> <ul style="list-style-type: none"> Technical screening criteria⁽¹⁰⁾ and minimum social safeguards set out in the EU Taxonomy Regulation, mainly inter alia: <ul style="list-style-type: none"> Buildings built before 12/31/2020: EPC label “A” or belonging to the top 15% in primary energy demand (PED); Buildings built after 1/1/2021: PED 10% below locally applicable nearly-zero energy building (NZEB) requirements. BREEAM “In-Use” certification ≥ “Excellent” or equivalent. Energy intensity below the CRREM decarbonization yearly targets for shopping centers in the relevant country 5 years ahead.⁽¹⁰⁾ 	<p>EU Taxonomy Climate mapping</p> <p>7.7. Acquisition and ownership of building</p> <p>SDG Contribution</p> 
	Renovation	<p>Renovation of shopping centers that comply with the following criteria:</p> <ul style="list-style-type: none"> BREEAM “Refurbishment and Fit Out” ≥ “Excellent” or any equivalent certification. 	<p>EU Taxonomy Climate mapping</p> <p>7.2. Renovation of existing buildings⁽¹²⁾</p> <p>SDG Contribution</p> 
Renewable Energy	<p>Investments in installation and operation of new or existing renewable energy technologies</p> <p>(e.g., on-site solar photovoltaic systems, heat pumps) which comply with the Technical Screening Criteria* and Minimum Social Safeguards set out in the EU Taxonomy Regulation.</p>	<p>EU Taxonomy Climate mapping</p> <p>7.6. Installation, maintenance and repair of renewable energy technologies⁽¹²⁾</p> <p>SDG Contribution</p> 	
Clean Transportation	<p>Investments and expenditures to promote sustainable transportation modes</p> <p>(e.g., electric vehicle charging infrastructure and bicycle parking) which comply with the Technical Screening Criteria* and Minimum Social Safeguards set out in the EU Taxonomy Regulation.</p>	<p>EU Taxonomy Climate mapping</p> <p>7.4. Installation, maintenance or repair of charging stations for electric vehicles⁽¹³⁾</p> <p>SDG Contribution</p> 	

*Technical Screening Criteria include compliance with the Substantial Contribution to Climate Mitigation criteria and Do No Significant Harm (“DNSH”) criteria

Look-back period

Eligible Green Assets will be included in the Eligible Green Portfolio at their appraisal value and without a specific lookback period. Eligible Green Capital Expenditures qualify with a maximum look-back period of two years.

(10) See Appendix 1 for more details.

(11) For a given reporting year Y, the applicable threshold under this framework is the energy intensity threshold defined by CRREM for Y+5, in kWhFinal Energy/sq.m./year. See Appendix 2 for more details.

(12) Due to its activity, Klépierre is not subject to economic activity 7.2 of the European Taxonomy. However, the Group proposes to use these associated technical criteria, on a voluntary basis, for this framework purposes.

(13) Note that CapEx related to activities 7.4 and 7.6 of the EU Taxonomy were not included in the Taxonomy assessment reported in Klépierre’s 2023 Universal Registration Document, as amounts were not material. Should the amount of eligible CAPEX under activities 7.4. and 7.6 become material, Klépierre would include these two activities in its Taxonomy assessment.



2.2 Process for project evaluation and selection

Project selection and evaluation is a key process to ensure that Eligible Green Assets and Eligible Green Capital Expenditures financed and/or refinanced through the green finance instrument proceeds meet the Eligibility Criteria. As such, the proceeds of the green finance instruments are intended to be allocated to Eligible Green Assets and Eligible Green Capital Expenditures that are evaluated and selected based on compliance with the Eligibility Criteria set out in Section 2.1.

Klépierre will systematically and proactively identify projects and assets which are likely to be allocated to a green finance instrument either at present or in the foreseeable future.

Green Finance Committee

The selection and evaluation process for Eligible Green Assets and Capital Expenditures will be performed and coordinated by Klépierre's **Green Finance Committee**, which will meet at least annually, decide by consensus and is comprised of representatives from the Group CSR, Group Operations and Group Corporate Finance departments.

The Green Finance Committee is responsible for:

- Updating the content of the Framework, if needed;
- Monitoring the ongoing development of market principles and changes to sustainable finance regulations on a best effort basis;
- Overseeing the process of selecting, evaluating and monitoring the Eligible Green Portfolio, which is recorded in Committee meeting minutes and includes:
 - Validating, at least once a year, the list of potential Eligible Green Assets and Capital Expenditures and ensuring that they meet the Framework's Eligibility Criteria (outlined in section 2.1) as well as the additional evaluation and selection criteria outlined below.
 - Removing Eligible Green Assets or Capital Expenditures from the Eligible Green Portfolio where they have become controversial or no longer meet the Eligibility Criteria outlined in section 2.1.
- Reviewing and approving annual allocation and impact reporting.

