

Second-Party Opinion

P3 Green Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the P3 Green Financing 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 net proceeds – Green Buildings, Renewable Energy and Energy Efficiency – 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 reduce the carbon footprint of P3’s warehousing portfolio, contribute to emissions reduction in the EU and help to advance the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.



PROJECT EVALUATION / SELECTION P3 Logistics Parks Sàrl has established a Green Financing Committee which is responsible for evaluating and selecting eligible projects in line with the eligibility criteria. P3 Logistics Parks Sàrl has a review process in place to identify and address environmental and social risks associated with eligible projects which applies to all allocation decisions. Sustainalytics considers this risk management process to be adequate and aligned with market practice, and further considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS P3 Logistics Parks Sàrl’s Treasury department will be responsible for the management and allocation of net proceeds. P3 Logistics Parks Sàrl will track the net proceeds through an internal register based on a portfolio approach. P3 Logistics Parks Sàrl intends to allocate all net proceeds within two years of issuance. Pending allocation, net proceeds will temporarily be held in cash and cash equivalents, liquid marketable instruments, or be used to repay debt unrelated to carbon-intensive activities. This is in line with market practice.



REPORTING P3 Logistics Parks Sàrl commits to report on the allocation of net proceeds annually on its website. Allocation reporting will include the total amount of net proceeds allocated per category, number of eligible projects, share of financing and refinancing, eligible green assets per type and balance of unallocated proceeds. In addition, P3 Logistics Parks Sàrl is committed to reporting on relevant impact metrics. Sustainalytics views P3 Logistics Parks Sàrl’s allocation and impact reporting as aligned with market practice.

Evaluation date	December 20, 2021
Issuer Location	Luxembourg City, Luxembourg

Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3
Appendices	8

For inquiries, contact the Sustainable Finance Solutions project team:

Shreeya Garg (Amsterdam)
Project Manager
shreeya.garg@sustainalytics.com
(+31) 20 205 0067

Arnab Deb (Mumbai)
Project Support

Taotao Yue (Amsterdam)
Project Support

Melody Meng (Shanghai)
Project Support

Enrico Tessadro (Amsterdam)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

Introduction

P3 Logistics Parks Sàrl (“P3” or the “Company”) is an investor, developer and manager of warehouse properties in Europe. The Company is 100% owned by GIC, the sovereign wealth fund of the Government of Singapore. Established in 2001, P3 now has business operations across 11 European countries. The Company is headquartered in Luxembourg City, Luxembourg and has a portfolio of 281 warehouse properties with a gross asset value of approximately EUR 6 billion.

P3 has developed the P3 Green Financing Framework (the “Framework”) under which the Company and its subsidiaries intend to issue debt instruments such as green bonds, loans and other forms of debt financing¹, and use the net proceeds to finance or refinance, in whole or in part, existing or future projects expected to reduce the carbon footprint of P3’s warehouse portfolio and contribute to emissions reduction in the EU. The Framework defines eligibility criteria in three green areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency

P3 engaged Sustainalytics to review the P3 Green Financing Framework, dated December 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)² and the Green Loan Principles 2021 (GLP).³ The Framework will be published in a separate document.⁴

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ 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 P3’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. P3 representatives have confirmed that: (1) they understand it is the sole responsibility of P3 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 P3 has clarified that other debt-like financing instruments may include commercial papers, private placements and hybrid bonds. P3 has communicated to Sustainalytics that hybrid bonds will include subordinated fixed to reset capital securities and confirmed that the Company will match Eligible Green Projects with the net proceeds from the bonds throughout the life of such bonds.

² The Green Bond Principles are administered by the International Capital Market Association (ICMA) and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green Loan Principles are administered by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁴ The P3 Green Financing Framework is available on P3’s website at: <https://www.p3parks.com/investors>.

⁵ 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 P3.

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. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

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 P3 has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the P3 Green Financing Framework

Sustainalytics is of the opinion that the P3 Green Financing Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Renewable Energy and Energy Efficiency – are aligned with those recognized by the GBP and GLP. Sustainalytics notes that P3's financing of eligible projects is expected to reduce the carbon footprint of the Company's warehouse portfolio and contribute to emissions reduction in the EU.
 - P3 has established a three-year look-back period for the refinancing of both capital and operating expenditures which Sustainalytics considers to be in line with market practice.
 - Under the Green Buildings category, P3 may finance or refinance the acquisition, construction and development of new and existing properties that have achieved or are expected to achieve the following minimum green building certification levels: BREEAM (Very Good), DGNB (Gold) or any other certification of equivalent or higher level. Sustainalytics notes that it is market expectation to specify all eligible certification schemes and encourages P3 to report on any other schemes it intends to include. For Sustainalytics' assessment of these green building certification schemes, please refer to Appendix 1.
 - P3 has confirmed to Sustainalytics that it owns and operates a portfolio of logistics and industrial warehouse properties used for various purposes, such as logistics (which accounts for 76% of the portfolio), assembly and light production. 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 to achieving high certification levels, such as BREEAM Excellent or above, mainly due to the lack of data availability for 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 P3 to strive for higher levels where feasible.
 - Under the Renewable Energy category, P3 may finance or refinance the acquisition, development, construction and installation of on-site solar energy production systems, solar walls and battery storage systems. This is in line with market practice.
 - Under the Energy Efficiency category, P3 may finance or refinance the installation and upgrade of energy-efficient technologies, products and equipment in existing properties that result in an

energy efficiency improvement of at least 20% in the respective area financed or refinanced. Intended project examples include the installation of LED lighting, improvement to thermal performance of building fabric and upgrades of HVAC systems powered by non-fossil fuels. Sustainalytics views positively the Framework's inclusion of a defined energy efficiency threshold on a portfolio basis for the installations of energy-efficient systems, equipment and technologies.

- Project Evaluation and Selection:
 - P3 has established a Green Financing Committee (the "Committee") which is comprised of the Company's senior management and representatives from various departments, including ESG and Finance. The Committee will be responsible for evaluating and selecting eligible projects in line with the Framework's eligibility criteria.
 - The Committee will meet semi-annually to ensure that environmental and social risks possibly associated with eligible projects are identified and addressed. Additionally, P3 also conducts an environmental and social risk impact assessment for all new allocation decisions made under the Framework. Sustainalytics considers the risk assessment and mitigation process to be adequate and aligned with market practice. For additional detail, see Section 2.
 - Based on the cross-functional oversight for project selection and risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - P3's Treasury department will be responsible for the management and allocation of net proceeds and will track the net proceeds through an internal register based on a portfolio approach.
 - P3 intends to allocate all net proceeds within two years of issuance. Pending allocation, net proceeds will be temporarily held in cash, cash equivalents and liquid marketable instruments in accordance with P3's liquidity management policy. P3 may also use unallocated net proceeds to repay debt and has confirmed to Sustainalytics that debt associated with carbon-intensive assets will not be refinanced.
 - Based on the presence of an internal tracking system and the disclosure around temporary use of net proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - P3 intends to report on the allocation of net proceeds on its website annually until full allocation. Allocation reporting will include the total amount of net proceeds allocated at category level, number of eligible projects, share of financing and refinancing, eligible green assets per type and the balance of unallocated net proceeds.
 - In addition, P3 is also committed to reporting on relevant impact indicators where feasible including the number and floor space (m²) of green buildings, green building certification level, annual avoided CO₂ emissions (tCO₂), total installed capacity of renewable energy (MW) and annual energy savings (MWh).
 - Based on the annual allocation and impact reporting commitment, 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 Green Financing Framework aligns with the four core components of the GBP and GLP. For detailed information, please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of P3

Contribution of framework to P3 Logistics Parks' sustainability strategy

Sustainalytics is of the opinion that the P3 Green Financing Framework is aligned with the Company's aim to develop environmentally sustainable warehouses.⁶ The Company is committed to reducing the carbon footprint of its operations with a focus on three key environmental areas: (i) development of green buildings, (ii) increase in use of renewable energy, and (iii) improvement in energy performance. Sustainalytics notes

⁶ P3 Logistic Parks, "About us", at: <https://www.p3parks.com/about-us/our-company>

that P3 has recently developed a formalized sustainability strategy and intends to publicly disclose it for transparency.

With regard to the development of green buildings, 23% of assets in P3's building portfolio are currently certified with BREEAM Very Good or higher or an equivalent level. The Company has set a target of achieving BREEAM Very Good or higher or equivalent for 75% of its warehouse portfolio by 2022.

P3 is also committed to increasing the use of renewable energy in its buildings and upgrading its warehouses with energy efficient technologies. The Company currently has 23 MW of roof solar capacity installed across its building portfolio and aims to increase this capacity to 50 MW by 2026. P3 is currently in the process of developing its carbon baseline measurement programme and intends to report on the percentage of renewable energy used in its portfolio in 2022. P3 is also focusing on improving the energy performance of existing assets through the installation of energy-efficient equipment, such as LED lighting, which is installed in approximately 55% of its warehouses as of December 2021. P3 aims to have at least 90% of the assets in its portfolio fitted with LED lighting by 2030.

Sustainalytics is of the opinion that the P3 Green Financing Framework is aligned with the Company's ESG efforts and will further P3's action on its key environmental priorities. Additionally, Sustainalytics notes that P3 is currently in the process of establishing quantified, time-bound GHG emissions reduction targets and encourages the Company to publicly disclose its targets and report on the progress.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from 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 occupational health and safety, community relations, land use and biodiversity issues associated with large-scale development, and emissions, effluents and waste generated in construction.

Sustainalytics is of the opinion that P3 is able to manage or mitigate potential risks through implementation of the following:

- Regarding worker health and safety, the EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout job sites in the EU and requires employers to "ensure the safety and health of workers in every aspect related to the work". Additionally, P3 has a Construction Policy in place that provides guidance on construction, insurance mobilization, procurement and occupational health and safety (H&S) amongst others. P3 also requires contractors to submit H&S plans at the tender stage and conducts a thorough check on their accident history. Additionally, all employees and personnel undergo H&S training targeting "zero accidents" at construction sites, with visitors and subcontractors receiving mandatory training before gaining access to the sites. P3 has developed a Crisis Manual outlining procedures for the identification and control of crises at development sites.
- P3 conducts an environmental impact assessment as required under local regulations or develops a biodiversity plan for all new projects to assess and address potential negative impacts on flora, fauna and other species. The Company has also included in its investment checklist criteria to minimize the use of agricultural lands and ensure presence of zoning and environmental permits. P3 periodically monitors the measures implemented to address biodiversity risks associated with its properties with oversight from a third-party expert. The Company also assesses the social impact of its activities on local communities, seeking to address it during the approval process.
- P3 has measures in place to address the waste generated from its warehouse properties. The Company has informed Sustainalytics that all the existing assets comply with applicable waste management regulations. Additionally, P3 requires its contractors to prepare waste management plans and submit site-specific waste reports for all new developments. The Company is also in the process of establishing a waste recycling platform and implementing waste management standards for new projects.
- As a signatory to the United Nations Global Compact, P3 conforms to its 10 principles, including on human rights, labour, environment and anti-corruption, and voluntarily discloses its performance on these principles to the UN Global Compact.^{7,8} In line with these principles, the Company commits to

⁷ United Nations Global Compact, "The Ten Principles of the UN Global Compact", at: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁸ United Nations Global Compact, "Company Information – P3 Logistics Parks", at: <https://www.unglobalcompact.org/what-is-gc/participants/119171-P3-Logistic-Parks>

avoiding any violation of human rights, forced or child labour, environmental degradation, and corruption.⁹ In addition, P3 measures the social risk and impact of its developments and designs mitigation plans during the investment approval process.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that P3 has implemented adequate measures and is well positioned to manage or mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All the three use of proceeds categories are aligned with those recognized by the GBP and GLP, and are relevant in the local context.

Importance of financing green buildings, renewable energy, and energy efficiency projects in the EU

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.¹⁰ In this context, carbon emissions from the building sector need to be reduced by 50% by 2030 relative to 1990 levels to limit global warming to 1.5°C or below in line with the Paris Agreement, estimates the International Energy Agency (IEA).¹¹ As such, increasing the development of green buildings, improving energy performance of 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. Buildings were responsible for 40% of the total energy consumption and 36% of the GHG emissions in the EU in 2020.¹² This is because 75% of the EU's buildings are energy inefficient and a large proportion of the energy consumed in such buildings is generated from fossil fuels. More than 80% of the buildings in the EU will still be in use in 2050, according to the European Commission.¹³ The EU has committed to increase the share of renewable energy in its total energy consumption to 32% by 2030 compared to 19.7% in 2019,^{14,15} and the IEA reports that the EU is not yet on track to achieve its target.¹⁶ The EU has also committed to a GHG emissions reduction target of 55% by 2030, compared to 1990 levels.¹⁷ To achieve this target, GHG emissions from the building stock should decrease by 60%, final energy consumption by 14% and energy consumption for heating and cooling by 18%, according to European Commission estimates.¹⁸ Therefore, investments to support and finance green buildings and renewable energy projects across its Member Countries are critical for the EU to meet its climate goals.

The European Commission's Renovation Wave strategy, part of the EU Green Deal, aims to double annual energy renovation rates in 10 years, under the ambition of boosting energy performance and economic growth.¹⁹ In line with these commitments, the Energy Performance of Buildings Directive (EPBD) requires all public buildings developed since 2019 and any new buildings beginning in 2021 to be nearly zero-energy buildings (NZEB), leveraging renewable sources.²⁰

Energy-efficient buildings and warehouses have been gaining momentum in the green movement within the logistics industry. The industrial real estate sector, including logistics, e-commerce, warehouses and distribution centres, continues to have a sizeable environmental footprint, driven by their extensive lighting, heating, and cooling requirements. For logistics businesses, warehouses offer three key decarbonization routes for emissions reduction: (i) reducing energy consumption through smart lighting, efficient insulation;

⁹ P3 Logistics Parks, "Letter of Commitment", at: https://ungc-production.s3.us-west-2.amazonaws.com/commitment_letters/119171/original/Letter_of_Commitment_P3_Logistic_Parks.pdf?1502436788

¹⁰ World Green Building Council, The Net Zero Carbon Buildings Commitment, at: <https://www.worldgbc.org/thecommitment>

¹¹ International Energy Agency, "Tracking Buildings 2020", (2020), at: <https://www.iea.org/reports/tracking-buildings-2020/building-envelopes>

¹² European Climate Pact Green Buildings, at: https://europa.eu/climate-pact/about/priority-topics/green-buildings_en

¹³ European Commission, "Renovation Wave", at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

¹⁴ UNFCCC, "Summary of GHG Emissions for European Union (Convention)", at: https://di.unfccc.int/ghg_profiles/annexOne/EUA/EUA_ghg_profile.pdf

¹⁵ 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

¹⁶ IEA, "European Union 2020. Energy Policy Review", at: https://iea.blob.core.windows.net/assets/ec7cc7e5-f638-431b-ab6e-86f62aa5752b/European_Union_2020_Energy_Policy_Review.pdf

¹⁷ A European Green Deal, at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

¹⁸ European Commission, "A Renovation Wave for Europe – greening our buildings, creating jobs, improving lives", (2020), at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

¹⁹ European Commission, "Renovation Wave", at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

²⁰ European Commission, "Energy performance of buildings directive", at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

(ii) using renewable energy for heating and cooling requirements; and (iii) optimizing floor space utilization. Utility bills for warehouses account for an estimated 10% or more of a company's operating expenses.²¹ More specifically, lighting accounts for up to 80% of the total expenditure on energy use.²¹ It is, therefore, crucial for warehouse developers to implement technologies aimed at improving the energy efficiency of their assets, such as energy-efficient LED lighting.

Based on the above context, Sustainalytics expects P3's financing of energy-efficient warehouses and solar energy generation to be impactful in reducing GHG emissions from the built environment while also contributing to the EU's climate-related targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The instruments issued under the P3 Green Financing 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
	11 Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
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

Conclusion

P3 has developed the P3 Green Financing Framework under which it may issue debt instruments, such as green bonds, loans and other forms of debt financing, and use the net proceeds to finance Green Buildings, Renewable Energy, and Energy Efficiency projects. Sustainalytics considers that the projects funded by the net proceeds are expected to reduce the carbon footprint of P3's warehousing portfolio and contribute to emissions reduction in the EU.

The P3 Green Financing Framework outlines a process for tracking, allocating and managing net proceeds, and makes commitments for P3 to report on the allocation and impact of the use of net proceeds. Furthermore, Sustainalytics believes that the P3 Green Financing 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 7, 9 and 11. Additionally, Sustainalytics is of the opinion that P3 has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the net proceeds.

Based on the above, Sustainalytics is confident that P3 Logistics Parks is well positioned to issue green bonds, loans and other forms of debt financing and that the P3 Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.



²¹ Environmental Finance, "Building green warehouses - a new frontier for Asia", (2019), at: <https://www.environmental-finance.com/content/market-insight/building-green-warehouses-a-new-frontier-for-asia.html>

Appendices

Appendix 1: Overview and Assessment of Green Building Certification Schemes

	BREEAM	DGNB
Background	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.	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	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Bronze • Silver • Gold • Platinum
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation • Management 	<ul style="list-style-type: none"> • Environment • Economic • Sociocultural and functional aspects • Technology • Processes & Site
Requirements	<p>Prerequisites depending on the levels of certification + Credits with associated points</p> <p>This number of points is then weighted by item²² and gives a BREEAM level of certification, which is 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>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>Percentage-based performance index.</p> <p>The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment.</p> <p>Depending on the total performance index, a DGNB award will be given to the project, starting from Silver. Bronze is awarded for existing buildings and is conferred as the lowest rank.</p>

²² 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.

Performance display		
---------------------	--	---

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

Section 1. Basic Information

Issuer name:	P3 Logistics Parks Sàrl
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	P3 Green Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 20, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize 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 and Energy Efficiency – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will reduce the carbon footprint of P3 Logistics Parks Sàrl’s warehousing portfolio, contribute to emissions reduction in the EU and advance the UN Sustainable Development Goals, specifically SDGs 7, 9 and 11.

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 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):

P3 Logistics Parks Sàrl has established a Green Financing Committee (the “Committee”) which is responsible for evaluating and selecting eligible projects in line with the eligibility criteria. P3 Logistics Parks Sàrl has a review process in place to identify and address environmental and social risks associated with eligible projects which is applicable to all allocation decisions. Sustainalytics considers this risk management process to be adequate and aligned 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 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

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

P3 Logistics Parks Sàrl's Treasury department will be responsible for the management and allocation of net proceeds. P3 Logistics Parks Sàrl will track the net proceeds through an internal register based on a portfolio approach. P3 Logistics Parks Sàrl intends to allocate all net proceeds within two years of issuance. Pending allocation, net proceeds will temporarily be held in cash and cash equivalents, liquid marketable instruments, or be used to repay debt which is not related to carbon-intensive activities. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

P3 Logistics Parks Sàrl commits to report on the allocation of net proceeds annually on its website. Allocation reporting will include the total amount of net proceeds allocated at category level, number of eligible projects, share of financing and refinancing, eligible green assets per type and balance of unallocated net proceeds. In

In addition, P3 Logistics Parks Sàrl is committed to reporting on relevant impact metrics. Sustainalytics views P3 Logistics Parks Sàrl's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): number of eligible projects, share of financing and refinancing, eligible green assets per type | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): Number and floor space of green buildings (m ²), green certification level, total installed capacity of renewable energy (MW) |

Frequency

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): P3's website |

- 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:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input checked="" 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.

Disclaimer

Copyright ©2021 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.

