



WDP Green Finance Framework

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Chapter 1. Introduction

1.1 WDP and Sustainability

Considering the challenges ahead to keep global temperatures under control, efficient logistics can be a powerful tool to reduce the burden on the planet. As a leading logistics property partner, WDP has a strong sense of responsibility. The company lays emphasis on the environment and intends to reduce the footprint of its logistics property now and in the future. WDP concentrates priorities where the most significant differences can be made. Its medium-term ambition is to achieve CO₂ neutrality. The company therefore believes that its actions for the future should be based on clearly defined information, such as energy consumption and its impact on CO₂ emissions of the warehouses in its portfolio. This will give WDP a clear view on the amount of CO₂ emissions that require offsetting amongst others through renewable energy. How and what type of energy is consumed, determines both the economic and the environmental impact of the company's activities. Based on these results, WDP can define a solid corporate social responsible strategy. The company strives to continue improving its position as a responsible enterprise and lessor. We shall therefore continue to prioritise actions that balance the advantages for people, the planet and future prosperity. WDP believes that incorporating the principles of sustainable development into its strategy, is the best way to improve financial performance, strengthen its relationship with shareholders, manage risks, maximise business opportunities and create value. Reducing its CO₂ footprint goes hand-in hand with this. WDP also rolled out a solar panel project which produces solar energy via installations on top of its warehouses in Belgium, The Netherlands and Romania. Currently, 60MWp is installed and is currently growing to 85 MWp with medium term ambitions of 100MWp.

Chapter 2. Green Finance Framework

2.1 What is the WDP Green Finance Framework?

The WDP Green Finance Framework provides a clear and transparent set of criteria which enable investments in renewables, energy efficient and other environmental friendly projects related to its logistics property that support the reduction of carbon emissions and the transition to a low carbon environment. The selected assets prove that it is possible to build, redevelop, renovate and transform logistics property in a sustainable and technological advanced way, beneficial to both environment and the health of the people who live or work in them.

With this Green Finance Framework, WDP has the possibility to issue Green Bonds, Green Private Placements and/or Green (Syndicated) Loans. Further details will be described in the relevant product documentation.

The Green Finance Framework is consistent with the Green Bond Principles (GBP)¹, of which secretariat lies with the International Capital Markets Association (ICMA). The GBP are designed with and supported by Banks, Investors and NGO's to support transparency in the Green Bond market.

¹ <http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/green-bond-principles/>

The key principles of the GBP are described in the following paragraphs focussing on use of proceeds, selection and evaluation process, management of proceeds and reporting.

2.2 Use of Proceeds

An amount equivalent to the net proceeds of the bond, private placement or loan will be used exclusively to finance and refinance ‘Eligible Projects’ related to renewables, green buildings and energy efficiency, in whole or in part, defined through the ‘Eligibility Criteria’.

‘Eligible Projects’ mean:

Category	Eligibility Criteria
Renewables	Onsite renewable energy generation: Solar, Wind, Geothermal energy projects
Green Buildings	<ul style="list-style-type: none"> • Premises with gross floor area > 5,000m² that have at least a BREEAM² ‘Very Good’ or LEED³ ‘Gold’ • Premises with gross floor area < 5,000m² have at least a BREEAM ‘Very Good’ or LEED ‘Gold’ <i>indicative</i> label
Energy Efficiency	Investments and expenditures focussing on Energy Efficiency measures in existing (logistics) buildings, warehouses and installations (Isolation, Relighting with LED, Motion detectors, energy monitoring tools etc)
Waste Management	Investments and expenditures of projects which promote better recycling rates
Clean transportation	Investments and expenditures of facilities which promote clean transportation (Electric vehicle charging stations, bike facilities etc.)
Sustainable Water Management	Investments and expenditures to reduce drink water consumption, capturing and recycling rain water, green roofing etc.

² BREEAM® is an environmental assessment method and rating system for buildings launched in 1990. BREEAM sets a standard for best practice in sustainable building design, construction and operation and a measure of a building's environmental performance. It encourages designers, clients and others to think about low carbon and low impact design, minimizing the energy demands created by a building before considering energy efficiency and low carbon technologies (please see www.breeam.org for more information)

³ LEED® or Leadership in Energy & Environmental Design, is a green building certification program that recognizes best-in-class building strategies and practices. To receive LEED certification, building projects satisfy prerequisites and earn points to achieve different levels of certification. Prerequisites and credits differ for each rating system, and teams choose the best fit for their project.

2.3 Process of evaluation and selection

WDP will follow a transparent process for selection and evaluation of eligible assets as defined in the Use of Proceeds section described in 2.2. The underlying Eligible Projects are required to comply with local laws and regulations, including any applicable regulatory environmental and social requirements.

Investments, expenditures and/or projects are proposed by internal departments. A Sustainable Executive Committee (consisting of the Sustainability Management and a representative from the Treasury department) will evaluate the compliance of the project with the Eligibility Criteria and internal policies.

2.4 Management of Proceeds

The net proceeds will be managed by the treasury team of WDP on a portfolio basis. As long as a green bond, loan or private placement is outstanding, an amount equivalent of the proceeds of the green bond, loan or private placement will be allocated to Eligible Projects as described in this framework on at least an annual basis.

If a project no longer meets the eligibility criteria, WDP will remove the project from the green portfolio and has the ambition to replace it with an Eligible Project as soon as reasonably practicable. In case insufficient Eligible Projects are available, these unallocated proceeds will be invested in line with the treasury criteria of WDP.

2.5 External Reporting

2.5.1 Use of Proceeds

- On at least an annual basis until full allocation, WDP will prepare a report to update the investor on the outstanding eligible assets. This report provides information about:
- The total outstanding of green loans, bonds and/or private placements issued using the Green Finance Framework
- The allocated amounts including a breakdown of exposure by type of eligible assets
- The unallocated loan amount, if any

2.5.2 Impact Reporting

On an annual basis, WDP will report on its sustainability initiatives through its annual report which includes avoidance of CO₂ and energy generated for the total portfolio.

2.6 Consultant Review

To increase transparency, WDP has appointed Cicero, a recognized independent second opinion provider to review this framework and the alignment with the Green Bond Principles. WDP will publish the consultant review / second opinion on its website.

Disclaimer

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