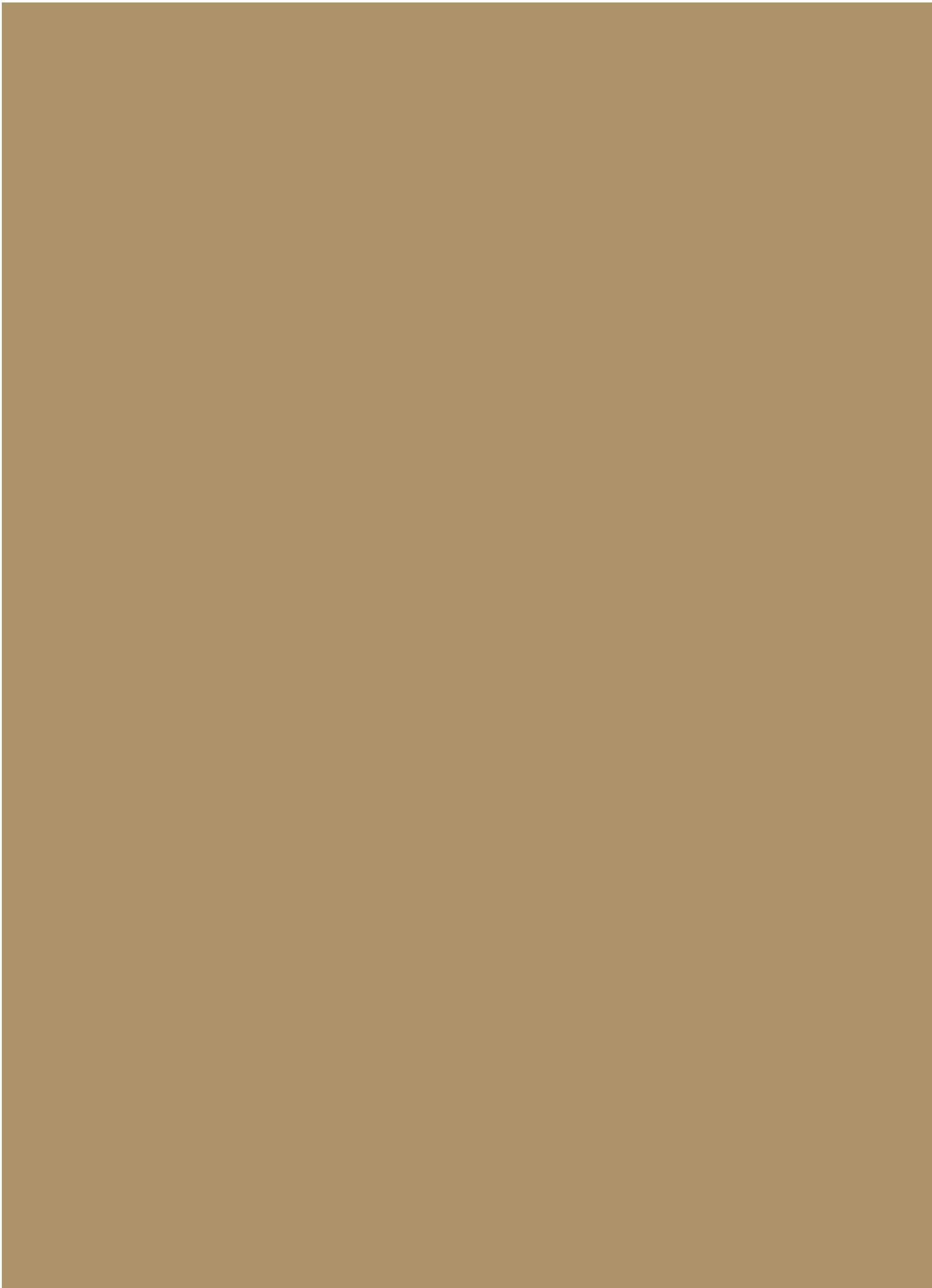




Corporate 2030 Biodiversity Strategy

www.vgpparks.eu



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Letter from the CEO

Version 1.1 / 26 June 2023

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

Biodiversity, the living component of nature, is under threat; globally biodiversity is undergoing a precipitous decline, with many contributing and interacting drivers. Businesses and society will suffer if this rate of decline continues, not least because the goods and services provided by biodiversity are essential for the stability and resilience of production systems across the world.

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 our Corporate 2030 Biodiversity Strategy, 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.

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.

Biodiversity is currently undergoing a precipitous decline. The most robust global assessment to date estimates that one million plant and animal species are currently at risk of extinction.¹ This problem is not due to a single threat but is rather the combination of many separate impacts acting together, from global threats like climate change and pollution, to the more localised threats of poaching and habitat destruction.

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).

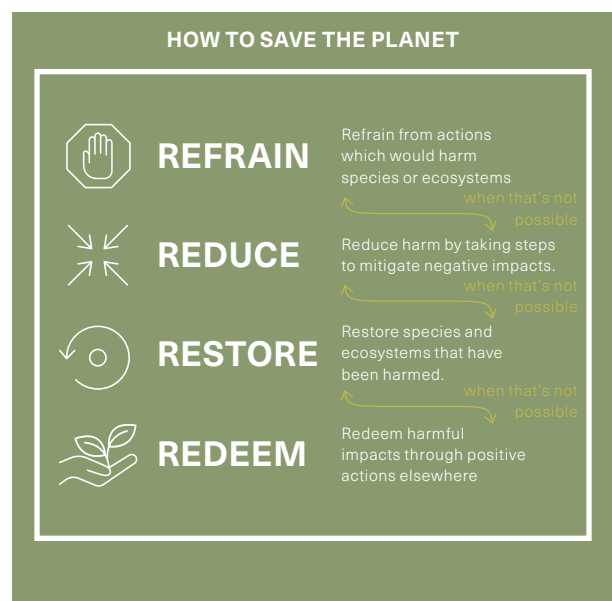
¹ IPBES: Global assessment on biodiversity and ecosystem services 2019 (<https://www.ipbes.net/global-assessment>)



VGP's Conservation Hierarchy

VGP uses the Conservation Hierarchy¹ in terms of categorising the different actions the Group will endeavour to take.

THE CONSERVATION HIERARCHY²



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>

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:

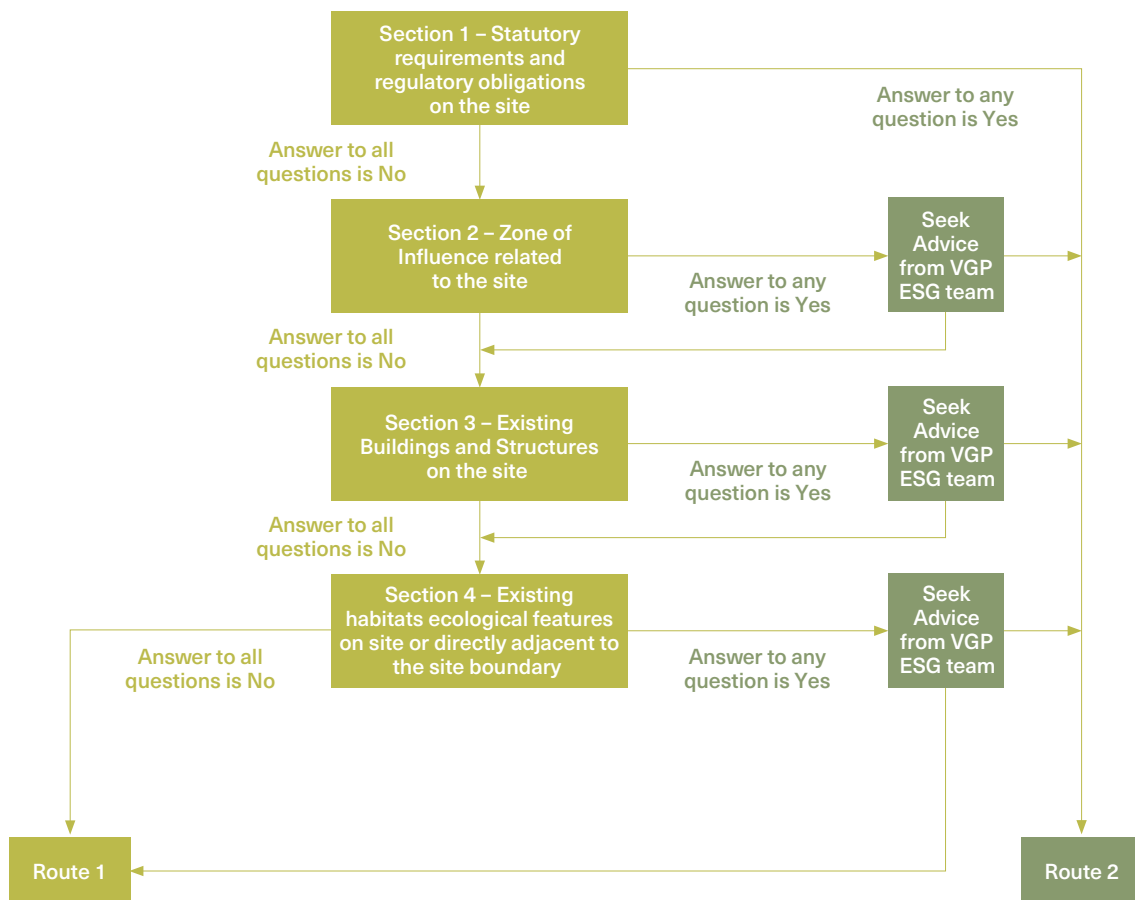
Stages	Actions
Refrain	<ol style="list-style-type: none"> 1. avoid new developments on land matching the definition of protected forest as set out in the national law and used in the national greenhouse gas inventory 2. avoid new developments on greenfield land with high biodiversity value and land that serves as habitat for endangered species (flora and fauna) as listed on the European Red List or IUCN Red List
Reduce	<ol style="list-style-type: none"> 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 5. minimise water usage through water-efficient usage 6. reduce the negative impact of new developments by taking measures to protect local biodiversity
Restore	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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

