



LOGISTICS
CAPITAL
PARTNERS

GREEN FINANCE FRAMEWORK



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1. INTRODUCTION

1.1 About Logistics Capital Partners

Logistics Capital Partners (LCP) is a pan-European logistics real estate developer and asset manager. Founded in 2015, the company is a fully integrated logistics real estate specialist creating value throughout a project's lifecycle. Since its inception, LCP has established a proven development track record and delivered award- and market leading projects, continuously in combination with a strong focus on Environmental, Social and (Corporate) Governance.

As a developer, the company identifies and secures attractive land/sites for the development of logistics assets. Afterwards, it will guide a project throughout its design, permitting, commercialisation and construction phase all the way until completion. At completion, the projects are generally sold to third party investors.

After completion of the projects, the company usually takes on the role of asset manager with the aim to optimise the asset's value for the investor. More specifically, as an asset manager, the Group will assist the owner with the business planning, reporting, budgeting, technical follow-up and with managing the relations with the (prospective) tenant(s) of the real estate asset.

The company is represented by local and dedicated teams in each of its core markets, resulting in a strong relationship with the various stakeholders such as the municipalities, architects, advisors, brokers, contractors and tenants (such as Amazon, Primark and LIDL). Moreover, the company also actively pursues developments, for example by following its key customers throughout the countries in which it is active. In this respect, the company has for example been able to develop projects for Amazon in Italy and Spain.

Since its inception, the company has successfully developed over c. 750,000 sqm Gross Leasable Area¹ (GLA) of logistics real estate assets in Belgium, Italy and the Netherlands, corresponding to a Gross Asset Value (GLA) of approximately € 800,000,000. Further, the company secured a development pipeline in excess of 1,700,000 sqm and has over 1,100,000 sqm of Assets-Under-Management across Europe.

The company is currently active in 6 countries (Belgium, Netherlands, Spain, France, Italy and the UK) and comprises of more than 35 professionals.

The group is majority owned by the senior management team of the group, including co-founders Kristof Verstraeten and James Markby.

In 2022, LCP was rewarded a MIPIM award best logistics development and ranked 34th in the FT1000 ranking 2022, where the Financial Times ranks the 1000 fastest growing companies in Europe.

For more information, please visit: <https://www.logisticscapitalpartners.com/>

¹ Gross Leasable Area (GLA): the area designed for the use of the occupier

1.2 LCP and Sustainability

As a developer of prime logistics assets, it is LCP's objective to provide (warehousing) solutions to companies, providing them with a tailor-made solution which will enable them to roll out and realise their future goals and ambitions. Today, achieving long term growth and ambition goes hand in hand with facing the many sustainability-related challenges of today's world.

Since its foundation in 2015, LCP is committed to positively contribute to and address these environmental, social and governance challenges by playing its part in developing a sustainable society and community. The team consists of highly qualitative and experienced professionals that have the right mindset and a strong track record in the development of sustainable buildings.

LCP aims to contribute to an environmental-friendly society by developing and delivering high-quality and sustainable logistics real estate assets. As from day one, sustainability and the environment played a central role in LCP's activities. This is reflected by its perfect track record of delivering sustainable buildings: 100% of its completed developments have obtained a BREEAM certification of at least Very Good. These certifications are key references to assess an asset's environmental performance. LCP strives to deliver environmental-friendly buildings by, where possible, obtaining a BREEAM certification of at least Very Good².

When possible, LCP goes the extra mile and pushes towards exceptional results, also from an environmental perspective. The following two projects are an illustration of LCP's sustainability strategy and ambitions:

- Trecate Project – Italy: the Trecate project concerns a multi-level XXL development for Kering, the luxury multinational corporation owning various brands such as Balenciaga, Gucci and Yves Saint Laurent, and was completed in 2020. The project achieved a LEED Platinum environmental rating, considered the highest in Europe. It incorporated one of the largest solar panel roof installations, utilising all roof space for a total capacity of 12.5 MWp. In addition, it contained geothermal heating wells and rainwater harvesting systems. It is deemed to be a project that produces more clean energy than it consumes. Largely due to its excellent sustainability aspect, the project was awarded a MIPIM award (considered one of the most prestigious real estate awards in Europe) for best logistics development in 2022.
- Civitate Project- Italy: The Civitate project concerns a large development for Amazon and was completed in 2021. In addition to obtaining a BREEAM certification of Excellent, the project proved to be a record breaking project, as it was the first carbon neutral accredited building to be sold on the market.

