

Second-Party Opinion

Xior Sustainable Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Xior Sustainable Finance Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021 and Social Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds - Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Water Management, and Affordable Housing - are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, and 11.



PROJECT EVALUATION AND SELECTION Xior's ESG Taskforce will be responsible for the selection and evaluation of eligible assets in line with the Framework's eligibility criteria. Xior will evaluate activities in line with its internal policies, as well as with regional, national and international laws, standards and regulations pertaining to environmental and social risk management. Sustainalytics considers the risk management system to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Xior's finance team will be responsible for the management of proceeds on a portfolio basis and will track the proceeds using an internal tracking system. Xior intends to allocate net proceeds to eligible assets within 24 months of issuance. Pending allocation, unallocated proceeds will be temporarily invested in cash, cash equivalent or short-term money market instruments in accordance with Xior's investments and treasury policy.



REPORTING Xior intends to report on the allocation and impact of net proceeds in the ESG report published as part of its annual report on its website until full allocation. Allocation reporting may include the amount of net proceeds allocated to eligible projects, share of financing versus refinancing, balance of unallocated proceeds, among others. In addition, Xior is committed to reporting on relevant impact metrics. Sustainalytics views Xior's allocation and impact reporting as aligned with market practice.

Evaluation Date February 14, 2023

Issuer Location Antwerp, Belgium

Report Sections

Introduction	2
Sustainalytics' Opinion	3
Appendix.....	9

For inquiries, contact the Sustainable Finance Solutions project team:

Mahesh Krishnamoorthy (Mumbai)
Project Manager
mahesh.krishnamoorthy@sustainalytics.com

Amrita Kaur (Mumbai)
Project Support

Maliha Taj (Mumbai)
Project Support

Ashok Yashwant (Mumbai)
Project Support

Andrew Johnson (Paris)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

Introduction

Xior Student Housing N.V. (“Xior” or the “Company”) is a real estate company specializing in student housing. The Company owns and operates student housing in Belgium, Denmark, Germany, Poland, Portugal, Spain, Sweden and the Netherlands. The Company was founded in 2007 and is accredited as a public regulated real estate company (RREC) under Belgian law since 24 November 2015. Xior is headquartered in Antwerp, Belgium.

Xior has developed the Xior Sustainable Finance Framework dated February 2023 (the “Framework”) under which it intends to issue green, social and sustainability labelled bonds, private placements, syndicated loan facilities and commercial papers, and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to reduce the environmental footprint of the student housing sector and increase affordable student housing in Europe. The Framework defines eligibility criteria in the following green and social categories:

The Framework defines eligibility criteria in five green categories:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Clean Transportation
5. Water Management

The Framework defines eligibility criteria in one social category:

1. Affordable Housing

Xior engaged Sustainalytics to review the Framework and provide a second-party opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP)¹, Green Loan Principles 2021 (GLP) and Social Loan Principles 2021 (SLP)². The Framework will be published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021 and Social Loan Principles 2021, as administered by LMA, APLMA, and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.12, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Xior’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Xior representatives have confirmed that: (1) they understand it is the sole responsibility of Xior to ensure that the information provided is complete,

¹ The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

² The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

³ The Xior Sustainable Finance Framework is available on Xior Student Housing NV’s website at: <https://corporate.xior.be/en/esg/sustainable-finance-framework>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Xior.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon 24 (twenty-four) months following the evaluation date set stated herein, Xior is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Xior has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Xior Sustainable Finance Framework

Sustainalytics is of the opinion that the Xior Sustainable Finance Framework is credible, impactful and aligns with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories (Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Water Management, and Affordable Housing) are aligned with those recognized by the GBP, SBP, GLP and SLP.
 - Xior has communicated to Sustainalytics that it will limit refinancing to capital expenditures and has not established a look-back period for refinancing under the Framework. This is aligned with market practice.
 - Under the Green Buildings category, Xior may finance or refinance the construction, development and acquisition of buildings that meet one of the following criteria:
 - buildings that have achieved or are intended to achieve an energy performance certificate (EPC) with energy class A or higher or buildings in the top 15% most energy-efficient buildings of the regional or national building stock based on primary energy demand (PED);
 - buildings that have achieved or are intended to achieve a net PED that is at least 10% lower than the applicable national zero-energy building (NZEB) standard;⁵
 - buildings that have received or are expected to receive one of the following minimum levels of certification: LEED Gold, BREEAM Very Good or DGNB Silver. Sustainalytics considers BREEAM Excellent to be aligned with market practice and encourages Xior to select BREEAM certified buildings that score high enough in the Energy category (which Sustainalytics regards as the most important one) to fulfil the requirements for BREEAM Excellent in that category. Sustainalytics considers the use of DGNB Silver to

