



Second-Party Opinion

Tritax EuroBox Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Tritax EuroBox Green Finance Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2018 and Green 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, and Energy Efficiency – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that financing projects in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7 and 9.



PROJECT EVALUATION / SELECTION Tritax EuroBox has designated the Green Finance Committee to act on its behalf in overseeing project evaluation and selection, and ensuring that selected assets or projects comply with the eligibility criteria. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Tritax EuroBox will manage net proceeds on a portfolio basis. The Company's Finance team will ensure there is an excess of Eligible Green Projects over the amount drawn from any Green Finance Transaction. Pending allocation, proceeds will be managed in compliance with the Group's Finance Policy and may be temporarily invested in cash and/or cash equivalents and/or liquid marketable liquidity instruments and/or towards temporary repayment of debt under the Company's revolving credit facilities. This is in line with market practice.



REPORTING Tritax EuroBox intends to report on the allocation of proceeds and associated impact metrics in its Annual Green Finance Report until full allocation. Allocation reporting will include amount raised and outstanding for each green finance instrument and amounts allocated to date; the percentage of net proceeds used for financing versus refinancing; the total amount in the Green Portfolio, along with a breakdown by project category; the remaining balance of unallocated proceeds; and project and asset descriptions per each project category. In addition, the Company is committed to reporting on relevant impact metrics. Sustainalytics views the Company's allocation and impact reporting as aligned with market practice.

Evaluation Date	April 15, 2021
Issuer Location	London, United Kingdom

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Introduction

Tritax EuroBox plc ("Tritax EuroBox", or the "Company") invests in and manages a portfolio of large logistics real estate assets in Continental Europe. The Company, part of Tritax Group (the "Group"),¹ focuses on servicing occupiers, including retailers, manufacturers and third-party logistics operators, around major population centres. The Company itself has no employees, and it has appointed Tritax Management LLP (the "Manager") as an external manager with oversight by the Board of Tritax EuroBox plc (the "Board").

Tritax EuroBox has developed the Tritax EuroBox Green Finance Framework (the "Framework") under which it intends to issue green bonds and loans to use the proceeds to finance and/or refinance, in whole or in part, existing and/or future eligible green projects that advance sustainable buildings and logistics solutions that reduce the carbon footprint of its operations. The Framework defines eligibility criteria in three areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency

Tritax EuroBox engaged Sustainalytics to review the Tritax EuroBox Green Finance Framework, dated April 2021, and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)² and the Green Loan Principles 2021 (GLP).³ This Framework has been published in a separate document.⁴

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

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent⁵ opinion on the alignment of the reviewed Framework with the 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 Green Bond Principles 2018, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA;⁶
- 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 1.7, 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 Tritax EuroBox's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Tritax EuroBox representatives have confirmed (1) they understand it is the sole responsibility of Tritax EuroBox to ensure that the information provided is complete, accurate or up to date; (2) that 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 Tritax EuroBox.

¹ Tritax Group is comprised of Tritax Management LLP, Tritax Big Box REIT plc, Tritax EuroBox plc, Tritax Property Income Fund and Tritax MetroBox.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁴ The Tritax EuroBox Green Finance Framework is available on Tritax EuroBox's website at: <https://www.tritaxeurobox.co.uk/news/>.

⁵ 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.

⁶ In addition to the Loan Markets Association, the GLP is also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association.

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 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.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond 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 Tritax EuroBox has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Tritax EuroBox Green Finance Framework

