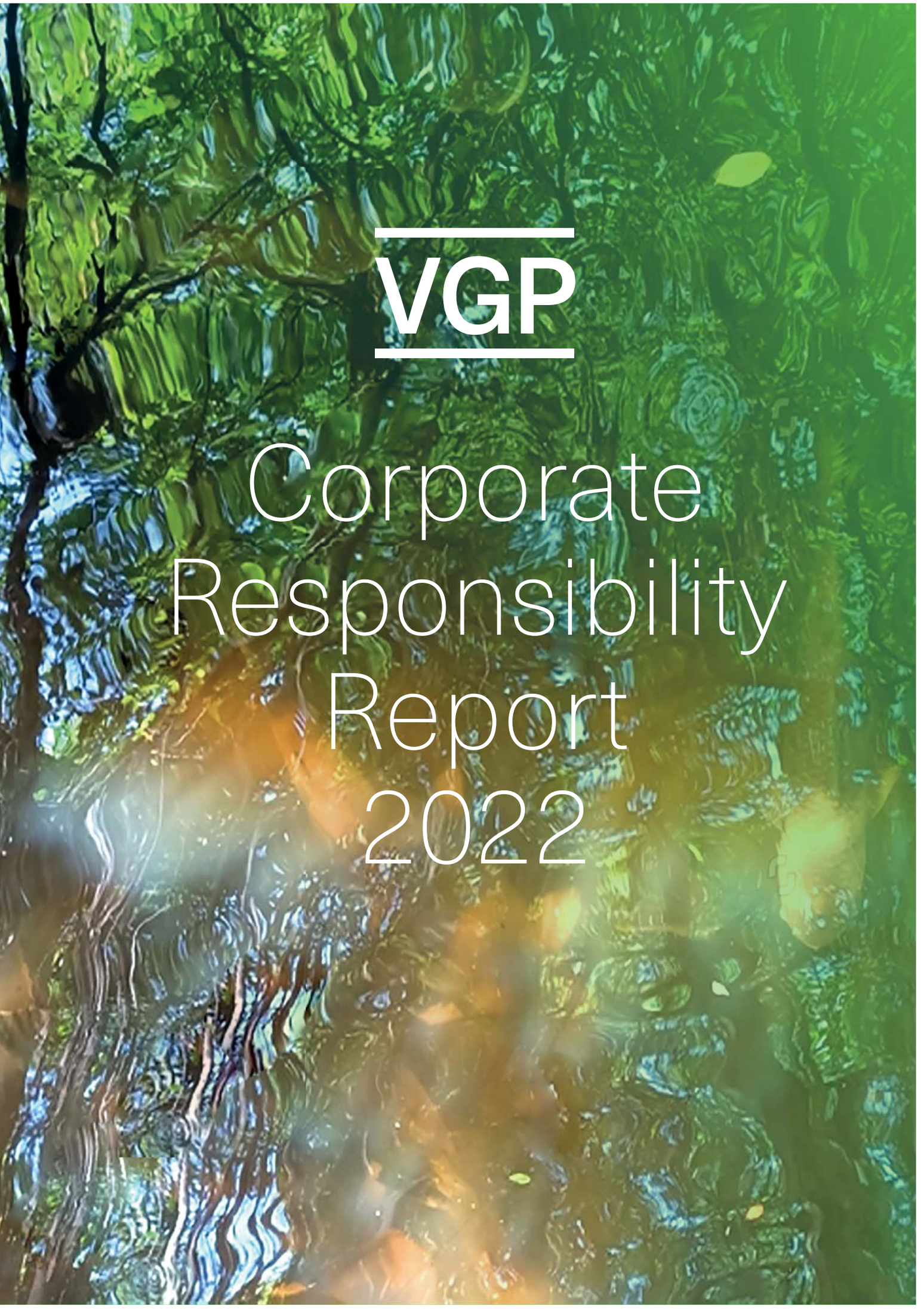

VGP
Corporate
Responsibility
Report
2022

Content

Introduction

1.1 Letter from the CEO

This past year has shown again that sustainability is no longer optional. It's an imperative! From energy price volatility due to the geopolitical events, student 'strikes' over climate change to protests over plastic packaging, it's clear that everyone is looking for better solutions.

We are leveraging our capital and technical expertise across the countries in which we operate to support a greener future. A responsible approach to energy and climate, especially during a time of war, is to immediately help provide energy security to our clients and remain focused on accelerating the development of reliable and lower-carbon energy solutions. We have significantly accelerated our photovoltaic roll-out with now 204.3 MWp either installed or in the pipeline which means that we will now be able to generate more electricity than that our tenants consume. And, as a result, in the annual CRREM review of our building portfolio, compliance for the 1.5˚C global warming pathway increased to 45.5% in 2050.

Our Scope 1 and 2 GHG reduction targets have been confirmed by the Science Based Targets initiative (SBTi) as aligned with keeping global warming below the 1.5°C. Yet, we are ready to go further, and we have set ourselves the target to challenge the materials choice and reduce the embodied carbon in our development projects by 20% by 2030. Meeting these goals, particularly our SBTi confirmed Scope 3 goals, will require collaboration with our stakeholders including both suppliers and clients.

Over 2022, the Group has been working to expand its innovation strategy. We aim to facilitate and invest in products that provide sustainable solutions to clients across property technology, supply chain, transport, construction and manufacturing. Examples include heat pumps and carbon neutral building materials. Our focus is on evaluating how these can be applied to our wider portfolio to improve sustainable outcomes for all.

The VGP Foundation has made a tangible and sustainable difference for various communities, with 7 additional projects approved and initiated in the course of 2022 bringing the total to 36 projects, with €6.6 million committed or spent. We also extended €3 million beyond our established pillars, for the UNHCR responding to emergency of the humanitarian crisis in the Ukraine and the neighbouring countries in Europe.

We are pleased that the Group's ESG performance has been recognized by Euronext, by including VGP among the 20 Belgian companies leading on ESG efforts, by CDP with recognition on the global Supplier Engagement Leadership board and by Cicero, part of S&P Global, in their attestation of our Green Finance Framework, for demonstrating a holistic approach to climate and environmental performance of our building portfolio.

Finally, as I have mentioned in my annual letter to share- and bondholders, I am proud of our team, who serve every day our clients and communities, build our VGP parks, manage the risks and drive our innovation. Here you will be able to read of the continued steps we've taken to cultivate a workplace where everyone can thrive – diverse and inclusive.

There is no doubt we – both as a company and society – have a long way to go. Yet, moments of crisis are also moments of opportunity. In this year's ESG report, I invite you to read about the work we do every day to drive lasting change.

Jan Van Geet
CEO

1.2 Summary of the Group's ESG achievements

1.2.1 Key ESG achievements and highlights 2022

01 We installed 57 MWp of solar on our rooftops with a 75 MWp under construction, avoiding approximately 35,000 tonnes of CO_2-e per year with more large installations in pipeline for FY23. Photo VGP Park München.

02 Portfolio GHG compliance on a Paris-aligned 1.5°C pathway increased to 2040 once photovoltaic pipeline projects are completed – Science based targets agreed for full scope 1, 2 and 3 and external assurance obtained on carbon reporting of own operations. Photo VGP Park Giessen Am Alten Flughafen.

03 Developing connectivity and sustainable mobility with new target set for all VGP parks to be equipped with EV charging and public transport access. Photo E-charging at VGP Park Nijmegen.

04 We finalised our transition to 100% certified Green Power for all VGP offices as of 1 January 2022. Photo VGP Office Budapest, Hungary.

05 We introduced further steps to reduce embodied emissions within our developments – working closely with suppliers to enhance innovation and first projects completed with wooden load bearing structure and heat pumps included in the VGP building standard (replacing gas powered heating). Photo VGP Park Graz.

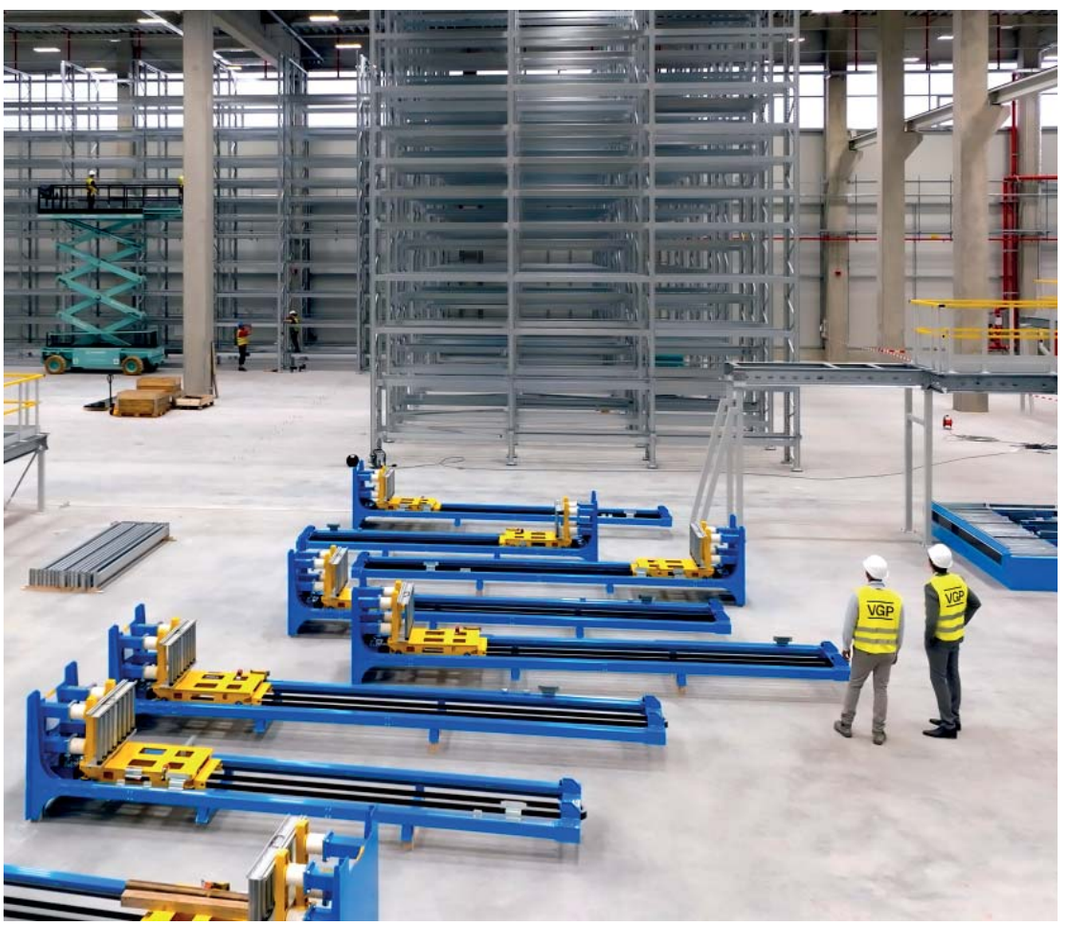
06 Improve eco-efficiency of the existing building portfolio through a refurbishment program and conducting a portfolio review on EU Taxonomy compliance. Photo VGP Park Giessen Am Alten Flughafen.

07 We contributed € 3 million to community and philanthropic causes and our employees delivered 650 community support hours to local philanthropic causes. Photo VGP Czech Republic: Planting Tree Day.

08 We implemented various biodiversity initiatives – planted 4,201 trees within our parks in 2022 and increased land designated as biotopes within our parks to 488,284 m^2. Photo beehives at VGP Park Llica d'Amunt.

09 We have updated our building standard to implement water saving and retention techniques – 4 warehouses collected 105,000 m^3 of rainwater on site, which was partially used for cleaning and for watering green spaces. Photo Biotope at VGP Park Kladno.

10 We focused on carbon improvements within our supply chain as well as supply chain ethics, developed a supplier code of conduct protecting human rights. Photo VGP Park München.



1.2.2 Summary of the Group's ESG performance indicators

Sustainable properties

Target	Performance
For all parks to perform a climate change risk plan	Based on risk assessment of long-term climate change risks, the Group will work on adaptation plans for its standing assets
100% of projects to be connected by public transport	95.8% of VGP Parks connected by public transport. For one of the remaining projects a bus stop building permit request has been submitted
100% of VGP Parks to offer EV charging	46.9% of VGP Parks offering EV charging in 2022
Reduce embodied carbon in development projects by 20% in 2030	An environmental program policy for development projects is being drafted and Group is engaged in discussions with suppliers to explore implementable steps
Achieve portfolio compliance on 1.5°C pathway on GHG basis until 2050 and increase asset level compliance in 2050 to 50% by 2025	Overall CRREM portfolio compliance on 1.5°C pathway until 2040; share of portfolio compliance increased to 45.5% in 2050 as of Dec 2022

Strengthen communities

Target	Performance
100% of VGP employees to participate in volunteering for local community day	A total of 24% of Group employees delivered more than 650 volunteering hours in 2022
Support annually social community projects	7 social support projects setup through VGP Foundation, with € 760,000 spent to date; 14 local high school students received a VGP logistics masterclass with various tenant visits

Empowering our workforce

Target	Performance
100% of staff to be trained on ESG topics	96.4% of new joiners and 41.1% of all staff received ESG training in 2022
Achieve a diverse and inclusive workforce	60% of board female, 23% of management functions and 35% of overall staff; 23 nationalities working for VGP

Protect and improve biodiversity

Target	Performance
100% of development projects to implement an ecology plan	100% of development projects started up in 2022 have an ecology plan
100% of standing assets with high biodiversity stakes to implement a biodiversity action plan by 2023	85.7% of projects with high biodiversity stakes have implemented a biodiversity plan 4,201 trees were planted in existing parks in 2022
Develop a Group biodiversity Strategy by 2023	A first Group biodiversity action plan has been implemented in 2021. Strategy document to be prepared in 2023
Support annually biodiversity community projects	24 nature support projects setup through VGP Foundation, with € 1.55 million spent to date

VGP Park Nijmegen

Improve eco-efficiency

Target	Performance
Reduce absolute emissions from tenant energy consumption by 55% by 2030	Absolute emissions increased by 1.2% in 2021 vs 2020. Relative emissions reduced by 20% YoY. € 27 million eco-efficiency investments completed and for 2023 a € 2 million refurbishment program for existing portfolio to enhance eco-efficiency
100% of new leases to contain green lease clause	97.2% of leases signed in 2022 contained a green lease clause
Install heat pumps to replace/ instead of gas-powered heating	21 buildings with heat pumps installed in VGP Parks to date
Install 300 MWp of solar power on VGP Parks' roofs	Installed renewable energy capacity is 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects with 72.7 MWp in pipeline

Work with responsible partners

Target	Performance
100% of development projects to implement Considerate Construction Charter	100% of development projects implemented Considerate Construction Charter in 2022
Engage with suppliers to explore carbon reduction initiatives	4 suppliers engaged in 2022 to discuss lean materials construction and new solutions and optimised low-carbon materials
Offer sustainable services	Supporting our clients in improving ESG aspects of their operations

1.2.3 Results of non-financial ratings and indices

The Group's ESG assessments by extra-financial rating agencies were updated in 2022:

- CDP: VGP achieved a B score in 2022 (on scale from A to D-, F) part of the 16% highest graded companies globally (48,200 companies graded). CDP also recognized VGP among the 2022 Supplier Engagement Leaderboard, as among the top 8% of companies assessed for supplier engagement on climate change;
- Sustainalytics: In 2022, VGP received an ESG Risk Rating of 12.1 and was assessed by Sustainalytics to be at Low risk of experiencing material financial impacts from ESG factors. VGP's ESG Risk Rating by Sustainalytics places the Group at the 14th percentile of the Real Estate Industry group assessed by Sustainalytics, as well as at the 578rd rank (5th percentile) in the global rated universe (15,000+ companies). VGP's management score of ESG issues assessed by Sustainalytics is strong (64.4/100);
- GRESB (Global Real Estate Sustainability Benchmark): Over its 2021 operating performance the Group received a "2 Star" rating for the standing assets and a "3 Star" rating for its development activities
- S&P CSA: Over its 2021 operating performance the Group received from S&P CSA an ESG score of 46/100 – this is an 29 points improvement since last year

The VGP 2027, 2029 and 2030 bonds have been approved for inclusion in the Green Bond Database that includes all green (and other labelled) bonds which are aligned with the Climate Bonds Taxonomy. Climate Bonds is a non-profit organization which screens green bonds coming to the market by scrutinising frameworks and third-party reviews based on the Green Bond Database Methodology.

On 8 March 2023, it was announced that VGP will be included in Euronext's BEL ESG Index, an index of 20 Belgian listed companies demonstrating the best ESG practices.

1.2.4 Alignment with ESG reporting standards and frameworks

In 2022, in compliance with the European "Taxonomy" regulation, VGP has published the share of its eligible activities. The European Taxonomy aims to establish a unified classification system for economic activities to determine whether these activities can be considered "environmentally sustainable" (or "green"). The eligible share of revenues, CAPEX and OPEX from VGP activities are presented in chapter 5.1 Taxonomy regulation.

The 2022 VGP Corporate Responsibility Report has been prepared in line with the Best Practices Recommendations on Sustainability Reporting ("sBPR") established by the European Public Real Estate Association ("EPRA").

Since 2019, VGP follows the Global Reporting Initiative ("GRI") guidelines. The 2022 Corporate Responsibility Report has been prepared in accordance with the GRI Standards: Core option.

The 2022 Group's non-financial statement is also in line with the recommendations of the TCFD. VGP is an official supporter of the Financial Stability Board's ("FSB") TCFD since June 2022, recognising the importance of increasing transparency of climate-related risks and opportunities, promoting more informed financial decision-making and building a more resilient financial system.

Cross-reference tables of the Group's 2022 ESG reporting with EPRA and GRI indicators, as well as with the TCFD's core elements of climate-related financial disclosures, are available in the ESG section of the Group's website (*https://vgpparks.eu/en/sustainability/*).

The Group's ESG strategy is furthermore aligned with the United Nations Sustainable Development Goals. Its contributions to the SDGs are detailed in Chapter 2.1 ESG Strategy.

1.2.5 External assurance

In compliance with the applicable frameworks on the disclosure of non- financial information (*see Section 1.2.3 Alignment with ESG reporting standards and frameworks*), the Scope 1 and Scope 2 key performance indicators of the Group's non-financial statement are audited by an independent third- party verifier; see the assurance report in Section 5.2 Independent third-party's assurance report.

A third-party verifier was also commissioned to carry out an audit on the annual reporting for the Green Bonds issued by the Group. This review consists of verifying the compliance of funded assets with the set of eligibility criteria, concerning both their development and operation phases, which are defined in the Green Bonds Use of Proceeds (*see Section 4.2. Green Bonds*). The detailed reporting and assurance report are disclosed in Section 4.2. Green Bonds.

All the portfolio operating data (energy and water consumption, waste production), as well as the related carbon emission calculations used in this report have been third-party validated by CO_2logic (*https://www.co2logic.com/*) based on PAS 2060 and the GHG protocol.

1.3 About this report

VGP communicates regularly about how we manage and conduct our business. We share information about our ESG performance through a number of channels — including our Annual Corporate Responsibility Report, various other reports and presentations, regulatory filings, press releases and direct conversations with stakeholders. We maintain a dedicated sustainability page on our website to facilitate access to information that we publish on these topics (see *https://www.vgpparks.eu/en/sustainability/*).

This annual Corporate Responsibility Report is designed to consolidate and summarize our work on key topics that are important to our business and stakeholders, and guide readers to where they can access more detailed information about specific topics of interest. All data in this report are as of Dec. 31, 2022, unless otherwise noted. For the CO_2 emissions and energy consumption data of our tenants within our portfolio last available full-year data has been used (as referenced in the respective tables).

1.4 Company at a glance

VGP is a pan-European owner, manager and developer 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. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP has a staff of circa 380 FTEs today and operates in 17 European countries directly and through several 50:50 joint ventures. As of December 2022, the Gross Asset Value of VGP, including the joint ventures at 100%, amounted to € 6.44 billion and the company had a Net Asset Value (EPRA NTA) of € 2.30 billion. VGP is listed on Euronext Brussels. (ISIN: BE0003878957).

1.4.1 Asset Management

VGP is a long-term real estate investor with its own rental portfolio owned and managed. Part of the portfolio is held in joint ventures for which VGP is responsible for the portfolio and asset management.

1.4.2 Development activities

Through the acquisition of a strategic land bank and with an in-house team with capabilities across the value chain VGP develops new business parks. In most developments VGP acts as general contractor and imposes strict pre-letting requirements. VGP safeguards continuous site supervision and developments to a high standard of environmental and health and safety policies.

1.4.3 Renewable Energy

Predominantly by engaging with tenants on self-consumption of renewable energy the Group has developed a third business line offering renewable energy solutions based on renewable energy generation in and around business parks.

1.4.4 Key figures 2022

Financial	
Operating result	€ (115.6) million
Earnings per share	€ (5.49)
Equity base	€ 2.20 billion
Gearing ratio	34.4%
Cash available	€ 0.7 billion

Operational	
Total AuM	€ 6.44 billion
Net property income	€ 43.0 million
Leases committed	€ 303.2 million
Renewable energy income	€ 5.9 million
Capital expenditure	€ 858 million
Occupancy ratio	98.9%

Sustainability	
Science-based targets	Confirmed
Portfolio stranding (CRREM)[1]	2040
Green bonds	€ 1.6 billion
Solar installed and committed	204.6 MWp
Community support	650 hours
Charitable contributions	€ 3 million

1 Location-based approach; taking into account anticipated annual green power production of photovoltaic projects currently in pipeline

Group ESG Strategy

2.1 ESG Strategy: Building Tomorrow Today *Together*

The VGP business model is presented in the sections Strategy and VGP in 2022 of the Annual Report 2022

Since 2021, VGP has redefined its ESG strategy. Between 2019 and 2021, VGP had already achieved a cumulative reduction of 49.9% of its carbon intensity of own operations per employee and with regards to the portfolio a 20.1% reduction in energy intensity per square meter leased since 2021. In doing so, the Group incorporated ESG in its entire value chain and aims to address the wide scope of indirect carbon emissions resulting from development activities, tenants' energy consumption and employees' transport and office use. While VGP's agenda on fighting climate change remains central, the ESG strategy also onboards environmental and societal challenges like the circular economy and environmentally friendly transport, but also critical social responsibilities on diversity and inclusion and employee well-being. VGP's ESG strategy relies on an efficient ESG governance structure allowing decision making at the appropriate level within the organisation and covering all countries (presented in Section 2.2 Governance of ESG), and ESG-related risks are included into the Group's risk management framework. Our ESG strategy builds on the conclusions of the materiality analysis and the analysis of ESG risks. It addresses the main challenges facing semi-industrial and logistics real estate: moving towards a low-carbon economy and sustainable mobility, fully integrating the Group's business activities within local communities, and empowering teams on sustainability and diversity. VGP's ESG strategy rests on five main pillars as outlined below and as used as the ESG challenges and opportunities.

VGP's current approach to Environmental, Social and Governance ("ESG") has been structured on solid grounds, going way beyond regulation. In order to define its ESG strategy, the Group has identified key areas of work, representing challenges and opportunities related to its activities.

Two complementary approaches were used to that end:

— A materiality analysis, which is a mapping tool used to identify and order the important ESG issues for the Group from an internal as well as an external stakeholder perspective; and
— A risk analysis, which is a framework used to highlight the ESG issues likely to negatively impact the Group.

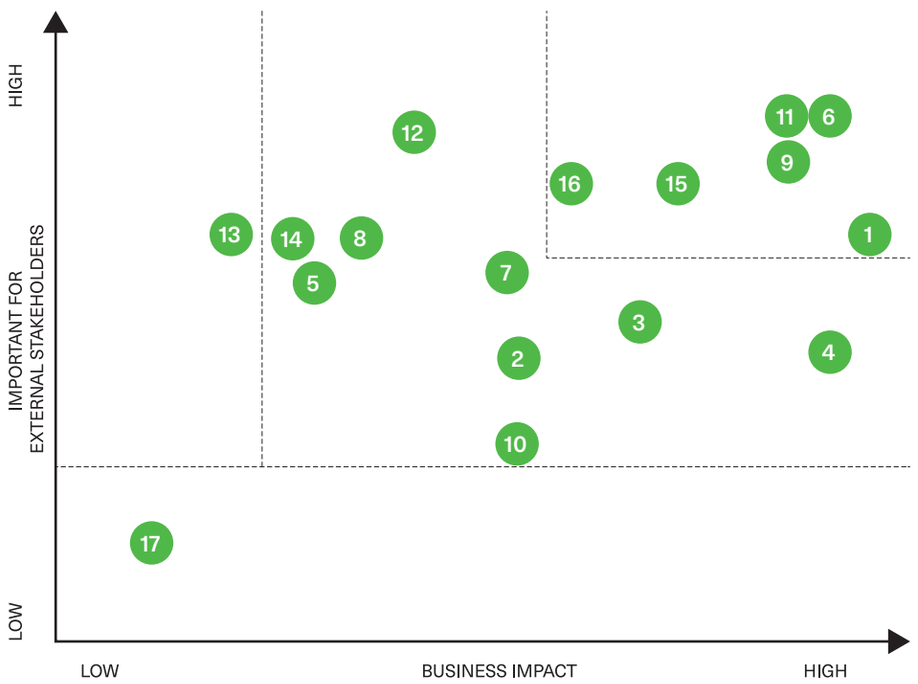
Protect ecosystem and address climate change

Integrated ESG risk management and governance

2.1.1 Materiality matrix

In 2022, VGP updated its materiality matrix to identify its ESG-related priorities. This work was done on the basis of a detailed analysis of the main ESG reporting standards (taking into account Global Reporting Initiative Construction and Real Estate Disclosure recommendations), investor expectations (including GRESB questionnaire), underlying market trends, best practices observed in the real estate industry and beyond.

Subsequently, ESG topics were ranked according to their level of expectation and the impact on the VGP business model. The main priorities identified, in line with market trends up to 2030 and the parallel work done on risks (see Section 2.1.2 ESG risks and opportunities), resulted in ESG focus areas for the Group (see introduction of Section 2.1 ESG Strategy: Building Tomorrow Today *Together*).



1. Safety and security
2. Workforce well-being and engagement
3. Inclusive and innovative culture
4. Talent attraction and retention
5. Community engagement and development
6. Operational eco-efficiency
7. Sustainable building design/ certification
8. Construction materials & waste
9. Green financing
10. Corporate governance
11. Resilience
12 Ethics and compliance
13. Sustainable procurement practices
14. Nature and biodiversity
15. Climate change
16. Facilitating sustainable mobility
17. Philanthropy and volunteering

2.1.2 ESG risks and opportunities

In 2021, in response to the TCFD, VGP identified and assessed its main ESG risks, using the Group risk assessment methodology taking into account three impact criteria: financial, legal and reputational. In line with the spirit of the regulation, the analysis provided below presents gross risks (before the implementation of management measures).

The Group ESG risk universe was defined on the basis of both the ESG priorities highlighted by the Group's materiality analysis (see Section 2.1.1 Materiality matrix) and the sector-based ESG risk universe established by the work done in 2021.

In total, 22 risks were identified and classified into 10 categories, among which 6 were identified as main ESG risks due to their level of impact.

The risk analysis and ranking work was undertaken jointly by the Group's ESG team and Group Finance Department, with the involvement of the local teams. The results were shared with the members of the Group Management Board overseeing Group resources and ESG.

The following sections summarise the main ESG risks, and the policies, action plans, performance indicators and opportunities associated with their management.

Climate change risks for the Group (physical and transitional) form a core part of the ESG risks analysis and are integrated in the following summary of main ESG risks and their management policies. A more detailed overview of climate risk management and, in particular, of the resilience of assets to physical climate risks is provided in Section 3.2.2.4 Climate risk management and adaptation to climate change. Climate change and ESG risks are integrated in the Group's risk management framework, which provides a specific risk governance and control framework (see Section Risk Factors in the Annual Report for more details).

This risk analysis remains relevant and applicable in the current macro environment resulting amongst others from the after-effects of the COVID-19 pandemic and geopolitical events in Ukraine, which confirmed the relevance of integrating these non-financial risks in the global Group risk management approach. Related policies and action plans described reflect the latest updates made by the Group to mitigate these risks, as do all associated performance indicators disclosed.

2.1.2.1 Managing Environmental Risks: Environmental Management System

The Group's Environmental Management System (EMS), aims at reducing the environmental impact of our assets at every stage of their life cycle, from initial design to daily operation.

The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of our ESG strategy. Some of these indicators are incorporated into the budget review processes for standing assets and development projects to ensure alignment between ESG objectives and business decisions.

Environmental Management System (EMS) compliance	**2022**
Number of assets subject to EMS	221
Number of reported EMS compliance issues	—

For more information on the Group's Environmental Management System (EMS) please refer to section 3.3.1. Environmental management system in the Sustainable Properties chapter or to the online policy document.

2.1.2.2 Business ethics

2.1.2.2.1 Bribery and corruption risk, money laundering and financing of terrorism or non-compliance with anti-trust regulations

The VGP Code of Conduct describes the key principles of conduct for the business environment, in which the Group operates, including the zero tolerance of bribery.

The VGP anti-bribery and anti-corruption policy further details the principles as outlined in the VGP Code of Conduct and sets out the practices and VGP's firm commitment in fighting against and preventing corruption and bribery conduct.

The Group Code of Conduct includes a compulsory yearly e-learning module and code attestation. The Group has clear insider trading rules. Risks are further managed through clear procedures for screening business partners. Whistleblowing procedures are accessible 24/7 to all employees and contractors with a guarantee against retaliation.

	2022
Number of sanctions imposed by regulators in 2022 linked to corruption incidents	—
Percentage of new joiners trained on corruption prevention	c. 100%

Furthermore, when an incident occurs we conduct bribery risk assessment on an if and when – required basis.

2.1.2.2.2 Non-transparency in reporting of lobbying activities

As outlined in our Political Activity Policy, VGP has a principal policy of no political engagement and participating in political activities. Whilst lobbying with local counsels with regards to building permits and zoning occurs the Group did not engage in any lobbying in relation to legislation. If any activities would occur they require CEO approval and have to be reported. Management is not aware of any political donations and lobbying expenditures.

	2022
Number of reported lobbying actions (#)	—
Political donations and lobbying expenditures (€)	—

2.1.2.2.3 Breach of personal data and cyber security

VGP has a Data Privacy Protection programme compliant with EU regulations. In addition, VGP has a data protection governance framework at corporate level in place to ensure internal alerts.

The main Management Information System and operating system which we use for email and file exchange is compliant with ISO 27001. We are currently in the roll-out of a new ERP, operating metrics, billing and payment system which is fully compliant to ISO 27001 and ISO 27018. We only use reputable service providers for network maintenance.

	2022
Percentage of employees trained on cyber security and data protection	100%

2.1.2.2.4 Threats or attacks at project sites or parks

The Group positions itself to withstand a global event and business disruption through its financing strategy (see risk section); portfolio strategy, including holding a diverse set of property assets, stay close with local stakeholders and our clients to understand their changing needs, property insurance and strong client base. The Group has a dedicated organization for crisis management. See also section 2.1.2.3 Health, safety, security and well-being of people in our properties.

2.1.2.3 Health, safety, security and well-being of people in our properties

The Environmental Management System (EMS) elaborates how Health and Safety risks are addressed in both development projects and standing assets portfolio.

The Group makes use of dedicated Health & Safety management frameworks at development projects, where the work site is always monitored by a Health & Safety Coordinator, supplemented with procedures that comply with local regulations. Contractual requirements for contractors are overseen by the construction management contractor to make the necessary provisions for site safety and comply with the relevant Health & Safety legislation.

Furthermore, maintenance and inspection is conducted for all relevant equipment subject to regulation and third-party audits of Health & Safety risks are conducted at asset level and associated action plans. Routine property tours are organized to identify hazardous conditions and implement corrective actions. Health & Safety audits are conducted on a continuous basis. The number of incidents (see section Occupational Health and Safety) is monitored as well as sanctions for non-compliance related to building health and safety.

Works at VGP Park Bratislava

2.1.2.4 Human Capital

2.1.2.4.1 Non-engagement of employees

The turnover rate of employees may increase as employees are not engaged on VGP's ESG agenda in general and at their place of work specifically. In addition to employing strict policies on inclusion, diversity and human rights, the Group is implementing people-oriented policies designed to make VGP a great place to work, including in order to promote work-life balance. A sustainable work environment is implemented as part of initiatives related to managing scope 1 and scope 2 carbon footprint, as well as a pilot ergonomics policy in the main office in Germany. Throughout the last year, the Group has improved its policy to allow cross-border learning and development opportunities. To encourage a healthy lifestyle, use of bicycles is encouraged, gym and sport memberships are sponsored and healthy food alternatives are offered in office canteens and kitchens.