⁵ European Commission, "Nearly zero-energy buildings", at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

- be a deviation from market practice and encourages Xior to finance buildings having minimum certification of DGNB Gold or higher.
- Still in the Green Buildings category, Xior may also finance or refinance the renovation and refurbishment of buildings that meet one of the following criteria:
 - renovations resulting in at least a 30% reduction of PED in comparison with pre-renovation;
 - renovations that comply with cost-optimal minimum energy performance requirements in accordance with the Energy Performance of Buildings Directive (EPBD). Sustainalytics notes that EPBD requirements vary among EU member states, therefore encourages Xior to report on the actual improvement on primary energy demand performance or energy savings achieved in comparison with the existing building stock in the area or region.
 - Overall, Sustainalytics considers expenditures in this category to be aligned with market practice.
 - Under the Renewable Energy category, Xior may finance or refinance expenditures related to the acquisition, construction and installation of onsite renewable energy projects, including:
 - solar photovoltaic projects;
 - wind energy generation;
 - geothermal energy facilities limited to those with life cycle GHG emissions below 100 gCO₂e/kWh;
 - batteries connected to the renewable energy sources.
 - Sustainalytics considers that these expenditures have the potential to facilitate growth of the renewable energy sector and aligned with market practice.
 - Under Energy Efficiency, Xior may finance or refinance the installation, maintenance, and operation of:
 - household appliances such as refrigerators, washing machines and cooking equipment that qualify in the highest two populated classes of energy efficiency in accordance with EU Regulation 2017/1369. Sustainalytics notes that Xior's reliance on EU energy labels to define eligibility in this category is consistent with the EU Taxonomy Climate Delegated Act;
 - energy efficiency products and equipment, such as smart grids, motion sensors and LEDs;
 - district heating sources connected to municipal grid which sources more than 50% of heating from waste industrial heat.
 - Overall, Sustainalytics considers these expenditures to enhance energy efficiencies across Xior's properties and aligned with market practice
 - Under the Clean Transportation category, Xior may finance or refinance expenditures related to the acquisition, installation and construction of bike sheds and low-carbon transport supporting infrastructure, such as electric vehicle charging stations. Sustainalytics considers these investments to be aligned with market practice.
 - Under the Water Management category, Xior may finance or refinance expenditures related to the acquisition, development and construction of projects intended to reduce water usage, such as water monitoring, water saving valves, low flow- or double flush toilets, water saving taps and shower heads, water tap sensors; as well as projects intended to enhance rainwater recycling, such as rainwater recycling systems. Sustainalytics considers these investments to be aligned with market practice.
 - For the one social category under the Framework, Affordable Housing, Xior may develop and manage student housing that is offered in accordance with applicable national or regional definitions and rental cost thresholds for affordable housing or provided at a cost in line with or lower than the locally applicable requirements for social housing for students. For this purpose, Xior collaborates with local universities or other higher education institutions to allocate housing units at lower-than-market rents based on each institution's social criteria for eligible students, which includes students from low-income households or marginalized groups.⁶ Sustainalytics notes that Xior's involvement in these partnerships is limited to delivering housing units; it has

⁶ Xior has communicated to Sustainalytics that the institutions are responsible for the selection of marginalized and disadvantaged students for social housing based on each institution's internal social criteria, which may differ per institution, local needs and regulations.

no authority to determine the specific standards for defining low-income or marginalized, disadvantaged groups. Sustainalytics also notes that in the Netherlands and Germany, Xior will – for selected units – adhere to national regulations pertaining to maximum rent levels that allow students to apply for a governmental housing grant or benefit.^{7,8} Sustainalytics considers the expenditures under this category to contribute to improving access to affordable housing for students.