Sustainalytics is of the opinion that the Tritax EuroBox Green Finance Framework is credible and impactful, and aligns to the four core components of the GBP and GLP. Sustainalytics highlights the following elements of Tritax EuroBox's Green Finance Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, and Energy Efficiency – are aligned with those recognized by the GBP and GLP.
 - For the "Green Buildings" category, the Company intends to utilize bond and loan proceeds for the development or acquisition of properties that meet at least one of the following: minimum BREEAM (in Use and Construction) "Very Good", DGNB "Gold" or equivalent; having an internationally and/or nationally recognized certification that falls within the top 15% of existing national stock such as the equivalent Energy Performance Certificate (EPC) for each jurisdiction; or having an embodied carbon intensity of 300kg CO₂e/m² or lower. With regards to these criteria, Sustainalytics notes the following:
 - Sustainalytics recognizes BREEAM and DGNB schemes as credible, and the levels selected to be aligned with market expectation. Sustainalytics recognizes that for certain classes of developments, BREEAM Excellent may be viewed as best practice. Sustainalytics considers the use of BREEAM Very Good to be aligned with market expectations for logistics and warehousing real estate, and in any case encourages the selection of BREEAM buildings that achieve a minimum score of 70% in the Energy category. See Appendix 1 for a further description of this building scheme.
 - Sustainalytics considers that focusing on buildings that fall in the top 15% within each jurisdiction to be aligned with market practice and notes EPC ratings as a credible mechanism to evaluate energy efficiency.
 - Sustainalytics recognizes the importance of embodied carbon when assessing the lifecycle impact of buildings, noting that embodied carbon emissions accounted for 11% of total annual built environmental emissions in 2019⁷ and views favorably the Company's ambition to account for this factor. Embodied carbon continues to be an emerging area of inquiry within the sustainable finance space, and at this time Sustainalytics does not consider there to be a recognized baseline or accepted level of best practice.⁸ Nevertheless, Sustainalytics notes that the threshold of 300kg CO₂e/m² specified within the Framework (i) is in line with international proposals,⁹ and (ii) has

⁷ UNEP, "2019 Global Status Report for Buildings and Construction Sector", (2019), at: <https://www.unep.org/resources/publication/2019-global-status-report-buildings-and-construction-sector>.

⁸ Neither the EU Technical Expert Group on Sustainable Finance nor the Climate Bonds Initiative have included embodied carbon within their approach to evaluating green buildings.

⁹ For example, that of the Sweden Green Building Council's NollCO₂ standard. NollCO₂ requires construction materials to have a maximum embedded carbon of 240kg/m² floor areas and construction processes to contribute no more than 60 kg/m².

been disclosed by the Group to represent a significant improvement¹⁰ on current standard construction practices. In this context, the Framework's commitments regarding embodied carbon are viewed positively, and Sustainalytics highlights that the Company has disclosed that it will use accepted methodologies in measuring embodied carbon.¹¹ Sustainalytics also notes that the issuer intends to continue pursuing green building certification where relevant, which will account for emissions over the building's operational phase.

- Sustainalytics views the selection of buildings within the top 15% of their local market in terms of energy efficiency to be in line with market practice, and highlights that the Company will rely on accepted national or international certifications to support this assessment.
- Within the "Renewable Energy" category, Tritax EuroBox intends to finance investments and/or expenditures for the acquisition, development, construction and/or installation of on- and off-site renewable energy projects. Eligible projects include solar, wind, biogas, and geothermal projects with life-cycle emissions lower than 100gCO₂/kWh. Sustainalytics considers this threshold to be in line with market practice, and further notes that biogas feedstock will be sourced from biomass and industrial waste. The Company has confirmed to Sustainalytics that the feedstock will primarily involve food waste, and exclude waste stemming from oil and gas operations. This is in line with market practice.
- The "Energy Efficiency" category includes expenditures for refurbishment and/or renovations that result in a minimum 30% improvement in energy efficiency or a two-letter grade improvement in EPC labels; as well as investments in specific equipment, such as energy storage technology and ground source heat pumps with low-GWP refrigerants. Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems, and encourages Tritax EuroBox to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation/recycling, or destruction of refrigerant at end of life. Sustainalytics considers investments that deliver the aforementioned levels of improvement, as well as the individual measures specified, to be in line with market practice.
- Project Evaluation and Selection:
 - The Manager has created the Green Finance Committee ("GFC"), as a sub-committee of its CSR Committee, to be in charge of project evaluation and selection and ensure that selected assets or projects comply with the Framework's eligibility criteria. The GFC is comprised of the Sustainability Lead, the CFO, and a member of the Asset Management team of the Manager. The GFC will regularly monitor the Green Portfolio of the Company to confirm Eligible Green Projects ("EGPs") remain compliant. The Manager is ultimately responsible for the final decision on approving investments.
 - Based on the establishment of the GFC and its commitment to ongoing review of project compliance, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Company will manage net proceeds of any Green Finance Transaction ("GFT") on a portfolio basis, and it will ensure EGPs' value exceed the amount of any GFT. The Treasury function of the Manager will be in charge of managing net proceeds, and a list of EGPs will be maintained by the Finance team.
 - The Green Portfolio may include investments in projects or assets up until 36 months preceding the relevant GFT. Tritax EuroBox intends to fully allocate net proceeds as soon as practicable and no later than 18 months following issuance. Pending allocation, net proceeds will be managed by the Company's Finance function and unallocated proceeds will be temporarily invested in cash, cash equivalents and/or liquid marketable liquidity instruments, in compliance with the Company's Finance policy, and/or used for the temporary repayment of debt under the existing revolving credit facilities.
 - In case the Company disposes of buildings financed by the GFT, or any EGPs are no longer eligible, the Company will substitute such projects or assets as soon as is practicable.