For LCP, sustainability goes further than purely environmental issues. As a developer, the organisation recognises that human capital is also a crucial factor in creating value and delivering results. Within the organisation, emphasis is being placed on the physical and mental health of its employees. Creating a space and culture where employees feel valued and comfortable enables the company to attract talent, allows them to learn and grow and provide support during their personal and professional development. Furthermore, health and safety

² Or LEED or DGNB equivalents

policies are implemented in full alignment with national and local regulation. To date, no LCP personnel-related safety and/or work-related accidents are to be reported.

LCP will continue to treat ESG as a cornerstone in its strategy. As the company grows, it will continue to further analyse sustainability in all the different layers of the organisation, formalise objectives and define measurable objectives and KPIs.

2. GREEN FINANCE FRAMEWORK

2.1 Introduction & background of the LCP Green Finance Framework

LCP has established its Green Finance Framework with the aim to attract specific funding to develop real estate assets that contribute to a sustainable environment and society.

With this Green Finance Framework, LCP has the possibility to issue a variety of 'Green Financing Instruments' such as f.i. bonds, (syndicated) loans, (treasury) notes and private placements. Further details will be described in the relevant product documentation.

This framework is consistent with the Green Bond Principles (GBP) 2021³, as set out by International Capital Market Association (ICMA), and the Green Loan Principles (GLP) 2021⁴, as set out by the UK and Asia Pacific Loan Markets Association (LMA/APLMA). These principles present a set of voluntary guidelines that recommend transparency and disclosure in order to promote the development and integrity of the sustainable finance market.

In line with the GBP, the GLP and best market practice, the LCP Green Finance Framework is presented through the following key pillars:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

As both the GBP, GLP and green finance market as a whole evolves rapidly, this Green Finance Framework may be further updated or expanded, as deemed necessary.

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁴ <https://www.lma.eu.com/documents-guidelines/documents/category/green--sustainable-finance#>

2.2 Use of Proceeds

LCP intends to allocate an amount equivalent to the net proceeds of its Green Finance Instruments issued under this framework to (re)finance in whole or in part, sustainable and energy efficient real estate projects (“Eligible Green Projects”).

Eligible Green Projects consider both the development and construction of new real estate assets and the acquisition of existing real estate assets that have and/or will undergo major renovations/refurbishments.

Each of the Eligible Green Projects fall under at least one of the categories in the table below and are mapped to the UN Sustainable Development Goals (“UN SDGs”) and the EU environmental objectives.

GBP Eligible Categories	Eligibility Criteria and Example Projects	UN SDGs	EU environmental objectives
Green Buildings	Acquisition, development and construction of new and/or existing real estate assets that have achieved, or are designed and intended to receive: <ul style="list-style-type: none"> • BREEAM certification of at least Very Good • DGNB certification of at least Gold • LEED certification of at least Gold • Other equivalent internationally and/or nationally recognized certifications. 	9. Industry innovation and infrastructure 11. Sustainable cities and communities 13. Climate action	Climate Change Mitigation
Renewable Energy	Investments in or expenditures on the acquisition, development, construction and/or installation of renewable energy production units or services. Renewable energy includes solar, wind and geothermal energy.	7. Affordable and clean energy 13. Climate action	Climate Change Mitigation

Eligible Green Projects may include physical assets such as green buildings and renewable energy capacity, as well as capital expenditures related to those assets.

Eligible Green Projects will be recognised at their market value and shall qualify for refinancing under the Green Finance Framework without a specific look-back period provided that at the time of issuance of the Green Finance Instruments they comply with the relevant eligibility criteria.

2.3 Process of project evaluation and selection

First and foremost, all potential Eligible Green Projects will comply with the applicable environmental and social laws and regulations.

During the project evaluation and before the actual investment in the project, an in-depth analysis will be made of the prospective project's features against the set of Eligibility Criteria as defined in the Use of Proceeds section of the Green Finance Framework. This analysis will be an integral part of the prospective 'project plan', which is submitted to the Board of Directors of the Company deciding on the investment. If the prospective project complies with the Eligibility Criteria as defined in the Use of Proceeds section of the framework, it will be included in the Eligible Green Project Portfolio (i.e. the portfolio containing all Eligible Green Projects, cfr section 2.4).

Secondly, at least on annual basis, a dedicated follow-up reporting on all Eligible Green Projects will be submitted to the Company's Board of Directors. The follow-up report will provide a review of the progress on a project's sustainability strategy as well as an analysis of the continued compliance of the project with the Eligibility Criteria.