Participation in the Group's local volunteering programs is encouraged (see also "VGP Community Day") as well as participation in the annual employee satisfaction survey.

2.1.2.4.2 Lack of attractiveness for employees

A lack of attractiveness for employees or a loss of key competences could form a risk for the execution of the Group's strategy. This risk is addressed through the Group's recruitment, retention and succession planning included in formalised HR policies relating to recruitment, compensation and benefits, talent review and learning and development. The Group's Diversity policy and Human Rights policy is a commitment to improve employee engagement on diversity and inclusion. The development of the international group culture is further supported by a matrix reporting structure with strong international ties across local organizations, cross-border cooperation, and mobility.

The Group has a strong partnership with reputable head-hunting firms to map and target best external talent.

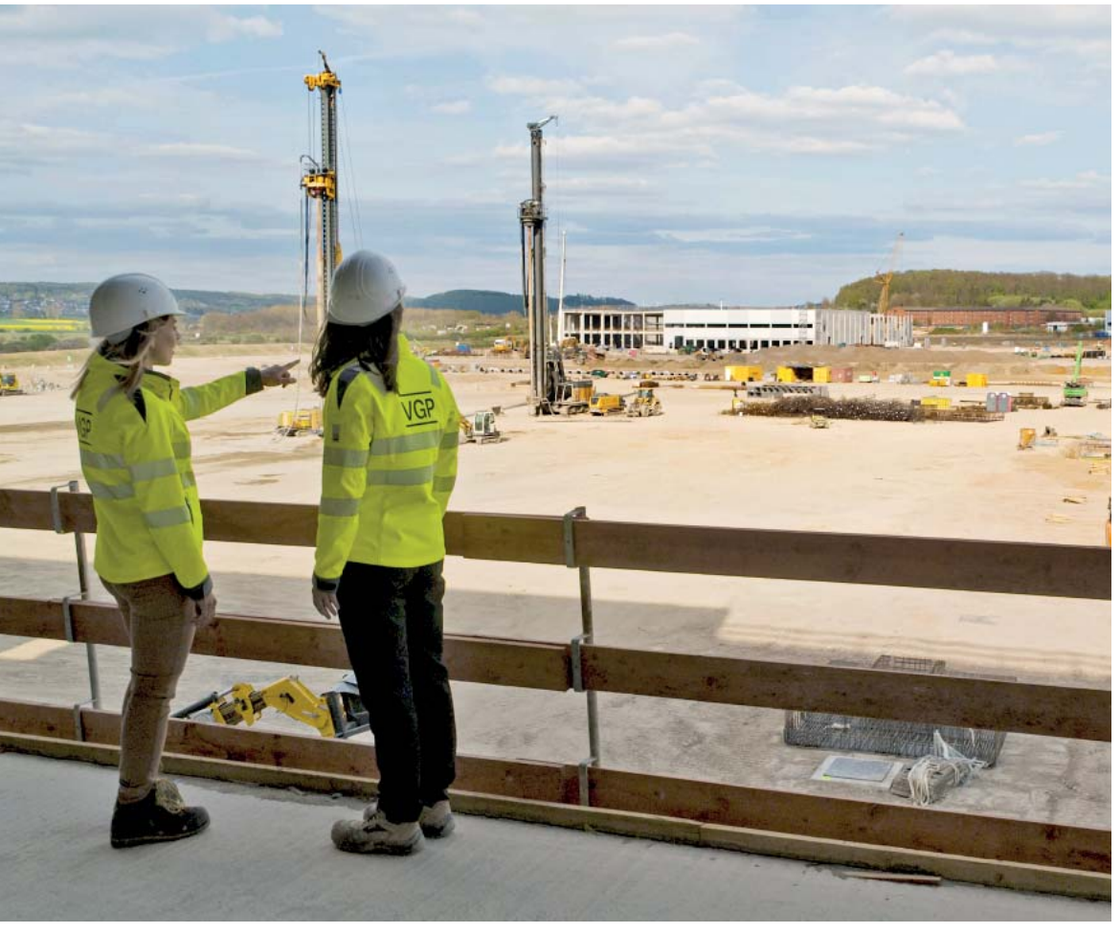
The Group is working on setting up a new graduate recruitment program with a pilot program being setup in Romania.

2.1.2.4.3 Lack of profile diversity

A lack of profile diversity could result in the Group becoming less innovative, though the board of the Group – with 60% female members – sends a strong signal throughout the organization. The Human Rights policy sets the commitment to improve employee engagement on diversity and inclusion, the awareness throughout the organization is to continue to be encouraged further. The Group Code of Conduct and whistleblowing procedure are in-line with zero tolerance principle for discrimination or harassment.

2.1.2.4.4 Identifying and managing human rights risks

VGP supports fundamental principles of human rights across all our lines of business and in each country in which we operate. As outlined in our Human Rights Statement as included in our Code of Conduct, and in our Human Rights policy, our approach to protecting and preserving human rights is guided by the United Nations Universal Declaration of Human Rights. We also acknowledge the Guiding Principles on Business and Human Rights as the recognized framework for corporations to respect human rights in their own operations and through their business relationships. We have a range of policies, procedures and trainings that pertain to human rights issues, including modern slavery, across our business and supply chain. Please see our Group Code of Conduct and Human Rights Policy for more detail.



Works at VGP Park Giessen Am Alten Flughafen

2.1.2.5 Local municipal acceptability

With regards to new developments extensive public consultations are held for all development projects. By building long-term partnerships with local stakeholders (residents, public authorities and associations) an enhancement of the socio-economic impact of the Group's assets can be accomplished, by supporting business creation (e.g. provision of land plots) for specific locally anchored tenancies, often focused on creating employment in manufacturing and technical jobs and which support local taxes and social contributions paid. The increasing emphasis on brownfield developments also leads towards more environmentally friendly and visually attractive sites that often benefit the broader community as well.

Anchored in the local areas where it operates, each of the Group's existing parks has built a network of local partnerships, working closely together to identify and tackle issues which are crucial for the local population and businesses. By building these strong and long-term relationships with local stakeholders, the Group can coordinate common answers, use its technical competence to connect people, commerce and the build environment. See also chapter 3.8 VGP in the community.

2.1.2.6 Environmental pollution

2.1.2.6.1 Water, soil and air pollution linked with development projects

Brownfield projects may contain contaminated soil for which soil decontamination during works on development is required. In order to minimize pollution for the contractors working on-site, the neighbouring area, and the natural environment, the Group's Considerate Construction Charter is applicable to all new development projects. Furthermore, inspections are regularly conducted, as well as continuous maintenance and improvement of existing buildings and technical equipment liable, to have an impact on the environment or on personal safety (including air and water quality, soil and air pollution). For development projects, third-party audits of Health, Safety and Environmental risks are conducted on a continuous basis in order to monitor and update the associated action plans as required.

2.1.2.6.2 Not identifying existing pollution in acquired development projects

To avoid pollution risks a due diligence process is conducted which includes environmental risks and soil pollution analysis. If identified as a risk, soil decontamination activities are budgeted (so expenses can be taken into account pre-acquisition) and executed.

The expenses in site controlling decontamination (€) and volumes of soil concerned (m^3) are included in section 3.3.1.1.1 Pollution prevention.

2.1.2.7 Responsible Supply chain

2.1.2.7.1 Controversies linked with service providers, suppliers or subcontractors

VGP screens its business partners in order to minimize the risk that the Group contracts with service providers, suppliers or subcontractors do not comply with regulations or standards of their profession (e.g. fundamental human and labour rights) or having a negative ESG image/performance. Business partners are subject to the Group Code of Conduct and the inhouse whistleblowing procedure has been made accessible to all contractors. The Group's purchasing conditions, and standard contracts include environmental and social terms, such as complying with the ILO conventions and local labour laws in Europe.

E-charging stations at VGP Park Nijmegen

The Group's Considerate Construction Charter and 10 Golden Rules for circular development are applicable for all development projects describing the Group's requirements and recommendations to optimize the environmental quality of worksites.

With regards to the development of projects, compliance of providers to professional standards is ensured through the tender process, the contract documents, and the monitoring of compliance by the operations supervisor, with sanctions in case of non-compliance according to severity (formal notice, penalties, dismissal).

The Group engages with its main suppliers to explore product innovations in order to enhance building circularity and sustainable performance.

In addition, the Group has a policy to use 100% timber from certified, sustainably managed forests with FSC or PEFC certification in development and refurbishment projects, for both finishings and building structure.

2.1.2.7.2 Controversies linked with tenant activity

The Group aims to strengthen communication with tenants (e.g. sustainability meetings with tenants, satisfaction surveys including ESG satisfaction related questions to improve their sustainability perception, etc.). VGP screens its tenants in order to minimize the risk that the Group leases premises to a corporation active in a controversial industry or not complying with regulations or standards of their profession (e.g. fundamental human and labour rights).

Since two years the Group is signing voluntary and contractual agreements on sustainability issues with its tenants and the group is also pro-actively reaching out to tenants to support transition towards renewable energy consumption as part of green lease concept and as such the Group monitors the percentage of green leases signed among new and active leases.

2.1.2.8 Energy and greenhouse gases

2.1.2.8.1 Price volatility and limited availability of fossil fuels

Energy efficiency targets and energy management action plans are increasingly being rolled out in standing assets, involving energy consumption optimisation actions as well as investments in energy efficient equipment in new construction projects. The Environmental Management System of the Group supports the objective to improve environmental performance of all standing and development assets of the Group. This is also supported by a shift towards sourcing electricity from renewable energy sources for all assets, driven by the development of on-site renewable energy production capacity. For several development projects a life-cycle assessment is being conducted which will help the Group to identify opportunities to reduce the amount of materials used and their carbon footprint. This assessment will also provide lessons learned for the entire Group portfolio. The Group is actively engaging with stakeholders to improve energy efficiency and source renewable energy, including tenants and suppliers (e.g. green leases, PPA contracts, and energy performance contracts with maintenance providers).

A main performance indicator is to monitor the energy intensity per square meter of use (kWh/m^2), as well as the carbon intensity linked with energy consumption of standing assets (Scope 3 "portfolio in use": Category 13: downstream leased assets) is explained in the section 3.3 Sustainable Properties. The refurbishment program which aims to enhance the eco-efficiency of the existing portfolio is explained in section 1.2.2 Summary of the Group's ESG performance indicators.

2.1.2.8.2 Increased regulation on building energy efficiency

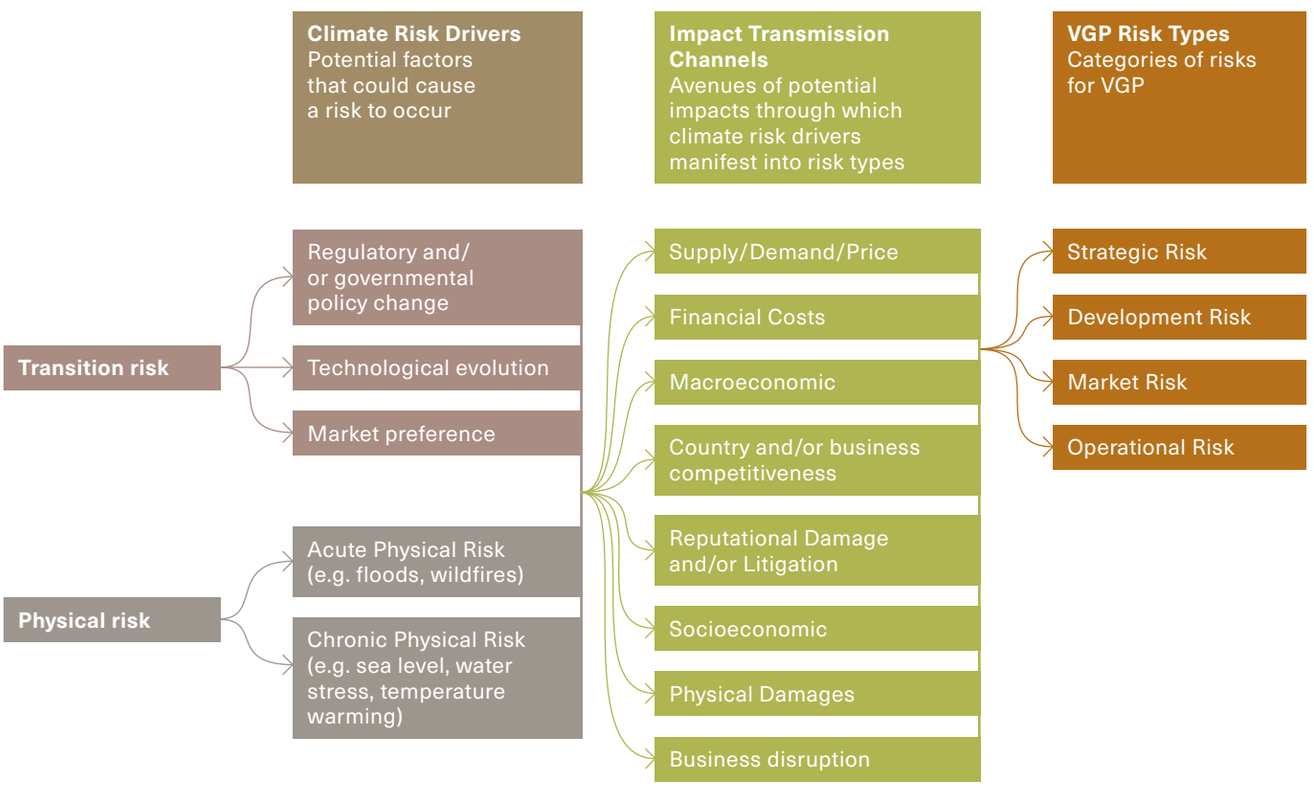
The Group has invested in energy efficiency measures in the majority of the standing portfolio and makes such investments standardized in development projects. Energy management action plans are being rolled out in all standing assets, involving energy optimisation actions as well as investments in renewable energy production. The Group's Environmental Management System aims to improve the environmental performance of assets and the Group engages with stakeholders to improve energy efficiency, including with tenants and service providers (e.g. green leases, and energy performance contracts with maintenance providers). Main performance indicators which will help us manage this risk include the management of the energy intensity per area.

2.1.2.9 Climate-related risks and opportunities

Climate change is among the most critical challenges facing society today and the Group has conducted a climate change risk assessment covering all standing assets and development pipeline, in line with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, covering both transitional and physical risks.

As illustrated in the chart below, we have developed an internal classification system that describes how climate-related risks can translate into potential impacts for our clients, the communities in which we operate and the Group itself — such as changes in supply or demand, financial costs and/or business disruptions, among others — and how those impacts could manifest as risks to our Group. We also assess these impacts against considerations such as time horizon, industry segment and geography as a means of better understanding how these risks emerge within our Group. This classification framework informs our risk identification process, which will continue to evolve as we deepen our understanding of how climate-related drivers could manifest as risks to the Group.

Climate risk



Transition risks cover a range of potential impacts that stem from how society responds to climate change. These include volatility in energy and carbon pricing and possible changes in energy and climate policy as well as regulation, which could lead to economic impacts or drive other changes, such as the restriction of certain land use for developments and the development of low-carbon technologies. Transition risks also include shifts in consumer preferences toward low-carbon goods and services, and clients' shift towards a need for zero carbon emissions production and logistics facilities. All of these risks could impact our clients. Transition risks could also be further accelerated by changes in the physical climate.

Physical risks include both acute weather events and chronic shifts in the climate, such as altered distribution and intensity of rainfall, prolonged droughts or flooding, increased frequency of wildfires, rising sea levels or extreme heat. These physical risks could have an impact on the Group's own operations and our clients' operations (e.g., interruptions to business operations or supply chains). The physical effects of climate change are likely to increase in frequency and severity over time.

In the absence of significant global action to curtail the effects of climate change, risk drivers such as extreme heat, sea level rise and increased frequency of extreme weather events are expected to impact and exacerbate existing risks to infrastructure, ecosystems and social systems. Transition and physical climate-related risks could also lead to financial impacts such as interruptions to supply chains, declines in asset values or significant shifts in demand for certain products or services.

As noted above, the key drivers of transition risk and physical risk can manifest themselves in a variety of ways. The table below provides selected examples of different types of climate-related transition and physical risks and how they could materialize across the four major risk types we manage: strategic risk, development risk, market risk and operational risk.

	Transition Risk	Physical Risk
Strategic Risk Risk to earnings, liquidity, reputation associated with poorly designed or failed business plans or inadequate response to change in the operating environment	Stakeholder perceptions of business (e.g. clients, communities, partners) of inadequate response could result in reputational impacts	Parks in areas susceptible to climate-related events face valuation risk, inability to obtain appropriate insurance for property and ultimately business continuity risk
Development Risk Risks associated with the development activities, risks with the default of a supplier, health and safety related risks amplified by climate change	Shift in client preference for more sustainable building practices, requirements (for example smart and sub-meterings) and certification levels	Temporary disruption in development activities leads to delayed deliveries and loss in profitability
Market Risk Risks associated with the effect of changes in market factors, such as appraisal value market yields, renewable energy and carbon-offset prices	Changes in demand for renewable energy and carbon offsets leads to price volatility and with respect to property valuations, forward-looking climate risk analysis and assessment increasingly impacting asset values	Certain events can lead to a long-lasting decline in property prices in geographies that have heretofore been relatively unexposed to extreme weather or climate events, or where intensity and frequency have appreciably increased.
Operational Risk Risk associated with an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the Group's processes or systems.	New legislation and/or regulatory requirements lead to significant changes in operational processes and costs	Extreme weather causes direct damage to existing buildings and or infrastructure

2.1.2.9.1 Climate Scenario Analysis

Scenario analysis is a useful tool for understanding risks across a variety of economic, market and other conditions. Scenarios can be designed to monitor a wide range of stress events to give our management insight into the drivers behind risk factors or potential losses. An effective scenario analysis framework creates transparency into the scale and source of hypothetical losses, in order to make business decisions and compare risk appetite with business opportunities. The Group uses a set of scenarios that are relevant to our development and portfolio management business, risk positions, funding and capital management practices. They represent a wide range of severities as well as both broad drivers (e.g., general economic downturn) and specific events (e.g., acute weather events or a credit squeeze).

Leveraging scenario analysis to better understand climate-related risks is a relatively new and rapidly evolving area. We are continuing to consider comprehensive climate-based scenarios as we build our knowledge of climate-related drivers, impacts and

potential losses, and we plan to evolve our approach to climate scenario analysis over time, especially as data availability and modelling techniques progress.

We recognize our business is exposed to both transition and physical climate risks, and we are working to understand how climate-driven impacts may emerge. The financial impacts of climate-related risks can differ across clients and geographies due to numerous factors including but not limited to:

- A client's strategy for developing low-carbon transition plans
- Time horizon associated with the transition and physical risks
- Impacts on the specific markets where clients have business activity
- Susceptibility to price fluctuations of construction materials (e.g. steel, concrete, FSC certified wood)
- Geographical concentrations of operations
- Availability of low-carbon technologies
- Changes in European policies

The target for the Group to integrate for development projects and standing assets the long-term climate risks and make a periodic assessment of assets most exposed to natural disasters and of their prevention/protection plan.

2.1.2.9.2 Transition risks

Over the past year we have further improved our building standard to ensure all current and anticipated climate change requirements are embedded in the design. We are conducting a consultancy study into enhancing circularity of construction materials working closely with suppliers to reduce embodied carbon. The results of these studies will allow us to implement and improve best practices within our Group-wide building standard.

The roll-out of the renewable energy availability across our existing portfolio and the offer to our tenants to switch to renewable energy will answer to the anticipated changing demand for green energy. Our renewable energy roll-out over the coming years should allow the reduction of our gross Scope 3 in-use emissions. More details on the renewable energy roll-out can be found in the section on Sustainable Properties.

It will be important for the Group to continue to showcase improvement and demonstrate environmental qualities of assets (environmental certification, carbon footprint, etc) and maintain or improve our ESG ratings in order to maintain access to green financing.

With increasing regulatory requirements, market expectations and the need to be able to tap green financing in the future, our asset base will have to comply with EU Taxonomy requirements and the required energy performance certificates for our existing asset base will have to improve. The estimated costs to upgrade each asset within our portfolio to at least an EPC B rating is estimated at € 23.4 million. Given a vast majority of these investments will be covered through photovoltaic investments, the Group will recoup the investments through return on the sale of renewable energy to tenants. The switch to LED lighting will facilitate this switch (for further details on the planned eco-efficiency capex see also section 3.4.2 Green leases and tenant commitments). Based on this CAPEX, the CRREM compliance will indicatively improve from 45.5% in 2050 to 47.4% (see section 3.4.4 Decarbonisation scenarios (CRREM) for further details)

VGP Park Braşov

VGP Park Hamburg

2.1.2.9.3 Physical risks: non-resilience of assets facing physical phenomena (acute and chronic climate events)

The Group has conducted a climate change risk assessment covering all standing assets and development pipeline, in line with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, covering both transitional and physical risks. The plan is to map completely the future risks of climate change for the Group portfolio and to design relevant climate change adaption plans.

For climate scenarios we are using RCP 8.5, business as usual and RCP 4.5. For example, in all of our land purchasing studies we typically include 100-year probability heavy rainfall models. Also we have analysed the effects of sea-level rise on our portfolio. With regards to sea level rises our work to this point has used RCP 8.5 scenarios, to assess property level impacts and inform our approach to understanding potential losses if rising sea levels were deemed imminent and were accelerating.

The Group has adequate insurance cover for natural disasters for all its assets and is in compliance with regulatory requirements in each country or region with regards to flooding risk, water management and drainage systems for exceptionally heavy rains.

The due diligence process for land acquisitions and new development projects covers the risks associated with climate change. Furthermore, the environmental certification policy for all assets (BREEAM or DGNB) provides cover among others for physical resilience and energy aspects.

Group and local teams are kept up to date with new laws and regulations as they become relevant through regular presentations and training.

2.1.2.9.4 Loss of access to green financing

In order to ensure the Group remains able to access green financing the Group is answering to the most recognised non-financial rating agencies, is monitoring questionnaire evolutions and conducts benchmarking of scores. During investor meetings there is an emphasis on ESG topics in order to maintain direct dialogue on sustainability issues with investors. The Group has a formalised Use of Proceeds for Green Bond allocation procedure, and a formalised procedure for analysing, selecting and monitoring assets under the Green Bond instruments. The Group has indicated to keep the framework up to date amongst others with EU Taxonomy eligibility and conducts back-testing of asset eligibility to Green Bond criteria. Monitoring of green bond KPIs' performance levels is part of this and future Corporate Responsibility Reports. The various ESG scores achieved in 2022 (CDP, GRESB, Sustainalytics, S&P CSA) are listed in section 1.2.3 Results of non-financial ratings and indices.

2.1.2.10 Governance

2.1.2.10.1 Lack of resources or ownership for managing ESG risks

The Group ESG agenda has been defined and overviewed at the highest governance levels: Group CEO, Management Team, and the Board.

The Group has integrated the ESG agenda into the core business processes both for standing assets as well as development projects: due diligence process, environmental management system for both development projects and existing assets, ESG information integrated in asset budget reviews, ESG objectives set for all country teams in the assessment process of individual performance and ESG training module rolled-out to all employees.

The Group setup a dedicated ESG team responsible for overseeing and supporting the implementation of the Group ESG strategy. The Group is aligning initiatives, action plans and targets with the ESG program in all countries and departments (sales, development/technical, etc.), with the dedicated ESG team responsible for overseeing and supporting the implementation of the Group ESG strategy with a specific governance involving top management and operational managers in all country teams. (see also section 2.2 Governance of ESG). This will also allow the Group to enhance its reputation as a trusted and responsible partner and be able to seize ESG opportunities.

2.2 Governance of ESG

2.2.1 Ethics and integrity

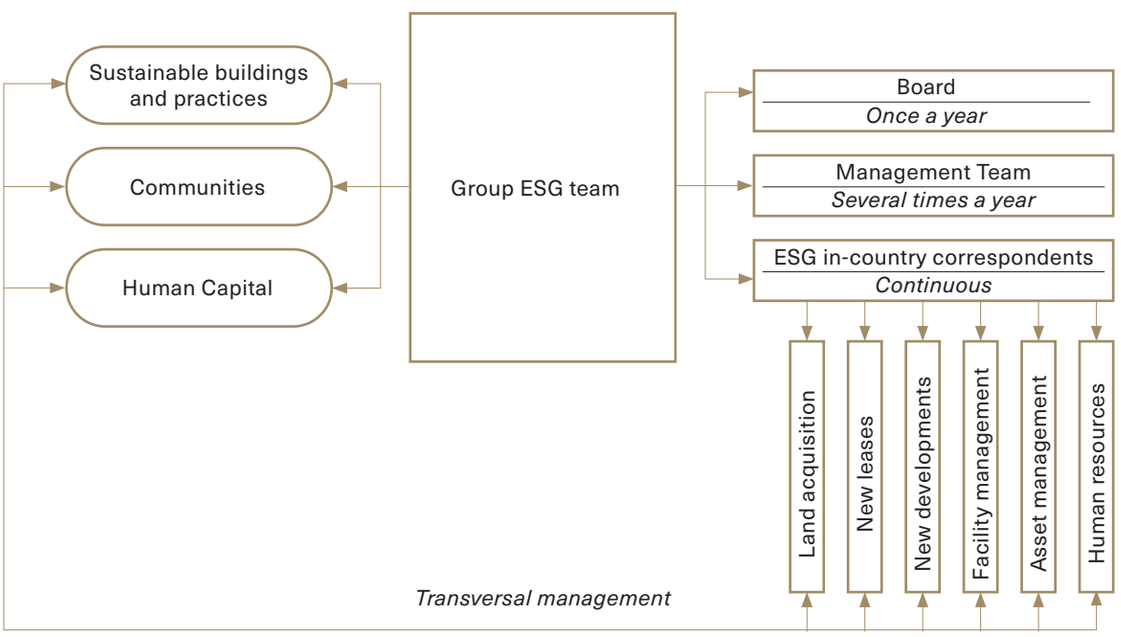
VGP's corporate governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance. As a signatory to the UN Global Compact since 2022, the goal of which is to promote ESG, the Group is committed to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption. VGP's governance structure is presented in the Report of the Board of Directors section under Corporate Governance Statement of this annual report.

2.2.2 ESG team/governance

The Group ESG team, which is cross-functional and includes members from key departments including technical, innovation, sustainable buildings and finance, reports directly to the CEO and is built around two priorities:

Monitoring ESG performance by ensuring that the Group's ESG objectives are fully integrated into the Group's business and decision-making processes; and

Engaging all stakeholders and employees of the Group in order to collectively achieve the objectives of the ESG strategy. As a key topic of ESG program, climate change is fully integrated in the ESG governance (as described below).



The ESG team leverages several key components of the Group organisation:

— The Chief Operating Officers (COOs) of each region support the implementation of the ESG strategy at country level
— The Group relies on ESG local correspondents in each country to help following country ESG performance and coordinate with the Group ESG team; and
— Key transversal functions, in charge of providing relevant guidelines and functional support to countries to implement areas of the ESG program, like the Legal and Compliance team and Finance and Risk

2.2.3 Integration within core processes

The ESG approach is fully embedded into the key processes of VGP, in line with the Group's strategic priorities and operational concerns. Relevant management processes have been set up at each stage of the business cycle, along with appropriate key performance indicators. For example:

— The VGP due diligence process for new land acquisitions includes a complete audit of regulatory, climate change and environmental and Health and Safety risks, including soil contamination;
— The Group's risk management framework includes climate change and ESG risks: identified among the main risk factors, they are integrated in the risk management programme overviewed by management team, which reports regularly to the Board (See section Risk Factors under Report of the Board of Directors in the annual report for more details);
— Development projects are regularly reviewed in light of ESG targets;
— Managed assets have an environmental action plan, with annual performance reviews;
— The internal compliance team conducts regular assessments of the management and compliance processes in accordance with the rules set by VGP;
— HR processes ensure the promotion of diversity and inclusion and consider employee well-being as well as employee learning and development opportunities;
— The training path of new joiners as well as specific functions includes relevant ESG content;
— The annual incentive plan of management and of all eligible Group employees specifically integrate ESG-related performance criteria (see the remuneration section of this annual report for more details); and
— Standing assets and development projects integrate ESG components to ensure alignment with ESG targets.

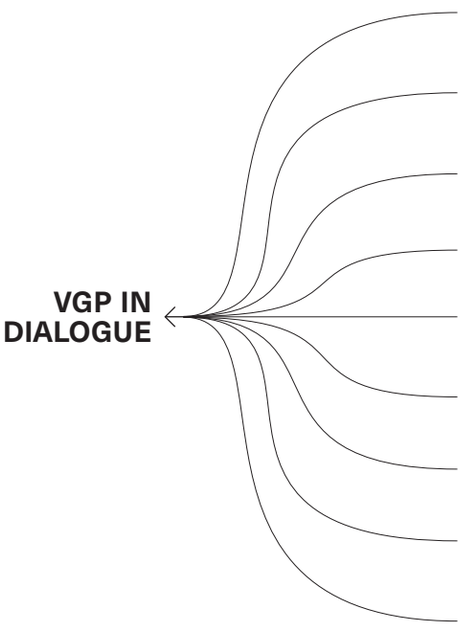
Works at VGP Park Giessen Am Alten Flughafen

2.2.4 Stakeholder engagement

We maintain an open dialogue with our stakeholders, including our investors, customers, employees, suppliers and the communities in which we operate.

VGP reports to investors on its ESG strategy and achievements via regular publications (annual and corporate responsibility reports, semi-annual report, trading updates and news), answers to information requests, interaction with ESG rating and ranking providers, and through dedicated meetings. These meetings also enable VGP to learn more on key areas of interest for investors on ESG topics. The Group's position in the various ESG ratings and evaluations is outlined in Section 1.2.3 Results of non-financial ratings and indices.

As a listed commercial real estate company, VGP is a member of the European Public Real Estate Association ("EPRA"). VGP has also in the past participated in UNEP FI sessions at invitation from CRREM. At country level, VGP is a member of professional organisations such as Bundesvereinigung Logistik (BVL) in Germany.



Dialogue, conferences, meetings and calls with investors and analysts	**Capital markets**
Dialogue in context of joint projects, supplier due diligence, forums & conferences	**Suppliers**
Dialogue through meetings and conferences as member of local and pan-European associations	**Networks and associations**
Dialogue in the context of press releases, information events on new parks, trade fairs	**Media**
Dialogue in context of new initiatives and existing partnerships	**Business and joint venture partners**
Personal meetings, park visits, neighborhood conversations	**Local stakeholders**
One-on-one meetings/dialogue, answering questions	**Civil society and NGOs**
Dialogue with employees, driving forces, idea management, internal media	**Employees**
Dialogue (including in context of park/ building design), social media, trade fairs	**Clients**

photo © Trilux

Commitments

VGP Park Valsamoggia

3.1 The 2030 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted in 2015 by the 193 United Nations (UN) member states. They have helped to inform our thinking about where VGP 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, vis-à-vis last year significant changes were conducted in order to group various initiatives and reflect a holistic approach to the various sustainable targets. Instead of reporting separately on various bottom-up initiatives (such as investments in photovoltaic) these have been grouped together into four main categories:

- **Improve eco-efficiency of our buildings** (capturing: green leases, switch to heat pumps, photovoltaic investments)
- **Design sustainable buildings** (make use of sustainable building materials, sustainable certification, agreed targets with SBTi with regards to embodied carbon)
- **Promote responsible own business conduct** (switch to green energy, green car fleet, health and well-being initiatives at VGP offices)
- **Offer connectivity and sustainable mobility alternatives at VGP Parks** (connectivity to public transport, EV charging and bicycle facilities)

The remainder of the SDGs are unchanged.