¹⁰ The Group has commissioned a study to evaluate the anticipated carbon savings that it can anticipate, this third-party report estimates that feasible improvements to the design and construction could result in a 9% savings in lifecycle building carbon emissions and a 12.5% savings in the construction phase. The report also identified future options for consideration which would result in even greater impacts.

¹¹ Namely the European Carbon Assessment Standard - EN 15978: 2011, which is aligned with ISO Standard 14044 and recognized by BREEAM as a credible methodology.

- Based on the establishment of a portfolio and the handling of unallocated net proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - The Company intends to publish an Annual Green Finance Report, detailing the allocation of net proceeds of the GFTs and the associated impact metrics until the full allocation of net proceeds.
 - Allocation reporting will include the amount raised and outstanding from each GFT and amounts allocated to date for each instrument; the percentage split of net proceeds used for financing versus refinancing; the total amount in the Green Portfolio, along with a breakdown by project category; the remaining balance of unallocated proceeds; and project and asset descriptions per each project category.
 - The impact reporting will include impact metrics such as, but not limited to, building certification (scheme and rating); energy consumption (kWh); on-site renewable electricity generated (kWh); energy consumption (kWh), and annual GHG emissions reduced/avoided (kg CO₂ eq pa).
 - Based on the Group's allocation and impact reporting commitments, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2020

Sustainalytics has determined that the Tritax EuroBox Green Finance Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Tritax EuroBox

Contribution of framework to Tritax EuroBox's sustainability strategy

Sustainalytics is of the opinion that Tritax EuroBox demonstrates a commitment to sustainability, in line with their sustainability vision to "demonstrate leadership in sustainable logistics, working in collaboration with stakeholders, to create a positive change and value in the long term"¹³ by (i) ensuring and demonstrating sustainability credentials of assets, (ii) achieving net zero carbon across all direct activities, (iii) enhancing well-being and nature on land and for stakeholders, and (iv) creating and demonstrating social value in investments.¹²

The Company has developed an overall sustainability goal to create positive environmental and socio-economic impact by 2030¹³ and to achieve these key strategy priorities, Tritax EuroBox has defined a series of goals targets to be achieved by 2023, including:

- Demonstrate healthy and sustainable buildings – to ensure all assets align with the Company's ESG investment principles. The Company aims to improve EPC labels, improve GRESB scores to three Green Stars, include green leases on all new leases and to obtain green building certifications, namely BREEAM.
- Net zero carbon – Tritax aims to achieve net zero carbon emission in direct operations for scope 1 and 2 GHG emissions, installing renewable energy generation projects where feasible, and increasing energy efficiency of operations by ensuring all assets have LED lighting and building management systems to monitor and improve performance.
- Improve biodiversity and well-being – the Company plans on implementing biodiversity, climate and well-being measures across all assets and installing electric vehicle charging stations and cycle facilities.
- Drive social value through investment – to create positive socio-economic impact through investments by measuring social value to demonstrate the impact of its investments; supporting local community causes with tenants; and supporting employment and skills initiatives for assets with the highest levels of deprivation.