2.4 Management of Proceeds

LCP's finance team will manage the allocation of net proceeds from the Green Finance Instruments to Eligible Green Projects on a portfolio basis, i.e. the Eligible Green Project Portfolio.

An amount equal to the net proceeds from the Green Financing Instruments will be used both for the development and construction of new real estate assets and the acquisition of existing real estate assets that have and/or will undergo major renovations/refurbishments, as long as these projects comply with the Eligibility Criteria (cfr section 2.1) and thus can be considered as Eligible Green Projects.

The LCP finance team will create and maintain an Eligible Green Project Portfolio register, including a breakdown of all Eligible Green Projects. The list will be monitored by the Company's Board of Directors to ensure proceeds are correctly allocated to projects in accordance with the LCP Green Finance Framework. LCP aims to ensure that the total value of issued Green Finance Instruments does not exceed the total value of all Eligible Green Projects.

Eligible Green Projects that were divested, discontinued, sold or no longer meet the definition of Eligible Green Projects will be removed from the list and replaced by other Eligible Green Projects as soon as practicable.

It is the intention to fully allocate the net proceeds raised by Green Financing Instruments to relevant Eligible Green Projects as soon as reasonably practicable. Net proceeds pending allocation may be temporarily invested or otherwise maintained in cash and cash equivalents.

LCP commits to reach full allocation within three years following the issuance date of each Green Finance Instrument.

2.5 Reporting

Allocation Reporting

On annual basis, until full allocation, and if necessary thereafter in case of material developments, LCP will report on the allocation of the net proceeds of issued Green Financing Instruments.

The allocation report will contain following details:

- Overview of the Green Finance Instruments issued and the total amount outstanding (in EUR);
- Allocation of net proceeds to Eligible Green Projects;
- Geographic distribution of Eligible Green Projects (country level);
- Balance of unallocated proceeds (if any);
- Share of financing (proceeds allocated to post-issuance Eligible Green Projects) vs refinancing (proceeds allocated to pre-issuance Eligible Green Projects)

Impact Reporting

On annual basis, to the extent possible, LCP intends to report on the environmental impact of the Eligible Green Projects. These may be supplemented by case-study reports on outcomes and impacts of projects funded.

Where feasible and available, the impact report will include the following metrics regarding the environmental impact of the Eligible Green Projects:

- **Green Buildings:** Envisaged type of certification and rating, (estimated) ex-ante annual energy consumption in kWh/m²
- **Renewable Energy:** total installed capacity in MW per type, annual energy production generated by renewable energy (MWh)

LCP intends to align its impact reporting with the Handbook for 'Harmonized Framework for Impact Reporting', June 2021 version⁵.

Both reports will be made publicly available on the LCP website: www.logisticscapitalpartners.com

⁵ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

2.6 External Review

Second Party Opinion (pre-issuance)

Prior to issuance of this Green Finance Framework, LCP has appointed Sustainalytics to provide an independent Second Party Opinion of this Green Finance Framework. The SPO provides external certification that the Green Finance Framework is aligned with the GBP and GLP.

Sustainalytics has reviewed the LCP Green Finance Framework and issued an opinion which concluded that the Framework is credible and impactful and aligns with the four core components and of the Green Bond Principles 2021 and Green Loan Principles 2021.

The Second Party Opinion is available for consultation on the LCP website: www.logisticscapitalpartners.com

Verification (post-issuance)

Starting one year after issuance until full allocation of the net proceeds, an external party will be appointed to verify the internal tracking method and allocation of the proceeds, confirming that an amount equal to the net proceeds of the Green Financing Instrument(s) has been allocated in compliance with the Eligibility Criteria set forth in this Green Finance Framework. Such limited assurance report will also be posted on LCP's website.

3. DISCLAIMER

The information provided in this Green Finance Framework is prepared by LCP Holdco Belgium BV (hereafter LCP) and provided as at the date of this Framework and is subject to changes without notice. None of LCP or any of its affiliates (jointly referred to as "the Company") assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

This Green Finance Framework represents LCP's current objectives and policies and is subject to change.

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This Green Finance Framework may contain statements about future events and expectations that are forward-looking statements. Consequently, forward-looking statements involve both general and specific assumptions and uncertainties as risks exist that these forward-looking statements will not be achieved. Forward-looking statements speak only as at the date of this document. As a result of a number of risks or uncertainties, of which many are out of control of the Company, recipients of this Green Finance Framework are cautioned not to put undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied.