



SELP 2021
GREEN BOND
REPORT

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27 MAY 2021:
**€500 MILLION,
0.875% 8-YEAR
GREEN EURO
BOND**

(ISIN NO. XS2344569038)

01. INTRODUCTION

SELP FINANCE S.À R.L.
**(“SEGRO EUROPEAN LOGISTICS
PARTNERSHIP” OR “SELP”)** PRESENTS
ITS FIRST GREEN BOND REPORT
FOLLOWING THE ISSUANCE OF ITS
INAUGURAL GREEN BOND IN 2021.

SELP is a 50-50 joint venture between SEGRO plc (“SEGRO”) and PSP Investment Board. It was established in October 2013 as an investor and developer in Continental European big box warehousing. At 31 December 2021, it owned €6.9 billion of assets across seven countries, generating €277 million of annualised rental income. The venture is conservatively financed with a loan-to-value ratio of 31 per cent and is rated Baa2 by Moody’s and BBB+ by Fitch Ratings.

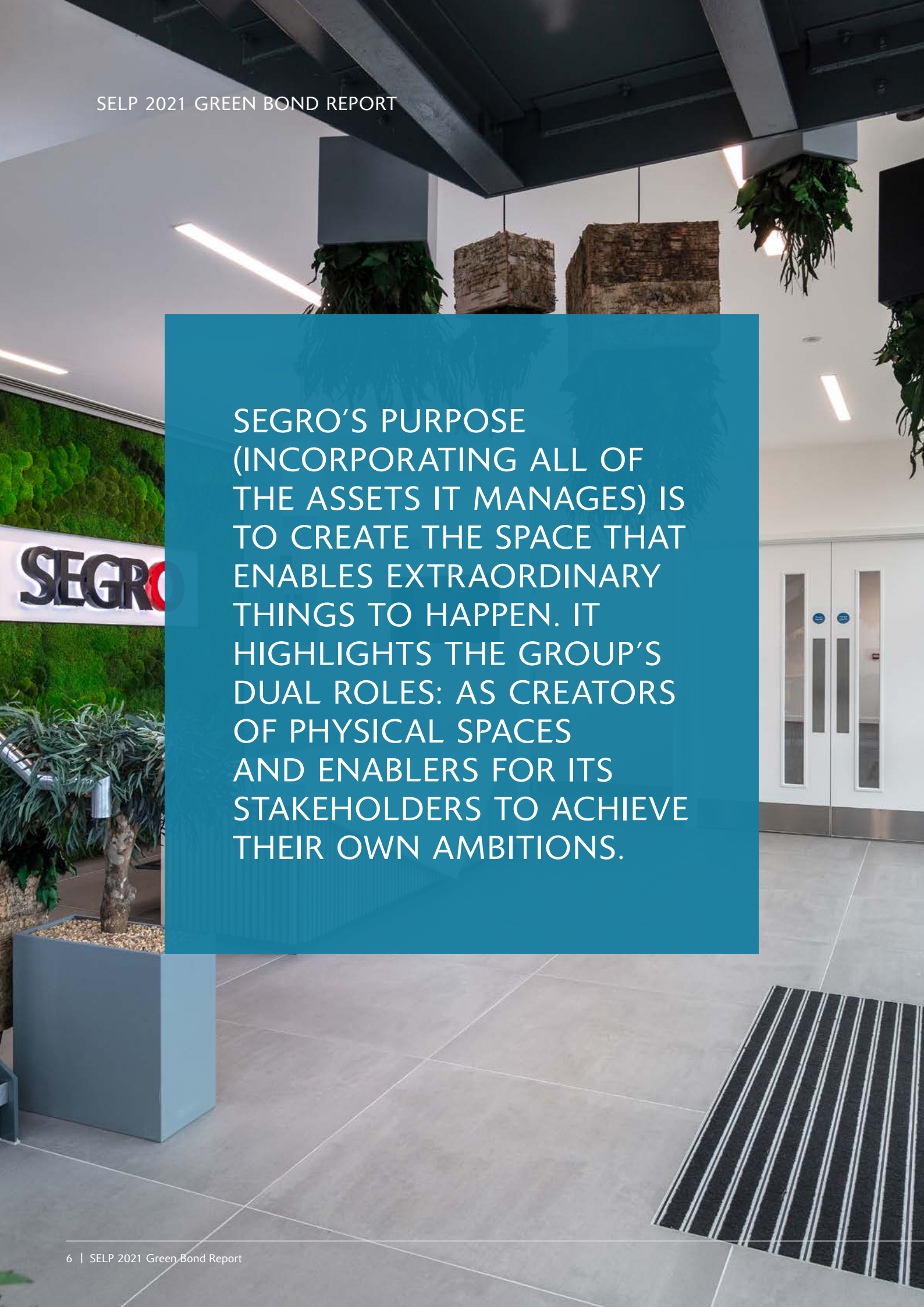
SEGRO plc is a leading owner, manager and developer of warehousing and light industrial properties across Europe and acts as asset, property and development manager for SELP

through a number of subsidiary companies. SELP has adopted the Responsible SEGRO Framework which sets out SEGRO’s approach to its corporate and social responsibility.