Tritax Eurobox has reported progress towards these goals, including 40% of the Company's portfolio being certified with green building certifications, including BREEAM Very Good and DGNB Gold.¹³ 75% of the Company's floor area has achieved EPC labels. The Tritax EuroBox portfolio achieved an improved GRESB¹⁴ ESG Rating, achieving 64/100, up from 53 in 2019.¹³ The Company generated 2,259 MWh of on-site renewable energy in 2019 and is aiming to switch to 100% renewable energy for its electricity use in early 2021.¹³

¹² Tritax EuroBox Annual Report 2020, at: [Tritax-EuroBox-plc-Annual-Report-2020.pdf](#)

¹³ Tritax EuroBox Plc EPRA 2019 Sustainability Best Practice Indicators, at: [PowerPoint Presentation \(tritaxeurobox.co.uk\)](#)

¹⁴ Global Real Estate Sustainability Benchmark, "what we do", at: [About GRESB and ESG benchmarking](#)

The Group's CSR committee is responsible for its ESG strategy and Environmental Policy.¹⁵ The CSR Committee has four sub-committees focused on governance, property, charity and social activities.¹² Sustainability Risks Assessments are undertaken upon acquisition of assets, which are used as a baseline for the development of a Sustainability Action Plan for each asset to improve sustainability performance both from a management and operational perspective.

Sustainalytics is of the opinion that the Tritax EuroBox Green 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.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include occupational health and safety, land-use change, biodiversity loss, and impacts on local communities.

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

- The Company performs Sustainability Risk Assessments on the acquisition of assets, and social and environmental impact assessments are carried out for all assets.¹³ This information further supports the elaboration of Sustainability Action Plans ("SAPs"), which are set to improve the sustainability performance of each asset and address identified risks. Along with site inspections, SAPs are updated every year to reassess or identify new risks.¹²
- The Company has incorporated ESG considerations as an integral component of its Investment Policy. To this end, the Group performs ESG assessments on acquisitions and is aiming for all new developments to be carbon neutral.¹²
- As part of its commitment to maintaining a high ethical standard, the Group continually monitors risks associated with modern slavery and assesses the Group's suppliers and their efforts to address it along their supply chains.¹⁶
- The Manager is accredited to the ISO 14001 certification standard for environmental management system.¹² Through the CSR Committee, the Group monitors environmental and social risks, trends and opportunities affecting the business. The Committee is responsible for regularly identifying the significant environmental impacts; monitoring and measuring ESG issues and impacts.¹⁷
- The Group has a number of policies related to ESG matters, including the Environmental, Social and Governance Policy¹⁸, Tritax Health and Safety Policy¹⁹, Tritax Environmental Policy Statement,²⁰ Materiality Assessment to Identify Sustainability Priorities²¹ and Tritax Business Code of Conduct.²² These policies cover identification, management and mitigation of ESG objectives, health and safety at work and with suppliers and local community stakeholder engagement.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Tritax 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 three use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on the below where the impact is specifically relevant in the local context.

¹⁵ Tritax EuroBox, "Environmental Policy", (2019), at: [SMid Ptr19062810500 \(tritaxeurobox.co.uk\)](https://www.tritaxeurobox.co.uk)

¹⁶ Tritax Eurobox, "Modern Slavery Act 2015: Slavery and human trafficking statement", (2020) at: [EuroBox-Modern-Slavery-Statement-2020-final.pdf \(tritaxeurobox.co.uk\)](https://www.tritaxeurobox.co.uk)

¹⁷ Tritax Management LLP, "CSR Committee Terms of Reference", (2019) at: [Corporate-Social-Responsibility-Committee-Terms-of-Reference.pdf \(tritaxeurobox.co.uk\)](https://www.tritaxeurobox.co.uk)

¹⁸ Tritax Group, "Environmental, Social and Governance (ESG) Policy", (2021) at: [tritax-group-esg-policy-march-2021.pdf](https://www.tritax.co.uk)