Ecology planning scenarios for new VGP parks

Whilst for many new VGP Parks an ecologist is involved from the start for other projects the ecological value and potential gain are smaller and an ecologist is not necessarily involved from the beginning. In order to assess also these parks for potential biodiversity gains an ecology assessment of the need to involve a professional ecologist on a project should be conducted.

The plan is for all new projects, irrespective of location to consider the ecological risks and opportunities as, even for example for small last-mile urban logistics developments or brownfield refurbishments, ecology-related risks and opportunities albeit limited can enhance the local environment. Such assessment can be conducted by following this flow diagram.

ECOLOGY PLANNING DIAGRAM FOR NEW VGP PARKS¹



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, a new route to ecology assessment – Route 1 – has been introduced.

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





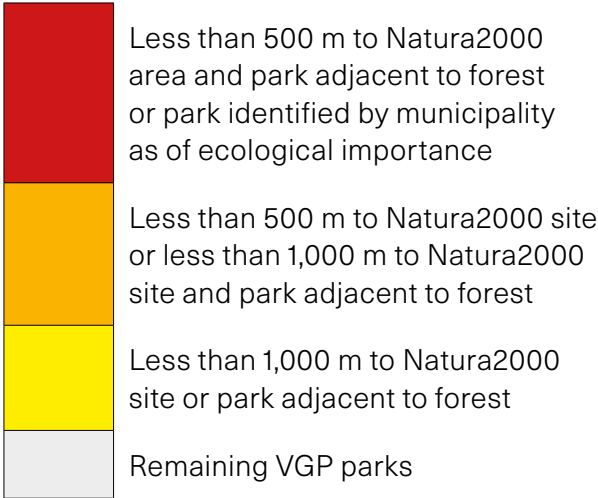
ROUTE 2 ASSESSMENT

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



Improving biodiversity of existing parks

In order to prioritize our efforts where these are most beneficial to enhancing local biodiversity, we have developed a tool to identify the biodiversity stakes of all of VGP’s existing parks. This tool will be updated at least once per year and grades our parks into four categories in relevance of biodiversity stake, taking into account the distance to Natura2000 sites, the distance to natural forests and locations which are identified by municipality as of ecological importance.






<https://natura2000.eea.europa.eu/#>

IMPLEMENT BIODIVERSITY INITIATIVES IN 100% OF THE PARKS WITH HIGH BIODIVERSITY STAKES

Our aim is to have biodiversity initiatives rolled-out at least in all of our VGP parks with high biodiversity stakes and increase the coverage of biodiversity initiatives for other parks taking into account the biodiversity relevance. Depending on the available space and planning permits a biotope can be realised. As of 31 December 2022 for 15 out of the 21 high biodiversity stake parks a biotope has been realised or is being developed whilst for a further 3 other sites a green roof or façade is built and for another 2 other significant ecological mitigation measures have been taken. For the remaining parks with high biodiversity stakes without significant existing measures other biodiversity initiatives are considered.

For facility management to consider, most suitably at a moment of minor other refurbishment taking place, the biodiversity initiatives set out in the section on 'Ecology and planning scenario's' can be considered to advance the local biodiversity of the park.

Categorisation of VGP biodiversity initiatives

	Biotope
	Green roof or green facade
	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.



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