



TASK FORCE ON CLIMATE FINANCIAL DISCLOSURES REPORT

2022

P3 Logistic Parks (“P3”) is committed to transforming challenges into opportunities through sustainable action. As part of our decarbonisation plan and ongoing commitment to the clean energy transition, P3 is pleased to present our first Task Force on Climate Financial Disclosures (“TCFD”) Report.

As a company committed to sustainability, our TCFD reporting enables our efforts to future-proof our business and assets.

P3 has aligned its organisational strategy with a multi-year Environmental, Social and Governance (“ESG”) roadmap, which has set out the first steps towards incorporating climate resilience into our risk management framework by consolidating energy and Greenhouse Gas (“GHG”) data and executing a climate-related physical risk analysis.

This strong foundation has enabled us to set our ESG goals that build upon our commitments. P3 was the first European logistics real estate developer to sign the United Nations Global Compact in 2017, establishing our status as an industry-pioneer in the field of sustainability and corporate responsibility. Our commitments to climate resilience have since been reinforced by issuing €1 billion in green bonds in 2022 with a view to finance and refinance sustainable logistics projects.

For example, we set a target to have at least 75% of the portfolio meeting a minimum Building Research Establishment Environmental Assessment Method (“BREEAM”) certification of Very Good, with our new developments aiming to reach ‘Excellent’ or higher. We are pleased to report that we have exceeded our set goal at the end 2022.

Our sustainability journey has laid the groundwork for a climate-resilient enterprise. To ensure that we fully understand our climate-related risks and opportunities, we executed a comprehensive climate impact assessment of our existing assets. The project’s insights also enable us to evaluate potential risks of future acquisitions. The project modelled how physical climate-change risks would likely impact our portfolio, with an in-depth analysis on our highest-priority sites. P3 is pleased to leverage the project’s outputs in alignment with TCFD guidelines in this report, accelerating our advancements towards a climate-ready future.

Frank Pörschke

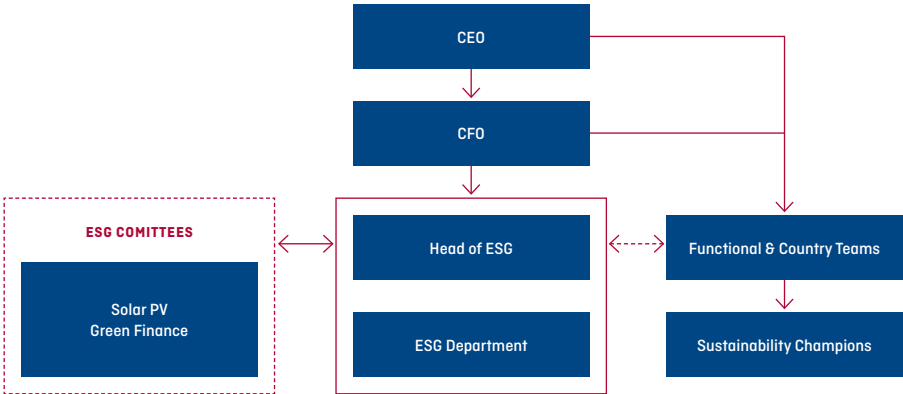
Chief Executive Officer (“CEO”)

¹ In line with industry practice, P3 calculates our percentage based on the past calendar year’s like-for-like basis, to allow new developments and existing assets the time to certify and improve where needed.

² Third-party certification of an asset’s environmental, social, and economic sustainability performance.

P3’s governance structure ensures that the business is accountable for its decisions, strategies, and performance relating to climate-related risks and opportunities. The P3 Board of Directors (“the Board”) has ultimate oversight of climate governance, whilst our CEO is individually responsible for financial and non-financial targets and performance within our company. Named delegates across the business support the Board by managing climate-related process implementation and reporting.