SELP issued one Green Bond in 2021:

**27 May 2021: €500 million, 0.875% 8-year
Green Euro bond (ISIN no. XS2344569038)**

As at 31 December 2021, all of the €495.1 million net proceeds have been allocated to Eligible Green Projects which met the criteria contained in the Green Finance Framework. The projects are detailed on page 22.



SEGRO'S PURPOSE
(INCORPORATING ALL OF
THE ASSETS IT MANAGES) IS
TO CREATE THE SPACE THAT
ENABLES EXTRAORDINARY
THINGS TO HAPPEN. IT
HIGHLIGHTS THE GROUP'S
DUAL ROLES: AS CREATORS
OF PHYSICAL SPACES
AND ENABLERS FOR ITS
STAKEHOLDERS TO ACHIEVE
THEIR OWN AMBITIONS.

02. SUMMARY OF THE RESPONSIBLE SEGRO FRAMEWORK

It is true for the Group's customers who depend on its properties to be able to deliver the extraordinary range of goods and services which are essential to modern life. It is true for its colleagues, whom it wants to thrive and to maximise their potential while working with the Group. And it is true of other stakeholders such as the people and communities who work in, live near or provide services to the Group's properties.

The Group's commitment to be a force for societal and environmental good is integral to its Purpose and Strategy. This has been at the core of how the Group does business for over 100 years and will be just as important for the next 100. This commitment is led by the Board but lived by the Group's colleagues every day. It's about doing the right thing and making a positive impact wherever the Group operates.

The Group's long-held commitments to leadership in health and safety, stakeholder engagement, corporate governance and being a good corporate citizen are stronger than ever and the Responsible SEGRO priorities have been designed to support and enhance these.

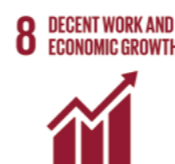
The Responsible SEGRO framework introduces three long-term priorities to which the Group can make the greatest business, environmental and social contribution. The three priorities, and associated targets, are detailed on the next page.

RESPONSIBLE SEGRO PRIORITIES

	CHAMPIONING LOW-CARBON GROWTH	INVESTING IN OUR LOCAL COMMUNITIES AND ENVIRONMENTS	NURTURING TALENT
CONTEXT	SEGRO recognises that the world faces a climate emergency and we are committed to playing our part in tackling climate change, by limiting global temperature rise to less than 1.5 degrees, in tandem with growth in our business and the wider economy.	SEGRO is an integral part of the communities in which it operates, and we are committed to contributing to their long-term vitality.	SEGRO's people are vital to and inseparable from its success, and we are committed to attracting, enhancing and retaining a diverse range of talented individuals in our business.
TARGETS	We will be net-zero carbon by 2030.	We will create and implement Community Investment Plans for every key market in our portfolio by 2025.	We will increase the overall diversity of our own workforce throughout the organisation.
ACTIONS	<p>We will aim to reduce carbon emissions from our development activity and the operation of our existing buildings, and eliminate them where possible.</p> <p>We will research and implement innovative approaches to absorb or offset residual carbon.</p>	<p>We will work with our customers and suppliers to support our local businesses and economies.</p> <p>We will help improve the skills of local people to enhance their career and employment opportunities, by investing in local training programmes.</p> <p>Equally, we will enhance the spaces around our buildings, working with local partners to ensure we meet the needs of our communities.</p>	<p>We will provide a healthy and supportive working environment, develop fulfilling and rewarding careers, foster an inclusive culture and build a more diverse workforce.</p>

UN SDG ALIGNMENT

Through our **Responsible SEGRO** programme and a focus on the three core priorities above, we believe that we are able to make the greatest contribution to six of the United Nations Sustainable Development Goals.



DURING THE YEAR, SELP INVESTED **€353 MILLION** IN ASSET AND LAND ACQUISITIONS AND IT COMPLETED **201,000 SQ M** OF NEW BIG BOX WAREHOUSING.

