

Second-Party Opinion

Logicor Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the Logicor Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7, and 9.



PROJECT EVALUATION / SELECTION Logicor’s internal process in evaluating and selecting projects is managed by the Green Finance Committee, comprised of members of the senior management and representatives from various functions, including Finance and Environmental, Social and Governance. The Committee will meet at least on a bi-annual basis to ensure that selected projects align with the eligibility criteria. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Logicor will manage the proceeds of its green financing at the group level, and will strive to ensure that amounts allocated to green projects matches the amount of financing outstanding. Pending allocation, proceeds will be held in cash, cash equivalents, and short-term instruments. Sustainalytics considers this to be in line with market practice.



REPORTING Logicor intends to report on the allocation of proceeds on an annual basis until full allocation. Allocation reporting will include the total amount of proceeds allocated, the number of eligible projects, the share of financing vs refinancing and the balance of unallocated proceeds. In addition, Logicor is committed to reporting on relevant impact metrics, to the extent possible, which may include estimated energy or water consumption savings or estimated annual CO₂ emissions avoided (tCO₂). Sustainalytics views Logicor’s allocation and impact reporting as aligned with market practice.

Evaluation date	September 29, 2020
Issuer Location	London, United Kingdom

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Introduction

Founded in 2012, the Logicor Group (“Logicor” or the “Company”) is an owner and operator of European logistics real estate. The Company operates across 17 countries in the EU and has a portfolio of 13.6 million square meters of warehouse space.

Logicor has developed the Logicor Green Finance Framework (the “Framework”) under which it intends to issue Green Financing Instruments, such as green bonds and green loans, and use the proceeds to finance and refinance, in whole or in part, existing and future projects that advance the Company’s sustainability performance. The Framework defines eligibility criteria in five areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Clean Transportation
5. Sustainable Water and Wastewater Management

Logicor engaged Sustainalytics to review the Logicor Green Finance Framework, dated September 2020, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible 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;
- The credibility and anticipated positive impacts of the use of proceeds;
- 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 1.5.1, 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 Logicor’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. Logicor representatives have confirmed (1) they understand it is the sole responsibility of Logicor 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 Logicor.

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.

¹ 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/>.

² The Logicor Green Finance Framework is available on Logicor’s website at: <https://investors.logicor.eu/downloads-and-reports/esg/>

³ 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.

In addition, the Second-Party Opinion opines on the intended 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 Logicor has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Logicor Green Finance Framework

Sustainalytics is of the opinion that the Logicor Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Logicor's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management – are aligned with those recognized by the GBP.
 - Within the Green Buildings category, Logicor may finance or refinance investments to acquire, construct, develop and upgrade new and existing buildings that have achieved certain green building certifications.
 - The Framework defines minimum certification levels of BREEAM 'Very Good' or above, LEED 'Gold' or above, Haute Qualité Environnementale ("HQE") 'Very Good' or above, DGNB-NSQ 'Gold' or above, or other equivalent recognized certifications. Sustainalytics recognizes these as certification schemes as credible, and the levels selected to be aligned with market practice.⁴ For Sustainalytics' assessment of these schemes, please refer to Appendix 1.
 - Within the Renewable Energy category, Logicor may finance or refinance investments in the procurement, acquisition, development, construction and/or installation of renewable energy units including from wind and solar energy sources, including the potential use of rooftop PV systems. Sustainalytics considers the deployment of wind and solar energy systems to be aligned with market expectations.
 - In the Energy Efficiency category, the Company may finance or refinance activities that aim to reduce energy consumption.
 - Sustainalytics views expenditures related to the installation of the LED lighting, building thermal envelope improvements, energy storage, and energy monitoring systems to be well-suited for inclusion in a green bond.
 - The Framework notes that heating, ventilation, and air conditioning (HVAC) systems will not be powered by fossil fuels or will be certified as high-efficiency HVAC systems.⁵ Sustainalytics considers this to be aligned with market expectation, and highlights that the criteria for high-efficiency HVAC are reflected in those of the EU Taxonomy of sustainable activities.
 - Within the Clean Transportation category, Logicor may finance or refinance low-carbon transportation infrastructures, such as electric vehicles charging stations and cyclist facilities.⁶ Sustainalytics views investments that promote use of active and electrified transportation to be aligned with market practice.
 - In the Sustainable Water and Wastewater Management, Logicor may finance or refinance activities to improve water distribution efficiency and conservation, such as water-efficient sanitary equipment,⁷ urban drainage or rainwater harvesting. Sustainalytics views positively the

⁴ Sustainalytics notes that for certain classes of developments, BREEAM Excellent may be viewed as best practice, and considers Logicor's use of BREEAM Very Good to be aligned with market expectations for logistics and warehousing real estate.

