

Second-Party Opinion

GEP Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the GEP 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 2023. 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 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 AND SELECTION GEP has established a Green Finance Committee, which will be responsible for evaluating and selecting eligible assets in line with the Framework’s eligibility criteria. GEP will undertake an ESG risk assessment concerning all allocation decisions made under the Framework. Sustainalytics considers the risk management system and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS GEP’s Green Finance Committee, in collaboration with GEP’s Finance, Investment Management, Sustainability and Treasury departments, will be responsible for the management and allocation of proceeds. GEP intends to allocate all the proceeds to eligible assets at issuances or within 36 months from issuances. Pending allocation, GEP will temporarily invest the proceeds in cash, cash equivalents, other liquid marketable investments, or use the proceeds to repay existing indebtedness that are not associated with carbon-intensive or controversial activities. Sustainalytics considers this to be in line with market practice.



REPORTING GEP commits to report on the allocation of proceeds and the corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include the number of eligible projects, the amount of allocated proceeds, the amount of unallocated proceeds and the share of financing versus refinancing. In addition, GEP commits to reporting on relevant impact metrics. Sustainalytics views GEP’s allocation and impact reporting as aligned with market practice.

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Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3
Appendices	11

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EU Taxonomy

Sustainalytics has assessed GEP’s Green Finance Framework for alignment with the EU Taxonomy, and mapped the criteria defined in the Framework’s two use of proceeds categories to four activities in the EU Taxonomy. Sustainalytics considers that all criteria from the Framework align with the applicable Technical Screening Criteria and the applicable Do No Significant Harm Criteria. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy’s Minimum Safeguards.

Introduction

Goodman European Partnership (“GEP” or the “Issuer”) is a Luxembourg-based logistics real estate investment fund. GEP was launched in 2006 and is externally managed by the Goodman Group (the “Group”), an owner, developer and manager of industrial properties headquartered in Sydney, Australia. As of 31 December 2022, GEP owns a portfolio of 98 logistics properties located in Belgium, France, Germany, Italy, the Netherlands, and Spain with a total of EUR 4 billion in assets under management.¹

GEP has developed the GEP Green Finance Framework dated March 2023 (the “Framework”), under which it intends to issue green bonds, private placements and loans,² and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are expected to contribute towards the decarbonization of GEP’s property portfolio. The Framework defines eligibility criteria in two areas:

1. Green Buildings
2. Renewable Energy

GEP engaged Sustainalytics to review the GEP Green Finance Framework 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 2023 (GLP).^{4,5} The Framework will be published in a separate document.⁶

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the Framework with 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 Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The Use of Proceeds criteria alignment with the EU Taxonomy June 2021 Delegated Act; 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 1.13, 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 GEP’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. GEP representatives have confirmed that (1) they understand it is the sole responsibility of GEP to ensure that the information provided is complete, accurate or 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.

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

¹ Core portfolio (excluding Poland).

² GEP communicated to Sustainalytics that private placements under the Framework would be limited to debt instruments.

³ The Green Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

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 GEP has communicated to Sustainalytics the following points: i) the loan instrument will not include contingent facilities (e.g. bonding lines, guarantees and LCs), ii) if the loan instrument includes revolving credit facilities, the reporting will continue until the loan maturity, and iii) if the loans may include multiple tranches, all tranches will be directed toward the eligible project(s) in the Framework.

⁶ The GEP Green Finance Framework will be available at: <https://www.gep.eu/>

⁷ 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.

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

Sustainalytics' Opinion

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

Sustainalytics is of the opinion that the GEP 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 the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings and Renewable Energy – are aligned with those recognized by the GBP and GLP. Sustainalytics considers that the eligible projects are expected to contribute towards the decarbonization of GEP's property portfolio, more broadly supporting the achievement of the EU's climate and energy targets.
 - Sustainalytics notes that refinancing under the Framework will be limited to capital expenditures and asset values, which shall qualify without a defined look-back period. Sustainalytics considers this to be in line with market practice.
 - Under the Green Buildings category, GEP may finance or refinance the development, acquisition, and refurbishment of logistics buildings in accordance with the following criteria:
 - Development of new logistics buildings that will receive the following minimum green building certification levels: BREEAM Excellent,⁸ BREEAM-in-use Excellent⁹ or DGNB Platinum.¹⁰ Sustainalytics considers this to be aligned with market practice.
 - Acquisition or refinancing of existing logistics buildings owned by GEP or its subsidiaries, which have achieved at least: BREEAM Very Good, BREEAM-in-use Very Good or DGNB Gold. Sustainalytics recognizes that for certain classes of buildings, BREEAM and BREEAM-in-use Excellent may be viewed as best practices. However, Sustainalytics notes that existing logistics buildings face additional challenges in achieving higher certification levels, such as Excellent or above, mainly due to the lack of data availability for operational buildings. As such, Sustainalytics considers the use of BREEAM and BREEAM-in-use Very Good to be aligned with market expectations for existing logistics buildings and encourages GEP to strive for higher levels where feasible.
 - Refurbishment of existing properties that result in at least a 30% improvement in energy efficiency over pre-renovation levels. Sustainalytics considers this to be aligned with market practice.

⁸ BREEAM: <https://bregroup.com/products/breeam/>

⁹ BREEAM-in-use: <https://bregroup.com/products/breeam/breeam-technical-standards/breeam-in-use/>

¹⁰ DGNB: <https://www.dgnb.de/en/index.php>

- Under the Renewable Energy category,¹¹ GEP may finance or refinance the acquisition and construction of solar photovoltaic (PV) system installations for logistics buildings. Sustainalytics considers this to be aligned with market practice.
- Project Evaluation and Selection:
 - GEP communicated to Sustainalytics that it has established a Green Finance Committee (the “Committee”), which will be responsible for evaluating, selecting and approving eligible assets in line with the Framework’s eligibility criteria. The Committee comprises the Investment Manager, Treasury Manager, Sustainability Manager, Investment Analyst and ESG Analyst.
 - GEP assesses the ESG risks associated with the eligible assets to identify and mitigate risks appropriately. This assessment applies to all allocation decisions made under the Framework. For additional details, please see Section 2.
 - Based on the establishment of the Committee and its cross-divisional membership, as well as the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - GEP’s Green Finance Committee, in collaboration with the Finance, Investment Management, Sustainability and Treasury departments, will be responsible for the management and allocation of proceeds. GEP will manage the proceeds through a portfolio approach and will ensure the value of the asset portfolio remains equal to or greater than the amount of net proceeds from the issuances.
 - GEP intends to allocate all the proceeds to eligible assets at issuance or within 36 months of each issuance. Pending allocation, GEP will temporarily invest the proceeds in cash, cash equivalents, other liquid marketable investments, or use the proceeds to repay existing indebtedness that are not associated with carbon-intensive or controversial activities.
 - Based on these characteristics, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - GEP commits to report on the allocation of proceeds and the corresponding impact on its website¹² on an annual basis until full allocation.
 - Allocation reporting will include the number of eligible projects, the amount of allocated proceeds, the amount of unallocated proceeds and the share of financing versus refinancing.
 - In addition, GEP intends to report on relevant impact metrics, including the number of certified buildings and types of classification, the energy intensity of buildings, annual energy savings, the total installed capacity of renewable energy, annual generation of renewable energy, and annual GHG emissions reduced or avoided.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the GEP Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information, please refer to Appendix 4: Green Bond/Green Bond Programme External Review Form.

Alignment with the EU Taxonomy

Sustainalytics has assessed each of the Framework’s eligible green use of proceeds criteria against the relevant criteria in the EU Taxonomy and determined their alignment with each of the Taxonomy’s three sets of requirements. The results of this assessment are as follows:

1. Technical Screening Criteria (TSC)
 - The criteria in the two eligible green categories outlined in the Framework were mapped to four activities of the EU Taxonomy. Those four activities align with the applicable TSC of the EU Taxonomy.
2. Do No Significant Harm (DNSH) Criteria
 - The two eligible categories were assessed aligned with the applicable DNSH criteria for four EU activities.

¹¹The Renewable Energy category may also include solar PV-related energy projects. GEP has communicated to Sustainalytics that it may also invest in other technologies. Sustainalytics’ Second-Party Opinion only applies to the types of technologies cited in the Framework, namely solar photovoltaic power generation. Expenditures related to other forms of renewable energy installations are therefore not covered by this Second-Party Opinion.

¹² GEP’s allocation and impact reporting will be published at: www.gep.eu

- The two assessed categories have a total of 13 individual DNSH criteria (across all environmental objectives) applicable to them and all are aligned with the DNSH criteria.
3. Minimum Safeguards
- Based on an assessment of the policies and management systems applicable to Framework criteria, as well as the regulatory context in which financing will occur, Sustainalytics is of the opinion that the EU Taxonomy’s Minimum Safeguards requirements will be met.
 - For Sustainalytics’ assessment of alignment with the Minimum Safeguard see Section 2 below.

Table 1 provides an overview of the alignment of Goodman European Partnership’s Framework with the TSC and DNSH criteria for the corresponding activities in the EU Taxonomy

Table 1: Summary of Alignment of Framework Criteria with the EU Taxonomy

Framework Criterion	Alignment with Taxonomy Criteria		Alignment per EU Environmental Objective					
	TSC	DNSH	Mitigation	Adaptation	Water	Circular Economy	Pollution	Eco-systems
Acquisition and ownership of buildings	■	■		■	-	-	-	-
Construction of new buildings	■	■		■	■	■	■	■
Renovation of existing buildings	■	■		■	■	■	■	-
Electricity generation from solar photovoltaic technology	■	■		■	-	■	-	■

Legend	
Aligned	■
Partially aligned	□
Not aligned	⊠
No applicable DNSH criteria for this Objective and/or Activity	-
Grey shading indicates the primary EU Environmental Objective	

* The EU Taxonomy has not yet defined TSC for EU Environmental Objectives other than Climate Mitigation and Climate Adaptation. In cases where an activity of the Framework has the intent of advancing a different Objective, Sustainalytics has assessed alignment against the DNSH criteria for all six Objectives.

Section 2: Sustainability Strategy of GEP

Contribution of framework to Goodman European Partnership’s sustainability strategy

Sustainalytics is of the opinion that GEP demonstrates a commitment to sustainability by introducing measures to reduce the environmental footprint of its property portfolio, thereby supporting the Goodman Group’s 2030 Sustainability Strategy and the Goodman Continental Europe Greenspace+ pathway.^{13,14} GEP’s sustainability initiatives focus on the following three environmental areas: i) obtaining green building certifications, ii) increasing the use of renewable energy, and iii) improving energy efficiency.¹⁵

GEP aims to have all properties in its investment portfolio certified by third-party green building certifications such as BREEAM, BREEAM-in-use and DGNB by 2025.¹⁶ As of December 2022, GEP had achieved such

¹³ Goodman, “Sustainability Report”, (2022), at: <https://2022sustainabilityreport.goodman.com/wp-content/uploads/2023/01/Goodman-Group-Sustainability-Report-2022.pdf>

¹⁴ GEP, “GEP Green Finance Framework”, (2023), at: <https://www.gep.eu/>

¹⁵ Ibid.

¹⁶ Ibid.

certifications for 76% of its properties.¹⁷ In addition, GEP surpassed its target to maintain the Global Real Estate Sustainability Benchmark (GRESB)¹⁸ 4-star rating by achieving a GRESB 5-star rating in 2022. In terms of renewable energy, GEP has set a target to install 70 MW of solar PV capacity by 2025. As of December 2022, GEP's installed solar PV capacity reached 31.4 MW.¹⁹ To improve energy efficiency in its properties, GEP aims to replace conventional lights with LEDs in all its warehouses by 2023 and install electric vehicle chargers in all of its properties by 2025. As of December 2022, the installation rate of LEDs and electric vehicle chargers in GEP's properties were 84% and 48% respectively.²⁰ GEP also intends to perform physical climate risk assessments of all its properties by June 2023 to assess their exposure to climate risks.²¹

Sustainalytics is of the opinion that the GEP Green Finance Framework is aligned with the Issuer's overall sustainability strategy and initiatives and will further the Issuer's and the Group's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the 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 outcomes. Some key environmental and social risks commonly associated with the eligible projects could include occupational health and safety (OHS), land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents and waste management.

GEP adheres to strategies and policies developed by the Group. Sustainalytics is of the opinion that GEP is able to manage and mitigate potential risks through the implementation of the following:

- Regarding OHS risks that may arise during the development and refurbishment of green buildings, GEP complies with the Group's Global Safety Framework, which includes safety policy, safety standards, corporate governance framework and critical operational risk control guidelines to ensure a safe and healthy workplace. In addition, the Global Safety Framework requires GEP to monitor and report on occupational injuries and conduct cause investigations to prevent future cases.²²
- To manage land use and biodiversity risks, GEP performs due diligence prior to making any investment decisions to identify risks that may harm native habitats, protected species or archaeological sites. In addition, GEP aims to develop most of its new real estate developments on brownfield sites. For real estate developments in non-brownfield sites, GEP conducts assessments on the environmental impact of its activities and compensates through biodiversity projects, such as planting trees on alternative locations^{23,24} In addition, the Group addresses such risks by ensuring that required environmental permits are acquired according to national and local applicable regulations.²⁵ To achieve this, the Group involves ecologists in every project and collaborates with partners to provide local expertise on land rehabilitation, green corridors, and using native species in landscaping to maintain and enhance the local environment, particularly in industrial urban areas.^{26,27}
- GEP has communicated to Sustainalytics that it manages emissions, effluents and waste associated with its property portfolio through due diligence processes, such as conducting an environment impact assessment. When operating in a region with water scarcity, the Group commits to undertaking water-saving design initiatives such as installing rainwater harvesting tanks, rainwater reuse and landscaping.²⁸ Additionally, the Group is committed to incorporating sustainable design initiatives into the development of buildings, including technologies to reduce energy and water consumption, and new materials to reduce embodied carbon.²⁹ With regard to waste management, the Group works with pre-qualified principal contractors for the construction of projects and requires

¹⁷ Ibid.

¹⁸ The GRESB Star Rating, with a ranking of 1-5 stars, is a visual representation of how a real estate entity performs relative to all GRESB respondents, regardless of property type and region. A 5-star rating means that the entity's GRESB score is placed in the top quintile whereas, a 4-star rating means the entity's performance falls in the top 40% across all other peer groups and countries. For details, please refer to GRESB's official website at: <https://gresb.com/nl-en/>.

¹⁹ GEP, "GEP Green Finance Framework", (2023), at: <https://www.gep.eu/>

²⁰ Ibid.

²¹ Ibid.

²² Goodman, "Goodman global safety framework", at: https://www.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/policies/gmg_o_safety_statement_170713.pdf

²³ GEP shared the Environmental, Social and Governance (ESG) Policy with Sustainalytics confidentially.

²⁴ GEP shared the "Our commitment to the environment – planting trees" with Sustainalytics confidentially.

²⁵ GEP shared the Goodman Group Sustainability Policy with Sustainalytics confidentially.

²⁶ Goodman, "Biodiversity", at: <https://nl.goodman.com/en/sustainability/biodiversity>

²⁷ GEP shared the Goodman Group Sustainability Policy with Sustainalytics confidentially.

²⁸ Ibid.

²⁹ Ibid.

these contractors to manage their waste and recycling in line with best practices throughout the construction process.³⁰

Based on GEP's adherence to the Group's policies, standards and assessments, Sustainalytics is of the opinion that GEP is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Alignment with the EU Taxonomy's Minimum Safeguards

The EU Taxonomy recommends that companies have policies aligned with international and regional guidelines and regulations pertaining to human rights, labour rights, and combating bribery and corruption. Specifically, activities should be carried out in alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Additionally, companies should be in compliance with the International Labour Organisation's declaration on Fundamental Rights and Principles at Work.

Human Rights and Labour Rights

GEP commits and adheres to the following policies and procedures developed by the Group in the areas of human rights and labour rights:

- As part of Goodman Group's investment process, businesses are screened based on compliance with the global guidelines and principles mentioned in the UN Global Compact and the OECD Guidelines for Multinational Enterprises. In addition, the Group performs an annual ESG assessment, including the assessment of human and labour rights related policies and actions, in line with principles of the International Labour Organization conventions, ISO 26000 standard, Global Reporting Initiative and the UN Guiding Principles on Business and Human Rights.³¹
- Goodman Group has developed a risk assessment methodology which identifies and assesses risks related to modern slavery in its operations and its supply chain in accordance with the UN Guiding Principles on Business and Human Rights.³² In addition, the Group's Code of Conduct requires its suppliers, agents and third parties such as contractors and sub-contractors to identify, assess, address or remedy any modern slavery issues in their operations and supply chain.³³
- Goodman Group has also developed a Modern Slavery Statement which outlines a grievance mechanism to respond to issues related to modern slavery in accordance with the grievance process outlined by the UN Principles on Business and Human Rights.³⁴
- Goodman Continental Europe has partnered with EcoVadis, an ESG assessment platform, to perform ESG due diligence process for its 50 most material suppliers. This process covers a range of non-financial domains, such as the presence of environmental management systems, labour and human rights policies, and assessing the impact of supplier's procurements.³⁵

Sustainalytics has evaluated the performance of the Goodman European Partnership in the area of human and labour rights, and has not detected involvement in any relevant controversies which would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard minimum standards on human and labour rights in relation to the activities of the Framework.

Anti-bribery and anti-corruption

GEP adheres to the following policies and procedures of the Group in the areas of anti-bribery and anti-corruption:

³⁰ Ibid.

³¹ GEP has communicated its investment screening process directly to Sustainalytics for assessment on a confidential basis.

³² Goodman, "Joint Modern Slavery Statement", (2022), at: <https://www.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/statements/modern-slavery-statement-2022.pdf>

³³ Goodman, "Goodman CE Statement of Business Ethics", at: https://ce.goodman.com/-/media/files/common-ce-files/media-centre/ce_statement-of-business-ethics-en.pdf

³⁴ Goodman, "Joint Modern Slavery Statement", (2022), at: <https://www.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/statements/modern-slavery-statement-2022.pdf>

³⁵ GEP has communicated its EcoVadis due diligence process directly to Sustainalytics for assessment on a confidential basis.

- The Group's Anti-Bribery and Corruption Policy outlines standards for detecting, reporting and preventing bribery and corruption. Such standards apply to all employees and contractors of the Group and prohibits any potential activity that seeks to bribe, corrupt or improperly influence a public official in any country.³⁶
- The Group has established a Political Donations Policy that prohibits its employees and contractors to make donations from Goodman Group for the benefit of political parties. Such donations may include donation of money, disposition of property or providing service at no charge or at a discounted rate.³⁷
- The Group has established an Ethical Concerns Policy which outlines steps to raise concerns related to ethical and professional conduct and report breaches that threaten GEP's operations, such as financial integrity, fraud, bribery and corruption. All concerns can be raised through several channels which include reporting concerns to regional CEO or regional legal, risk or HR executive. Additionally, this policy covers procedures that ensure confidentiality and protection for those who report improper conduct.³⁸

Sustainalytics has evaluated the performance of the Goodman European Partnership in the area of anti-bribery and anti-corruption rights, and has not detected involvement in any relevant controversies which would suggest that the above policies are not adequate in addressing key risks. Sustainalytics is of the opinion that these measures appropriately safeguard anti-bribery and anti-corruption in relation to the activities of the framework.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Goodman European Partnership policies, guidelines and commitments are sufficient to demonstrate that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Section 3: Impact of Use of Proceeds

The two green projects categories are aligned with those recognized by the GBP and GLP. Sustainalytics focuses below on where the impact is specifically relevant in the local context.

Contribution of green logistics buildings to climate change mitigation in the EU

The buildings sector is a key contributor to GHG emissions and the largest consumer of energy in the EU, accounting for 36% of total energy-related GHG emissions and 40% of total energy consumption in 2022.^{39,40} One of the reasons why buildings account for a significant source of emissions is that 75% of the EU's existing building stock is considered energy inefficient.⁴¹ Moreover, a large proportion of the energy consumed during building construction, operation and renovation, is generated from fossil fuels.⁴² Commercial buildings, including logistics and distribution centres, have a sizeable environmental footprint driven by their extensive lighting, heating and cooling requirements. Lighting alone, for instance, accounts for up to 80% of the total expenditure in energy use of warehouses.⁴³

The EU aims to become climate neutral by 2050 and has set a target to reduce GHG emissions by 55% by 2030 compared to 1990 levels.⁴⁴ To meet these targets, the EU is committed to reducing the carbon footprint of its building stock through renovations and developing energy-efficient structures, as 85-90% of the buildings in the EU are expected to still be standing in 2050.^{45,46} In this sense, the European Commission's

³⁶ Goodman, "Anti-bribery and corruption policy", at: <https://www.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/policies-2022/september-2022/anti-bribery-and-corruption.pdf>

³⁷ Goodman, "Political donations policy", at: <https://www.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/policies-2022/september-2022/political-donations.pdf>

³⁸ Goodman, "Ethical concerns policy", at: <https://www.goodman.com/-/media/files/sites/global/who-we-are/corporate-governance/policies-2022/september-2022/ethical-concerns.pdf>

³⁹ European Climate Foundation, "Building Europe's Net-Zero Future", (2022), at: <https://europeanclimate.org/wp-content/uploads/2022/03/ecf-building-emissions-problem-march2022.pdf>

⁴⁰ European Commission, "Energy efficiency in buildings", (2020), at: https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en

⁴¹ Ibid.

⁴² Ibid.

⁴³ 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>

⁴⁴ European Commission, "A European Green Deal", at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

⁴⁵ IEA, "European Union 2020 Energy Policy Review", at: <https://www.iea.org/reports/european-union-2020>

⁴⁶ European Commission, "A European Green Deal", at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

Renovation Wave aims to renovate 35 million buildings by 2030,⁴⁷ and reduce emissions from the building stock by an estimated 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030, compared to 2015 levels.⁴⁸ Additionally, the Energy Performance of Buildings Directive requires all new buildings to be nearly zero-energy buildings since 2021 and requires all member states to establish a long-term strategy to decarbonize the building stock by 2050, with a roadmap of clear milestones for 2030 and 2040.⁴⁹ In the specific context of warehouses and logistics buildings, energy efficiency opportunities include: i) the implementation of energy-efficient features such as LED lighting, ii) energy-efficient heating solutions, and iii) the installation of on-site solar PVs.⁵⁰

In view of the above, Sustainalytics expects GEP's financing of green logistics buildings to contribute in reducing GHG emissions and energy consumption in the buildings sector, and more broadly support the EU in achieving its climate goals.

Importance of increasing the share of renewable energy in the EU

The energy sector accounts for 75% of the EU's total GHG emissions.⁵¹ In line with the overarching goal to become climate neutral by 2050, the EU has set an intermediate target to increase the share of energy usage from renewable sources to at least 32% by 2030.⁵² To achieve this target, total electricity production from renewable sources should range between 60% and 65% of all EU electricity production.⁵³ In 2021, this share was estimated to be 37% (34% in 2019).⁵⁴

Despite the EU's progress in increasing the share of renewable sources in its energy mix, a substantial expansion of renewable energy production is required for the EU to achieve its short- and long-term targets.⁵⁵ In particular, the EU aims to scale up renewable energy in the power generation, industry, buildings and transportation sectors.⁵⁶ In May 2022, the European Commission launched the REPowerEU plan to accelerate the clean energy transition, focusing on three pillars: i) saving energy, ii) producing clean energy, and iii) diversifying the EU's energy supplies.⁵⁷ As part of the REPowerEU plan, the EU aims to expand installed solar capacity to more than 320 GW by 2025 and almost 600 GW by 2030, and to increase the capacity of wind energy to at least 480 GW by 2030.^{58,59} Further, the European Commission has set a goal to install rooftop solar PVs on all new commercial buildings with useable floor area larger than 250 m² by 2026 and on all existing commercial buildings of the same size by 2027.⁶⁰

In this context, Sustainalytics is of the opinion that GEP's financing of solar PV installations for logistics buildings is expected to contribute to lowering the share of fossil fuel sources in electricity generation, thereby contributing to reduce energy-related GHG emissions in the EU.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the GEP Green Finance Framework are expected to help advance the following SDGs and targets:

⁴⁷ European Commission, "Renovation Wave", at: https://ec.europa.eu/commission/presscorner/detail/en/FS_20_1844

⁴⁸ Ibid.

⁴⁹ European Commission, "Directive (EU) 2018/844 of the European Parliament and of the Council", (2018), at: https://eurlex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AAOJ.L_2018.156.01.0075.01.ENG

⁵⁰ Carbon Trust, "Warehousing and logistics – Energy Efficiency opportunities", at: <https://ctprodstorageaccountp.blob.core.windows.net/prod-drupal-files/documents/resource/public/Warehousing-and-logistics-guide.pdf>

⁵¹ European Commission, "Powering a climate-neutral economy: Commission sets out plans for the energy system of the future and clean hydrogen", (2020), at: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1259

⁵² European Commission, "2030 climate & energy framework", at: https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2030-climate-energy-framework_en

⁵³ French Institute of International Relations, "More renewables in the European Union? Yes, we can", (2018), at: <https://www.ifri.org/en/publications/editoriaux-de-lifri/edito-energie/more-renewables-european-union-yes-we-can>

⁵⁴ Ember, "European Electricity Review 2022", at: <https://ember-climate.org/insights/research/european-electricity-review-2022/>

⁵⁵ Ibid.

⁵⁶ European Commission, "Renewable energy targets", at: https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-targets_en

⁵⁷ Ibid.

⁵⁸ European Commission, "REPowerEU: affordable, secure and sustainable energy for Europe", at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en

⁵⁹ Wind Europe, "North Sea offshore wind to help repower the EU", (2022), at: <https://windeurope.org/newsroom/press-releases/north-sea-offshore-wind-to-help-repower-the-eu/>

⁶⁰ PV Tech, "EU solar plan sets 2030 target at 740GWdc as rooftop PV mandates, permitting plans are unveiled", (2022), at: <https://www.pv-tech.org/eu-solar-plan-sets-2030-target-at-740gwdc-as-rooftop-pv-mandates-permitting-plans-are-unveiled/>

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 & Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Goodman European Partnership has developed the GEP Green Finance Framework under which it intends to issue green finance instruments and use an amount equal to the net proceeds to finance or refinance, in whole or in part, green building and renewable energy projects. Sustainalytics is of the opinion that the projects funded with proceeds from green finance issuances under the Framework are expected to provide positive environmental impact.

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

Sustainalytics has assessed the GEP Green Finance Framework for alignment with the EU Taxonomy, and is of the opinion that the Framework's two use of proceeds categories map to four activities in the EU Taxonomy and align with the applicable Technical Screening Criteria and the applicable Do not Significant Harm Criteria. Sustainalytics is also of the opinion that the activities and projects to be financed under the Framework will be carried out in alignment with the EU Taxonomy's Minimum Safeguards.

Based on the above, Sustainalytics is confident that GEP is well positioned to issue green finance instruments, and that the GEP Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Appendices

Appendix 1: Approach to Assessing Alignment with the EU Taxonomy

Sustainalytics has assessed each of the eligible green use of proceeds criteria in the Framework against the criteria for the relevant NACE⁶¹ activity in the EU Taxonomy. This appendix describes Sustainalytics’ process and presents the outcome of its assessment of alignment with the Taxonomy’s applicable Technical Screening Criteria (TSC) and Do No Significant Harm (DNSH) criteria. Sustainalytics’ assessment involves two steps:

1. Mapping Framework Criteria to Activities in the EU Taxonomy

The initial step in Sustainalytics’ assessment process involves mapping each criterion in the Framework to a relevant and applicable NACE activity in the EU Taxonomy. Note that each Framework criterion may be relevant and applicable to more than one NACE activity and vice versa. Sustainalytics recognizes that some Framework criteria relate to projects that do not map well to a NACE activity. In such cases, Sustainalytics has mapped to the NACE activity that is most relevant with respect to the primary environmental objective and impacts.

In some cases, the Framework criteria cannot be mapped to an activity in the EU Taxonomy, as some activities are not yet covered by the Taxonomy, and some categories which are traditionally included in green bonds and loans may not be associated with a specific economic activity. While recognizing that financing projects in these areas may still have environmental benefits, Sustainalytics has not assessed these criteria for alignment.

The outcome of Sustainalytics’ mapping process for Goodman European Partnership Framework is shown in Table below.

2. Determining Alignment with EU Taxonomy Criteria

The second step in Sustainalytics’ process is to determine the alignment of each criterion with relevant criteria in the EU Taxonomy. Alignment with the TSC and DNSH criteria is usually based on the specific criteria contained in the issuer’s Framework, and may in many cases (especially DNSH criteria) also be based on management systems and processes and/or regulatory compliance. To assess alignment with the EU Taxonomy’s Minimum Safeguards Sustainalytics has conducted an assessment of policies, management systems and processes applicable to the use of proceeds, as well as examining the regulatory context in the geographical location in which the issuer will finance activities and projects. (This assessment is included in Section 2, above.)

In cases where the Framework criteria describe projects which are intended to advance EU environmental objectives other than Climate Mitigation or Climate Adaptation, the Taxonomy does not include relevant TSC. In these cases, Sustainalytics has assessed the activity for alignment with the DNSH criteria across all objectives.

Sustainalytics’ detailed assessment of alignment is provided in Appendix 2.

Table 2: Framework mapping table

Framework Category	Framework Criterion (Eligible Use of Proceeds)	EU / NACE Activity	NACE Code	Primary EU Environmental Objective	Refer to Table
Green Buildings	Acquisition and ownership of existing logistics buildings by GEP or one of its subsidiaries	7.7 Acquisition and ownership of buildings	L68	Mitigation	Table 3
	Development of new logistics buildings	7.1 Construction of new buildings	F41.1, F41.2, F43	Mitigation	Table 4
	Refurbishment of existing logistics buildings	7.2 Renovation of existing buildings	F41, F43	Mitigation	Table 5

⁶¹ The EU Taxonomy is based on economic activities defined in NACE (Nomenclature des Activités Économiques dans la Communauté Européenne). The Taxonomy currently lists 70 economic activities which have been chosen due to their ability to substantially contribute to climate change mitigation or adaptation.

Renewable Energy	Solar energy generation (PV)	4.1 Electricity generation from solar photovoltaic technology	D35.11, F42.22	Mitigation	Table 6
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Appendix 2: Comprehensive EU Taxonomy Alignment Assessment

The tables below provide a detailed assessment of the alignment of Issuer’s Framework criteria with the EU Taxonomy’s TSC and DNSH criteria for the relevant NACE activity.

Table 3

Framework Activity assessed	Green Buildings		
EU Activity	7.7 Acquisition and ownership of buildings		
NACE Code	L68		
EU Technical Screening Criteria		Alignment with Technical Screening Criteria	
Mitigation	<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.</p> <p>3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW), demonstrate that it is efficiently operated through energy performance monitoring and assessment.⁶²</p>	<p>1. GEP intends to finance logistics buildings with EPC label A or that belong to the top 15% of the most energy efficient buildings based on PED.</p> <p>2. GEP confirmed compliance with this criterion in accordance with answers provided under EU Activity 7.1 – Construction of new buildings of this Annex.</p> <p>3. GEP ensures fulfilment of this criterion as a part of its standard asset management procedures and technical building specifications in place.</p>	Aligned
DNSH Criteria		Alignment with DNSH Criteria	
Climate Change Adaptation	Please refer to the assessment set out in Appendix 3, Table 7.		Aligned

Table 4

Framework Activity assessed	Green Buildings
EU Activity	7.1 Construction of new buildings

⁶² This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU.

NACE Code		F41.1, F41.2, F43	
<i>EU Technical Screening Criteria</i>		<i>Alignment with Technical Screening Criteria</i>	
Mitigation	<p>1. The Primary Energy Demand (PED),⁶³ defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.⁶⁴ The energy performance is certified using an as built Energy Performance Certificate (EPC).</p> <p>2. For buildings larger than 5000 m²,⁶⁵ upon completion, the building resulting from the construction undergoes testing for airtightness and thermal integrity,⁶⁶ and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.</p> <p>3. For buildings larger than 5000 m²,⁶⁷ the life-cycle Global Warming Potential (GWP)⁶⁸ of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand.</p>	<p>1. GEP intends to finance logistics buildings with PED at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements. Further, GEP demonstrates the energy performance using EPC.</p> <p>2. GEP's standard technical building specifications will integrate quality control processes regarding thermal integrity testing and ensure compliance with this criterion of TSC.</p> <p>3. For each new development, a life-cycle assessment is performed by an external assessor. Measures are taken to reduce the embodied and operational carbon impact of buildings, for instance by using low-carbon alternatives or gas-less heating. This includes the calculation of life-cycle global warming potential (GWP).</p>	Aligned
<i>DNSH Criteria</i>		<i>Alignment with DNSH Criteria</i>	
Climate Change Adaptation	Please refer to the assessment set out in Appendix 3, Table 7.		Aligned
Sustainable Use and Protection of Water Marine resources	Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E* to this Annex:	<p>GEP's standard technical building specifications will integrate the requirements for sustainable use and protection of water and marine resources regarding water flow and water temperature.</p> <p>GEP has confirmed to perform environmental impact assessments for the Company's assets, in accordance with the EU Directive 2011/92/EU.</p>	Aligned

⁶³ The calculated amount of energy needed to meet the energy demand associated with the typical uses of a building expressed by a numeric indicator of total primary energy use in kWh/m² per year and based on the relevant national calculation methodology and as displayed on the Energy Performance Certificate (EPC).

⁶⁴ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).

⁶⁵ For residential buildings, the testing is made for a representative set of dwelling/apartment types

⁶⁶ The testing is carried out in accordance with EN13187 (Thermal Performance of Buildings - Qualitative Detection of Thermal Irregularities in Building Envelopes - Infrared Method) and EN 13829 (Thermal performance of buildings. Determination of air permeability of buildings. Fan pressurization method) or equivalent standards accepted by the respective building control body where the building is located.

⁶⁷ For residential buildings, the calculation and disclosure are made for a representative set of dwelling/apartment types.

⁶⁸ The GWP is communicated as a numeric indicator for each life cycle stage expressed as kgCO₂e/m² (of useful internal floor area) averaged for one year of a reference study period of 50 years. The data selection, scenario definition and calculations are carried out in accordance with EN 15978 (BS EN 15978:2011. Sustainability of construction works. Assessment of environmental performance of buildings. Calculation method). The scope of building elements and technical equipment is as defined in the Level(s) common EU framework for indicator 1.2. Where a national calculation tool exists, or is required for making disclosures or for obtaining building permits, the respective tool may be used to provide the required disclosure. Other calculation tools may be used if they fulfil the minimum criteria laid down by the Level(s) common EU framework (version of [adoption date]: <https://susproc.jrc.ec.europa.eu/product-bureau/product-groups/412/documents>), see indicator 1.2 user manual.

<p>(a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; (b) showers have a maximum water flow of 8 litres/min; (c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; (d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.</p> <p><i>*Appendix E:</i></p> <ol style="list-style-type: none"> <i>The flow rate is recorded at the standard reference pressure 3 -0/+ 0,2 bar or 0,1 -0/+0,02 for products limited to low pressure.</i> <i>The flow rate at the lower pressure 1,5 -0/+ 0,2 bar is ≥ 60 % of the maximum available flow rate.</i> <i>For mixer showers, the reference temperature is 38 ± 1 °C.</i> <i>Where the flow has to be lower than 6 L/min, it complies with the rule set out in point 2.</i> <i>For taps the procedure described in clause 10.2.3 of EN 200 is followed, with the following exceptions:</i> <ol style="list-style-type: none"> <i>for taps that are not limited to low pressure applications only: apply a 3 -0/+ 0,2 bar pressure to both the hot and the cold inlets, alternatively;</i> <i>for taps that are limited to low pressure applications only: apply a 0,4 -0/+0,02 bar pressure to both the hot and the cold inlets and fully open the flow control.</i> <p>To avoid impact from the construction site, the activity complies with the criteria set out in Appendix B to the Annex of the Climate Delegated Act:</p> <p><i>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Article 2, points (22) and (23), of Regulation (EU) 2020/852, in accordance</i></p>	<p>Further, GEP complies to the following national laws:</p> <p><u>The Netherlands</u></p> <p>GEP intends to comply with Dutch Building Decree 2012⁶⁹ and the NEN 1006⁷⁰ requirements. NEN 1006 states that drinking water installations should comply with local or national public health, safety and efficiency regulations.</p> <p><u>Italy</u></p> <p>GEP has confirmed to comply with environmental legislation in Italy, which is aligned with the following EU Directives: EU Directive 2014/52/EC⁷¹ amending EU Directive 2011/92/EC,⁷² the Strategic Environmental Assessment (SEA) Directive 2001/42/⁷³ the Habitats Directive 92/43/EEC,⁷⁴ and the Birds Directive 2009/147/EC.⁷⁵ In addition, GEP confirmed compliance with laws and regulations in the countries where the eligible assets are located, including Belgium, France, Germany, Italy, the Netherlands, and Spain. All of those countries have transposed the EU Water Framework Directive 2000/60/EU into national law.⁷⁶ The Water Framework Directive includes requirements to address environmental degradation risks related to preserving water quality and avoiding water stress.</p> <p>Furthermore, GEP has confirmed to have a water management strategy in place to reduce and reuse water on-site. This includes undertaking water-saving design initiatives such as installing rainwater harvesting tanks, rainwater re-use amenities and landscaping. For more details, please see Section 2.</p>	
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⁶⁹ Dutch Building Decree 2012 at: <https://ec.europa.eu/growth/tools-databases/tris/en/index.cfm/search/?trisaction=search.detail&year=2011&num=212&dLang=EN>

⁷⁰ NEN 1006 requirement at: <https://www.nen.nl/en/nen-1006-2015-nl-210911>

⁷¹ EIA Directive 2014/52/EC at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0052&rid=1>

⁷² EIA Directive 2011/92/EC at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32011L0092>

⁷³ SEA Directive 2001/42/EC at: https://environment.ec.europa.eu/law-and-governance/environmental-assessments/strategic-environmental-assessment_en

⁷⁴ Habitat Directive 92/43/EEC at:

https://ec.europa.eu/environment/nature/legislation/habitatsdirective/index_en.htm#:~:text=Adopted%20in%201992%2C%20the%20Council,social%2C%20cultural%20and%20regional%20requirements.

⁷⁵ Birds Directive (Directive 2009/147/EC on the conservation of wild birds) at: [https://www.npws.ie/directive-2009147ec-conservation-wild-birds-codified-version#:~:text=The%20directive%20provides%20a%20comprehensive,the%20EU%20\(Article%202\).](https://www.npws.ie/directive-2009147ec-conservation-wild-birds-codified-version#:~:text=The%20directive%20provides%20a%20comprehensive,the%20EU%20(Article%202).)

⁷⁶ EUR Lex, "Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy – National transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32000L0060>

	<p>with Directive 2000/60/EC of the European Parliament and of the Council and a water use and protection management plan, developed thereunder for the potentially affected water body or bodies, in consultation with relevant stakeholders.</p> <p>Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU of the European Parliament and of the Council and includes an assessment of the impact on water in accordance with Directive 2000/60/EC, no additional assessment of impact on water is required, provided the risks identified have been addressed.</p>		
Transition to a Circular Economy	<p>1. At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol.⁷⁷ Operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.</p> <p>2. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887⁷⁸ or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.</p>	<p>1. GEP has confirmed that new constructions comply with the EU Directive 2008/98/EC (Waste Framework Directive), which specifies that at least 70% (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling or other material recovery. The Directive 2008/98/EC has been transposed into national law in Belgium, France, Germany, Italy, the Netherlands and Spain.⁷⁹ GEP monitors waste during the construction and demolition phase, and has achieved material recovery rates up to 95% throughout this process. Further, GEP selects and recovers materials in accordance with the waste hierarchy.</p> <p>2. GEP intends to assess the compliance of the eligible assets with ISO 20887:2020 or other equivalent standards at the time of confirming the EU Taxonomy alignment in the allocation reporting.</p>	Aligned
Pollution Prevention and Control	<p>Building components and materials used in the construction complies with the criteria set out in Appendix C to this Annex:</p> <p><i>The activity does not lead to the manufacture, placing on the market or use of:</i></p> <p><i>(a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament</i></p>	<p>GEP complies with the EU regulations outlined in criteria a) to g), including Regulation (EU) 2019/1021⁸⁵ on persistent organic pollutants, Regulation (EU) 2017/852⁸⁶ to ensure high level protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury</p>	Aligned

⁷⁷ EU Construction and Demolition Waste Protocol: https://ec.europa.eu/growth/content/eu-construction-and-demolition-waste-protocol-0_en.

⁷⁸ ISO 20887:2020, Sustainability in buildings and civil engineering works - Design for disassembly and adaptability - Principles, requirements and guidance: <https://www.iso.org/standard/69370.html>.

⁷⁹ EUR Lex, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives – National transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

⁸⁵ Regulation (EU) 2019/1021, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=en>

⁸⁶ Regulation (EU) 2017/852, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0852&rid=7#:~:text=This%20Regulation%20establishes%20measures%20and,of%20protection%20of%20human%20health>

<p><i>and of the Council, except in the case of substances present as an unintentional trace contaminant;</i> <i>(b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council;</i> <i>(c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council;</i> <i>(d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council³³¹, except where there is full compliance with Article 4(1) of that Directive;</i> <i>(e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council³³², except where there is full compliance with the conditions specified in that Annex;</i> <i>(f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society;</i> <i>(g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society.</i></p> <p>Building components and materials used in the building renovation that may come into contact with occupiers⁸⁰ emit less than 0,06 mg of formaldehyde per m³ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/EN 16516⁸¹ or ISO 16000-3:2011⁸² or other equivalent standardized test conditions and determination methods.⁸³</p>	<p>compounds, Regulation (EC) No 1005/2009,⁸⁷ Directive 2011/65/EU,⁸⁸ and Regulation (EC) 1907/2006.⁸⁹</p> <p>Regarding building components and materials used in the building renovation, GEP confirmed to comply with Regulation (EC) No 1907/2006, including the threshold for formaldehyde. Further, GEP intends to assess the compliance of the outlined thresholds for building components and materials at the time of confirming the EU Taxonomy alignment in the allocation reporting.</p> <p>In addition, GEP performs environmental impact assessments and takes measures to reduce nuisances, dust and pollution during construction works.</p>	
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⁸⁰ Applying to paints and varnishes, ceiling tiles, floor coverings, including associated adhesives and sealants, internal insulation and interior surface treatments, such as those to treat damp and mould.
⁸¹ CEN/TS 16516: 2013, Construction products - Assessment of release of dangerous substances - Determination of emissions into indoor air.
⁸² ISO 16000-3:2011, Indoor air – Part 3: Determination of formaldehyde and other carbonyl compounds in indoor air and test chamber air – Active sampling method (version of [adoption date]: <https://www.iso.org/standard/51812.html>).
⁸³ The emissions thresholds for carcinogenic volatile organic compounds relate to a 28-day test period.
⁸⁷ Regulation (EC) 1005/2009, at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:286:0001:0030:EN:PDF#:~:text=This%20Regulation%20lays%20down%20rules,market%20and%20use%20of%20products>
⁸⁸ Directive 2011/65/EU, at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:174:0088:0110:en:PDF>
⁸⁹ Regulation (EC) 1907/2006, at: [https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-,Regulation%20\(EC\)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20\(REACH\)&text=The%20purpose%20of%20this%20regulation,Community%20workplace%20and%20environmental%20legislation.](https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-,Regulation%20(EC)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20(REACH)&text=The%20purpose%20of%20this%20regulation,Community%20workplace%20and%20environmental%20legislation.)

	<p>Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants, for example using standard ISO 18400.⁸⁴</p> <p>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.</p>		
Protection and restoration of biodiversity and ecosystems	<p>The activity complies with the criteria set out in Appendix D to the Annex of the Climate Delegated Act.</p> <p>The new construction is not built on one of the following:</p> <p>(a) arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity as referred to the EU LUCAS survey;⁹⁰</p> <p>(b) greenfield land of recognized high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List⁹¹ or the IUCN Red List;⁹²</p> <p>(c) land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest.⁹³</p>	For Appendix D, please refer to the assessment set out in Appendix 3, Table 8.	Aligned

Table 5

Framework Activity assessed	Green Buildings		
EU Activity	7.2 Renovation of existing buildings		
NACE Code	F41, F43		
EU Technical Screening Criteria		Alignment with Technical Screening Criteria	
Mitigation	The building renovation complies with the applicable requirements for major renovations. ⁹⁴ Alternatively, that it leads to a reduction of primary energy demand (PED) of at least 30%. ⁹⁵	GEP will finance building renovation projects where the renovation achieves at least a 30% improvement in energy efficiency.	Aligned
DNSH Criteria		Alignment with DNSH Criteria	

⁸⁴ ISO 18400 series on Soil quality – Sampling

⁹⁰ JRC ESDCA, LUCAS: Land Use and Coverage Area frame Survey version of [adoption date]: <https://esdac.jrc.ec.europa.eu/projects/lucas>

⁹¹ IUCN, The IUCN European Red List of Threatened Species (version of [adoption date]: <https://www.iucn.org/regions/europe/our-work/biodiversity-conservation/european-red-list-threatenedspecies>).

⁹² IUCN, The IUCN Red List of Threatened Species (version of [adoption date]: <https://www.iucnredlist.org>).

⁹³ Land spanning more than 0,5 hectares with trees higher than five meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ. It does not include land that is predominantly under agricultural or urban land use, FAO Global Resources Assessment 2020. Terms and definitions (version of [adoption date]: <http://www.fao.org/3/i8661EN/i8661en.pdf>).

⁹⁴ As set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

⁹⁵ The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate. The 30 % improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account), and can be achieved through a succession of measures within a maximum of three years.

Climate Change Adaptation	Please refer to the assessment set out in Appendix 3, Table 7.		Aligned
Sustainable Use and Protection of Water Marine resources	<p>Where installed as part of the renovation works, except for renovation works in residential building units, the specified water use for the following water appliances is attested by product datasheets, a building certification or an existing product label in the Union, in accordance with the technical specifications laid down in Appendix E* to this Annex:</p> <ul style="list-style-type: none"> (a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; (b) showers have a maximum water flow of 8 litres/min; (c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; (d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. <p><i>*Appendix E:</i></p> <ol style="list-style-type: none"> 1. The flow rate is recorded at the standard reference pressure 3 -0/+ 0,2 bar or 0,1 -0/+0,02 for products limited to low pressure. 2. The flow rate at the lower pressure 1,5 -0/+ 0,2 bar is $\geq 60\%$ of the maximum available flow rate. 3. For mixer showers, the reference temperature is $38 \pm 1^\circ\text{C}$. 4. Where the flow has to be lower than 6 L/min, it complies with the rule set out in point 2. 5. For taps the procedure described in clause 10.2.3 of EN 200 is followed, with the following exceptions: <ul style="list-style-type: none"> (a) for taps that are not limited to low pressure applications only: apply a 3 -0/+ 0,2 bar pressure to both the hot and the cold inlets, alternatively; (b) for taps that are limited to low pressure applications only: apply a 0,4 -0/+0,02 bar pressure to both the hot and the cold inlets and fully open the flow control. 	<p>GEP's standard technical building specifications will integrate the requirements for sustainable use and protection of water and marine resources regarding water flow and temperature.</p>	Aligned
Transition to a Circular Economy	<p>1. At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management</p>	<p>1. GEP has confirmed that new constructions comply with the EU Directive 2008/98/EC (Waste Framework Directive), which specifies that at least 70% (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling or other material recovery. The Directive 2008/98/EC has been transposed into national law in Belgium, France, Germany, Italy, the</p>	Aligned

	<p>Protocol.⁹⁶ Operators limit waste generation in processes related construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol and taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.</p> <p>2. Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887⁹⁷ or other standards for assessing the disassembly or adaptability of buildings, how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.</p>	<p>Netherlands and Spain.⁹⁸ GEP monitors waste during the construction and demolition phase, and has achieved material recovery rates up to 95% throughout this process. Further, GEP selects and recovers materials in accordance with the waste hierarchy.</p> <p>2. GEP intends to assess the compliance of the eligible assets with ISO 20887:2020 or other equivalent standards at the time of confirming the EU Taxonomy alignment in the allocation reporting.</p>	
<p>Pollution Prevention and Control</p>	<p>Building components and materials used in the construction complies with the criteria set out in Appendix C to this Annex:</p> <p><i>The activity does not lead to the manufacture, placing on the market or use of:</i></p> <p><i>(a) substances, whether on their own, in mixtures or in articles, listed in Annexes I or II to Regulation (EU) 2019/1021 of the European Parliament and of the Council, except in the case of substances present as an unintentional trace contaminant;</i></p> <p><i>(b) mercury and mercury compounds, their mixtures and mercury-added products as defined in Article 2 of Regulation (EU) 2017/852 of the European Parliament and of the Council;</i></p>	<p>GEP complies with the EU regulations outlined in criteria a) to g), including Regulation (EU) 2019/1021¹⁰² on persistent organic pollutants, Regulation (EU) 2017/852¹⁰³ to ensure high level protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds, Regulation (EC) No 1005/2009,¹⁰⁴ Directive 2011/65/EU,¹⁰⁵ and Regulation (EC) 1907/2006.¹⁰⁶</p> <p>Regarding building components and materials used in the building renovation, GEP confirmed to comply with Regulation (EC) No 1907/2006, including the threshold for formaldehyde. Further, GEP intends to assess the compliance of the outlined thresholds for</p>	<p>Aligned</p>

⁹⁶ EU Construction and Demolition Waste Protocol (version of [adoption date]: https://ec.europa.eu/growth/content/eu-construction-and-demolition-waste-protocol-0_en).

⁹⁷ ISO 20887:2020, Sustainability in buildings and civil engineering works - Design for disassembly and adaptability - Principles, requirements and guidance (version of [adoption date]: <https://www.iso.org/standard/69370.html>).

⁹⁸ EUR Lex, "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives – National transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32008L0098>

¹⁰² Regulation (EU) 2019/1021, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1021&from=en>

¹⁰³ Regulation (EU) 2017/852, at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0852&rid=7#:~:text=This%20Regulation%20establishes%20measures%20and,of%20protection%20of%20human%20health>

¹⁰⁴ Regulation (EC) 1005/2009, at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:286:0001:0030:EN:PDF#:~:text=This%20Regulation%20lays%20down%20rules,market%20and%20use%20of%20products>

¹⁰⁵ Directive 2011/65/EU, at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:174:0088:0110:en:PDF>

¹⁰⁶ Regulation (EC) 1907/2006, at: [https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-,Regulation%20\(CE\)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20\(REACH\)&text=The%20purpose%20of%20this%20regulation,Community%20workplace%20and%20environmental%20legislation](https://osha.europa.eu/en/legislation/directives/regulation-ec-no-1907-2006-of-the-european-parliament-and-of-the-council#:~:text=27%2F04%2F2021-,Regulation%20(CE)%20No%201907%2F2006%20%2D%20Registration%2C%20Evaluation,and%20Restriction%20of%20Chemicals%20(REACH)&text=The%20purpose%20of%20this%20regulation,Community%20workplace%20and%20environmental%20legislation).

<p>(c) substances, whether on their own, in mixture or in articles, listed in Annexes I or II to Regulation (EC) No 1005/2009 of the European Parliament and of the Council;</p> <p>(d) substances, whether on their own, in mixtures or in an articles, listed in Annex II to Directive 2011/65/EU of the European Parliament and of the Council, except where there is full compliance with Article 4(1) of that Directive;</p> <p>(e) substances, whether on their own, in mixtures or in an article, listed in Annex XVII to Regulation (EC) 1907/2006 of the European Parliament and of the Council, except where there is full compliance with the conditions specified in that Annex;</p> <p>(f) substances, whether on their own, in mixtures or in an article, meeting the criteria laid down in Article 57 of Regulation (EC) 1907/2006 and identified in accordance with Article 59(1) of that Regulation, except where their use has been proven to be essential for the society;</p> <p>(g) other substances, whether on their own, in mixtures or in an article, that meet the criteria laid down in Article 57 of Regulation (EC) 1907/2006, except where their use has been proven to be essential for the society.</p> <p>Building components and materials used in the building renovation that may come into contact with occupiers⁹⁹ emit less than 0,06 mg of formaldehyde per m³ of material or component upon testing in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and less than 0,001 mg of other categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/EN 16516 or ISO 16000-3:2011¹⁰⁰ or other equivalent standardised test conditions and determination methods.¹⁰¹</p> <p>Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works.</p>	<p>building components and materials at the time of confirming the EU Taxonomy alignment in the allocation reporting.</p> <p>In addition, GEP performs environmental impact assessments and takes measures to reduce nuisances, dust and pollution during construction works.</p>	
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Table 6

Framework Activity assessed	Renewable Energy
EU Activity	4.1 Electricity generation from solar photovoltaic technology
NACE Code	D35.11, F42.22
EU Technical Screening Criteria	Alignment with Technical Screening Criteria

⁹⁹ Applying to paints and varnishes, ceiling tiles, floor coverings (including associated adhesives and sealants), internal insulation and interior surface treatments (such as to treat damp and mould)

¹⁰⁰ ISO 16000-3:2011, Indoor air – Part 3: Determination of formaldehyde and other carbonyl compounds in indoor air and test chamber air – Active sampling method (version of [adoption date]: <https://www.iso.org/standard/51812.html>).

¹⁰¹ The emissions thresholds for carcinogenic volatile organic compounds relate to a 28-day test period.

Mitigation	The activity generates electricity using solar PV technology.	Eligible by default.	Aligned
<i>DNSH Criteria</i>		<i>Alignment with DNSH Criteria</i>	
Climate Change Adaptation	Please refer to the assessment set out in Appendix 3, Table 7.		Aligned
Transition to a Circular Economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	<p>When financing solar PV projects, GEP relies on inspection and certification processes employed by the project parties. Further, GEP gathers evidence during due diligence, such as technical due diligence regarding the environmental aspects of the project.</p> <p>GEP complies with laws and regulations of the countries where eligible projects are located. This includes the Directive 2012/19/EU on Waste Electrical and Electronic Equipment Directive (WEEE),¹⁰⁷ which regulates the treatment of electrical and electronic waste at the end of their life cycle. The WEEE has been transposed into national law in Belgium, France, Germany, Italy, the Netherlands and Spain, where the eligible projects will be located.¹⁰⁸ The WEEE set rules and obligations for collecting and recycling photovoltaic panels in the EU, including setting minimum collection and recovery targets. This includes rules and obligations for collecting and recycling PV panels in the EU. Further, a recycling contribution is paid for each panel in compliance with the extended producer responsibility of the WEEE directive.</p> <p>Moreover, GEP procures PV panels from Tier 1 manufacturers with a track record of long-life PV panels. Solar inverters are procured from manufacturers, which ensure longer than market standard lifetimes. Additionally, GEP uses solar ballast systems, which ensure that the full installation can be removed from the roof and dismantled in various sub-parts.</p>	Aligned
Protection and restoration of biodiversity and ecosystems	Please refer to the assessment set out in Appendix 3, Table 8.		Aligned

¹⁰⁷ EU Commission, "Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE)", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32012L0019>

¹⁰⁸ EU Commission, "Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32012L0019>

Appendix 3: Criteria for Do No Significant Harm (“DNSH”) to Climate Change Adaptation and Protection and Restoration of Biodiversity and Ecosystems