TCFD RECOMMENDED DISCLOSURE	P3 RESPONSE
a) Describe the Board’s oversight of climate-related risks and opportunities	The Board views the integration of ESG into business processes as a top priority to address risks and opportunities associated with the changing climate, aligning with our long-term ownership of high-quality logistics properties. P3 assesses climate-related issues in terms of mitigation and adaptation. Mitigation accounts for the GHG emissions in our portfolio and our efforts to reduce emissions, while adaptation addresses those physical risk exposures in our portfolio over the long-term. The Board’s oversight in relation to climate-related risks: — Regular approval of all climate-related policies, review of compliance measures. — Quarterly review of ESG metrics such as energy-efficiency and decarbonisation performance. — Periodic ESG targets set as part of the ESG strategy, which can be found on www.P3Parks.com/ESG
b) Describe management’s role in assessing and managing climate-related risks and opportunities	Our CEO is ultimately responsible for P3’s financial and non-financial performance including that of climate-related risks and opportunities. An initial five-year ESG strategy was developed and released in 2021 by an ESG Committee comprised of key roles across the organisation such as P3 leadership, Asset and Property Management, Construction, Finance, Legal, and Marketing. In 2022, P3 hired a Head of ESG to: — Provide technical advisory regarding ESG and climate-related issues, risks, and opportunities, including identification and assessment. — Oversee P3’s multi-year ESG strategy, to promote climate transparency and to development a decarbonisation plan including regulation and market challenges that may arise across the portfolio and specific countries. — Establish and track key metrics, performance against targets, and support reporting activities. — Advise additional committees, such as our Green Finance and Solar photovoltaic (“PV”) Committees, which will facilitate the integration of ESG and awareness climate-related risks throughout the business. The Head of ESG directly reports to the Chief Financial Officer (“CFO”) and regularly meets with the CEO and other key departments.



P3 is committed to a climate-resilient future. Transitional and physical climate-related risks and opportunities have been identified in the short-, medium-, and long-term, enabling P3 to formulate a strategic outlook with sustainability at its core and develop targets that will ensure progress is driven forward.

TCFD RECOMMENDED DISCLOSURE

P3 RESPONSE

**a)
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**

P3 developed an internal methodology to examine potential transition scenarios where climate change may impact our operations and portfolio, primarily focusing on shifting regulatory and market drivers (e.g., carbon tax, expected renewable/efficiency subsidies, building measures, transportation decarbonisation measures and timeframe for them to be implemented). Transitional risk was evaluated over all three strategic planning timeframes, i.e., short-, medium-, and long-term (further details are provided in the Appendix). Moreover, we applied timescales that correspond to our ownership of our assets.

As a real estate owner, we also prioritised the execution of a physical risk analysis. The focus of the analysis was to understand current and future vulnerabilities in our portfolio and operations. The data was processed so that it would meet both a forward perspectives (e.g., decadal to 2100), but also meet our internally defined timeframes. We will continue our work in this area and define mitigating measures that will further reduce physical peril impacts and risks.

Short-term (0-2 years):

In the short-term, P3 is looking to identify immediate gaps in its environmental resilience, investigate evolving regulatory and market landscapes that may impact our operations, brand, and reputation. Having completed our first energy and carbon footprint and conducted an internal climate-related transition scenario analysis, one of our expected next steps is to evaluate setting a decarbonisation target, such as a well-below 2°C or 1.5°C, that aligns with the Paris Accord and Fit for 55. This task would be supported by developing action plans to reduce energy use and emissions for our assets and operations and contribute to identified targets set out by our 2021 materiality assessment.

Other key priorities for the short-term is the implementation of an ESG data management system (including energy and carbon), which will support our ongoing reporting efforts and improve data coverage and quality. The P3 solar PV roll out is another priority that will address consumption of onsite clean energy sources for our assets, and may be an opportunity for P3 to diversify its revenues.

P3 also completed a review of its held assets for climate-related physical risks and implemented a review during our acquisition process. This study looked at Paris Accord-aligned and Business As Usual ("BAU") Representative Concentration Pathway ("RCP") scenarios. Additional work to establish management protocols for our assets regarding physical risk is also expected to complete this project and further reduce our risks.

Medium-term (2-5 years):

P3 will prepare for its obligation to produce a Corporate Sustainability Reporting Directive ("CSRD") report. By 2026, various elements of the Fit for 55 legislative package will impact the built environment sector, e.g., the Emissions Trading System ("ETS"). ETS is both a risk and opportunity, in that if we have buildings that vastly exceed regulatory minimums they could present an advantage to P3, whilst any lagging portfolios would face additional possible carbon tax or fines. P3 expects that there will be regulatory requirements for solar PV and renewable energy for new buildings introduced across the European Union ("EU") as part of the RePowerEU. Similarly, the Energy Efficiency Directive ("EED") and Energy Performance of Buildings Directive ("EPBD") are expected to become more stringent.

