



**NEPI
ROCKCASTLE**



GREEN BOND

ALLOCATION AND IMPACT
REPORT 2023

I. Introduction

NEPI Rockcastle's Group ("Nepi Rockcastle" or the "Group") management team operates an integrated platform that includes key functions such as asset management, leasing, investment, development, sustainability and finance. NEPI Rockcastle owns and operates 59 properties, which attracted more than 295 million visits in 2022, making it the leading strategic partner for major retailers in the CEE countries.

The Group strongly believes in its duty to be a responsible corporate citizen and achieve the highest standards of sustainability, therefore is a firm supporter of the idea that real estate should contribute to a better environment and communities, as well as provide the necessary set-up for healthy social interaction. Emerging threats and risks related to climate change, are actively managed by NEPI Rockcastle, while opportunities, such as protection of biodiversity, ensuring renewable electricity is produced, on-site, assets can be reached using sustainable transportation are seized to differentiate the group portfolio based on green and healthy assets.

In June 2020, the Group implemented a Green Finance Framework and committed to use proceeds from green financing instruments to finance or refinance existing and future projects which improve the environmental performance of the Group's property portfolio.

The Green Finance Framework followed the principles of the International Capital Markets Association Green Bond Principles 2018 and Loan Market Association Green Loan Principles 2020 and benefitted from a positive Second Party Opinion from Sustainalytics, a leading independent global provider of ESG and corporate governance research and ratings.

In June 2023 the Group updated its Green Finance Framework and benefited from a Second Party Opinion from ISS Corporate Solutions. The update of the framework serves primarily to strengthen the environmental sustainability of eligible assets, increasing the BREEAM certification eligibility criteria from at least "very good" to at least "excellent" or equivalent and enhances the eligibility criteria within the 2020 Green Finance Framework. Going forward, both newly issued, and currently outstanding bonds will be governed by the updated framework, with allocation to a single portfolio of assets fully in line with the updated more stringent eligibility criteria. Issuance in green format ensures additional transparency for debt investors on the use and impact of funds. The objective of green labelled funding issued under the framework is to support NEPI Rockcastle's transition towards more sustainable real estate, in line with one of the Company's strategic pillars "Invest in healthy and sustainable buildings".

This report was issued under the 2023 Green Finance Framework.



BBB (Standard & Poor's)/ **BBB+** (Fitch)
investment grade credit rating Stable outlook



Gold Award for compliance with Best Practices Recommendations (BPR) for financial reporting



Silver Award for compliance with Best Practices Recommendations for sustainability reporting (sBPR)



Top 15 Sustainalytics rated Real Estate Management companies (**low risk - 10.5/100**)



AAA ESG rating "leader" among 82 companies in the real estate management and services industry



Prime Label Corporate Responsibility

II. Green Finance Framework Overview

1. Use of Proceeds

An amount equivalent to the proceeds of NEPI Rockcastle green finance instruments will be allocated to finance or refinance in whole or in part assets or expenditures that meet the below eligibility criteria (“Eligible Green Projects”).

NEPI Rockcastle commits to providing information with transparency, accuracy, and integrity according to the four core components of the ICMA Green Bond Principles 2021 (“GBP”), and the LMA Green Loan Principles (“GLP”):

- i. Use of Proceeds
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

The Framework is fully aligned with the ICMA Green Bond Principles and the LMA Green Loan Principles.

The Eligible Green Projects contribute to the EU environmental objective of climate change mitigation and the achievement of certain UN Sustainable Development Goals. Investments in Eligible Green Projects are part of NEPI Rockcastle’s action plan for the first pillar of its sustainability strategy “Invest in healthy and sustainable buildings”.



2. Process of evaluation and selection

2.1. ESG Risk Management

As an owner and manager of real estate assets, the Group must comply with relevant laws and regulations in all countries where it operates. Areas such as corporate law, health and safety, environment, building construction and urban planning, commercial licensing, leases and commercial laws, personal data protection, are highly regulated across the Group’s portfolio.

To mitigate ESG risks, the Group takes the following actions (as outlined in more detail in the annual report):

- **Climate change risk:** the Group developed an ESG Strategy, aiming to adapt to and mitigate climate risks, provide guidelines for sustainable and performant operations, develop synergies between the building and its environmental context. Third party due diligence is performed to identify potential ESG risks in new assets considered for acquisition, together with relevant details regarding building certification and permitting. The Group is developing climate adaptation plans for its assets and allocates CAPEX necessary to mitigate exposure to climate risk. The Group further analyzes as part of climate change risk specific acute and transition risks for its portfolio and planned concerted measures addressing the most significant risks identified.
- **Risk of non-compliance with laws and regulations and non-adherence to good governance practices:** the Group engages experienced and reputable in-house and external legal and specialized advisors. Management continuously monitors compliance with legal requirements. Appropriate operational compliance management is ensured through continuous monitoring of permits and authorizations required by law, covering all properties and jurisdictions. The Company conducts a centralized quarterly review of the operational compliance status at Group level and reports results to the Board who provides oversight. Appropriate policies and procedures set the Group’s ethical tone at the top. The Know your Client/Partner policy mitigates money laundering/terrorism financing and prevents corruption. A Group Risk Management and Compliance Officer, as well as risk partners are assigned, while risk management and compliance status is regularly reported to the Risk and Compliance Committee.

