

VGP

BUILDING
TOMORROW
TODAY

Sustainable Finance Framework 2025



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1 VGP Overview



1 VGP Overview

1.1 Introduction

VGP (www.vgpparks.eu) is a pan-European pure-play logistics real estate group specializing in the acquisition, development, and management of logistic and light industrial real estate. The Group focuses on strategically located plots of land across key European markets, including Germany, the Czech Republic, Spain, the Netherlands, Denmark, Slovakia, Hungary, Romania, Austria, Italy, Latvia, Portugal, Serbia, France and Croatia and recently also the UK.

These locations are selected to support the development of logistic business parks of significant size, enabling VGP to build an extensive and well-diversified land bank at top locations.

The Group combines its expertise in land acquisition, project conceptualization, design, construction, and property management within a fully integrated business model. This approach ensures that VGP can deliver and manage high-end logistics real estate and ancillary offices, either for its own portfolio or in collaboration with its Joint Ventures. These assets are subsequently leased under long-term commercial agreements that prioritize sustainable and green leasing practices.

As part of its commitment to sustainable building practices, VGP has integrated renewable energy solutions into its offering. Through its VGP Renewable Energy business line, the Group supports tenants and stakeholders by providing tailored renewable energy solutions, including solar energy installations and other innovative projects. This initiative reflects VGP's dedication to creating energy-efficient and sustainable logistic parks that benefit both clients and the environment.

With an in-house team of 380 professionals (as of 31 December 2024), VGP oversees all aspects of its operations, from land identification and acquisition to construction supervision, tenant engagement, and property management. The Group's focus on prime locations near densely populated or industrial centers, combined with optimal access to transport infrastructure, underpins its growth strategy.

As of 31 December 2024, VGP's portfolio (in full ownership, including assets developed on behalf of its Joint Ventures) was valued at € 2,103 million and consisted of:

- 48 completed buildings with a total lettable area of over 1,373,000 m² (€ 879 million),
- 33 buildings under construction representing 736,000 m² of lettable area (€579 million), and
- Remaining development land amounting to € 645 million.

The Joint Ventures portfolio, valued at € 5,734 million, included 194 completed buildings with a total lettable area of over 4,602,000 m². Together, VGP (own and Joint Ventures' portfolio) holds a secured development land bank of 8.7 million m², representing a development potential of more than 3.6 million m² of future lettable area.

For further details, please refer to Group Integrated Annual Report 2024, sections Strategy – Renewable Energy and Business Review – Land Bank Evolution.

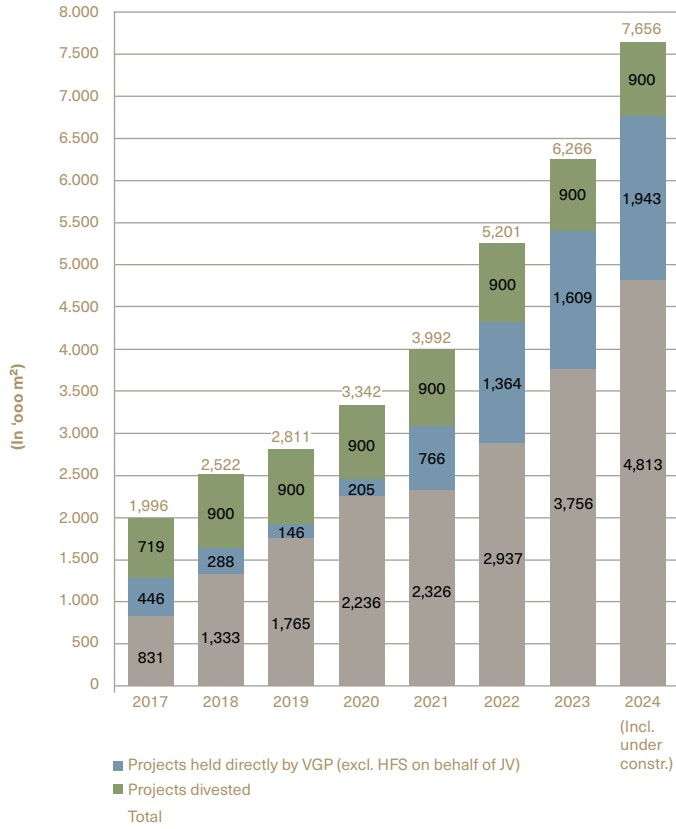
Driving resilient portfolio growth...

Evolution of the Group's committed annualised rent income and number of lease contracts (Including Joint Ventures at 100%) over the past years.