AS A RESULT, THE TOTAL PORTFOLIO OF ELIGIBLE GREEN BUILDINGS (THE “GREEN PORTFOLIO”) TOTALLED **€4.7 BILLION** (72% OF THE TOTAL PORTFOLIO).

03. 2021 ENVIRONMENTAL PERFORMANCE

OPERATIONAL CARBON EMISSIONS

During the year, SELP has reduced its operational carbon intensity (comprising Scope 1 and 2 emissions, and Scope 3 emissions from Downstream Leased Assets) by 31% primarily through moving customers to certified renewable energy tariffs. The operational carbon intensity of the portfolio is 30.0 kgCO₂e per sq m (2020: 43.3 kg CO₂e psqm). The absolute operational carbon emissions, which we reported for the first time in 2021, totalled 155,380 tCO₂e.

RENEWABLE ENERGY GENERATION

During the year, SELP has increased the on-site renewable generation capacity to 19.8 MW (2020: 12.8 MW) through installation of additional solar photovoltaic panels to the roofs of its buildings. The portfolio generated 13,649 MWh of renewable energy during the year, 26% more than in 2020 (10,872 MWh).

EMBODIED CARBON EMISSIONS

Embodied carbon is the hardest element of SELP’s carbon emissions to reduce, primarily due to the lack of mature supply chains across Europe to provide low carbon alternatives particularly to steel and concrete. The carbon intensity of completed SELP developments, including those completed by SEGRO which are eligible for acquisition by SELP, totalled 387 kgCO₂e per sq m.

During the year, the Science Based Targets Initiative (SBTi) approved overall targets for embodied and operational carbon for SEGRO including SELP to ensure that its portfolio meets the Paris Agreement for reductions to limit global temperature increases to 1.5 degrees Celsius by 2050. These targets require SEGRO and SELP to reduce operational CO₂ emissions by 42 per cent and to reduce embodied carbon intensity by 20 per cent by 2030.

In practice, the Responsible SEGRO commitment to be net-zero carbon by 2030 requires a faster pace of carbon reduction than that implied by the SBTi pathway.

SELP’s portfolio was assessed by GRESB during the year and given a three-star rating for the standing assets and a four-star rating for its developments. The main issue preventing a higher score is the relatively low visibility of customer energy use. At the end of 2021, we had visibility of 65% of energy use based on building area, which is 10 percentage points higher than at the end of 2020 (55%). We continue to work with customers who are not contractually obliged to provide us with energy use data to give us greater visibility of this important information.

04. GREEN FINANCE FRAMEWORK



¹ Green buildings must achieve one or more of at least BREEAM Very Good, DGNB Silver or EPC B certification.



2021 GREEN
BOND FULLY
ALLOCATED

05. GREEN BOND PORTFOLIO ALLOCATION

NOTE: THE FIGURES IN THIS SECTION HAVE BEEN ASSURED BY DNV.

THE **€495.1 MILLION** OF NET PROCEEDS FROM THE GREEN BOND ISSUED ON 27 MAY 2021 HAVE BEEN SIGNED OFF AND ALLOCATED BY THE GREEN FINANCE COMMITTEE TO ELIGIBLE GREEN PROJECTS TOTALLING **385,007 SQ M** OF SPACE AND A VALUE OF **€500 MILLION**.

They have all been classed as Eligible Green Projects by virtue of their high environmental certification either via BREEAM Very Good or better, DGNB Silver or better or an Energy Performance Certificate rating of B or better.

- **Acquisitions of recently-completed assets valued at €292 million as at 31 December 2021;**
- **Developments within SELP valued at €208 million as at 31 December 2021, all completed within the two years prior to the bond issue.**

The portfolio properties contain a number of features which contribute to their high sustainability credentials, perhaps most important of which is the 3.5 MW of renewable energy generation capacity provided by photovoltaic panels installed on a number of roofs. Where PV panels have not been installed, the roofs have been constructed to support future installation.

06. ESTIMATED IMPACT AND CASE STUDIES

DURING 2021, WE ESTIMATE THAT THE PV PANELS INSTALLED ON THESE BUILDINGS GENERATED 2,606 MWH OF ZERO CARBON ENERGY (OF WHICH 264 MWH IS ESTIMATED), SAVING 761 TONNES (OF WHICH 45 TONNES IS ESTIMATED) OF CO₂E COMPARED TO DRAWING THE ENERGY FROM THEIR RESPECTIVE NATIONAL GRIDS.

