

Tritax EuroBox plc

Green Finance
Allocation and Impact Report

June 2023

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Introduction

Tritax EuroBox plc (“The Company”) is a listed pan-European investor focused on acquiring, actively managing and developing high-quality, large-scale prime logistics assets.

The Company invests in and manages a well-diversified, ESG-focused portfolio of large Continental European logistics real estate assets, which fulfil key roles in the logistics and distribution supply chain.

The Company’s ambition for sustainability is to demonstrate leadership throughout the life cycle of its assets. We believe that assets that are fit for the future are more attractive, resilient long-term investments. We work in collaboration with our stakeholders with the aim of delivering value for investors, customers and local communities, to create positive impact and value in the long term. We believe that assets which are fit for the future are more attractive, resilient long-term investments and better for investors, customers, the environment and society.

This *Green Finance Allocation and Impact Report* demonstrates the Company’s Use of Proceeds in alignment with the Eligibility Criteria outlined in the Company’s Green Finance Framework.

Green Bond highlights

Green Bond notional amount

€500m

Percentage of Green Bond allocated to Eligible Green Projects

100%

Pipeline of Eligible Green Projects

€605m

ESG highlights

2022 GRESB score

88/100

Solar PV installed capacity

7.56 MWp

Breda, Netherlands



Tritax EuroBox plc's ESG Strategy

The Company's ESG strategy is integrated across the asset life cycle into investment, development and asset management activities. We target well-designed, efficient buildings and aim to acquire and develop assets with strong sustainability credentials, including a BREEAM Very Good rating (or equivalent) or an EPC rating of B or above. Where these performance benchmarks are not met, asset management opportunities are identified to upgrade the assets to these standards or better.

Our ESG strategy is focused on creating value across four material themes that align with the relevant UN Sustainable Development Goals:

1 Sustainable Buildings

- Ensuring that all acquisitions, developments and standing investments align with our ESG objectives

2 Climate and Carbon

- Achieving net zero carbon across all our operations

3 Nature and Wellbeing

- Enhancing biodiversity and wellbeing across the portfolio

4 Social Value

- Creating value and positive impact for people and communities

In practice, the Company aims to deliver on these four key objectives by:

- Investing and acquiring sustainable assets or assets with improvement potential
- Managing assets to drive sustainable performance
- Designing and constructing sustainable assets
- Facilitating and working with customers to decarbonise asset operations
- Adding value by supporting local communities

Selected ESG ratings & benchmarks followed by the Company



Tritax EuroBox plc's Green Bond

The Company's responsible investment approach means it aims to take the lead in acquiring and developing sustainable logistics space that will benefit customers, communities, and the environment. It embeds ESG into its investment, asset management and development activities.

In May 2021, the Company published its Green Finance Framework, which was drafted in alignment with the Green Bond Principles as administered by ICMA (2018 edition) and Green Loan Principles (2021 edition). The Green Finance Framework can be found online [here](#).

This *Green Finance Allocation and Impact Report* is released in relation to the Green Bond issued in June 2021 (maturing June 2026). The Company aims to follow best market practice communicating in a transparent manner on the following:

1. Use of proceeds
2. Process for project selection and evaluation
3. Management of proceeds
4. Reporting

The Green Finance Framework defines Eligible Green Projects in line with the ESG strategy, meaning investment meets prescribed targets. For example, by requiring that any new acquisition, major refurbishment or development is BREEAM Very Good (or equivalent) or above. There will be more Eligible Green Projects as the portfolio grows in size, delivering greater overall ESG performance.

The approach to ESG is driven by the Company's consistent focus so that it is embedded across all of the Company's business activity. This ensures that every decision taken within the Company is environmentally and socially intelligent and makes sound financial sense. This is central to achieving the Company's ESG objectives.

Tritax Management LLP, ("The Manager"), with delegated authority from the Board of Directors, is responsible for the preparation of this report, including selecting appropriate criteria to form the Green Finance Framework and assessing the statement as to Allocation of Proceeds against that framework. The allocation and tracking of funds received is the responsibility of the Green Finance Committee as described on page 6 of this report. We confirm that the statement as to Allocation of Proceeds is properly prepared in accordance with the framework as at 1 June 2023.