The historical evolution of the Group's accumulated completed gross leasable area (including assets divested and sold into the Joint Ventures a 100%) during the past years has been as follows:

(accumulated doesn't need to be in special format it is just to show you what is changed).



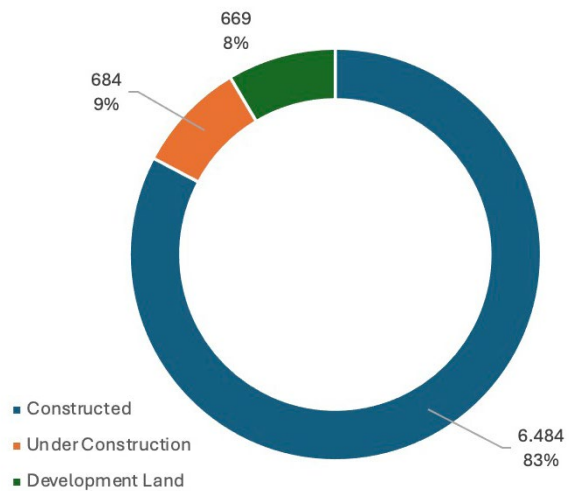
Resulting in diversified investment portfolio...

Investment Portfolio breakdown by Country (incl JV at 100%) 31 December 2024 (in € mm)



- Austria € 247,218 mn - 3%
- Czech Republic € 909,701 mn - 12%
- Croatia € 29,529 mn - 1%
- Denmark € 21,381 mn - 1%
- France € 125,992 mn - 2%
- Germany € 4087,047 mn - 52%
- Hungary € 320,808 mn - 4%
- Italy € 200,921 mn - 3%
- Latvia € 101,636 mn - 1%
- The Netherlands € 332,176 mn - 4%
- Portugal € 95,933 mn - 1%
- Romania € 313,86 mn - 4%
- Slovakia € 315,714 mn - 4%
- Serbia € 101,013 mn - 1%
- Spain € 634,217 mn - 8%

Investment Portfolio breakdown by status (incl JV at 100%) 31 December 2024 (in € mm)



1.2 VGP Strategy

VGP's goal is to be a leading pan-European logistics real estate group specialised in the acquisition, development, and management of logistic real estate, i.e. buildings suitable for logistical purposes and light industrial activities.

The Group focuses on (i) strategically located plots of land suitable for development of logistic business parks of a certain size, so as to build up an extensive and well-diversified land bank and property portfolio on top locations; (ii) striving to optimise the operational performance of the portfolio and the activities of our tenants through dedicated teams which provide asset-property and development management services; (iii) growing the different strategic partnerships entered into with Allianz, Deka, Areim or with other local partners and (iv) implementation of its ESG strategy, by amongst others, offering solutions and acting as an enabler to help the Group's tenants and other stakeholders in their green energy transition through the roll-out of the renewable energy business line.

These elements should allow the Group to provide attractive return for our shareholders through progressive dividend and net asset value growth over time.

Development activities and portfolio ancillary services

Development activities

Greenfield and brownfield developments are the core activity of the VGP Group. Brownfield developments are gradually becoming more important as greenfield developments in some targeted prime locations become increasingly scarce. Developments are undertaken primarily for the Group's own account and to a lesser extent for the Joint Ventures.

The Group pursues a growth strategy in terms of development of a strategic land bank which is suitable for the development of turnkey and ready-to-be-let logistic projects. The plots are zoned mainly for logistic or semi-industrial activities. The management of VGP is convinced that the top location of the land and the high-quality standards of its real estate projects contribute to the long-term value of its portfolio.

The Group concentrates on the sector of logistics and light industrial accommodation projects situated across Continental Europe. The Group operates in 18 European countries, in 15 of which the Group already carries out development activities or holds a development pipeline for future development activities.

High quality projects are always developed on the basis of VGP building standards, with adaptations to meet specific requirements of future tenants but always ensuring multiple purpose use and easy future re-leasability. In their initial phase of development, some projects are being developed at the Group's own risk (i.e., without being pre-let). The Group has recently taken preliminary first steps into the potential of data center developments, initially targeting opportunities within its existing land bank.

The constructions, which respond to the latest modern quality standards, are leased under long-term lease agreements to tenants which are active in the logistic, semi-industrial or e-commerce sector, including storing but also assembling, reconditioning, final treatment of the goods before they go to industrial clients or retailers. The land positions are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

Portfolio ancillary services

The Group provides property management, asset management and facility management services to its portfolio and the Joint Ventures (see below).

