

Tritax EuroBox plc

Green Finance
Allocation and Impact Report

May 2022

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Introduction

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

The Group has identified a number of powerful structural trends driving occupier demand, with four in particular the Group expects to sustain:

- Rapid growth of e-commerce
- Optimisation and de-risking of supply chains, evidenced by recent macro disruption to long and thin supply chains
- Demand from businesses for high performing sustainable buildings. The Group’s ESG objective is leadership in sustainable logistics, working in collaboration with our tenant partners and communities
- A sustainable building through its design, construction and operation creates positive impacts for our climate, the natural environment and improves the quality of life for occupants

In addition to its existing c.€1.7 billion* portfolio, the Group has an extensive pipeline of new acquisitions and developments that are expected to be best in class sustainable buildings.

Our ESG focus is on five key areas:

1. Investing and acquiring sustainable assets
2. Managing assets to drive sustainable performance
3. Designing and constructing sustainable assets
4. Facilitating and working with tenant partners to achieve sustainable operations
5. Adding value by supporting local communities

* As at 31 March 2022



ESG Strategy

Our ESG strategy is integrated across the asset life cycle into investment, development and asset management activities. The Group targets well-designed, efficient buildings and aims to acquire and develop assets with strong sustainability credentials, including a BREEAM Very Good rating or an EPC rating of B or above. Where this benchmark is not met, opportunities are identified to upgrade the assets to these standards or better.

The Group's ESG strategy, based on the UN Sustainable Development Goals 7, 9, & 13, is focused on creating value across our four material themes:

1 Sustainable Buildings

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

2 Climate & Carbon

- Achieving net zero carbon

3 Nature & Wellbeing

- Enhancing biodiversity and wellbeing across the portfolio

4 Social Value

- Creating value and positive impact for people and communities

Selected ESG awards and ratings –
followed by the group



Tritax EuroBox plc's Green Bond

The Group's responsible approach to investment allows it to take the lead in acquiring and developing sustainable logistics space for occupiers, communities, and the environment, embedding ESG into investment, asset management and development activities.

The Group published its Green Finance Framework in May 2021, 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, and maturing in June 2026. The Group aims at following 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 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 Group's consistent focus so that it is embedded across all of the Group's business activity. This ensures that every decision taken within the Group is environmentally and socially intelligent, as well as making sound financial sense. This is central to achieving the Group ESG objectives.

Key features of the Green Bond

Notional amount: €500 million

Settlement date: 2nd June 2021








Maturity date: 2nd June 2026

Coupon (annual): 0.95%

ISIN: XS2347379377

Use of Proceeds

An amount equivalent to the net proceeds of each Green Finance transaction are 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 Tritax Management LLP (the “Manager”) is responsible for evaluating and selecting the eligible Green Projects, and acts on behalf of the Group, to ensure that selected assets or projects comply with the use of proceeds criteria.

The Committee met four times between May 2021 and May 2022, 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 meets quarterly, and ad hoc as required, and comprises ESG Director, Chief Financial Officer and the Head of Asset Management at the Manager.
- Responsibilities include:
 1. Regular review of the Group’s Green Portfolio, 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 publication to investors;
 3. To ensure assets included on the Green Portfolio retain the most up to date certification during the hold period and in case of a possible sale, substituted with eligible Green Projects within a reasonable time scale;
 4. Monitor evolution of capital markets, in terms of disclosure and reporting, to be in line with market best practice;
 5. Review the framework to reflect any changes with regard to the Group’s sustainability strategy, change in market standards and selection criteria; and
 6. Report to the Group’s Investment Committee, Board of Directors and the CSR Committee as appropriate.

Green Finance Allocation and Impact

Since the Green Bond was issued in June 2021, Tritax EuroBox plc has allocated the proceeds, in line with what was set out in the Green Finance Framework, and allocated these to 9 eligible Green Projects as at 26 May 2022, as set out below.

Total proceeds	€500 million
Total allocated against eligible Green Projects	€482.43 million ^(A)
Balance of unallocated proceeds These unallocated proceeds have been earmarked for the certification in process assets	€17.57 million

Total allocated against refinanced Green Projects	€432.78 million
Total allocated against newly financed Green Projects	€49.65 million
Total allocated	€482.43 million

Unallocated Eligible Green Portfolio

Standing assets eligible for funding (certification in progress) The unallocated proceeds (€17.57m) will be allocated against these assets	€322.85 million
Development pipeline eligible for funding	€352.90 million
Total Green Portfolio eligible for green finance allocation	€675.75 million

Below provides the details of the eligible Green Projects within the Group'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 & 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	DNGB Gold
Wunstorf, Germany	Prime development let to HAVI	2019	16,423	27.50	Green buildings	DNGB Gold
Bremen II, Germany	Prime development let to Hanseatische	2020	25,855	33.48	Green buildings	DNGB Gold
Breda, Netherlands	Prime development let to Abbott and Samsung	2019	46,230	50.30	Green buildings	BREEAM Very Good
Bochum, Germany	Prime development let to multiple tenants	2018	37,047	35.70	Green buildings	BREEAM Excellent
Nivelles, Belgium	Prime development let to multiple tenants	2020	35,847	31.20	Green buildings	BREEAM Very Good
Hammersbach, Germany	Prime development let to ID Logistik	2019	43,139	50.60	Green buildings	BREEAM Excellent
Piacenza, Italy	Prime development let to OVS	2016 & 2020	47,800	49.65	Green buildings	BREEAM Very Good
Total allocated against eligible projects				482.43		

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

Case Study – Nivelles, Belgium

Tritax EuroBox plc worked in partnership with Logistics Capital Partners to design and deliver a highly sustainable 35,000sqm logistics facility located in the town of Nivelles, immediately south of Brussels, Belgium.

By working together in the pre-construction design and development phases, the Group was able to achieve a BREEAM Very Good rating and achieved the following:

- Energy efficient heating via radiant tube heaters, 12°C guaranteed with outside temperature of -8°C (infrared)
- LED lighting with motion sensors, 200 lux in storage area, 250 lux in packing zones
- Insulated exterior walls and roof according to the latest EPB (Belgian) regulations
- 250 mW solar PV
- New municipal bike path


In addition to the ESG credentials of the building itself, the Group was able to incorporate environmental provisions into a Green Lease clause where the two occupiers have committed to:

- Promote and improve the environmental performance of the building
- To cooperate with each other to identify appropriate strategies for improving environmental performance
- Participate in an annual sustainability commitment meeting
- Use and manage the building in as sustainable manner as possible and operate at maximum energy efficiency
- Comply with all environmental regulations
- Share environmental performance data (energy usage) on a regular basis with the landlord with a view to making improvements wherever possible



Third Party Assurance

ISAE 3000 (revised) Independent Limited Assurance Report

Tritax EuroBox plc commissioned PricewaterhouseCoopers LLP to provide independent limited assurance in accordance with ISAE 3000 (revised) over the use of proceeds, marked with the symbol,  as set out on page 6 of this Green Finance Allocation and Impact Report, dated 26 May 2022. The assurance report should be read in conjunction with the Group's Green Finance Framework, available [here](#).

The PwC's independent limited assurance report, dated 26 May 2022, is available online at: <https://www.tritaxeurobox.co.uk/about/governance/>

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