⁵ For example, under the Ecodesign requirements pursuant to EU Directive 2009/125/EC

⁶ Such as bike storage, changing facilities, lockers, and showers.

⁷ Such as low flush WCs and low consuming urinals and taps.

promotion of water efficient equipment, sustainable stormwater management and water reuse. Moreover, Sustainalytics highlights that Logicor's investments must demonstrate improvement beyond baselines defined in the BREEAM water credit or achieve minimum local standards, depending on which is the higher of the two.

- Logicor may finance or refinance projects under its Green Buildings category without consideration of a look-back period, and has defined a three-year look-back period from the date of issue of the relevant Green Financing Instrument for its expenditures in other categories. Sustainalytics considers this approach to be in line with market expectation, noting in particular the differentiation between physical assets and green expenditures is aligned with the recommendations of the Draft EU Green Bond Standard.
- Project Evaluation and Selection:
 - Logicor's internal process in evaluating and selecting projects is managed by the Green Finance Committee (the "Committee"), comprised of members of the senior management and representatives from various functions, including Finance and Environmental, Social and Governance. The Committee will meet at least on a biannual basis to ensure that selected projects align with the eligibility criteria. Any projects that no longer meet the eligible criteria will be replaced with eligible projects. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Logicor will manage the proceeds of its green financing within its internal systems at the group level and will strive to ensure that the amounts allocated to eligible green projects match the amount of green financing outstanding.
 - Pending allocation, proceeds may be held temporarily in cash, cash equivalents, or other short-term investments. While the Framework does not formally commit to allocating within a defined period of time, the Company has disclosed it intends to allocate as soon as reasonably feasible, and in all cases before the maturity of the relevant financing instrument.
 - Overall, Sustainalytics considers the management process to be aligned with market practice.
- Reporting:
 - Logicor intends to report allocation proceeds on its website on an annual basis until full allocation. Allocation reporting will include the total amount of proceeds allocated, the number of eligible projects, the share of financing vs refinancing and the balance of unallocated proceeds. In addition, Logicor is committed to reporting on relevant impact metrics, to the extent possible, which may include energy and water consumption savings or estimated annual CO₂ emissions avoided (tCO₂). For a complete list of possible impact indicators, please refer to Appendix 2. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

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

Section 2: Sustainability Strategy of Logicor

Contribution of Framework to Logicor's sustainability strategy

Logicor is currently implementing a five-year ESG strategy, covering the period from 2020 to 2025.⁸ In 2020, the Company has begun collecting sustainability data to review its sustainability performance with a view to set a clear roadmap setting quantitative targets during 2021.⁸ Logicor's goal is to ensure the integration of sustainability best practices by 2025 and continuing thereafter to place sustainability at the core of its business strategy.⁸

Pursuant to its guiding principles, Logicor has identified four priority themes within the environmental side of its ESG strategy, namely (i) energy and GHG emissions, (ii) resource efficiency, (iii) materials, and (iv) biodiversity.⁸ In the energy and GHG emissions area, Logicor commits to reducing energy consumption and GHG emissions through energy efficiency measures and renewable energy generation and procurement.⁸ In the second area, resource efficiency, Logicor seeks to apply circular economy principles, such as reusing,

⁸ Logicor, "Acting responsibly for a sustainable future, ESG report", (2020), at: https://logicor.eu/sites/default/files/inline-files/Logicor_Acting%20responsibly%20for%20a%20sustainable%20future%20ESG%20report%20September%202020.pdf

repairing, or remanufacturing materials, and recycling construction waste.⁸ Within the third area, materials, the Company pledges to select sustainable materials and encourage local sourcing.⁸ As it relates to biodiversity, Logicor intends to protect local habitat and biodiversity when developing new properties.⁸ Sustainalytics notes that two of Logicor's priority themes will be further advanced by the activities financed under the Framework, notably through the following:

- In the energy and GHG emissions area, Logicor is collecting and reviewing energy consumption and performance data to develop an energy and carbon reduction strategy.⁸ Sustainalytics notes that the activities financed in the Framework, such as renewable electricity generation, improvements in building design, and installation of energy efficient fixtures should further support the Company's goal.
- Within the resource efficiency area, Logicor plans to set new targets for developers and contractors, including an 80% recycling rate for construction waste and 60% for excavation waste.⁸ Thus, the activities financed in the Green Buildings category should help Logicor meet its recycling targets.

