

Second-Party Opinion

LCP Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the LCP Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings and Renewable Energy – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental impact and advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.



PROJECT EVALUATION / SELECTION LCP's project teams will be responsible for the identification of eligible projects, and the board of directors will be in charge of providing final project approval in accordance with the eligibility criteria. LCP conducts a third-party due diligence in the project planning phase that contains environmental and social factors to identify any potential risks. Sustainalytics considers this risk management process to be in line with market practice, and further considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS LCP's finance team will be responsible for the management and allocation of proceeds. LCP will create a green project portfolio register to track the allocation of proceeds and intends to fully allocate proceeds within three years of issuance. Unallocated proceeds will be temporarily invested or held in cash and cash equivalents. This is in line with market practice.



REPORTING LCP intends to report on the allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include among others the total amount of net proceeds allocated to eligible projects and share of financing vs refinancing. In addition, LCP is committed to reporting, where feasible and available, on relevant impact metrics such as estimated ex-ante annual energy consumption and annual renewable energy production. Sustainalytics views LCP's allocation and impact reporting commitments as aligned with market practice.



Evaluation date	September 20, 2022
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Issuer Location	Leuven, Belgium
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Introduction

Logistics Capital Partners (“LCP”, or the “Company”) is a pan-European logistics real estate developer and asset manager headquartered in Leuven, Belgium. The Company was founded in 2015 and operates across Belgium, the Netherlands, Spain, France, Italy, and the UK with a team of more than 35 employees. As of August 2022, the Company has developed 740,000 m² of logistics buildings, secured a 1.7 million m² development pipeline, and has over 1.1 million m² of assets under management¹ across Europe.

LCP has developed the LCP Green Finance Framework (the “Framework”) under which it intends to issue green bonds, syndicated loans, private placements and treasury notes or other similar debt financial instruments², and use the proceeds to finance and refinance, in whole or in part, existing and future projects that are expected to deliver positive environmental impact. The Framework defines eligibility criteria in two green categories:

1. Green Buildings
2. Renewable Energy

LCP engaged Sustainalytics to review the LCP Green Finance Framework, dated September 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)³ and the Green Loan Principles 2021 (GLP).⁴ The Framework has been published in a separate document.⁵

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ 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 2021, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA;
- 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 1.11, 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 LCP’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. LCP representatives have confirmed that: (1) they understand it is the sole responsibility of LCP to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information, and (3) 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.

¹ Managed mainly on behalf of third-party investors.

² Sustainalytics has reviewed the Framework in the context of issuing direct fixed income financing to invest in project categories highlighted below. The considerations for other transactions noted in the Framework, may be different and LCP has confirmed the disclosure of more details on the same in the offer documents of such issuances.

³ 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/>.

⁴ 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/>

⁵ The LCP Green Finance Framework is available on Logistics Capital Partners’ website: <https://www.logisticscapitalpartners.com/>

⁶ 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.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and LCP.

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 and loan 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. Upon twenty-four (24) months following the evaluation date set stated herein, LCP is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

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

Sustainalytics' Opinion

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

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

- Use of Proceeds:
 - The eligible categories – Green Buildings and Renewable Energy – are aligned with those recognized by the GBP and GLP.
 - Sustainalytics notes that refinancing under the Framework will be limited to capital expenditures, which shall qualify without a specific look-back period. Hence, LCP has not established a look-back period for refinancing activities. Sustainalytics considers this to be in line with market practice.
 - Under the Green Buildings category, LCP may finance or refinance the acquisition, development and construction of new and existing logistics buildings that have achieved or are expected to achieve third-party certifications at the following minimum levels: BREEAM⁷ ("Very Good"), DGNB⁸ ("Gold"), LEED⁹ ("Gold") or other equivalent internationally or nationally recognized certifications.¹⁰
 - Sustainalytics views DGNB ("Gold" or above) and LEED certification ("Gold" or above) to be credible and the levels selected to be indicative of positive impact and aligned with market practice.
 - Sustainalytics recognizes that for certain classes of developments, BREEAM "Excellent" may be viewed as best practice. However, Sustainalytics notes that existing logistics buildings face additional challenges in achieving higher performance levels such as "Excellent" or above, mainly due to lack of data availability of operational buildings. As such, Sustainalytics considers the use of BREEAM "Very Good" to be aligned with market expectations for existing logistics buildings, and still encourages LCP to strive for higher levels where feasible.
 - Sustainalytics notes that it is market expectation to specify all eligible schemes and certifications in the Framework. Sustainalytics encourages LCP to report on any specific schemes and certifications it intends to use.

