

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

MATEXI NV

9 December 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Finance Instruments such as Green (Retail) Bonds, Green Notes, Green Commercial Paper, Green Private Placements
Relevant standards	<ul style="list-style-type: none">• International Capital Market Association (ICMA) Green Bond Principles (GBP), updated as of June 2021• Loan Market Association (LMA) Green Loan Principles (GLP), updated as of February 2021
Scope of verification	<ul style="list-style-type: none">• Matexi NV Green Finance Framework (as of 08.12.2021)• Matexi NV Selection Criteria (as of 08.12.2021)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• As long as there is no material change to the Framework

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Scope of work

Matexi NV (“the Issuer”, “Matexi”, or “the company”) commissioned ISS ESG to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instrument:

1. The Green Finance Instruments link to Matexi’s sustainability strategy – drawing on Matexi’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Matexi’s Green Finance Framework (08.12.2021 version) – benchmarked against the International Capital Market Association's Green Bond Standards and the Loan Market Association’s Green Loan Principles.
3. The Selection Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Green Finance Instruments link to issuer's sustainability strategy</p>	<p>Matexi is a leading real estate neighbourhood developer, established in 1945 active in Belgium, Poland, and Luxembourg. Its focus relies on sustainable, mixed-use urban regeneration projects. More than 300 professionals manage acquisition, development, construction, and sales of 420+ projects, realizing a turnover of approximately EUR400 million a year.</p> <p>ISS ESG finds that Use of Proceeds financed through these 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 such as Green (Retail) Bonds, Green Notes, Green Commercial Papers and/or Green Private Placements is clearly described by the issuer.</p>	<p>Consistent with issuer's sustainability strategy</p>
<p>Part 2:</p> <p>Alignment with GBP and GLP</p>	<p>The issuer has defined a formal concept for its Green Finance Instruments such as Green (Retail) Bonds, Green Notes, Green Commercial Paper, Green Private Placements regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP and GLP.</p>	<p>Aligned</p>
<p>Part 3:</p> <p>Sustainability quality of the selection criteria</p>	<p>The overall sustainability quality of the Selection Criteria in terms of sustainability benefits, risk avoidance, and minimisation is good based upon the ISS ESG assessment. The Green Finance Instruments will (re-) finance eligible asset categories, which include: Green Buildings, Sustainable Water & Wastewater Management, Clean Transportation and Renewable Energy.</p> <p>Those use of proceeds categories have significant contribution to SDGs 6 "Clean Water and Sanitation", SDGs 7 Affordable and Clean Energy, SDGs 11 'Sustainable cities and communities', SDGs 13 "Climate Action" and a limited contribution to SDGs 3 "Good Health and Well-Being". The environmental and social risks associated with those use of proceeds categories have been well managed.</p>	<p>Positive</p>

¹ ISS ESG's evaluation is based on the Matexi's Green Finance Framework (December 2021 version), on the analysed Selection Criteria as received on the 08.12.2021, and on the ISS ESG Indicative Corporate Rating applicable at the SPO delivery date (generated on the 23.11.2021).

ISS ESG SPO ASSESSMENT

PART I: GREEN FINANCE INSTRUMENTS LINK TO MATEXI'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF MATEXI'S SUSTAINABILITY STRATEGY

Methodological note: Please note that Matexi NV is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment conducted by the analyst in charge of the Construction sector based mainly on publicly available information. No direct communication between the borrower and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

Industry classification:

Construction ²

Key Issues of the industry

1. Labor standards and working conditions
2. Energy and resource efficiency
3. Impact on land use and biodiversity
4. Ethical business practices
5. Protection of human rights and community outreach

Indicative ESG risk and performance assessment

Matexi develops houses, apartments, offices, cafes, and restaurants, and provides construction services. The company's developments are mixed-use and include community-strengthening elements, such as retail, restaurants, health care, offices, etc. As such, the company can contribute to the creation of sustainable communities, which it does to some extent, by e.g. providing community centers or other public spaces for its residents, providing affordable housing or social housing, and promoting sustainable mobility/transport solutions.