Long-term (5-20 years):

P3 has already taken steps towards its ideal future state, with the appointment of a Solar PV Steering Committee in 2022. P3 expects to fully align its strategy with the EU Fit for 55 initiative, including the purchase of sustainable building materials and compliance with nearly Net Zero developments.

From a physical risk perspective, the portfolio has been modelled up to 2100, enabling P3 to consider resilience and mitigation measures decades ahead of time.

**TCFD RECOMMENDED
DISCLOSURE**

**P3
RESPONSE**

b)
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

P3 has started to assess how to technically address the integration of climate-related risks and opportunities, for both transitional and physical risks and opportunities into our core business processes, strategies and financial planning.

For example, as a first step, P3 has completed a comprehensive climate scenario analysis exercise across the current portfolio of properties, identifying assets that drive our physical risk exposure. We are integrating these results into our business strategy to inform actionable next steps.

- Annualised cost of impacts was identified for each decade, including possible reinstatement values for potential damages incurred for each scenario until the end of the century.
- During the pre-acquisition phase, P3 also requires physical risk due diligence, integrating climate-related evaluations of technical and financials before acquisition.
- We continue to implement ESG and physical climate risk due diligence for all developments and acquisitions to proactively gauge possible risks.

We will continue to build out our risk management process over the short-term, which will include climate-related risks and opportunities.

c)
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

P3 commenced analysis across its asset portfolio and business operations and activities to support the build out of our company's resilience strategy. We have considered two different possible pathways, [1] RCP2.6³ Paris-aligned and [2] RCP8.5 BAU scenarios.

P3 developed possible facilitating elements for a transition to a low-carbon future to limit the temperature increase to no more than 2°C. For our assets, in particular that represent our major contributor to our entire carbon footprint, we will execute in the short- and medium-term additional supporting study to aggressively reduce carbon emissions, support decarbonisation in our industry, and improve energy efficiency, alongside our continued progress toward onsite renewable energy generation such as solar PV.

To model the physical risk exposure of each asset, and to a range of climate perils, we also used the same future scenarios, resulting in the examination of eight natural perils, the increased probability of occurrence and the increased risk of damage at our assets. These perils include surface water flood, riverine flood, coastal inundation, soil movement, extreme wind, wildfire, freeze thaw, and extreme heat.

Overall, the outputs of the exercise demonstrated that the P3 portfolio is highly resilient to the impacts of climate change, under both scenarios over our long-term horizon. By 2050, over 92% of P3's assets remain negligible to low-risk exposure, even in under the worst-case BAU scenario. Once mitigating measures are identified, many of which are management procedures or can be integrated into regular maintenance works, it is expected that the risk probability percentage is further reduced.

³ Climate scenarios based on 1986-2005 reference period. Data based on published scenarios from the Intergovernmental Panel for Climate Change (IPCC). Source: IPCC, 2014: Climate Change 2014. Synthesis Report. Available at: www.ipcc.ch/report/ar5/syr/

