



Green Finance Framework

May 2021

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1. Introduction

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Tritax EuroBox plc (“The Company”) is dedicated to investing in Continental European logistics assets.

Tritax EuroBox plc invests in and manages a well-diversified, ESG focused portfolio of large Continental European logistics real estate assets, which fulfill key roles in the logistics and distribution supply chain. 80% of its 21 tenants are multi-billion Euro turnover businesses, including some of the biggest names in retail, logistics and consumer products such as Amazon, Mango, Action, Samsung, Puma and Abbott. In particular with Samsung, the Company has a green lease agreement currently in place for the facility in Breda, Netherlands. The assets are strategically important to the occupiers as they form a critical part of their supply chain, providing operational efficiencies, cost savings through energy efficient buildings and appealing workspace for staff.

The Company’s ambition for sustainability is to demonstrate leadership throughout the life cycle of its properties. It works in collaboration with its stakeholders to create positive impacts and value in the long term. Sustainability is central to the Company’s purpose and the way it works revolves around it. It recognises that having high sustainability credentials future-proofs the assets making them more attractive, resilient long-term investments and better for investors, occupiers, the environment and society.

In addition to its existing €839.3m portfolio (as of 30 September 2020), which demonstrates strong sustainability credentials, the Company has an extensive pipeline of new developments that will be built as best-in-class sustainable buildings. The assets in the pipeline will be acquired using the €230m of new equity recently raised from investors. All of the developments in the pipeline are expected to be a minimum of BREEAM ‘Very Good’, DGNB Gold or equivalent and therefore will be Eligible Green Projects under this Green Finance Framework.

Existing Portfolio¹

Investment portfolio size

841,748 sqm

Existing portfolio that would qualify as Eligible Green Projects²

62%

Investment in existing portfolio that would qualify as Eligible Green Projects³

€508m

Portfolio Expansion at Full Deployment

Expanded portfolio size (estimated)

1,269,000 sqm

Pipeline of new assets and extensions

€555m

Pipeline that would qualify as Eligible Green Projects

94%

“ESG is at the centre of the Company’s activities. The Manager will continue to focus on achieving its near and long-term targets in owning sustainable buildings, reducing energy and carbon emissions, enhancing biodiversity and creating quality workspaces to ensure a positive socio-economic impact to occupiers and local communities.”

New Share Issue Prospectus, February 2021

SELECTED AFFILIATIONS



Member



Aligned with EPRA
Sustainability best practice
indicators in 2020

How the Company creates value:



Sources high-quality investments

- Tritax Management LLP (the “Manager”) uses its extensive logistics experience and network of relationships across Europe to acquire properties for the Company which are not being openly marketed.
- The Manager’s reliability, expertise and reputation make the Company an attractive partner for occupiers, developers or investors looking to dispose of their assets.
- In addition, the Company can expand its portfolio through extending and building properties on existing vacant sites, generating more advantageous returns than through investing in the open market.



Buys and sells for value

- Before acquiring an asset, the Manager carefully assesses its fit with the Company’s investment criteria to provide the best platform for generating income and capital growth, while also ensuring good diversification, and avoidance of concentration of risk from a portfolio perspective.
- The Company intends to hold assets for the long term. However, it regularly assesses the potential upside of crystallising profits through disposal and recycling capital into new opportunities.



Develops on a risk-controlled basis

- The Manager’s relationships enable it to source and invest in forward funded developments, which have been pre-let to a specific tenant, or benefit from rental guarantees.
- Funding the construction of a property enables investment in brand new, environmentally friendly buildings leased to institutional grade tenants on long leases, substantially reducing any development risk.
- The Manager can also acquire land which is zoned for logistics use, either as an integral part of an existing acquisition, or a discrete parcel of land. This allows the Company to capture a greater share of the development profit.
- The Company will only acquire such land, already zoned for logistics use, from a developer who is incentivised to secure the appropriate permitting and a pre-let with a financially sound tenant, at which point the land will become a forward funded pre-let development.



Proactively and responsibly manages assets

- The Manager works with occupiers to optimise the buildings’ usefulness to their operations and to adapt the space as their needs change.
- These initiatives can allow the Company the opportunity to capture the rental growth which is prevalent across our markets.
- Sustainability is at the heart of this approach, helping the Company future-proof its assets and ensure they generate long-term returns for Shareholders, while protecting the environment and looking to benefit local communities.