- Project Evaluation and Selection:
 - Xior’s ESG Taskforce (the “Taskforce”) will be responsible for the selection and evaluation of eligible assets in line with the Framework’s eligibility criteria. The Taskforce consists of Xior’s chief executive officer, the energy manager, the manager responsible for ESG and a representative from the finance department. The Taskforce reports to the ESG and Ethics committee, which comprises the chief executive officer and two independent board members.
 - The project evaluation and selection process will consider Xior’s internal policies as well as regional, national and international laws, standards and regulations pertaining to environmental and social risk management. This process will be conducted for all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectations. For additional details, see Section 2.
 - Based on the established processes for project evaluation and selection and environmental and social risk management, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Xior’s finance team will be responsible for the management of proceeds on a portfolio basis and will track the proceeds using an internal tracking system.
 - Xior intends to allocate net proceeds to eligible assets within 24 months of issuance. Pending allocation, unallocated proceeds will be temporarily invested in cash or cash-equivalent money market instruments, in accordance with the Company’s investments and treasury policy.
 - Based on clear definitions of how proceeds will be tracked, held and managed, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Xior intends to report on the allocation and impact of net proceeds in the ESG report published as part of its annual report on its website until full allocation. The allocation report may include a list of sustainable finance instruments issued under the Framework, the amount of outstanding proceeds allocated to eligible sustainable finance instruments, a list of eligible projects, the amount of net proceeds allocated to eligible projects, the location of projects, the share of financing versus refinancing and the balance of unallocated proceeds.
 - Where feasible, impact reporting may include: number of green buildings, amount of GHG emissions reduced (in tCO₂e), renewable energy generated (in MWh), installed renewable energy capacity (in MW), energy savings, number of bike sheds and electric charging stations, number of social and affordable student housing units, and number of beneficiaries. For additional details, see External Review Form.
 - Based on the commitments to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Xior Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP and SLP. For detailed information, please refer to Appendix 1: Sustainability Bond/ Sustainability Bond Programme External Review Form.

⁷ In the Netherlands, students are eligible for a rent subsidy if the basic rent plus eligible service costs do not exceed the quality discount threshold for students younger than 23, or the liberalization threshold for students age 23 or older. In 2023, these thresholds will be EUR 452,20 and EUR 808,06 respectively. These thresholds are updated annually, Xior will always apply the most recent thresholds.

⁸ The rental levels serve as a guide to the amount of rent and are subdivided into rental levels from I (cheapest rental level) to rental level VII (most expensive rental level). In the case of housing benefit, the rental levels play a role insofar as they affect the assessment of the maximum rent or burden to be subsidized (in the case of home ownership) and the determination of the maximum income of the housing benefit household.

Section 2: Sustainability Strategy of Xior

Contribution to Xior's sustainability strategy

Xior's sustainability strategy focuses on the following environmental and social areas: i) improving energy efficiency; ii) increasing its use of renewable energy; iii) reducing water consumption; and iv) supporting affordable housing.

Since 2019, Xior has been mapping environmental metrics of its student housing, such as the amount of power produced using fossil fuels, waste generated and water use. This is done to measure and reduce the environmental footprint of its portfolio. In terms of energy use, the Company is focused on increasing energy efficiency and switching to renewable sources. In 15 of its properties in the Netherlands, Belgium, and Spain, Xior raised the installed capacity from solar energy by 30% in 2021 as compared to 2020. Launched in 2018, Xior's LED relighting programme for switching conventional lights with LED lights replaced more than 80%, 75% and nearly 100% of the lighting in Xior's properties in Belgium, the Netherlands, Spain and Portugal. Xior also intends to increase water use efficiency by capturing rainwater, installing energy saving showerheads and dual-flush taps during the design and development phase of buildings. In 2020, Xior installed sensors in some of its residences to measure the water consumption and to detect water leaks at an early stage.

Sustainalytics is of the opinion that the Xior Sustainable Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities. Xior has communicated to Sustainalytics that it is currently in the process of developing a climate plan with targets in line with the EU's climate objectives, which Xior intends to submit to the Science Based Targets initiative for validation. Sustainalytics encourages the Company to set time-bound sustainability targets and publicly disclose them for increased transparency.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving occupational health and safety, effluents and waste generated in construction, land use and biodiversity issues associated with large-scale infrastructure development, and community relations.