Sustainalytics is of the opinion that the Logicor 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. Sustainalytics notes that Logicor is committed to setting quantitative time-bound targets for its sustainability performance during 2021.

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

While the use of proceeds from the Framework will be directed towards eligible projects that are anticipated to have overall positive environmental impacts, 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, and land use and biodiversity issues associated with large-scale real estate development.

Logicor outsources the development and construction of logistics real estate to contractors on terms and conditions set out in relevant contracts, and expects its contractors to comply with applicable laws and regulations. Thus, Sustainalytics is of the opinion that the regulatory environment in which projects are carried out is the key consideration, and views this context as providing appropriate guarantees related to the management of potential risks, in particular through the following:

- The Directive 89/391/EEC ensures minimum safety and health requirements throughout Europe. Employers "have a duty to ensure the safety and health of workers in every aspect related to the work."⁹ Necessary measures to be taken by employers include "prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means."¹⁰
- The EIA Directive 2014/52/EU¹¹ aims at ensuring that projects, which are likely to have significant impact on the environment, are adequately assessed before approval. The Directive requires that measures must be taken to "avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats."¹¹
- The EIA Directive also integrates land use issues associated with land-intensive projects.¹¹ Large scale projects should limit their impact on land and on soil, "including as regards organic matter, erosion, compaction and sealing."¹¹

Based on the regulatory context and its approach to contracting, Sustainalytics is of the opinion that Logicor 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

Achieving Green Warehousing through Energy Efficiency

Logistics activities, such as the transportation and storage of materials and finished goods, are the largest single sources of emissions in global supply chains,¹² estimated to account for between 5.5.% and 13% of

⁹ Section II, Article 5. EUR-Lex, "Directive 89/391/EEC", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>
¹⁰ Section II, Article 6. EUR-Lex, "Directive 89/391/EEC", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

¹¹ EUR-Lex, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

¹² Piecyk, M. I., et al., "Forecasting the Carbon Footprint of Road Freight Transport in 2020", (2010), International Journal of Production Economics, at: <https://www.sciencedirect.com/science/article/abs/pii/S0925527309003156>

global GHG emissions.¹³ Warehouses play a key role in supply chains and are one of the most important factors of operational efficiency.¹⁴ However, besides transport, warehouses are also one of the most important sources of supply chain emissions.¹⁴

Warehouse-related emissions are driven by the energy usage for lighting, heating and cooling, as well as fixed and mobile material handling equipment. Studies estimate that considerable energy could be saved, especially in the end-use consumption types of HVAC and lighting.¹⁵ For instance, changing the luminaires from standard incandescent lamps to fluorescents or LEDs can significantly reduce lighting energy and associated emissions.¹⁴ In addition, improving building insulation may reduce the required HVAC energy and subsequent emissions.¹⁴ As such, the financing of LED lighting, improvements of HVAC systems and thermal performance of the building fabric included in the Framework could assist Logicor in reducing its warehouses' energy consumption and overall carbon footprint.

Sustainalytics is of the opinion that the projects funded through the Framework are impactful and should help the company improve its sustainability performance including through energy savings.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. Logicor's green financing framework advances the following SDG goals 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
Clean Transportation		
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
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	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

¹³ IPCC, "Fourth Assessment Report: Climate Change 2007. Synthesis Report", (2007), at: <https://www.ipcc.ch/assessment-report/ar4/>

¹⁴ Ries., M., J., et al., (2016), "Environmental impact of warehousing : a scenario analysis for the United States", International Journal of Production Research, at: <http://dx.doi.org/10.1080/00207543.2016.1211342>

¹⁵ Dhooma, J et al., (2012), "An explanatory framework for energy conservation in existing warehouses", (2012), at: <http://dx.doi.org/10.1080/13675567.2012.668877>

Conclusion

Logicor has developed the Logicor Green Finance Framework under which it will issue Green Financing Instruments, such as green bonds and green loans, and use the proceeds to finance and refinance projects that advance the transition to a low-carbon economy, in particular in the areas of Green Buildings, Renewable Energy, Energy Efficiency, Clean Transportation, and Sustainable Water and Wastewater Management. Sustainalytics considers that the projects funded by the green financing proceeds will provide positive environmental impacts.

