

SEPTEMBER 2020

Green Finance Framework



Cover photo:
Logicor Kyytitie in Finland

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Introduction

Company overview

Logicor is a leading owner and operator of European logistics real estate. Our 13.6 million sqm property portfolio of high-quality logistics and industrial properties is strategically located within key transportation hubs, major logistics markets and distribution networks across 17 countries.

We acquired our first warehouse in 2012, with our property portfolio subsequently growing through a series of targeted acquisitions. The company was acquired by long-term owners in 2017.

As a leading real estate owner and operator, we are focused on maximising the performance of our existing portfolio through optimal leasing strategies. In addition, as well as the refurbishment of existing buildings, we continue to source and execute accretive property development across key European markets.

Our experienced asset management teams are based in each of our local markets ensuring a close connection with our communities and strong direct relationships with our diverse customer base.

Our Environmental, Social and Governance ('ESG') strategy and approach: acting responsibly for a sustainable future

We believe we have an important role to play in building a sustainable future for the benefit of society. Acting responsibly is vital to the long-term success of our business and will benefit our customers and employees as well as the wider communities impacted by our activities.

Having reaffirmed our strong commitment to continued positive change, we have established a strategic approach based on guiding principles setting out the framework for what we want to achieve over the longer-term. Our approach is aligned with the UN Sustainable Development Goals ('SDGs') where we can achieve the most positive impacts over the longer-term.

Our environmental and sustainability approach focuses on increasing the positive impact of our operations over the long term, as well as engaging with our customers and suppliers to enhance the impact of their operations. Our priority environmental themes include reducing our energy and greenhouse gas emissions, including through the deployment of energy efficiency measures, renewable energy generation and procuring green electricity.

Incorporating sustainable measures into logistics warehouses helps reduce their impact on the environment, minimise energy consumption and drive more efficiency and lower operational costs for our customers. To meet international and national carbon emissions targets, it is necessary to improve the performance of the existing built environment. We will therefore incorporate sustainability features into existing building refurbishment activity as well as new building developments.

Green Finance Framework

This Green Finance Framework ('the Framework') represents the next step in aligning the Logicor Group's business and operations with its ESG strategy (the 'Logicor Group') being Eurocor II S.à r.l. (incorporated in Luxembourg with registration number B215.464), Eurocor III S.à r.l. (incorporated in Luxembourg with registration number B215.465) with registered offices at Ground Floor, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, and any direct and indirect subsidiaries of these two entities).

The Logicor Group may from time to time issue green bonds or loans (collectively the 'Green Financing Instruments') in line with this Framework through Logicor Financing S.a r.l. ('the Issuer'). The Issuer of the applicable Green Financing Instrument intends to allocate an amount equal to the net proceeds of any Green Financing Instrument to a portfolio of eligible green projects (the 'Eligible Green Projects') defined, selected, tracked and reported on in accordance with this Framework.

The Logicor Group may establish or utilise other entities for financing in the future, and the relevant fundraisings and instruments may be designated by the Logicor Group to be included in this Framework if meeting the relevant criteria.

The Framework follows the International Capital Markets Association Green Bond Principles ('GBP')¹ 2018 and the Loans Markets Association Green Loan Principles ("GLP") 2020² which provides guidelines in four key areas:

- ▶ Use of proceeds
- ▶ Process for project evaluation and selection
- ▶ Management of proceeds
- ▶ Reporting

Each of Logicor's eligible categories has been aligned with the relevant UN Sustainable Development Goals.

¹ <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² <https://www.lsta.org/content/green-loan-principles>

1. Use of proceeds

ELIGIBILITY CRITERIA		
GBP Eligible Categories	Eligibility Criteria and Example Projects	SDGs
Green Buildings	<p>Investments in, or investments for, the acquisition, construction, development and upgrades of new and existing properties that have received the below certifications:</p> <ul style="list-style-type: none"> ▶ Building Research Establishment Environmental Assessment Method (BREEAM): Outstanding, Excellent or Very Good ▶ Leadership in Energy and Environmental Design (LEED): Platinum or Gold ▶ Haute Qualité Environnementale (HQE): Exceptional or Excellent or Very Good ▶ Deutsche Gesellschaft für Nachhaltiges Bauen - Neubau Stadtquartiere (DGNB-NSQ): Platinum Gold ▶ Other equivalent internationally and/or nationally recognized certifications; 	 <p>9.4: 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</p>
Renewable Energy	<p>New or existing investments in, or expenditures on, the procurement, acquisition, development, construction and/or installation of renewable energy production units. Renewable energy and storage projects can include (but are not limited to):</p> <ul style="list-style-type: none"> ▶ Photovoltaic/solar panel installations, including, but not limited to, those on rooftops of properties owned and/or managed by the Issuer or one of its affiliates ▶ Wind-related energy projects; 	 <p>7.2: Increase substantially the share of renewable energy in the global energy mix</p>