How the Company integrates ESG into its investment decisions and activities:

The Company embeds sustainability processes throughout the life cycle of its assets, from construction and acquisition, through to the ongoing management and disposal.

The Company's strategy is focused on creating value for the business, its customers and wider stakeholders through five key areas:

1. Investing in sustainable assets at acquisition
2. Managing assets to drive sustainable performance
3. Developing and constructing sustainable assets
4. Facilitating and working with occupiers to improve sustainable operations
5. Adding value by supporting local communities

The Process for Sustainable Investments

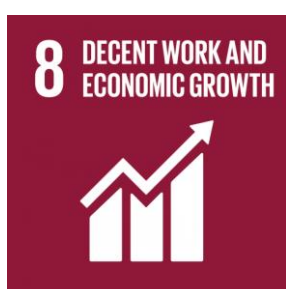
- ▶ The Company considers sustainability in accordance with its Investment Policy and carries out **Sustainability Risk Assessments (SRAs)** on acquisition of new assets. This provides valuable information about the sustainability risks and opportunities of an asset, both at the point of acquisition and during the period of ownership.
- ▶ This information is used to create **Sustainability Action Plans (SAPs)** for each asset which set out plans to monitor and improve its sustainability performance. These plans identify both asset management (landlord controlled) and operational (occupier controlled) initiatives.
- ▶ These are used to engage with tenants and collaborate on sustainability projects. The SAPs are updated annually to identify any new risks and opportunities.



The Company recognises the importance of sustainability to a wide range of stakeholders. The Company's clear purpose and approach to sustainability enables it to enhance its assets and support its ability to deliver value beyond the financials.

The Company's responsible approach to investment allows it to take the lead in developing sustainable logistics space for occupiers, communities and the environment, embedding ESG into its investment, asset management and development activities. The Company's sustainability strategy, based on the UN Sustainable Development Goals 8, 11, 13 and 15 is focused on creating value across these four ESG Goals by 2030:

1. **Socio-Economic Impact:** To create a positive socio-economic impact across the portfolio
2. **Healthy and Sustainable Buildings:** To ensure and improve the sustainability of our assets
3. **Energy and Carbon:** To achieve net zero carbon buildings across the portfolio
4. **Nature and Wellbeing:** To enhance biodiversity and wellbeing for all our stakeholders



Current Portfolio Sustainability Statistics (as of September 2020)

Portfolio floor space with
Green Building Certification
(BREEAM Very Good and
DGNB Gold)

39%

Solar PV generation
potential assessed

10.5MWp

Portion of portfolio with
EPC certifications in
place

75%

Sustainable Buildings

**Renewable
Operations**

**Efficient Energy
Management**

Responsible, sustainable investment and asset management is central to its approach, helping to protect and create value for all stakeholders as well as achieving its ESG goals for 2030.

Green Finance Framework

The Company has developed this Green Finance Framework in alignment with the Green Bond Principles as administered by ICMA (2018 edition) and Green Loan Principles as administered by LMA (2021 edition). The Company intends to follow best market practice and will communicate in a transparent manner on:

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

Continuous Improvements

The Company commits to continually evolve its approach to sustainability and intends to regularly review this Green Finance Framework to ensure alignment with market expectations, voluntary standards such as the Green Bond Principles and Green Loan Principles, as well as anticipated regulatory developments such as the EU Taxonomy and EU Green Bond Standard. The Company's Green Finance Framework may therefore be periodically amended and/or updated to reflect changes in market practice.

How green finance will help the Company to achieve its ESG goals for 2030

The Company has a modern and sustainable portfolio that can be supported with the use of green finance.

It has a strong portfolio for green investment: 90% of the portfolio is covered by green building and energy performance certificates; and the pipeline of €555m will be certified with high green building accreditations.

The Company also has an assessed opportunity to invest in onsite renewable energy of 10.5 MWp to upgrade the existing portfolio.

This Green Finance Framework has defined eligible projects in line with the Company's goals to ensure that the required investment targets continue to be met.