Property management services are exclusively provided to the Group's own portfolio and the Joint Ventures whereby the respective Group property management company is responsible for managing the proper and undisturbed operation of the buildings. As part of its offered services the VGP property management companies also provide project management services and leasing services.

The asset management services entail giving advice and recommendations to the Joint Ventures on the Joint Ventures' asset management and strategy, thereby optimising the value of the Joint Ventures' assets. As part of the provided services, VGP is responsible for standard corporate administration, financing, business planning, reporting, budgeting, management of tax and legal affairs, controlling, etc.

Facility management services are carried out in the local countries by specific dedicated teams which are focused on managing the proper and undisturbed operation of the buildings and performing or manage all actions such as maintenance services, waste management services, maintenance greenery that may be necessary in this respect.

Other services include providing green energy generated through roof-fixed solar panels, smart energy management and green electric charging facilities and infrastructure. (see below)

Renewable Energy

VGP Renewable Energy offers a broad array of renewable energy solutions for warehouses, including solar, wind and thermal, as well as integrators for storage and distribution. We offer green energy to our tenants, produced on site or off site, with our own photovoltaic systems. This is provided via lease or Power Purchase Agreements. We aim to offer our clients a tailor-made green energy solution, which is typically offered through photovoltaic systems on the roof of our VGP Parks, yet also with the ability to offer green energy which is sourced elsewhere.

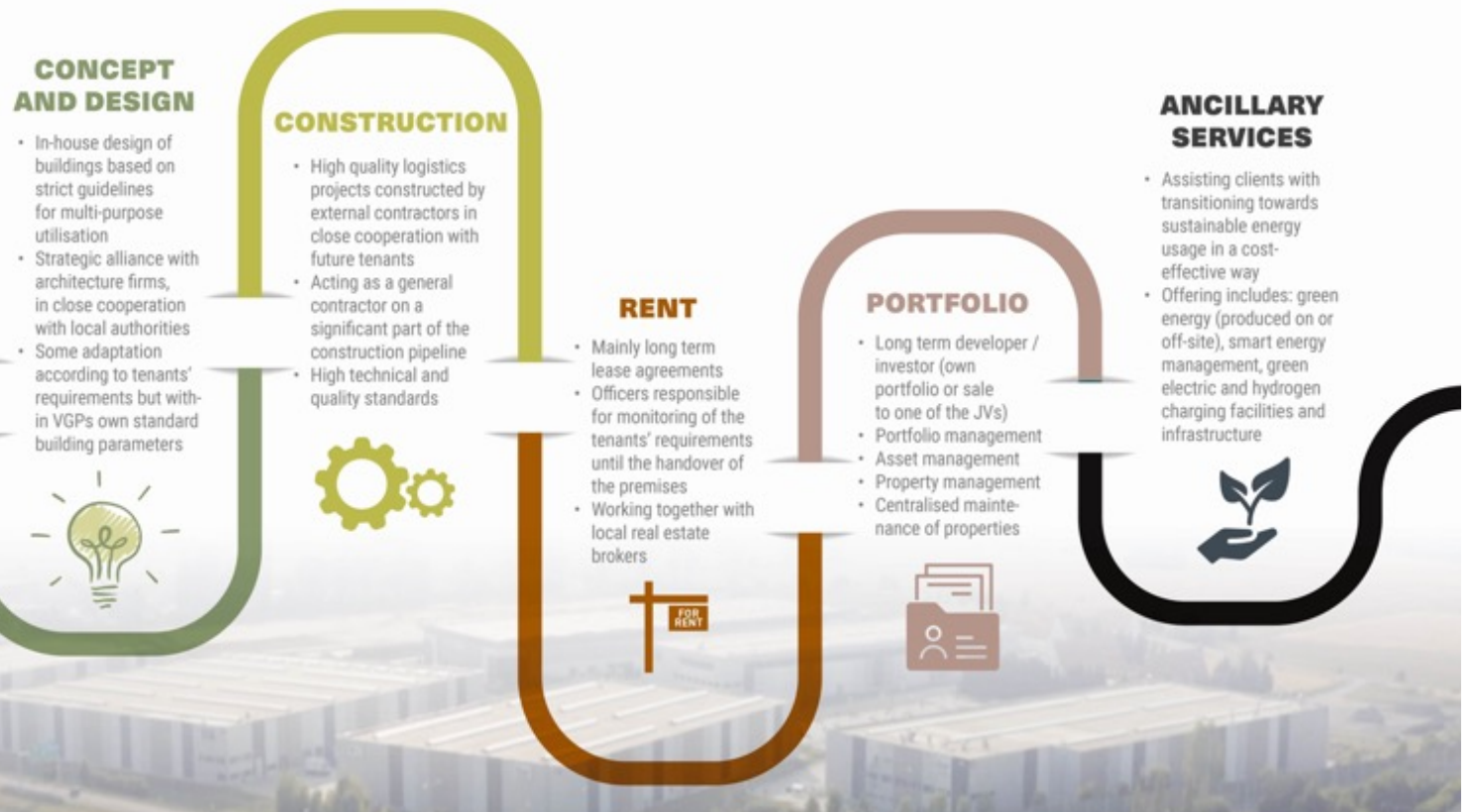
Since January 2024 the Group acts as a regulated utility for its German clients. This allows the Group over time to deploy all photovoltaic projects in Germany to distribute clean energy more efficiently to our tenants across the country, irrespectively of the quantity of available renewable energy generated on-site. Including projects under construction the installed capacity will reach nearly 200MWp. With an ambitious pipeline of projects, we aim to exceed the energy needs of our tenants. Since 2024 the Group also has started a roll-out of battery energy storage systems (BESS) with the first BESS expected to be delivered in 1H 2025 the Group will be able to further enhance self-consumption.