The company considers the energy efficiency of its property portfolio at the design stage, regarding energy-efficient building envelopes, ventilation, and natural lighting. In addition, the company promotes renewable energy through the installation of solar panels and heat pumps connected to a geothermal source or a heating network. In terms of water-efficiency, the company has also implemented some measures such as the use of water-saving taps and showers, inclusion of rainwater tanks in all ground level homes, and the reuse of rainwater for toilets and washing machines in several houses and apartments built.

Regarding the environmental risks related to its construction activities, Matexi has implemented basic measures to reduce impacts on biodiversity. The company is also involved in brownfield developments, which to an extent, promote conservation and sustainable land use. While some

² ISS ESG classify real estate developers under the Construction industry due to more extensive involvement in the development process and construction(related) services.

measures in terms of waste management, the use of sustainable building materials, water-efficiency and energy-efficiency of construction activities are undertaken by the company, a comprehensive strategy seems to be lacking on these issues.

There is no indication that Matexi addresses further key issues of the construction industry, such as business ethics (e.g., corruption and antitrust violations), human rights, labor rights, and working conditions (particularly occupational health and safety of employees and contractors).

Indicative product portfolio assessment

Social impact of the product portfolio:

Single projects/properties of Matexi contribute to relevant SDG objectives such as ensuring health and delivering education (e.g., construction of healthcare or educational facilities). However, the estimated share of revenues for these activities is low (est. <1%). Matexi does not appear to be significantly involved in these projects and overall, the company's project portfolio of residential, commercial, and office properties is considered to have no net positive or negative social impact.

Environmental impact of the product portfolio:

Property developers such as Matexi can contribute to the achievement of global environmental objectives such as the creation of sustainable cities and communities by having their properties certified to relevant green or sustainable building standards. Some properties of Matexi are certified to the BREEAM and NZEB standards. The company's portfolio therefore has a minor positive environmental impact.

Controversy Assessment

Company Screening

The analyst in charge of producing this report conducted a high-level controversy assessment based on publicly available information exclusively. There is no indication of Matexi being involved in any of the below-mentioned controversies.

Industry Risks

Based on a review of controversies over a 2-year period, the top three controversies that have been reported against companies within the Real Estate construction sector are: failure to respect the right to just and favourable conditions of work, failure to pay fair share of taxes and failure to respect consumer health and safety. These controversies are closely followed by failure to conduct human rights due diligence, failure to assess environmental impacts and failure to prevent money laundering.

B. CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH MATEXI'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

In 2021 Matexi published its first Impact Report listing achievements of recent years and outlining objectives.³ Matexi has chosen to develop sustainability consciousness around the 3Ps 'Planet-People-Profit'. Whereas Planet includes the main drivers' Biodiversity, Circularity, Energy transition, Soft mobility, and Water Management.

Based on the 'Matexi Sustainability Matrix', the issuer takes initiatives on different levels such as neighbourhood, organisation, house unit, and partners to make projects and Matexi as a company more sustainable. The matrix is the issuer's guiding principle to always opt for measures with a concrete, beneficial impact that offer added value for the stakeholders.

Assembled in 2020, the sustainability team sets concrete targets and oversees their implementation. With the addition of a newly recruited Sustainability Officer, the team of in-house specialists works together closely to integrate sustainability on all levels of the organisation. Matexi's sustainability approach is based on the Sustainable Development Goals (SDGs) of the United Nations. The issuer strives to make measurable progress on these various objectives by 2030, with the continuous balancing of care and profit anchored in the decision-making processes. The issuer reports annually on the achievements and ambitions, making impacts quantifiable and measurable.

Matexi aims to use different methods in its neighbourhood developments, its core business, including the Flemish Sustainability Meter for Neighbourhoods, BREEAM (Building Research Establishment Environmental Assessment Method) and the Walloon label Quartier Durable. The Flemish government developed the Flemish Sustainability Meter for Neighbourhoods based on the internationally recognised certificate BREEAM Communities.