Sustainalytics is of the opinion that Xior is able to manage or mitigate potential risks through implementation of the following:

- To mitigate occupational health and safety risks, Xior has established a safety, health, well-being and environmental (HSE) policy which requires the board of directors and the management to take safety measures, such as providing safety equipment and carrying out regular maintenance of buildings to minimize accidents in the workplace.⁹ In addition, every asset undergoes a safety assessment as part of its licensing process. This assessment includes fire safety checks, technical assessment of the lifts, electricity, water quality, ventilation and heating checks.¹⁰
- To manage emissions and waste generated during construction, as part of the HSE policy and Xior's code of conduct, the Company focuses on the efficient use of energy resources and the reduction of greenhouse gas emissions through the implementation of energy efficient technologies and the promotion of renewable sources.^{11,12} In addition, the projects must comply with the EU Environment Impact Assessment Directive 2014/52/EU,¹³ which aims to ensure that projects which are likely to have significant impact on the environment are adequately assessed before approval. The directive also requires that measures be taken to "avoid, prevent, reduce and if possible, offset significant adverse effects on the environment, in particular on species and habitats".¹⁴
- To address land use and biodiversity issues, Xior ensures that the necessary environmental permits are acquired according to the relevant municipal guidelines. Xior's financing will take place in

⁹ Xior, "Policy Statement Safety – Health – Well-being – Environment (HSE)", at: <https://uploads.xior.be/website/623887fc30706/healthsafetypolicy-2021.pdf>

¹⁰ Xior, "Annual Financial Report", (2021), at: <https://uploads.xior.be/website/627d0a6a6737e/xior-annual-report-erratum-27-09-2022.pdf>

¹¹ Xior, "policy statement Safety – Health – Well-being – Environment (HSE)", at: <https://uploads.xior.be/website/623887fc30706/healthsafetypolicy-2021.pdf>

¹² Xior, "Code of conduct", (2022), at: <https://uploads.xior.be/website/623887d992cc6/xiorcodeofconduct-updatemarch2022.pdf>

¹³ European Parliament, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment", (2014), at: <https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

¹⁴ European Parliament, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

Designated Countries under the Equator Principles, indicating the presence of robust environmental and social governance, legislation and institutional capacity to mitigate the environmental and social risks associated with projects intended to be financed under the Framework.¹⁵

- Xior manages risks associated with community relations by conducting regular consultations with educational institutions and local governments to obtain feedback on stakeholder expectations, particularly local communities. In addition, residence managers usually appoint floor managers to engage with neighbours to avoid nuisances, such as noise and waste.¹⁶

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Xior has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All six use of proceeds categories are aligned with those recognized by GBP, SBP, GLP or SLP. Sustainalytics has focused below on financing green buildings, where the impact is specifically relevant in the European context.

Importance of financing green buildings in the EU

The building sector in the EU accounted for 36% of the bloc’s total CO₂ emissions and 40% of the energy consumption in 2020.¹⁷ Approximately 35% of the EU’s buildings are over 50 years old and almost 75% of the EU’s building stock is energy inefficient.¹⁸ Moreover, an estimated 85% of these buildings will still be in use in 2050.¹⁹ According to the European Commission, renovating buildings is expected to play a key role in improving energy efficiency of the existing building stock, potentially reducing the EU’s total energy consumption by 5-6% and therefore lowering emissions by about 5%.²⁰ Nevertheless, only 0.4-1.2% of the EU’s total building stock is renovated annually, highlighting the need for investments in the renovation of buildings.²¹

The EU aims to become climate neutral by 2050 and has committed to reducing GHG emissions by 55%, compared to 1990 levels, by 2030.²² To achieve these goals, the EU needs to reduce emissions from its building stock by 60% and energy consumption for heating and cooling by 18%, compared to 2015, rendering an overall decrease in final energy consumption of 14% (also from 2015).²³ In addition, the EU’s Renovation Wave strategy aims to double the annual energy renovation rates in 10 years.²⁴

Given this context, Sustainalytics is of the opinion that Xior’s financing of green buildings will contribute to reducing GHG emissions from the built environment in the EU, thereby supporting the transition to a decarbonized economy.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Xior Sustainable Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with

¹⁵ Equator Principles, “Designated & Non-Designated Countries”, at: <https://equator-principles.com/about-the-equator-principles/>