The Group undertakes to preserve ethical principles and conduct, focusing on promoting integrity as one of the Group’s core values, to set and lead by example, where honesty and reliability in business practices are of the highest importance.

Policies and procedures are available to all personnel, in every country and entity where the Group operates. These are posted on the Group’s unified engagement and communication platform, and are available to all stakeholders, on the Group corporate website.

The Board of Directors governs the Group based on sound principles of ethical leadership, business, social and environmental sustainability, equitable stakeholder engagement. Through its governance process, the board monitors compliance with:

- King IV Report on Corporate Governance in South Africa (King IV);
- Dutch Corporate Governance code;
- Johannesburg Stock Exchange (JSE) Listing Requirements;
- Euronext Amsterdam Rule Books;
- A2X guidelines; and
- the Dutch Civil Code (Burgerlijk Wetboek).

2.2. Green Finance Committee

NEPI Rockcastle has established a dedicated internal Green Finance Committee (the “Committee”) to oversee the governance of its Green Finance Framework. The Committee is chaired by the CFO (who is also a member of the Sustainability Committee) and comprises of members of the Treasury and Finance departments, senior members of the Investments and Acquisitions department, together with senior members of the Asset Management department and the Sustainability department. The Committee will meet annually, or more frequently, if necessary, to review proposed allocations and ensure that these align with the herein Framework.

The Committee is responsible for:

- the evaluation and selection of Eligible Green Projects within the Group portfolio and/or development pipeline based on the eligibility criteria;
- the validation and approval of the resulting portfolio of Eligible Green Projects;
- the exclusion and replacement of certain assets and/or projects, which no longer fulfil the eligibility criteria or were liquidated, on a best-efforts basis;
- overseeing, approving, and publishing the allocation and impact reporting, including external assurance.

3. Management of Proceeds

NEPI Rockcastle will use an amount equal to the net proceeds raised from the issuance of bonds, loans or other debt instruments issued under this framework (“Green Finance Instruments”) for financing or refinancing of its portfolio of Eligible Green Projects (the “Eligible Green Projects Portfolio”). The Company intends, to the best of its abilities, to fully allocate the proceeds within 24 months after the issuance date of each Green Finance Instrument.

NEPI Rockcastle will, on a best-efforts basis, maintain an Eligible Green Projects Portfolio that matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments.

If a project is no longer eligible or has been disposed of, it will be removed from the Eligible Green Projects Portfolio. Replacement of projects to replenish the Eligible Green Projects Portfolio to at least match the outstanding

Green Finance Instruments will be done on a best effort basis, within a reasonable period of 24 months following the removal of projects from the Eligible Green Projects Portfolio.

The proceeds raised from the issuance of Green Finance Instruments and all relevant information regarding the allocation to Eligible Green Projects will be maintained and monitored in NEPI Rockcastle’s internal accounting systems. The tracking of proceeds and their allocation will be reflected in the green bond allocation report, under the responsibility of the Green Finance Committee, and validated by an external reviewer.

Pending full allocation or reallocation, non-allocated proceeds will be held by NEPI Rockcastle or invested, at NEPI Rockcastle’s own discretion, in its liquidity portfolio, cash, cash equivalents or other short term and liquid instruments.

4. Reporting

NEPI Rockcastle will publish a green bond allocation and impact report covering information at green portfolio level, which will be available on the Group’s website within 12 months of issuance and then will be updated annually until full allocation. Additional information on the performance of specific assets may be available in NEPI Rockcastle’s annual report in the Sustainability Performance section, also published on corporate website.

Any material developments, such as modification of the framework or allocation portfolio, will be reported in accordance to the corporate calendar.

4.1. Green bond allocation report

- The green bond allocation report will include:
- The size of the Eligible Green Projects Portfolio, including information on:
 - » The list of Eligible Green Projects financed/ refinanced;
 - » The geographical distribution of green projects (at country level);
 - » The share of financing/refinancing, where 100% is refinancing.

- The total outstanding of Green Finance Instruments issued under the Framework;
- The remaining balance of unallocated proceeds (invested in cash, cash equivalents or other short term and liquid instruments).

4.2. Green bond impact report

NEPI Rockcastle will provide an impact report in accordance with the approach outlined under the Harmonized Framework for Impact Reporting, including specific metrics, defined in the below table and in the Green Finance Framework, where feasible and on a best-efforts basis.

All Eligible Green Projects contribute to the environmental objective of climate change mitigation, low carbon society, and the achievement of UN Sustainable Development Goals, specifically:



UN Sustainable Development Goals significantly contributed to by the Framework

<p>Green Buildings</p> <div><div>7AFFORDABLE AND CLEAN ENERGY</div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div><div>13CLIMATE ACTION</div></div> <p>7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.</p> <p>7.3. By 2030, double the global rate of improvement in energy efficiency.</p> <p>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.</p> <p>11.c. Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials</p> <p>13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p>13.2. Integrate climate change measures into national policies, strategies and planning.</p>	<ul style="list-style-type: none">• Level of certification by the property.• Total Annual energy consumption (MWh) of green portfolio, including trajectory since 2019 baseline.• Annual GHG emissions (MT CO₂) of green portfolio, including trajectory since 2019 baseline.• For new developments: Life Cycle Global Warming Potential of the building or similar.• Renewable energy production.
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III. Allocation Report

1. Information about the outstanding Green Finance Instruments

There were no additional green financing agreements concluded between June 2022 and June 2023 under the Green Finance Framework.

NEPI Rockcastle’s Green Finance Instruments features:

Financing number	Type	Finance Parties	ISIN (if applicable)	Notional Amount (€m)	Net Proceeds (€m)	Start Date	Maturity Date	Financing term	Coupon / Interest
1	Bonds	Public	XS2203802462	€500	€487	14 Jul 2020	14 Jul 2027	7 years	3.375%
2	Green Loan*	IFC	N/A	€74	€74	25 Jun 2021	25 Jun 2028	7 years	Euribor 3M + Margin
3	Bonds	Public	XS2434763483	€500	€491	20 Jan 2022	20 Jan 2030	8 years	2%
Total Green Finance Instruments Balance				€1,074	€1,052				

**Net Proceeds from the IFC green loan have been allocated only to eligible assets in Romania.*

2. Green Finance Instruments net proceeds allocation on Eligible Green Projects Portfolio as of 31 December 2022

Use of Proceeds Category	Certification Achieved	Certification Level Achieved	Number of Eligible Buildings	GLA of Eligible Buildings	Market Value (€m)
Green Buildings	BREEAM	Excellent	29	1,362,200	3,986.7
Percentage of Eligible Green Project Portfolio allocated to net proceeds of Green Funding					26%
Percentage of net proceeds of Green Finance Instruments allocated to Eligible Green Project Portfolio					100%
New financing of eligible projects					0%
Refinancing of existing eligible projects					100%

- The green financing, either through Green Bond issuance or through Green Loan, was used to refinance a selected portfolio of green buildings that met the use of proceeds criteria defined in the Green Finance Framework.

► Green buildings were recognized at their market value at the end of 2022 and encumbered assets with direct financing have been excluded.
- One hundred percent (100%) of net proceeds were allocated to BREEAM Excellent properties listed in the table below (Eligible Green Projects Portfolio – BREEAM Excellent Certification), with no allocation towards cash and cash equivalents.

► Net Proceeds from the IFC green loan have been allocated only to eligible assets in Romania.

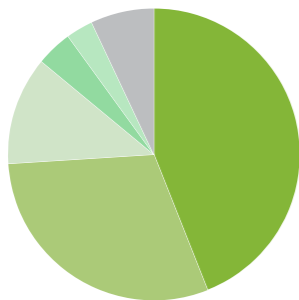
3. Eligible Green Projects Portfolio – BREEAM Excellent Certification

Asset	Type	Year Build/Acquired	Value (€m)	GLA (m²)	Country
Arena Centar and Retail Park	Retail	2010/2016	264.7	75,300	Croatia
Bonarka City Center	Retail	2009/ 2016	399.5	74,700	Poland
City Park	Retail	2008/ 2013	207.0	51,900	Romania
Focus Mall Piotrkow Trybunalski	Retail	2009/ 2016	42.2	35,100	Poland
Focus Mall Zielona Gora	Retail	2008/ 2016	168.0	44,100	Poland
Forum Gdansk	Retail	2018/ 2022	268.0	63,500	Poland
Galeria Tomaszow	Retail	2016	26.8	18,200	Poland
Iris Titan Shopping Center	Retail	2008/ 2015	105.4	43,100	Romania
Karolinka Shopping Centre	Retail	2008/ 2015	156.3	67,500	Poland
Mega Mall	Retail	2015	301.6	75,900	Romania
Ozas Shopping and Entertainment Centre	Retail	2009/2018	151.7	67,800	Lithuania
Paradise Center	Retail	2013/ 2017	265.8	80,400	Bulgaria
Pitesti Retail Park	Retail	2007/ 2010	26.0	21,500	Romania
Pogoria Shopping Centre	Retail	2008/ 2015	68.3	37,700	Poland
Promenada Mall	Retail	2013/ 2014	189.7	39,300	Romania
Promenada Novi Sad	Retail	2018	129.4	49,200	Serbia
Promenada Sibiu	Retail	2019	106.6	42,500	Romania
Serdika Center	Retail	2010/ 2017	162.3	51,700	Bulgaria
Serdika Office	Office	2011 / 2017	50.1	28,500	Bulgaria
Shopping City Galati	Retail	2013	130.4	49,200	Romania
Shopping City Piatra Neamt	Retail	2016	59.0	28,000	Romania
Shopping City Râmnicu Vâlcea	Retail	2017	56.8	28,200	Romania
Shopping City Satu Mare	Retail	2018	62.5	29,400	Romania
Shopping City Sibiu	Retail	2006/ 2016	147.5	83,700	Romania
Shopping City Targu Jiu	Retail	2014	58.5	27,200	Romania
Shopping City Targu Mures	Retail	2020	96.8	40,200	Romania
Shopping City Timisoara	Retail	2015-2016	135.9	57,000	Romania
Solaris Shopping Centre	Retail	2009/ 2015	77.5	26,400	Poland
Vulcan Value Centre	Retail	2014	72.4	25,000	Romania
29 assets			3,986.7	1,362,200	

