



WDP Green Finance Framework

31 March 2020



Table of Contents

1.1 WDP and Sustainability 3

2.1 What is the WDP Green Finance Framework? 3

2.2 Use of Proceeds 4

2.3 Process of evaluation and selection 5

2.4 Management of Proceeds 5

2.5 External Reporting 5

2.5.1 Use of Proceeds 5

2.5.2 Impact Reporting 5

2.6 Consultant Review 6

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, 80MWp capacity is installed 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 portfolio 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. The key

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

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 and energy storage (such as batteries) to improve efficient use of these renewable energy sources
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' or; • Premises with gross floor area < 5,000m² have at least a BREEAM 'Very Good' or LEED 'Gold' <i>indicative</i> label or; • Premises that are EDGE-certified⁴
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

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.

⁴ EDGE ("Excellence in Design for Greater Efficiencies") is an online platform, a green building standard and a certification system for more than 160 countries. The EDGE application helps to determine the most cost-effective options for designing green within a local climate context. EDGE can be used for buildings of all vintages, including new construction, existing buildings and major retrofits.

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.

2.3 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

Warehouses De Pauw Comm. VA, abbreviated WDP, having its registered office at Blakebergen 15, 1861 Wolveterm (Belgium), is a public Regulated Real estate company, incorporated under Belgian law and listed on Euronext.

This document contains forward-looking information, forecasts, beliefs, opinions and estimates prepared by WDP, relating to the currently expected future performance of WDP and the market in which WDP operates (“forward-looking statements”). By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the forward-looking statements will not be achieved. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in, or implied by, such forward-looking statements. Such forward-looking statements are based on various hypotheses and assessments of known and unknown risks, uncertainties and other factors which seemed sound at the time they were made, but which may or may not prove to be accurate. Some events are difficult to predict and can depend on factors on which WDP has no control. Statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

This uncertainty is further increased due to financial, operational and regulatory risks and risks related to the economic outlook, which reduces the predictability of any declaration, forecast or estimate made by WDP. Consequently, the reality of the earnings, financial situation, performance or achievements of WDP may prove substantially different from the guidance regarding the future earnings, financial situation, performance or achievements set out in, or implied by, such forward-looking statements. Given these uncertainties, investors are advised not to place undue reliance on these forward-looking statements. Additionally, the forward-looking statements only apply on the date of this presentation. WDP expressly disclaims any obligation or undertaking, unless if required by applicable law, to release any update or revision in respect of any forward-looking statement, to reflect any changes in its expectations or any change in the events, conditions, assumptions or circumstances on which such forward-looking statements are based. Neither WDP, nor its representatives, officers or advisers, guarantee that the assumptions underlying the forward-looking statements are free from errors, and neither of them makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.