The company performed a CO2 footprint analysis based on the latter the company will set GHG emission reduction targets. In addition, the issuer sets the target for an emission-free car fleet by 2026, transposing sustainability objectives to the operational level.

With regards to corporate governance, the issuer published a set of rules and procedures for decision-making within the company and distributed power and responsibility between the board of directors, managers, shareholders, companies, and other administrators. Sustainability is integrated with the project evaluation and adjustment if necessary, with every single decision the issuer factor in the impact on people and the environment. The Investment Committee evaluates all investment proposals and is involved in the decision-making process of every real estate project. Every project passes six checkpoints. In addition, as of 2021, the sustainability goals set by the issuer are included as a standard in the individual targets of its employees.

Rationale for issuance

The Green Finance Framework aims to support Matexi's strategy and the transition to a low carbon economy. By issuing Green Finance Instruments, Matexi intends to align its funding strategy with its

³ [MATEXI Impact Report 2020](#)

mission and reinforce its commitment to a low carbon, resilient, inclusive, and healthy society. Matexi believes that Green Finance instruments are an effective tool to channel investments to projects that have demonstrable environmental benefits and thereby contribute to the achievement of the UN SDGs. Through its Green Finance Framework, Matexi also intends to contribute to the Green Financing market's growth and address investors' willingness to finance green projects.

The Green Finance Framework is established as an overarching platform under which Matexi intends to issue Green Finance Instruments such as Green (Retail) Bonds, Green Notes, Green Commercial Paper, Green Private Placements to finance and/or refinance green projects with an environmental benefit. This Green Finance Framework forms the basis for future Green Financial Instruments issues of Matexi and contributes to climate change mitigation.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under this Green Finance 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 Construction sector. 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
Green Buildings	✓	✓	Contribution to a material objective
Renewable Energy	✓	✓	Contribution to a material objective
Clean Transportation	✓	✓	Contribution to a material objective
Sustainable Water & Wastewater Management	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the Use of Proceeds financed through this bond are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing green financial instruments is clearly described by the issuer and is consistent with the company's overall sustainability approach.*

PART II: ALIGNMENT WITH GBP AND GLP

1. Use of Proceeds

FROM ISSUER'S FRAMEWORK

The net proceeds of Matexi's Green Finance Instruments will be allocated exclusively to finance and/or refinance in whole or in part, sustainable and energy efficient real estate projects which contribute to its sustainability strategy ("Eligible Green Projects"). Financing will be allocated to expenditures required to build environmentally certified and energy efficient buildings. Eligible Green Projects means a selected portfolio of construction projects undertaken by Matexi that target enables climate change mitigation and/or adaptation and are eligible under the following below definitions.

Matexi will not knowingly allocate proceeds from any issuance of Green Bonds to the following:

- The production or trade of alcohol, tobacco, or weapons;
- The production, operation, trade, or sale of fossil fuels;
- Any other activity that Matexi determines is ineligible for allocation of proceeds at the time of allocation.

The projects are listed in the table below:

ELIGIBLE GREEN PROJECTS CATEGORY	ELIGIBILITY CRITERIA
<p>Green Buildings</p>	<p>Newly constructed, existing and/or refurbished buildings which meet recognized standards for best practices in energy and resource efficiency, sustainable building design, construction, and operation. The certifications will be obtained at the latest at the delivery of the building. The certifications will be obtained at the latest 12 months after delivery of the building.</p> <p>Residential Buildings: Residential Buildings: Eligible certifications:</p> <ul style="list-style-type: none"> • A building certificate equivalent to EPC 'A'. • Near Zero Energy Building ("NZEB") (as defined by local building legislation) or better. • BREEAM minimum 'Very Good' or equivalent. <p>Office Buildings: Eligible certifications:</p> <ul style="list-style-type: none"> • BREEAM minimum 'Very Good' or equivalent.