4. Eligible Green Projects Portfolio overview

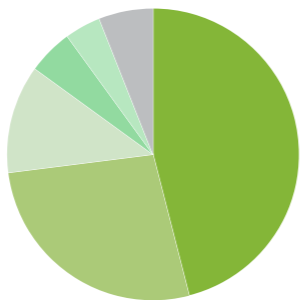
Country	MV (€m)	% by MV per country	GLA (m²)	Number of properties	% by number per country
Romania	1,756.1	44%	642,100	15	52%
Poland	1,206.6	30%	367,200	8	28%
Slovakia	-	0%	-	0	0%
Bulgaria	478.2	12%	160,600	3	10%
Czech Republic	-	0%	-	0	0%
Hungary	-	0%	-	0	0%
Lithuania	151.7	4%	67,800	1	3%
Serbia	129.4	3%	49,200	1	3%
Croatia	264.7	7%	75,300	1	3%
Total	3,986.7	100%	1,362,200	29	100%

BREEAM CERTIFIED EXCELLENT
by market value



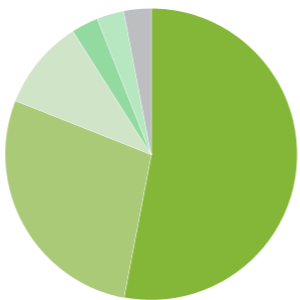
- Romania 44%
- Poland 30%
- Slovakia 0%
- Bulgaria 12%
- Czech Republic 0%
- Hungary 0%
- Lithuania 4%
- Serbia 3%
- Croatia 7%

BREEAM CERTIFIED EXCELLENT
by GLA



- Romania 47%
- Poland 27%
- Slovakia 0%
- Bulgaria 12%
- Czech Republic 0%
- Hungary 0%
- Lithuania 5%
- Serbia 4%
- Croatia 6%

BREEAM CERTIFIED EXCELLENT
by number of properties



- Romania 52%
- Poland 28%
- Slovakia 0%
- Bulgaria 10%
- Czech Republic 0%
- Hungary 0%
- Lithuania 3%
- Serbia 3%
- Croatia 3%



IV. Impact Report

Energy data is collected via a data collection platform and analyzed at corporate level on a monthly basis. The data collection is organized by the Sustainability Data Analyst, a dedicated person for this specific task. An annual report on the collected data, key insights, lessons learned, and the main investments required to meet annual targets, is compiled under the supervision of the Group Head of Sustainability, and presented to the Sustainability Committee, together with status of key initiatives. The Group uses the methodology

and calculation factors provided in the Measurabl platform, and allocated in Scope 1 gas consumption, in Scope 2 electricity, heating and cooling for common areas and in Scope 3, the energy consumed by tenants. Scope 3 coverage is currently limited, as indirect emissions in the supply chain or those generated by the transportation are not yet measured. The Group is making strides to accelerate its scope 3 emissions data collection, based on collaboration with tenants and suppliers.

Indicator*	2019	2020	2021	2022	2022 vs 2019 (%)
Annual energy consumption of green portfolio (MWh)	416,169	359,607	414,644	421,105	1%
Annual energy consumption of green portfolio (MWh/m²)	0.156	0.135	0.156	0.158	1%
Annual GHG emissions of green portfolio (MT CO2)	144,686	94,122	76,869	68,091	-53%
Annual GHG emissions of green portfolio (MT CO2/m²)	0.051	0.033	0.027	0.024	-53%
Annual energy consumption of total portfolio (incl. green and non-green portfolios) (MWh/m²)	0.167	0.146	0.164	0.164	-1%
Annual GHG emissions of total portfolio (incl. green and non-green portfolios) (MT CO2/m²)	0.050	0.036	0.029	0.026	-47%
On-site renewable energy production (MWh)	-	-	-	-	0%
On-site renewable energy total installed capacity (MW)	-	-	-	-	0%

*Data included in the indicators above, covers for comparability purposes, data related to assets acquired during 2022: Ploiesti Shopping City, Forum Gdansk, Copernicus Shopping Centre Torun.

Additional information on specific performance of certain assets is available in the Company's Integrated Annual

Report, Sustainability Performance section, available in the Annual Report: [NEPI Rockcastle Annual Report 2022.pdf \(nepirockcastle.com\)](#)