Key features of the Green Bond

Notional amount: €500 million

Settlement date: 2 June 2021








Maturity date: 2 June 2026

Coupon (annual): 0.95%

ISIN: XS2347379377

Use of Proceeds

An amount equivalent to the net proceeds of each Green Finance transaction is used to acquire, finance or refinance, in whole or in part, new or existing Eligible Green Projects that meet the Green Eligibility Criteria below.

Green Eligibility Criteria		
Categories	Description	SDGs
Green buildings	<ul style="list-style-type: none"> New developments, acquisitions or existing properties that meet at least one of following: <ul style="list-style-type: none"> Minimum BREEAM (in use and construction) Very Good, DGNB Gold or equivalent; Other equivalent internationally and/or nationally recognised certifications that are within the top 15% of existing national stock, including EPCs; or Target embodied carbon intensity of 300kg CO₂e/m². 	  
Renewable energy	<ul style="list-style-type: none"> New or existing investment in, or expenditure on, acquisition, development, construction and/or installation of on- and off-site renewable energy generation projects operating at life cycle emissions lower than 100gCO₂/kWh including solar, wind, biogas (sourced from sustainable feedstock) and geothermal projects. 	 
Energy efficiency	<ul style="list-style-type: none"> Refurbishments and/or renovations that result in either: <ul style="list-style-type: none"> At least a 30% improvement in energy efficiency; or Two letter grade improvement in EPC. Investments in energy storage technology. Investments in renewable heat technology, including using biogas that is sourced from sustainable feedstock and operating at life cycle emissions lower than 100gCO₂/kWh, as well as heat pumps with low-GWP refrigerant(s). 	 

Process for Project Selection and Evaluation

The Green Finance Committee of the Manager acts on behalf of the Company to oversee the Green Project evaluation and selection process and ensure that selected assets or projects comply with the Use of Proceeds criteria.

The Committee met twice between June 2022 and May 2023 to review the Eligible Green Projects, listed on page 6, and oversee the production of the Green Finance Impact and Allocation Report as per their responsibilities detailed below.

Green Finance Committee

- The Committee is chaired by the Chief Financial Officer of the Manager and meets quarterly and on an ad hoc basis. It comprises the ESG Director, the Chief Financial Officer of the Company and other relevant staff of the Manager.
- Responsibilities include:
 1. Regularly reviewing the Company's Portfolio to confirm that the assets and projects included in the Green Portfolio meet the criteria set out in the Green Finance Framework. Confirming the eligibility of the assets and projects requires the unanimous agreement of the Committee;
 2. Approving the annual Green Finance Report ahead of publication to investors;
 3. Ensuring assets included in the Green Portfolio retain the most up-to-date certification during the hold period; if there are any changes, including a possible sale, then the Portfolio is updated with appropriate Eligible Green assets as soon as practicable.
 4. Monitoring the evolution of capital markets, in terms of disclosure and reporting, in order to be in line with market best practice;
 5. Reviewing the Green Finance Framework to reflect any changes to the Company's sustainability strategy, change in market standards and selection criteria; and
 6. Reporting to the Company's Investment Committee, Board of Directors and both the Manager and the Board's ESG Committees as appropriate.

Green Finance Allocation and Impact

Since the Green Bond was issued in June 2021, the Company has allocated the proceeds, in line with the Green Finance Framework, to eight Eligible Green Projects as at 1 June 2023, as set out below.

Total proceeds	€500 million
Total allocated against Eligible Green Projects	€500 million ^(A)
Balance of unallocated proceeds	€0 million

Total allocated against refinanced Green Projects	€500 million
Total allocated against newly financed Green Projects	€0 million
Total allocated	€500 million

Unallocated Eligible Green Portfolio

Standing assets eligible for funding (certification in progress)	€279.6 million
Development pipeline eligible for funding	€325.7 million
Total Green Portfolio eligible for green finance allocation	€605.3 million

Below provides the details of the Eligible Green Projects within the Company's Green Portfolio approved by the Green Finance Committee for the purposes of the allocation of proceeds. Included within the allocated amounts are costs that relate directly to land, infrastructure, construction and other directly attributable legal and professional fees.