Sustainable Water & Wastewater Management	Investments in the installation of rainwater re-use systems in residential units, with the purpose of re-using rainwater in the unit for toilet flushing and washing machines.
Clean Transportation	Investments in the construction of: <ul style="list-style-type: none"> • Charging infrastructure for electric and hybrid vehicles; • Bicycle lanes and bicycle parking; • Electric Vehicles and bike sharing systems.
Renewable Energy	Investments in the installation of solar photovoltaic infrastructure.

Regarding the residential portfolio, the selection of projects is based on the best Energy Performance Certificates (EPC), as defined by European Norms EN 15217 and EN15251. Matexi will favour financing buildings whose Primary Energy Demand is within the top 15% of buildings in each jurisdiction.

Eligible Green Buildings are either buildings in acquisition phase or on-going development. For each project, a forecast date of delivery is communicated.

Eligible Green Buildings have been acquired up to maximum 3 years before the issuance of a Green Finance Instrument.

Opinion: ISS ESG considers the Use of Proceeds description provided by Matexi’s Green Finance Framework as aligned with the GBP and GLP. Environmental and social benefits are described and quantified.

2. Process for Project Evaluation and Selection

FROM ISSUER’S FRAMEWORK

Matexi will follow a transparent process for selection and evaluation of Eligible Green Projects. Projects financed and/or refinanced through the Green Finance Instruments issued under Matexi’s Green Finance Framework are evaluated and selected based on compliance with the Eligibility Criteria as set under paragraph 2.1 Use of Proceeds.

All potential Eligible Green Projects first comply with local laws and regulations, including any applicable regulatory environmental and social requirements, as well as Matexi’s standards managing ethical and governance risks.

Selection and evaluation of Eligible Green Projects is done by an internal reporting tool ‘the Matexi Sustainability Matrix. This tool is in place to check on the integration of sustainable solutions and in particular compliance with the Eligibility Criteria as set under paragraph 2.1 Use of Proceeds. The

tool serves as a control mechanism at two essential milestones in each real-estate project: the design approval, and the building approval. It is ensured that only projects that fully comply with the Eligibility Criteria at the building approval phase are selected as Eligible Green Projects.

The potential Eligible Green Projects will be designated by the Steering Group Sustainability, composed of the CFO, the Chief Construction Officer, the Acquisition & Development Director, the Corporate Office Manager and the Sales, Marketing & Communication Director, assisted by the Sustainability Officer.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by Matexi's Green Finance Framework as aligned with the GBP and GLP. Moreover, the projects selected show alignment with the sustainability strategy of the issuer. Overall ESG risks are identified and managed through appropriate mechanisms. Eligible categories and certification criteria are clearly described.

3. Management of Proceeds

FROM ISSUER'S FRAMEWORK

Matexi will manage the net proceeds of issued Green Finance Instruments on a portfolio basis.

As long as the Green Finance Instruments under this Framework are outstanding, Matexi aims to allocate an amount equivalent to the net proceeds of these instruments towards its Eligible Green Projects, as defined in the paragraph 2.1. Use of Proceeds.

Given the inherent nature of Matexi's business model, the control and ownership of the Eligible Green Projects will be transferred to the acquirer at completion. These Eligible Green Projects will be removed from the Green portfolio when control is transferred to the acquirer.

If a project is divested, discontinued, or does no longer meet the definition of Eligible Green Projects as included in paragraph 2.1., it will be removed from the portfolio of Eligible Green Projects and replaced by another Eligible Green Project. Matexi aims to ensure that the total value of issued Green Finance Instruments does not exceed the value of its portfolio of Eligible Green Projects.

Pending the full allocation of the net proceeds of issued Green Finance Instruments to the portfolio of Eligible Green Projects Matexi will manage the unallocated proceeds in cash or cash equivalents in line with its regular treasury criteria. Matexi intends to allocate the full amount of proceeds within the next 24 months following the issuance of Green Financing Instruments. The internal treasury policy describes the actions to follow by the treasury team, approved by the board of directors.

