VGP

Corporate Biodiversity Policy

www.vgpparks.eu

Letter from the CEO

Version 2 / 8 March 2024

Dear colleagues,
At VGP, we recognize the importance of preserving biodiversity for the well-being of our planet and future generations.

Achieving sustainable development which delivers economic growth whilst simultaneously allowing nature to thrive, is both the greatest challenge and opportunity of our generation. As a result, we have come to realise that a biodiversity strategy is an essential tool for us to guide us in our actions in a rapidly evolving world.

First and foremost, as a logistics real estate developer, we have a responsibility to minimize our impact on the environment by being restrictive on the land locations we select based on our environmental due diligence. At the same time, we can contribute to the conservation of biodiversity in the areas where we operate. Virtually all the projects we work on involve landscaping of some sort. This can range from the large-scale planting of trees, shrubs, ornamental beds and grassed areas, to green roofs and facades, and smaller green features – but almost all represent potential ecology gain.

To underline this importance, we are pleased to present, following the publication of our Biodiversity strategy in 2023, a Biodiversity Policy, which, over and above our Environmental Management System, outlines our commitment to preserving and enhancing biodiversity in our parks. The strategy highlights biodiversity potential, and setting in motion a new, strengthened governance framework to:

— Identify those parks most in need of ecological enhancement and protection;
— Ensure better implementation of ecological improvements in our parks and track progress;
— Improve knowledge within the Group and our partners;
— Transparency on financing and investments in biodiversity initiatives;
— Better respecting nature in public and business decision-making;
— Assert compliance with EU Taxonomy "Do No Significant Harm" requirement in respect of protection and restauration of biodiversity and ecosystems

Furthermore, through the VGP Foundation, concrete commitments and actions will continue to be presented, to put in place effective restoration measures to restore degraded ecosystems, in particular those with the most potential to capture and store carbon and to prevent and reduce the impact of natural disasters.

By implementing these various best practices, we aim to minimize the impact of our operations on wildlife and ecosystems.

Best regards,

Jan Van Geet
CEO VGP N.V.

A brief introduction

Biodiversity is, simply put, the variety of life on earth. It encompasses the full spectrum of living things, from the tiniest of species all the way up to vast ecosystems that span continents. When we think about biodiversity, we might picture the huge range of ecosystems the world contains, from coral reefs to jungles to grasslands. We might conjure up images of exotic animals from nature documentaries, vistas we have seen whilst travelling or creatures we have encountered in our own gardens. This wealth of life has an intrinsic value: most people will never see a blue whale, but many would agree that they are glad they exist. There is a clear importance beyond this: collectively biodiversity forms the natural systems which are essential for supporting human life. As individuals, as societies and as the organisations we represent, we all receive a wide range of benefits from biodiversity, known as ecosystem services. Some of these benefits are obvious, for example, the healthy soils critical to producing natural plant fibres depend on a diverse community of soil organisms. Other benefits are more subtle and indirect, for example we may not be aware that a wetland prevented a major flood, protecting homes, farms and factories, all critical to ensuring that global supply chains function smoothly.

We as VGP have agreed on goals, principles and targets for biodiversity and nature including through our affirmation of the Sustainable Development Goals (SDGs). Protecting biodiversity is a theme that underpins the delivery of the SDGs. Another important example is the United Nations Convention on Biological Diversity (CBD).