¹⁹ Tritax Management LLP, "Health and Safety Policy", (2020, at: [tritax-management-llp-health-and-safety-policy-october-2020.pdf](https://www.tritax.co.uk)

²⁰ Tritax Group, "Environmental Policy Statement", (2020), at: [environmental-policy-2020.pdf \(tritax.co.uk\)](https://www.tritax.co.uk)

²¹ Tritax Group, Materiality Assessment to Identify Sustainability Priorities, (2020) at: [tritax-group-materiality-assessment-2020.pdf](https://www.tritax.co.uk)

²² Tritax Management LLP, "Business Code of Conduct", (2021) at: [tritax-business-code-of-conduct-march-2021-docx.pdf](https://www.tritax.co.uk)

Importance of green buildings in Germany, the Netherlands and Spain

The building sector contributes towards 40% of the total energy consumption and 36% of CO₂ emissions in the European Union ("EU").²³ The European Commission reports that while 75% of the EU building stock is considered energy inefficient, only 1% of buildings undergo energy efficiency renovations each year.²⁴ Acceleration of renovation activities could reduce both the EU's total energy consumption and carbon emissions by 5%.²⁴ In order for the EU to meet its carbon neutral goal by 2050, it needs to improve the energy efficiency of its building stock in combination with the construction of new energy efficient buildings.

In Germany, buildings are responsible for 35% of the country's final energy consumption.²⁵ As the most populous country within Europe, Germany plays a key role in driving the EU's climate targets. Although the renovation rate is higher in Germany than the European average, only 1.5% of its building stock undergoes renovation annually.²⁶ Germany has set a target for its building stock to be climate neutral by 2050,²⁷ and as part of this goal, Germany aims to reduce building sector emissions by 67% by 2030 compared to a 1990 baseline.²⁷ In order to achieve these goals, significant investment is required into energy efficiency and renewable energy within green buildings.

In the Netherlands, the Dutch government has implemented legislation towards making real estate more energy-efficient and has established a national goal of improving EPC labels to a level "C" or higher by 2023 and a decree that requires all office buildings to have an EPC A by 2030.²⁸ Additionally, after 2020 newly built houses must reach the nearly zero energy building (NZEB)²⁹ standard, a requirement by the EPBD from 2021.³⁰

In 2021, Spain does not yet have any official legislation supporting NZEB.²⁹ Approximately 84% of the Spanish building stock is energy inefficient,³¹ posing a relatively greater challenge in Spain in contributing towards EU climate goals. Additionally, 55% of buildings were built prior to 1980, and 21% are more than 50 years old.³¹ The renovation of existing building stock is vital for European nations in achieving energy savings and emissions reductions. In this context, Sustainalytics is of the opinion that Tritax EuroBox's investments in green buildings and energy efficiency will contribute towards lowering GHG emissions in the building sector.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds issued under the Tritax EuroBox Green Finance Framework advances 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 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.

²³ European Commission, "EU Science Hub: Buildings", at: [Buildings | EU Science Hub \(europa.eu\)](https://europa.eu/science-hub/en/buildings)

²⁴ European Commission, "Energy Efficiency in Buildings", at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

²⁵ Federal Ministry for Economic Affairs and Energy, "Energy Transition in the Building Sector", (2021) at:

<https://www.bmwi.de/Redaktion/EN/Dossier/enhancing-energy-efficiency-in-buildings.html>

²⁶ European Commission, "Building Stock Observatory", at: [EU Building Stock Observatory | Energy \(europa.eu\)](https://europa.eu/science-hub/en/building-stock-observatory)

²⁷ Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, "Climate Action Plan 2050 – Germany's long-term low greenhouse gas emission development strategy | BMU

²⁸ Lexology, "Energy performance regulations and investing in Dutch real estate", (2019), at: [Energy performance regulations and investing in Dutch real estate - Lexology](https://www.lexology.com/library/detail.aspx?l=5111111)

²⁹ European Commission, "nzeb" [nzeb | Energy \(europa.eu\)](https://europa.eu/science-hub/en/nzeb)

³⁰ European Commission, "Energy Performance of Buildings Directive", at: [Energy performance of buildings directive | Energy \(europa.eu\)](https://europa.eu/science-hub/en/buildings-directive)