The Logicor 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 Logicor 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 6, 7, and 9. Additionally, Sustainalytics is of the opinion that Logicor 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 Logicor is well-positioned to issue Green Financing Instruments and that the Logicor Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Green Building Certification Schemes

	HQE	BREEAM	LEED	DGNB
Background	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.	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.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	The German Green Building Certification or 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.
Certification levels	Pass Good Very good Excellent Exceptional	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum	Bronze Silver Gold Platinum
Areas of Assessment: Environmental Project Management	Global management system	Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.	Technically, any project can be applied anywhere in the world through a tailored process of making appropriate local adaptations on a case-by-case basis.
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> Energy Environment (Site, Components, Worksite, Water, Waste, Maintenance) Comfort (Hydrothermal, Acoustic, Visual, Olfactory) Health (Spaces quality, Air Quality, Water Quality) Principles of Equivalence 	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority	Environment Economic Sociocultural and functional aspects Technology Processes Site
Requirements	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing The Prerequisite level is obtained when all the minimum requirements for	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item ¹⁶ and gives a BREEAM level of certification, which is	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification	Percentage based performance index The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. The environmental, economic, socio-cultural and

¹⁶ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

	<p>a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>	<p>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>BREAAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>functional aspects and technical quality each account for 22.5% of the total, process accounts for 10% and the site quality is given a separate grade. Depending on the total performance index, a DGNB award will be given to the project, starting from Silver (at least 50%), then Gold (at least 65%) and finally Platinum (at least 80%). Bronze is awarded for already existing buildings and is conferred as the lowest rank with a total performance index of at least 35%</p>
<p>Performance display</p>				
<p>Accreditation</p>	<p>HQE Construction Certification Referent HQE Operations Certification Advisor</p>	<p>BREEAM International Assessor BREEAM AP BREEAM In Use Assessor</p>	<p>LEED AP BD+C LEED AP O+M</p>	<p>DGNB Auditor DGNB Compliance Testing Team DGNB Certification Committee</p>
<p>Qualitative considerations</p>	<p>HQE certification has the most number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).</p>	<p>Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.</p>	<p>Widely recognised internationally, and strong assurance of overall quality.</p>	<p>DGNB certification is based on current European Union standards and norms and is being recommended by the German Federal Ministry of Transport, Building and Urban Development. DGNB System has partnerships in a number of countries, among which Bulgaria, Denmark, Austria, Thailand and Switzerland.</p>

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

Section 1. Basic Information

Issuer name:	Logicor
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Logicor Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	September 29, 2020
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, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management, – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 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 checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" 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):

Logicor's internal process in evaluating and selecting projects is managed by the Green Finance Committee, comprised of members of the senior management and representatives from various functions, including Finance and Environmental, Social and Governance. The Committee will meet at least on a bi-annual basis to ensure that selected projects align with the eligibility criteria. Sustainalytics considers the project selection process to be 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)*:

Logicor will manage the proceeds of its green financing at the group level, and will strive to ensure that amounts allocated to green projects matches the amount of financing outstanding. Pending allocation, proceeds will be held in cash, cash equivalents, and short-term instruments. Sustainalytics considers this to be 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):

Logicor intends to report on the allocation of proceeds on an annual basis until full allocation. Allocation reporting will include the total amount of proceeds allocated, the number of eligible projects, the share of financing vs refinancing and the balance of unallocated proceeds. In addition, Logicor is committed to reporting on relevant impact metrics, to the extent possible, which may include estimated energy or water consumption savings or estimated annual CO₂ emissions avoided (tCO₂). Sustainalytics views Logicor'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*):

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*): Indicators tailored to project categories, as specified in the Framework

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*):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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.)

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

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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