CASE STUDY

SEGRO-VAILOG LOGISTICS PARK ROME SOUTH B

MODERN LOGISTICS BUILDING LET TO LEROY MERLIN

SEGRO Vailog Logistics Park Rome South Building B was completed in 2020 and comprises 53,300 sq m of new, sustainable space. It is fully let to Leroy Merlin Italia. It was developed by SEGRO and acquired by SELP in June 2021. The property has a BREEAM Excellent rating and an A-grade Energy Performance Certificate rating.



ONSITE RENEWABLE ENERGY

600kW solar array installed with ability to retrofit more on the roof.



OPERATING ENERGY EFFICIENCY

High-quality lighting, both indoor and outdoor, creates high visual comfort, energy savings and CO₂ reduction.



BIODIVERSITY

Extensive landscaping using native trees and shrubs. The Park is also home to donkeys which naturally tend the grass and provide milk for use in natural products which we offer to our customers.



WELLBEING

Creation of a five-a-side football pitch and landscaped break-out areas for use by customer employees.



CASE STUDY

SEGRO PARK AMSTERDAM AIRPORT

MODERN LOGISTICS PARK WITH MULTI AND SINGLE TENANT WAREHOUSES

SEGRO Park Amsterdam Airport is a new, modern and flexible business park consisting of 400,000 sqm of land, right next to the Schiphol international airport and the city of Amsterdam. All properties are certified with a BREEAM Excellent certificate. The park can be used for trade, production, logistics and many sectors like food, pharma, e-commerce, especially suitable for air freight logistics.



RENEWABLE ENERGY

Solar capacity of 844kW on LC2 and LC3



SMART ENERGY

Usage of sustainable geothermal heat and coolness in both the warehouse and the offices, to create a high level of comfort and a pleasant work environment.



RAIN WATER USAGE

Optimal usage of rain water by recycling rain water for toilets. Rain water collection through green roofs and absorption in green zones for native trees and plants.



LIGHTING

High-quality lighting, both indoor and outdoor, creates high visual comfort, energy savings and CO₂ reduction.



MODES OF TRANSPORT

Increased accessibility by public transport and bikes, charging points for electric vehicles and stimulation policies for alternative commuters.



ECOLOGY

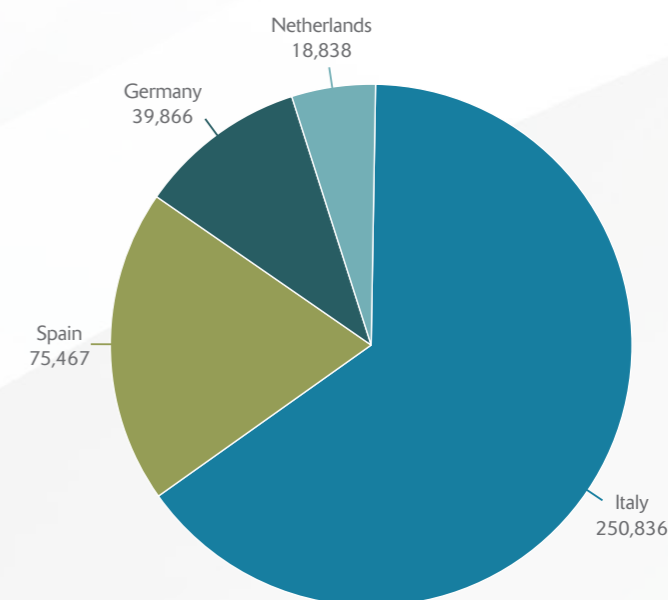
Multiple measures, including native trees and plants, beehives boxes, bat boxes, green roofs and insect hotels to improve the biodiversity and the local living environment.