Project Name	Project Description	Built	Floor Area (sqm)	Amount Allocated (€m)	Green Eligibility Criteria	Impact
Rome, Italy	Prime development let to Amazon	2017	158,373	118	Green buildings	BREEAM Very Good
Peine, Germany	Prime development let to Action	2018	92,735	86	Green buildings	DGNB Gold
Wunstorf, Germany	Prime development let to HAVI	2019	16,423	27.50	Green buildings	DGNB Gold
Bremen II, Germany	Prime development let to Hanseatische	2020	25,855	33.48	Green buildings	DGNB Gold
Breda, Netherlands	Prime development let to Abbott and Samsung	2019	46,230	50.30	Green buildings	BREEAM Very Good
Nivelles, Belgium	Prime development let to multiple customers	2020	35,847	31	Green buildings	BREEAM Very Good
Lich, Germany*	Prime development let to Wayfair	2021	94,775	104.07	Green buildings	DGNB Gold
Piacenza, Italy	Prime development let to OVS	2016 & 2020	47,800	49.65	Green buildings	BREEAM Very Good
Total proceeds allocated against eligible projects				500		

*During Q1 2023, the previously allocated Hammersbach and Bochum assets were replaced by the Lich asset, in line with the requirements of Green Finance Framework published by the Company.

^(A) The total allocated against eligible projects has been subject to independent limited assurance by PricewaterhouseCoopers LLP. Their assurance report is available at: <https://www.tritaxeurobox.co.uk/about/governance/>

Green Finance Asset Pipeline

In addition to its existing c.€1.6 billion** portfolio, the Company has an extensive list of assets and developments awaiting certification, that are expected to be best in class sustainable buildings.

The table below includes details of the Eligible Green Projects within the Company's Green Portfolio pipeline, where either we are awaiting certification, or the assets are under construction and have a targeted green building certification.

Project Name	Project Description	Built	Floor Area (sqm)	Amount to Allocate (€m)	Green Eligibility Criteria	Impact (targeted)
Geiselwind, Germany	Prime development let to PUMA	2021	70,353	144	Green buildings	LEED Gold
Dormagen, Germany	Prime development let to 3PL	2023	36,534	76.4	Green buildings	DGNB Gold
Gelsenkirchen, Germany	Prime development let to multiple customers	2022	16,632	32	Green buildings	DGNB Gold
Rosersberg I, Sweden	Prime development – vacant	2023	13,181	27.2	Green buildings	BREEAM Very Good
Settimo Torinese, Italy	Asset under development	2023	28,291	24.3	Green buildings	BREEAM Very Good
Bonen, Germany	Asset under development	2023	66,065	118	Green buildings	DGNB Gold
Rosersberg II, Sweden	Asset under development	2023	17,832	39.4	Green buildings	BREEAM Very Good
Roosendaal, Netherlands	Prime development let to LIDL	2023	113,179	144	Green buildings	BREEAM Very Good
Total pipeline of unallocated eligible projects				605.3		

**As at 31 March 2023

Case Study

In 2021, the Company acquired 94,775 sqm logistics facility developed by Dietz, located in Lich, Germany, a prime location close to Frankfurt.

In October 2022, the Company achieved a DGNB Gold rating for the asset, which includes the following ESG characteristics, among others:

- Optimisation of the building envelope: the built-in thermal insulation exceeds German construction standards, leading to reduced energy loss in winter and better heat insulation in summer;
- LED lighting to reduce power consumption with daylight control;
- Combined heat and power;
- Double glazing throughout to reduce thermal loss; and
- Provision of health and wellbeing amenities including staff room, community room and canteen in office unit.

In addition to the building's ESG credentials highlighted above, the Company developed a post-acquisition sustainability action plan to further enhance the asset's credentials.

A key component of the action plan is the installation of on-site solar PV capacity. Following an initial solar feasibility study conducted in Q4 2022, the Company is now in discussions to install a solar PV system on the asset. This would provide Wayfair, the sole occupier of the asset, with renewable energy to power the building, and help to reduce Wayfair's and the Company's greenhouse gas emissions in alignment with our objective to achieve net zero carbon emissions across our operations.



Lich, Germany

Third Party Assurance

ISAE 3000 (revised) Independent Limited Assurance Report

Tritax EuroBox plc commissioned PricewaterhouseCoopers LLP (“PwC”) to provide independent limited assurance in accordance with ISAE 3000 (revised) over the use of proceeds, marked with the symbol, (A) as set out on page 6 of this Green Finance Allocation and Impact Report, dated 01 June 2023. The assurance report should be read in conjunction with the Company’s Green Finance Framework, available [here](#).

PwC’s independent limited assurance report, dated 02 June 2023, is available online at: <https://www.tritaxeurobox.co.uk/about/governance/>

Disclaimer

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