ESG Risk Management

Eligible Green Assets and Capital Expenditures under the Framework are expected to comply with local laws and regulations, as well as Klépierre's internal policies and standards related to environmental and social risks. Relevant policies and standards are detailed in Klépierre's annual reports.

Special considerations for Eligible Green Assets and Capital Expenditures qualifying under the EU Taxonomy criteria

Klépierre assesses the alignment of its turnover, Capital Expenditures and Operational Expenditures against the EU Taxonomy and reports annually on this in its Universal Registration Document, including a description of the underlying methodology and a review of the results by a qualified independent third party.

Taxonomy alignment assessment includes demonstrating the alignment of Eligible Green Assets and Capital Expenditures with relevant substantial contribution for climate change mitigation, Do No Significant Harm and Minimum Social Safeguards criteria.

Details on the policies carried out by Klépierre to demonstrate alignment with the main applicable substantial contribution and DNSH criteria are provided in Appendix 1.

Regarding the Minimum Social Safeguards criteria, Klépierre defined policies and put in place processes to ensure high standards of business ethics, including Klépierre's Anti-corruption Code of Conduct,⁽¹⁴⁾ an adequate whistleblowing mechanism and strong communication efforts towards internal and external stakeholders. To further complete its monitoring process, in 2023, the Group formalized its Human Rights Risk Mapping. This comprehensive matrix enables Klépierre to track human rights issues more precisely.

(14) [Ethics & compliance – Klépierre \(klepierre.com\)](#)



2.3 Management of Proceeds

Klépierre will manage the net proceeds of the green finance instruments issued under the Framework on a **portfolio basis**, meaning that an amount equivalent to the net proceeds of Klépierre's green finance instruments outstanding will be earmarked for allocation to the Eligible Green Portfolio, as validated by the Green Finance Committee. The Corporate Finance department will ensure that the proceeds raised by the aggregated amount of sustainable financing is lower than the outstanding amount of the Eligible Green Portfolio. Eligible Green Assets will be included in the Eligible Green Portfolio at their appraisal value. The Eligible Green Portfolio will be tested every year.

Klépierre intends to fully allocate the proceeds of issued green finance instruments within a timeframe of no more than 24 months after issuance. Pending the allocation of the net proceeds of issued green finance instruments to the Eligible Green Portfolio, or where insufficient Eligible Green Assets and Capital Expenditures are available, Klépierre has undertaken to temporarily manage the unallocated proceeds in line with its treasury criteria and excluding any investments towards environmentally and/or socially harmful activities.

Should any Eligible Green Asset or Capital Expenditure be subject to major controversies, cease to comply with the Eligibility Criteria or be divested, Klépierre will remove it from the Eligible Green Portfolio and use its best efforts to substitute it if needed as soon as is feasible and within 24 months.



2.4 Reporting

Reporting on the allocation of proceeds of green finance instruments and the Eligible Green Portfolio's positive impacts will be available on the Financing⁽¹⁵⁾ section of Klépierre's corporate website each year, starting from the first year following the issuance of any given green finance instrument and as long as the green finance instruments are outstanding.

2.4.1 Allocation of proceeds reporting

The allocation report will include:

- The total outstanding volume (in €) of green finance instruments issued under the Framework;
- The size of the Eligible Green Portfolio, including a breakdown per Category;
- A breakdown per Category of Eligible Green Assets and Capital Expenditures aligned with the EU Taxonomy;
- The value of unallocated proceeds (if any);
- The share of financing vs. refinancing and the average look-back period of the portfolio.

⁽¹⁵⁾ [Financing – Klépierre \(klepierre.com\)](https://www.klepierre.com)

2.4.2 Impact reporting

Where possible, impact reporting will provide information on the Eligible Green Portfolio regarding:

Category	Potential output indicators	Potential impact indicators
Green Buildings	<ul style="list-style-type: none"> • Number of eligible Green Buildings, and sq.m. data • Green Building certification levels • Energy Performance Certificate (EPC) labels • Energy intensity expressed in kWh/sq.m./year • Carbon intensity expressed in kgCO2e/sq.m./year 	<ul style="list-style-type: none"> • Estimated annual GHG emissions avoided (tCO2e)
Renewable Energy	<ul style="list-style-type: none"> • The total installed capacity (in MWp) • The total annual generation of renewable energy (in MWh) • Number of assets equipped 	<ul style="list-style-type: none"> • Estimated annual GHG emissions avoided (tCO2e)
Clean Transportation	<ul style="list-style-type: none"> • The number of implemented EV charging stations • Share of shopping centers equipped with EV charging stations • Number of shopping centers equipped with bicycle parking stations 	<ul style="list-style-type: none"> • Estimated annual GHG emissions avoided (tCO2e)

To promote transparency and contribute to the harmonization of impact reporting methodologies, Klépierre intends to align its impact reporting with the ICMA Harmonized Framework for Impact Reporting (June 2024).