The allocation of the net proceeds of issued Green Finance Instruments to Eligible Green Projects will be subject to at least an annual review and approved by the Steering Group Sustainability until full allowance of the net proceeds of issued Green Finance Instruments.

Opinion: ISS ESG finds that Management of Proceeds proposed by Matexi's Green Finance Framework is well aligned with the GBP and GLP. The proceeds are to be directly and exclusively allocated to green projects. Tranches are tracked in an appropriate manner.

4. Reporting

FROM ISSUER'S FRAMEWORK

Matexi will report annually, until full allocation of the net proceeds, on the allocation of its net proceeds of issued green finance instruments to its portfolio of Eligible Green Projects. This reporting will be available one year after the issuance of the first Green Finance Instrument on Matexi's website: <https://www.matexi.be/en/about-matexi/investor-relations>

Allocation Reporting

The allocation report will include details on:

- the amounts of investments allocated to Eligible Green Projects including a breakdown by eligible Category,
- the geographic distribution of the portfolio of Eligible Green Projects,
- the balance of unallocated proceeds (if any), and,
- the proportion of new financing and refinancing.

Impact reporting

Matexi will report on environmental impacts of the Eligible Green Projects (re-)financed by the net proceeds of the Green Finance Instruments. The impact report will provide information regarding Eligible Green Projects and their environmental classification (i.e. EPC certificates, E-performance, BREEAM certificate), including the specific classification level where applicable (e.g. "EPC A", E20, "Excellent")

- Additional impact indicators are subject to availability of data and could include:
- Expected annual generation of renewable energy (in kWh) and the related CO2 emission avoidance;
- Number of rainwater re-use systems installed;
- Number of electric vehicles charging stations installed;
- Number of secured bicycles storage.

Opinion: ISS ESG finds that the reporting proposed by Matexi's Green Finance Framework is aligned with the GBP and GLP. Qualitative and Quantitative performance measures are used, and impacts are monitored and included in the annual project green reporting. There are clear commitments on the timing and information to be provided in both the allocation and impact reporting.

External review

FROM ISSUER'S FRAMEWORK

Second Party Opinion

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

The Second Party Opinion is available on the investor website: <https://www.matexi.be/en/about-matexi/investor-relations>

Independent verification

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

The limited assurance report will be made available on <https://www.matexi.be/en/about-matexi/investor-relations>

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE















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

Based on the assessment of the sustainability quality of the Green Finance Instruments Selection Criteria and using a proprietary methodology, ISS ESG assessed the contribution of the Matexi's Green Finance Instruments to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the Green Finance 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
Green Buildings Residential and Office Buildings - Green Certification "very good" or equivalent	Significant contribution	
Green Buildings Residential Buildings - Energy efficiency Certification: EPC "A" or equivalent / Near Zero Energy Building ('NZEBS')	Limited contribution	
Sustainable Water & Wastewater Management Integration of rainwater re-use systems	Significant contribution	
Renewable Energy Solar photovoltaic infrastructure for rooftop	Significant contribution	 
Clean Transportation Charging infrastructure for electric and hybrid vehicles	Limited contribution	 
Clean Transportation Bicycle lanes and bicycle parking;	Limited contribution	  
Clean Transportation Bicycle-sharing systems	Limited contribution	 
Clean Transportation Electric Vehicle sharing systems	Limited contribution	 

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

Eligible categories include Green Building, Sustainable Water and Wastewater Management, Renewable Energy and Clean Transportation. All expenditures are situated in Belgium, Grand Duchy of Luxembourg and Poland. The table below presents the findings of an ISS ESG assessment of the selection criteria against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI USE OF PROCEEDS GREEN BUILDINGS

Site selection

- ✓ A policy for responsible site selection is in place for all financed (and future) assets. The policy is under review and updating by integrating EU Taxonomy elements into 'Sustainability Checklist'
- ✓ An internal tool, 'The Neighbourhood Barometer⁴', is applied for all financed (and future) assets to ensure proximity to services of public transport available within 1 km from the project.