A low-angle shot of a white wind turbine against a clear blue sky. A large, semi-transparent yellow triangle is overlaid on the right side of the image, pointing towards the bottom left.











2. Green Finance Framework

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A. Use of Proceeds

An amount equivalent to the net proceeds of each Green Finance Transaction (“GFT”) will be used to acquire, finance or refinance, in whole or in part, new or existing Eligible Green Projects (“EGPs”) that meet the Eligibility Criteria below.

It is anticipated that the majority of the proceeds will be allocated to the Green Buildings category.

Green Eligibility Criteria			
Categories	Description	SDGs	EU Environmental Objectives
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 Achieve or aim to achieve embodied carbon intensity of 300 kg CO₂e/m² 	  	 <i>Climate Change Mitigation</i>
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 	 	 <i>Climate Change Mitigation</i>
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) 	 	 <i>Climate Change Mitigation</i>

B. Process for Project Evaluation and Selection

Investment management services are provided to the Company by Tritax Management LLP. The relationship between the Manager and the Company is governed by an Investment Management Agreement which details the various investment, asset management and administrative services performed by the Manager on behalf of the Company.

The Manager has set up a Green Finance Committee ('GFC'), as a sub-committee of its CSR Committee, to act on behalf of the Company to oversee the project evaluation and selection process to ensure selected assets or projects comply with the criteria in the Use of Proceeds.

The Manager

Responsible for day-to-day running of the Company including final decisions on investments and divestments, financial management, asset management and investor relations

CSR Committee:

- Meets monthly, comprising various members of the Manager and chaired by the COO of the Manager.
- Responsible for oversight of CSR and sustainability matters.
- Makes recommendations to the Manager and the Board regarding progress on integrating ESG factors into business strategy and decision-making.
- Provides oversight of the Manager's policies in terms of performance, communication and engagement on ESG issues.

Green Finance Committee:

- Meets quarterly, and ad hoc as required, and comprises Sustainability Lead, Chief Financial Officer and a member of the Asset Management team of the Manager.
- Responsibilities include:
 1. Regularly review the Green Portfolio of the Company in order to confirm that the assets and projects included in the Green Portfolio meet the criteria set out in the Framework. Confirming the eligibility of the assets and projects will require the unanimous agreement of the Committee;
 2. To approve the Annual Green Finance Report ahead of circulation to investors;
 3. Monitor evolution of the capital markets in terms of disclosure and reporting in order to be in line with market best practices;
 4. Review the framework to reflect any changes with regards to the company's sustainability strategy, change in market standards and criteria selection; and
 5. Report to the Company's Investment Committee, Board of Directors and the CSR Committee as appropriate.

C. Management of Proceeds

Management of Proceeds

- The Company will ensure that the amount of capital commitments on Eligible Green Projects (EGPs) related to its own properties will always be in excess of the amount of drawn borrowings from Green Finance Transactions (GFTs).
- A list of EGPs is maintained by the Finance team and the Finance team is ultimately responsible for keeping this list up to date.
- The net proceeds of any GFTs will be managed on a portfolio basis by the Treasury function of the Manager. An amount equivalent to each GFT's net proceeds will be used to finance EGPs.
- The Company intends to fully allocate the net proceeds raised by any relevant GFTs as soon as practicable and no later than 18 months following issuance.

Lookback Period

- Net proceeds will be drawn from the GFTs to finance only the qualifying expenditures/investments on EGPs or to refinance expenditures/investments on green projects which had previously been funded from other sources.
- The Green Portfolio may include expenditures/investments in projects or assets made 36 months before the relevant GFT.

Unallocated Proceeds

- Any unallocated proceeds from GFTs will be managed by the Company's Finance function in ways that comply with the Company's Finance policy.
- Pending allocation to EGPs, unallocated proceeds may be temporarily invested in cash and/or cash equivalents and/or liquid marketable liquidity instruments and/or via the temporary repayment of debt under the Company's revolving credit facilities.

Disposals

- The Company may dispose of buildings that were financed by the GFTs.
- When this occurs, the Company will use its best efforts to substitute any EGPs that are no longer eligible, or which have been disposed of as soon as is practicable once an appropriate substitution option has been identified.