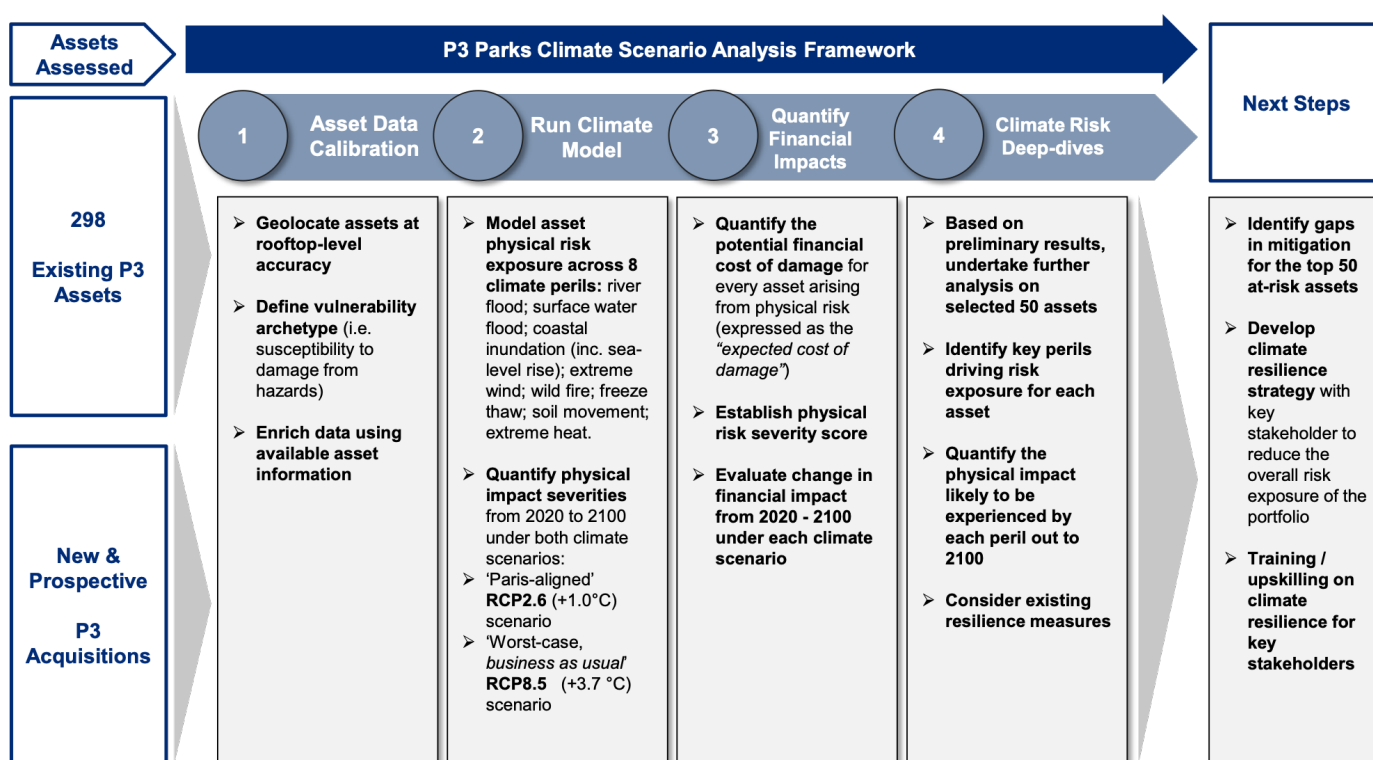
Case study: Physical Risk Scenario Analysis

APPROACH

As a long-term holder of quality logistics properties, P3 undertook an analysis of its held asset portfolio's vulnerability towards climate-related physical risks. The vulnerability was assessed for a timeline from the current environmental conditions to the end of the century in two separate scenarios: a Paris Accord-aligned scenario and a BAU future scenario. Physical risk scenario analysis examines the increased probability ("negligible" to "very high" change) incidents of eight different acute and chronic climate perils, including surface water flood, riverine flood, coastal inundation, soil movement, extreme wind, wildfire, freeze thaw, and extreme heat.

Decadal increments were examined and based on the primary modelling results. Further analysis was performed on the top 50 at-risk P3 properties, to identify the perils driving the risk and time period of emergence at each asset.

METHODOLOGY – ILLUSTRATIVE DIAGRAM



PHYSICAL RISK KEY INSIGHTS

Across the entire modelled portfolio, only 8% of all assets have a risk score greater than "high" under a worst-case BAU scenario by 2050, and reduces to 6% under a Paris-aligned warming scenario.

P3 has identified the assets that are most likely to need climate-protection measures in the future and executed additional detailed analysis. As a next step, we are looking to leverage these insights to inform strategic decisions regarding where both, management procedures and investment, could be best utilised in a cost-effective manner across the portfolio. It is expected that these risks will be downgraded due to mitigating measures such as management procedures.

As part of P3's core risk management processes, we are implementing a robust methodology for identifying, quantifying, managing, and mitigating climate-related risks across our portfolio.