³¹ The Interreg Europe, "World Energy Efficiency Day: challenges in Spain", (2018), at: [World Energy Efficiency Day: challenges in Spain | Interreg Europe](https://www.interreg.eu/en/news/world-energy-efficiency-day-challenges-in-spain)

Conclusion



Tritax EuroBox has developed the Tritax EuroBox Green Finance Framework under which it may issue green bonds and loans and use the proceeds to finance eligible green projects that advance sustainable buildings and logistics solutions that reduce the carbon footprint of its operations. Sustainalytics considers that the projects funded by the green bond and loan proceeds are expected to have a positive environmental impact.

The Tritax EuroBox Green Finance Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Tritax EuroBox Green Finance Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7 and 9. Additionally, Sustainalytics is of the opinion that Tritax EuroBox has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Tritax EuroBox is well-positioned to issue green bonds and loans and that the Tritax EuroBox Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2021.

Appendices

Appendix 1: Sustainalytics Assessment of Green Building Certification Schemes

	DGNB ³²	BREEAM ³³
Background	DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.
Certification levels	<ul style="list-style-type: none"> • Bronze • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding
Areas of Assessment:	<ul style="list-style-type: none"> • Environment • Economic • Sociocultural and functional aspects • Technology • Processes & Site 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing Innovation
Requirements	<p>Percentage-based performance index.</p> <p>The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment.</p> <p>Depending on the total performance index, a DGNB award will be given to the project, starting from Silver. Bronze is awarded for existing buildings and is conferred as the lowest rank.</p>	<p>Prerequisites depending on the levels of certification and credits with associated points</p> <p>This number of points is then weighted by item and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>
Performance display		
Qualitative Considerations	DGNB certification is based on current European Union standards.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. Minimum standards less strict than LEED.

³² DGNB: <https://www.dgnb.de/en/index.php>

³³ BREEAM: <https://www.breeam.com/>

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Tritax EuroBox plc
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Tritax EuroBox Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	April 15, 2021
Publication date of review publication:	

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:

- | | |
|--|--|
| <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, and Energy Efficiency – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that financing projects in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7 and 9.

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 type="checkbox"/> Clean transportation |
| <input 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 GBP | <input type="checkbox"/> Other (<i>please specify</i>): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Tritax EuroBox has designated the Green Finance Committee to act on its behalf in overseeing project evaluation and selection, and ensuring that selected assets or projects comply with the eligibility criteria. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability 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 Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Tritax EuroBox will manage net proceeds on a portfolio basis. The Company's Finance team will ensure there is an excess of Eligible Green Projects over the amount drawn from any Green Finance Transaction. Pending allocation, proceeds will be managed in compliance with the Group's Finance Policy and may be temporarily invested in cash and/or cash equivalents and/or liquid marketable liquidity instruments and/or towards temporary repayment of debt under the Company's revolving credit facilities. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

Tritax EuroBox intends to report on the allocation of proceeds and associated impact metrics in its Annual Green Finance Report until full allocation. Allocation reporting will include amount raised and outstanding for each green finance instrument and amounts allocated to date; the percentage of net proceeds used for financing versus refinancing; the total amount in the Green Portfolio, along with a breakdown by project category; the remaining balance of unallocated proceeds; and project and asset descriptions per each project category. In addition, the Company is committed to reporting on relevant impact metrics. Sustainalytics views the Company's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
- Other (please specify):

Frequency:

- Annual
 Semi-annual
- Other (please specify): 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 the Framework; and a description of the projects for each category.

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (please specify): Building certification (scheme and rating); energy consumption (kWh); on-site renewable electricity generated (kWh); energy consumption (kWh); annual GHG emissions reduced/avoided

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): Annual Green Finance Report published on its website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): An independent external auditor will provide a limited assurance on the relevant information contained in its Annual Report and Sustainability Report.

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 INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green 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 Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental 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 environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally 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 Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green 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 Bond Scoring/Rating: An issuer can have its Green Bond, associated Green 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 performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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

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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. The firm 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. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider

