

VGP

BUILDING  
TOMORROW  
TODAY



Corporate  
**Responsibility**  
**Report** 2020

[www.vgpparks.eu](http://www.vgpparks.eu)



VGP

BUILDING  
TOMORROW  
TODAY



# Building Tomorrow Today

As a family-owned business  
**we think across generations.**

Building Tomorrow Today has since long been our **guiding principle** as we believe a brighter tomorrow can be built from the foundations of today. We want **to help** construct a happier future for **coming generations.**

We are building to **create value.**

Not only for our clients, partners and shareholders but also **for the communities** in which we operate.

At VGP, we want to build tomorrow by **doing the right thing** today:  
By doing business in a responsible manner.

By finding a **balance** between **results, tradition, innovation** and **sustainability.**

We do this by challenging ourselves and adapting to changing needs **every day.**

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# 2020

## Highlights

### 01

#### **Protecting** our employees and stakeholders **during coronavirus**

At VGP Health and Safety is a core value. In the face of the coronavirus pandemic we have continued to live up to this core value, acting quickly and with great solidarity to protect employees, contractors and all our stakeholders in the time of Coronavirus (Covid-19). Furthermore, none of VGP workforce has been furloughed and the Group has not taken any government support.



### 02

VGP Parks enabled the **distribution of critical goods**, including **medical supplies** and **protective gear** in the time of Coronavirus

By the timely delivery of our buildings and by keeping our existing buildings and infrastructure operational, VGP Parks enabled the distribution of critical goods, including medical supplies and protective gear in the time of Coronavirus.



### 03

**34.9%** of the **total portfolio** has now been **environmentally certified** or with certificate pending in December 2020

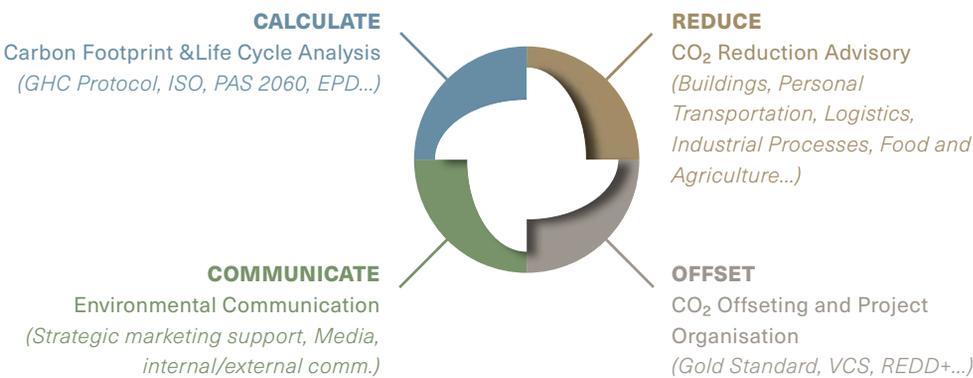
Whilst our building standard for long has been BREEAM Very Good equivalent, we have stepped up actual certification efforts resulting in a total of 15 buildings certified since start of 2020 with at least BREEAM Very Good or equivalent. In addition, several buildings are being delivered to a higher standard including VGP Park München, building A, certified DGNB Gold and VGP Park Valsamoggia, buildings A and B with BREEAM Excellent (BIU).



### 04

**Conducted** a GHG protocol compliant **carbon footprint analysis** of VGP Group identifying emission reduction targets

Based on the analysis the total CO<sub>2</sub>e emissions (direct + indirect) for VGP Group over the year 2019 were estimated at 2,308 tCO<sub>2</sub>e. This emission equates to a total CO<sub>2</sub>e emission per FTE and per m<sup>2</sup> office surface of 9.7 tCO<sub>2</sub>e/FTE and 0.6 tCO<sub>2</sub>e/m<sup>2</sup>. Both are KPIs which we will monitor going forward.



### 05

Long-term target to reach **net-zero carbon emissions** before 2025

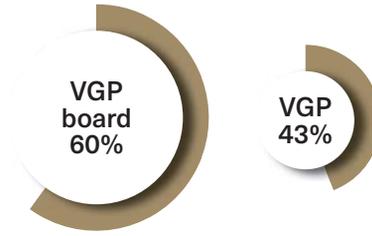
VGP derived its own emission reduction targets based on its long-term target to achieve net-zero emissions before 2025, in addition, VGP commits to reduce scope 1 and 2 GHG emissions by 50 % by 2030.



## 06

### Board of directors' continued **diversity leadership** with 60% female ratio

We believe that supporting all people and promoting inclusion across our business and society makes the world a better place for all. We're committed to creating a diverse and inclusive culture that helps employees know they are valued, respected and empowered to bring their best ideas forward.



## 07

### Expansion of VGP Renewable Energy **green power generation** capacity to **42.5 MWp**

A total PV power generation capacity of 42.5 MWp currently installed or under construction through 36 projects. In addition, we are in discussion for the installation of a further 53.3 MWp. The total capacity installed and under construction is expected to realise a reduction in CO<sub>2</sub> emissions of 7,800 tCO<sub>2</sub> on an annual basis once operational in the course of 2021. This is sufficient energy for maintaining 13,400 households. The pipeline projects are expected to add a further prevention of CO<sub>2</sub> emissions of 9,790 tCO<sub>2</sub> on an annual basis or enough energy for maintaining 16,800 households.

## 08

### Expanded the sustainable building and renewable energy teams to 6 people and setting up group-wide **dedicated employee training sessions**

All country teams are building in-house expertise including through our own local-based BREEAM certified engineers and roll-out of group-wide dedicated technical training sessions, including on sustainable building practices.



1 Ignoring peak vs trough production of a PV system; assuming households consume on average 3,171 kWh of electricity annually ([www.energytransition.org](http://www.energytransition.org): German 2018 household consumption)



photo © IERS (Ukraine)

## 09

### Identified the initial **16 support projects** for VGP Foundation

The VGP Foundation received € 3 million start-up capital from VGP in the year 2020 of which € 1 million has been spent on the initial 16 support projects. In addition, VGP has provisioned a € 4 million contribution for the year 2021. Longer term, VGP has committed to contribute circa 1-2% of its annual profit into the VGP Foundation.



## 10

### Published **corporate responsibility report** in accordance with **GRI**-standards and completed **CDP** greenhouse gas emissions filing

We strive to provide consistent CR disclosure year-over-year for ease of comparison and actual performance measurement. In October 2020 we made our first filing for the CDP database which we aim to do annually going forward.



2 GRI (Global Reporting Initiative)-standard is the world's most widely used standard for sustainable reporting

3 CDP (Carbon Disclosure Project) is a not-for-profit charity that operates a disclosure system for investors, companies and governments to manage disclosure of their environmental impacts



# Message

## from the CEO

This is a time like no other in our lives. The COVID-19 pandemic continues to produce uncertainty, stress and trauma in our communities.

Our number one priority has always been to keep our employees safe and protected, and we have taken the necessary actions to keep them safe, including enhancing home-work facilities, implemented additional cleaning and hygiene protocols throughout our facilities and providing protective equipment.

Over the past year, e-commerce and logistics, more than ever before, have proven an essential business and we try to do our part to support global coronavirus response efforts including ensuring our existing parks remain open and fully operational. New buildings are delivered on schedule to ensure logistics and particularly critical supplies could reach their destination on time. Furthermore, none of VGP workforce has been furloughed during this period, the Group has not taken any government relief and we have supported tenants with genuine cash flow problems caused by the pandemic by reprofiling repayments.

Whilst today it may seem difficult to think beyond the impact of the pandemic on families and communities which may make environmental and societal issues feel less urgent, we believe these conversations are critical—now more than ever.

The consensus of global climate scientists is that the planet is warming at a rapid pace, which is extremely likely due to human activities. We are currently on track for more than a 3-degree temperature hike by 2100. This would render the planet unrecognizable and unlivable in many regions. We are already seeing the impacts of a changing climate, such as the melting of glaciers, the unprecedented wildfires in the US and Australia and the increase in extreme weather events locally across the globe. 2100 may seem like a long way away, but it's really not. My three-year-old daughter will be 82 and it will be her generation that feels the impact the most. Moreover, warming gets locked in many years in advance, like when you heat water up to boil. The coming years are therefore critical years to make a difference.

That is why we are excited to announce that VGP is committing to go carbon neutral by 2025.

While all construction projects started this year are already committed to constructing only to BREEAM Very Good or equivalent sustainable certification and with sustainability already a big part of who we are and what we do through VGP Renewable Energy, we have decided to take our efforts a leap further and pledge to be carbon neutral in 5 years.

Knowing systemic change is needed the most, I have realized we can do more. Now. With what is in our control. In the pages that follow, you will read how we have developed our sustainability strategy in the past year. We have an even deeper understanding of the business risks and opportunities of transitioning to a low-carbon footprint and have identified actions we will take.

Our aim is to also let our tenants benefit from our efforts towards driving sustainability by offering green energy foremostly but also by offering to assist them in making their businesses more sustainable in a cost-effective way.

We will continue partnering with our tenants, the municipalities in which we operate, and nonprofits globally so we all come back stronger and healthier from this.

This mindset of resiliency underpins everything we do at VGP in order to create more sustainable practices that strengthen our business in a changing world in which we work continuously towards Building Tomorrow Today.

**Jan Van Geet**  
as a permanent representative  
of Jan Van Geet s.r.o.  
CEO

1 NATO, "Scientific Consensus: Earth's Warming Climate": <https://climate.nasa.gov/scientific-consensus/>

2 World Meteorological Service, "2019 concludes a decade of exceptional global heat and high-impact weather": <https://public.wmo.int/en/media/press-release/2019-concludes-decade-of-exceptional-global-heat-and-high-impact-weather>

# The Group

VGP is a pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has an owned and secured development land bank of 7.65 million m<sup>2</sup> and its strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of over 260 employees today owns and operates assets in 12 European countries directly and through joint ventures. As of December 2020, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 3.84 billion and the company had a Net Asset Value (EPRA NAV) of € 1.35 billion. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

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## OUR KEY FIGURES IN 2020

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Committed Annualised rental income	€ 185 Mio.
Number of tenancy contracts	289
Completed gross leasable area	3,310,000 m <sup>2</sup>
Green energy production installed	42.5 MWp
Green energy production pipeline	53.3 MWp
Number of employees	283
% men / % women – overall	57% / 43%
% men / % women – board	40% / 60%
% independent directors	60%

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For more information, please visit [www.vgpparks.eu](http://www.vgpparks.eu)

- 1 Including the joint venture at 100%
- 2 Completed gross leasable area including under construction (areas held through JVs accounted for at 100%)
- 3 Enabled green energy production through PV installations owned by third parties installed on roofs of VGP Parks (Including operational and installations under construction)
- 4 Enabled green energy production through own PV installations and PV installations owned by third parties installed on roofs of VGP Parks for which heads of terms have been agreed



# Business Principles

As a family-owned business we aim to think across generations and therefore intend to operate in a responsible and sustainable manner. We aim to build our business on the basis of mutually prosperous, long-term relationships meaning we strive to create value and be a trusted partner to both our customers and the communities in which we operate. In our efforts to serve our customers and communities best, we are guided by these principles:

## **PEOPLE FIRST**

working together,  
safely and responsibly

## **INTEGRITY**

establish trust by being  
reliable, open and honest  
to all stakeholders

## **SUSTAINABILITY**

through a practical approach with  
creative and sustainable solutions we  
achieve building tomorrow today

## **CLIENT SUCCESS**

we aim to deliver successful  
results through rigorous  
operational controls and  
best possible solutions  
for all stakeholders



# Engaging with stakeholders

We maintain an open dialogue with our stakeholders, including our investors, customers, employees, suppliers and the communities in which we operate. We seek feedback during our investor updates and client meetings. This has helped us to determine material sustainability priorities and the social impacts of our business. This in turn allows us to calibrate our targets and systems to manage, review and report on our ESG performance. Our Global Reporting Initiative (GRI) index at the end of this report demonstrates the full view of our updated 2021 ESG topics.



# The 2030 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted in 2015 by the 193 United Nations (UN) member states. There are 17 goals which address economic, environmental and social impacts, and are designed to form a blueprint for good growth, nationally and internationally, by 2030. They're underpinned by 169 targets to help define progress. The SDGs provide a focus for how businesses, governments and civil society can tackle these challenges in order to promote a more sustainable future for all. They have helped to inform our thinking about where we can play a role. VGP contributes in different ways and to different degrees to all the SDGs. In line with UN Global Compact guidance, we have identified which goals are particularly relevant to us: where expectations, risks and opportunities for VGP are greatest, and where we can make the most significant contribution.

We list these priority SDGs in the table below.

The list is substantially the same as last year except four major updates:

- we have introduced one new target, aiming for carbon neutrality under scope 1 and scope 2 by 2025
- we have updated our training course target beyond Code of Conduct training to achieve “Continuous learning” throughout our organization
- we have updated our solar PV target from 100 MWp to 200 MWp by 2025
- GRI aligned disclosure we already provided last year. From now on our ambition is to publish each year the data also in the CDP database

## The progress for each target has been updated to reflect steps taken in 2020:

TARGET	PROGRESS
Achieve carbon neutrality under scope 1 and 2 by 2025  	Analysed CO <sub>2</sub> footprint over FY2019 and set targets which will allow us to achieve carbon neutrality by 2025
200MW of solar PV in operation or under construction by 2025  	Approximately 42.5 MWp installed or under construction across Europe  Projects representing 53.3 MWp are currently in the pipeline

TARGET	PROGRESS
<p>100% BREEAM Very Good or equivalent sustainability certification for all newly constructed buildings</p> <p><b>7 AFFORDABLE AND CLEAN ENERGY</b> </p> <p><b>13 CLIMATE ACTION</b> </p>	<p>100% of new construction projects across Europe are being environmentally certified (previously building standard was compliant but not certified)</p> <p>Combined with buildings previously certified this has resulted in 34.9% of the total portfolio certified or with certificate pending as of December 2020</p>
<p>Maintain &gt;95% historical occupancy rate</p> <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> </p> <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> </p>	<p>As of Dec 2020, the average occupancy rate for the completed portfolio was 98.5%</p> <p>Since 2010 VGP has operated with an occupancy rate of &gt;95%</p>
<p>Safe working environment</p> <p><b>3 GOOD HEALTH AND WELL-BEING</b> </p> <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b> </p>	<p>Targeting zero workforce fatalities</p> <p>We request employees, contracted workforce as well as suppliers of VGP to adhere to our new VGP Health and Safety Policy</p>
<p>Supply chain ethics</p> <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b> </p> <p><b>10 REDUCED INEQUALITIES</b> </p>	<p>We conduct a supplier due diligence (based on our new Quality Management Handbook)</p>
<p>Gender equality</p> <p><b>5 GENDER EQUALITY</b> </p>	<p>Our board consists of 60% female and 40% male members</p> <p>Overall gender ratio of the group is 43% female and 57% male</p>
<p>Continuous learning</p> <p><b>4 QUALITY EDUCATION</b> </p> <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b> </p>	<p>Code of Conduct training is mandatory for all managers and is carried out throughout the organization</p>
<p>GRI aligned disclosures through CDP database</p> <p><b>13 CLIMATE ACTION</b> </p>	<p>This report describes how we address corporate sustainability, including SDGs. This Corporate and Social Sustainability Report has been prepared in accordance with the GRI Standards – Core Option</p> <p>Our progress is reflected in the CDP database</p>
<p>1-2% of net profits annually to be invested into the VGP Foundation</p> <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> </p> <p><b>15 LIFE ON LAND</b> </p> <p><b>4 QUALITY EDUCATION</b> </p>	<p>The VGP Foundation received €3 million start-up capital from VGP in the year 2020 of which €1 million has been spent</p> <p>€4 million has been provisioned for 2021</p>



# Resilience and integrity

In 2020, the Group has continued in strengthening its activities in the area of compliance and integrity and has reinforced its policies in order to preserve the integrity with which its business is conducted. A Code of Conduct has been issued and disseminated to all employees. The Code of Conduct describes the key principles of conduct for the business environment, in which the Group operates, covering such topics as health and safety, environmental regulation, competition policy, anti-corruption, no discrimination or personal data protection. Where required, it refers to specific group policies in particular areas. A training program in the area of compliance has been started last year. In spite of the limitations resulting from the impossibility of personal meetings caused by the COVID-19 pandemic, the training program continues through on-line video meetings, taking into account the growth of the Group's geographical coverage as well as headcount. Also, the Code of Conduct is progressively used in contracting with suppliers as a tool for promoting the responsible business approach throughout the supply chain.





# People

## Company **culture**

The family ownership of the business transpires into a collegial team spirit across the company. Integrity means honesty and sincerity in what VGP does and adhering to open communication with issues being openly discussed and addressed as soon as possible. Mutual trust, respect for everyone and opportunity to grow with room for own initiative are important for our employees to feel rewarded and enjoy their work. We like to encourage “out of the box”-thinking – even if it sometimes goes wrong – because we still can learn from it. No fear of mistakes culture, but encouragement of initiative and responsibility. This is critical in order to be able to execute on the ambitious goals VGP has set for the years ahead.

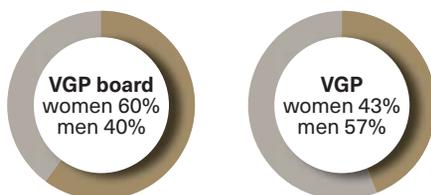
We operate in culturally diverse markets and we celebrate our differences. We support an inclusive and transparent workplace, free of harassment and discrimination, where all of our people can contribute equally to our commercial goals. VGP believes in equal opportunities for all employees. VGP does not make any distinction on the grounds of gender, religion, ethnic background or sexual orientation in its HR, recruitment and promotion policies or remuneration systems.

Performance and career development reviews are encouraged by senior management. These reviews are conducted on a constructive basis and personal level, generally always conducted by line management albeit the actual performance rate of conducting reviews are not monitored on a group wide basis.

At year-end 2020, the group had 283 employees spread over the 12 countries in which we are active. In 2020, the number of employees increased with 41.

We believe that supporting all people and promoting inclusion across our business and society makes the world a better place for all. We’re committed to creating a diverse and inclusive culture that helps employees know they are valued, respected and empowered to bring their best ideas forward.

The gender split of the VGP staff at the end of 2020 is: 57% male – 43% female. Moreover, women continue to be well represented in our Board of Directors with 60% of the members being female. Our HR system does currently not register minority or vulnerable groups.





# Staff **well-being**

This past year most effort in terms of staff well-being had to do with the management of the organization and our employees through the coronavirus pandemic.

As ways of working shifted dramatically with the COVID-19 pandemic, many of our employees had to transition to new processes, and modes of communication and collaboration. We hope that by having a foundation of involvement, fairness, respect, and equality we have been able to help our employees to adopt to new ways of working and interacting.

As every employee's situation is different, we have taken a personalized approach to fostering culture and enabling the changes as mentioned above. In order for everyone to be able to adapt to the virtual-working model which we rolled-out last year and which we, to a large extent, continue to use today, we believe it's important to engage employees in a continual two-way dialogue that takes into consideration their specific needs, allows them to configure their own journeys and provide personalized coaching by management.

As we believe the future will continue to require different working models and team structures, continuing to build and solidify such an integrated culture now will benefit us in the future.

Given the unique circumstances and explain the several steps taken we have addressed these points in the separate chapter below. Looking into 2021 we are focused on increasing the roll-out of our training practices. A number of new training programs have been rolled out. More detail in the chapter "Preparing Staff for Success".

# Protecting

## our employees and stakeholders during coronavirus

At VGP Health and Safety is a core value reflected in the Respect for our Employees and Business Partners core business principle. In the face of the coronavirus pandemic we have continued to live up to this core value, acting quickly and with great solidarity to protect employees, contractors and all our stakeholders in the time of Coronavirus (Covid-19).

### Overarching aim and objectives

We aim to safeguard the Health and Safety of our staff and partners, and ensure that the business does not suffer of inadequate planning or poor decision making in the time of Coronavirus. Our objectives are:

**Protect the health and wellbeing** of our people, their families, our stakeholders through medical preparedness and raising awareness

**Maintain business activities** through continuity planning and proactive supply chain management

**Protect and strengthen long term relationships** with our partners and the communities in which we operate

### Management framework for corona advice and reporting

In early March 2020 we put in place a new management corona reporting dashboard and reporting framework to provide monitoring, guidance, advice and reporting on the preparedness of our country organizations. Our country organizations prepare their response and are accountable to comply with their national health regulatory requirements and the implementation of group-wide guidance.

### Our global and local measures

We have put in place a range of group-wide and local measures to protect our teams and contribute to the containment of the disease. These measures include:

- ▶ Strict adherence to social distancing in operations and our offices
- ▶ Adaption of our Health and Safety guidance for all our operations in relation to COVID-19
- ▶ Strong promotion of digital (i.e., “contactless”) initiatives in our markets to replace face-to-face meetings where possible and enable tele-working
- ▶ Clear agreements to ensure the readiness of all our county teams in respect of the protection of our employees and contractors while on our site.

All these measures have been added to our standing practices to enforce and incentivize Health & Safety and safe business practices in the face of the Corona-crisis. We are constantly monitoring and adapting our approach for each country, carefully following developments as well as the instructions of local health authorities to help in every way we can.

# Preparing staff for success

The integration of new digital systems should lead to an improvement of the corporate processes, the optimisation of the cooperation, as well as the quality and service for all stakeholders. In 2020 we started the implementation and roll-out of a new ERP-system, after the selection of the partner at the end of 2019. At the start of 2021 we have decided to significantly expand our training course targets beyond mandatory Code of Conduct training in order to achieve a “Continuous learning” environment throughout our organization. In addition to setting up systems and tailored programs for on the job technical courses including on sustainable building standards, health and safety and technical evolutions.

## Health & safety

VGP is committed to the prevention of harm in our operations, extending to both our employees and contracted workforce. We request employees, contracted workforce as well as suppliers of VGP to adhere to VGP Health and Safety Policy. VGP will comply with applicable legislation and safety procedures at all building sites. In those few instances VGP is not acting as general contractor this is being conducted in close cooperation with the respective general contractor. VGP conducts inspections and assessments of potential areas of improvement during workplace visits and we are committed to identifying critical risks and applying controls to actively prevent incidents. We look to create a safe working environment and our ongoing target is for zero workforce fatalities in our operations whilst we drive an understanding that safety is everyone’s responsibility.



## Supply chain ethics

VGP is committed to good business ethics and the protection of human rights across its supply chain. Our supply chain consists of small, medium and large-scale suppliers who we partner with to help deliver our property development and property and facility management activities. As part of our introduction of our Code of Conduct, VGP will impose compliance with its code on its suppliers. Furthermore, to mitigate the bribery risk of our suppliers, we conduct a supplier due diligence (based on the Quality Management Handbook). Our Code of Conduct requires the respective VGP manager responsible for the engagement to ensure proper due diligence is conducted, including the requirement to report any work which is subcontracted by a supplier. This review is generally always conducted under supervision of the respective technical director albeit the actual performance rate of conducting such reviews are not monitored on a group wide basis.

# Sustainability

## Addressing **climate risk**

The Paris Agreement for the first time brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so. The renewable energy directive 2018/2001/EU with implementation deadline of 30 June 2021 was introduced as part of the Clean energy for all Europeans package, aimed at keeping the EU a global leader in renewables and, more broadly, helping the EU to meet its emissions reduction commitments under the Paris Agreement. The new directive establishes a binding renewable energy target for the EU for 2030 of at least 32%, with a clause for a possible upwards revision by 2023. VGP supports the Paris Agreement goal to reduce global carbon emissions to limit the average temperature rise to below two degrees Celsius. In order to achieve this VGP has set its own emission reduction targets as described below based on its long-term target to achieve net-zero emissions before 2025.

Whilst our building standard for long has been BREEAM Very Good equivalent, we have stepped up actual certification efforts meaning since start of 2020 all new buildings get delivered with at least a BREEAM Very Good or equivalent certification. This minimum building standard is aimed at enhancing the durability of the portfolio and reduce the carbon footprint. With the actual certification in place this minimum building standard is transparent to all our stakeholders. In addition, we continue to invest capital into alternative energy sources across the parks which we already operate and we have under construction, in order to drive onsite energy solutions and drive towards carbon neutral operations at our parks.



Total lettable area  
environmentally certified  
**35% of the portfolio**  
**1,155,000 m<sup>2</sup>**

# Sustainable use of land and buildings

Our business model starts with the sourcing of prime land locations. With the land selection we look for locations close to ring roads with public transport access.

Our land sourcing strategy encompasses a careful selection process to ensure we minimize potential travel for both our customer's employees on site and logistics accessibility. In addition, our ambition is to increase the number of developments on brownfield land which will further support our effort to reduce our environmental impact and revitalise and repurpose often contaminated industrial wasteland. Moreover, as we will introduce sustainable features in terms of green areas our projects will restore and improve the biodiversity of such area.

Brownfield sites are often a soar on the local neighbourhood, particularly when the soil is contaminated or the site is increasingly abandoned, therefore a redevelopment can bring positive energy into such neighbourhood. Given these sites are often situated at prime locations in terms of proximity to the metropolitan areas, these are good for our customers. Further benefit is that workers are typically already more readily available and transport infrastructure is in place.

As part of a comprehensive strategy to advance environmentally sustainable solutions for our tenants and our own operations, VGP has enhanced its building standard in order to obtain BREEAM (Building Research Establishment Environmental Assessment Method) "Very Good" certificates (or equivalent) for all our construction projects since 2020 onwards.

Its multi-criteria approach distinguishes BREEAM from other methods. The building certification process evaluates land use, environmental aspects, the building process, water consumption, waste, contaminations, transport, equipment and materials, health and comfort, alongside energy consumption. Whilst, naturally, all new-build projects in the past were already completed as energy efficient as possible, separately from the certification process, since January 2020 we have ensured a certification for BREEAM Very Good or equivalent is obtained for every new building

(see table), combined with buildings previously certified this has resulted in 1,155,000 m<sup>2</sup> total lettable area, or

34.9% of the total portfolio, has now been certified or had its certificate pending in December 2020.

VGP has accomplished an occupancy rate benchmark above 95% across its portfolio since 2010 (measured on a 6-months average). For us a high occupancy rate represents good business and sustainable use of the buildings we have created. It suggests our properties are well-located, adaptable to a variety of uses and are continuing to meet the needs of our customers.

## BUILDINGS CERTIFIED DURING 2020

<b>VGP Park Valsamoggia</b> buildings A and B	BREEAM Excellent (BIU)
<b>VGP Park Nijmegen</b> building A	BREEAM Very Good
<b>VGP Park München</b> building A1	DGNB Gold
<b>VGP Park Giessen – Lutzellinden</b> building A	DGNB Gold (in progress) <sup>1</sup>
<b>VGP Park Magdeburg-Sülzetal</b> building A	DGNB Silver (in progress)
<b>VGP Park San Fernando de Henares</b> building C1 and C2	BREEAM Very Good (in progress)
<b>VGP Park Lliçà d'Amunt</b> building A, D and E	BREEAM Very Good (in progress)
<b>VGP Park Valencia Chestre</b> building A and B	BREEAM Very Good (in progress)
<b>VGP Park Zaragoza</b> building A	BREEAM Very Good (in progress)
<b>VGP Park Timisoara</b> building D	BREEAM Very Good (in progress)

BREEAM®



<sup>1</sup> (in progress): projects with building certificate issuance pending in December 2020

# Sustainable

## energy usage

Whilst energy consumption in our parks is foremost the responsibility of our clients, it is VGP's long-term goal to create value by reducing the environment impact of its buildings. VGP does this by implementing energy-saving measures as well as enabling the production of clean energy sources. Sustainable building standards, energy-efficient design and construction of a building is vital to reducing energy demands within the building. Therefore, our goal to always ensure a minimum of BREEAM Very Good certification will further contribute to a reduction of the energy consumption of our future portfolio.

This high quality and certified building standard are applied in order to create sustainable value for tenants,

shareholders and other stakeholders. Various improvements in building design and building management have been introduced in order to create such sustainable value. In the building design this includes measures to improve insulation and simultaneously improve the fit into the environment for example through the application of green roofs and facades, and solar panels. And in terms of the management systems, these are focused on improving transparency in terms of energy supply and usage. In the best case, all building and plant engineering functions can be monitored and operated via a central system. For this purpose, all sensors, drives and operating elements as well as user and technical systems (e.g.

heating, ventilation, air conditioning, cooling) are integrated. All these monitoring, control, regulation and optimisation devices are managed with specialized software, the building control technology ("Gebäudeleittechnik" or "GLT"). GLT is the central tool of the building's energy manager as it collects all data from the sensors and controllers of a building. It logs and analyses the data statistically and displays it graphically. This way the energy manager has an overview of all technical processes within a building and can more easily identify potential savings. A summary of VGP's energy consumption for its operations including energy consumed from activities within VGP's operational control is below.

### A high quality and certified building standard applied in order to create sustainable value for shareholders, tenants and other stakeholders

Examples in building design and management which are typically applied include:

- ▶ LED lighting in- and outside
- ▶ use of highly qualified and certified materials under ISO 14001
- ▶ sustainable use of materials including recycling of rubble granules
- ▶ use of precast concrete of highly durable quality
- ▶ installation of solar panels, where feasible
- ▶ energy-efficient cooling installations where required
- ▶ low-noise installations due to environmental factors
- ▶ water-saving sanitary facilities
- ▶ sustainable landscaping of the site
- ▶ sustainable (rain) water management
- ▶ if applicable refrigeration/freezing installation with leak detection systems and automatic in-block valves
- ▶ loading and unloading docks equipped with energy-efficient doors and airlocks
- ▶ electric car and truck charging facilities
- ▶ logistic traffic routes through the park and inside buildings designed for optimal transport and handling of freight traffic

A summary of VGP's energy consumption for its operations including energy consumed from activities within VGP's operational control is below.

### Total fuel consumption within the organization

FY2019 ENERGY DATA	NON-RENEWABLE SOURCES	RENEWABLE SOURCES
Gas (GJ)	166.11	—
Electricity (MWh)	276.10	134.89
Fuels (diesel and gasoline) (GJ)	23,226,26	—
<b>TOTAL</b>	<b>24,386.35</b>	<b>485.62</b>

# Carbon footprint reduction strategy

VGP conducted a carbon footprint analysis in order to better understand the climate impact of our day to day operations. On the basis of this analysis we have been able to understand where the current strengths and the improvement areas in terms of CO<sub>2</sub> emissions are. Furthermore, it is our intention to follow up on KPIs to allow us to reduce our climate impact. The annually updated balance gives us pointers on where the influencing factors for preventing greenhouse gas emissions are. So we can check whether we are on the right track for meeting our goals to reduce greenhouse gases.

## Scope and methodology

The analysis was conducted based on the CO<sub>2</sub>logic-approach (in line with PAS 2060 standard for Carbon Neutrality) which is based on the following principles:

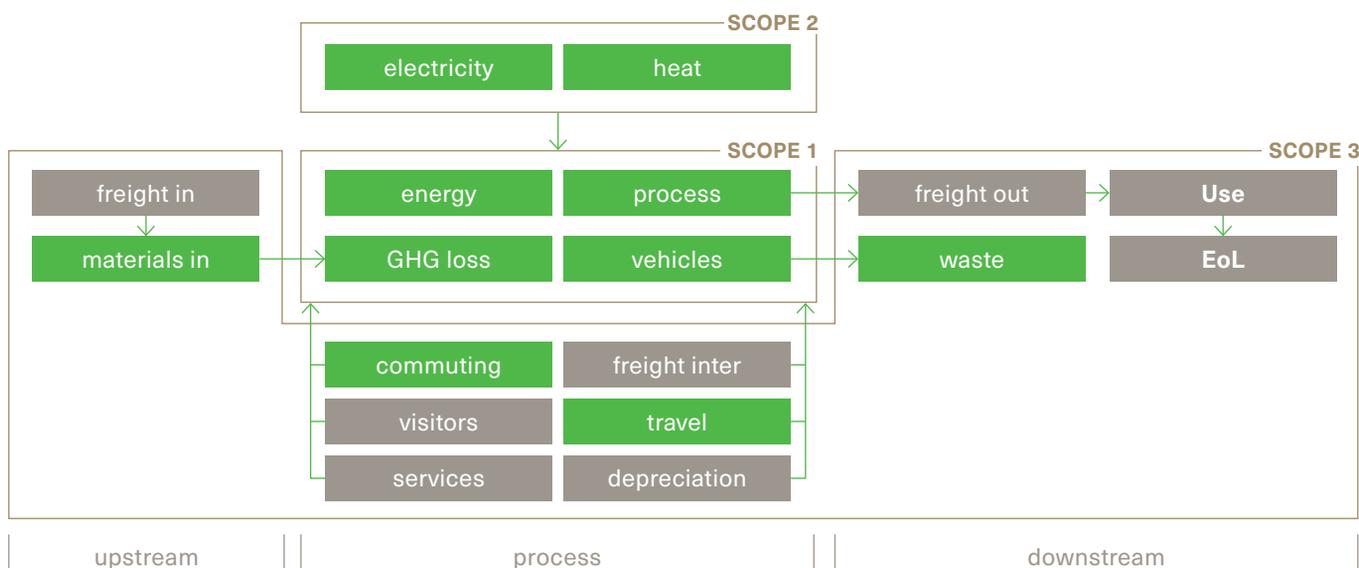
1. Calculating emissions (knowledge)
2. Reducing emission (action)
3. Offsetting emissions (taking full responsibility and show solidarity)
4. Communication (influence others)

For the analysis of our full scope 1 and full scope 2 emissions and a partial scope 3 analysis (see text box) the Bilan Carbone<sup>®</sup> methodology has been used for the calculation of the carbon footprint. The methodology is recognized by the PAS 2060 standard for carbon neutrality, is compliant with the ISO 14064 standard and the GHG Protocol.

Not included within the scope of the analysis conducted in 2020 is a full scope 3 analysis, which would include amongst others the emissions of supply chain of our building materials and construction activities. Our building standard of BREEAM Very Good or equivalent certification ensures that emissions also for our construction activities (scope 3) is recognised and therefore the certification process encourages for our designs to be such that operational energy demand, consumption and CO<sub>2</sub> emissions are minimized. Over and above the individual building certification, it is our ambition to conduct a comprehensive full scope 3 analysis on a group-wide level in order to be able to take comprehensive initiatives for scope 3 emissions reduction where feasible on the basis of impact and influence.

## The scope of VGP's carbon footprint calculations

<b>FULL SCOPE 1</b> which includes direct emissions related to:	<b>FULL SCOPE 2</b> including indirect emissions related to:	<b>PARTIAL SCOPE 3</b> including indirect emissions related to:
<ul style="list-style-type: none"> <li>— Heating of our own buildings and offices (natural gas/fuel)</li> <li>— Leased &amp; owned vehicles</li> <li>— Cooling systems GHG losses</li> </ul>	<ul style="list-style-type: none"> <li>— Grid electricity (grey)</li> <li>— District heating</li> </ul>	<ul style="list-style-type: none"> <li>— Upstream emissions from scope 1&amp;2</li> <li>— Business travels (air-train)</li> <li>— Commuting (excl leased &amp; owned vehicles which are already captured under scope 1)</li> <li>— Waste from our offices</li> <li>— Paper consumption</li> </ul>



## Total CO<sub>2</sub> footprint

Based on the analysis the total CO<sub>2</sub>e emissions (direct + indirect) for VGP Group over the year 2019 were estimated at 2,308 tCO<sub>2</sub>e. This emission can be translated in 227 times the annual CO<sub>2</sub> emission of a Belgian person or 397 ha of new forest needed to capture this amount in one year. This emission equates to a total CO<sub>2</sub>e emission per FTE and per m<sup>2</sup> office surface of 9.7 tCO<sub>2</sub>e/FTE and 0.6 tCO<sub>2</sub>e/m<sup>2</sup>. Both are KPIs which we will monitor going forward.

Mobility is responsible for 91% of VGP's total CO<sub>2</sub> e footprint with business travel (41%) and company cars (41%) being the two main contributors.

### GHG emissions data

ENERGY	UNITS	2019
Scope 1	Tonnes CO <sub>2</sub>	691
Scope 2	Tonnes CO <sub>2</sub>	95
Scope 3 <sup>1</sup>	Tonnes CO <sub>2</sub>	1,522
<b>Total</b>	<b>Tonnes CO<sub>2</sub></b>	<b>2,308</b>

On the roofs of VGP Parks we have so far installed or under construction solar panels representing a total power generation capacity of 42.5 MWp. In addition, we are in discussion for the installation of a further 53.3 MWp.

Compensating the emissions are the existing PV systems in operation on VGP Park's roofs. The total 42.5 MWp installed or under construction equates to CO<sub>2</sub> emissions of 7,800 tCO<sub>2</sub> on an annual basis (see further detail in chapter "Creating value through renewable energy").



<sup>1</sup> Scope 3 analysis conducted only partially – see for definition call-out box "The scope of VGP's carbon footprint calculations"

# Long-term target to reach net-zero emissions before 2025

VGP derived its own emission reduction targets as described below based on its long-term target to achieve net-zero emissions before 2025. VGP commits to reduce scope 1 and 2 GHG emissions by 50 percent per ton of product by 2030 from base year by:

- ▶ Switch to electric cars
- ▶ Introducing a business travel policy which aims to replace flight travel as much as possible by train for trips <750km
- ▶ Replace business flight travel by teleconferencing for 20% of meetings
- ▶ Commuting: facilitate a switch to bikes for trips <10km distance
- ▶ Switch to green energy contracts for our office buildings
- ▶ Promote digitization to reduce paper consumption and waste

Furthermore, VGP commits to reduce scope 3 GHG emissions from purchased building and construction materials following the completion of a comprehensive full scope 3 analysis on a group-wide level. This analysis will enable us to take comprehensive initiatives for scope 3 emissions reduction where feasible on the basis of impact and influence.



## Creating value through renewable energy

VGP Renewable Energy N.V. has been setup by the Group in 2020 to broaden the ability of the Group to assist our clients in making their businesses more sustainable in a cost-effective way. The objective of the Renewable Energy business line is to serve the Group's client base, by offering such clients an ability to assist with their green energy transition including



**An ability to offer green energy**  
(produced on or off site)

**Smart energy management**  
(including use of batteries and smart local grids)

Facilitate our clients in their transition towards a green (forklift-)truck and car fleet by **offering green electric and hydrogen charging facilities** and infrastructure at our parks

## Generation to date

The large roofs of our logistics warehouses are very well suited for the installation of solar panels without imposing aesthetic damage to local communities. This allows the park and the immediate surrounding communities to have access to locally produced green energy. Thanks to their scale, solar panels are perfectly in line with decentralised energy production. This decentralised approach ensures more continuity and availability of energy at a specific industrial logistics park and its community. Moreover, clients can consume locally produced green energy.

On the roofs of VGP Parks we have so far installed or under construction solar panels representing a total power generation capacity of 42.5 MWp. In addition, we are in discussion for the installation of a further 53.3 MWp.

Based on German average emission standards<sup>1</sup>, the total capacity installed and under construction is expected to realise a reduction in CO<sub>2</sub> emissions of 7,800 tCO<sub>2</sub> on an annual basis once operational in the course of 2021. This is sufficient energy for maintaining 13,400 households<sup>2</sup>. The pipeline projects are expected to add a further prevention of CO<sub>2</sub> emissions of 9,790 tCO<sub>2</sub> on an annual basis or enough energy for maintaining 16,800 households.

<sup>1</sup> Emissionsbilanz erneuerbarer Energieträger; Bestimmung der vermiedenen Emissionen im Jahr 2018; Umwelt Bundesamt; 37/2019

<sup>2</sup> Ignoring peak vs trough production of a PV system; assuming households consume on average 3,171 kWh of electricity annually (www.energytransition.org: German 2018 household consumption)

**We have 42.5 MWp of solar PV installed or under construction on our rooftops across the portfolio**

VGP PARK	BUILDING	SURFACE (m <sup>2</sup> )	PRODUCTION	STATUS
VGP Park Nijmegen	NLDNIJ – A1/A2	20,943	1,518	Operational
VGP Park Nijmegen	NLDNIJ – A3	21,388	1,548	Operational
VGP Park Nijmegen	NLDNIJ – A4/A5	19,221	1,743	Operational
VGP Park Roosendaal	NLDROO1 – A	41,149	3,899	Operational
VGP Park München	GERMUE – A1	5,860	748	Operational
VGP Park Göttingen	GERGOE – A	23,803	750	Operational
VGP Park Göttingen	GERGOE – A	19,189	750	Operational
VGP Park Göttingen 2	GERGOE2 – C	46,152	3,875	Under Construction
VGP Park Berlin 2	GERBER2 – C	26,061	750	Under Construction
VGP Park Berlin 2	GERBER2 – D	53,675	2,804	Operational
VGP Park Bischoffsheim	GERBIS – A	6,653	305	Operational
VGP Park Giessen - Buseck	GERBUS – A	5,642	748	Under Construction
VGP Park Lutzellinden	GERLUE – A	12,364	748	Operational
VGP Park Magdeburg	GERMAG – A	26,365	748	Under Construction
VGP Park Magdeburg	GERMAG – B	35,100	2,246	Under Construction
VGP Park Erfurt	GERERF – A	27,265	748	Under Construction
VGP Park Hamburg	GERHAM – A1	24,748	748	Under Construction
VGP Park Hamburg	GERHAM – A2	18,743	748	Under Construction
VGP Park Hamburg 2	GERHAM2 – B2	40,585	748	Under Construction
VGP Park Hamburg 3	GERHAM3 – C	23,679	748	Under Construction
VGP Park Hamburg	GERHAM – A5	13,166	750	Operational
VGP Park Hamburg	GERHAM – A4	12,295	745	Operational
VGP Park Frankental	GERFRA – A	57,458	4,011	Operational
VGP Park Bobenheim – Roxheim	GERBOB – A	23,269	1,809	Operational
VGP Park Leipzig (Messe)	GERLEI – A1	2,497	531	Operational
VGP Park Leipzig (Messe)	GERLEI – A2	9,629	745	Operational
VGP Park Leipzig (Messe)	GERLEI – B1	24,629	1,490	Operational
VGP Park Borna	GERBOR – A	13,617	748	Under Construction
VGP Park Wetzlar	GERWET – B	5,162	750	Operational
VGP Park Ginsheim	GERGIN – A	9,600	748	Under Construction
VGP Park Dresden	GERDRE – A	20,175	750	Operational
VGP Park Schwalbach (DEU 3)	GERSCH – A	8,386	645	Under Construction
VGP Park Soltau	GER SOL – A	55,812	748	Under Construction
VGP Park Höchststadt	GERHOE – A	15,000	748	Under Construction
VGP Park Valsamoggia	ITAV AL – B	14,499	301	Operational
VGP Park Valsamoggia	ITAV AL – A	6,678	48	Operational
<b>TOTAL</b>		<b>790,456</b>	<b>42,489</b>	

## Projects representing a further 53.3 MWp are currently in the pipeline

VGP PARK	BUILDING	SURFACE (m <sup>2</sup> )	PRODUCTION (kWp)
VGP Park Roosendaal	NLDROO1 – B	9,576	940
VGP Park München	GERMUE – A2	5,860	750
VGP Park München	GERMUE – A3	5,860	750
VGP Park München	GERMUE – A4	3,907	500
VGP Park München	GERMUE – A5	3,907	500
VGP Park München	GERMUE – B	27,344	3,500
VGP Park München	GERMUE – C	19,532	2,500
VGP Park München	GERMUE – E	12,500	1,600
VGP Park München	GERMUE – PHN	3,907	500
VGP Park München	GERMUE – PHS	3,135	400
VGP Park Göttingen	GERGOE – B	38,506	2,994
VGP Park Göttingen 2	GERGOE2 – C	30,000	4,200
VGP Park Göttingen 2	GERGOE2 – E	6,046	847
VGP Park Berlin 2	GERBER2 – B	9,716	1,362
VGP Park Berlin 2	GERBER2 – C	26,061	3,649
VGP Park Giessen – Buseck	GERBUS – A	12,486	1,748
VGP Park Laatzen	GERLAA – A	54,728	3,250
VGP Park Laatzen	GERLAA – B	11,659	1,600
VGP Park Laatzen	GERLAA – D	3,907	499
VGP Park Chemnitz	GERCHE – A	12,616	1,766
VGP Park Magdeburg	GERMAG – A	26,365	1,497
VGP Park Magdeburg	GERMAG – B	35,100	750
VGP Park Erfurt	GERERF – A	27,265	1,638
VGP Park Hamburg	GERHAM – A1	24,748	1,417
VGP Park Hamburg	GERHAM – A2	18,743	892
VGP Park Hamburg 2	GERHAM2 – B2	40,585	2,803
VGP Park Hamburg 3	GERHAM3 – C	23,679	1,323
VGP Park Hamburg 2	GERHAM2 – B1.1	34,467	3,016
VGP Park Hamburg 2	GERHAM2 – B1.2	23,004	2,013
VGP Park Soltau	GER SOL – A	55,812	4,136
<b>TOTAL</b>		<b>611,022</b>	<b>53,339</b>



## VGP Renewable Energy can facilitate our clients in their transition towards a green truck and car fleet

Our imminent target is to expand the roll-out of photo-voltaic installations on the roofs of our parks – not by renting out our roofs to PV investors but by investing and operating such PV systems ourselves, in cooperation with our tenants.

Ultimately our goal is to capitalize, not only on the available roof space for PV systems but on the most current energy technologies available across the entire spectrum of renewable energy production and storage relevant to the tenants at our parks and sites. This is to do good for our tenants – as obtaining sufficient supply of (sustainable) energy sources and emissions are increasingly key constraining factors – and municipalities, but we also believe that due to a combination of better technology, lower prices, and the benefits of scale, we will be able to make such investments at increasingly attractive terms for our shareholders.





# Green Finance Framework

In 2019, VGP drew up a Green Finance Framework which provides clear, transparent insight into the criteria that facilitate investments into renewable energy projects, energy efficiency and ecologically sound measures for logistics property, in order to reduce CO<sub>2</sub> emissions and achieve a carbon-neutral environment.

This Green Finance Framework offers VGP a general framework for the issue of Green Bonds, Green Private Placements and/or Green (Syndicated) Loans.

The independent non-profit research institute Centre for International Climate and Environmental Research (CICERO) has confirmed that this financing program is in line with the Green Bond Principles. Based on the foreseen minimum BREEAM Very Good certification of our building projects, a considerable part of the anticipated capital expenditure for 2021 is expected to amount to the eligible assets. Further information about our financing and future emissions can be found in the Investor section on our website<sup>1</sup>.

- ▶ Green Financing Framework classified as “Medium Green”
- ▶ Governance framework classified as “Good”
- ▶ Green Financing Framework in-line with the Green Bond and Green Loan principles



°CICERO  
Medium Green



<sup>1</sup> [www.vgpparks.eu/en/investors](http://www.vgpparks.eu/en/investors)



# Society — **VGP Foundation**

The VGP Foundation was founded in 2019 and is a registered Belgian private foundation ("private stichting") under number 0735.540.607.

The VGP Foundation received €3 million start-up capital from VGP in the year 2020 and in addition, VGP has provisioned €4 million for the year 2021. Longer term, VGP has committed to contribute circa 1-2% of its annual profit into the VGP Foundation. Additionally, VGP offers in-kind funding through the provision of expert volunteers, community volunteers, products and services. It also provides office space, IT and travel support, and hosts the Foundation's website.

## **Three** focus areas

The foundation will focus on three main areas:

### **1/ Supporting education**

for children and young people in need

As VGP has an impact on local communities, the VGP Foundation wants to support social projects focused on education and child care

### **2/ Preservation and creation**

of biospheres and nature conservation zones

As VGP turns green fields into economic fields, the VGP Foundation wants to engage in projects encouraging nature conservation, such as creating permanent biotopes

### **3/ Protection** of European cultural assets and heritage

VGP operates on a pan-European basis and we believe in the dream of uniting all people of Europe. We want to support European cultural heritage through conservation and protection of heritage buildings



# Project case study

## TAJO – Talent workshops for disadvantaged youngsters

### Interview with Claudia van Egmond (Managing Director of TAJO)

Despite all efforts, social vulnerability continues to deny opportunities. To seize those opportunities, they must first be presented to young people. With TAJO, we stimulate the motivation of young people. The youngsters get a glimpse of what “later” has in store so that they better understand the importance of “doing your best for later”. At TAJO, interactive Saturday workshops introduce young people aged 10-14 to a wide range of professions and the skills and talents that go with them.

Experienced professionals, who act as guest teachers, teach numerous disciplines (care, journalism, entrepreneurship, culture, ...). These workshops are conducted enthusiastically and experientially. This way, young people can experience for themselves which fields of study appeal to them and are encouraged to study in a direction that will take them further, at school and in life. TAJO is there for everyone, but with priority for those who need it most.



**TAJO** is the abbreviation for a talent studio for young people. It is a non-profit initiative started in Ghent/Belgium with a clear purpose: **Promoting a successful educational pathway for youngsters** between the age of 10 and 14, with special attention for those kids who need it the most. Visit website **tajo.be**

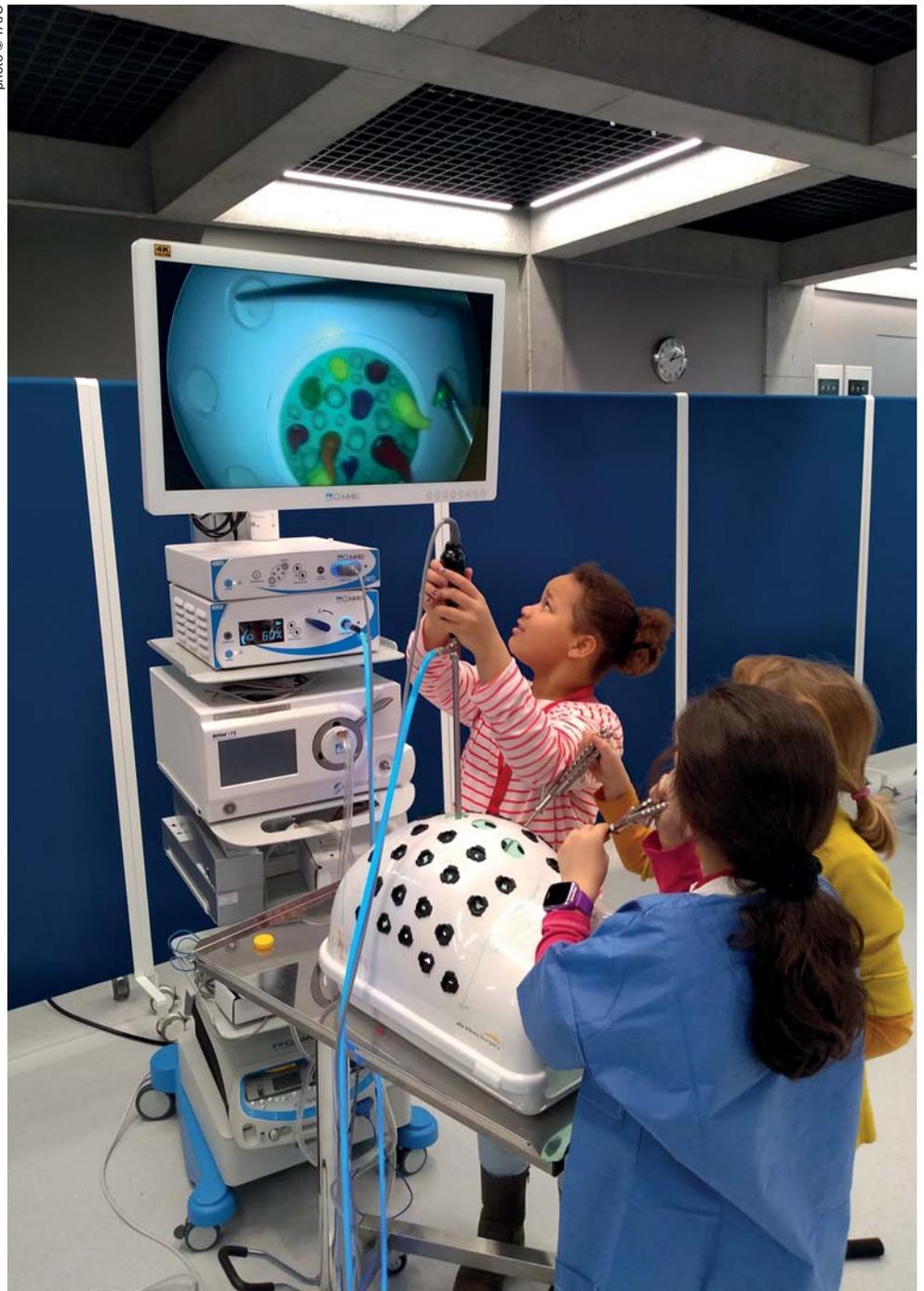
## TAJO's Objective

*"Two years ago, we at TAJO identified the need for an answer to the question why families in vulnerability do not progress, and why the children of these families are not assisted in discovering their talents, developing self-confidence, and building an educational network."*

We learned repeatedly that education is a decisive factor in determining what social opportunities and which social environments are available to an individual. Investing in education is a keyway of improving the prospects of those who come from socially disadvantaged backgrounds.

Tajo aims to provide young stars who are about to enter high school with a decision-making basis for their future. *"We accompany these young stars voluntarily on a three-year-journey. During this time, we give them the opportunity to find their talents, discover their personality and develop self-confidence in weekly Saturday workshops."* TAJO brings approx. 120 young stars closer to society and supports them on their journey with its approx. 500 Volunteers, Experts, and educational Staff in two Locations in Gent, Belgium. TAJO's experts pass on their passion and knowledge to the young stars in the workshops and provide them with extracurricular knowledge to offer the children a brighter future.

During the Covid-19 pandemic, TAJO was up to the challenge of maintaining the network and supporting the young stars despite the lockdown. With personal and elaborate diploma ceremonies at the families' homes, the TAJO volunteers were able to bridge the time professionally and ensure a constant exchange. Thanks to the small teams, TAJO was able to continue with its Saturday workshops as usual after the lockdown.



## Call-to-Action & Future

TAJO's objective for the future is to collectively, all together, help society and establish a concept that will sustainably help ensure more high school diploma completion. TAJO is the only proactive initiative to support children at this important age when they must make crucial decisions for their future. *"Children at this age want to know a lot and find their talents, we at TAJO try to support them as much as possible on their way."*

The project aims to be copied and implemented not only in the city of Gent, but also in other Belgium and European cities.

# VGP Foundation – Governance

Registered as a private foundation in Belgium, the VGP Foundation operates in accordance with charity regulations. All partners of the VGP Foundation are required to define KPIs and report on the progress of joint projects at the end of each quarter. Additionally, the VGP Foundation will follow its own transparent, KPI-led reporting process to ensure the best allocation of funds and resources.

The board of the VGP Foundation consists of five members today. The VGP Foundation's charter foresees a board of six members, including three directors who are independent from VGP. The Board has full responsibility for the strategy, policies, performance and operations (including the management of funds) of the VGP Foundation. It also makes the final decision on all projects run as part of the Foundation's programs.



**Jan Van Geet**  
initiator and founder

Jan Van Geet is the founder and CEO of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was also managing director of WDP Czech Republic. WDP is a Belgian real estate investment trust. In September 2019 he founded on behalf of VGP the VGP Foundation as an independent charity.



**Olaf Tschimpke**

Mr. Tschimpke is currently Chairman of the NABU International Nature Conservation Foundation. Founded in 2009 by the NABU (Nature and Biodiversity Conservation Union), Germany's largest nature and biodiversity conservation association, it aims to protect natural heritage worldwide. The foundations' international project funding is focused on climate protection and the conservation of biological diversity. Until 2019, Tschimpke served as President of the NABU and was Deputy Chairman of the Council for Sustainable Development of the German Federal Government from 2012 to 2019. Since 2017 member of the German steering committee for science "Sustainability 2030"; advisory board of the German Industry Initiative for Energy Efficiency; Chairman of the curator-board of the Nature Conservation Foundation History; member of the curatorship of the Michael Otto Foundation and the Hanns R. Neumann Foundation. He is also a member of the ZDF Television Council.



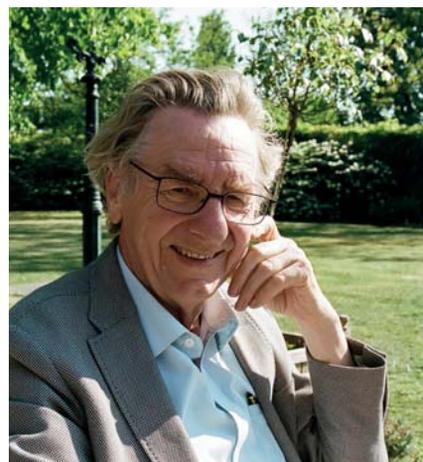
### **Prof. Dr. Anne De Paepe**

Prof. Dr. Anne De Paepe is currently Chairperson of the Board of Directors of the Ghent University Association, Honorary Rector of Ghent University and Professor of Human & Medical Genetics of the Faculty of Medicine & Health Sciences at Ghent University. An expert in the field of Rare Hereditary Diseases and Medical Genetics, she developed the Ghent University Centre for Medical Genetics into an internationally renowned institution where more than 200 people are researching hereditary diseases today. In doing so, she not only pioneered scientific research but also translated her findings to her clinical work as an M.D. She is also a pioneer as the first female Rector at Ghent University, a leading Belgian research and teaching institution. Since 2019 she has been actively involved with TAJO as a Board member, supporting disadvantaged children in the greater Ghent-area in Belgium.



### **Tereza Van Malderen**

Tereza Van Malderen graduated from the Academy of Art in Prague and spent afterwards more than 20 years engaging in the world of art on many different levels. She has been actively involved in several different charitable projects nationally as well as internationally, especially in the domain of cultural heritage.



### **Hugo Van Geet**

Hugo Van Geet is the founder of VGD, chartered accountants and tax advisers, an office he founded and helped develop into a medium-sized European partnership of certified accountants and tax advisers. Mr Van Geet has a close relationship with leading Flemish entrepreneurial families of international business renown, and advises many of these families on business and family-related issues. As such, he also holds positions in several board of directors. Classical music is an important factor in his daily life, he organizes concerts at a high level, created his own opera and, at the request of the Flemish government, is also the chairman of the Antwerp Symphony Orchestra. Although he has a financial and regulatory background, Hugo has a broad interest in nature conservation, European cultural heritage and sustainable agriculture.

# Approved projects 2020



photo © Kempens Landschap

## CULTURE

### Hof Ter Laken

#### Belgium

Hof Ter Laken is a twelfth century country estate in neo-Flemish Renaissance style, situated in Booischot, Belgium. This restoration project is led by Kempens Landschap, a Foundation focused on restoring and maintaining historically significant landscape in Antwerp province. The VGP Foundation will conditionally contribute towards the reconstruction of the greenhouse and aviary at the estate. The aim is to give the entire site a new function with high social added value whilst respecting the heritage.

## CULTURE

### Spanish Riding School Vienna

#### Austria

VGP Foundation is supporting the renovation works on the cultural heritage site of the Spanish Riding School in Vienna. While ticket sales cover basic operational costs (maintained by state subsidies during Corona pandemic), the SRS lacks the financial means to maintain and repair the older support buildings.

## CULTURE

### Restoration of a castle

#### Czech Republic

Whilst there are many famous and well looked after castles open for visitors in the Czech Republic, there are also many which have long been abandoned or not been properly maintained. Various estates are currently being analysed against our investment criteria. We try to look at the estate and its landscape from an integral point of view, thereby seeking a balance between an ability to preserve precious cultural heritage with its natural surroundings versus sustainable economical usage through a potential future (social) function.

## SOCIETY

### Talent workshops for disadvantaged youngsters

#### Belgium

VGP Foundation is providing financial support to TAJO, which is the abbreviation for talent studio for young people. It is a non-profit initiative started in Ghent/Belgium with a clear purpose: Promoting a successful educational pathway for youngsters between the age of 10 and 14, with special attention for those kids who need it the most.

## NATURE

### Protection of Insects: Insect scout campaign

#### Germany

The biomass of flying insects decreased within 27 years by up to 75 percent. At the same time the insects in their diversity are not only an irreplaceable food source for other animals, almost all plants are pollinated by insects. In order to draw attention to the dramatic situation, NABU has called for an interactive campaign – “The Insect Summer”. Insect scouts are to enthuse the world for insects and support with the identification of insects. VGP Foundation is supporting the project, which aims to build up a network of experts and from 2021 to 2022 in total 32 people, spread over all states, are to be trained.

NATURE

## Project coordination by NABU International

### Germany

Coordination of activities, including project contracts with local partners, monitoring, accounting and regular reporting on all active nature conservation projects led by NABU International in which VGP Foundation participates.

NATURE

## Peatland Restoration

### Baltics

While only 3% of the global land area is peatland, they store twice as many green-house gases as all the forests on earth. The protection and restoration of peatlands is therefore an efficient means for ecosystem-based climate protection and restoration. At the same time, as wetlands they are of central importance for the protection of species. VGP Foundation, together with and supported by NABU International, is planning to purchase high-value bog areas in the Baltics that are acutely threatened by drainage in order to restore the water balance and protect the natural habitat.

NATURE

## Protection of the Carpathians

### Romania, Ukraine

Uncontrolled cutting down of trees, poaching, lack of waste management system, exhausting business projects, and climate change lead to Carpathian forests being in the zone of ecological risk. The local population of depressed remote rural areas are traditionally accustomed to forest exploitation. NABU International in cooperation with NGO's, national parks and the Church community both in the Ukraine and Romania want to provide local people with alternative practical examples of life activities and sustainable development in the Carpathians' unique ecosystems. The main goal of the project which VGP Foundation supports is to develop and then implement an educational program for children and youth in rural areas of the Carpathians. The aim is to reach circa 45,000 children and adults during the project implementation.

NATURE

## Protection of the Ebro Delta

### Spain

The Ebro Delta is one of the most important bird areas in Catalonia, Spain. Here 300 species of birds, ducks, herons, waders, gulls, coots and flamingos breed, rest or winter. The Ebro Delta is the second largest wetland in Spain. One third of the delta is a nature reserve. The reserve is partly managed by NABU's Spanish partner Sociedad Espanola de Ornitologia (SEO). The bird paradise was severely devastated by storm Gloria in 2019. The storm also heavily damaged and rendered uninhabitable the 80-year-old house in which the SEO volunteer caretakers of the sanctuary live. VGP Foundation is helping in repairing the house.

photo © NABU



NATURE

## Protection of the Snow Leopard in Kyrgyzstan

### Kyrgyzstan

For the protection of snow leopards, which are among the most endangered big cats on earth, NABU, in close cooperation with NABU Kyrgyzstan, will build in 2021 a new rehabilitation centre in Terek (the Kemin district of the Chui region). The old, outdated, and risky cages will be replaced. Moreover, an environmental education centre will be set up. During the first month of the project, the new territory has been cleaned; the road to the future centre was repaired. In the next month, the roof and the house will be renovated.

NATURE

## Protection of the Snow Leopard in Tajikistan

### Tajikistan

Due to the growing population of mountain communities in the highlands, conflicts with snow leopards are becoming more and more frequent. In some cases, they have already led to the killing of the strictly protected species by shepherds protecting their farm animals. The construction of snow leopard-safe stables and implementing a compensation/insurance system is the most effective method to solve the conflict – also the project's main goal which is led by NABU, in cooperation with ANCOT. In the first month after the project launching, 7 villages of Bartang valley have been visited.



photo © ANCOT



## NATURE

### Protection of migrating birds

#### Cyprus

Every year more than 2 million birds are being killed in Cyprus alone through illegal poaching. The importance of education and public awareness is crucial to protect the millions of birds migrating via the Mediterranean. The aim of the project, which VGP Foundation is supporting and is led by NABU International, is to encourage nature protection at a grassroots level to make three Cypriot villages more avi-fauna friendly and become a model for other villages to follow. In addition, the project foresees the addition of a Education & Awareness space to the wildlife rehabilitation centre.

## NATURE

### Restoration of Jizerské smrčiny

#### Czech Republic

The Jizerské smrčiny is a location of special natural habitat in the central part of the plateau of the Jizera Mountains. There are a number of specially protected and endangered species of plants and animals in the area. Due to a long period of cultivation of monocultural forests and often inappropriate farming methods rapid water run-offs are increasingly endangering the area. The project, supported by VGP Foundation and led by the Ivan Dejmal Foundation for nature conservation, aims to cut unoriginal trees, plant new trees and build water retaining dams and baffles.

## NATURE

### Increasing stability of forest covers in Liberec region

#### Czech Republic

The forest areas of six towns in the Liberec region has for long witnessed a general decrease in biodiversity, caused by unsuitable composition of the forest and an overpopulation of cloven-hoofed animals. The aim of this project is to restore the biodiversity by planting diverse trees and placing fencing. The project is led by Ivan Dejmal Foundation and is supported by VGP Foundation.

## NATURE

### New networks for the Eastern Imperial Eagle

#### Europe

The breeding grounds of the endangered Eastern Imperial Eagle extend from south eastern Central Europe to Lake Baikal in Siberia. The European population is estimated at 1,100 to 1,600 breeding pairs. Populations in Eastern Europe are now highly fragmented. The aim of the project supported by VGP Foundation and led by NABU International, is to improve the conservation measures for the Eastern Imperial Eagle by transferring knowledge between existing conservation projects and closing knowledge gaps. The focus lies on the investigation of relevant factors for a recolonization of former habitats and the investigation of potential threat factors in the wintering areas.

## NATURE

### ARISTEU Bee Project

#### Europe

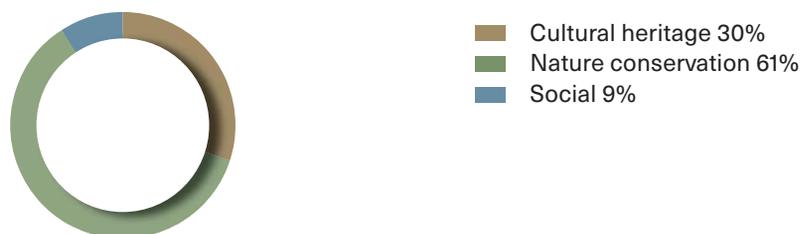
The bee population in Europe is dramatically decreasing – threat for plants and crops, resulting in low levels of honey production in Europe because of industry, climate change and diseases. The aim of the project is to create growing social and business awareness for the bees by placing bee hives in selected VGP parks. The hives will support local bee colonies and thereby support pollination in the local neighbourhood. The project supported by VGP Foundation is led by ARISTEU in cooperation with Esclatec, a foundation focused on catering to the needs of people with disabilities.

# 2020 approved funding

## split by focus areas

### 2020 Funding areas

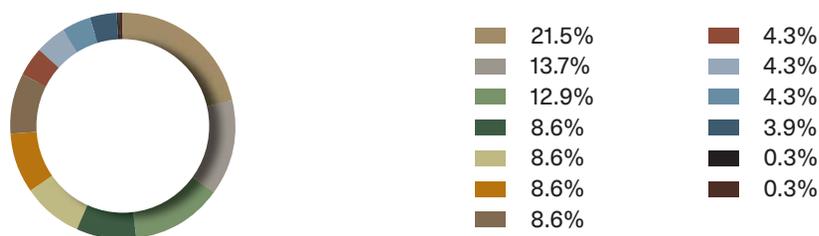
FOR THE YEAR ENDED 31 DECEMBER 2020



PROGRAM FOCUS AREA	€
Cultural heritage	350,000
Nature conservation	712,100
Social projects	100,000
Total projects approved	1,162,100

### Approved projects: 16 projects approved with funds allocated to 13 projects so far

**SPLIT OF ALLOCATED FUNDS PER PROJECT**  
(split based on Euro amount approved)



# About this report

This Corporate Responsibility Report describes how we address corporate sustainability, how we implement our sustainability strategy, the policies and guidelines we observe, the targets we have set ourselves including the Sustainable Development Goals (SDGs) and our main achievements. This Corporate Responsibility Report has been prepared in accordance with the GRI Standards: Core Option. and has not been externally audited. The GRI Content Index can be found below.

CRITERIA	DESCRIPTION	REFERENCE
102-1	Name of the organization	VGP NV
102-2	Activities, brands, products and services	VGP is a pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a development land bank (owned and committed) of 7.65 million m <sup>2</sup> and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of over 260 employees today owns and operates assets in 12 European countries directly and through VGP European Logistics, VGP European Logistics 2 and VGP Park München, joint ventures with Allianz Real Estate
102-3	Location of headquarters	Uitbreidingstraat 72, 2600, Berchem (Antwerp), Belgium
102-4	Location of operations	Office locations (for park locations refer to our website: <a href="http://www.vgpparks.eu/en/properties/">www.vgpparks.eu/en/properties/</a> ): Vienna, Austria; Prague, Czech Republic; Jenišovice u Jablonce nad Nisou, Czech Republic; Dusseldorf, Germany; Gyor, Hungary; Segrate (Milan), Italy; Riga, Latvia; Luxembourg, Luxembourg; Den Bosch, Netherlands Porto, Portugal; Bucharest, Romania; Bratislava, Slovakia; Barcelona, Spain; Madrid, Spain; Zaragoza, Spain
102-5	Ownership and legal form	Ownership information can be found on our website: <a href="https://www.vgpparks.eu/en/investors/shareholding/">https://www.vgpparks.eu/en/investors/shareholding/</a> Legal form of the group is Naamloze Vennootschap ("NV") which is a type of public limited company defined by business law in Belgium
102-6	Markets served	<a href="https://www.vgpparks.eu/en/about/">https://www.vgpparks.eu/en/about/</a>
102-7	Scale of the organization	<a href="https://www.vgpparks.eu/en/about/">https://www.vgpparks.eu/en/about/</a>
102-8	Information on employees and other workers	See disclosure in relation to People on page 21
102-9	Supply chain	See section on Supply chain ethics on page 24

<b>CRITERIA</b>	<b>DESCRIPTION</b>	<b>REFERENCE</b>
102-10	Significant changes to the organization and supply chain	Change includes the launch of a third joint venture with Allianz Real Estate since June 2020 as disclosed in the annual report
102-11	Precautionary Principle or approach	VGP applies the precautionary principle to risk management
102-12	External initiatives	United Nations Sustainable Development Goals GRI PAS 2060 standard for carbon neutrality and the GHG Protocol
102-13	Membership of associations	Professional membership of various associations in the countries in which we operate Professional member of European Public Real Estate Association
102-14	Statement from senior decision-maker	CEO letter on page 11
102-16	Values, principles, standards and norms of behaviour	See page 2 and description of the business principles on page 14
102-18	Governance structure	<a href="https://www.vgpparks.eu/en/investors/corporate-governance/">https://www.vgpparks.eu/en/investors/corporate-governance/</a>
102-40	List of all stakeholder groups	See section on Engaging with stakeholders on page 15
102-41	Collective bargaining agreements	VGP is not opposed to collective bargaining however to date there is no collective bargaining agreement in place
102-42	Identifying and selecting stakeholders	See section on Engaging with stakeholders on page 15
102-43	Approach to stakeholder engagement	See section on Engaging with stakeholders on page 15
102-44	Key topics and concerns raised	Captured in our material aspects
102-45	Entities included in the consolidated financial statements	See annual report
102-46	Defining report content and topic boundaries	See section About this report on page 46
102-47	List of material topics	See page page 16 and page 17
102-48	Restatements of information	No restatements have been made compared to the prior year Corporate Responsibility report
102-49	Changes in reporting	The list of material topics is substantially the same as last year except four major updates as described on page 16 A section on Protecting our employees and stakeholders during coronavirus has been included on page 23
102-50	Reporting period	Reporting period is 12 months, applying the calendar year
102-51	Date of most recent report	The previous report is the Corporate Responsibility report 2019 which was published on 10 March 2020. The report is available on the website: <a href="https://www.vgpparks.eu/media/2264/vgp_corporate-responsibility-2020_eng_web.pdf?ver=210">https://www.vgpparks.eu/media/2264/vgp_corporate-responsibility-2020_eng_web.pdf?ver=210</a>
102-52	Reporting cycle	We foresee to continue publishing a Corporate Responsibility report on an annual basis. Our financial reporting is on a semi-annual basis.
102-53	Contact person for questions regarding the report	<a href="mailto:martijn.vlutters@vgpparks.eu">martijn.vlutters@vgpparks.eu</a>
102-54	Claims of reporting in accordance with the GRI standard	This report has been prepared in accordance with the GRI standards: Core option

CRITERIA	DESCRIPTION	REFERENCE
102-55	GRI content index	Included
102-56	External assurance	No external assurance is provided over the Corporate Responsibility report
201-1	Direct economic value generated and distributed	See FY 2020 results press release as released dd 26 February 2021
201-2	Financial implications and other risks and opportunities due to climate change	See Addressing Climate Risk on page 25
205-1	Operations assessed for risks related to corruption	See section on resilience and integrity on page 18
205-2	Communication and training about anti-corruption policies and procedures	Senior management has been trained and a training program is being conducted throughout the organization including all countries in which the Group operates in order to preserve the compliance culture
205-3	Confirmed incidents of corruption and actions taken	There were no instances of corruption identified during this period
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	VGP is not subject to legal actions related to anti-competitive behaviour, anti-trust, and monopoly practices
302-1	Energy consumption within the organization	See section on sustainable energy usage pages 27
302-4	Reduction of energy consumption	Information unavailable as over the past year the full consumption has been monitored for the first full year, i.e. like-for-like comparison will be first available next year
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ecologists are engaged to research, identify and report on threatened species, terrestrial or aquatic, on development sites
305-1	Direct (scope 1) GHG emissions	See Total CO <sub>2</sub> footprint on page 29
305-2	Energy indirect (scope 2) GHG emissions	See Total CO <sub>2</sub> footprint on page 29
305-3	Other indirect (scope 3) GHG emissions	See Total CO <sub>2</sub> footprint on page 29
305-5	Reduction of GHG emissions	See Carbon footprint reduction strategy page 29
306-2	Management of significant waste related impacts	See Long-term target to reach net-zero emissions before 2025 on page 30
306-3	Composition of waste generated	Total waste emissions are 4.7 tCO <sub>2</sub> e, or 0.2% of total emissions. 82% of waste emissions result from residual waste, while only representing 32% of the generated waste. Whereas paper waste caused only 16% of waste emissions and 64% of waste generation. Waste emissions are mainly calculated based on an extrapolation of data from the Belgian office (residual, paper and plastic waste) or benchmark data when extra fractions were sorted
306-5	Waste directed to disposal	VGP does not transport hazardous waste as part of day-to-day operations. If remediation is required, within the development of a project, VGP appoints principal contractors to complete works in accordance with applicable law and regulations. No occurrences of significant spills were identified

<b>CRITERIA</b>	<b>DESCRIPTION</b>	<b>REFERENCE</b>
307-1	Non-compliance with environmental laws and regulations	No significant breaches of environmental laws
401-3	Parental leave	All employees are entitled to parental leave; information on parental leave take-up and return rates is not available at this stage
403-1	Occupational health and safety management system	See section on Health & Safety on page 24
403-2	Hazard identification, risk assessment and incident investigation	See section on Health & Safety on page 24
403-3	Occupational health services	See section on Health & Safety on page 24
403-4	Worker participation, consultation and communication on occupational health and safety	See section on Health & Safety on page 24
403-5	Worker training on occupational health and safety	Not reported
403-9	Work-related injuries	Not reported
404-3	Percentage of employees receiving regular performance and career development reviews	See section on Company culture on page 21
405-1	Diversity of governance bodies and employees	See section on Company culture on page 21
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	VGP does not prohibit or restrict freedom of association
413-1	Operations with local community engagement, impact assessments, and development programs	See section on VGP Foundation on pages 36–45
414-1	New suppliers that were screened using social criteria	See section on supply chain ethics on page 24
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no reported incidents



# Corporate Directory

## VGP NV

### Registered seat

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Enterprise number: 0887.216.042

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Győr, Hungary  
Segrate (Milan), Italy  
Riga, Latvia  
Luxembourg, Luxembourg  
Den Bosch, The Netherlands  
Porto, Portugal  
Bucharest, Romania  
Bratislava, Slovakia  
Barcelona, Spain  
Madrid, Spain  
Zaragoza, Spain

## Directors

### VM INVEST NV,

represented by  
**Bart Van Malderen**  
Chairman; Non-Executive and  
Reference Shareholder

### Jan Van Geet s.r.o.,

represented by  
**Jan Van Geet**  
CEO; Executive and Reference  
Shareholder

### GAEVAN BV

represented by  
**Ann Gaeremynck**  
(Non-Executive (Independent)  
Director)

### Katherina Reiche

Non-Executive (Independent) Director

### Vera Gäde-Butzlaff

Non-Executive (Independent) Director

## Financial Auditor

**Deloitte**

## Share code

VGP is listed on Euronext Brussels  
and on the Prague Stock Exchange  
ISIN: BE0003878957

VGP NV is a member of  
the FTSE EPRA Nareit Global  
Emerging Index

Bloomberg: VGP BB  
Refinitiv (ThomsonReuters): VGP:BRU

# Disclaimer

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