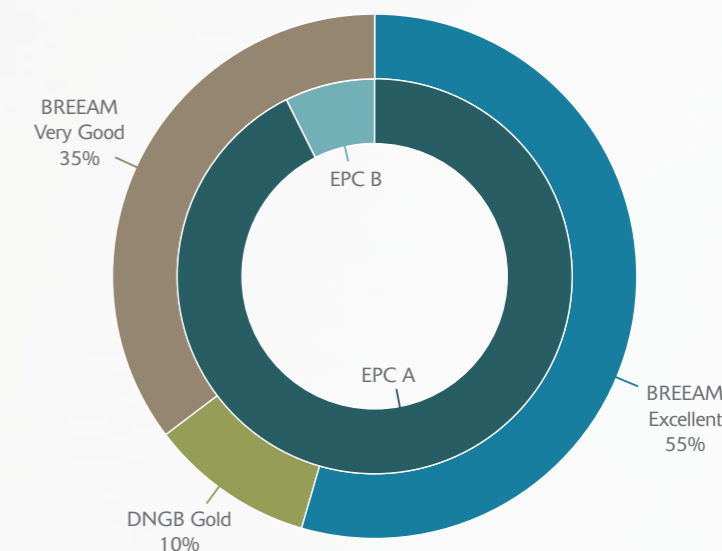
07. PORTFOLIO ALLOCATED

Estate	Country	Size (sq m)	Customer (31 Dec 2021)	Certification	EPC
Acquisitions					
SEGRO Vailog Logistics Park Castel San Giovanni R	Italy	52,716	Fiege	BREEAM Excellent	A
SEGRO Vailog Logistics Park Landriano C	Italy	56,405	ALDI	BREEAM Excellent	A
SEGRO Vailog Logistics Centre Casirate	Italy	59,884	Iper Montebello	BREEAM Very Good	A
SEGRO Vailog Logistics Park Landriano E	Italy	27,875	SDA Express	BREEAM Excellent	A
SEGRO Vailog Logistics Park Rome South B	Italy	53,956	Leroy Merlin	BREEAM Excellent	A
Completed Developments					
SEGRO Logistics Park Sant Esteve Sesrovires	Spain	28,507	Speculative	BREEAM Very Good	B
SEGRO Logistics Park Getafe I	Spain	46,960	Speculative	BREEAM Very Good	A
SEGRO Logistics Park Oberhausen Units 1-4	Germany	39,866	Geodis	DGNB Gold	A*
SEGRO Park Amsterdam Airport LC2 and LC3	Netherlands	18,838	Speculative	BREEAM Excellent	A

2021 BOND ALLOCATION PORTFOLIO BY COUNTRY (FLOOR AREA, SQ M)



2021 BOND ALLOCATION PORTFOLIO BY SUSTAINABILITY CERTIFICATION (FLOOR AREA, SQ M)



* EPC ratings are numerical and have been expressed as alphabetical certifications based on primary energy demand ranges of 1-100 kWh/sq m (A) and 101-150 kWh/sqm (B).

08. INDEPENDENT LIMITED ASSURANCE REPORT



WHEN TRUST MATTERS

DNV Independent Limited Assurance Report to the Management of SEGRO European Logistics Partnership

SEGRO European Logistics Partnership ("SELP") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in SELP's 2021 Green Bond Report (the "Report") for the period of 1st January 2021 to 31st December 2021.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Selected information

The scope and boundary of our work is restricted to the key performance indicators included within the Report for the reporting period: 1st January 2021 to 31st December 2021 (the "Selected Information"), listed below:

- Building Certification Achieved (system and rating)
- Energy Performance Certification ratings achieved
- On-site Renewable energy capacity (MW)
- Allocation reporting: the claims and assertions relating to the allocation of funds

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used SEGRO's Green Finance Framework (the "Criteria").

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on SEGRO's website for the current reporting period or for previous periods.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with SEGRO's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by SEGRO for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by SEGRO have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.



WHEN TRUST MATTERS

DNV

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

DNV Business Assurance Services UK Limited

London, UK
20th July 2022



DNV

Responsibilities of the Directors of SEGRO and DNV

The Directors of SEGRO have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to SEGRO in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.
www.dnv.co.uk/BetterAssurance



This green bond report (the "Report") has been prepared by SEGRO plc ("SEGRO") on behalf of itself and its joint ventures (including SEGRO European Logistics Partnership S.à r.l. and its respective subsidiaries ("SELP")) and may not be reproduced or redistributed without our express prior consent. This Report contains certain forward-looking statements with respect to SEGRO and / or SELP's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. Forward-looking statements can be identified by words such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "seeks", "target", "will" and "would" and similar terms and phrases and are based upon the knowledge and information available as at the date of this Report. These statements (as well as any information regarding past trends or activities) are not guarantees of future performance and are subject to assumptions, risks and uncertainties, many of which are beyond SEGRO and SELP's control and which could cause actual results or developments to differ materially from those expressed or implied by such statements.

Neither SEGRO nor SELP undertake to update any forward-looking statements, except as required by law. Nothing in this Report should be construed as a profit estimate or profit forecast.

This Report has been prepared and is supplied for information only and neither SEGRO nor SELP give any warranty or representation as to the completeness or reliability of the information, opinions or conclusions expressed herein. This Report does not constitute an offer to sell or an invitation to buy securities in SEGRO or SELP, nor does it constitute an invitation or inducement to engage in investment activity within the meaning of the Financial Services and Markets Act 2000 (as amended). Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of SEGRO and SELP and the taking of any investment decision with respect thereto. No part of this Report, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract, commitment or investment decision whatsoever.