D. Reporting & External Review

The Company will publish on its website an Annual Green Finance Report that will detail the allocation of net proceeds of GFTs and associated impact metrics until the full allocation of net proceeds. Any material developments, such as modification of the Framework or other material development, will also be reported in a timely manner.

Allocation Reporting

The Company will include in its annual reporting:

- The amount raised and outstanding for each type of green finance instrument and amounts allocated to date for each instrument;
- The percentage split of net proceeds used for financing versus refinancing, the total amount included in the Green Portfolio at the time of reporting, along with a breakdown per project category as set out in Use of Proceeds section of this Framework and a statement of the remaining balance of unallocated funds;
- For each project category:
 - **Development Projects:** Descriptions, practical completion date, ownership proportion, aggregate of the overall category valuation and cost to come;
 - **Acquisitions:** Descriptions, ownership proportion, and total cost;
 - **Existing Green Buildings:** Descriptions, ownership proportion, and latest overall valuation; and
 - **Other Green Projects:** Descriptions and the overall value of the category and examples.

Impact Reporting

The Company is committed to transparent monitoring and disclosure of ESG targets and asset performance for the wider business and investment community, through the Company's reports and participation in the GRESB survey. In addition, the Company is aligned with the EPRA sustainability best practice reporting guidelines.

The Company's aim is to demonstrate continuous improvement in ESG management through regular reporting on ESG performance. Measures reported on in the Annual Green Finance Report may include but are not limited to:

Uses of Proceeds Category	Impact Metric
Green Buildings	<ul style="list-style-type: none"> Building certification (scheme and rating) Energy consumption (kWh) Carbon emissions (kg CO₂e) and/or intensity (kg CO₂e/m²)
Renewable Energy	<ul style="list-style-type: none"> On-site renewable electricity generated (kWh) Annual GHG emissions reduced/avoided (kg CO₂e pa)
Energy Efficiency	<ul style="list-style-type: none"> Energy consumption (kWh) Annual energy savings (MWh pa) Annual GHG emissions reduced/avoided (kg CO₂e pa)

External Review

Second Party Opinion

The Second Party Opinion (SPO) provider Sustainalytics has reviewed this Green Finance Framework and certified its alignment with ICMA's Green Bond Principles 2018 and the LMA's Green Loan Principles 2021.

External Assurance

At least annually, until the net proceeds of GFTs are fully allocated, a report will be made available from an independent third-party assurer to verify the use of proceeds.

Furthermore, an independent external auditor will be asked to provide limited assurance on the relevant information contained in our Annual Report and Sustainability Report.

These reports will be available at <https://www.tritaxeurobox.co.uk/about/#responsible-business>.



3. Case Studies

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A prime acquisition in Breda, Netherlands



SAMSUNG



Purpose built in November 2019, this well-specified property is situated in an established logistics location along the main east-west logistics corridor in the Southern Netherlands.

Size:	• 46,230 sqm
Status:	• Acquired in December 2020
Tenant:	• Abbott Laboratories and Samsung Group
Lease term:	• Weighted unexpired lease term is 5.5 years
Categories of eligibility:	• Green Buildings • Renewable Energy
Green Credentials:	• BREEAM Very Good • EPC A • Solar PV • EV charging • Green lease

Solar PV installation at Peine, Germany



ACTION



A brand new, well specified, purpose-built asset is in an established logistics location with excellent road, motorway and railway connectivity. Located close to Hannover and Brunswick, on the A2 motorway, which crosses Germany linking Berlin to the Rhine/Ruhr region.

Size:	• 92,735 sqm
Status:	• Acquired 2018
Tenant:	• Action
Lease term:	• 11 years from November 2018
Categories of eligibility:	• Renewable Energy • DGNB Gold
Green Credentials:	• 2.5MW solar PV generation capacity • 11,256kg CO2e avoided per annum

A prime development in Nuremberg, Germany



This new, highly specified, and sustainable logistics asset is the European distribution headquarters of a leading German sportswear manufacturer.

Size:	<ul style="list-style-type: none"> 70,353 sqm, with additional 42,000 sqm extension potential
Status:	<ul style="list-style-type: none"> Acquired March 2021
Tenant:	<ul style="list-style-type: none"> Puma Logistik GmbH guaranteed by Puma SE
Lease term:	<ul style="list-style-type: none"> 25 years from April 2020, with breaks at years 15 and 20
Categories of eligibility:	<ul style="list-style-type: none"> Green Building Renewable Energy
Green Credentials:	<ul style="list-style-type: none"> LEED Gold Solar PV CO₂e neutral Green roof of 22,500 sqm LED daylight controlled lighting Rainwater toilet flushes Green energy procurement

An extension and solar PV installation at Mango, Barcelona



A state-of-the-art global distribution centre which distributes to Mango's worldwide store network is located 25km north of Barcelona and is directly accessible from the European motorway network. Barcelona's port and airport are within a 25-minute drive.

Size:	<ul style="list-style-type: none"> Extension of 186,000 sqm building by 88,000 sqm
Status:	<ul style="list-style-type: none"> Construction to commence in May 2021
Tenant:	<ul style="list-style-type: none"> Mango
Lease term:	<ul style="list-style-type: none"> 30 years from December 2016, tenant break option in 2036
Categories of eligibility:	<ul style="list-style-type: none"> Green Building Renewable Energy
Green Credentials:	<ul style="list-style-type: none"> EPC A BREEAM Very Good targeted on completion 1.8MW solar PV generation capacity 73,814kg CO₂e avoided per annum



4. Glossary of Terms

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ESG (Environmental, Social, and Governance) - Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) – the German Sustainable Building Council's Green Building Certification assessing the life cycle sustainability of newly constructed buildings.

Biogas - The mixture of gases produced by the breakdown of organic matter. Biogas can be produced from raw materials such as agricultural waste, manure, municipal waste, plant material, sewage, green waste or food waste.

BREEAM (Building Research Establishment Environmental Assessment Method) - the world's leading sustainability assessment method for master planning projects, infrastructure and buildings.

EGP (Eligible Green Projects) – The selected eligible green aspects that the Green Finance can fund based on the ICMA Green Bond Principles 2018.

EPC (Energy Performance Certificate) - A rating scheme to summarise the energy efficiency of buildings. The building is given a rating between A (Very efficient) - G (Inefficient).

EPRA (European Public Real Estate Association) – The voice of Europe's listed real estate – stock exchange quoted property companies, investors and their suppliers.

Embodied carbon – The carbon footprint of a material, calculated by measuring the carbon released throughout the supply chain and is often measured from the sourcing of raw materials to the manufacturing, transport, use and disposal of a product or material.

EU Taxonomy - A classification system, establishing a list of environmentally sustainable economic activities. It provides consistent definitions for use by companies, investors and policymakers.

EU Green Bond Standard – A voluntary EU Green Bond Standard to enhance the effectiveness, transparency, comparability and credibility of the green bond market and to encourage the market participants to issue and invest in EU green bonds.

GFC (Green Finance Committee) – The Company's governance committee overseeing the approval of Green Eligible Projects, as well as the reporting on Use of Proceeds.

GFF (Green Finance Framework) – The Framework setting out how the Company defines green finance and how it will use and manage proceeds to invest in Green Eligible Projects.

GFT (Green Finance Transaction) – A transaction that is based on the green eligibility of a project.

Green Lease - A standard form lease with additional clauses included which provide for the management and improvement of the Environmental Performance of a building by both owner and occupier. Such a document is legally binding and its provisions remain in place for the duration of the term.

4. Glossary of Terms (Cont'd)

GRESB (Global Real Estate Sustainability Benchmark) – The ESG benchmark for real estate capturing information on ESG performance and sustainability best practice for real estate companies, REITS, funds and developers.

ICMA (International Capital Market Association) **Green Bond Principles** – Voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuance of a green bond.

LEED (Leadership in Energy and Environmental Design) - The most widely used green building rating system in the world. Available for virtually all building types, LEED provides a framework for healthy, highly efficient, and cost-saving green buildings. LEED certification is a globally recognized symbol of sustainability achievement and leadership.

LMA (Loan Market Association) **Green Loan Principles** - A high-level framework of market standards and guidelines, providing a consistent methodology for use across the green loan market, whilst allowing the loan product to retain its flexibility, and preserving the integrity of the green loan market while it develops.