TCFD RECOMMENDED DISCLOSURE

P3 RESPONSE

a) Describe the organisation's processes for identifying and assessing climate-related risks.	P3's process for identifying, assessing, and qualifying risks is describe below for our climate-related risks and opportunities. — There are six classifications that we apply to our risk and opportunity probability: negligible, very low, low, medium, high, and very high at both the corporate and asset level. For example, this classification was applied to the physical risk assessment and provide at the asset level and will continue to be monitored over time. — For those determined high- and very high-risk probabilities must be investigated further and mitigating measures identified and included in the risk register. — Financial implications of climate related risks and opportunities are likewise assessed. For example, financial analysis of our possible and approved solar PV are assessed using the same financial requirements applied to our core business activities. Those projects with determined additional risk are required to perform above our requirements.
b) Describe the organisation's processes for managing climate-risks.	We are committed to further build out of our corporate-level risk governance strategy and processes including climate-related risks. We have also integrated risk identification and assessment throughout the business and its normal procedures. The internal audit function was formally implemented in 2018 since when our risk management department has matured. To support the department's activities, an Insurance Manager was appointed in 2023 to support the further optimisation of P3's risk processes and workstream. Risk, Audit, and ESG teams cooperate on climate and other ESG related topics across the corporate landscape. As assets are the largest contributor to our carbon footprint and are linked to potential future regulatory requirements, the analysis of asset linked risks and opportunities will remain crucial . Moreover, P3 is currently implementing onsite renewable energy generation This is a possible opportunity for us to diversify our revenues, secure long-term relationships with tenants, and will help P3 create more resilient, future-proofed assets. P3 will further examine its assets and developments in terms of how we can address the lifecycle of these assets, particularly around energy efficiency improvements.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Specific to climate-related risk and opportunity identification and assessment: — Establishing current performance on metrics has been supported by our independent third-party energy and carbon footprint work. Recommendations to reduce our Scope 1, 2, and 3 were also provided and have been incorporated into P3's risk culture. — The Head of ESG created P3's detailed ESG register, where climate-related risks and opportunities are included. The register will be updated on an annual basis including qualification and possible financial and reputational implications. — Development of our climate-related risk and opportunity register includes scanning continuous process of risk horizon-scanning, with particular attention to the changing regulatory landscape of the EU and countries in which we operate. We utilise a transitional risk review to frame risk awareness. — Engagement with country teams and the key accounts manager build out the requirements of our tenants regarding ESG and carbon, as well as ensure that local regulatory implications are well captured. — In 2022, we executed physical scenario modelling for our held assets, identifying the relative severities of risk for each of our assets, allowing us to develop an exposure inventory for the baseline of risk management practices. — Management of risks and opportunities are further supported by key targets and KPIs. Sustainability performance is in continual strategic review, as P3 identifies risks and opportunities; manages climate-risk exposures; and discloses relevant metrics and targets. — Finally, reporting, such as P3's voluntary alignment to the TCFD framework reinforces our commitment to in-depth climate reporting, supports efforts on our transparency which helps in maintain brand and reputation of our company.

Metrics and Targets

In the near-term, P3 will continue to establish metrics and targets that are significant for the achievement of business objectives relating to climate change and the energy transition. Targets currently in place will help improve energy efficiency and accelerate emissions reduction.

TCFD RECOMMENDED DISCLOSURE

P3 RESPONSE

a)
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

A quantified analysis of P3's carbon footprint was undertaken by a third-party provider to calculate the company's 2021 Scope 1, 2, and 3 (downstream leased assets) emissions, as well as identify the energy sources and countries driving emissions. The calculation methodology aligned with the *GHG Protocol Corporate Standard*, which remains the dominant international standard for carbon footprint calculation. Understanding our energy and carbon footprints will be part of our yearly reporting practice and intend to use this to set related targets.

- P3's alignment with Fit for 55 – the mechanism for the EU to meet the Paris Accord target – is key for strategic positioning and developing target metrics.
- P3's overarching governance and risk management framework allows for the continuous evaluation of data-collection efficiency. We consistently assess our results and key metrics against climate-related risks, investment opportunities, and future acquisition plans.
- The climate-scenario analysis conducted in 2022 quantified the levels of physical risk and financial-exposure per asset, which P3 intends to leverage in future risk management planning.

b)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

An independent third-party executed P3's carbon footprint analysis and helped identifying key drivers of P3's GHG emissions.

Scope 1 515 Tons carbon dioxide equivalent ("tCO2e")
Scope 2 542 tCO2e
Scope 3 128,894 tCO2e

- The most significant driver of P3's GHG footprint arises from the operation of our (leased) assets under tenant occupancy. P3's assets accounted for 130,029 tCO2e in 2021, yet 99% of this footprint was driven by tenant energy consumption.
- P3's offices accounted for 231 tCO2e in 2021, with fuel consumption in for our corporate leased vehicles driving 80.7% of our Scope 1 emissions.

Further analysis of our Scope 1, 2, and 3 emissions identified key drivers of P3 emissions, allowing for a tailored approach to reducing emissions in the short-term.