This assessment will help safeguard the Do Not Significant Harm (DNSH) criterium '**Protection and restoration of biodiversity and ecosystems' under EU Taxonomy**, and in cases of an substantial biotope investment assist in determining a potential significant contribution under the Taxonomy (of the biotope investment as a single measure, 1.1 – Conservation, including restoration, of habitats, ecosystems and species). The purpose of project specific assessment 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.
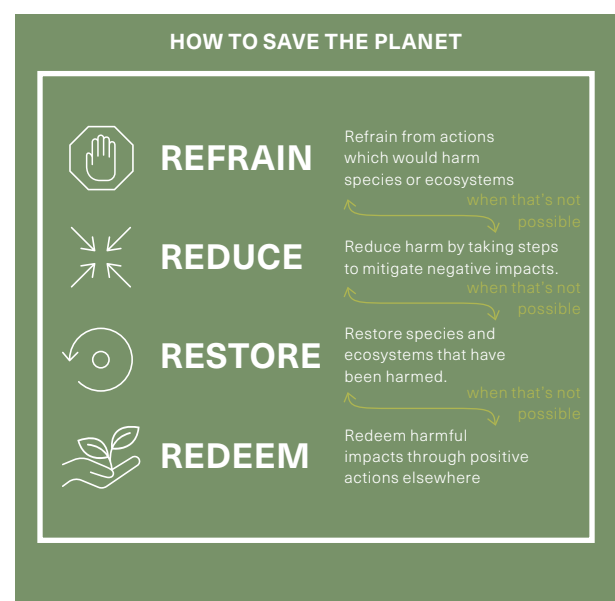
1 IPBES: Global assessment on biodiversity and ecosystem services 2019 (**https://www.ipbes.net/global-assessment**)

VGP's Conservation Hierarchy

VGP uses the Conservation Hierarchy[1] in terms of categorising the different actions the Group will endeavour to take.

THE CONSERVATION HIERARCHY[2]

HOW TO SAVE THE PLANET

REFRAIN — Refrain from actions which would harm species or ecosystems

when that's not possible

REDUCE — Reduce harm by taking steps to mitigate negative impacts.

when that's not possible

RESTORE — Restore species and ecosystems that have been harmed.

when that's not possible

REDEEM — Redeem harmful impacts through positive actions elsewhere

1 **https://www.cisl.cam.ac.uk/system/files/documents/ developing-a-corporate-biodiversity-strategy.pdf**
2 **https://www.cbd.int/doc/strategic-plan/ Post2020/postsbi/biodiversify1.pdf**

VGP Corporate Biodiversity Policy

To use the hierarchy, the Group has identified the impact pathways we wish to address. Through collaboration across the organisation, including the ESG team, architects, the technical and commercial teams, a range of potential actions for impact mitigation have been identified for each stage of the hierarchy. A robust strategy has been created by introducing actions from each stage of new land acquisitions, developments and the standing portfolio, identifying that the avoid and minimise stages are more effective, less likely to fail and often more cost effective than the later stages of restore and offset.

The hierarchy has helped the Group to focus the efforts on highest impact and help understand how different actions can collectively mitigate biodiversity impacts.

THE VGP BIODIVERSITY CONSERVATION HIERARCHY:

| Stages	Actions
Refrain	1. avoid new developments on land matching the definition of protected forest as set out in the national law and used in the national greenhouse gas inventory 2. avoid new developments on greenfield land with 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
Reduce	3. minimise 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 (maximize use of brownfields) 4. maximize efficiency of existing land usage and buildings, thereby reducing the space needed for operational activities[1] 5. minimise water usage through water-efficient usage 6. reduce the negative impact of new developments by taking measures to protect local biodiversity
Restore	7. increase the positive impact of new developments by taking measures to protect and enhance local biodiversity 8. collaborate across stakeholders to support ecological improvement and restoration in existing VGP Parks
Redeem/offset	9. support the VGP Foundation to continue to execute projects which protect species or ecosystems 10. work with local municipalities to create biotopes to conserve natural habitats under local stewardship schemes

1 As defined under EU Taxonomy DNSH - Protection and restoration of biodiversity and ecosystems.

Ecology planning scenarios for new VGP parks

In addition to the biodiversity due diligence as part of the land acquisition, all development projects with a biodiversity value 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. Such assessment needs to be completed in accordance with the this Biodiversity Policy. Where an assessment has been carried out, the required mitigation and compensation measures for protecting the environment are to be implemented. This assessment will help safeguard the Do Not Significant Harm (DNSH) criterium under EU Taxonomy, and in cases of an substantial biotope investment assist in determining a potential significant contribution under the Taxonomy (of the biotope investment as a single measure).

ECOLOGY PLANNING DIAGRAM FOR NEW VGP PARKS[1]
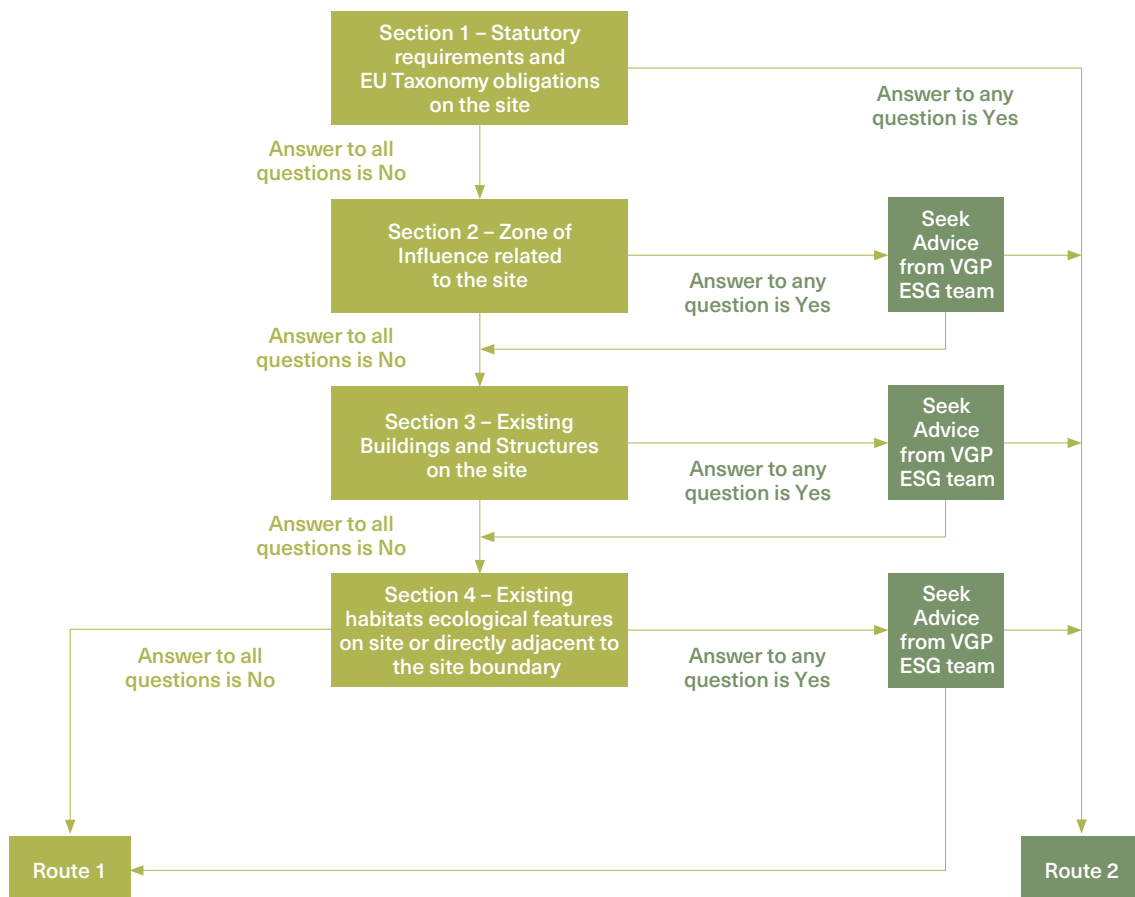
1 Based on BREEAM Ecological assessment guidance:
   https://files.bregroup.com/breeam/guidancenotes/GN34_BREEAM_CEEQUAL_HQM_Ecology_Risk_Evaluation_Checklist_v0.0.pdf

To address the opportunity for parks with no significant biodiversity stake and for which no professional expertise is required, an to ecology assessment – Route 1 – is still required.

ROUTE 1 ASSESSMENT

In Route 1 assessments, a designated team member with ecological knowledge will be responsible for ecology issues, supported by detailed BREEAM guidance developed for this purpose, and input from the VGP ESG team and local experts. For additional information please refer to Guidance Notes 34 and 36 (**www.breeam. com/discover/resources/technical/**)

By implementing the following measures, preferably aligned with a local ecologist even though there are no statutory or certification-linked requirements, a VGP Park can contribute to the conservation of local biodiversity and support sustainable development practices:

— **Plant native trees and vegetation:** Planting native plants and trees can provide habitats for local wildlife, including birds, bees, and butterflies. It can also help improve air quality and reduce stormwater runoff.
— **Install birdhouses and bird feeders:** Installing birdhouses and bird feeders can provide additional habitats for birds and encourage them to visit the building's surroundings.
— **No pesticide use:** Limiting the use of pesticides and opting for natural pest control methods can help reduce the negative impact on the ecosystem and minimize harm to beneficial insects and animals.
— **Provide nesting boxes for bats and other small animals:** Providing nesting boxes for bats, squirrels, and other small animals can help create habitats for them and support local biodiversity.
— **Green flower zones:** Green flower zones can provide habitats for insects and birds and provide soft value to building users.
— **Branch banks and wood piles:** Prunings and other branch wood from trees can be stacked loosely on top of each other to form branch piles. Branches can also be stacked lengthwise, possibly between rows of stakes. The height of the embankment is usually between one and one and a half metres providing nesting, food and shelter for birds and small mammals.
— **Install beehives:** install beehives and create natural ecosystems with gardens to increase bee populations and green areas in the locations.
— **Install water features:** Installing bird baths or small ponds can provide a water source for wildlife and help create habitats for amphibians and insects.
— **Reduce lighting at night:** Minimizing outdoor lighting at night can help prevent the disorientation of nocturnal animals and minimize light pollution.

ACTUAL EXAMPLES OF ROUTE 1 BIODIVERSITY INITIATIVES UNDERTAKEN IN VGP PARKS

ROUTE 2 ASSESSMENT

Route 2, for all other projects, will continue to need professional input and remains an option in all cases.

Taxonomy
for existing parks

Although nearly all our parks are certified according to BREEAM or DGNB, which provides basic safeguards for restoration and protection of biodiversity, the Group developed an additional ecosystem enhancement safety measure. The implementation of this measure is driven by: the aim to align the portfolio with EU Taxonomy regulation, including the biodiversity and ecosystem protection criteria, as well as, our continuous improvement philosophy within the scope of the Group's Environmental Management System (which has been based on ISO 14001 standards), and the Group's Biodiversity assessment framework (see for more information the Group Biodiversity Policy available on the Group website[1])

As such additional priority improvement measures may be identified in existing portfolio and are already being implemented in three of the Group's existing parks. For those parks, specific measures have been suggested for each based on local tailored ecology studies. This work is now underway in two of the three identified parks and works are expected to start in the third park in the course of 2024. The aim is to increasing the use of "green" spaces, either through enhancing existing green structures into biotopes or through enhancements such as green roofs, green walls, green parking lots.

[1] ?

**VGP biodiversity taxonomy
for existing parks**

— Less than 500 meters to natura2000
area and park adjacent to forest or
asset location identified by municipality
as of ecological importance
— less than 1,000 meters to natura2000
site and adjacent to arable land but not
recognized as of high biodiversity value
— less than 500 meters to natura2000
site but plot itself only bounded
by other semi-industrial sites
— Less than 1,000 meters to natura2000
site or adjacent to arable land but not
recognized as of high biodiversity value
— Other

**Categorisation of VGP
biodiversity initiatives**

Combined identified initiatives
achieve a substantial contribution
under EU Taxonomy Biodiversity
and ecosystems criterium

Combined identified initiatives
achieve DNSH under EU
Taxonomy Biodiversity and
ecosystems criterium

Specific ecologically tailored
measures have been taken
in order to enhance local
ecosystems based on a biotope

Green roof or green façade

Other significant ecological
mitigation measures

REPORTING

The aim is to report annually on the
initiatives deployed and the amount of
money invested. The Group will endeavour
to report on additional KPIs in order to
provide better visibility on the results of
the initiatives employed (square meters
of biotope created, type of flora or fauna
benefiting, number of trees planted,
number of animals/birds spotted, etc).

Appendix

For an overview of local animal species and population in the nearest Nature2000 site please refer to the following webportal (Standard Data Form of the Natura2000 site): **https://natura2000.eea.europa.eu/** Example report: **https://natura2000.eea.europa.eu/ Natura2000/SDF.aspx?site=NL2014038**

Issues related to wildlife, endangered species, ecosystem services, habitat management, and relevant topics.

Biodiversity refers to the variety of all plant and animal species.

Habitat refers to the natural environment in which these plant and animal species live and function.