V. NEPI Rockcastle assets overview

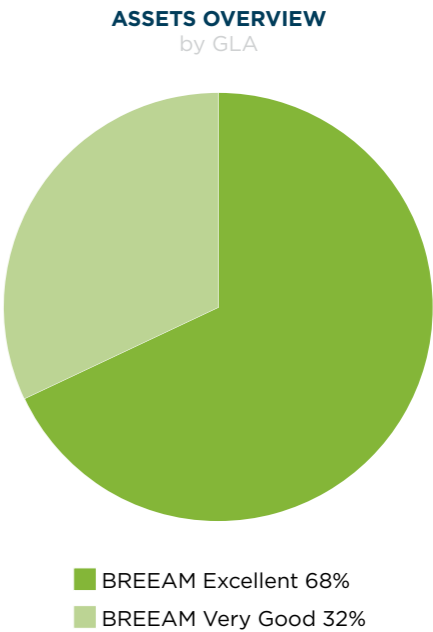
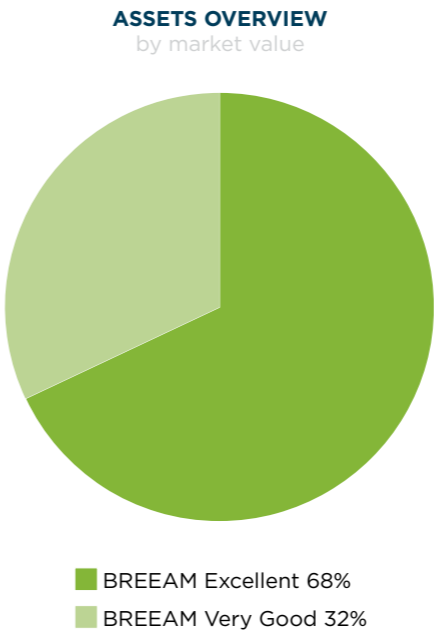
As the premier owner and operator of real estate in the CEE, NEPI Rockcastle owns and operates 59 retail properties which attracted more than 295 million visitors in 2022. In addition, the company owns and operates two industrial and two office buildings.

The Company has defined a voluntary target to BREEAM-certify its relevant portfolio, excluding the strip centers and industrial segments, which are immaterial in value, representing 1% of its total assets by market value.

All BREEAM eligible assets*

	MV (€m)	%	GLA (m²)	%	Number of assets	%
BREEAM Excellent**	4,234.4	68%	1,434,100	68%	31	62%
BREEAM Very Good	1,995.2	32%	677,100	32%	19	38%
Total assets	6,229.6	100%	2,111,200	100%	50	100%

*Retail and office, excluding industrial and strip centers
** Assets already encumbered are excluded from the Eligible Green Projects Portfolio



Case studies

1. Paradise Center

A shopping center located in Bulgaria, Sofia, comprising of 80,400m² of retail GLA, has achieved the **BREEAM In Use Excellent** rating in 2022.

This achievement highlights the center's dedication to sustainability and the environment. In order to meet the Excellent rating, the shopping center implemented a range of environmentally friendly measures, such as:

- Variable speed drivers for smoke evacuation systems, circulation pumps for heating and cooling systems, and energy-efficient LED lighting throughout the common areas, enabling reduction of energy consumption in the center;
- A wide range of sustainable design elements, such as dusk sensors for lighting control, protection foil on skylights, and a thermal energy recovery system;
- 100% of procured electricity comes from renewable sources;
- Separate waste collection and special containers for collecting recyclable apparel and footwear;
- Sustainable travel options for customers and tenants, including bicycle racks and service stations, electric car charging stations.

The shopping center also partners with socially recognized organizations like the Bulgarian Red Cross, UNICEF, and SOS Children's Villages Bulgaria to support a variety of social causes, contributing to a more sustainable and environmentally friendly shopping experience for customers and the local community.

Approximately 3000 people are working in the shopping center, being employed by the tenants, suppliers, or part of the management team.

More can be found on the Group's website: [Paradise Center - NEPI Rockcastle](#).







Approximately
3,000
employees

Enviromental performance
2022 vs 2019:

- 92%
CO₂e
- 7%
Energy
- 4%
Water
- 2%
Waste

Case studies

>>continued

2. Promenada Mall

A shopping center located in Romania, Bucharest, comprising of 39,300m² of retail GLA, has achieved the **BREEAM In Use Excellent** rating in 2023 under V6 certification process.

This achievement highlights the center's dedication to sustainability and the environment. In order to meet the Excellent rating, the shopping center implemented a range of environmentally friendly measures, such as:

- Variable speed drivers for smoke evacuation systems, circulation pumps for heating and cooling systems, and energy-efficient LED lighting throughout the common areas, enabling reduction of energy consumption in the center;
- A wide range of sustainable design elements, such as dusk sensors for lighting control;
- 100% of procured electricity comes from renewable sources;
- Separate waste collection and special containers for collecting recyclables have been installed;
- Solutions centred on biodiversity through the internal and external green areas – large green roof area for local community;
- Sustainable travel options for customers and tenants, including bicycle racks stations, electric car charging stations.

There are approximately 1000 people working in the shopping center, being employed by the tenants, suppliers, or part of the management team.

More can be found on the Group's website: [Promenada Mall - NEPI Rockcastle](#).





Approximately
1,000
employees

Enviromental performance
2022 vs 2019:

-96%
CO₂e

-9%
Energy

-7%
Water

-37%
Waste

Case studies

>>continued

3. Bonarka City Center

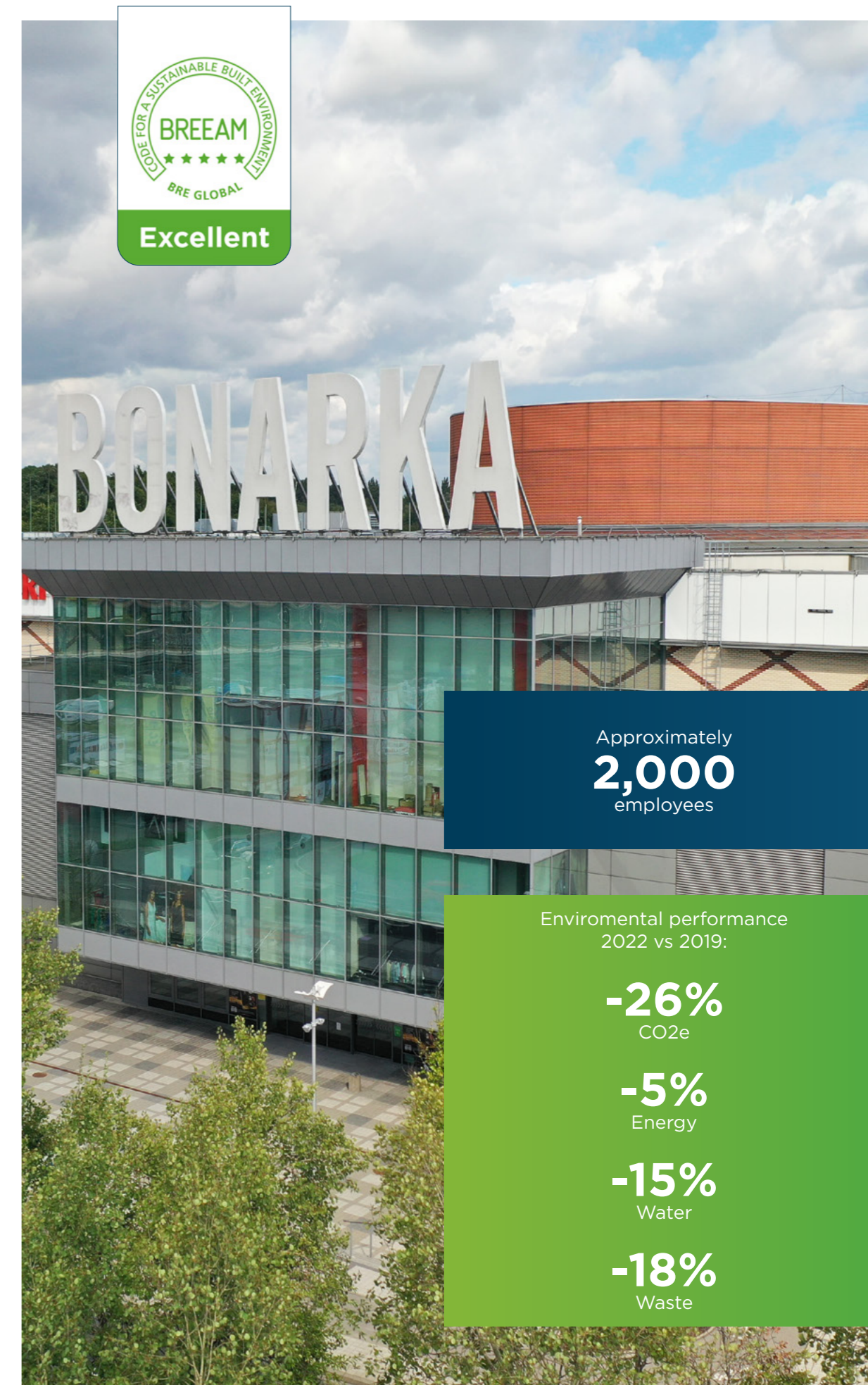
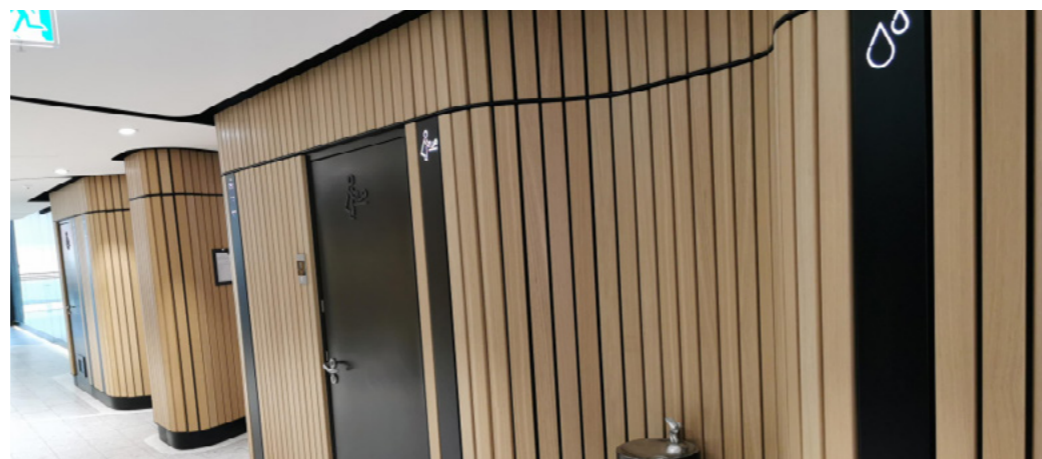
A shopping center located in Poland, Kraków, comprising of 74,700m² of retail GLA, has achieved the **BREEAM In Use Excellent** rating in 2022.

This achievement highlights the center's dedication to sustainability and the environment. In order to meet the Excellent rating, the shopping center implemented a range of environmentally friendly measures, such as:

- Variable speed drivers for smoke evacuation systems, circulation pumps for heating and cooling systems;
- Energy-efficient LED lighting throughout the common areas, enabling reduction of energy consumption in the center;
- A wide range of sustainable design elements, such as dusk sensors for lighting control;
- 41% of electricity comes from renewable sources.
- Separate waste collection and special containers for collecting recyclables have been installed;
- Solutions centred on biodiversity through the internal and external green areas – large green area for local community;
- Sustainable travel options for customers and tenants, including bicycle racks stations, electric car charging stations;
- Drinking water stations for the customers.