⁷ BREEAM: <https://bregroup.com/products/breeam/>

⁸ DGNB: <https://www.dgnb.de/en/index.php>

⁹ LEED: <http://www.usgbc.org/LEED>

¹⁰ LCP will finance green buildings in the following countries where it currently operates in: Belgium, Netherlands, UK, France, Spain and Italy.

- Under the Renewable Energy category, LCP may finance or refinance the acquisition, development, construction or installation of wind, solar PV and geothermal heat pumps to power the buildings.
 - Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems. Nevertheless, Sustainalytics recommends LCP to exclude financing of heat pumps with high-GWP refrigerants, and to promote robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation, recycling or destruction of refrigerants at end of life. LCP has communicated to Sustainalytics that a risk assessment of potential leakage and subsequent groundwater contamination may be included in the projects' due diligence process.
 - Sustainalytics views investments within this category to be in line with market practice.
- Project Evaluation and Selection:
 - LCP's project teams which consist of project managers, engineers and analysts and are led by partners from the senior management team will be responsible for the identification of eligible projects, and the Company's board of directors will then provide the final approval to proposed projects in accordance with the Framework's eligibility criteria.
 - Prior to land or site acquisition, LCP conducts third-party due diligence in the project planning phase to identify any potential environmental risks such as, for example, soil and ground water studies, waste disposal and noise pollution. This may be through a dedicated environmental due diligence or included in the technical due diligence and will be described in the project plan for approval which is subsequently approved by the board of directors. If relevant, potential social risks will also be assessed and ad-hoc analysis may be carried out. Sustainalytics considers the risk assessment and mitigation process to be in line with market practice. For additional details, see Section 2.
 - Based on the established process for project selection and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - LCP's finance team will be responsible for the management and allocation of proceeds. The Company will track the allocation of proceeds through a green project portfolio register using a portfolio approach.
 - The Company intends to fully allocate proceeds within three years of issuance. Pending allocation, proceeds will be temporarily invested or held in cash and cash equivalents.
 - Based on the use of a tracking system and disclosure of the use of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - LCP intends to report on the allocation and impact of proceeds on its website on an annual basis until full allocation and thereafter in case of material developments.
 - Allocation reporting will include the total amount of net proceeds allocated to eligible projects, unallocated proceeds, and share of financing vs refinancing. Impact reporting may include, where feasible and available, metrics such as estimated ex-ante annual energy consumption (kWh/m²) and annual energy production generated by renewable energy (MWh).
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics has determined that the LCP Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of LCP

Contribution of framework to Logistics Capital Partners' sustainability strategy

Sustainalytics is of the opinion that LCP demonstrates a commitment to sustainability with a focus on providing sustainable logistics warehousing across Europe. Since its creation in 2015, all of the Company's

project developments, comprising over 739,366 m² of logistics warehouse space have obtained green building certifications such as LEED Platinum as well as BREEAM Very Good and Excellent.¹¹

LCP integrates ESG considerations from the first stage of each new project, such as the proximity to multimodal transportation and the accessibility of the site with bikes and public transport. LCP also increasingly uses brownfield sites and as of September 2022 approximately 45% of the Company's development pipeline consists of brownfield developments. Furthermore, from 2015 to 2021, LCP installed 17.2 MW of photovoltaic solar panels which are used as energy source for its warehouses. As of August 2022, Solar PV capacity was installed on 88% of LCP's completed developments and LCP will further increase the installed solar PV capacity on project developments in the coming years.¹² LCP strives to achieve a minimum BREEAM Very Good or equivalent certification for projects developed on its balance sheet.¹³

Sustainalytics believes that the Framework is aligned with LCP's overall sustainability efforts as a provider of sustainable logistics warehousing, including renewable energy generation installed on site.¹⁴ Nevertheless, Sustainalytics encourages LCP to establish quantitative, time-bound targets and publicly disclose on its progress toward them.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the financial instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact. However, 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 worker's health and safety, land use and biodiversity issues associated with large-scale infrastructure development as well as emissions, effluents, and waste generated in construction.