Table 7

Criteria for DNSH to Climate Change Adaptation		
<i>DNSH Criteria</i>	<i>Alignment with DNSH Criteria</i>	
<p>Demonstrate that the physical climate risks that are material to the activity have been identified from those listed in the table in Section II of this Appendix by performing a robust climate risk and vulnerability assessment with the following steps:</p> <ul style="list-style-type: none"> (a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of this Appendix, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. <p>The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:</p> <ul style="list-style-type: none"> (a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments. <p>Demonstrate that the climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p> <p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions (‘adaptation solutions’), over a period of time of up to five years, that reduce the most important identified physical climate</p> 	<p>Physical climate risks, materiality and adaptations solutions are assessed individually for each GEP investment, including buildings as well as solar PVs annexed to these facilities.</p> <p>For new developments, physical climate risk assessments are performed using Jupiter’s ClimateScore Global,¹⁰⁹ a portfolio-level physical risk analysis which projects how metrics related to hazardous environmental events may change in the future (between 2020 and 20100) under different scenarios of how greenhouse gas emissions change over time. Moreover, the assessment includes materiality analysis through categorizing climate risks as low, moderate, elevated or high.¹¹⁰</p> <p>For the stabilized portfolio, physical climate risk assessments are performed through using the Physical Climate Risk Exposure (PCRX) module from ESG provider Measurabl.¹¹¹ The PCRX analyzes climate risks across three climate scenarios, three time frames (from 2020 to 270) and seven risk categories.¹¹²</p> <p>Further, an in-depth analysis is performed by Goodman to identify potential mitigation actions and adaptation solutions, also taking into account potential adverse impacts of the adaptation measures or the level of resilience to physical climate risks on nature, cultural heritage, other assets or other economic activities, as well as consistency with regional or national climate adaptation strategies and plans.¹¹³</p>	<p>Aligned</p>

¹⁰⁹ More information about the Jupiter ClimateScore Global available at: <https://www.jupiterintel.com/product/climatescore-global>

¹¹⁰ GEP has shared an example climate risk assessment for an investment in Germany directly with Sustainalytics for assessment on a confidential basis.

¹¹¹ More information about the Physical Climate Risk Exposure (PCRX) module by Measurabl available at: <https://www.measurabl.com/resources/product-spotlight-physical-climate-risk-exposure-pcrx/>

¹¹² GEP has shared an example Physical Climate Risk Exposure assessment directly with Sustainalytics for assessment on a confidential basis.

¹¹³ GEP has shared an example template directly with Sustainalytics for assessment on a confidential basis.

<p>risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p> <p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>Demonstrate that the adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>	<p>GEP has confirmed to be implementing such adaptation solutions within five years to reduce material physical climate risks to the projects financed.</p>	
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Table 8

Criteria for the Protection and Restoration of Biodiversity and Ecosystems		
DNSH Criteria	Alignment with DNSH Criteria	
<p>Demonstrate that for all applicable projects an Environmental Impact Assessment (EIA) or screening will be conducted in accordance with EU Directive 2011/92/EU or equivalent national provisions and/or international standards.</p> <p>Demonstrate how, once an EIA has been carried out, GEP implements any required mitigation and compensation measures for protecting the environment.</p> <p>Demonstrate that if a project is located in or near a recognized biodiversity area that assessments have been carried out in accordance with necessary measures for the protection of biodiversity.</p>	<p>GEP confirms that the buildings and annexed solar PVs projects in its portfolio comply with relevant EIA legislation where the assets are located. In Belgium, France, Germany and Spain, the EU Directive 2011/92/EU has been transposed into national law.¹¹⁴</p> <p>GEP has confirmed to comply with the environmental legislation in the Netherlands. In the Netherlands, an Environmental Impact Assessment (EIA) is established in law in Chapter 7 of the Dutch Environmental Management Act.¹¹⁵ An Environmental Impact Assessment (milieueffectrapport, MER)¹¹⁶ is a prerequisite for the construction of major infrastructure to state the possible positive or negative impact a proposed project may have. These two acts are in line with the EU Directive 2011/92/EU. Under the Spatial Planning Act (Wet ruimtelijke ordening, Wro),¹¹⁷ sites are designated for specific activities. To this end, all interests are</p>	<p>Aligned</p>

¹¹⁴ EU Commission, "Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment – National Transposition", at: <https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=celex:32011L0092>

¹¹⁵ Ministry of Housing, Spatial Planning and the Environment, "Environmental Management Act", at: <https://www.asser.nl/upload/eel-webroot/www/documents/national/netherlands/EMA052004.pdf>

¹¹⁶ Government of the Netherlands, "Environmental impact assessment (MER)", at: <https://business.gov.nl/regulation/environmental-impact-assessment-mer/>

¹¹⁷ Government of the Netherlands, "Spatial Planning Act", at: <https://wetten.overheid.nl/BWBR0020449/2021-07-01>

	<p>carefully considered, e.g. the importance of nature, the living enjoyment by residents in the vicinity, etc.</p> <p>Further, GEP has confirmed to comply with environmental legislation in Italy, which is aligned with the following EU Directives: EU Directive 2014/52/EC¹¹⁸ amending EU Directive 2011/92/EC,¹¹⁹ the Strategic Environmental Assessment (SEA) Directive 2001/42/¹²⁰ the Habitats Directive 92/43/EEC,¹²¹ and the Birds Directive 2009/147/EC.¹²²</p> <p>Environmental impact assessments are performed for each new development, by an accredited expert. GEP has procedures in place, both for forward funding projects (investment due diligence and application), as well as for own new developments (sustainability program), which ensure EIA screenings performed by the relevant authority and the development of a corresponding EIA report.</p> <p>For its buildings in Germany, GEP confirms its lending policies to comply with legal requirements including the German Nature Conservation and Landscape Management Act.¹²³</p> <p>For the sites located near biodiversity sensitive areas, appropriate assessments and permits are conducted in accordance with the EU Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora.¹²⁴</p>	
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¹¹⁸ EIA Directive 2014/52/EC at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0052&rid=1>

¹¹⁹ EIA Directive 2011/92/EC at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32011L0092>

¹²⁰ SEA Directive 2001/42/EC at: https://environment.ec.europa.eu/law-and-governance/environmental-assessments/strategic-environmental-assessment_en

¹²¹ Habitat Directive 92/43/EEC at:

https://ec.europa.eu/environment/nature/legislation/habitatsdirective/index_en.htm#:~:text=Adopted%20in%201992%2C%20the%20Council,social%2C%20cultural%20and%20regional%20requirements.

¹²² Birds Directive (Directive 2009/147/EC on the conservation of wild birds) at: [https://www.npws.ie/directive-2009147ec-conservation-wild-birds-codified-version#:~:text=The%20directive%20provides%20a%20comprehensive,the%20EU%20\(Article%202\).](https://www.npws.ie/directive-2009147ec-conservation-wild-birds-codified-version#:~:text=The%20directive%20provides%20a%20comprehensive,the%20EU%20(Article%202).)

¹²³ German Federal Office of Justice, "Nature and Conversation and Landscape Management Act", at: https://www.gesetze-im-internet.de/bnatschg_2009/

¹²⁴ EU Commissions, "Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31992L0043>

Appendix 4: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Goodman European Partnership

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

Review provider's name: Sustainalytics

Completion date of this form: March 23, 2023

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 (please specify): | |

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

the eligible categories are expected to lead to positive environmental impacts 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):

GEP has established a Green Finance Committee, which will be responsible for evaluating and selecting eligible assets in line with the Framework’s eligibility criteria, upon the initial issuance. GEP will undertake an ESG risk assessment concerning all allocation decisions made under the Framework. Sustainalytics considers the risk management system and the project selection process to be in line with market practice.

Evaluation and selection

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

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

GEP's Green Finance Committee, in collaboration with the Finance, Investment Management, Sustainability and Treasury departments, will be responsible for the management and allocation of proceeds. GEP intends to allocate all the proceeds to eligible assets at issuances or within 36 months of issuances. Pending allocation, GEP will temporarily invest the proceeds in cash, cash equivalents or other liquid marketable investments that are not associated with carbon-intensive or controversial activities. Sustainalytics considers this to be 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):

GEP intends to report on the allocation of proceeds and the corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include the number of eligible projects, the amount of allocated proceeds, the amount of unallocated proceeds and the share of financing versus refinancing. In addition, GEP commits to reporting on relevant impact metrics. Sustainalytics views GEP's allocation and impact reporting 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): the amount of unallocated proceeds

and the share of financing versus 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): the number of certified buildings and types of classification, the energy intensity of buildings, annual generation of renewable energy, total installed capacity

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): Information published in GEP'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:

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

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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. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics 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. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

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