There are approximately 2000 people working in the shopping center, being employed by the tenants, suppliers, or part of the management team.

More can be found on the Group's website: [Bonarka City Center – NEPI Rockcastle](#).



Approximately
2,000
employees

Environmental performance
2022 vs 2019:

-26%
CO₂e

-5%
Energy

-15%
Water

-18%
Waste

Case studies

>>continued

4. Photovoltaic projects in Romania, key features and execution highlights

In 2022, NEPI Rockcastle commenced the installation of solar panels across its Romanian portfolio to increase the utilization of energy from renewable sources.

The Group invested €3.4 million in 2022 and rolled out photovoltaic panels in ten assets. As of April 2023, these ten units have started producing renewable energy. By the end of 2023, the Group further plans to install 30 photovoltaic plants, covering the entire Romanian portfolio. The cumulative capacity will provide an installed power of 40 MW. The estimated investment for this project is €32 million, and it is expected to have a significant impact on reducing the carbon footprint of the assets.

Similar initiatives are currently under analysis or in the planning stages for the remaining countries within the portfolio. By investing in on-site renewable energy production, the Group aims to decrease costs associated with traditional energy sources, enhance energy independence, and ensure the resilience of the assets in anticipation of future regulations and changes in the energy markets. The on-site renewable energy production plays a substantial role in the Group's sustainability goals of reducing its carbon footprint.





Independent Limited Assurance Report regarding the Green Bond Report

To the Board of NE Property B.V.

Introduction

We have been engaged by the Board of NE Property B.V. (hereinafter – the “Company”) on the basis of an agreement to conduct a limited assurance engagement in respect of the selected information reported in the Green Bond Report issued on 30 June 2023 by the Company (hereinafter – the “Green Bond Report”), as defined in the NEPI Rockcastle Green Finance Framework June 2023 (“NRP Green Finance Framework”) for the period between 1 July 2022 and 30 June 2023 and online at <https://nepirockcastle.com/wp-content/uploads/2023/06/Green-Financing-Framework-June-2023.pdf>.

Description of the subject matter and applicable criteria

The Green Bond Report which includes Selected Information was prepared to comply with the requirements of NRP Green Finance Framework.

The scope of our work was limited to the information shown in Appendix 1 (the “Selected Information”). The Selected information has been extracted from the page 8 and page 9 from the Green Bond Report.

The applicable requirements regarding the Selected Information are contained in the NRP Green Finance Framework.

We considered whether the Selected Information has been prepared in accordance to the following reporting criteria (the “Reporting Criteria”):

Proceeds of the Company’s Green Finance Instruments shall be allocated to finance or refinance, in whole or in part, projects that meet the Eligibility Criteria and therefore the Selected Information shall include only information which relate to the buildings that meet the following eligibility criteria (“Eligible Green Buildings”): construction of new buildings, acquisition and ownership, refurbished existing buildings that meet or expect to meet recognised standards for best practises in energy and resource efficiency and low-GHG emissions:

- BREEAM (Excellent and above);
- LEED (Gold and above);
- EDGE Certified;
- HQE (Excellent or above).

The requirements referred to in the preceding sentences determine the basis for preparation of the Selected Information and, in our view, constitute appropriate criteria to form the limited assurance conclusion.



The responsibilities of the Management Board of the Company

The Management Board of the Company is fully responsible for the Company’s compliance with the requirements stipulated in the NRP Green Finance Framework, including the establishment, implementation and maintenance of the policies, procedures and measures that ensure compliance with the requirements set out as well as for the design, implementation and maintenance of systems and processes of internal control and accounting records, that are necessary to enable the Company’s compliance with the NRP Green Finance Framework.

The Management Board is also responsible for the preparation of the Green Bond Report that includes Selected Information that is free of material misstatements and complies with the applicable requirements.

Our responsibility

Our responsibility was to express a limited assurance conclusion whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria. Our assurance does not extend to any other information included in the Green Bond Report.

We conducted our engagement in accordance with International Standard on Assurance Engagements Other than an Audit or Review 3000 (Revised) “Assurance Engagements other than Audits and Reviews of Historical Financial Information”. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain limited assurance whether the policies and procedures related to the depository operations, in all material aspects, were implemented and conducted in accordance with applicable requirements.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Quality Control requirements

We apply the provisions of the International Standard on Quality Management 1 (IAASB) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining limited assurance that the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria. Our procedures included, in particular:

- made inquiries of the Company’s management responsible for processes related to the Green Finance Instruments allocation, project evaluation and selection;
- evaluation of the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information;
- inspected that Eligible Green Buildings have valid BREEAM certificates and that those certificates



were signed by certified experts;

- inspected the Company's 2022 audited consolidated financial statements to confirm that the Eligible Green Buildings were recorded and that their value corresponds to the values presented in the Green Bond Report;
- considered the disclosure and presentation of the Selected Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited assurance conclusion

In our opinion, based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions on distribution and use

This report has been prepared by PricewaterhouseCoopers Audit SRL for the Board of NE Property B.V. and is intended solely to fulfil the purpose described in the section "Description of the subject matter and applicable criteria". It should not be used for any other purpose.