1. Use of proceeds continued

ELIGIBILITY CRITERIA		
GBP Eligible Categories	Eligibility Criteria and Example Projects	SDGs
Energy Efficiency	<p>Investments related to activities that contribute to any reduction of energy consumption including, but not limited to, building upgrades, equipment, systems, operational improvements, and maintenance, such as:</p> <ul style="list-style-type: none"> ▶ Energy efficient lighting (e.g. LED lighting) ▶ Improvements to heating, ventilation and air conditioning using systems which are not powered by fossil fuels and/or which are certified as high efficiency systems ▶ Improvements to thermal performance of the building fabric (e.g. windows, wall and roof insulation, high performance warehouse doors) ▶ Controls for energy using equipment and automatic metering ▶ Energy storage systems; 	 <p>7.3: Double the global rate of improvement in energy efficiency</p>
Clean Transportation	<p>Investments related to energy efficient low carbon transport, such as:</p> <ul style="list-style-type: none"> ▶ Implementation of infrastructure to support clean transportation including, but not limited to, electric vehicle charging stations ▶ Cyclist facilities (e.g. cycle storage, changing facilities, lockers, showers); 	 <p>9: Greater adoption of green or environmentally sound technologies</p>
Sustainable Water and Wastewater Management	<p>Investments related to activities that improve water distribution efficiency and conservation, such as:</p> <ul style="list-style-type: none"> ▶ Implementation of water efficiency equipment including, but not limited to, water efficient sanitary equipment (such as low flush WCs and low consuming urinals and taps), sustainable urban drainage in new developments, or development of rainwater harvesting ▶ Investment must demonstrate improvement beyond baselines defined in the BREEAM water credit or achieving minimum local standards, whichever is the higher of the two. 	 <p>6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>

2. Process for Project Evaluation and Selection

Expenditures relating to Green Buildings shall qualify for financing or refinancing without a limitation on the look-back period provided that they meet the relevant eligibility criteria. Expenditures in other categories will qualify for financing or refinancing with a maximum three-year look-back period from the date of the issuance of the relevant Green Financing Instrument.

The Logicor Group will establish a cross-functional Green Finance Committee (the 'Committee') to act on behalf of the Issuer to oversee the project evaluation and selection process and ensure selected projects align with the eligibility criteria defined in the Use of Proceeds section in this Framework. The Committee will be comprised of members of the senior management and representatives from various functions within the Logicor Group, including Finance and Environmental, Social and Governance and will meet at least half yearly.

The Committee will evaluate and approve projects that are eligible for inclusion in the portfolio of Eligible Green Projects according to the criteria in the Framework.

Any projects that no longer meet the eligible criteria will be replaced with Eligible Green Projects.

3. Management of Proceeds

The Logicor Group, on the behalf of the Issuer, intends to allocate the net proceeds from the issue of Green Financing Instruments to the Eligible Green Projects within, or owned by, the Logicor Group. The Issuer will strive, as long as the applicable Green Financing Instruments are outstanding, to achieve a level of allocation for the Eligible Green Projects which, after adjustments for 'Intervening Circumstances' (including, but not limited to, sales, repayments and possible loss of certifications), matches the balance of net proceeds from the outstanding Green Financing Instruments. In the case of Intervening Circumstances, for so long as the applicable Green Financing Instruments are outstanding, the Issuer will strive to allocate Eligible Green Projects to the extent required to ensure that the net proceeds from outstanding Green Financing Instruments will be allocated to Eligible Green Projects. The Issuer will internally track the allocated proceeds on a Logicor Group basis.

Pending the allocation of the net proceeds of a Green Financing Instrument to Eligible Green Projects, all or a portion of the net proceeds may be temporarily invested or otherwise maintained in cash, cash equivalents and short-term investments.

4. Reporting

The Issuer will report on the Logicor Group website on the allocation of net proceeds to the Eligible Green Projects (the 'Green Financing Report') one year following the issuance of the applicable Green Financing Instrument. This reporting will be updated annually until full allocation of the Green Financing Instrument net proceeds. The Issuer intends to report the allocation of the Use of Proceeds to the Eligible Green Projects at least at the category level and on an aggregated basis for all of the Issuer's Green Financing Instruments for so long as such Green Financing Instruments remain outstanding.

Allocation Reporting

To the extent practicable, the Issuer will provide information such as:

- ▶ The total amount of proceeds allocated
- ▶ The number of eligible projects
- ▶ The share of financing (proceeds allocated to post-issuance Eligible Green Projects) vs refinancing (proceeds allocated to pre-issuance Eligible Green Projects)
- ▶ The balance of unallocated proceeds

Impact Reporting

To the extent possible, the Issuer plans to report on the environmental impact in aggregate for eligible categories, together with the aforementioned proceeds allocation status in future Green Financing Reports. Examples of possible environmental indicators could include:

- ▶ **Green Buildings:**
 - Number and floor space of Green Buildings meeting the Eligibility Criteria (m²)
 - Green certification level
- ▶ **Renewable Energy:**
 - Total installed capacity (MW)
 - Estimated annual CO₂ emissions avoided (tCO₂)
- ▶ **Energy Efficiency:**
 - Expected energy savings per year (MWh)
 - Estimated annual CO₂ emissions avoided (tCO₂)
- ▶ **Clean Transportation:**
 - Number of charging stations
- ▶ **Sustainable Water and Wastewater Management:**
 - Number of litres collected/recycled
 - Total estimated water consumption savings (m³)

Where relevant, information will be provided on the impact assessment and data reporting methodologies applied by the Issuer.

External Review

Second Party Opinion

The Issuer has appointed Sustainalytics to provide an independent Second Party Opinion report ('SPO') on this Framework. The SPO will be made publicly available on the Logikor Group's investor website at:

<https://investors.logikor.eu/downloads-and-reports/esg>

Post-Issuance Verification

In addition, starting one year after issuance of any Green Financing Instrument, an independent external party will verify the internal tracking method and allocation of funds annually until full allocation of the outstanding Green Financing Instruments, confirming that an amount equal to the net proceeds of the Green Financing Instruments has been allocated in compliance with all material respects of the Use of Proceeds criteria set forth in the Framework.

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