The progress for each target has been updated to reflect steps taken in 2022:

Target	Progress
Promote responsible own business conduct 	— All VGP offices having switched to 100% renewable energy as of 1 January 2022 and vehicle fleet switching to PHEV/BEV vehicles only — All VGP offices to offer good health and well-being resources and promotions — Achieve carbon neutrality under scope 1 and 2 by 2025 and reduce gross emissions by 50% by 2030: The Group's reduction targets have been approved by the Science Based Targets initiative (SBTi)
Improve eco-efficiency of our buildings 	— To reduce gas dependency in total 21 buildings with heat pumps were installed and now standard considered for new developments (instead of gas-powered heating) — Switch to green leases: 97.2% of leases signed in 2022 contain green clause — Significant step-up photovoltaic (pv) investment plan – including pv-projects in pipeline VGP Renewable Energy is generating as much electricity as tenants consumed in 2021 — Set a target of 55% reduction of "tenant use" scope 3 carbon emissions by 2030 (agreed by SBTi)
Design sustainable buildings 	— Minimise the environmental impact through innovative design and construction: first warehouses with wooden roof bearing structures realised — Aim for DGNB Gold or BREEAM Excellent sustainability certification for all newly constructed buildings: 100% of new construction projects are being environmentally certified. Combined with buildings previously certified this has resulted in 61.0% of the total portfolio certified or with certificate pending as of December 2022 — Set a target to reduce the embodied carbon footprint of our development activities by 20% by 2030 (agreed by SBTi)

VGP Office in Budapest, Hungary

Target	Progress
Offer connectivity and sustainable mobility alternatives at VGP Parks 	— Aim for VGP Parks to be connected to public transport solutions: 95.8% of parks connected; for one of the four remaining parks a bus stop building permit is submitted — All VGP Parks to offer EV charging facilities: 46.9% achieved in Dec 2022
Safe working environment: targeting zero workforce fatalities 	— Zero employee workforce fatalities in 2022; one contractor fatality — We request employees, contracted workforce as well as suppliers of VGP to adhere to our VGP Health and Safety Policy
Supply chain ethics 	— We conduct a supplier due diligence and request to adhere to Code of Conduct
Gender equality, diversity and inclusiveness 	— Our board consists of 60% female members, management 23% and overall gender ratio of the group is 35% female
100% of new employees follow sustainable development training 	— In addition to Code of Conduct training, 96.4% of new employees completed sustainable development training
100% of employees involved in a culture of trust, evolution and sharing 	— Create an environment encouraging the development of each individual's talent and in which each employee can find himself or herself, by promoting diversity, ethics, well-being and parity
Charitable contributions 	— The VGP Foundation received € 7 million capital support from VGP up to 2022 with projects supported (€ 6.6 million has been committed in projects thus far) in the field of environmental protection, social projects and European cultural heritage. — In 2022, VGP donated € 3 million for Ukrainian refugee support in neighbouring countries. The donation is to be deployed in collaboration with relief organisations recognized by the UNHCR.

3.2 Address climate change

3.2.1 Climate Change Strategy

As a long-term property owner, we need to ensure that our buildings are fit for purpose, now and in the future. One of the ways we do this is to build relatively generic buildings conform "the VGP Standard", suited to more than one type of client. This ensures a longer lifespan for the building as well as reducing the risk of vacancy and future refurbishment costs.

In order to ensure that our buildings are fit for purpose and meet the requirements of our clients for the long term we have integrated climate change adaptation and mitigation into our standard building design. With the potential for a changing climate across Europe, we ensure that EU Taxonomy aspects such as limited water supply, sustainable heating sources, waste management and circular building design are assessed as part of the land acquisition and design. Although these adaptations involve additional costs, we believe that buildings with enhanced sustainability aspects will increasingly be valued more highly than those without.

As part of its ESG strategy, the Group commits to cutting carbon emissions across its value chain between 2020 and 2030. This commitment includes, in addition to its Scopes 1 and 2 emissions, the Group's Scope 3 emissions:

- Our own operating carbon emissions cover our own operations under Scope 1 and 2 and our own emissions under Scope 3
  - Within our agreed Science Base Targets, we are committed to reducing the absolute carbon emissions of our own operations by 50% by 2030 (compared to a 2020 baseline of 946 tCO_2e), in line with a 1.5°C scenario
- Carbon emissions from our portfolio includes the carbon emissions generated from heating and cooling of warehouses and offices, energy consumed for tenants' business operations and electricity consumed for EV charging at our park locations
  - Within our agreed Science Base Targets, we are committed to reducing the absolute carbon emissions of our portfolio by 55% by 2030 (compared to a 2020 baseline of 67,456 tCO_2), in line with a 1.5°C
  - By 2025 we aim to bring the portfolio in compliance on a Paris-aligned 1.5°C pathway until 2050 based on the CRREM-tool, taking into account contracted photovoltaic pipeline projects
- In 2021 and 2022, VGP undertook an embodied carbon assessment of completed developments. We are working to have embodied carbon data for all development deliveries.
  - Within our submitted Science Base Targets, we are committed to reduce the absolute embodied carbon of new developments by 20% by 2030, against a 2020 baseline based on a strategy to reduce carbon intensity per m^2 delivered. The 2020 baseline and the embodied carbon intensity figure has been recalculated in 2022 to encompass the carbon embodied within our development pipeline.

3.2.1.1 Reduce emissions from construction by 20%

In 2022 VGP committed to significantly reducing its carbon emissions from construction on a broad scope. In specific terms, reducing its absolute carbon emissions from construction by -20% between 2020 and 2030 means dropping from an average of 517.0 kg CO_2 eq/m^2 constructed in 2020 to 413.6 kg CO_2 eq/m^2 on average by the end of 2030.

The main levers to achieve the Group's low-carbon target on construction are the following:

- A "lean building" approach from the design phase using fewer materials, through optimised design choices: structure, fixtures and fittings, façades, ceilings, smart design of parking spaces, etc.;
- The Group in 2022 conducted a comprehensive embodied carbon study supported by ARUP, the consultancy firm, in order to map potential carbon reduction initiatives in its existing building practices and to create an initial embodied carbon reduction roadmap towards 2030. The plan is for the roadmap to be continuously adjusted as techniques get implemented in the existing building standard and new improvements are assessed
- Using new solutions for construction and choosing alternative and low-carbon materials, such as low-carbon concrete and cement, wood and recycled products, as well as selecting suppliers and products based on their location and place of manufacture, respectively; and
- Developing targeted partnerships with construction firms and manufacturers of building materials for the implementation of innovative solutions in order to secure the 2030 commitments regarding construction activities.

In order to secure the ESG Strategy commitments regarding development activities, the Group has created the ESG Guidelines for development projects, to guide the development teams from the very beginning of the design phase to the delivery of their development projects. The document is split into two parts:

- The Group Considerate Construction Charter, with guidance for development projects (brownfield, greenfield and refurbishments) to be in line with the Group's ESG Strategy
- The Ten Golden Rules for sustainable construction, which give the right mindset to the development teams to integrate ESG topics in their projects.

The ESG performance of the development projects is closely monitored during key project reviews by our Sustainable Building team, based on the requirements of the Sustainability Brief.

VGP's carbon performance with regards to the development target is presented in Section 1.2.2 Summary of the Group's ESG performance indicators.

Water retention basin and works in Giessen Am Alten Flughafen

3.2.1.2 Reduce emissions from tenant operations by 55%

When it comes to standing assets, the carbon footprint consists mainly of GHG emissions from energy consumed as part of the operation of the buildings. Achieving its ambitious target of reducing carbon emissions from operations by 55% between 2020 and 2030 draws on two levers simultaneously:

— Improving energy efficiency of the Group's buildings. The Group pursues the objective of improving the energy efficiency of its assets by implementing an energy efficiency action plan (see Section 3.4.3 Energy management); and
— Completing a fast transition to renewable energies. VGP is committed to using 100% electricity from renewable energy sources ("green electricity") for the consumption of its own operations and offices and push for an equivalent transition for the private electricity consumption of its tenants.

Achieving this target, which has been been agreed by the SBTi, requires strong involvement of tenants. To accomplish this, the two levers of improving energy efficiency and transitioning to low-carbon energy sources are also implemented in the private areas of the assets, in cooperation with the tenants: specific green terms are added in lease contracts and sustainability committees are organised at asset level (see Section 3.4.2 Green leases and tenant commitments). VGP's carbon performance with regard to the operations target is presented in Section 1.2.2 Summary of the Group's ESG performance.

3.2.1.3 Reduce emissions from own operations by 50%

The confirmation by the SBTi also included the Group's earliest carbon reduction target covering GHG emissions from the operations under the Group's direct control (Scopes 1 and 2 and related Scope 3 – category 3, 5, 6 and 7). In addition to its carbon reduction targets concerning the portfolio and development activities, the Group commits to reduce absolute emissions from Scopes 1 and 2 by 50% between 2020 and 2030. This target has been confirmed by the SBTi, as aligned with a 1.5°C pathway, the most ambitious goal of the Paris Agreement. The levers identified to reach the Group's carbon reduction target from operations (reduce emissions from operations by 50% by 2030) include planned switch from the entire car fleet to EV vehicles and 100% usage of renewable energy at VGP offices. VGP's carbon performance with regard to the Scopes 1 and 2 target is presented in Section 3.2.2 Carbon assessment.

3.2.2 Carbon assessment

3.2.2.1 Methodology

The method used for quantifying Group emissions is in line with the ISO 14064 standard, the GHG protocol guidelines and the Bilan Carbone® methodology of ADEME (Agence de l'Environnement et de la Maîtrise de l'Énergie, or French Environment and Energy Management Agency). The sources of emissions included in the Group's total carbon footprint are broken down per Scope and influence level in the table hereafter. The Group calculates its carbon footprint on an extended Scope 3 basis, which is outlined in this table, measuring the major indirect emissions across its entire value chain. To reflect the Group's business activities in the most accurate manner, including the interactions between the company and its stakeholders, Scope 3 has been further broken down into three categories:

— Scope 3 own offices and employees (under VGP's operational control);
— Scope 3 related to portfolio "in use": Responsibility of tenants that VGP can influence but does not control directly
— Scope 3 related to development activities through embodied carbon

Scope 1	— Direct emissions from gas and fuel consumption in VGP offices — Direct emissions from mobile combustion: fuel used for company vehicles — Direct fugitive emissions including leaks of refrigerant gas
Scope 2	— Indirect emissions linked to electricity and gas consumption in VGP offices (linked to energy production only)
Scope 3 – Own offices and employees	
Scope 3: Category 1 (office supplies)	— Indirect emissions from VGP offices
Scope 3: Category 3 (indirect energy)	— Upstream emissions of purchased fuels and energy (extraction, production and transport of fuel, electricity)
Scope 3: Category 5 (waste)	— Indirect emissions from waste at offices
Scope 3: Category 6 (business travel)	— Indirect emissions from employees' business travel
Scope 3: Category 7 (employee commuting)	— Indirect emissions from employees' commute from home to work
Scope 3 – Portfolio "in use" (tenant activities)	
Scope 3: Category 13: downstream leased assets	— Indirect emissions from energy consumption and fugitive emissions due to leaks of refrigerant gas/fluid in tenant's operations in VGP's standing portfolio
Scope 3 – embodied carbon in development activities (life cycle analysis)	
Scope 3: Category 1 (developments)	— Emissions caused by development activities, including materials used and indirect emissions caused by transport to site

GHG emissions are expressed according to the "Market based" and "Location-Based" method.

3.2.2.2 Results: Group carbon footprint

GHG emissions are preferably expressed according to the "Market-Based" method (suppliers' emissions factors) in order to highlight the efforts made in selecting the Group's energy suppliers. However, to take into account the expectations of various stakeholders, results are also expressed according to the "Location-Based" approach (countries' emissions factors) in this section. Further in the document, all results related to GHG emissions are presented according to the "Market-Based" method, unless explicitly stated otherwise. The carbon footprint for 2020 is the baseline for tracking the carbon-related objectives of the Group's own operations and the carbon-related objectives of the tenant operations and development activities. The 2020 Group carbon footprint baseline and the Group carbon footprint evolution in 2021 are presented hereafter. Measured results for 2021 continue to reflect the impact of the COVID-19 health crisis, which resulted in restrictions affecting mostly the beginning of the year. The results for 2022 are currently being prepared and are expected to be made available on VGP website at the time of the publication of the Group's H1 2023 results.

Emissions: market/location based

tCO_2	FY 2019	FY 2020	FY 2021
Scope 1 – $tnCO_2e$	788	841	*852
tn CO_2e/FTE	*3.9*	*3.5*	*2.7*
Scope 2 – Market based – $tnCO_2e$	152	105	**127
tn CO_2e/FTE	*0.8*	*0.4*	*0.4*
Scope 2 – Location based – $tnCO_2e$		127	**107
tn CO_2e/FTE		*0.5*	*0.3*
Total Scope 1 and 2 (tCO_2)	**940**	**946**	**979**
Scope 3: Category 1 (paper use)	28	5	3
Scope 3: Category 3 (indirect energy)	260	235	236
Scope 3: Category 5 (waste)	5	5	2
Scope 3: Category 6 (business travel)	952	647	542
Scope 3: Category 7 (employee commuting)	189	147	159
Scope 3 – Total Own offices and employees (tCO_2)	**1,434**	**1,039**	**939**
tn CO_2e/FTE	*7.2*	*4.3*	*3.1*
Scope 3 – portfolio 'in use' (category 13: downstream leased assets)* **		**67,456**	**68,251**
kg CO_2/m^2		*27.6*	*22.1*
Total Building LCA			
Scope 3: Category 1 (developments)	*55,358*	*102,423*	*123,880*
Scope 3: Category 5 (development waste materials)			
Scope 3: Category 11 (use of sold products – life time maintenance)	*27,667*	*51,188*	*62,853*
Scope 3: Category 11 (use of sold products – energy)	*65,306*	*120,828*	*148,361*
Scope 3: Category 12 (end of life)			
Scope 3 – embodied carbon developments	**148,331**	**274,439**	**335,094**
kg CO_2/m^2	*516.8*	*516.8*	*513.9*
Total Scope 3 (tCO_2)		**342,934**	**404,284**
Total GHG emissions (tCO_2)		**343,879**	**405,263**
Total Scope 4 (tCO_2)		**–4,305**	**–6,314**

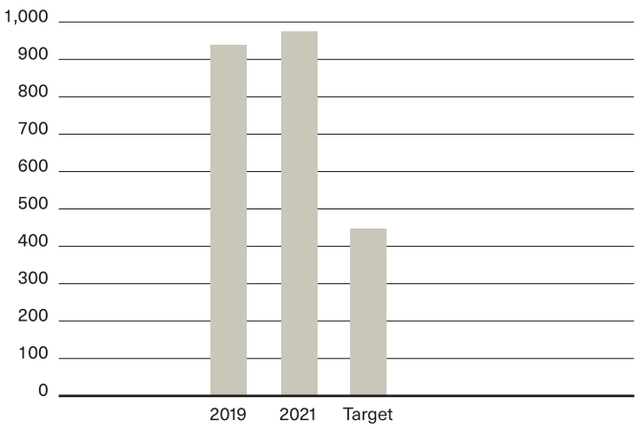
Underlined values have been assured by Deloitte.

* Considerations for the evaluation of the scope 1 emissions:
Part of the Scope 1 emissions are fuels used for heating. For Austria, Hungary, Latvia, The Netherlands, Serbia and France the fuel use has been based on extrapolation. Explain how the extrapolation was made The extrapolations were made by making an average between Belgium's and Luxembourg's VGP office surface and natural gas consumption. Part of the Scope 1 emissions are the emissions of company cars. To calculate the emissions from company cars the KM's driven (estimates derived from lease contracts or employee statements) and the used Liters of fuel consumed were used. Extrapolations have been made to come to the fuel use of Rome (Italy), Slovakia, Serbia and France. The extrapolation was made by multiplying an average of other sites that have evidence, and the number of employees of the respective site.

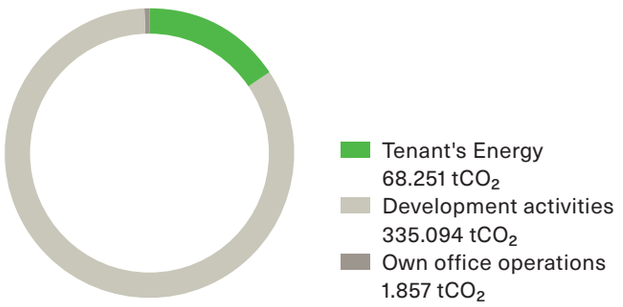
** Considerations for the evaluation of the scope 2 emissions:
Part of the Scope 2 emissions is the energy consumption of offices - for the calculation of the total, extrapolations were made for the offices in Rome (Italy), Austria, Hungary, Latvia, The Netherlands, Madrid (Spain), Serbia and France. The extrapolation was made based on surface area of the offices multiplied by an average that was calculated based on all the other offices that have evidence for their consumption. Part of the Scope 2 emissions is the electricity used for electric vehicles - the data for Serbia and France in the calculation of the total have been based on extrapolation. The extrapolation was based on multiplying an average of other sites that do report values backed by evidence and the number of employees for Serbia and France.
For the calculation of the Austrian market based emissions a production mix was used instead of the residual mix (recommended by the GHG Protocol).
The difference observed in market based and location based emissions scope 2 from 2020 to 2021 is related to a change in the methodology of calculation for emissions in 2021 (updated factors of emissions).

*** The CO_2 performance of the portfolio in use (Category 13: downstream leased assets) has been updated from previously reported due to improved gross-up calculation (taking into account tenant industry segment)

SCOPE 1 AND 2 (tCO_2 PER ANNUM)



BREAKDOWN OF THE 2021 GROUP CARBON FOOTPRINT BY ACTIVITY



3.2.2.3 Focus on emissions from tenant operations

As part of its proactive policy on efficient building operation and in line with its ESG strategy, the Group is monitoring GHG emissions from the energy consumption by its tenants' operations at its owned and joint venture buildings. This contributes to the Group target of reducing GHG emissions from its operations by 55% between 2020 and 2030. To manage the carbon performance of its operational activities, the Group has set indicators to measure the intensity of GHG emissions per area (m^2) for each of its operated VGP Parks. The Group has been able to collect 58% and 35% of the relevant electricity and fuel consumption data from its tenants respectively, and for the remainder of the areas the data has been grossed-up, taking into account the type of occupation/tenant activity for its warehouse. This makes it possible to analyse a building's overall carbon efficiency on a comparable basis, depending on its purpose and scope.

The Group policy regarding photovoltaic investments as well as renewable electricity purchase enables it to reduce its operations' carbon footprint year on year. It also allows the Group to encourage producers to invest in the development of clean technologies by increasing market demand for these energy sources.

In 2021, the carbon intensity linked to the energy consumption (Scope 3) of the Group's standing portfolio (CO_2 eq/m^2) decreased by 20.1% compared with 2020. This was mainly due to COVID-19 disruptions and changes in tenant occupation. The anticipated transition towards electricity between renewable sources under the photovoltaic investment plan, is expected to start largely contributing to a reduction from 2022 onwards, with newly delivered warehouses typically at least partially powered by electricity from renewable energy generated on site (see Section 3.4.3 Energy management).

3.2.2.4 Climate risk management and adaptation to climate change

The Group's Risk Management framework is presented in the Chapter Risk factors under the Report of the Board of Directors of the annual report. ESG risks were analysed at Group level (see Section 2.1.2 ESG risks and opportunities); this section presents a detailed analysis of the climate change risks for the Group. On top of addressing climate change mitigation (see Section 3.2.1 Climate change strategy), the ESG strategy also addresses climate change adaptation through the resilience of its assets to climate change. The Group targets for 100% of its development projects to include long-term climate risks, while minimising resource use and maintaining user comfort by 2025, and for 100% of its standing assets to include a climate change risk plan by 2023. The effects of climate change on VGP's portfolio will vary depending on the region and the asset. The scale and severity of changes will determine the extent of the impact, as will factors such as age, location, construction methods, asset operational efficiency, local infrastructure quality and capacity. In 2023, the Group is planning to conduct a climate change risk assessment study covering all standing assets as well as the development pipeline. In line with TCFD (Task Force on Climate-Related Financial Disclosures) recommendations, the Group provides disclosure in line with those required by the Task Force on Climate-Related Financial Disclosures (TCFD) framework recommendations in section 3.2.2.5.

We are undertaking a climate resilience study to assess the medium-term and long-term physical risks to our portfolio by geography. For this study, the impact of Representative Concentration Pathway (RCP) 4.5 (3°C warming by 2100) and RCP 8.5 (4-5°C warming by 2100) were modelled on our portfolio countries at high level to assess different threats from climate change. These climate change risk assessments enable VGP to have a clear view on the future risks of climate change for its portfolio, which will help the Group to design relevant climate change adaptation plans for standing assets.

In addition, in order to inform the Group's adaptation scenarios, VGP performs annually a CRREM study (Carbon Risk Real Estate Monitor) to analyse stranding risks across its portfolio. Further details on the CRREM analysis can be found in the section 3.4.4.

Decarbonisation scenarios

Furthermore, and on a shorter time horizon, the Group complies with regulatory requirements in each region with regard to flooding risks, water management, and drainage systems for exceptionally heavy rainfall. Regarding development projects, specific requirements including the realisation of a study on adaptation to climate change covering physical risks, comfort and energy efficiency topics are already integrated in the sustainability brief for each new project (see Section 3.3.1 Environmental Management System (EMS)). VGP's due diligence process for acquisitions and greenfield/brownfield development projects covers the analysis of risks and opportunities related to financial and operational issues. For example, the process includes a complete audit of technical, regulatory, environmental and health and safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include risks associated with climate change, soil pollution, protection of wetlands and asbestos.

The Czech Republic is within our portfolio one of the countries with the highest carbon electricity factor at 0.637. In order to address this significant portion within our Scope 3 Category 13 emissions the Group has set a target to build 10MWp in Czech Republic in the coming period.

3.2.2.5 Climate-related financial disclosures

To enable our stakeholders to consider and compare our reporting, we contribute to a number of externally-recognised initiatives including GRESB and CDP, and we also disclose metrics in line with externally-recognised frameworks including Global Reporting Initiative (GRI) and the EPRA Best Practices Recommendations on Sustainability Reporting (see section 1.2.4 Alignment with ESG reporting standards and frameworks for further details).

In order to ensure that we also report on those issues that we can have a direct impact upon, we use our materiality assessment to identify the key metrics that are material to the business (the materiality assessment is explained in section 2.1.1 Materiality assessment). Below are the climate-related metrics and targets which we monitor.

Climate related financial disclosures

Financial item	Climate-related	Metric	2022	Narrative	Section ref.
Assets	Physical – operational	Portfolio at risk of 1 in 100 year flood (% of GAV with JVs at 100%)	11%[1]	New metric based on analysis conducted in 2023	2.1.2.9.3
	Transition – operational	EPCs rated below E (based on number of assets)	0.50%	One older portfolio asset	4.1.4, 2.1.2.9.2
		EPCs un-rated (based on number of assets)	20.4%	Un-rated space does not necesarily mean low rating; various have PV roof (will require new EPC rating)	
		EPCs rated B or better (based on number of assets)	26.4%	Indicative anticipated CAPEX investment of € 23.4 million required to upgrade portfolio to B rating	
Assets	Transition – development & market risk	Portfolio with high environmental certification (BREEAM Very Good or better (or equivalent)) ("Green portfolio") – € amount	€ 1.97 billion	Comprises the building portfolio which is eligible for the Green Financing Framework	4.2.3
Liabilities	Transition – development & market risk	Percentage of net borrowings (incl JVs at share) classed as Green Financing under the Green Finance Framework	54.1%	VGP issued € 1.6 billion in green bonds under the Green Finance Framework	4.2.3
		Green finance instruments as % of the green portfolio (including joint venture assets at share)	128.5%	Green finance instruments should not exceed the total green portfolio	
CAPEX	Strategic risk/GHG emissions	Visibility: % of portfolio for which energy data is avalable	58%	New lease template since 2021 includes green clause for data sharing; many existing clients have no obligation to share data	3.4.3.1, 3.2.2.3
		Visibility: % of completed developments for which LCA analysis is available	63%	Growing use of Life Cycle Assessment within the business ensure that we have good visibility of embodied carbon in development and we can target areas for reduction	3.2.1.1, 3.2.2.2
		Embodied carbon intensity ($kgCO_2e$ per m^2 of development space)	514	Based on limited sample of completed developments for which we have Life Cycle Assessments.	3.2.1.1, 3.2.2.2
		Photovoltaic investments – spent or committed on projects completed or under construction	€ 77.8 million	A further € 55 million to be spent on pipeline projects – total 204 MWp	3.4.3.2.2, 3.4.4
Revenues	Transition – market risk	Solar power generation – FY2022	27.4 GWh		3.4.3.2
		Solar power generation – annualised incl pipeline	180.7 GWh		
		Solar power generation as percentage of tenant energy consumption	16%	Including PV pipeline projects the coverage increases to 106%	
		Gross revenues from renewable energy	€ 5.9 million	This metric reflects cases where VGP owns PV panels and sells the energy to the client, client leases the panels from VGP or VGP sells energy into the grid. In other cases, PV-generated energy is provided to customers as part of their rent. This revenue is not recorded here as it is not possible to disaggregate it from underlying rent.	

1 Based on preliminary analysis and not taking into account mitigation measures.

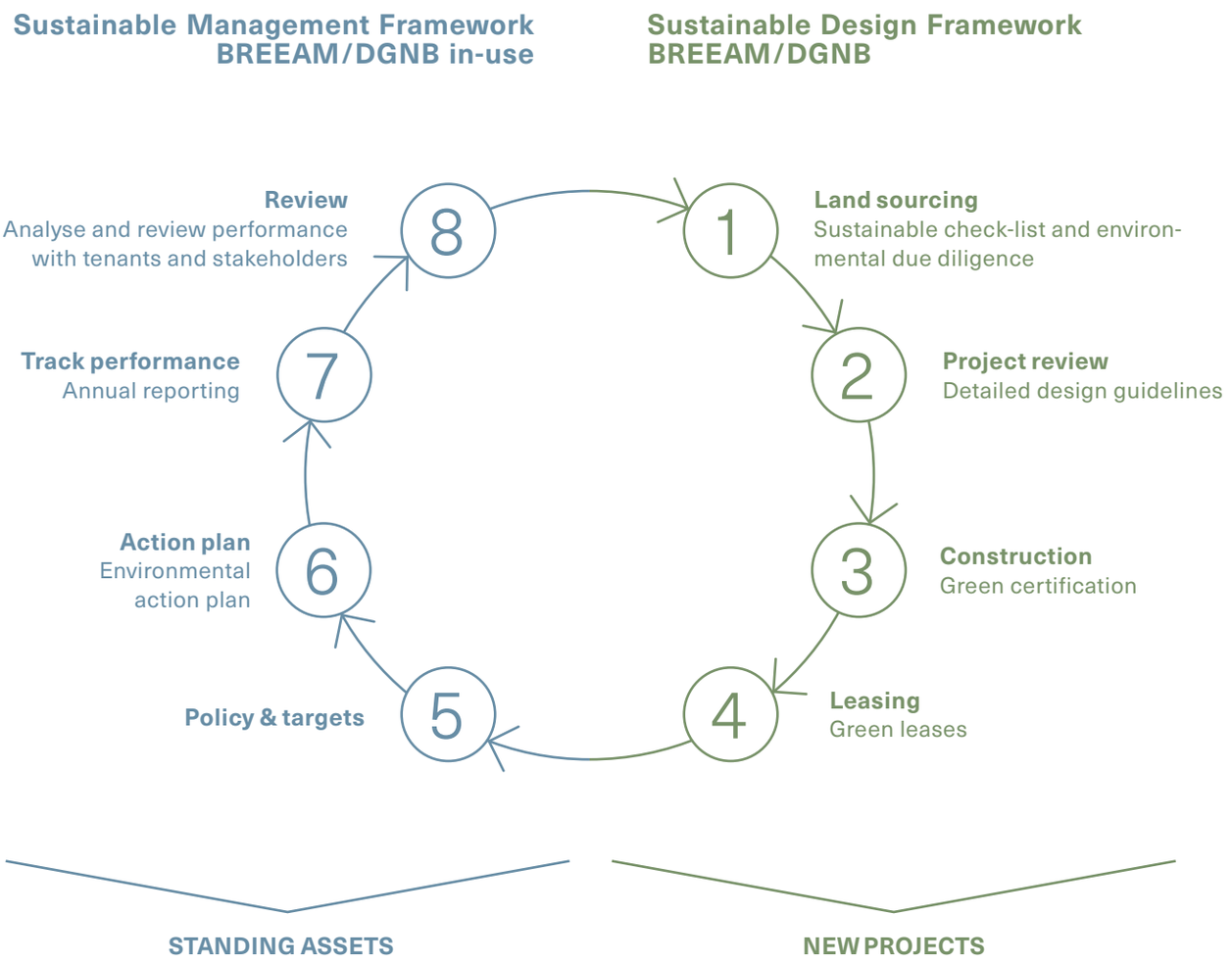
3.3 Sustainable Properties

3.3.1 Environmental management system

The Group's environmental Management System (EMS), aims at reducing the environmental impact of our assets at every stage of their life cycle, from initial design to daily operation.

The Group has defined and monitors several indicators to manage the environmental performance of its standing assets and development projects, in line with the objectives of our ESG strategy. Some of these indicators are incorporated into the budget review processes for standing assets and development projects to ensure alignment between ESG objectives and business decisions.

For more information on the Group's Environmental Management System (EMS) please follow the link to VGP ESG policies and guidelines on: *https://www.vgpparks.eu/en/sustainability/*



3.3.1.1 Sustainable construction

In 2022 the Group's Considerate Construction Charter is applied to all greenfield/brownfield construction projects. It describes the Group's requirements and recommendations intended to optimise its worksites' environmental quality while minimising pollution for the contractors working on site, the neighbouring area and the natural environment. The Considerate Construction Charter includes the following requirements:

- Using 100% of timber for development, extension and renovation projects from certified, sustainably managed forests with FSC or PEFC certification, including for works;
- Providing information to people living nearby and limiting traffic disruptions;
- Informing employees of construction companies;
- Ensuring proper management of risk and hazardous product handling;
- Aim to ensure at least 70% of waste recycling (material recovery) by weight, and clear traceability of all waste managed;
- Managing and limiting noise and visual pollution, as well as the risk of soil, water and air pollution; and
- Monitoring resources in order to reduce resource consumption.

	2022
Number of development projects that implement a Considerate Construction Charter	27
Share of development projects that implement a Considerate Construction Charter	100%

3.3.1.1.1 Pollution prevention

Moreover, the Group ensures that the action plans and preventative measures are implemented by contractors during construction. The table below lists the annual monetary expenses for soil decontamination/site remediation and volumes that have been detoxified.

Soil pollution and site remediation	2022
Monetary expenses for soil decontamination/site remediation	€ 5.1 million
Volume has been detoxified/handled	14,900 metric tons

3.3.1.1.2 Health and safety on work sites

The construction contractors are contractually required to make the necessary provisions for site safety and comply with the relevant Health and Safety legislation. The contractor's teams develop the technical requirements provided to contractors within the tendering process. These include specific safety requirements, as well as the applicable Health and Safety standard a successful bidder must comply with. Tender submissions that do not comply with the technical requirements and the applicable Health and Safety standards are disqualified from the tendering process. During the construction phase, site health, safety and security is continuously monitored by the construction contractor's teams. Health and Safety Coordinators are appointed in all countries where the Group is active. They are employed by the contractor, with a principal function to coordinate health and safety matters between the various stakeholders. Health, Safety and Environment (HSE) audits are conducted on a continuous basis.

VGP Park Olomouc

3.3.2 Environmental certifications

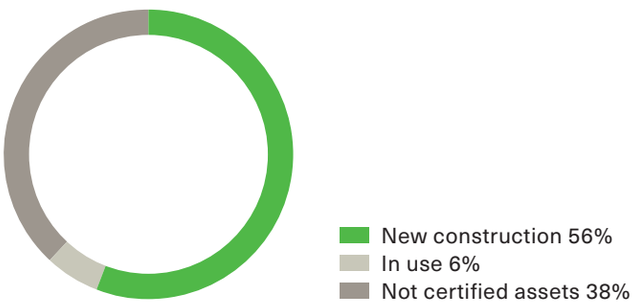
VGP, as part of its strategy for development projects, targets an environmental certification for all of its new greenfield/brownfield construction projects: DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) in Germany and Austria and BREEAM for the other countries. VGP aims to achieve a minimum level of "Gold" (DGNB) for its development projects in Germany and Austria, and for the other countries "Excellent" (BREEAM) versus minimum required BREEAM Very Good. Higher environmental certifications are obtained, when relevant to the tenant. In addition to securing the "Excellent"/"Gold" level under BREEAM/ DGNB respectively, all projects need to undertake a technical and economic feasibility study to reach the BREEAM "Excellent" or DGNB "Gold" level respectively.

Coverage of BREEAM and DGNB environmental certification of standing assets and assets under construction in number of assets and gross lettable area:

2022	number of assets certified	number of assets in process of obtaining certificate	Certification coverage	
			% (in number)	*% (in m² GLA)*
Total certified warehouses	43	72	51.3%	61.0%
of which Excellent/Gold	*14*	*30*	*19.6%*	*24.7%*

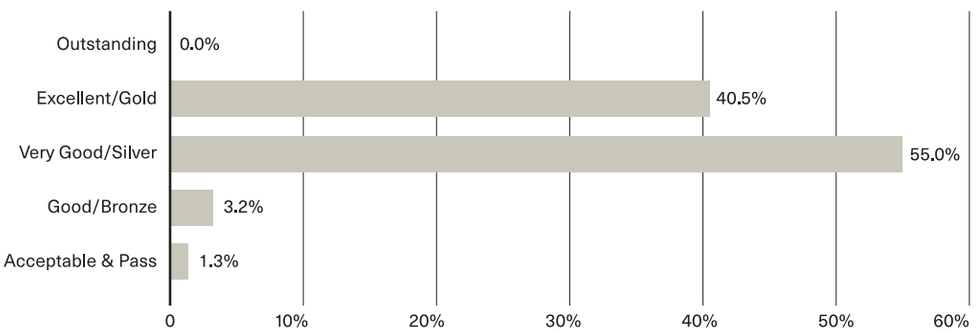
Coverage of environmental certifications in operation and development within the Group's total standing assets and assets under construction (in m² of gross lettable area):

COVERAGE OF CERTIFICATION *% (in m² GLA)*



Breakdown of the Group assets by environmental certification level (in square meters of gross lettable area)

BREAKDOWN BY CERTIFICATION LEVEL



Wooden roof baring structure in VGP Park Graz

3.3.3 Construction materials

3.3.3.1 Reducing carbon impact of construction materials

As part of its commitment to reducing its construction carbon footprint by 20% between 2020 and 2030, the Group focusses on the choice and use of the materials for its development projects.

Specifically, it involves:
- Adopting a “lean material construction” approach right from the design phase (structure, façade, false ceilings, fixtures and fittings, etc.);
- Using new solutions and optimised low-carbon materials (low-carbon cement and concrete, bio-sourced materials, recycled materials, etc.);
- Asking subcontractors to put forward alternative solutions with low carbon content; and
- Adopting a purchasing policy that includes criteria for the carbon content of products and construction materials (requiring environmental and Health and Safety certification – Environmental Product Declarations).

In 2022, the Group conducted a comprehensive study of improvement alternatives to the embodied carbon footprint of its development activities. Discussions with suppliers to better understand their products’ carbon performance and alternative solutions were conducted. These studies will provide a building block for future additional studies taking into account new developments which will allow the Group to further improve the carbon performance of the construction materials.

The Group is also conducting development projects using timber construction materials to reduce indirect construction-related emissions. For example at VGP Park Graz, VGP is using 162 Glulam timber beams with a span of 12 to 17 metres for the roof, allowing for an 11,000 m² building. This choice guarantees a reduction in material transport costs by assembling the beams on site and a more sustainable building.

Circular economy solutions can also lead to carbon savings, through material reuse for example as defined in the VGP Ten Golden Rules for circular building practices which is, together with the Considerate Construction Charter, part of the VGP Building White Book and shared our contractors.

Wooden interior structures realised in VGP Park Magdeburg

3.3.3.2 Responsible supply chain

Further to the research project as described in the previous section for which discussions were held with various suppliers to better understand and reduce the embodied carbon footprint of materials used, VGP is committed to ensuring responsibility in its upstream supply chain (development activities). The Considerate Construction Charter specify that 100% of timber used in development, extension and renovation projects must be from certified, sustainably managed forests with FSC or PEFC certification. Besides, as part of the certification process (prerequisite for BREEAM and optional for DGNB), the sourcing of wood used during construction is verified and validated. The Group aims to obtain "post-construction" final certification according to the BREEAM or DGNB standards for all projects.

All contractors are asked to abide by the terms of the Considerate Construction Charter. Also, in all its contracts, the Group requires from the contractors to do their best efforts to reduce the carbon footprint of the project and the design project managers are asked to pay closer attention to this contractual requirement.

3.3.4 Comfort, health, well-being and productivity for users of buildings

Comfort and well-being issues are a determining factor in our technical and architectural choices for development of the office as well as warehouse spaces (e.g., façades, sky lights, interior finishes of offices, canteens and other amenities, heating, ventilation and air-conditioning equipment, lighting, occupant control methods, etc.). The VGP Environmental Management System (https://www.vgp-parks.eu/en/investors/corporate-governance/) and VGP Building White Book provide steps on how to achieve comfortable and safe spaces, based on thermal comfort, visual comfort, acoustic comfort and interior air quality.

3.4 Improve eco-efficiency

3.4.1 Environmental management system for existing assets

The EMS is implemented across the whole owned and joint venture portfolio. This pragmatic and dynamic EMS, based on an environmental continuous improvement approach (ISO 14001), ensures that the Group is able to meet its annual and long-term targets and supports VGP's continuous improvement for each area covered by the Group's ESG policy. This includes climate change adaptation and sustainable resource use. It completes the development projects' EMS, as part of the overall policy of managing the environmental quality of the Group's assets throughout their life cycle. For more information on the Group's EMS see section 3.3.1 Environmental Management System.

3.4.2 Green leases and tenant commitments

Since 2021, the Group has been committed to an active policy of promoting "Green leases". Green leases aim at improving tenants' ESG performance during the operation phase through a set of requirements, including fit-out, operation and reporting requirements. This approach, based on dialogue, information, and sharing of best practices, encourages the tenants to play a role in the environmental performance of the assets which they occupy. As well as contributing to lower operating costs through decreasing energy and utilities consumption and improving waste management, this change in behaviour is helping the Group and its stakeholders to prepare for increased constraints on resource management (regulation, availability, etc.).

In that respect, since 2021 and ahead of all existing regulations, all new leases and renewals signed with tenants have had environmental clauses. These first versions of Green leases cover those aspects that are most relevant to improve tenants' environmental behaviours and performances, such as commitment to sharing energy consumption data, commitment to reviewing ways to improve energy efficiency and reduce net dependency through photovoltaic developments, and intention to discuss measures to save energy and water and sort waste. As part of the Group's ESG strategy, this environmental section in lease contracts was strengthened in 2022 to reflect the Group's ambitions in terms of environmental performance and contributions to the community. Indeed, meeting the Group's reduction target of its carbon footprint from operations requires strong involvement of tenants, given the scale of their electricity use (see Section 3.2.2 Carbon assessment). To accomplish this, the two Group levers of improving energy efficiency and transitioning to renewable energy sources are implemented across the portfolio, in cooperation with the tenants. With regards to existing building portfolio, the Group invested nearly € 15 million in energy saving LED lighting, and over € 4 million in moving detectors and sun protection for offices. For buildings for which LED lighting was not installed or refurbished previously, the Group is preparing a further € 2 million refurbishment program in order to replace lighting with LED solutions and place smart meters. The table hereafter show the penetration rates of the latest applicable green lease version across the Group assets, both for standing assets and pipeline projects. The penetration rate of green leases signed in 2022 is 97.2% Group-wide.

	2022
Number of new lease contracts signed with green lease clause	85
% of total new leases signed	97.2%

Tenants are also being onboarded on the topic of responsible resource consumption through the organisation of periodic on-site reviews, during which environmental performances of an asset are presented and discussed with the tenants, in order to raise awareness and encourage behavioural changes as well as the implementation of operational improvements.

3.4.3 Energy management

The Group targets, in its ESG strategy, to improve the carbon emissions caused by the tenants' usage of its warehouses by 55% by 2030, compared with a 2020 baseline.

As part of its operational management process of environmental performance, the Group measures improvements in its energy efficiency by tenant industry segment against these targets: progress and results are disclosed in Section 1.2.2 Summary of the Group's ESG performance indicators.

To reach its targets in terms of energy efficiency, the Group has formalised a dedicated energy management policy, whereby assets are required to define their energy management action plan, setting the operational path towards reaching the objective, with levers identified at asset level to improve energy efficiency and their gradual implementation schedule. This policy also underlines energy optimisation best practices and sets the approach to define renewable energies action plans as well as sets requirements on green electricity purchasing.

Starting in 2022, the energy action plans are integrated in the CRREM Group portfolio analysis. This new process has allowed the Group to easily benchmark and compare energy actions proposed by the Group's countries and to allocate resources efficiently on the most impactful actions to reduce the energy impact and optimize the CRREM score of the portfolio. The actions implemented include a target to offer 10 MWp to our Czech clients as Czech assets with the CRREM portfolio score below benchmark compared to other countries. Comprehensive energy efficiency action plans at asset level will be rolled out in 2023, in order to identify appropriate levers to achieve the Group's energy efficiency objectives.

3.4.3.1 Energy consumption

The energy consumption optimisation strategy is built upon our green leases and energy management and renewable energy policies based on the following pillars:

— Daily optimization of operations
— Technical improvement of the equipment, including installing LED lighting at refurbishment
— Offering renewable energy solutions to our tenants, including tailor-made roof-fitted photovoltaic installations for self-consumption
— Improving the intrinsic quality of our new developments, including the installation of heat pumps instead of gas-powered heating where feasible

Green lease contracts – annual consumption and efficiency improvement review

Installing heatpumps instead of gas-powered heating

Offer renewable energy through roof-fitted photovoltaic installations

VGP extrapolates known data for the reporting year to ensure completeness and provide a more accurate carbon intensity figure. Due to current data collection processes, it is not always possible to collect a full 12 months of data from all the tenants and estimation is required using extrapolation techniques. The 2020 and 2021 datasets do not contain the same properties. The 2021 intensity has decreased due to the data gathering process capturing new buildings based on occupation use (with manufacturing and cooling (retail) warehouses being reported as a separate category). Data coverage is 58% for electricity, 35% for fuel and 77% for water.

Energy consumption data has been quality reviewed as well as carbon emissions calculations presented below have been third-party validated by CO_2logic based on GHG protocol and compliant ISO 14064.

Energy consumption

Property occupational use (GRESB)	Standing portfolio (Own&Joint Ventures)		Under Construction[1] (Own&Joint Ventures)		Completed during reporting period (own&Joint Ventures)		Electricity consumption per Area *(KWh/m²)*		Fuel consumption per Area *(KWh/m²)*[2]		Water consumption per Area *(m³/m²)*	
	No. of Assets	Gross Floor Area *(m²)*	No. of Assets	Gross Floor Area *(m²)*	No. of Assets	Gross Floor Area *(m²)*	Average	Median	Average	Median	Average	Median
Industrial: Distribution Warehouse	104	2,253,115			24	631,000	31.2	20.3	27.3	20.0		
Industrial: Manufacturing	31	480,887					159.9	96.8	113.1	43.1		
Retail: Retail Centers: Warehouse	13	315,923			1	8,500	76.6	65.7	19.1	23.2		
Office: Corporate: Low-Rise Office	1	6,679					76.6	65.7	—	—		
Other: Parking (Indoors)	2	35,328			1	12,500	—	—	—	—		
Total	**151**	**3,091,932**	**50**	**1,478,000**	**26**	**652,000**	**69.0**	**27.0**	**52.8**	**28.0**	**0.109**	**0.06**

1 To be allocated upon completion based on tenant occupational use

2 All new builds (as of March 2022) will be realized without gas sourced heating systems where feasible

The relative energy consumption in FY2021 has increased compared to FY2020 predominantly due to significant growth of the portfolio combined with higher levels of activity in our buildings by our tenants due to lifting of COVID-19 restrictions. An important factor is also mix-shift in the tenant composition, with semi-industrial tenants on average using 159.9 KWh/m^2 compared to 31.2 KWh/m^2 for standard distribution warehouse.

Total energy consumption – portfolio (KWh)	**FY 2020**	**FY 2021**	**FY 2022 (including anticipated annualised green energy production of PV projects in pipeline)**	**Target**	**% change YoY**
Total renewable energy produced on-site	**14,894,000**	**24,155,872**	**182,680,325**	**260,000,000**	*62.2%*
Of which renewable energy consumed on-site	911,000	3,646,351			
Green energy purchased from grid	—	4,168,817			
Total green energy consumed	**911,000**	**7,815,168**			*757.9%*
Total grey electricity purchased from grid	**137,501,142**	**161,903,879**			
Total electric energy consumed	**138,412,142**	**169,719,047**			*22.6%*
KWh/m^2	56.7	54.9			
Kilo CO_2/KWh	0.37	0.31			
tCO_2	**50,871**	**53,435**			*5.0%*
Gas					
Total fuel consumed from grid (KWh)	83,694,645	73,642,807			*-12.0%*
Fuel emissions (tCO_2)	**15,499**	**13,624**			*-12.1%*
Renewable Energy: produced and sold to grid (KWh)	13,983,000	20,509,520			*46.7%*
kilo CO_2/KWh	0.37	0.31			
tCO_2 “elsewhere avoided” (scope 4)	5,139	6,457			

Like for like energy consumption (2020 base year)	**FY 2020**	**FY 2021**	**Change**
Electricity	110,638,126	118,137,794	6.8%
Gas	37,465,023	37,585,975	0.3%

Looking at the like-for-like consumption, excluding buildings for which energy consumption has been estimated and only comparing assets for which a full year 2020 and 2021 of data is available the relative electricity consumption increased by 6.8% and the relative gas consumption stayed flat. This can be explained, in addition to COVID-19 disruptions by the fact that, whilst buildings may have been rented for full year 2020 particularly semi-industrial buildings and fulfilment centres take typically some time before full production/capacity is running at 100%. As the portfolio has grown significantly over the last few years this effect is expected to remain present.

Initiatives to reduce energy consumption

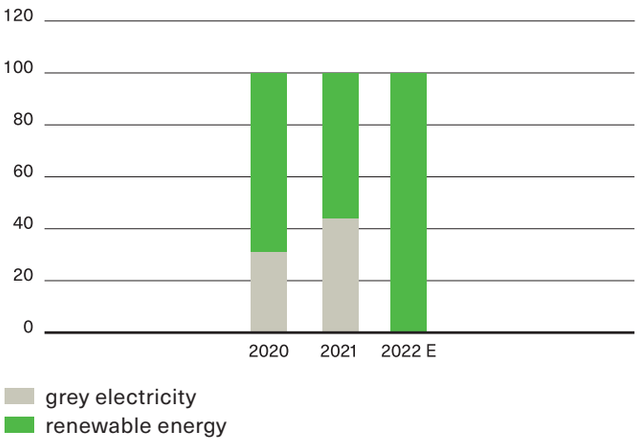
The initiatives to invest in moving sensors in tenants offices, refurbish existing portfolio through a switch towards LED-lighting and smart metering investments are well underway and are expected to help reduce like-for-like electricity consumption (*see section 3.4.2. Green leases and tenant commitments for additional details and section 4.2.3 Current allocation of green bond proceeds for further financial information on this initiative*).

Whilst VGP's initiatives to reduce the gas consumption in our portfolio, most notably the switch to heat pumps instead of gas-powered heating, is well underway, the reduction in the gas consumption within the VGP portfolio is mostly due to a select number of semi-industrial clients. High wholesale gas prices might have had a negative impact on gas demand in energy intensive businesses in H2 2021. In 2022 this volatility stayed at elevated levels and is likely to continue to impact demand levels.

3.4.3.2 Energy mix

VGP has made significant progress in switching the energy mix of the VGP office portfolio. As of 1 January 2022, the new energy delivery contract through a power purchase agreement with Scholt Energy and ACT Commodities went into effect allowing the entire VGP office portfolio to switch to renewable energy as of that date for its electricity supplies.

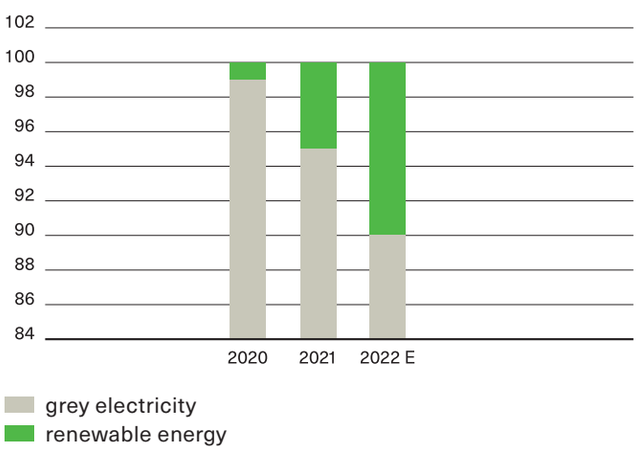
ELECTRICITY MIX OF VGP OWN OFFICES (VGP ENERGY CONTRACT CONTROLLED)



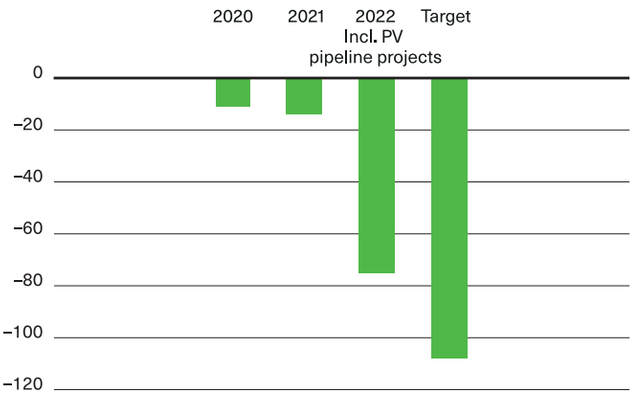
VGP also works at reducing the environmental impact of the energy consumed by its tenants by aiming to switch to the purchase of renewable energy from utilities and generating low-carbon or renewable energy on site. Note that the ultimate energy consumption is in most cases at the discretion of the tenant and as such VGP can only influence the decision indirectly through (i) providing insight into CO_2 footprint, (ii) providing energy saving options which are economically viable and (iii) offering renewable energy generated through own facilities at economically attractive terms.

As such, the Group targets, as part of its ESG strategy, to:
- Multiply its installed capacity of on-site renewable energy by 2025, compared to 2020 and offer the energy generated to tenants at attractive terms;
- Source 100% electricity from renewable sources for those assets the Group is in control; and
- Intensify the green lease campaign with older lease contracts being adjusted.

ELECTRICITY MIX OF BUILDING PORTFOLIO (PREDOMINANTLY TENANT CONTROLLED)



RENEWABLE ENERGY PRODUCED AS % OF TOTAL ENERGY CONSUMPTION



3.4.3.2.1 Purchasing of renewable energy

Following the transition of the Group's own offices to 100% renewable energy as of 1 January 2022, the Group is aiming to accelerate the transition of its tenant-controlled energy contracts towards sourcing electricity derived from renewable sources ("green electricity"). In Germany, the Group started to sign green electricity contracts with energy suppliers since 2021, and all German assets for which VGP is (temporarily) in contractual control of energy delivery have been running entirely on green electricity since 2021. This green electricity is covered by mechanisms of Guarantee of Origin as defined by the 2009/28/EC European Directive. In the rest of Europe, VGP is committed to rolling out an equivalent green electricity certificate mechanism for its portfolio with 100% of the annual electricity consumption covered by Renewable Energy Certificates where the Group is in contractual control. As such, the Group will be able to reach its objective of sourcing 100% of its portfolio's electricity consumption of assets under contractual control (from a utility perspective) from renewable sources in 2025.

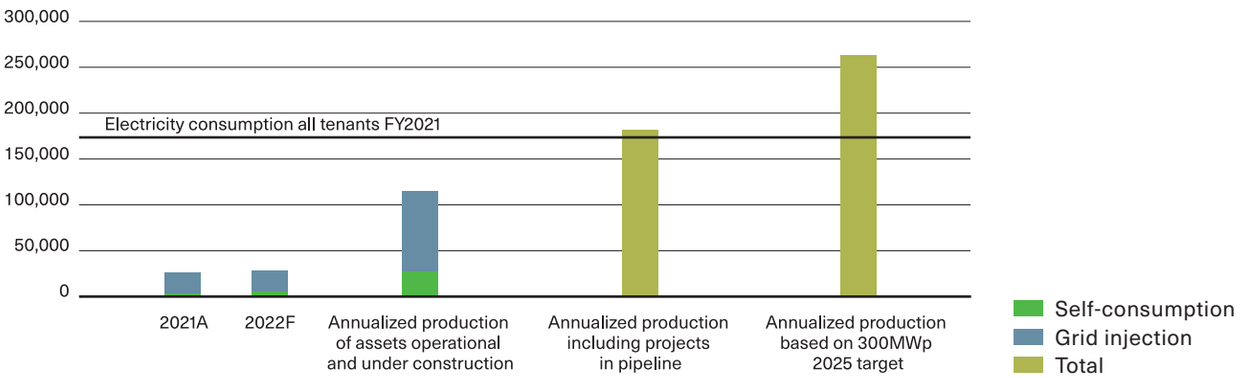
3.4.3.2.2 Production of renewable energy

Since 2019, the Group has been rolling out a solar photovoltaic installation program across its portfolio to generate electricity on site. The installed capacity of the Group's systems has continued to increase. In 2022, new solar panels were installed across the portfolio. One of largest multi-site roof-top photovoltaic systems in the Netherlands is being built in VGP Park Nijmegen: the construction works started in 2020, with the installation of 4.8 MWp; in 2022 3.1 MWp has been installed and the project will finish by mid-2023, when the installation will achieve a total output of around 17.61 MWp. The Group's largest multi-site in Germany is at VGP Park München where an 11.55 MWp photovoltaic plant was installed and finished in December 2022, generating an estimated saving of energy purchased from the grid of 9,000,000 KWh. In total, there are 62 solar panel installations operational across the portfolio. In Germany, VGP Park München also uses geothermal energy to meet its heating and cooling needs. A solid pipeline of future projects is maintained throughout the Group, such as photovoltaic self-consumption plants. The total installed renewable energy capacity of the Group's assets in 2022 is 56.6 MWp (compared to 34.0 MWp at Dec 2021) with a further 28 projects with a power of 75.0 MWp under construction and 60 projects, with 72.7 MWp power, in pipeline projects.

The renewable electricity produced by the Group is either self-consumed to meet our tenant's energy needs or sold to the grid. Once the photovoltaic projects currently under construction are fully operational the solar power production capacity will pass the total energy consumption of all tenants as measured over FY2021. Once the target of PV projects is considered the additional renewable energy generated should also cover the additional energy consumption anticipated as additional warehouses are being delivered. This would in theory mean that VGP should be able to allow to operate all tenants at 100% renewable energy however due to discrepancy in time (when solar power is generated vs when tenants consume energy) and location (some parks have more photovoltaic installation than needed for their tenant consumption, others less) the dependency on external renewable energy delivery contracts will remain imperative. Furthermore, due to contractual obligations (some tenants may prefer to continue to use an existing grey-energy providing utility) the Group within its portfolio is expected to continue to consume grey energy with on-site produced renewable energy sold into the grid instead.

The total on site production of renewable electricity at the Group's assets and breakdown between energy sold and self-consumed is as follows:

RENEWABLE ENERGY PRODUCTION *(KWh)*



Renewable energy production (KWh)	Self-consumption	Grid injection	Total
2021A	3,646,351	20,509,520	24,155,871
2022F	4,145,859	23,750,012	27,895,871
Annualized production of assets operational and under construction	28,272,026	86,273,731	114,545,757
Annualized production including projects in pipeline			180,688,655
Annualized production based on 300MWp 2025 target			260,000,000

Photovoltaic projects operational, under construction or in pipeline *(KWp)*

	Operational	Under Construction	Pipeline	# projects
Germany	43,841	60,153	55,380	99
The Netherlands	11,790	9,719	300	9
Italy	390	5,108	2,879	11
Spain	594	—	2,151	17
Hungary	28	—	1,436	3
Romania	—	—	2,800	3
Czech Republic	—	—	2,812	1
Austria	—	—	850	1
Slovakia	—	—	1,422	3
Portugal	—	—	200	2
France	—	—	2,500	1
Total	56,644	74,980	72,730	150

3.4.4 Decarbonisation scenarios (CRREM)

The Carbon Risk Real Estate Monitor (CRREM), an EU-funded research project established in 2018, is helping real estate owners like VGP understand the financial risks to our portfolio in relation to various decarbonisation scenarios.

Over the last two years, VGP has conducted CRREM analysis of its entire portfolio in order to understand stranding profile of the various sub-portfolios across countries and analyse improvements scenarios, including optimisation of the investments into renewable energy.

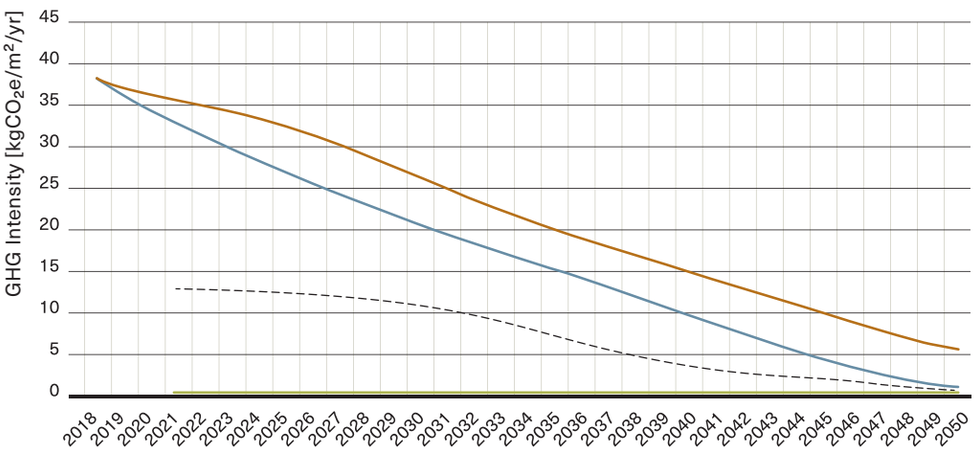
VGP performed its second CRREM study in 2022. The analysis was done on the entire portfolio (based on the 2022 GRESB submission which is based on the VGP portfolio as of December 2021, including JVs at 100%). The results are encouraging as the portfolio remains compliant on a 1.5°C decarbonization pathway until 2037 which is a 10-year improvement versus last year's results. Based on a location-based approach and taking into account the expected annual energy production of current photovoltaic projects in the pipeline, the portfolio compliance will be extended until 2040 and over 45.5% still compliant in 2050. Considering the target photovoltaic roll-out, 50%+ portfolio compliance until 2050 is anticipated.

Once contracted renewable energy projects are developed, the VGP portfolio stranding year is expected to extend to 2040.

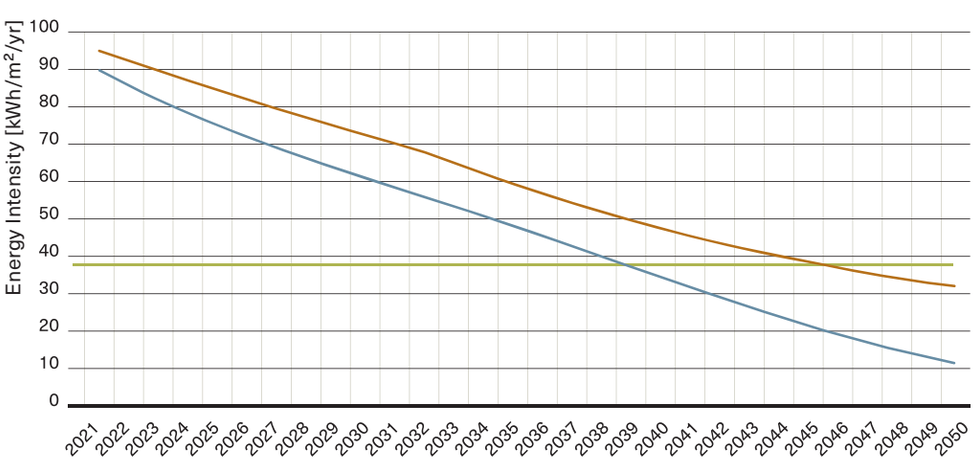
CRREM – stranding year	2020	2021
GRESB submission (based on actual renewable energy production in reporting year)	2027	2037
Based on renewable energy contracted projects		2040
Share of portfolio compliance in 2050		45.5%

Whilst improvements to the pathway can be realised through various measures, based, amongst others, on the results of the CRREM analysis, additional priority self-consumption projects have been identified including in Czech Republic, Slovakia and Austria. The roll-out of the heat-pump instead of gas-powered heating is expected to have a positive effect on the CRREM scoring in 2023 onwards.

AVERAGE PORTFOLIO GHG INTENSITY VS. PARIS TARGETS



AVERAGE PORTFOLIO ENERGY INTENSITY VS. PARIS TARGETS



3.4.5 Water management

The non-financial risk assessment pointed out that water is not a key environmental issue for VGP. Indeed, the tenants within the Group's portfolio are not considered as being significant water consumers. Moreover, the exposure of the Group's portfolio to the water scarcity risk has been assessed on a preliminary basis in 2021, based on asset location and climate scenarios and is deemed very low. Water consumption within the portfolio is concentrated to a number of large consumers with the top 10 tenants accounting for 40% of total water consumption. Nevertheless, to keep improving the Group's sustainability performance and water management, reducing water consumption is an operational target at all sites as part of the Group's resource efficiency policy and is managed at asset and Group levels. Based on environmental best practice, the Group is taking active steps to limit water consumption, reduce water waste and maintain water quality. Water consumption at the Group's assets is mostly driven by the tenant activities and predominantly driven by the number of employees. Special efforts are made to install water-efficient equipment, optimise operating practices, and ensure that leaks are detected and repaired on a timely basis. In 2022 circa € 700,000 was invested in water-saving measures in existing buildings. For new developments and refurbishments, the following standards are used across the portfolio:

— hand wash basin taps and kitchen taps have a maximum water flow of 6 litres/min;
— showers have a maximum waterflow of 8 litres/min;
— WCs have a full flush volume of a maximum average flush volume of 3.5 litres;
— Urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre

To optimise water-use and leverage associated cost savings, the Group also prioritises the use of non-drinkable or reused water over drinkable water wherever possible. In 2022, 4 warehouses collected 105,000 m^3 of rainwater or of greywater on site, which were partially used for cleaning and for watering green spaces. Projects are also planned in the environmental actions plans of some of the Group's assets.

At existing assets, the Group relies on cooperation with tenants to reduce water consumption. Green leases (see Section 3.4.2 Green leases and tenant commitments) and discussions with tenants are used to help raise awareness among tenants about water use and to get them on board with water management.

In 2021, water consumption at owned and managed warehouses increased by 15% compared with 2020 on an absolute and 4.4% a like-for-like basis. This evolution is most likely mainly due to the activity recovery following the impact of the COVID-19 health crisis on 2020 consumption due to business activity closures. The average water consumption in our buildings is 0.107 m^3/m^2 but this is mainly concentrated in a number of semi-industrial and retail related warehouses (top 10 accounting for 40% of total), median water usage across all warehouse space was 0.060 m^3/m^2 gross lettable area. Total reported water consumption in 2021 was 222,856 m^3.

Average water consumption	0.11 m^3/m^2
Median water consumption	0.06 m^3/m^2
Like-for-like increase(decrease) 2021 vs 2020	4.4%
Like-for-like comparison base in 2020	156,831 m^3 (1,910,000 m^2 GLA)

Bicycle sheds at VGP Park Olomouc

3.4.6 Waste management

While waste generated across our own offices (where we have control) is monitored, tracked and reported (see table below), the majority of our waste is created as a result of our construction and demolition projects. We aim by 2025 for 70% of non-hazardous construction and demolition waste generated on construction site to be prepared for reuse, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. As such, for demolition waste, which makes up the bulk of our total waste, we re-use as much as possible on-site to avoid the carbon emissions related to transportation of waste off-site and the import of new materials from elsewhere. We undertake pre-demolition audits to identify waste materials taking into consideration the quantity and quality of waste to be re-used on site as aggregate. We also re-use on site where materials are non-hazardous and will not have a detrimental effect on the environment. Hazardous waste is treated differently and is not included within these figures. Hazardous waste is dealt with in the appropriate manner, fully in line with relevant regulation.

Waste – scope 1 and 2

Waste *(metric tonnes)*	**FY 2019**	**FY 2020**	**FY 2021**	**Comment**
Total waste recycled/reused	22.9	23.8	17.9	(1)
Total waste disposed	10.5	10.8	5.2	(2)
Total waste	**33.4**	**34.6**	**23.0**	
Like-for-like increase (decrease) in residual waste 2021 vs 2020				
Like-for-like growth			(53)%	
Like-for-like comparison base		10.02		

1 Waste emissions for FY2021 are mainly calculated based on an extrapolation of data from offices with known data

2 Total waste emissions are 2 tCO_2e, or 0,1% of total emissions. 56% of waste emissions result from residual waste, paper waste caused 35% of waste emissions and 64% of waste generation

The like-for-like reduction of 53% is predominantly driven by reduction in waste generation at German offices through better paper waste separation. The Green Office policy is assisting our offices to enforce local improvements and enhance disclosure.

E-charging facility at VGP Park Berlin

3.4.7 Develop connectivity and sustainable mobility

As part of its ESG strategy, VGP aims at ensuring access to public transport and sustainable mobility for the tenants and their visitors of our buildings. In addition, the Group only allows the use of battery-powered vehicles or plug-in hybrid vehicles for its own staff with respect to car portfolio leased and own. This is a cornerstone of the plan to reduce Scope 1 and 2 emissions by 50% by 2030 from a 2020 baseline (see Section 3.2 Address climate change). To further raise awareness of our tenants with respect to the green transition, the Group has introduced a new target of having 100% of parks equipped with EV charger units and to achieve the target of having 100% of Group assets offering sustainable means of transport. This engagement cascades down through the Group's development pipeline, in which the Group in addition to the 100% public transport connectivity target (see section 3.4.7.1 for further details) aims for parks to offer facilities for pedestrian (sidewalks where applicable) and bicycle usage promotion (bicycle lanes and racks). See Section 1.2 Summary of the Group's ESG performance for a summary of the Group results against these strategic targets. By making these commitments, the Group is setting a long-term view on the evolution of mobility trends by working both on asset attractivity and actively encouraging new sustainable transport solutions and behaviours by the employees of our tenants. The Group aims to facilitate our tenants in their transition towards green (forklift-) truck/van fleet by offering green electric and hydrogen charging facilities and infrastructure at our park.

In 2022, a pilot project was launched to offer EV charging facilities at the home of all VGP employees. This is being implemented in Germany in 2023 the other countries within the Group will be added.

% of VGP parks with EV charging facilities available	46%
Target % of parks with EV charging facilities available	100%

3.4.7.1 Connectivity to public transport

With regards to land selection criteria the Group is focusing on opportunities that are or will be well connected to public transport networks and are located close to major cities.

% of VGP parks with access to public transport available	95.8%
Target % of parks with access to public transport	100%

In addition, the design team usually consults with the local authority on the state of the local cycling network and how the new park development could improve bicycle usage of the park users. When appropriate, the design team consults with the local community in selecting and implementing additional solutions to enhance the access to the local bicycle network. At 2022 year-end, 95.8% of the Group's projects are connected to public transport solutions and one of the remaining four parks is currently being connected (in Sibiu, Romania, building permit for bus stop has been submitted).

Water tributary at VGP Park Laatzen

3.5 Protect and improve biodiversity

In order to ensure compliance with EU Taxonomy for land acquisition the Group has enhanced its due diligence requirements. As a result, the Group predominantly focuses on brownfield development opportunities and aims to avoid new developments to be built on:

— greenfield land of recognized high biodiversity value and land that serves as habitat for endangered species (flora and fauna) as listed on the European Red List or IUCN Red List
— land matching the definition of protected forest as set out in the national law and used in the national greenhouse gas inventory

As well as minimize:

— the use of arable land and crop land with moderate to high level of soil fertility and moderate to high below ground biodiversity as referred to in the EU LUCAS survey

In addition to enhancement of green areas existing in VGP Parks (last years 4,201 trees were planted in existing VGP Parks, new beehives were placed and initiatives undertaken to protect biodiversity), seven biotope areas have been created within our parks to enhance or protect specific species and enhance overall local biodiversity. The total size of these biotopes, created within VGP Parks measure 488,284 m^2. Examples of projects completed in 2022 include VGP Park České Budějovice – a complex project which included a revitalisation of the water tributary, biotope, and new retention and VGP Park Kladno in the Czech Republic – a 150 m^2 water biotope with unreclaimed sites with shallow warm pools, can be inhabited by the population of the toad – *bufo calamita.*

3.5.1 100% of development projects to implement a biodiversity action plan

In addition to the biodiversity due diligence as part of the land acquisition, all development projects need to implement a biodiversity action plan. This action plan is always prepared by a qualified ecologist after the assessment of the characteristics of the local biodiversity. The purpose of this document is to first avoid and reduce all impacts of the project on the local nature, and second to implement on each project a list of Group recommendations like the use of environmentally certified materials or bird-friendly designs for the façades and biodiversity compensation zones and initiatives. The new commitments and recommendations for the integration of biodiversity in development projects were integrated in the Group's design process through the Sustainability Brief (see Section Project design and review stage in 2.2.2 Design sustainable

Bufo Camalita

buildings). Some projects also do an Environmental Impact Assessment, which includes an environmental/biodiversity component, as it is a prerequisite for obtaining a building permit and commercial planning permission in some countries. A public consultation may also be carried out as part of this process. Biodiversity is also addressed by the development projects through the "Land Use and Ecology" section in the BREEAM certification and for all DGNB projects a biodiversity strategy is conducted. For example, the project VGP Park Laatzen, building A in Germany inaugurated in 2022 achieved 100% of the 10 credits of that section, through a number of biodiversity initiatives including for example through the support of habitats for birds and insects, and a rainwater retention basin providing biotope for toads and other reptiles.

% of VGP development projects started up in 2022 with an ecology plan	100%
% of VGP development projects to have an ecology plan	100%

Water biotope at VGP Park Kladno

3.5.2 100% of standing assets with high biodiversity stakes to implement a biodiversity action plan

The Group applies a pragmatic approach towards biodiversity at its standing assets. Even though the locations of most assets – mostly within cities' semi-industrial and logistics parks – severely limit the potential to enhance biodiversity, the Group's sites are committed to retaining and improving local biodiversity. This translates in the new biodiversity strategy for standing assets with initiatives taken to enhance and diversify the local flora and fauna. The aim is to increasingly focus on creating "green" spaces, such as green roofs, green walls and green parking lots. For example, at VGP Park Llica d'Amunt 5 beehives were installed on the rooftop and filled with 250,000 native bees (Apis Mellifera Iberiensis, the Spanish bee). A native species of the region and a species currently facing the danger of extinction, producing 40 kilograms of honey each year.

In 2022, in existing VGP Parks 4,201 trees were planted to enhance biodiversity.

The Group also works across its regions to raise awareness among its stakeholders and communities about the importance of biodiversity. For example, in 2022, through the VGP Foundation, the NABU campaign "Become an Insect Scout" during which nature enthusiasts and insect fans can apply for training in identification and ambassador role for insect care projects in the community.

% of project high biodiversity stakes implemented a biodivesity action plan	85.7%
target % of project with high biodiversity stakes implemented	100%

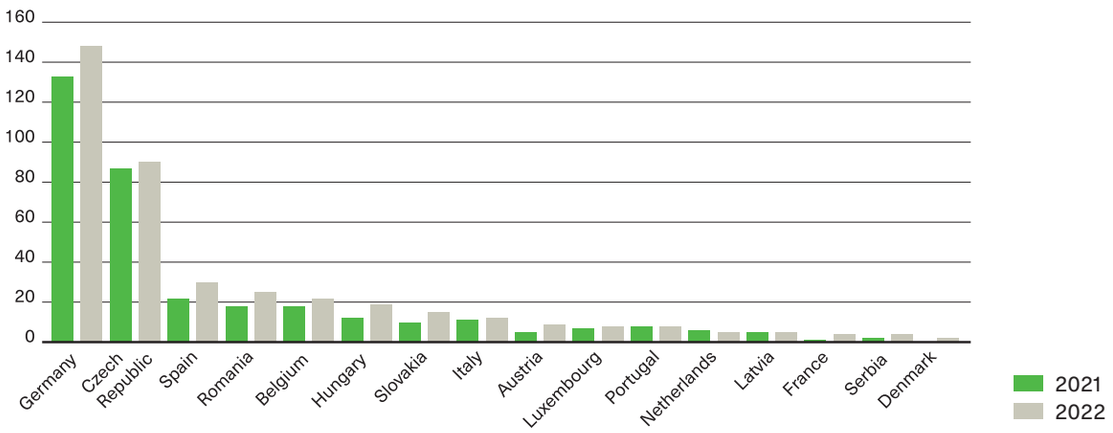
The Group's BREEAM In-Use certification process (see Section *3.3.2. Environmental Certifications* for more information on buildings' certification during the operation phase) ensures that biodiversity issues are well addressed and promoted to achieve high standards. Once a project has been built and delivered, the Group's facility management team is responsible for maintaining and monitoring biodiversity. The ESG team monitors the application of the Group's biodiversity policy and provides operating teams with the necessary support.

VGP Park Llica d'Amunt: 5 beehives were installed combined with green and floral arrangements on the rooftop in order to give 250,000 native Iberian bees a home

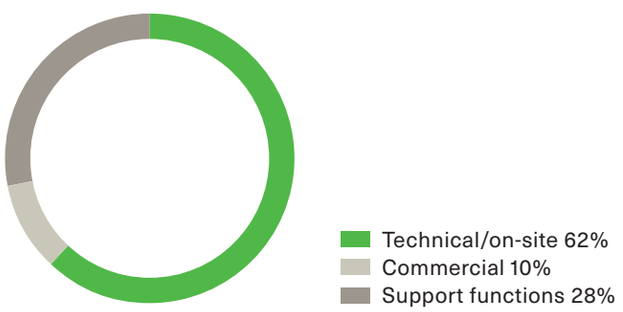
3.6 Empowering our workforce

Key figures

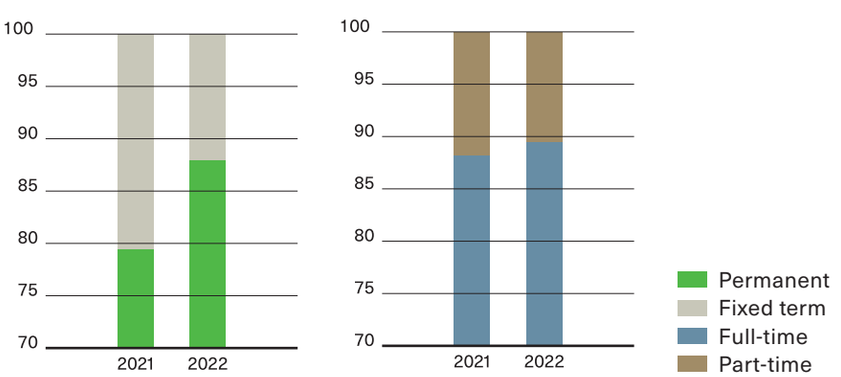
EMPLOYMENT BY COUNTRY *(People)*



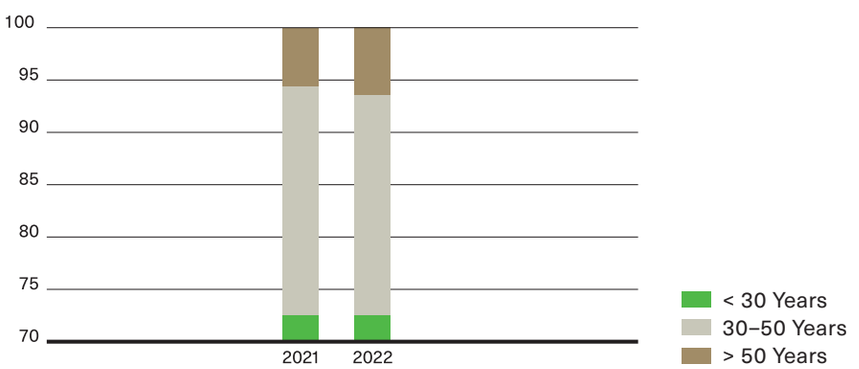
EMPLOYMENT BY ACTIVITY



EMPLOYMENT BY CONTRACT



EMPLOYMENT BY AGE



3.6.1 Attracting the best talent

VGP is committed to attracting the best talent by fostering professional development, promoting cross-functional and international mobility opportunities and offering exciting career opportunities at all levels. As we continue to focus on recruiting the best candidates we have also intensified our efforts in recruiting experienced profiles. Bringing new sets of capabilities and diversifying our leadership and management styles are key success factors for the Group.

The VGP Corporate LinkedIn page allows us to maintain our strong digital presence. Its audience grew by nearly 3,000 in 2022 to reach close to 13,000 followers by December 2022. Besides stories on our business activities and our people, among others, here the Group showcases content labelled #BuildingTomorrowToday and #TechnicalCompetence to promote our technical expertise and to highlight our ESG initiatives and initiatives to support the communities we are a part of.

3.6.2 Talent management

The Group is committed to offering employees a working environment that fosters diversity and equal opportunities to offer to each employee the experience needed to build an exciting career that creates value for the Company.

Employees meet with their managers once a year for year-end evaluations, have the opportunity to provide and receive ongoing feedback throughout the year, which gives them the opportunity to discuss their performance, objectives, career advancement and training needs.

Career evolution in the Company is strongly linked with the Group's competency model (see Section *2.1 ESG Strategy: Building Tomorrow Today Together*). The Group aims to recognise the experience and expertise employees are developing in their position. Internal mobility between functions is encouraged and is conceived as a collaborative process involving employees, country management and Group functions. It gives employees a more in-depth understanding of the Group's various activities and priorities. International mobility also helps employees to build and consolidate networks and share best practices among the various countries.

Employment by contract	**2021**	**2022**
Permanent	79.42%	87.93%
Fixed term	20.58%	12.07%

Turnover	**2018**	**2019**	**2020**	**2021**	**2022**
Turnover rate	7%	14%	10%	12%	13%
Voluntary turnover					8%
Unvoluntary Turnover					5%

New hires	**2022**
New hire ratio	31.0%

The new hire and employee turnover rates are calculated based on the total employee numbers at the end of the reporting period and expressed as a percentage or ratio.

In 2022 we had a regrettable voluntary turnover, as measured by voluntary departures during the reporting period as percentage of the number of permanent employees at the end of 2022, of 8%. Our strong employee engagement survey results validate that our employees are motivated and engaged – see also section *3.6.4 Diversity* for a further explanation on the employee survey results.

3.6.3 Training

Groupwide and regional trainings are organised to embed the Group's ESG strategy, ESG processes and to empower and encourage employees to deliver sustainable actions.

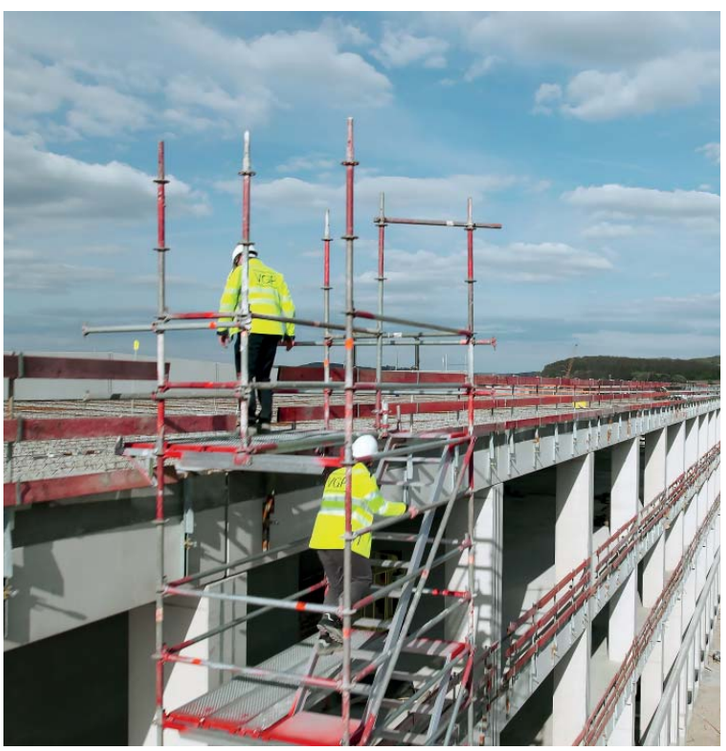
The ESG ambition and related action plans are systematically introduced to newcomers in the "VGP new joiners" training. Dedicated technical training is offered to relevant staff members as required, covering topics such as sustainable consumption and the carbon footprint assessment methodology for development projects. Training materials related to new ESG topics are also drafted regularly, shared with the relevant teams, and made accessible on the Group's training platform (for example "EU Taxonomy" and "Renewable Energy and Green Leases" guidelines).

Also, for all technical managers across the Group, a symposium was held in October 2022 discussing potential improvements to our building standard in order to enhance circularity, ways to enhance the energy transition (including less usage of gas for heating and offering EV chargers) and the implications of EU Taxonomy.

Although significant steps have been taken, the Group also realizes that further enhancements to the training program are to be reviewed and accessibility to be broadened. Whilst in 2021, 81.6% of the Group's employees expressed to be neutral or satisfied with the Group's training platform on offer, in 2022 the ratio was 75.3%.

The Group's employees are a critical pillar of the Group's ESG strategy as it focuses on people topics including Diversity and Inclusion, and Employee Wellbeing. To embed the Group's Diversity and Inclusion policy in the day to day operations, VGP has committed to 100% of Group employees to have participated in ESG training, in 2022 41.1% of staff participated in such training.

ESG training	2022
% of staff trained on ESG topics in 2022	41%
% target of staff to be trained on ESG topics	100%



Works at VGP Park Laatzen

3.6.4 Diversity

Employment by gender	2021	2022
male	61%	65%
female	39%	35%
Employment by Age		
<30	8.3%	8.5%
30–50	72.9%	70.1%
>50	18.8%	21.4%

Diversity (gender)	2021	2022
Board	60%	60%
Management	16%	23%
Company	39%	35%
EU Women on Boards guideline	33%	33%

Diversity (nationality)	
Nationalities working for VGP	23

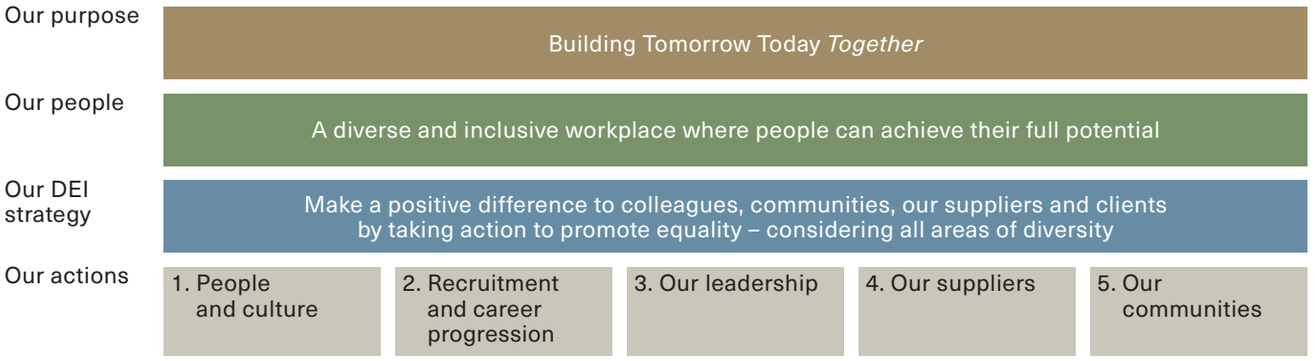
Diversity (parental leave)	
% of VGP employees entitled to parental leave	100%

Diversity and inclusion forms a key part of the Group's ESG strategy. With a representation in 17 countries, VGP welcomes employees from diverse cultures and backgrounds to build successful and inclusive teams.

VGP commits to ensuring full equal opportunities (e.g. gender, nationality, sexual orientation) in HR practices and processes Group- wide. This target has been achieved as 100% of VGP countries ensure full equal opportunities in their HR practices and processes by having the VGP Equal Opportunity statement included in formalised HR policies relating to recruitment practices, compensation & benefits, talent review and learning & development. The VGP Equal Opportunities statement ensures that HR policy and processes are applied without discrimination on the basis of race, colour, religion, sex, sexual orientation, gender identity, marital status, age, disability, national or ethnic origin, military service status, citizenship, or other protected characteristics.

In order to measure employee perception of the diversity and inclusivity policy in 2021 a new Group Employee Survey was introduced including questions with a focus on Diversity and Inclusion. In 2022, over 230 employees participated in the survey, representing 60% of the workforce, with 96.9% of respondents stating that VGP is a socially responsible company. The survey will be rolled out each year to check in with the employee community and help shape effective plans to create an even more inclusive working culture.

VGP Diversity, Equality and Inclusion Strategy framework:



In addition to the VGP Diversity Policy the Group introduced a Diversity, Equality and Inclusion Strategy to drive change within the organization and define actions across 5 key focus areas. The Strategy document is available on VGP corporate governance web portal and the plan is for the actions to be further detailed over the coming period.

3.6.4.1 Gender Pay Gap

We believe that analysing diversity data and being transparent is an important step towards creating meaningful change. This is why we have decided to voluntarily publish our Gender Pay Gap. In 2022, our Gender Pay Gap for all employees at VGP was 42%.

Gender Pay Gap	2022
Pay Gap for VGP Group	42%

Like many other organizations, particularly in the property sector, the reason for our Gender Pay Gap is the fact that we have more men than women in senior roles. In VGP, our employees are paid equally for doing equivalent jobs across our business and our reported Pay Gaps are a direct result of our employee profile and do not represent pay discrimination. A core element of our ESG strategy is to improve the diversity of our business. The new Diversity Strategy document as published this year will further help amplify the importance within our organisation at all levels of seniority. This is crucial for the enduring success of our business but should also be reflected in reducing the Pay Gap over time.

3.6.5 Employee commitments and ESG

3.6.5.1 Individual ESG objectives

The Group has committed to 100% of employees having yearly individual ESG objectives to help make all employees accountable for the collective success of the ESG ambition. Appropriate initiatives and targets aligned with the Group's ESG Strategy are being identified in close cooperation with each country within the Group and functional departments: Technical, Commercial, Land Acquisition, Facility Management, Property and Asset Management, Finance, Marketing, Legal and Compliance. A toolkit with key examples of general and functional ESG targets is shared with VGP employees Group-wide.

Quantifiable ESG targets are included in the incentives of members of the Group's management team. Further details are presented in the Group's Corporate Remuneration Report. The 2022 incentive awards also include 15% of ESG-related performance conditions, for all eligible Group employees.

Volunteering program

The VGP Volunteering Program offers all employees the opportunity to dedicate at least one workday to support social initiatives developed by the Group including support for local people facing barriers to the job market or supporting local non-profits through VGP Community Days and local partnership activities. The Group has committed to 100% of Group employees taking part in the VGP Volunteering Program from 2022 onwards.

The Group's community-oriented activities in 2022 were focused on supporting the needs of local communities and events to support and enhance local biodiversity. More information on the results of these initiatives is included in Section 3.8 VGP in the community.

3.6.5.2 Business travel

The Group travel policy aims to reduce its associated carbon footprint. Employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel.

The table below shows the CO_2 emissions from employees business travel by train, plane and car journey. The indicator is given both as an absolute value and as the ratio between CO_2 emissions from business travel and the average number of employees in 2021. Data and methodology are verified by CO_2Logic/Southpole and provided by referenced travel agencies for each country.

	Total 2021
Total emissions (tCO_2eq)	304.6
kg CO_2eq/employee	1.04

In 2021, the Group carbon emissions related to business travels continued to decrease, predominantly due to travel restrictions linked with the COVID-19 pandemic and the reorganisation of Group ways of working.

In addition, since 2021, all new company vehicles must either be hybrid or electric. At the end of 2022, 35.3% of the Group's vehicle fleet was replaced by plug-in hybrid or fully-electric. We anticipate the percentage to grow significantly in 2023 as more cars come to their lease-end period.

VGP office in
Budapest, Hungary

3.6.5.3 Green offices and working

The Group has committed to 100% of VGP's countries implementing work greener program captured in the VGP Green Offices and working guidelines. The VGP Green offices and working guidelines offer employees the work environment and tools to reduce the environmental impact of their day-to-day work. The program enables employees to make VGP offices more sustainable and environmentally friendly, implementing eco-friendly initiatives such as tackling waste management, promoting responsible consumption, or sustainable mobility.

Since 2022, 100% of our countries delivered at least one Work Greener initiative. Initiatives from the program should help the Group with:

- An improved waste management:
  - Improved waste sorting infrastructure in office kitchens;
  - Getting rid of single use plastic with the installation of filter taps, glass bottles or other options;
  - Replacing "waste producing" fittings like paper towels with hand dryers;
- More eco-friendly mobility:
  - New electrical vehicle charging points in our car parks;
  - A bicycle allowance;
  - Electric bicycle sharing programs;
  - High quality bicycle facilities
- Towards better energy and water efficiency in our offices:
  - Lighting equipment is being progressively replaced by LED lighting and intelligent detectors
- Reducing paper:
  - Digitisation and e-invoicing continued in 2022 following the group-wide rollout of DocuSign as well as other processes and acceleration of e-signature programs;
- Sustainability awareness programs:
  - "Work Greener" ambassadors actively champion eco-friendly practices in our offices;
  - The Portuguese team set up a 'Green Week' aiming to drive awareness of environmental issues and encourage sustainable day-to-day commuting actions across the workforce.

3.6.5.4 Well-being

Employee well-being is a key part of the ESG strategy and Group HR strategy. VGP works to support a healthy working environment with a structured focus on health & well-being to help employees thrive.

The Group's Well-being framework is based on the WorldGBC's Health and Wellbeing Framework.

3.6.5.5 Healthy culture

- Work-life balance: home/flexi working practices are in place in all countries, in addition to continued family-friendly policies. The topic of work-life balance is typically included in performance reviews to encourage conversations with managers;
- Over 230 employees participated in a new Employee Survey, which allowed all employees to easily give feedback on topics such as well-being support and improving ways of working. The survey will be conducted each year to help shape effective plans to create an even better working culture;
- The Group is preparing the organization of a family day which did not go ahead in in the last two years due to COVID-19 restrictions.

3.6.5.6 Healthy bodies

- To encourage a healthy lifestyle, use of bicycles is encouraged, gym and sport memberships are sponsored and healthy food alternatives are offered in office canteen and kitchens (fruit free of charge)
- Healthcare benefits: health insurance is offered to all employees
- Green challenge week took place for the team in Portugal encouraging colleagues to take bicycle or walk to the office for the daily commute

3.6.6 Occupational health and safety

The Group pursued its compliance and HSE risk prevention training strategy in 2022, including a focus on “HR toolbox” training.

— Absenteeism is monitored in each country;
— Causes of work-related accidents are analysed and measures are taken to prevent them recurring. No loss time due to injuries was reported for VGP employees in 2022. The Total Recordable Lost Time Injury Frequency Rate for contractors in 2022 was 0.40.

Health and Safety — VGP Employees	2020	2021	2022
Employees in VGP premises covered by VGP H&S policy	100%	100%	100%
Employee loss-time injury frequency rate[1]	0	0	0
Employee total recordable injury frequency[1]	0	0	0
Total number of hours worked	c. 500,000	c. 600,000	c. 700,000

Development projects — contractor controlled Health	2020	2021	2022
Number of contractor fatalities	0	0	1 contractor
Contractor loss-time injury frequency rate[1]	0.46	0.37	0.40
Total number of contractor hours worked	c. 4.4 million	c. 5.4 million	c. 5.0 million

In 2022, sick leave has been monitored at country level and due to aftermath of Covid-19 and a significant influenza season showed higher numbers than for a typical year of operations. For 2023 the Group aims to report the data on a consolidated basis.

3.6.7 Human rights and labour conditions

VGP complies with the labour standards set by the International Labour Organization (“ILO”). The Group only operates in countries where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by the Group define and manage additional regulations that reinforce employee rights and strongly endorse respect and ethical conduct in business dealings (Code of Conduct, Anti-corruption program, etc.).

Since 2022, VGP has been a member of the UN’s Global Compact, which promotes ethical conduct and fundamental moral values in business. VGP strives to adopt, support and apply in its sphere of influence the ten principles of the Global Compact concerning human rights, labour, environment and anti-corruption. VGP’s commitment to adhere to the principles is laid down in the Group’s Code of Conduct.

As of December 31, 2022, 0% of employees were covered by a collective agreement.

1 LTIFR: Lost-time injury frequency rate calibrated to one million hours.

3.7 Sustainable Supply Chain Management

The ESG strategy of the Group encompasses a much wider footprint than the Group itself. Being a substantial buyer, VGP is aware of the importance of driving industry standards and our ability to support by pushing for an evolution on the way we can drive suppliers and service providers toward more sustainable operations.
Given the size and the geographical spread of the portfolio, the Group works with a large number of suppliers and contractors, and ensures it is not exposed to the risk of depending on only a few strategic suppliers. In 2021, the Group designed its Supplier Code of Conduct, followed by a mapping of ESG risks in its supply chain in 2022. VGP became a signatory to the UN Global Compact in 2022, thus committing to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption.

3.7.1 Purchasing mapping

Purchases at VGP can be split into three categories:

— Corporate overheads, including office management, business travel, consultancy and audit fees, corporate communication and public relations costs, ICT and other administrative costs. This covers all Group staff and country offices;
— Facility Management costs, services provided to properties for operations, such as maintenance, greening, energy and fluid provision, and marketing expenses (OPEX paid by the property owner and mostly passed onto tenants as service charges); and
— Capitalised construction works invested in properties for three main purposes: new development or enhancement works, maintenance works or reletting works (CAPEX paid by the property owner); these include mainly purchases from contractors, fees for architects, designers and engineering firms, and insurance premiums.

The varied nature of procurements and the diverse locations of the Group's properties result in having most of the supply chain being local companies or subsidiaries that support the local economy. In addition, wherever possible, the purchasing policy favours local purchases in the catchment area of the Group's assets in order to contribute to employment and local economic development.
Purchases consist principally of OPEX and CAPEX for the operation and development of properties (overheads being a small part of the overall expenses). Facility management expenses are predominantly spent locally. OPEX and CAPEX costs mostly comprise labour-intensive services and to that extent are purchases that cannot be relocated. Capitalised construction works are non-recurring expenses depending on development activity.

3.7.2 Mapping of ESG risks in the supply chain

VGP is committed to protect human rights, health, safety and the environment in its value chain. To strengthen its approach to responsible procurement, VGP established a mapping of ESG-related risks mapping in its supply chain in 2021 as reported in the Corporate Responsibility Report 2021. This mapping allows VGP to understand and identify key risks related to sustainability in its upstream value chain and will allow the Group to define and implement action plans to manage these risks. The mapping covers approximately ten key procurement categories under 11 risk categories (resources consumption, pollution, waste generation, climate change, biodiversity, illegal/forced work, discrimination/harassment, working time/salary, health and safety, data protection and corruption), with distinction between countries. This mapping includes mapping of the main existing risk management measures already in place within the Group.

Works at VGP Park Giessen
Am Alten Flughafen

Works at VGP Park Soltau

3.7.3 Sustainable procurement

VGP's procurement strategy is designed to comply with the following rules: fairness, focus on quality, long-term partnerships, reduced risk and the respect for applicable regulations. Moreover, the Group must honour the trust placed in it through property management contracts which aim to be transparent and cost-efficient.
In addition to the principles and rules detailed in the Group procedures (and specifically in the Code of Conduct and the Anti Bribery and Anti-Corruption policy), all purchases must comply with the applicable local laws and regulations, especially labour and environmental laws.

To secure the proper application of these rules, in the case of a tender process and over the term of a contract, the supplier can contact the VGP Compliance Officer at any time to raise and submit a complaint, in accordance with the Group's whistleblowing procedure. The VGP internal audit team can carry out regular audits across the Group to validate the thorough application of the Group's procurement policy.

The ESG approach is fully integrated at each step of the supplier procurement and referencing process of VGP.

Over 2021, VGP received a B score for its supplier engagement from CDP, which is higher than the Europe regional average and higher than the real estate sector average.

3.7.3.1 Selection of suppliers

VGP chooses its contractors with great care and ensures they comply with its procurement policy. The Group-wide purchasing procedure guarantees an optimised price for the best level of service while securing an equal treatment among providers/suppliers. It states that the suppliers of all goods and services must be selected fairly on the basis of objective, comparable criteria and, when relevant, according to procedures relating to invitations to tender.

Prospective business partners are screened in line with the onboarding procedure of the Group. These due diligences aim to assess the partner exposure to corruption risk, and identifying past international labour law or human rights breaches.

Before a new service provider joins the approved list, a substantial amount of information is required, including an overview of its ESG strategy and practices. These environmental and social factors are of particular importance to the Group's information in its choice of suppliers and form part of the criteria considered in tender processes.

Each purchasing step is duly documented for traceability. Built around NetSuite, a web-based solution for purchasing management was launched in 2021. It makes the procedures of VGP more robust, ensures the transparency required for all purchasing decisions, helps operational teams to select providers, and facilitates the sharing of best practices and risks mitigation. This solution secures the administrative management for the whole purchasing cycle.

3.7.3.2 Inclusion of ESG criteria in contractual clauses

General purchasing conditions apply for all the countries in which VGP operates, although they vary, according to local requirements. A clause is also automatically included in these conditions, requiring suppliers to abide by the Group's Code of Conduct provisions, including complying with applicable laws and regulation, prevention of all forms of corruption and discrimination, respect for human dignity and for employees' work including a commitment to comply with the conventions of the International Labour Organisation ("ILO") and with local employment legislation, preservation of the environment and reporting practices that are in breach of these principles using the contact procedure provided by the Group.

Suppliers are required to comply with all relevant safety (we generally expect our general contractors and health-and-safety coordination partners to comply with ISO 45001), labour and environment (including but not restricted to waste and water management) legislation. We expect our general contractors and engineering partners to have a site environmental management accreditation (ISO 14001), including operating with best practices. Suppliers are required not to engage in any direct or indirect form of human trafficking, slavery, forced or involuntary labour.

For projects under construction, the contracts signed with suppliers state that the Group and the companies it controls are committed to reducing the carbon footprint of their projects, particularly during the development phase of the assets.

A clause indicates that the construction companies involved in the Group's projects must take the carbon impact into account when selecting construction techniques, materials and technical solutions. After each project review and at all project stages, an arbitration regarding the carbon footprint impact is to be taken for the proposed solution to be submitted to the Group. The principles and action plans used to select the most sustainable materials with a reduced carbon content are specified in Section *3.3.3 Construction materials.*

3.7.3.3 Raising awareness among existing suppliers

To encourage existing suppliers and contractors to improve sustainable operating practices and use environmentally sustainable materials, the Group is sharing its ESG policy and related environmental and social targets with all its main service providers Group-wide through official communication letters. These included contents and ambitions of the Group ESG strategy and the announcement of further supplier engagement on ESG topics. With significant material suppliers in 2022 a dialogue has been initiated to better understand the carbon footprint of materials usage and ways to further improve such footprint. The Group confirmed its willingness to work together with its supply chain also in its SBTi submission.

The Group has also introduced initiatives concerning incentives for energy savings and waste segregation performance. These site-by-site practices challenge contractors and suppliers and serve as a basis to involve them in a process of continuous improvement for all assets.

3.7.3.4 Assessing the ESG performance of suppliers

Increasingly supplier assessment of compliance with environmental clauses, management modes and service quality are performed on key services.

The supplier assessment process allows for the evaluation of supplier compliance with contractual requirements and to anticipate tender needs. Data collected through these assessments, once consolidated, are also shared with contractors through project steering meetings.

In addition, our procurement team supported by our head of product innovation reaches out to high-impact suppliers to discuss potential improvements to their ESG product footprint. Suppliers that we have reached out in 2022 include several renowned heat pumps and hydrogen suppliers and producers, a large pan-European steel mill operator for embodied carbon in steel reduction strategies, an AC manufacturer for geothermal solutions, and smart metering and e-mobility solution providers.

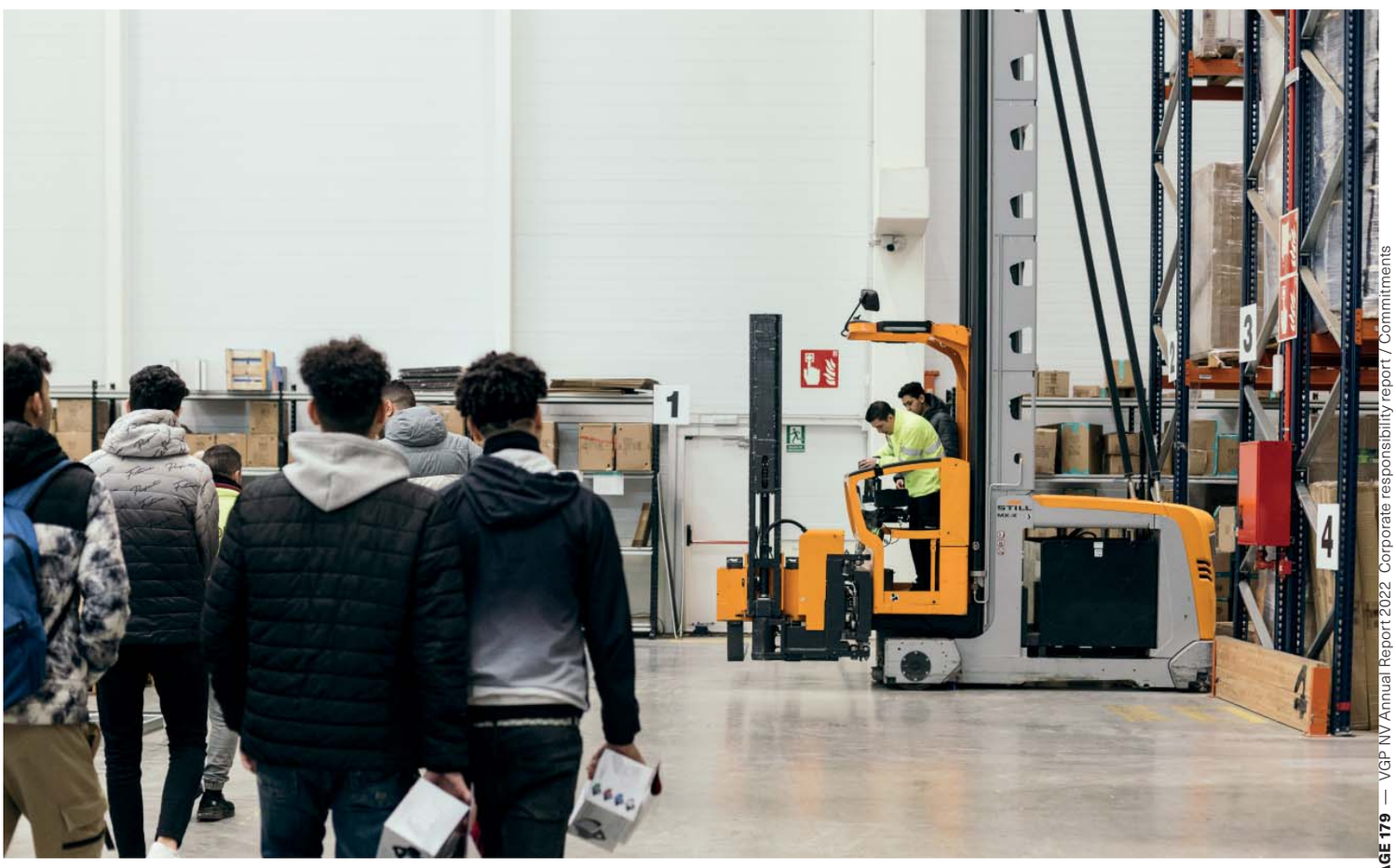
3.8 VGP in the community

A VGP Park can act as a catalyst for growth within the communities in which it operates. The Group's economic success is based on a strong relationship with its stakeholders: tenants, customers, investors, local communities, suppliers and contractors, as well as employees. These strong relationships are critical to develop and operate Parks meeting stakeholders' expectations in all respects. VGP is aware of the economic importance of its real estate properties: in addition to being a contributor to urban planning for logistics and semi-industrial zones within cities, providing public facilities and developing technically advanced and sustainable buildings and well connected places, VGP plays a key role in the local ecosystem as an economic driver: offering direct employment through construction and operational spending, indirect employment by tenants' operations and network activities, suppliers' activities and local taxes.

For development projects, a community engagement program is typically setup at the start of the design phase in order to collect feedback from council, neighbours or other local stakeholders. When construction activities begin the aim is for neighbours to be informed about the anticipated project and provide contact details in case of questions. In 2022, 100% of development projects had a community engagement program.

An example of a project completed in 2022 includes VGP Park Hrádek nad Nisou which was developed taking into account a broad range of community initiatives and feedback. As a result, the park includes an underground transport and communication corridor under the I/35 road in order to reduce traffic congestion in the vicinity of the park, a 500-meter long pedestrian side walk from the park towards the town centre, LED public lighting along the road, a new sewage system as part of the support for local infrastructure, cultivation of the park surroundings, including fruit trees planted along the road to the nearby town of Oldřichov. Additional trees were planted also on the earth mound that was created as a sound barrier to reduce noise emissions in the direction of Oldřichov, and finally a fully fitted public rest area to serve local residents.

In 2023, VGP started analysing ways how to generate additional social value through each VGP Park, defining opportunities to strengthen the community and prepare actions which are achievable taking also into account climate and economic challenges and opportunities. This work will be conducted based on Urban Europe guidance *(https://jpi-urbaneurope.eu/)*, the knowledge hub for urban transition, in consultation with local stakeholders.



High School children receiving a tour of VGP warehouses to learn about jobs in logistics

Transport and communication corridor at VGP Park Hrádek nad Nisou

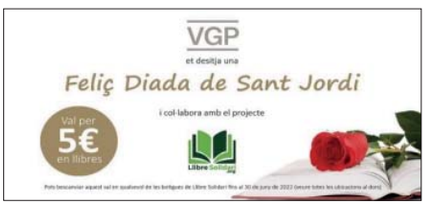
In Romania and Germany, local internship programs are being setup and in Barcelona the local team educated 14 high school children from local communities, in collaboration with the Joves Futur+ of the BARÇA FOUNDATION and Fundació “La Caixa”, about work in logistics and semi-industrial real estate, including a visit to VGP offices and various VGP tenants

Local partners are also supported through locally tailored initiatives or events, examples include: local products market organized in VGP Parks for tenants’ employees, local food trucks invited to visit VGP Parks, food and toy collection and organized blood donations.

This attractiveness for local food producers gives VGP a unique opportunity to support more responsible consumption patterns and going forward the Group will increasingly emphasize the development of desirable sustainable consumption alternatives for tenants’ employees’ lunch options. Therefore, the Group is committed to support and promote such sustainable consumption initiatives in each country as the initiatives are broadened across the portfolio.

A summary of the results achieved against these Group strategic targets is presented in the 2022 performance dashboard (see Section *1.2 Summary of the Group’s ESG achievements*).

Food truck which visited VGP Park San Fernando de Henares



Toys and books collection initiatives at Spanish VGP Parks for local children associations

3.8.1 Expand local economies

Be it at a regional or country level, having a clear understanding of the economic and social impacts of its activities is key for the Group.

VGP assesses the social and economic impact of each development project, which includes both the temporary impacts of the construction phase, as well as the long-term contribution of the asset's operations to the prosperity of local communities. Throughout the development, the Group not only generates construction-related jobs, but often also contributes to the development of transportation infrastructure, dynamising the communities in which it operates. Once completed, projects serve as catalysers of local employment (directly and indirectly), economic activity and tax income. The Group's developments play a key role in revitalising and regenerating areas, attracting additional investment and projects, and unlocking their growth potential. The assessment and enhancement of the socio- economic impact of development projects supports a constructive dialogue and collaboration with the local authorities.

Once parks are in operation, the consideration of the socio-economic impact is fully integrated as part of the decision-making procedures; local companies are typically favoured for new space requirements; social and economic criteria are systematically considered and addressed when entering in relationships with stakeholders, particularly with the supply chain during the purchasing process.

3.8.2 VGP community day

The VGP Community Day is designed to engage a large number of employees in volunteering for a local charity, involving each of the 17 countries where the Group operates. The Group's community-oriented activities in 2022 continued to focus on supporting the needs of local communities and activities to improve the environment and biodiversity of areas near to VGP Parks. A total of 24% of Group employees delivered more than 650 volunteering hours in 2022.

VGP Czech Republic: Planting Tree Day

VGP Czech Republic:
Planting Tree Day

Some of the volunteering initiatives:

— In Benelux, twenty-six motivated volunteers from VGP The Netherlands, VGP Asset Management in Luxembourg and VGP head offices in Antwerp visited the Capelderij for volunteering work. The Capelderij is a multifunctional centre for young people with behavioural and emotional problems. The VGP team lend a helping hand by painting the interior of one of the community houses used by the young people, by gardening around the main building (cutting, cleaning) and moving materials
— In Portugal, a team of eight VGP volunteers supported the collection of clothes and toys and went to deliver and get to know Casa do Caminho, a support home for children in need based in Matosinhos, Portugal
— In Czech Republic, a team of 20 volunteers assembled again from the Czech branch, determined to join their forces to help enrich the forests in Rychnov u Jablonce nad Nisou with young seedlings of beech and larch trees. On 20th October 2022, the volunteers planted 320 seedlings in just a few hours, professionally guided by specialists in sustainable forest management.

3.8.3 VGP for jobs

Logistics real estate can have a significant positive impact on the surrounding community.

VGP's business strategy is to build, own and operate logistics facilities close to urban centers. This shortens delivery routes, reduces delivery times and reduces related emissions. VGP's clients and our clients' customers (both business and residential) benefit from next-day or even same-day delivery of the goods and services they need. Additional benefits include plentiful logistics jobs, shorter commute times for logistics workers, reclamation and remediation of abandoned or brownfield sites and even enhancement of local parks and transportation. Based on our understanding of employment generated in our parks as of December 2022 circa 25,000 people go to work under VGP roofs each day (versus 20,000 a year earlier). Based on Oxford Economics peer reports the likely direct and indirect impact is closer to 85,000 jobs.

3.9 VGP Foundation

The VGP Foundation strives to encourage nature conservation, have an impact on local communities through social projects, and conserve and protect European cultural heritage. During 2022, 6 additional projects were approved and initiated bringing the total to 36 projects of which 26 are currently in execution and 10 completed, with € 6.6 million in total committed or spent.

Some examples of projects currently under execution include: Finding new networks for the Eastern Imperial Eagle, Katra valley biodiversity project in South Lithuania, restoration of Transcarpathian Peatlands 'Chorne Bagno', Ukraine, Ukrainian Center in Brno, Czech Republic. In addition, in order to support Ukrainian refugees VGP has made, through the UNHCR, a € 3 million donation to the effort to support refugees in the three neighbouring countries of the Ukraine where VGP has a long standing presence (Slovakia, Hungary and Romania).

Insect scouts flyer from the VGP Foundation

VGP Foundation

The VGP Foundation has three focus areas:

Nature conservation —
engaging in projects encouraging nature conservation, such as saving and creating permanent biotopes, protecting animals and their natural habitats, or educational programmes raising public awareness about respective issues

Social projects —
persuaded that access to education and fundamental care are crucial ingredients for their positive development, the VGP Foundation supports social projects around children from disadvantaged environments

Cultural heritage —
the VGP Foundation supports projects which define local regional cultural heritage through various cultural domains such as architecture, music, fine art and other forums of cultural heritage

Highlighted projects of the VGP Foundation

photo © Marius Karlonas

Katra valley biodiversity project in South Lithuania

In 2022 a biodiversity project for the Katra valley in South Lithuania was setup. This VGP Foundation project is operated by NABU, Nature Conservation Foundation. During this one-year long project the plan is to extend suitable and good condition open habitat for up to 35 hectares, which would be one third of the valley (the Katra river botanical zoological reserve) – to mow reeds and shrubs, thus giving rare birds a suitable habitat to breed and prosper again. Another important goal of this project – to show importance of this area to wider nature friendly public, which would increase the attention on this valley by people who could help to take further actions needed to take care and to cover the expenses needed for annual maintenance of this unique wild place in South Lithuania.

photo © VGP © NABU – Kavkaz

Finding new networks for the Eastern Imperial Eagle

This VGP Foundation project operated by our partners at NABU will enable a transfer of knowledge and cooperation between international experts in different regions to improve the conservation of the species in its entire range. The focus lies on the investigation of relevant factors for the recolonization of former habitats and the investigation of potential threat factors in the wintering areas of the Eastern Imperial Eagle.

photo © Niklas Hamann / Unsplash

Restoration of Transcarpathian Peatlands “Chorne Bagno”, Ukraine

Peatland restoration is one of the most pressing activities on the global agenda. Ukraine is ranked among the top emitters of greenhouse gases from drained peatlands to the atmosphere. The main goal of this new VGP Foundation project, which was brought to the Foundation by NABU International, is to help maintain and restore the natural hydrological regime of the internationally important bog “Chorne Bagno”, as well as related wetlands in the same catchment area on the territory of National Park “Zacharovanyj Kraj” (the Enchanted Valley) in the Transcarpathian region in war-struck Ukraine. The project is implemented by Ukrainian Society for the Protection of Birds (USPB) in partnership with NABU International and the authorities of the Ukrainian National Park “Zacharovanyj Kraj”. The project was finished in 2022

photo © VGP Foundation

Ukrainian Center in Brno, Czech Republic

Setup following the start of the war in Ukraine, this Ukrainian initiative creates the basis for future work with migrants, minorities and people in need and generally vulnerable people. The organisations involved in the project cooperate with the local government on activities for other minorities and socially excluded people in Brno and the region. The VGP Foundation project supports the creation of a centre in Brno where various initiatives will offer their services in the field of education, social, pregnancy support, or psychological assistance for seniors and women with children fleeing war.

Photo © UNHCR/Maciej Moskwa

Astrid van Genderen Stort is UNHCR's Chief of Service Emergency Coordination and Communication, based in Geneva, Switzerland.

Insights from UNHCR, the UN Refugee Agency

The start of the 21st century has seen UNHCR help with major refugee crises and emergencies in Africa, the Middle East and Asia. Most recently, the ongoing humanitarian crisis in Ukraine. UNHCR is working with authorities, UN agencies, displaced community groups and partners to provide desperately needed humanitarian assistance. VGP provided financial support in March 2022 to the UNHCR.

Astrid van Genderen Stort
UNHCR's Chief of Service Emergency Coordination and Communication, answers questions about the situation, and how essential funds from the private sector are funds to be able to do the work.

UNHCR is on the ground supporting the war-affected communities in Ukraine, as well as the refugees from Ukraine in neighbouring countries (including Hungary, Romania, and Slovakia). What are the projects that currently require the most attention?
ASTRID — The devastation and destruction in Ukraine have been staggering, uprooting a third of the population. Close to *8 million people have so far been forced to flee the country* as refugees and more than *5 million people are now displaced inside Ukraine*.

The war shows no signs of abating, and sadly the worst appears far from over. An estimated 17.6 million people in Ukraine will continue to urgently need support. The *protection of civilians* must remain our top priority. Attacks on civilians and civilian infrastructure, resulting in the needless loss of life, fear and trauma, must stop.

The war has generated an extraordinary outpouring of solidarity and support across Europe to welcome refugees from Ukraine. There are currently some 8 million refugees from Ukraine recorded in countries across Europe, of which an overwhelming majority are women and children. Our major priority is to work with the governments hosting refugees to make sure they can be *better included into national systems* that are supporting them.

All refugees, irrespective of their origins, bring skills, expertise and experiences that can enrich the socio-economic fabric of host communities—refugees from Ukraine are no exception. Refugees want to be able to work and contribute to the societies they live in and make sure their children can keep going to school.

UNHCR has numerous so-called Blue Dot hubs in those countries – what is their role?
ASTRID — The Blue Dot hubs were jointly established by UNHCR and UNICEF, in collaboration with local authorities and partners. They are safe spaces in countries near Ukraine that *provide particularly vulnerable refugees, such as unaccompanied children, families, those at risk of gender-based violence or people from the LGBTQI+ community, with critical information and services.*

Blue Dots are currently up and running across the region in countries hosting refugees from Ukraine. They have been set up in locations where refugees arrive or are hosted such as at border crossings, major urban areas, and transport hubs such as bus or train stations. Some are also embedded into registration sites and reception facilities.

How can companies and organizations best support UNHCR in your efforts, and why is this so important for your organization?

ASTRID — Obviously, we need funds to be able to do our work and we're hugely grateful to private sector companies such as VGP that donate to UNHCR. However, our partnerships can have a much greater positive impact for people forced to flee.

The private sector increasingly plays a pivotal role in helping UNHCR not only through funding but also by sharing their expertise, advocating for the cause, mobilizing their networks and influence government and development organisations.

Companies work with UNHCR to create sustainable, high impact and highly visible partnerships that deliver critical funding for our work to support refugees, whilst also delivering business and brand results that engage their company stakeholders.

The war in Ukraine has illustrated to us all that it is possible to mobilize support rapidly and extensively from the private sector for refugees and respond to humanitarian needs. This heartfelt generosity must be extended, equally, to refugees and people forced to flee conflict and insecurity around the world.

What are the next steps for UNHCR in the region?

ASTRID — Although it is now more than a year since the war began, sadly, the emergency continues, and the worst is far from over. Moving forward, massive collective efforts will be needed to work towards the *reconstruction* of the country – a whole-of-society approach will be essential, and UNHCR will continue to be there to support.

Outside of the country, refugees from Ukraine will continue to need support to access services and lead a dignified life in exile. Many have skills and expertise that can be an asset to their host communities. Therefore, we must cooperate to *remove barriers for them to access employment* and enable them to work and to contribute. Ensuring the *uninterrupted education of refugee children* is also an important part of our work.

A heartfelt Thank You from UNHCR for the support in 2022. UNHCR, partners – like VGP – and the public must continue to work together and to support host countries such as Hungary, Romania, and Slovakia to ensure refugees from Ukraine are integrated in the communities so generously hosting them. The emergency continues – and your support and solidarity must, too.*

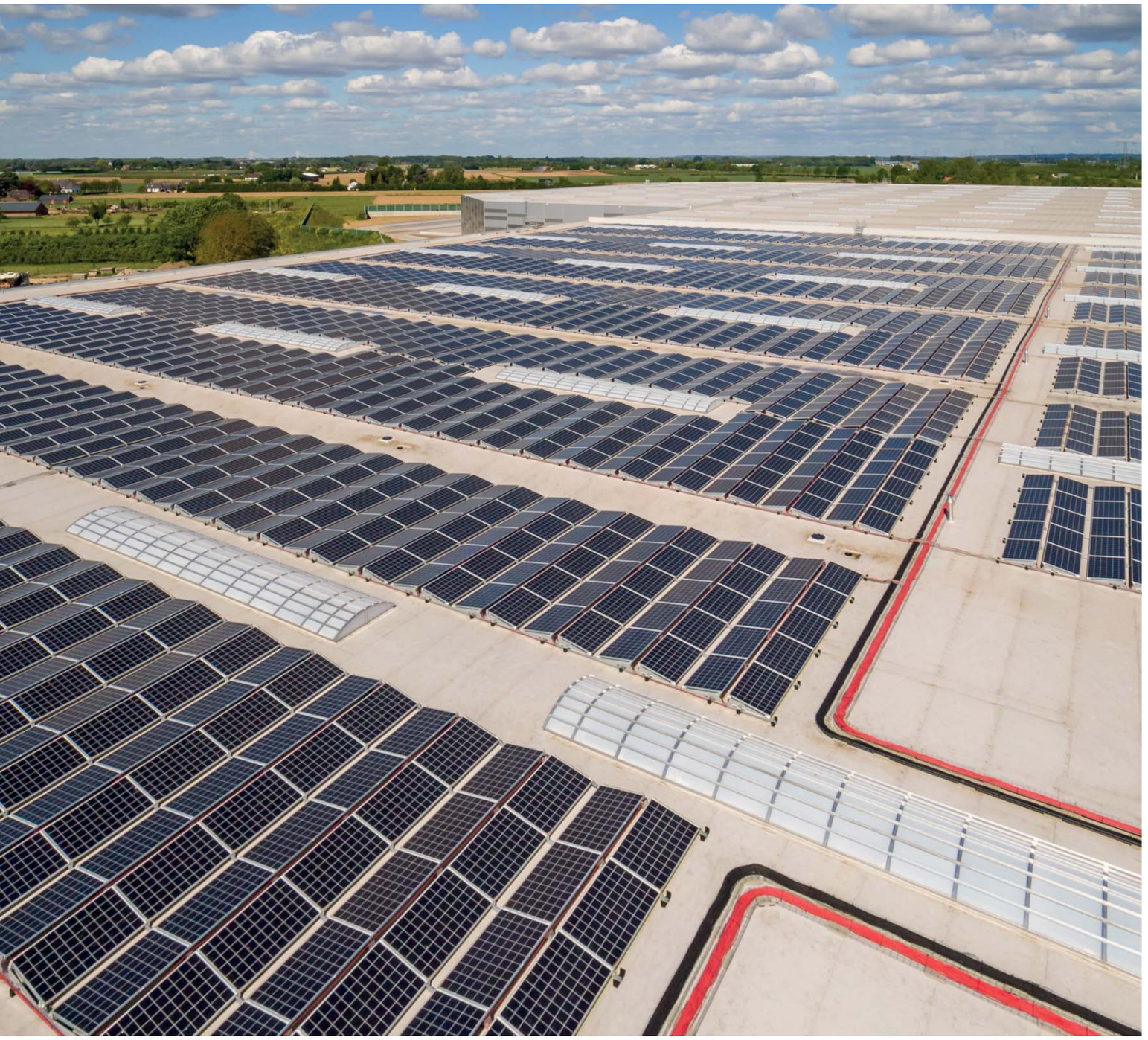
Romania. UNHCR prepares emergency relief items in the warehouse
UNHCR colleagues check items in the emergency warehouse. Thousands of humanitarian items, including kitchen sets, bedding, tarpaulin, hygiene kits and winter clothing are stored at the warehouse near Bucharest, Romania. The items will be distributed to refugees from Ukraine, in different locations in Romania.
02 August, 2022
© UNHCR/Showvik Das Tamal

UNHCR and its partners provide support to people in the areas recently retaken by the Government of Ukraine
Local people in Chasiv Yar are provided with much-needed humanitarian assistance from UNHCR
16 December, 2022
© Humanitarian Mission Proliska/UNHCR/Artur Ulianytskyi

The office of the United Nations High Commissioner for Refugees (UNHCR)

was created in 1950, during the aftermath of the Second World War, to help millions of Europeans who had fled or lost their homes. UNHCR is a global organization dedicated to saving lives, protecting rights, and building a better future for people forced to flee their homes because of conflict and persecution. Today, over 70 years later, the organization is still hard at work, protecting and assisting refugees around the world. the organization has more than 18,879 personnel working in 137 countries. The start of the 21st century has seen UNHCR help with major refugee crises and emergencies in Africa, the Middle East and Asia. Considering the ongoing humanitarian crisis in Ukraine, UNHCR is working with authorities, UN agencies, displaced community groups and partners to provide desperately needed humanitarian assistance. For more information, please visit ***www.unhcr.org***

Green financing



of the Group activities

4.1 EU Taxonomy

4.1.1 Context

In 2021 the European Green Deal was enacted and largest European companies became subject to EU Taxonomy Regulation 2020/852 (the "Taxonomy"). Published in the Official Journal of the European Union on 22 June 2020, the regulation came into force on 12 July 2020 and applies from 1 January 2021. The Taxonomy Regulation introduces a unified classification system to determine the sustainability level of investments, in order to drive capitals towards financing the EU environmental transition: the sustainability of a financial vehicle is determined by the share of sustainable economic activities it finances in its portfolio. Consequently, all economic activities listed in the scope of the Taxonomy Regulation (i.e. "eligible" activities) are to be screened for their environmental impacts, based on the environmental criteria ("Technical Screening Criteria") defined in the Taxonomy Delegated Acts.

To be considered environmentally sustainable, an economic activity has to substantially contribute to at least one out of the six following "environmental objectives", while not causing harm to the others and complying with "minimal safeguards" related to human and labour rights:

— Climate change mitigation;
— Climate change adaptation;
— The sustainable use and protection of water and marine resources;
— The transition to a circular economy;
— Pollution prevention and control; and
— The protection and restoration of biodiversity and ecosystems.

Delegated acts have been established so far for the environmental objectives of climate change mitigation and climate change adaptation. The Taxonomy Regulation represents an important step towards the EU's objective of becoming a climate neutral by 2050. The real estate sector is considered eligible to the Taxonomy for both of these environmental objectives, and especially the following activities performed by VGP: Construction of new buildings (7.1), Renovation of existing buildings (7.2) and Acquisition & ownership of buildings (7.7).

Not only closely linked to the finance sector and its investors, but also a vital part of the economy, the real estate sector has a key role to play in the transition towards more sustainability. VGP is committed to meeting the requirements set by this new regulation and improving its performances in the coming years to contribute to the broader EU environmental transition.

4.1.2 VGP share of eligible activities

In order to initiate Taxonomy application, VGP determined which of the performed activities are "eligible", i.e. covered by the Taxonomy Delegated Acts. Three KPIs are expected to that end: the shares of eligible activities in the company's Revenues, Capital expenditures ("CAPEX") and Operational expenditures ("OPEX").

Taxonomy share of eligible activities

Revenues (€'000)	Eligible activities	Non-eligible activities	Total
Gross rental income	45,329	—	45,329
Service charge income	12,017	—	12,017
Property and facility management income	18,016	—	18,016
Property development income	3,521	—	3,521
Renewable Energy income	5,901	—	5,901
Total revenue	84,784	—	84,784
CAPEX (€'000)	**Eligible activities**	**Non-eligible activities**	**Total**
CAPEX on investment properties	857,945	—	857,945
Investments in PPE (tangible assets)	37,715	580	38,295
CAPEX on intangible assets	—	—	—
Total Capital Expenditure	895,660	—	895,660

OPEX (€'000)	Eligible activities	Non-eligible activities	Total
% OPEX	100%	0%	100%

4.1.3 Methodology of KPI calculation

The Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing the Taxonomy Regulation specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. The preliminary work done by VGP to establish its eligibility KPIs was based on this regulation, the methodology is presented in this section.

Allocation rules to the denominators:

- As defined in the aforementioned Delegated Regulation, total revenues and total CAPEX have been determined in accordance with IFRS accounting standards applied to VGP activities and in line with financial statements:
  - Total revenues = gross rental income + service charge income + property and facility management income + property development income + renewable energy income;
  - Total CAPEX = CAPEX on investment properties + CAPEX on tangible assets + CAPEX on intangible assets; and
  - Only fully consolidated companies are included in the scope, and KPIs are reported on IFRS bases (not under proportionate consolidation)
- The Delegated Regulation requires reported OPEX in the denominator to be limited to costs related to building renovation, maintenance and repair, short-term lease, and research and development. VGP's OPEX are consolidated in different categories than the ones defined in the scope of this Regulation. For this reason, calculating total OPEX was not based on consolidated financial statements

Allocation rules to the numerators: determining eligible activities

- To determine the eligible share of Revenues (numerator), a screening of VGP revenue categories was performed according to the Delegated Acts' qualitative definitions of activities covered: among the revenue categories listed above, only GRI (revenues from Acquisition & ownership of buildings) and Revenues from property development and project management (revenues from construction of new buildings) are considered eligible to the Taxonomy.
- To determine the eligible share of CAPEX (numerator), a screening of VGP's investment categories was performed according to the Delegated Acts' qualitative definitions of activities covered: among the investment categories listed above, only CAPEX on investment properties are considered eligible for the Taxonomy. CAPEX on renewable energy technical installations are considered eligible. Other equipment, furniture and intangible assets are excluded from the eligibility scope.
- The eligible share of OPEX (numerator) is considered to cover the same scope of OPEX categories as for the OPEX denominator, these being specifically listed in the Delegated Regulation scoping the expenses to consider.
- The last step for calculating the Revenues, CAPEX and OPEX numerators was to identify, among all VGP activities, asset types or legal entities that would not be considered in the Delegated Acts' scopes. A preliminary screening of all VGP entities based on NACE codes, an analysis of specific business lines has been performed. As a conclusion of this analysis, a conservative approach was taken, deciding to include all of VGP activities in the eligibility numerators.

4.1.4 EU Taxonomy Strategy

VGP aims to be compliant with EU Taxonomy on a portfolio basis once the rules are implemented at the country level, on the following basis:

1. VGP will update the Green Finance Framework with EU Taxonomy once finally implemented (current uncertainty resides for example around the required level of EPC energy certificates in various countries in order to classify as "10% better than a local near-zero energy building")
2. Plan to monitor asset compliance within the "Use of Proceeds"-table which will be made available as part of the annual Corporate Responsibility Reporting
3. Aim to be compliant with EU Taxonomy for new and existing buildings on a best-efforts basis

Existing portfolio: Thus far a first asset (VGP Park Frankenthal, building A) has been analysed in detail on EU Taxonomy compliance and received EU Taxonomy in-use compliance confirmation from the DGNB according to the ESG verification services conducted collaboratively with the CPEA, the Climate Positive Europe Alliance. A further two existing buildings are currently being analysed for EU Taxonomy compliance in Germany and new development projects in Germany and in various other countries are currently under review for EU Taxonomy compliance. The Group is also conducting a portfolio wide analysis of the climate physical risks, including for land acquisitions as part of the Climate Risk Analysis.

CPEA
Climate Positive Europe Alliance

Important disclaimer: Taxonomy eligible activities thus cover a very broad scope of VGP activities, but this does not presume the relevance of the Technical Screening Criteria ("TSC") to be applied to all of these eligible VGP assets in the next years to define the share of sustainable or "Aligned" activities in VGP's portfolio. Indeed, although they are considered today as eligible activities by the Taxonomy, assets may not be able to be screened based on the current published TSC. An example of this situation can be given such as for the assets that VGP manages but does not fully own (e.g. held in one of the joint ventures), the investment levers to improve asset sustainability may be limited.

4.2 Green bonds

4.2.1 Green bond issuances

The VGP Green finance framework was introduced in 2019 as part of our strategy to diversify financing sources. The Group has decided to develop a Green Bond framework to finance new development projects, and/or standing assets which meet the environmental criteria for the construction and operational phases as defined in the "Use of Proceeds" procedure, and specified hereafter. Green Bonds are only used to finance resilient eligible assets, in line with a clear procedure for allocating funds.

VGP issued its first Green Bond on the Euro market in March 2021. In January 2022, the Group issued its second Green Bond (split into two tranches) on the Euro market. These issuances are testament to the success of the Group's integral focus on ESG as part of the organization, investments, and financing. In total, the two issuances raised € 1.60 billion.

4.2.2 Green bond criteria

The ESG criteria associated with the Green Bonds were approved by S&P Global/CICERO. They are (i) aligned with the "Green Bond Principles" (GBP) updated in March 2015 and (ii) fit in with the Group's ESG strategy. Proceeds from Green Bonds issued under this framework will be used exclusively to finance and/or refinance, in whole or in part, "Eligible Assets", described in the Green Finance Framework.

Proceeds can be allocated to refinance existing projects as well as finance new developments.

Eligible projects include:

— renewable energy projects (i.e., onshore and off shore renewable energy facilities, including primarily solar and wind projects, but also hydrogen and geothermal energy projects)
— Category of green buildings (i.e., real estate assets with BREAAM "Very Good" certification or equivalent DGNB/LEED rating)
— Other eligible project categories include energy efficiency (i.e., for existing or new (logistics) buildings, warehouses and technologies-related services and products), waste management (i.e., projects, investments and expenditures which promote better recycling rates), clean transportation (i.e., electric vehicle charging stations, bike facilities), and sustainable water management (i.e., reduce freshwater consumption, capturing and recycling rainwater, green roofing)

Additional criteria and indicators to be monitored for eligible assets – including EU Taxonomy and CRREM, also referring to section *4.1 on EU Taxonomy* and section *3.4.4 on CRREM* respectively – are published on the Investor Relations' website under the following link: *https://www.vgpparks.eu/en/investors/financial-debt/*

4.2.3 Current allocation of green bond proceeds

In line with the Group's internal Green Bond analysis, selection and monitoring procedure, the funds generated by Green Bonds issuances are allocated to the selected assets based on a previously defined list of "eligible assets". The criteria are presented above and explained in detail in the Green Finance Framework as available on the Group website.

In the case of an asset disposal (both in full or partially) to one of the Group's Joint Ventures during the funding period (i.e. prior to the bond issue maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another "eligible asset" held by the Group, based on the same process. In case of a full disposal the equivalent asset base shall be reallocated and in case of a disposal to one of the Joint Ventures the remaining equity interest shall be reflected in the pro-rata asset allocation.

The allocation of the proceeds from the outstanding Green Bonds as at 31 December 2022 is illustrated below:

Use of categories	**Green Bond – April 2029**		**Green Bond – Jan 2027**		**Green Bond – Jan 2030**	
	Net bond proceeds allocation *(€)*	**% of total net bond proceeds**	**Net bond proceeds allocation** *(€)*	**% of total net bond proceeds**	**Net bond proceeds allocation** *(€)*	**% of total net bond proceeds**
Renewable Energy	62,689,369	10.4%	—	0.0%	—	0.0%
Green buildings	593,582,864	98.9%	694,954,891	139.0%	682,307,252	136.5%
o/w excellent or gold-rated	*327,219,265*	*54.5%*	*452,353,861*	*90.5%*	*390,282,435*	*78.1%*
Energy Efficiency	18,241,613	3.0%	—	0.0%	—	0.0%
Waste Management	—	0.0%	—	0.0%	—	0.0%
Clean Transportation	112,500	0.0%	—	0.0%	—	0.0%
Sustainable Water Management	3,932,054	0.7%	—	0.0%	—	0.0%
(over)/unallocated	(78,558,400)	–13.1%	(194,954,891)	–39.0%	(182,307,252)	–36.5%
Total gross proceeds	**600,000,000**	**100.0%**	**500,000,000**	**100.0%**	**500,000,000**	**100.0%**

The allocation of the proceeds between CAPEX and refinancing:

Type of financing	**Grand Total** *(€)*	**%**
CAPEX financing 2021	656,853,160	41%
CAPEX financing 2022	789,015,636	49%
Refinancing	609,951,747	38%
Total	**2,055,820,543**	**128%**
Over/(under) allocation	(455,820,543)	–28%
Total gross proceeds	**1,600,000,000**	**100%**

A significant portion is allocated to the Green buildings category which has predominantly been built in 2021 and 2022 or is currently under construction. Given this is such a new portfolio it benefits from the latest ESG features of our building standard and green energy sourcing. The allocated green buildings portfolio has been analysed by CRREM (version 1.19 of the tool; as published September 2022) and is compliant on a 1.5˚C pathway both on an GHG Intensity and Energy Intensity basis until 2050. Further details are included in section 4.2.5.2 Green Buildings.

Use of proceeds – € proceeds allocation per EU Taxonomy		
Type of financing	**Grand Total** *(€)*	**%**
Use of proceeds aligned with EU Taxonomy	146,188,993	9%
Use of proceeds to be confirmed for alignment	1,909,631,550	119%
Use of proceeds not aligned with EU Taxonomy	—	0%
Total	**2,055,820,543**	**128%**
Over/(under) allocation	(455,820,543)	–28%
Total gross proceeds	**1,600,000,000**	**100%**

With regards to EU Taxonomy compliance, the first complete standing single asset review has been finalised and the Group is conducting a review of several more assets in its portfolio for alignment with EU Taxonomy, as a consequence the aligned portion of the portfolio with EU Taxonomy is expected to grow substantially in the coming period.

4.2.3.1 Green bond – April 2029

Green buildings allocation by certification type (€-proceeds allocation)

Country	BREEAM Excellent	BREEAM Very Good	DGNB Gold	DGNB Silver	LEED Silver	Grand Total	%
Austria	—	—	36,339,143	—	—	**36,339,143**	2
Croatia	—	—	—	—	—	**—**	0
Czech Republic	—	8,578,046	—	—	—	**8,578,046**	0
France	—	—	—	—	—	**—**	0
Germany	—	—	285,977,759	25,591,206	—	**311,568,965**	16
Hungary	—	30,618,669	—	—	—	**30,618,669**	2
Italy	3,008,033	24,855,586	—	—	—	**27,863,619**	1
Latvia	—	18,724,584	—	—	—	**18,724,584**	1
Netherlands	—	—	—	—	—	**—**	0
Portugal	—	—	—	—	—	**—**	0
Romania	1,894,329	58,486,324	—	—	—	**60,380,564**	3
Serbia	—	—	—	—	—	**—**	0
Slovakia	—	87,991,063	—	—	—	**87,991,063**	4
Spain		11,518,122	—	—	—	**11,518,122**	1
Grand Total	**4,902,362**	**240,772,393**	**322,316,903**	**25,591,206**	**—**	**593,582,864**	
% of total	**0%**	**12%**	**16%**	**1%**	**0%**		

Renewable energy specification *(€ proceeds allocation)*	**2021**	**2022**	**Total**
Netherlands	5,309,425	6,644,132	11,953,557
Italy	1,744	702,604	704,348
Hungary	84,909	—	84,909
Germany	19,072,084	30,270,609	49,342,693
Romania	—	530,824	530,824
Czech Republic	—	73,038	73,038
Total	**24,468,162**	**38,221,207**	**62,689,369**

Sustainable Water Management *(€ proceeds allocation)*	
Czech Republic	185,354
Netherlands	175,000
Germany	3,571,700
Total	**3,932,054**

4.2.3.2 Green bond – January 2027

Green buildings allocation by certification type in euros invested

Country	BREEAM Excellent	BREEAM Very Good	DGNB Gold	DGNB Silver	LEED Silver	Grand Total	%
Austria	—	—	—	—	—	**—**	0
Croatia	—	5,574,442	—	—	—	**5,574,442**	0
Czech Republic	—	102,245,916	—	—	—	**102,245,916**	5
France	—	—	—	—	—	**—**	0
Germany	—	—	424,862,674	93,507,693	—	**518,370,368**	26
Hungary	6,490,662	—	—	—	—	**6,490,662**	0
Italy	—	7,089,849	—	—	—	**7,089,849**	0
Latvia	—	—	—	—	—	**—**	0
Netherlands	—	—	—	—	—	**—**	0
Portugal	12,596,041	7,721,070	—	—	—	**20,290,111**	1
Romania	8,431,483	5,249,673	—	—	—	**13,681,157**	1
Serbia	—	—	—	—	—	**—**	0
Slovakia	—	2,041,985	—	—	—	**2,041,985**	0
Spain	—	19,170,402	—	—	—	**19,170,402**	1
Grand Total	**27,491,187**	**149,093,336**	**424,862,674**	**93,507,693**	**—**	**694,954,891**	
% of total	**1%**	**8%**	**21%**	**5%**	**0%**		

4.2.3.3 Green bond – January 2030

Green buildings allocation by certification type in euros invested

Country	BREEAM Excellent	BREEAM Very Good	DGNB Gold	DGNB Silver	LEED Silver	Grand Total	%
Austria	—	—	74,720,992	—	—	**74,720,992**	4
Croatia	—	—	—	—	—	**—**	0
Czech Republic	17,646,975	24,964,164	—	—	7,048,214	**49,659,353**	3
France	—	—	—	—	—	**—**	0
Germany	—	60,416,966	217,756,753	17,719,311	—	**295,893,029**	15
Hungary	11,892,878	6,830,411	—	—	—	**18,723,289**	1
Italy	—	5,303,496	—	—	—	**5,303,496**	0
Latvia	—	1,365,716	—	—	—	**1,365,716**	0
Netherlands	—	83,452,883	—	—	—	**83,452,883**	4
Portugal	10,360,735	—	—	—	—	**10,360,735**	1
Romania	25,309,777	—	—	—	—	**25,309,777**	1
Serbia	—	—	—	—	—	**—**	0
Slovakia	—	—	—	—	—	**—**	0
Spain	32,594,326	84,923,656	—	—	—	**117,517,982**	6
Grand Total	**97,804,690**	**267,257,292**	**292,477,745**	**17,719,311**	**7,048,214**	**682,307,252**	
% of total	**5%**	**13%**	**15%**	**1%**	**0%**		

4.2.4 Audited criteria

VGP engaged an independent auditor to verify that the assets financed meet the eligibility criteria. The reporting on these criteria and the independent auditor's attestation on the information related to the allocation of funds are presented in the following section.

4.2.5 Annual Reporting on green bonds in compliance with framework

4.2.5.1 Renewable energy

This category includes the financing and/or refinancing of projects, investments and expenditures in products, technologies and services ranging from the generation and transmission of energy to the manufacturing of related equipment including among others onshore and offshore renewable energy facilities. This includes among others solar, wind, hydro and geothermal energy projects.

Of the 90 photovoltaic projects on VGP Parks' roofs 78 are owned and operated by VGP and included in the Green Finance Framework allocation. Of these 78 systems 50 were operational by December 2022, representing 42.4MWp and a further 28 were under construction representing 75.0 MWp

VGP Park	Building	PV production *(KWp)*			Bond allocation		
		existing	awarded	KWH p.a.	Apr. 2029	Jan. 2027	Jan. 2030
Germany							
VGP Park München	GERMUE – A1	748		739,000	x		
	GERMUE – A2/A3	1,696		1,677,000	x		
	GERMUE – B		3,791	3,749,000	x		
	GERMUE – C		3,003	2,970,000	x		
	GERMUE – E		1,895	1,874,000	x		
	GERMUE – F		97	96,000	x		
	GERMUE – PHS		316	312,000	x		
VGP Park Göttingen	GERGOE – A	750		625,000	x		
	GERGOE – A	747		623,000	x		
VGP Park Göttingen 2	GERGOE2 – C	3,870		3,227,000	x		
	GERGOE2 – C	497		409,000	x		
	GERGOE2 – C	2,244		1,871,000	x		
VGP Park Halle	GERHAL – A		1,900	1,725,000	x		
	GERHAL – B		2,300	2,088,000	x		
	GERHAL – C		3,300	2,996,000	x		
VGP Park Wustermark	GERWUS – A1		745	683,000	x		
VGP Park Berlin	GERBER – A	745		627,000	x		
VGP Park Berlin 2	GERBER2 – B	746		628,000	x		
	GERBER2 – C	750		631,000	x		
	GERBER4 – M		1,591	1,341,000	x		
VGP Park Giessen – Buseck	GERBUS – A	749		643,000	x		
VGP Park Lutzellinden	GERLUE – A	748		654,000	x		
VGP Park Laatzen	GERLAA – A/B		3,624	2,917,000	x		
	GERLAA – C		3,570	2,873,000	x		
VGP Park Chemnitz	GERCHE – A	746		693,000	x		

VGP Park	Building	PV production *(KWp)*			Bond allocation		
		existing	awarded	KWH p.a.	Apr. 2029	Jan. 2027	Jan. 2030
VGP Park Magdeburg	GERMAG – A (ph I)	750		643,000	x		
	GERMAG – A (ausschreibung)	1,798		1,542,000	x		
	GERMAG – B	2,244		1,925,000	x		
	GERMAG – C		10,260	8,803,000	x		
	GERMAG – F		4,095	3,513,000	x		
VGP Park Erfurt	GERERF – A	750		622,000	x		
	GERERF – A		1,537	1,275,000	x		
VGP Park Hamburg	GERHAM – A1	748		586,000	x		
	GERHAM – A2	750		586,000	x		
VGP Park Hamburg 2	GERHAM2 – B1		2,544	1,991,000	x		
	GERHAM2 – B2	750		586,000	x		
VGP Park Hamburg 3	GERHAM3 – C	750		586,000	x		
VGP Park Rodgau	GERROD – C	746		707,000	x		
VGP Park Borna	GERBOR – A	748		642,000	x		
VGP Park Wetzlar	GERWET – B	747		644,000	x		
VGP Park Ginsheim	GERGIN – A	748		672,000	x		
VGP Park Schwalbach	GERSCH – A	645		568,000	x		
VGP Park Soltau	GERSOL – A	749		593,000	x		
	GERSOL – A		2,399	1,902,000	x		
VGP Park Berlin Oberkraemer	GEROBK – A		299	243,000	x		
	GEROBK – A		849	691,000	x		
	GEROBK – D		639	520,000	x		
VGP Park Höchstadt	GERHOE – A	748		662,000	x		
VGP Park Leipzig Flughafen	GERLFH – A	299		271,000	x		
VGP Park Leipzig Flughafen	GERLFH – A	899		817,000	x		
VGP Park Leipzig Flughafen	GERLFH – B						
VGP Park Giessen am alten Flughafen	GERGAF – A		7,999	7,279,000	x		
	GERGAF – B		1,000	910,000	x		
	GERGAF – B		2,400	2,184,000	x		
Italy							
VGP Park Valsamoggia	ITAVAL – B		992	1,278,000	x		
VGP Park Calcio	ITACAL – A	16		18,000	x		
	ITACAL – A		3,176	3,636,000	x		
VGP Park Sordio	ITASOR – A	25		28,000	x		
	ITASOR – A		940	1,068,000	x		
Netherlands							
VGP Park Nijmegen	NLDNIJ – A	2,279		2,096,000	x		
	NLDNIJ – A	1,518		1,396,000	x		
	NLDNIJ – A	1,012		930,000	x		
	NLDNIJ – B1	869		799,000	x		
	NLDNIJ – B2	2,213		2,036,000	x		
	NLDNIJ – B3/B4		5,940	5,464,000	x		
	NLDNIJ – C1/2		3,779	3,476,000	x		

VGP Park	Building	PV production *(KWp)*			Bond allocation		
		existing	awarded	KWH p.a.	Apr. 2029	Jan. 2027	Jan. 2030
Netherlands							
VGP Park Roosendaal	NLDROO1 – A	3 899		3 579 000	x		
Spain							
VGP Park Lliçà d'Amunt	ESPLLI – A	46		63,000	x		
	ESPLLI – D	83		116,000	x		
	ESPLLI – C	78		108,000	x		
VGP Park San Fernando de Henares	ESPSFH – A	53		73,000	x		
	ESPSFH – B1	63		87,000	x		
	ESPSFH – C1	36		49,000	x		
	ESPSFH – D1	20		28,000	x		
	ESPSFH – E	18		25,000	x		
VGP Park Valencia	ESPVAL – A	33		46,000	x		
	ESPVAL – B	66		92,000	x		
VGP Park Fuenlabrada	ESPFUE – A	100		140,000	x		
Hungary							
VGP Park Kecskemét	HUNKEC – B	28		38,000			
Total		**42,356**	**74,981**	**105,303,000**			

HVAC (Heatpumps) CAPEX				
		Green Bond		
	Geothermal heatpump	Apr. 2029	Jan. 2027	Jan. 2030
GERMUE-C	×	×		

The eligible photovoltaic investments have generated green energy in 2022 for in total 27,446MWh, equivalent to 8,449 tCO_2e. For calculating the equivalent CO_2 emissions the average grid factor of the VGP Parks portfolio of 0.308 tCO_2/MWh has been used:

Renewable energy production (KWh)	Self-consumption	Grid injection	Total
2022F renewable energy production	3,695,740	23,750,012	27,445,752
emissions factor (tCO_2/kWh)	*0.000308*	*0.000308*	*0.000308*
avoided emissions (tCO_2)	*1,138*	*7,311*	*8,449*
Annualized production of Green Finance assets operational and under construction	28,272,026	77,030,974	105,303,000
emissions factor (tCO_2/kWh)	*0.000308*	*0.000308*	*0.000308*
avoided emissions (tCO_2)	*8,703*	*23,714*	*32,417*

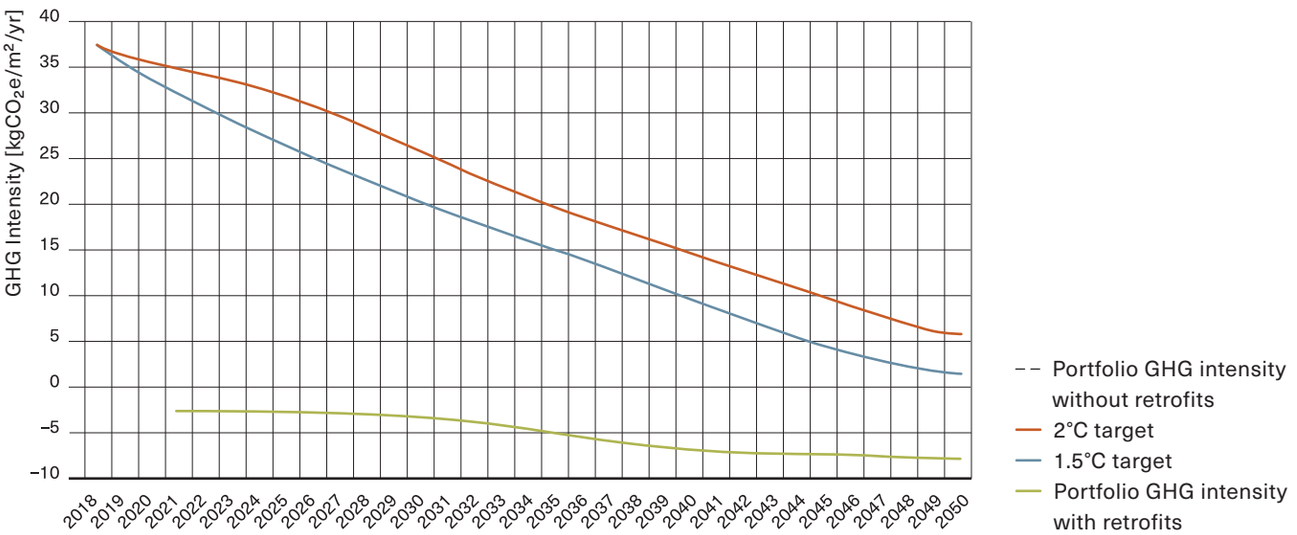
Please refer to section *3.4.3 Energy Management* and specifically *3.4.3.2.2 Production of Renewable Energy* for further information on the Group's initiatives and KPIs with respect to renewable energy production.

4.2.5.2 Green buildings

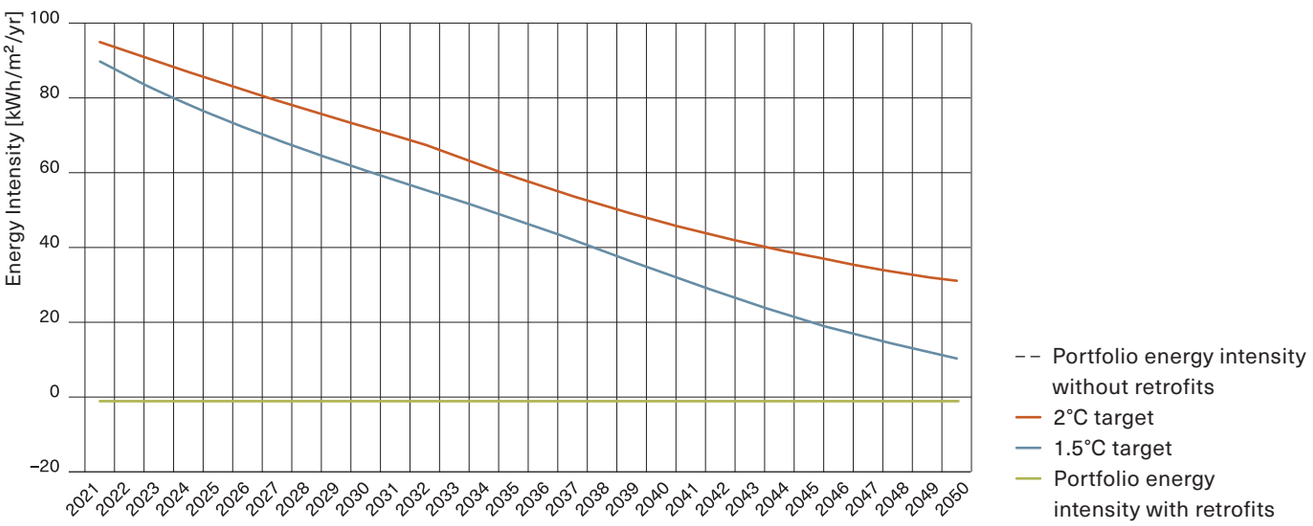
The financing and/or refinancing of projects, investments and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREAAM “Very Good” certification (or equivalent DGNB Silver/LEED Silver rating)

In total 131 eligible building projects have been identified and allocated under the Green Financing framework. This Green building portfolio has predominantly been built in 2021 and 2022 or is currently under construction. Given this is such a new portfolio it benefits from the latest ESG features of our building standard and green energy sourcing. The allocated green buildings portfolio has been analysed by CRREM (version 1.19 of the tool; as published September 2022) and is compliant on a 1.5°C pathway both on an GHG Intensity and Energy Intensity basis until 2050.

GREEN BONDS: AVERAGE PORTFOLIO GHG INTENSITY VS. PARIS TARGETS



GREEN BONDS: AVERAGE PORTFOLIO ENERGY INTENSITY VS. PARIS TARGETS



The 131 eligible building projects have been identified and allocated to the three outstanding green bonds according to which is shown in the following split between the bonds, highlighted in the table on the next page. The table also shows the certification level as well as status of the certification process (see table on the next page). The Excellent or Gold rated buildings have been stated in bold, of the 131 certified buildings 63 are either Excellent or Gold rated.

Due to employed certification pre-checks and uniform VGP building standard being employed for all construction projects across Europe a very high degree of confidence can be expressed for expected realisation of the targeted certification level in case this is not yet completed. In case a project would not achieve the required certification level it will be removed from the eligible green buildings investments portfolio.

Whilst EPC ratings are to be updated to reflect the investment in photovoltaic (which is not always reflected in the EPC calculation at time of the building permit) of the completed building portfolio which has obtained an EPC rating as at 31 December 2022 and which is part of the net proceeds allocation of the green bonds, 48% has received an energy EPC B score or better. Apart from one certificate dating 2014, one from 2017, one from 2018 and three 2019, all other certifications have been issued 2020 or later. A review of existing buildings, taking into account photovoltaic investments since EPC certification was granted is expected to improve the overall EPC score.

With regards to EU Taxonomy compliance, the first complete standing single asset review has been finalised and the Group is conducting a review of several more assets in its portfolio for alignment with EU Taxonomy, as a consequence the aligned portion of the portfolio with EU Taxonomy is expected to grow substantially in the coming period.

VGP Park	**name**	**Rentable space – Total** *(in m²)*	**Certification level**	**Certification status**	**Green bond**		
					Apr. 2029	**Jan. 2027**	**Jan. 2030**
VGP Park Ehrenfeld	**AUTEHR – A**	**44,291**	**DGNB – Gold**	**ongoing**			×
VGP Park Graz	**AUTGRA – A**	**16,537**	**DGNB – Gold**	**realized**			×
	AUTGRA2 – B	**8,212**	**DGNB – Gold**	**realized**	×		
	AUTGRA2 – C	**14,330**	**DGNB – Gold**	**ongoing**	×		
VGP Park Laxenburg	**AUTLAX – A**	**26,076**	**DGNB – Gold**	**ongoing**			×
	AUTLAX – B	**24,036**	**DGNB – Gold**	**ongoing**			×
VGP Park České Budějovice	**CZECEB – A**	**5,917**	**BREEAM – Excellent**	**ongoing**			×
	CZECEB – B	**8,749**	**BREEAM – Excellent**	**ongoing**			×
	CZECEB – C	9,424	BREEAM – Very Good	ongoing		×	
	CZECEB – D	**14,065**	**BREEAM – Excellent**	**ongoing**			×
	CZECEB – E	**48,313**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Hrádek nad Nisou	CZEHNN – H1	40,361	Leed Silver	realized			×
	CZEHNN2 – H6.1	30,215	BREEAM – Very Good	ongoing		×	
VGP Park Kladno	CZEKLA – A	15,814	BREEAM – Very Good	ongoing			×
	CZEKLA – B	11,193	BREEAM – Very Good	ongoing	×		
VGP Park Olomouc	**CZEOLO3 – M**	**8,545**	**BREEAM – Excellent**	**ongoing**			×
	CZEOLO4 – E	**3,814**	**BREEAM – Excellent**	**ongoing**			×
	CZEOLO5 – F	65,864	BREEAM – Very Good	ongoing		×	
VGP Park Plzeň	CZEPIL – E	5,790	BREEAM – Very Good	realized		×	
VGP Park Prostějov	CZEPRO – A	15,330	BREEAM – Very Good	realized		×	
	CZEPRO – B	25,055	BREEAM – Very Good	ongoing		×	
	CZEPRO – C	10,351	BREEAM – Very Good	ongoing			×
VGP Park Ústí nad Labem City	CZEUST2 – A	23,445	BREEAM – Very Good	ongoing			×
	CZEUST2 – B	17,569	BREEAM – Very Good	ongoing			×
	CZEUST2 – C	11,740	BREEAM – Very Good	ongoing			×
VGP Park Vyškov	CZEVYS – A	28,868	BREEAM – Very Good	ongoing		×	
VGP Park Cordoba	**ESPCOR – A**	**15,419**	**BREEAM – Excellent**	**ongoing**			×
	ESPCOR – B	**6,905**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Dos Hermanas	ESPDOH – B	28,933	BREEAM – Very Good	realized			×
VGP Park Fuenlabrada	ESPFUE – A	41,752	BREEAM – Very Good	realized			×
VGP Park Granollers	ESPGRA – A	8,920	BREEAM – Very Good	realized		×	
VGP Park Lliçà d'Amunt	ESPLLI – A	13,639	BREEAM – Very Good	realized		×	
	ESPLLI – D	7,205	BREEAM – Very Good	realized			×
	ESPLLI – E	22,194	BREEAM – Very Good	realized	×		

VGP Park	name	Rentable space – Total *(in m²)*	Certification level	Certification status	Green bond		
					Apr. 2029	Jan. 2027	Jan. 2030
VGP Park Martorell	**ESPMAR – A**	**10,272**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Sevilla Ciudad de la Imagen	**ESPSEV – A**	**15,057**	**BREEAM – Excellent**	**ongoing**			×
VGP Park San Fernando de Henares	ESPSFH – C1	7,947	BREEAM – Very Good	realized			×
	ESPSFH – C2	5,165	BREEAM – Very Good	realized	×		
	ESPSFH – D1	11,453	BREEAM – Very Good	realized			×
	ESPSFH – D2	**27,579**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Valencia Cheste	ESPVAL – A	14,177	BREEAM – Very Good	ongoing			×
	ESPVAL – B	25,409	BREEAM – Very Good	ongoing			×
	ESPVAL – C	**26,696**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Zaragoza	ESPZAR – A	18,074	BREEAM – Very Good	realized			×
	ESPZAR – B	21,373	BREEAM – Very Good	ongoing		×	
	ESPZAR – C1	22,556	BREEAM – Very Good	realized			×
	ESPZAR – C2	13,616	BREEAM – Very Good	ongoing			×
	ESPZAR – D	**19,146**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Berlin	GERBER4 – M	17,328	DGNB – Silver	ongoing		×	
VGP Park Erfurt	**GERERF – A**	**26,214**	**DGNB – Gold**	**partially realized**			×
	GERERF2 – B	**41,815**	**DGNB – Gold**	**ongoing**			×
	GERERF3 – A	**29,182**	**DGNB – Gold**	**ongoing**			×
VGP Park Frankenthal	GERFRA – A	146,898	BREEAM – Very Good	ongoing			×
VGP Park Gießen Am alten Flughafen	**GERGAF – A**	**153,274**	**DGNB – Gold**	**ongoing**		×	
	GERGAF – B	**59,150**	**DGNB – Gold**	**ongoing**			×
VGP Park Göttingen	GERGOE2 – C	80,157	DGNB – Silver	realized		×	
VGP Park Halle	**GERHAL – B**	**26,847**	**DGNB – Gold**	**realized**		×	
	GERHAL – C	**37,932**	**DGNB – Gold**	**realized**		×	
	GERHAL2 – A	**15,245**	**DGNB – Gold**	**ongoing**		×	
VGP Park Wiesloch-Walldorf	**GERHDW – A**	**20,465**	**DGNB – Gold**	**ongoing**		×	
	GERHDW – C	**25,850**	**DGNB – Gold**	**ongoing**			×
VGP Park Hochheim	**GERHOH – A**	**12,024**	**DGNB – Gold**	**ongoing**		×	
VGP Park Laatzen	**GERLAA – A**	**55,401**	**DGNB – Gold**	**ongoing**		×	
	GERLAA – C	**51,261**	**DGNB – Gold**	**realized**			×
	GERLAA – D	**8,519**	**DGNB – Gold**	**realized**			×
VGP Park Leipzig	**GERLEI – C1**	**2,519**	**DGNB – Gold**	**realized**		×	
	GERLEI – C2	**2,379**	**DGNB – Gold**	**realized**			×
VGP Park Leipzig Flughafen	GERLFH – A	16,298	DGNB – Silver	ongoing		×	
VGP Park Lützellinden	**GERLUE – A**	**14,156**	**DGNB – Gold**	**realized**	×		
VGP Park Magdeburg	GERMAG – A	31,869	DGNB – Silver	realized	×		
	GERMAG – B	**42,368**	**DGNB – Gold**	**ongoing**	×		
	GERMAG – C1	**67,277**	**DGNB – Gold**	**ongoing**	×		
	GERMAG – F	**51,994**	**DGNB – Gold**	**ongoing**	×		