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

- During the planning phase before acquiring a site, LCP conducts third-party due diligence that contains environmental factors to identify any potential risks such as, for example, potential pollution and contamination of the land. This allows LCP to estimate reclamation and remediation actions needed post-development. The due diligence outcome is provided to the board through project plans for approval.¹⁵ In addition to that, if relevant, potential social risks will also be assessed and ad-hoc analysis may be carried out. LCP has in place a collaborative approach with local municipalities for most of its projects through which any potential issues will be discussed.
- The EU Directive 89/391/EEC on Health and Safety provides a robust framework for worker health and safety protection in the EU member states.¹⁶ This Directive has been implemented in all EU countries where the Company operates namely Belgium, the Netherlands, France, Spain and Italy.¹⁷ In the UK, the Construction (Design and Management) Regulations 2015 apply to all construction and all project phases, to ensure that undertakings are executed in a way that protects health and safety.¹⁸ LCP has appointed health and safety officers for each of its projects, in line with EU regulations in force and confirmed that the same approach will be used for assets located in the UK.
- Projects financed by LCP must comply with the Environmental Impact Assessment Directive 2011/92/EU, which is intended to ensure that land-intensive projects are adequately assessed before approval in order to take appropriate measures to prevent, reduce and offset significant adverse effects on the environment, particularly on soil, species and habitats.¹⁹ The Company must also adhere to the corresponding legislation in the UK, namely the Town and Country Planning (Environmental Impact Assessment) Regulations 2017.²⁰

¹¹ LCP provided this information to Sustainalytics confidentially.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ LCP provided this information to Sustainalytics confidentially.

¹⁶ Council of the European Communities, Council Directive 89/391/EEC, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=EN>

¹⁷ EUR-Lex, Document 31989L0391, at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:31989L0391>

¹⁸ Managing health and safety in construction, at: <https://www.hse.gov.uk/pubns/books/l153.htm>

¹⁹ EUR-Lex, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

²⁰ UK Statutory Instruments, 2017 No. 571, "The Town and Country Planning (Environmental Impact Assessment) Regulations 2017", at: <https://www.legislation.gov.uk/ukSI/2017/571/introduction/made>

- LCP complies with the EU regulation on construction and demolition waste 2008/98/EC which requires all waste generated during construction, such as concrete, bricks, wood, glass, metals, and plastic to be managed in an environmentally friendly manner.²¹
- The Company operates in Belgium, the Netherlands, France, Spain, Italy and the UK, which are recognized as Designated Countries under the Equator Principles, demonstrating the presence of strong environmental and social governance systems, legislation and institutional capacity to mitigate environmental and social risks associated with the projects funded under the Framework.²²
- LCP has communicated to Sustainalytics that it requires all subcontractors or construction employees to comply with respective local regulations.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that LCP 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

Importance of financing green buildings in the EU and the UK

The building and construction sector was responsible for 36% of the total energy consumption, 38% of energy-related carbon emissions, and 50% of the resource consumption globally in 2020, according to the World Green Building Council.²³ As such, increasing the development of green buildings and increasing the adoption of renewable energy are key areas of focus for the building and construction sector to help achieve the climate mitigation targets set under the Paris Agreement and the UN Sustainable Development Agenda.

In the EU, the building sector is a key contributor of emissions and the largest consumer of energy.²⁴ A large proportion of that energy is generated from fossil fuel sources.²⁵ The EU has committed to increasing the share of renewable energy in its total energy consumption to 32% by 2030 compared to 19.7% in 2019 and under the Climate Target Plan 2030, aims to decrease its GHG emissions by 55% below 1990 levels by 2030.^{26, 27, 28} To achieve these goals by 2030 and to achieve climate neutrality by 2050, the EU requires the emissions from its building stock to be reduced by 60% compared to 2015 levels. The energy consumption for heating and cooling needs to decrease by 18%, rendering an overall decrease in final energy consumption of 14%, both by 2030.²⁹ Therefore, investment in green buildings is expected to play a major role in decarbonizing the sector and achieving the 2030 and 2050 goals.

In the UK, the buildings sector accounted for 17% of the total GHG emissions in 2020.³⁰ Despite reducing overall GHG emissions by 29% between 2010 and 2019,³¹ the UK needs to accelerate the decarbonization of its building sector to meet its net zero GHG emissions 2050 target.³² In 2018, the UK government launched the Clean Growth Strategy,³³ which includes a goal to have 100% of UK properties achieve an EPC C or above by 2030. As of June 2019, 95% of new domestic properties and 38% of existing properties in England and Wales had an EPC C or above.³⁴

²¹ European Commission, "Construction and demolition waste", at: https://environment.ec.europa.eu/topics/waste-and-recycling/construction-and-demolition-waste_en

²² Equator Principles, "Designated Countries", (2020), at: <https://equator-principles.com/designated-countries/>

²³ World Green Building Council, The Net Zero Carbon Buildings Commitment, at: <https://www.worldgbc.org/thecommitment>

²⁴ Ibid.