P3 is aiming to improve its data collection process and to reduce its carbon footprint from office and P3 common space areas, for instance by purchasing from renewably sourced electricity.

c)
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The main levers for P3 are centred around introducing energy efficiency measures, improving the performance of our assets, and providing, where possible, onsite renewable energy. We expect to add additional targets as we continue our ESG journey.

- P3's initial set core emission-reduction targets, including:
 - 90% LED penetration by 2030;
 - 100MWp onsite renewable energy by 2027;
 - and 75% of portfolio certified to BREEAM Very Good or higher or equivalent standard.
- Our most recent tracking report of these targets in at the end of 2022 revealed that we have so far achieved:
 - 76.0% LED coverage;
 - 28.5MW solar capacity; and
 - 80.2% BREEAM-certified portfolio for our like-for-like portfolio.

P3 will continue to introduce targets to drive reductions in energy use and carbon emissions.

Appendix

TRANSITION RISK CATEGORY	INDUSTRY TRENDS	MITIGATING ACTIONS
Policy and legal risk In response to the push for a low carbon economy there will be Increased regulatory requirements across the EU to price, cap and penalise GHG emissions.	In July 2021, the European Commission adopted strict climate law focused on making the EU climate neutral. The Fit for 55 involves reducing net carbon levels by 55% from 1990 levels by 2030. This has knock on implications on the energy performance for new and existing buildings and our value chain and will incur large cost associated with upgrading facilities to meet these new requirements. In 2025 the ETS will be extended to include buildings.	P3 is developing an aggressive action plan for both energy and carbon emissions management. A third-party consultancy was involved in determining baseline carbon emissions for 2022 and will be used to determine future emissions targets across all three scopes which will help when developing and ETS strategy .
Technology risk Disruptive technology changes in response to an enhanced requirement for carbon neutral building materials can lead to added construction costs .	In 2026 there will be in place a Materials levy imposed for steel and concrete , meaning alternate sustainable materials will prove cost effective to invest in.	We are exploring ways to implement the use of increasingly environmentally friendly and sustainable materials across our portfolio. Committed to the use of Solar PV, with a target of 100MW coming from renewables by 2027.
Reputational risk Investor and client sentiment influenced by company's actions to manage climate change risk.	In 2025 P3 will be obligated to produce an annual CSRD report, which can be seen by investors and clients alike.	Publishing scenario analysis and carbon emissions data across all three scopes to provide a transparent insight into the. Developing an effective sustainability plan as part of wider ESG can in turn improve ESG ratings and thus drive additional investment and ultimately improve P3's Image.
Market risk Market disruption, changes in client preferences, cost of capital and valuation changes as investors prioritise returns from low carbon companies.	Transitioning into a low carbon society has potential implications on client and investor appetite/demand. For example, requirements for leased buildings to increase to EPC B by 2030 is key for P3 as majority of portfolio is leased. This could change investor sentiment if a selection of the portfolio lies outside these new regulations.	Voluntary TCFD Disclosures will continue into the future to satisfy investor priorities and monitor ESG and sustainability regulations and reporting requirements to maintain our compliance. Due diligence of new assets carried out prior to purchase can provide insight into sustainability of the asset into the future to ensure regulations are met.

Limitations

Climate modelling tools inherently contain a number significant assumptions around the likelihood of future climate hazards and incorporate future climate change projection data that is difficult to verify. Furthermore, the analysis contained herein relies on a number of assumptions and estimations around the assets contained in the portfolio and does not reflect the availability of insurance, steps already taken to mitigate climate risk or other mitigating considerations.

This analysis is intended to be used as a guide to determine which assets may warrant further detailed analysis but is not necessarily an accurate predictor of future climate impacts or an accurate depiction of the vulnerability of or cost implications to the portfolio. To that end, our consultant has used a number of worst case scenarios for risk identification purposes and thus the actual expected cost damages may be significantly lower or materially different than indicated herein. Nothing herein is intended to imply that any potential liability described in this presentation is likely and can be reasonably estimated.

Analysis and inference of damage in reference to specific assets only takes into consideration national and sub-national defences, and does not take into consideration local asset-level defences. In addition, whilst asset vulnerability (archetypes) have been allocated to assets, these have been attributed on a best endeavours basis, and may not reflect the true vulnerability of an asset. Further analysis may be performed where assets present a higher risk, which will further identify specific climate hazards driving the forecasted modelled risk, and enable asset-level contextualisation of vulnerabilities.



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