¹⁶ Xior, “Annual Financial Report”, (2021), at: <https://uploads.xior.be/website/627d0a6a6737e/xior-annual-report-erratum-27-09-2022.pdf>

¹⁷ European Commission, “Making Our Homes and Buildings Fit for a Greener Future”, (2021), at: https://ec.europa.eu/commission/presscorner/detail/en/fs_21_6691

¹⁸ European Commission, “Energy performance of buildings directive”, at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

¹⁹ European Environment Agency, “Building renovation: where circular economy and climate meet”, (2022), at: <https://www.eea.europa.eu/publications/building-renovation-where-circular-economy>

²⁰ European Commission, “In focus: Energy efficiency in buildings”, (2020), at: https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en

²¹ Ibid.

²² European Commission, “A European green deal”, at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

²³ European Commission, “A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives”, (2020), at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

²⁴ European Commission, “Renovation wave”, at: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

		increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Water Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Affordable Housing	11. Sustainable Cities and Communities	11.1 Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Conclusion

Xior has developed the Xior Sustainable Finance Framework under which it may issue green, social and sustainability labelled bonds, private placements, syndicated loan facilities and commercial papers, and use the proceeds to finance projects in the following categories: Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Water Management and Affordable Housing. Sustainalytics considers that the projects funded with proceeds from the above instruments are expected to provide positive environmental and social impact.

The Xior Sustainable Finance Framework outlines a process for tracking, allocating and managing proceeds, and makes commitments for Xior to report on the allocation and impact of their use. Sustainalytics believes that the Xior Sustainable Finance Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9 and 11. Additionally, Sustainalytics is of the opinion that Xior has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Xior is well positioned to issue green, social and sustainability labelled financing instruments and that the Xior Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles (2021), Social Bond Principles (2021), Green Loan Principles (2021), and Social Loan Principles (2021).

Appendix

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Xior Student Housing N.V.
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Xior Sustainable Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	February 14, 2023
Publication date of review publication: Original publication date <i>[please fill this out for updates]:</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

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

ROLE(S) OF REVIEW PROVIDER

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

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds - Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Water Management, and Affordable Housing - are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, 9, and 11.

Use of proceeds categories as per GBP:

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

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

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Xior's ESG Taskforce will be responsible for the selection and evaluation of eligible assets in line with the Framework's eligibility criteria. Xior will evaluate activities in line with its internal policies, as well as with regional, national and international laws, standards and regulations pertaining to environmental and social risk management. Sustainalytics considers the risk management system to be adequate and the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

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

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Xior's finance team will be responsible for the management of proceeds on a portfolio basis and will track the proceeds using an internal tracking system. Xior intends to allocate net proceeds to eligible assets within 24 months of issuance. Pending allocation, unallocated proceeds will be temporarily invested in cash, cash equivalent or short-term money market instruments in accordance with Xior's investments and treasury policy.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
|---|---|

- | | |
|--|---|
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Xior intends to report on the allocation and impact of net proceeds in the ESG report published as part of its annual report on its website until full allocation. Allocation reporting may include the amount of net proceeds allocated to eligible projects, share of financing versus refinancing, balance of unallocated proceeds, among others. In addition, Xior is committed to reporting on relevant impact metrics. Sustainalytics views Xior's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify): |

Green Buildings	<ul style="list-style-type: none"> • Number of buildings built and environmental characteristics (e.g. EPC label, green building certification) • Energy intensity in kWh/m²
Renewable Energy	<ul style="list-style-type: none"> • Installed capacity of renewable energy (in MW) • Renewable energy produced (in MWh) • GHG emissions avoided (in CO₂e)
Energy Efficiency	<ul style="list-style-type: none"> • Energy savings • GHG emissions avoided (in CO₂e)
Clean Transportation	<ul style="list-style-type: none"> • Number of bike sheds and EV charging stations installed
Water Management	<ul style="list-style-type: none"> • Number of projects financed • Overview of projects
Affordable Housing	<ul style="list-style-type: none"> • Number and share of social/affordable student housing units • Number of beneficiaries

Frequency:

- Annual
 Semi-annual
 Other (please specify):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
 Information published in ad hoc documents
 Other (please specify): Information published in Impact report
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion)
 Certification
 Verification / Audit
 Rating
 Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. **Second-Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

Disclaimer

Copyright ©2022 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