²⁵ Ibid.

²⁶ European Commission, "Share of renewable energy in the EU up to 19.7% in 2019", (2020) at: https://ec.europa.eu/info/news/share-renewable-energy-eu-2020-dec-18_en

²⁷ UNFCCC, "Summary of GHG Emissions for European Union (Convention)", at: https://di.unfccc.int/ghg_profiles/annexOne/EUA/EUA_ghg_profile.pdf

²⁸ Ibid.

²⁹ European Commission, "A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives", at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

³⁰ UK Department for Business, Energy & Industrial Strategy, "2019 UK greenhouse gas emissions, provisional figures", at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875485/2019_UK_greenhouse_gas_emissions_provisional_figures_statistical_release.pdf

³¹ Carbon Brief, "Analysis: UK's CO₂ emissions have fallen 29% over the past decade", (2020), at: <https://www.carbonbrief.org/analysis-uks-co2-emissions-have-fallen-29-per-cent-over-the-past-decade>

³² UK Climate Change Committee, "UK Housing: fit for the future?", at: <https://www.theccc.org.uk/publication/uk-housing-fit-for-the-future/>

³³ UK Department for Business, Energy and Industrial Strategy, "Clean Growth Strategy: executive summary", at: <https://www.gov.uk/government/publications/clean-growth-strategy/clean-growth-strategy-executive-summary>

³⁴ UK Ministry of Housing, Communities and Local Government, "Energy Performance of Buildings Certificates Statistical Release - Q2 2019", at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821898/EPB_Cert_Statistics_Release_Q2_2019.pdf

Given this context, Sustainalytics is of the opinion that LCP's financing of green buildings is expected to contribute to emissions reduction in Europe's building sector, and will further support the EU and the UK in meeting its 2030 targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The debt instruments issued under the LCP Green Finance Framework are expected to advance 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.

Conclusion

LCP has developed the LCP Green Finance Framework under which it may issue green bonds, syndicated loans, private placements and treasury notes or other similar debt financial instruments³⁵, and use the proceeds to finance in whole or in part, existing or future projects related to green buildings and renewable energy. Sustainalytics considers that the use of proceeds are expected to provide positive environmental impact.

The LCP Green Finance Framework outlines a process for tracking, allocating and managing proceeds and makes commitments for LCP to report on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the LCP Green Finance Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds are expected to contribute to the advancement of the UN Sustainable Development Goals 7 and 9. Additionally, Sustainalytics is of the opinion that LCP has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that LCP is well positioned to issue green bonds, syndicated loans, private placements and treasury notes or other similar debt financial instruments³⁶, and that the LCP Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.

³⁵ Sustainalytics has reviewed the Framework in the context of issuing direct fixed income financing to invest in project categories highlighted above. The considerations for other transactions noted in the Framework, may be different and LCP has confirmed the disclosure of more details on the same in the offer documents of such issuances.

³⁶ Sustainalytics has reviewed the Framework in the context of issuing direct fixed income financing to invest in project categories highlighted above. The considerations for other transactions noted in the Framework, may be different and LCP has confirmed the disclosure of more details on the same in the offer documents of such issuances.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Logistics Capital Partners

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: LCP Green Finance Framework

Review provider's name: Sustainalytics

Completion date of this form: September 20, 2022

Publication date of review publication:
Original publication date *[please fill this out for updates]*:

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 and Renewable Energy – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental impact and advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input 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)*:

LCP's project teams will be responsible for the identification of eligible projects, and the board of directors will be in charge of providing final project approval in accordance with the eligibility criteria. LCP conducts a third-party due diligence in the project planning phase that contains environmental and social factors to identify any potential risks. Sustainalytics considers this risk management process to be in line with market practice, and further 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)*:

LCP's finance team will be responsible for the management and allocation of proceeds. LCP will create a green project portfolio register to track the allocation of proceeds and intends to fully allocate proceeds within three years of issuance. Unallocated proceeds will be temporarily invested or held in cash and cash equivalents. 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)*:

LCP intends to report on the allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include among others the total amount of net proceeds allocated to eligible projects and share of financing vs refinancing. In addition, LCP is committed to reporting, where feasible and available, on relevant impact metrics such as estimated ex-ante annual energy consumption and annual renewable energy production. Sustainalytics views LCP's allocation and impact reporting commitments 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*): share of financing vs refinancing

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*): estimated ex-ante annual energy consumption and annual renewable energy production

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.)

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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