VGP Park	name	Rentable space – Total *(in m²)*	Certification level	Certification status	Green bond		
					Apr. 2029	Jan. 2027	Jan. 2030
VGP Park München	**GERMUE – A**	**56,874**	**DGNB – Gold**	**realized**	×		
	GERMUE – B	**81,549**	**DGNB – Gold**	**ongoing**	×		
	GERMUE – C	**48,471**	**DGNB – Gold**	**ongoing**		×	
	GERMUE – E	**39,352**	**DGNB – Gold**	**ongoing**			×
	GERMUE – F	**7,487**	**DGNB – Gold**	**ongoing**	×		
VGP Park Berlin Oberkrämer	**GEROBK – A**	**13,717**	**DGNB – Gold**	**realized**	×		
	GEROBK – B	**11,380**	**DGNB – Gold**	**ongoing**	×		
	GEROBK – C	**9,152**	**DGNB – Gold**	**ongoing**	×		
	GEROBK – D	**24,099**	**DGNB – Gold**	**ongoing**		×	
	GEROBK – E1	**6,554**	**DGNB – Gold**	**ongoing**			
VGP Park Rostock	GERROS – A	20,447	DGNB – Silver	ongoing			×
VGP Park Soltau	GERSOL – A	55,812	DGNB – Silver	realized	×		
VGP Park Berlin Wustermark	**GERWUS – A1**	**10,997**	**DGNB – Gold**	**realized**	×		
VGP Park Zagreb Lucko	HRVLUC – A	36,867	BREEAM – Very Good	ongoing		×	
VGP Park Budapest Aerozone	HUNBUD – A	29,853	BREEAM – Excellent	ongoing			×
	HUNBUD – B.1	10,787	BREEAM – Very Good	ongoing	×		
	HUNBUD – C1.1	**13,421**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Győr	HUNGYO2 – A	37,744	BREEAM – Very Good	ongoing			×
	HUNGYO2 – B	13,915	BREEAM – Very Good	ongoing	×		
VGP Park Kecskemét	HUNKEC – A	21,937	BREEAM – Very Good	ongoing	×		
	HUNKEC – C	**20,132**	**BREEAM – Excellent**	**ongoing**			×
VGP Park Calcio	ITACAL – A	23,303	BREEAM – Very Good	realized	×		
VGP Park Padova	ITAPAD – A	15,301	BREEAM – Very Good	realized	×		
	ITAPAD – B	7,246	BREEAM – Very Good	realized	×		
VGP Park Parma Lumiere	ITAPAR2 – A	5,710	BREEAM – Very Good	ongoing		×	
VGP Park Sordio	ITASOR – A	12,034	BREEAM – Very Good	ongoing			×
VGP Park Valsamoggia	**ITAVAL – A**	**6,679**	**BREEAM – Excellent**	**realized**	×		
	ITAVAL – B	16,106	BREEAM – Very Good	realized	×		
VGP Park Riga	LVARIG – A1	7,030	BREEAM – Very Good	ongoing			×
VGP Park Tiraines	LVATIR – A	28,816	BREEAM – Very Good	ongoing	×		
VGP Park Nijmegen	NLDNIJ – A	67,352	BREEAM – Very Good	realized			×
	NLDNIJ2 – B1B2	42,505	BREEAM – Very Good	ongoing			×
	NLDNIJ2 – B3B4	62,359	BREEAM – Very Good	ongoing			×
	NLDNIJ2 – C	35,052	BREEAM – Very Good	ongoing			×
VGP Park Roosendaal	NLDROO – A	41,960	BREEAM – Very Good	ongoing			×
	NLDROO – B	9,247	BREEAM – Very Good	ongoing			×
VGP Park Loures	**PRTLOU – A**	**12,785**	**BREEAM – Excellent**	**ongoing**			×
	PRTLOU – B	**7,096**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Montijo	**PRTMON – A**	**31,406**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Sintra	**PRTSIN – A**	**15,989**	**BREEAM – Excellent**	**ongoing**		×	
VGP Park Santa Maria da Feira	PRTSMF – A	29,813	BREEAM – Very Good	ongoing		×	

VGP Park	**name**	**Rentable space – Total** *(in m²)*	**Certification level**	**Certification status**	**Green bond**		
					Apr. 2029	**Jan. 2027**	**Jan. 2030**
VGP Park Arad	ROMARA – A	29,190	BREEAM – Very Good	realized	×		
	ROMARA – B	**40,081**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Brașov	ROMBRA – A	29,496	BREEAM – Very Good	ongoing	×		
	ROMBRA – B	33,886	BREEAM – Excellent	ongoing			×
	ROMBRA – E	9,556	BREEAM – Very Good	ongoing	×		
	ROMBRA – I	**17,477**	**BREEAM – Excellent**	**ongoing**			**×**
VGP Park Bucharest	ROMBUC – C	30,072	BREEAM – Very Good	ongoing	×		
	ROMBUC – D	**15,699**	**BREEAM – Excellent**	**ongoing**		**×**	
VGP Park Timisoara	ROMTIM2 – D	30,775	BREEAM – Very Good	ongoing		×	
	ROMTIM3 – E	**32,768**	**BREEAM – Excellent**	**ongoing**	**×**		
VGP Park Bratislava	SVKBRA – A	43,361	BREEAM – Very Good	ongoing	×		
	SVKBRA – F	57,328	BREEAM – Very Good	realized	×		
	SVKBRA – G	19,223	BREEAM – Very Good	ongoing	×		
	SVKBRA – H	18,365	BREEAM – Very Good	ongoing	×		
	SVKBRA2 – B	25,220	BREEAM – Very Good	ongoing		×	

Please refer to section *3.3 Sustainable Properties* and more specifically *3.3.2 Environmental certifications* for additional details on the Group's certification initiatives. The Group has also expressed an interest in updating its Green Finance Framework once the EU Taxonomy building classification is crystallised. An update on the EU Taxonomy progress, specifically also with regards to building certification can be found in section *4.1 EU Taxonomy*.

VGP Park Arad

4.2.5.3 Energy efficiency

The financing and/or refinancing of projects, investments and expenditures focusing on Energy Efficiency measures in existing or new (logistics) buildings, warehouses and technologies (insulation, LED relighting, motion detectors, energy monitoring tools etc.) and related services and products.

Properly sized heatpump installations instead of gas-powered heating help reduce the gas consumption of our buildings. Furthermore, such HVAC installations allow more easily to heat of cool different areas of the warehouse separately depending on occupancy and use. Automated controls further help optimize the operation of HVAC systems based on occupancy schedules and temperature settings in offices.

HVAC (Heatpumps) CAPEX

	Heatpumps (gas replacement)	Green Bond		
		Apr. 2029	Jan. 2027	Jan. 2030
GERBER3 – EF	×	×		
GERBER3 – H	×	×		
GERBIN	×	×		
GERBIS	×	×		
GERBOB	×	×		
GERGIN	×	×		
GERHOE	×	×		
GERLAA – A	×	×		
GERLAA – C	×	×		
GEROBK – C	×	×		
GEROBK – D	×	×		
GERROD – B	×	×		
GERSCH	×	×		
LVAKEK – A	×	×		
LVAKEK – B	×	×		
LVATIR – A	×	×		

For 2023 the Group is preparing further eco-efficiency improvements of the existing building portfolio, amongst others through a € 2 million refurbishment program which will be reflected in the green bond allocations in coming reporting periods. Details on the energy efficiency measures and related KPIs are discussed in more detail in section *3.4 improving eco-efficiency*.

4.2.5.4 Waste management

The financing and/or refinancing of projects, investments and expenditures which promote better recycling rates. The Group did not isolate any investments made specifically related to waste management. Please refer to section *3.4.6 Waste Management* for further information on the Group's water management user data and KPIs and water management improvement initiatives.

4.2.5.5 Clean transportation

The financing and/or refinancing of projects, investments and expenditures which promote clean transportation (electric vehicle charging stations, bike facilities, etc.). The Group has set the target to developing connectivity and sustainable mobility for each VGP Park to be equipped with EV charging and public transport access.

The reported investments in electric charging facilities in the VGP Parks in 2022 amounts to € 0.175 million in 4 VGP Parks locations. The Group is currently preparing reporting on the user/charging-data.

Developing connectivity and sustainable mobility within VGP Parks is one of the key ESG targets of the Group. Further details can be found in section *3.4.7 Develop connectivity and sustainable mobility*.

4.2.5.6 Sustainable Water Management

The financing and/or refinancing of projects, investments and expenditures which promote a sustainable water management (reduce freshwater consumption, capturing and recycling rain water, green roofing etc.). Selected eligible projects:

VGP Park	Project	Green Bond		
		Apr. 2029	Jan. 2027	Jan. 2030
VGP Park München	Infiltration basin south incl. plants/vegetation	×		
VGP Park Göttingen	Rainwater channels with rainwater retention basin	×		
VGP Park Giessen-Buseck	Use of rainwater for toilet facilities (cistern, piping, separation systems, technology) and Infiltration of rainwater in the rainwater retention basin	×		
VGP Park Magdeburg	Rainwater channels with large rainwater retention basin combined and connected (through transport trenches) with several smaller basins with overflow and throttling system	×		
VGP Park Roosendaal	Infiltration crates, installation built under building for water overflow and retention (independent of public sewerage)	×		
VGP Park Berlin	Entire green Roof for water retention and bio-diversity stimulation	×		
VGP Park Kladno	Rainwater channels with rainwater retention basin	×		
VGP Park České Budějovice	Rainwater channels with rainwater retention basin			

In 2022, the water management projects at Buseck, Magdeburg, Roosendaal and Berlin combined collected 105,000 m^3 of rainwater or of greywater on site, which were partially used for cleaning and for watering green spaces. The other projects were completed in 2022 and water management data will be reported over 2023.

Please refer to section *3.4.5 Water Management* for further information on the Group's water management user data and KPIs and water management improvement initiatives.

4.2.6 Independent third party's report on green bond criteria and indicators

VGP has commissioned Cicero Shades of Green, part of S&P Global, as a third-party reviewer to check the allocation against the Green Finance Framework criteria and impact metrics for relevance and transparency. The attestation on the information related to the allocation of funds from Cicero Shades of Green is available hereafter. The original document is also available on VGP's website.

VGP Park Laatzen

VGP External Review of Green Finance Reporting 2022

15 March 2023

CICERO Shades of Green has reviewed the elements of VGP's Corporate Responsibility Report 2022 ("Report") relating to its green financing activities. We review allocation against VGP's Green Finance Framework (dated March 2021, the "Framework") criteria, and impact metrics for relevance and transparency.

CICERO Shades of Green considers the allocations align with the Framework criteria. According to the Report, around 95% of assets in VGP's green portfolio are green buildings. The green buildings project category received a Light Green in our Second Party Opinion. On the basis of the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not, on the whole, representative of the Medium Green shading awarded to the Framework in our Second Party Opinion. Nonetheless, we note that, generally speaking, VGP demonstrates a more holistic approach to the climactic and environmental performance of the green buildings portfolio, for example, according to VGP, the green buildings produce more renewable energy than energy consumed and its analysis using the CRREM tool shows the green buildings portfolio aligns with CREMM's 1.5 degrees decarbonization pathway to 2050.

VGP provides transparent and relevant impacts for green buildings and renewable energy investments. It does not, however, report on impacts for allocations under the energy efficiency and clean transportation project categories, though it provides descriptions of such investments. While these are a very small share of overall allocations, this is considered a weakness of the Report.

Save that VGP does not report on impacts for all project categories, we consider the Report aligns with the core principles and recommendations contained in ICMA's Handbook – Harmonized Framework for Impact Reporting (June 2022).[1]

1 ICMA Handbook

Allocation

VGP has issued two green bonds under the Framework, totaling € 1.6 billion. The first, issued in March 2021, raised € 600 million, and the second, issued in January 2022, raised € 1 billion in two, € 500 million tranches. Allocation is reported as at 31 December 2022 with eligible assets in VGP's green portfolio totaling around € 2.05 billion.

CICERO Shades of Green considers the allocations aligned with the Framework criteria; for a more detailed review, please see Appendix 1.

The Framework was assigned an overall Medium Green in our Second Party Opinion, reflecting that, during the Second Party Opinion process, VGP noted that the main share of proceeds would be used for renewable energy projects and that proceeds would be used in a 'balanced' way.[1] Project categories were shaded Dark Green (renewable energy, waste management, clean transportation, and sustainable water and wastewater management projects), Light to Medium Green (energy efficiency) and Light Green (green buildings). Figure 1 sets out the allocations by Shade of Green, showing that around 95% of assets in VGP's green portfolio are green buildings. On the basis of the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not, on the whole, representative of the Medium Green shading awarded to the Framework. Nonetheless, we note that, generally speaking, VGP demonstrates a more holistic approach to the climactic and environmental performance of its green buildings portfolio. For example: i) the majority of VGP's green building investments exceed the minimum Framework criteria,[2] ii) according to VGP, the portfolio of green buildings produces more renewable energy than energy consumed, iii) VGP expects a substantial growth in these assets that align with the EU Taxonomy as a result of ongoing alignment reviews, and iv) according to VGP's analysis using the CRREM tool, the portfolio of green buildings aligns with CREMM's 1.5 degrees decarbonization pathway to 2050.

ALLOCATION BY SHADE OF GREEN

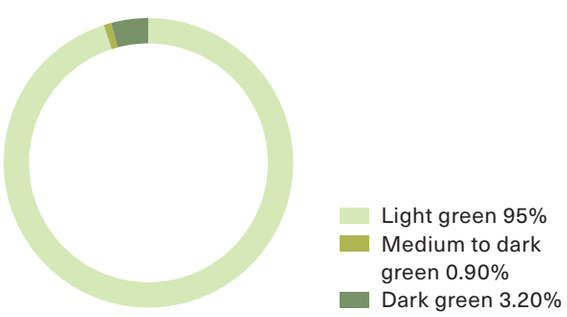


Figure 1: Allocation by SPO Shade of Green. Shading is based on evaluation at time of issuance and does not reflect ex-post project verification.

Impact metrics

VGP reports impacts as of 31 December 2022.

VGP provides transparent and relevant impact reporting for green building and renewable energy investments. It does not, however, report on impacts for allocations under the energy efficiency and clean transportation projects categories, though it provides descriptions of such investments. While these are a very small share of overall allocations, this is considered a weakness of the Report. For a more detailed review, please see Appendix 1.

For renewable energy investments, VGP reports impacts of for its 90 solar projects. More specifically, it reports i) installed capacity, ii) output, and iii) avoided emissions. For avoided emissions, VGP is transparent on the grid factor used, namely the average grid factor of the 14 European countries in which it operates. No impacts are reported for its one geothermal investment.

For green buildings, VGP lists the environmental certification for each financed building. While reporting on environmental certifications is a fair way to report impacts of green building investments, they are best reported alongside other metrics such as energy performance.

Terms

CICERO Shades of Green provides a review of VGP's reporting based on documentation provided by VGP and information gathered during teleconferences and e-mail correspondence with VGP. VGP is solely responsible for providing accurate information. All financial aspects of the sustainable finance reporting – including the financial performance of the bond and the value of any investments in the bond – are outside of our scope, as are general governance issues such as corruption and misuse of funds. CICERO Shades of Green does not validate nor certify the existence of the projects financed and does not validate nor certify the climate effects of the projects. Our objective has been to provide an assessment of the extent to which the bond has met the allocation and reporting criteria established in the Framework. The review is intended to inform VGP, investors and other interested stakeholders and has been made based on the information provided to us. CICERO Shades of Green cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Our review does not follow verification or assurance standards and we can therefore not provide assurance that the information presented does not contain material discrepancies.

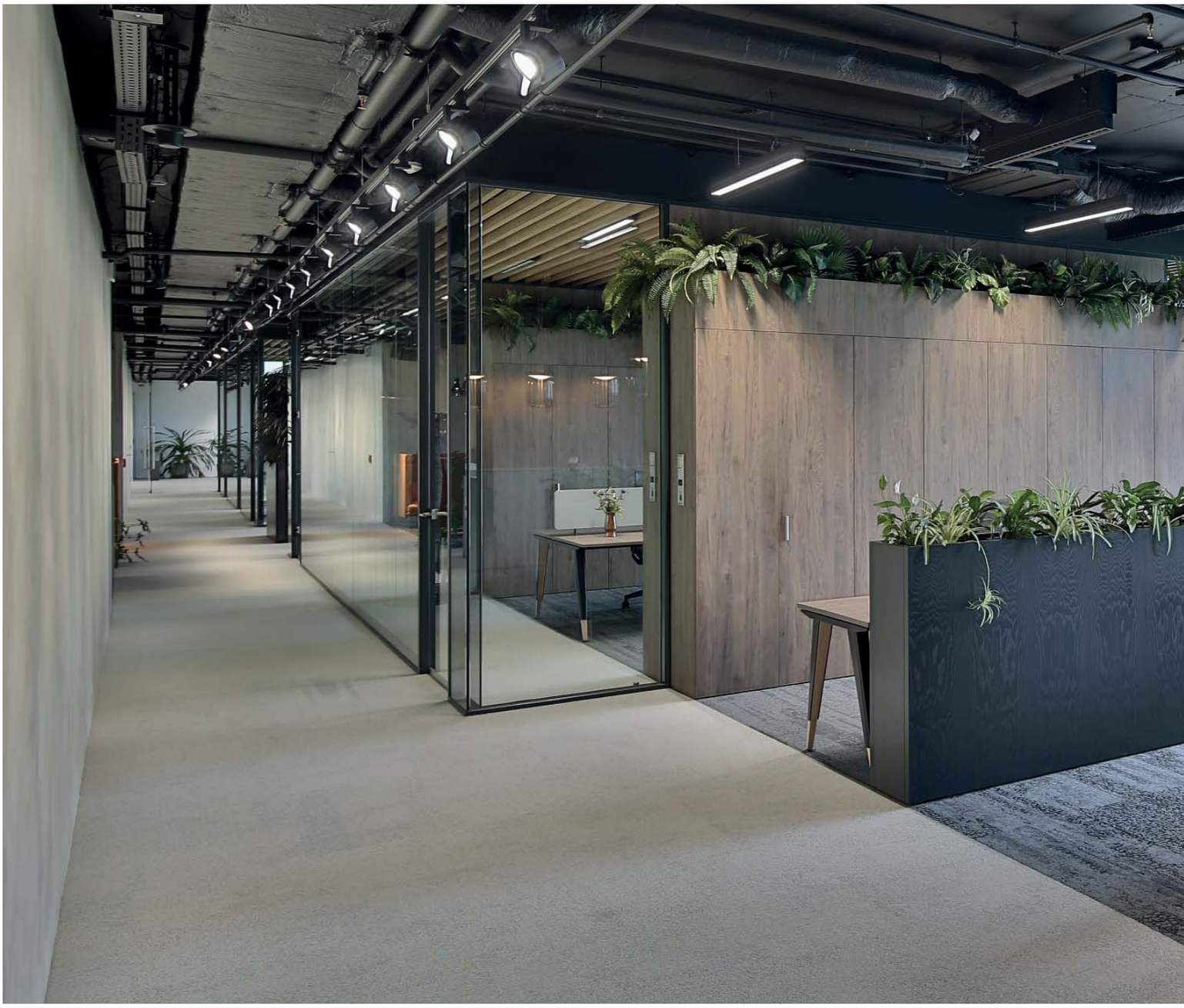
1 VGP – SPO

2 Around 54.5% of green buildings under the first bond, 90.5% of the first tranche of the second bond, and 78.1% of the second tranche of the second bond are (or expect to be) rated BREEAM Excellent, DGNB Gold or LEED Gold.

Appendix 1 – Detailed Review

Category	Description	Review against framework criteria	
Renewable Energy	• Projects, investments and expenditures in products, technologies and services ranging from the generation and transmission of energy to the manufacturing of related equipment including among others onshore and offshore renewable energy facilities. This includes among others solar, wind, hydro, and geothermal energy projects.	**No discrepancies identified** The projects financed under the renewable energy project category are solar panels and one geothermal heating project.	
Green Buildings	• Projects, investments, and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREAAM "Very Good" certification (or equivalent DGNB/LEED rating).	**No discrepancies identified** • VGP selected DGNB Silver and LEED Silver as equivalent to BREEAM Very Good. Investors should note there is no consensus about the equivalence of different certification schemes. • In any case, the Report states that 54.5% of green buildings under the first bond, 90.5% of the first tranche of the second bond, and 78.1% of the second tranche of the second bond are (or expect to be) rated BREEAM Excellent, DGNB Gold or LEED Gold. We welcome that the majority of VGP's green building investments exceed the Framework criteria.	
Energy Efficiency	• Projects, investments and expenditures focusing on energy efficiency measures in existing or new (logistics) buildings, warehouses. • Technologies (insulation, LED relighting, motion detectors, energy monitoring tools etc.) and related services and products, including installation	**No discrepancies identified** • According to the Report, investments under the energy efficiency category are LED investments, sun protection, and moving sensors to reduce energy consumption. VGP has also invested in 16 heat pumps which replace gas heating.	
Clean Transportation	• Electric vehicle charging stations. • Bike facilities.	**No discrepancies identified** • According to the Report, investments under the clean transportation category are electric vehicle charging facilities across four locations.	
Sustainable water and wastewater management	• Reduction of freshwater consumption. • Capturing and recycling rainwater. • Green roofing.	**No discrepancies identified** • The Report mentions different projects financed in this project category, such as the construction of rainwater channels with rainwater retention basin, the utilization of rainwater for toilet facilities, and the development of green roofs for water retention.	

	Impact Metrics	Relevance of metrics	Transparency considerations
	• Annual production capacity (KWp). • Total energy generated (MWh). • Avoided CO_2 emissions (tCO_2e).	✓ Metrics are relevant and production, capacity, and avoided emissions are listed as core indicators in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓ Production and avoided emissions are reported on a portfolio basis, while capacity is reported on a project basis. ✓ For avoided emissions, VGP uses the average grid factor of the 14 European countries in which it operates. Transparency on this is welcome. ✓ No quantitative impacts are provided for the geothermal heating project.
	• Environmental certification achieved or expected to be achieved.	✓ Certification standard is listed as a core indicator in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓ VGP reports environmental certification on a project basis. ✓ Given that environmental certifications do not guarantee, for example, a certain energy use, VGP could consider reporting on additional metrics such as energy use on an absolute and intensity basis.
	• N/A	✓ N/A	✓ VGP does not include qualitative impacts from its energy efficiency investments. We encourage VGP to report impacts for this project category, which should ideally align with the ICMA Handbook – Harmonized Framework for Impact Reporting (e.g., annual energy savings).
	• N/A	✓ N/A	✓ VGP does not include impacts from its clean transportation. While the Report includes general information about the number of VGP sites with electric vehicle charging, some more information about the precise investments under the Framework could be helpful.
	• Collected and reused rainwater/greywater (m^3)	✓ Water reuse is listed as a core indicator in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓ VGP reports on completed projects for this project category. Impacts for projects currently under construction will be reported following completion.



Additional information

5.1 VGP Reporting methodology

VGP uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. These methods are used to structure an environmental, social and societal management approach, track results and to inform its stakeholders about performance. The Group continuously improves its reporting tools and processes in order to fine-tune the quality and accuracy of its consolidated data. This enables the Group to manage its data collection processes more efficiently, track and analyse performance at all levels (park, country, group) on a regular basis, assess results against targets, and implement suitable corrective measures. The Group ESG reporting framework, which was fully updated in 2021 to cover the new scope of the Group operations against each of its ESG Strategy commitments.

5.1.1 Definitions, reporting values and scope

Indicators are expressed in absolute value or in the form of ratios to express efficiency and comparable trends. Intensity ratios are calculated using different types of denominators, depending on the type of information:

— Denominators related to floor area (m^2):
  – Square metres operated served with energy: the area of space supplied with asset-level managed energy (all tenant space). This denominator is used to calculate the energy efficiency of assets in operation (see Section *3.4.3 Energy management*) and the energy-related carbon intensity of operations in Scope 3 Downstream leased assets (category 13) (see Section *3.2.2 Carbon assessment*);
  – Total delivered area: total standing asset floor area delivered in a given year, including both warehouse, offices and parking-house areas. This denominator is used to calculate energy-related Scopes 3 carbon intensity of development operations – Category 1, Purchased Goods and Services

The information presented in Section *1.2.2 Summary of the Group's ESG achievements* cover VGP's consolidated scope – unless explicitly stated otherwise. 2022 is the second year that a complete report on ESG performance is being released. Exclusions from the reporting scope are specified in the description of each indicator or in footnotes where applicable.

All data is based on full-year 2022 performance with the exception of carbon calculations which are based on last reported carbon disclosure which is full-year 2021. The 2022 carbon calculations are currently being processed and expected to be released in the summer of 2023.

5.1.2 Identifying uncertainty with regard to the Group's carbon footprint

5.1.2.1 Scopes 1 and 2 emissions

Regarding Scope 1 and 2 emissions, the reporting methodology developed by the Group, the sources of the data used for calculation (invoices for energy consumption and published supplier data and country data for emissions factors) as well as the history track of Group data published (since 2019) ensure a certain level of reliability of the presented results. Margins of error may remain, linked to:

— The estimation of energy consumption in some invoices from energy suppliers, which may result in under or over-estimations. These are usually resolved during the following year; and
— The carbon emission factors provided by energy providers based on their energy mix: these factors are usually verified and made public, but may be released after VGP reporting closure date. In that case, the emission factor from the previous year is used, which ensures data consistency in the long-term.

Scope 3 emissions

Regarding Scope 3 emissions, processed information can only be partially managed. A qualitative analysis of margins of error is therefore presented hereunder for the two main areas of assets in operation and assets under construction.

Operation

Margins of error for energy sources non-managed by the Group (energy directly purchased and managed by the tenants) may be linked to energy consumption or to the carbon emission factors:

— Tenant energy consumptions for those assets that direct information is not available are calculated by using ratios from the Group's portfolio using segment benchmarking; and
— The exact energy mix each tenant is using is not known by the Group. To address this issue, the carbon emission factors are calculated based on conservative assumptions (residual emissions factors)

Construction

Margins of error may be related to:

— The assumption that a gross-up based on limited number of projects can be applied across the entire development portfolio. Although the VGP building standard is relatively uniform across all countries with a sustainable briefing as part of the VGP Building White Book is applicable to all development projects, differences per project remain which can influence overall embodied carbon calculations
— The quality of the environmental data used (Environmental Product Declaration);
— The quantities of materials used for each new development project; and
— The tracking of construction cost trends over time (economic ratios) based on a like-for-like approach.

5.2 Independent third-party's ESG assurance report

Independent assurance report on selected environmental, social and governance performance indicators published in the Annual Report of VGP NV/SA for the year ended 31 December 2021

To the board of directors

We have been engaged to conduct a limited assurance engagement on selected environmental, social and governance performance indicators ("Selected Information") published in the Annual report of VGP NV/SA ("the Company") for the year ending 31 December 2021. In preparing the Selected Information, VGP NV/SA applied the criteria of the GHG Protocol. The Selected Information needs to be read and understood together with the Applicable Criteria.

The Selected Information in scope of our engagement is identified via underlining of the values in chapter 3.2.2.2 *Results: Group carbon footprint* of the Annual Report 2022 and is included in below table:

Selected Information	Applicable Criteria
Scope 1 – in tnCO_2e	GHG Protocol
Scope 2 – in tnCO_2e (market & location based)	GHG Protocol

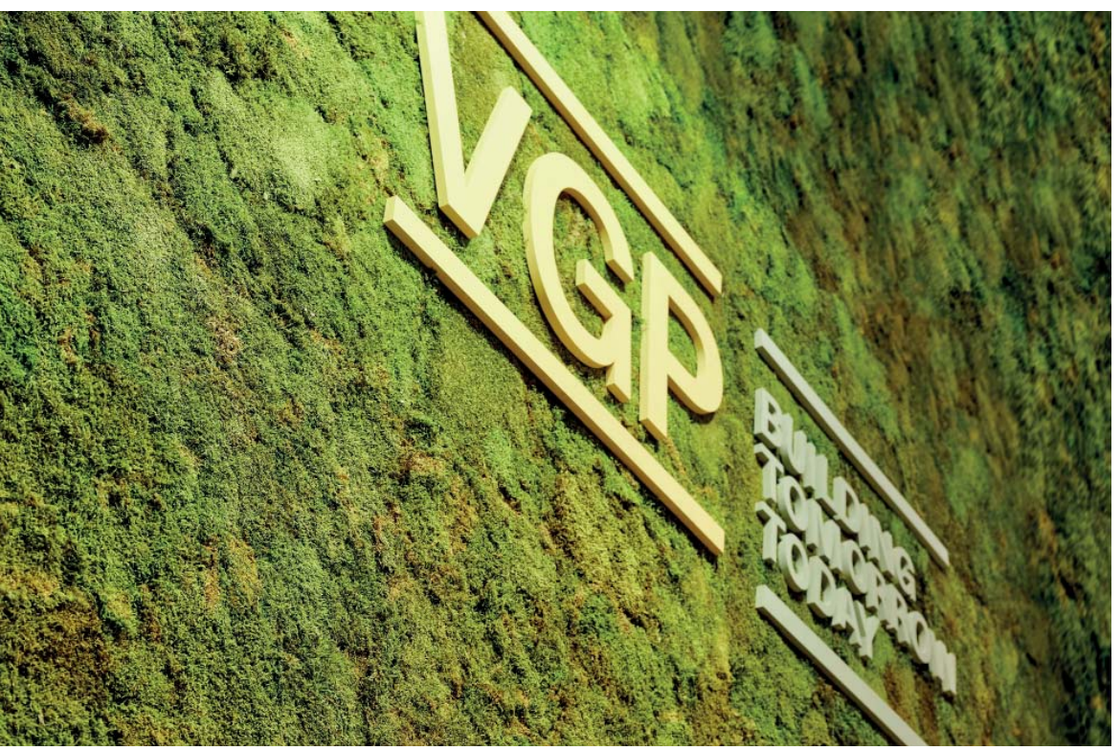
Based on our work as described in this report, nothing has come to our attention that causes us to believe that the abovementioned Selected Information identified via underlining of the values in chapter 3.2.2.2 *Results: Group carbon footprint* of the Annual Report of VGP NV/SA, has not been prepared, in all material respects, in accordance with the Appliable Criteria.

Responsibility of the board of directors

The board of directors of VGP NV/SA is responsible for the preparation of the Selected Information and the references made to it presented in the Annual Report as well as for the declaration that its reporting meets the requirements of Applicable Criteria.

The board of directors is also responsible for:

- Selecting and establishing the Applicable Criteria;
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria;
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error;
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services;
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.



Our responsibilities
Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by VGP NV/SA as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information identified via underlining of the values in chapter 3.2.2.2 *Results: Group carbon footprint* of the Annual Report and not all information included in the Annual Report. The limited assurance on the Selected Information was only performed on the Selected Information covering the year ending 31 December 2021.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following key procedures:

— Obtaining an understanding of the Company's business, including internal controls relevant to collection of the Selected Information. This included inquiry with VGP NV/SA's management responsible for operational performance in the areas responsible for the data underlying the Selected Information;
— Considering the risk of material misstatement of the Selected Information;
— Performing analytical procedures;
— Recalculation of relevant formula's used in manual calculations and assessment whether the data has been appropriately consolidated;
— Assessing management's assumptions and estimates;
— Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of the Selected Information.

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This includes the verification that there are no conflicts of interest with this assurance engagement.

Inherent limitations of the Selected Information
We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organizations and from year to year within an organization as methodologies develop.

Use of our report
This report is made solely to the board of directors of VGP NV/SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the board of directors those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and its board of directors, we acknowledge that the board of directors may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than VGP NV/SA and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Signed in Zaventem, 31 March 2023
The auditor
Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Sofian Milad

Corporate directory

VGP NV

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Enterprise number: 0887.216.042

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Lyon, Paris, **France**
Düsseldorf, **Germany**
Győr, Budapest, **Hungary**
Segrate (Milan), **Italy**
Riga, **Latvia**
Luxembourg, **Luxembourg**
's-Hertogenbosch, **The Netherlands**
Porto, Lisbon, **Portugal**
Bucharest, **Romania**
Belgrade, **Serbia**
Bratislava, **Slovakia**
Barcelona, Madrid, Zaragoza, Sevilla, Bilbao, **Spain**
Fredericia, **Denmark**

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 Gade-Butzlaff
Non-Executive (Independent) Director

Financial Auditor

Deloitte

Share code
VGP is listed on Euronext Brussels
ISIN: BE0003878957

VGP NV is a member of
the FTSE EPRA Nareit Global
Developed Index and the
Euronext ESG index

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

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