Aside from the above-mentioned impact indicators, the impact reporting will refer to risks stemming from project-related controversies (if any) and may provide an estimation of adverse environmental and social impacts related to the Eligible Green Portfolio and how these are managed and mitigated by Klépierre.

2.5 External Review

2.5.1 Pre-issuance verification

Klépierre has appointed ISS ESG to provide a Second Party Opinion (SPO) on its Green Financing Framework. The SPO has confirmed alignment of the Framework with the ICMA Green Bond Principles, the LMA Green Loan Principles and with the EU Taxonomy Climate Delegated Act, Annex I (as of June 2023).

The Second Party Opinion report is available on the Financing section of Klépierre's corporate website.⁽¹⁶⁾

2.5.2 Post-issuance verification

Klépierre will appoint an independent verifier to provide a post-issuance review addressing the allocation of the net proceeds of issued green finance instruments on an annual basis, as long as green finance instruments are outstanding, or where there are significant changes in the allocation of proceeds. The external verification will also cover the Impact Report.

The independent verification report will be of limited assurance and published on the Financing section of Klépierre's corporate website.



(16) Available [here](#)

Appendices

APPENDIX 1: Applicable Technical Screening Criteria for Climate Change Mitigation

Substantial Contribution Criteria	Applicable activities	Main criteria	Klépierre alignment policies
Climate Change Mitigation	7.7	<ul style="list-style-type: none"> For buildings built before year-end 2020, the building has at least an Energy Performance Certificate (EPC) class A or is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED). For buildings built after year-end 2020, the PED is at least 10% lower than the threshold set for nearly zero-energy buildings (NZEB). The energy performance must be certified using an “as built“ EPC. For buildings > 5,000 sq.m., the building undergoes testing for air-tightness and thermal integrity, and the lifecycle Global Warming Potential (GWP) of the building has been calculated for each stage in the lifecycle and is disclosed to investors and clients upon request. Where the building is a large non-residential building, it is efficiently operated through energy performance monitoring and assessment. 	<ul style="list-style-type: none"> To demonstrate that buildings are efficiently operated, Klépierre uses the monitoring tool Deepki for the energy consumption of 100% of its assets in value, and all its assets are equipped with a Building Management System (BMS) to supervise the daily functioning of equipment. Klépierre compares the primary energy intensity against Deepki’s ESG index (national values when available and relevant, or the European average value if not).

DNSH requirements	Applicable activities	Main criteria	Klépierre alignment policies
Climate Change Adaptation	7.7	<ul style="list-style-type: none"> Physical climate risks must be identified. Where the activity is assessed to be at risk, a climate risk and vulnerability assessment must be carried out. Adaptation solutions must be identified for the most important physical risks (up to five years) and supported by action plans. 	<p>In 2022, Klépierre commissioned a study to identify its main climate, physical and transition risks and opportunities as well as their impact on its activities. Each asset’s exposure and impacts on Klépierre activities have been assessed based on scenarios consistent with the IPCC (SSP 4-5 and 8-5) and the TCFD. The study evaluated the likelihood and impact of ten physical risks over various time horizons (2030 and 2050) and led to the identification of the most vulnerable assets for each physical climate risk. The results of the study are disclosed in Klépierre’s annual report.</p>

APPENDIX 2: CRREM-SBTi's energy intensity pathways of European shopping centers

Klépierre refers to the v2.05 of CRREM-SBTi's pathways, published in March 2023.⁽¹⁷⁾

This publication provides the real estate industry with transparent, science-based decarbonization pathways aligned with the requirements of the Paris Agreement to limit global warming to a maximum of 1.5°C by 2100.

The specific pathways for shopping centers in the main countries where Klépierre operates are outlined below:

EU Shopping Center - Energy Intensity Pathways (kWh/sq.m. per year) until 2030								
	2023	2024	2025	2026	2027	2028	2029	2030
France	231	214	198	183	170	157	146	135
Belgium	227	210	194	179	165	153	141	130
Italy	185	174	164	154	145	137	129	122
Netherlands	201	189	178	167	157	147	138	130
Germany	202	189	178	167	157	147	138	130
Spain	110	106	103	99	96	92	89	86
Portugal	154	146	140	133	127	121	115	110
Norway	202	196	190	185	180	175	170	165
Sweden	244	230	216	203	191	180	169	159
Greece	184	173	163	154	145	136	128	121

(17) Global Decarbonization Pathways - CRREM Project

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