We permit this report to be disclosed online on the website <https://nepirockcastle.com/>, in the Sustainability section, to assist the Board in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information.

In connection with this report, PricewaterhouseCoopers Audit SRL does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than the Company in the context of this report. The above does not relieve us of liability where such release is excluded by law.

The Board of the Company is responsible for publishing the Green Bond Report on the Company's website and for the reliability of information on the Company's website. The scope of our work does not include an assessment of these matters. Accordingly, we are not responsible for any changes that may have been made to the information which is the subject of our assessment or for differences, if any, between the information covered by our report and the information provided on the Company's website.

PricewaterhouseCoopers Audit SRL

PricewaterhouseCoopers Audit SRL.

Bucharest, 30 June 2023



Appendix 1: Selected Information subject to limited assurance procedures

The Selected Information subject to limited assurance procedures is set out below. The Selected information has been extracted from the page 8 and 9 of the Green Bond Report.

Green Bond Report

1. Information about the outstanding Green Finance Instruments

There were no additional green financing agreements concluded between June 2022 and June 2023 under the Green Finance Framework.

NEPI Rockcastle's Green Finance Instruments features:

Financing number	Type	Finance Parties	ISIN (if applicable)	Notional Amount (€m)	Net Proceeds (€m)	Start Date	Maturity Date	Financing term	Coupon / Interest
1	Bonds	Public	XS2203802462	€500	€487	14 Jul 2020	14 Jul 2027	7 years	3.375%
2	Green Loan*	IFC	N/A	€74	€74	25 Jun 2021	25 Jun 2028	7 years	Euribor 3M + Margin
3	Bonds	Public	XS2434763483	€500	€491	20 Jan 2022	20 Jan 2030	8 years	2%
Total Green Finance Instruments Balance				€1,074	€1,052				

*Net Proceeds from the IFC green loan have been allocated only to eligible assets in Romania.

2. Green Finance Instruments net proceeds allocation on Eligible Green Projects Portfolio as of 31 December 2022

Use of Proceeds Category	Certification Achieved	Certification Level Achieved	Number of Eligible Buildings	GLA of Eligible Buildings	Market Value (€m)
Green Buildings	BREEAM	Excellent	29	1,362,200	3,986.7

Percentage of Eligible Green Project Portfolio allocated to net proceeds of Green Funding **26%**

Percentage of net proceeds of Green Finance Instruments allocated to Eligible Green Project Portfolio **100%**

3. Eligible Green Projects Portfolio – BREEAM Excellent Certification

Asset	Type	Year Build/Acquired	Value (€m)	GLA (m²)	Country
Arena Centar and Retail Park	Retail	2010/2016	264.7	75,300	Croatia
Bonarka City Center	Retail	2009/ 2016	399.5	74,700	Poland
City Park	Retail	2008/ 2013	207.0	51,900	Romania
Focus Mall Piotrkow Trybunalski	Retail	2009/ 2016	42.2	35,100	Poland
Focus Mall Zielona Gora	Retail	2008/ 2016	168.0	44,100	Poland
Forum Gdansk	Retail	2018/ 2022	268.0	63,500	Poland
Galeria Tomaszow	Retail	2016	26.8	18,200	Poland
Iris Titan Shopping Center	Retail	2008/ 2015	105.4	43,100	Romania
Karolinka Shopping Centre	Retail	2008/ 2015	156.3	67,500	Poland
Mega Mall	Retail	2015	301.6	75,900	Romania
Ozas Shopping and Entertainment Centre	Retail	2009/2018	151.7	67,800	Lithuania
Paradise Center	Retail	2013/ 2017	265.8	80,400	Bulgaria
Pitesti Retail Park	Retail	2007/ 2010	26.0	21,500	Romania
Pogoria Shopping Centre	Retail	2008/ 2015	68.3	37,700	Poland
Promenada Mall	Retail	2013/ 2014	189.7	39,300	Romania
Promenada Novi Sad	Retail	2018	129.4	49,200	Serbia
Promenada Sibiu	Retail	2019	106.6	42,500	Romania
Serdika Center	Retail	2010/ 2017	162.3	51,700	Bulgaria
Serdika Office	Office	2011 / 2017	50.1	28,500	Bulgaria
Shopping City Galati	Retail	2013	130.4	49,200	Romania
Shopping City Piatra Neamt	Retail	2016	59.0	28,000	Romania
Shopping City Râmnicu Vâlcea	Retail	2017	56.8	28,200	Romania
Shopping City Satu Mare	Retail	2018	62.5	29,400	Romania
Shopping City Sibiu	Retail	2006/ 2016	147.5	83,700	Romania
Shopping City Targu Jiu	Retail	2014	58.5	27,200	Romania
Shopping City Targu Mures	Retail	2020	96.8	40,200	Romania
Shopping City Timisoara	Retail	2015-2016	135.9	57,000	Romania
Solaris Shopping Centre	Retail	2009/ 2015	77.5	26,400	Poland
Vulcan Value Centre	Retail	2014	72.4	25,000	Romania
29 assets			3,986.7	1,362,200	