Construction standards

- ✓ All financed (and future) assets are located in Belgium, Grand Duchy of Luxembourg and Poland, where high labour and health and safety standards are in place (e.g. ILO core conventions).
- A procurement policy is in place to evaluate the sustainability of the building material, and a procurement specialist is researching sustainable building materials to replace and phase out the existing material, no quantitative target for usage of sustainable building materials has set yet.

Water use minimization in buildings

- ✓ All financed (and future) assets are located in Belgium, Grand Duchy of Luxembourg and Poland equipped with a standard sanitary package. The sanitary package with water-saving feature and can connect with the rain-watering harvesting system.

Safety of building users

- ✓ All financed (and future) assets are located in Belgium, Grand Duchy of Luxembourg and Poland, where safety standards (e.g. emergency exits, fire sprinklers, fire alarm systems) are in place.

Energy efficiency

- ✓ All financed (and future) residential assets are required with good energy efficiency standards in place (Primary Energy Demand is within the top 15% of buildings or nearly-zero energy for the new building) according to the National laws. The sustainability

⁴ Impact Report 2019: https://www.matexi.be/-/media/images/corporate-pages/investor-relations/activiteitenverslag_2019_en.pdf and Impact Report 2020: <https://www.matexi.be/-/media/images/corporate-pages/investor-relations/impact-report-en.pdf>

committee of Matexi has committed all projects with EPC label “A” as a financing criterion. Energy test to the building will be carried out to determine the building energy performance.

Sustainability labels

- All financed (and future) commercial assets (office buildings) and part of residential assets are applied BREEAM certification as financing criterion.

ASSESSMENT AGAINST ISS ESG KPI SUSTAINABLE WATER & WASTEWATER MANAGEMENT

Dialogue with local communities

- ✓ A systemic of stakeholder engagement system with neighbourhood engagement specialists are in place.

Standard of the water

- ✓ Rainwater re-use systems are for non-drinking purposes. It is designed for in houses and apartments real-estate projects, toilet flushing, and washing machine uses.

ASSESSMENT AGAINST ISS ESG KPI RENEWABLE ENERGY

Environmental aspects of solar panels used

- ✓ All financed (and future) assets comply with the European Waste Electrical and Electronic Equipment Directive (WEEE Directive), requiring the creation of collection schemes where consumers can return electronic equipment free of charge.
- ✓ All financed (and future) assets comply with the requirements of the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).

Supply Chain Standards

- ✓ A systemic subcontractor audit system that includes suppliers’ performance on the welfare of employees, protection against carcinogenic substances and asbestos, guarantee safety, and acting according to the law and regulations is in place.

ASSESSMENT AGAINST ISS ESG KPI CLEAN TRANSPORTATION

Environmental aspects of charging stations

- No information is available on assets for comprehensive-life cycle assessment to charging station is in place.

DISCLAIMER

1. Validity of the SPO: For Matexi's first issuance following the SPO release date.
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 the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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ANNEX 1: Methodology

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 Matexi’s Green Finance 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 Matexi (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 Matexi’s Green Finance Instruments contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Matexi commissioned ISS ESG to compile a Green Finance Instruments SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles as administered by the International Capital Market Association and the Green Loan Principles as administered by the Loan Market Association and to assess the sustainability credentials of its Green Finance Instruments, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- LMA Green Loan Principles
- ISS ESG Key Performance Indicators relevant for Use of Proceeds categories selected by the issuer

ISSUER'S RESPONSIBILITY

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

- Framework
- Asset pool / Eligibility criteria
- Documentation of ESG risks management at the asset 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 Finance Instruments to be issued by Matexi based on ISS ESG methodology and in line with the ICMA Green Bond Principles and the LMA Green Loan Principles.

The engagement with Matexi took place in November 2021.

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/>

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