Next to this, we provide green e-mobility charge facilities for electric trucks and cars, and we are currently exploring qualitative methods for energy storage with battery installation and load management. Furthermore, we support our tenants to identify green energy usage optimization and flexible energy consumption with energy control methods for divers processes to optimize the photovoltaic consumption potential, amongst others

Key principles of VGP's investment strategy

- **Strategically** located plots of land
- Focus on business parks with a view to realising **economies of scale**
- **High quality** standardised and **sustainable** logistic real estate
- **In-house competences** enabling a fully integrated business model
- Primary focus on **long-term fundamentals**
- Strengthen communities and continuously improve eco-efficiency by **addressing climate change**





Fully integrated model with **in-house capabilities and competences**



Land



Concept & design



Construction



Rent

Fully integrated business model

| | Land | Concept and Design | Construction | Rent |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Strategy | <ul style="list-style-type: none"> • Identification of top locations directly connectable to existing infrastructure • Evaluate potential projects, technical Due diligence • Obtain the zoning and building permit | <ul style="list-style-type: none"> • Inhouse design of buildings based on strict guidelines for multi-purpose utilisation • Strategic alliance with architecture firms, in close cooperation with local authorities • Some adaptation according to tennas' requirements but with VGPs own standard building parameters | <ul style="list-style-type: none"> • High quality logistics projects constructed by external contractors in close cooperation with future tenants • Acting as general contractor on a significant part of the pipeline • High technical and quality standards | <ul style="list-style-type: none"> • Mainly long term lease agreements • Officers responsible for monitoring of the tenants requirements until the handover of the premises • Working together with local real estate brokers |
| Sustainability approach | <ul style="list-style-type: none"> • Land sourcing aligns with EU Taxonomy requirements, avoiding high-biodiversity areas, including certain arable land | <ul style="list-style-type: none"> • Air heat pumps, smart metering, water management and climate risk measures standard integrated in VGP Building Standard | <ul style="list-style-type: none"> • Target 70%+ recycling rate during construction process • Work with internal carbon pricing to promote circular building materials • Suppliers required to adhere to code of conduct | <ul style="list-style-type: none"> • New lease contracts require renewable energy procurement |
| KPI's | <ul style="list-style-type: none"> • % of EU Taxonomy CRA assessments completed for new land acquisitions | <ul style="list-style-type: none"> • % of portfolio equipped with heatpumps • % smart metering • % CRA measures implemented | <ul style="list-style-type: none"> • % of waste recycling • % suppliers adhere to CoC | <ul style="list-style-type: none"> • % of new leases with green clause |
| | Development | | | Investment |



Portfolio



Ancillary services

Portfolio

- Long term developer/ investor (own portfolio or sale to one of the JV's)
- Portfolio Management
- Asset Management
- Property management
- Centralised maintenance of properties

Ancillary Services

- Assisting clients with transitioning towards sustainable energy usage in a cost effective way
- Offering includes: Green energy (produced on or off-site), Smart energy management, green electric and hydrogen charging facilities and infrastructure)

- ESG data disclosure and discussion
- Portfolio performance review and ESG optimization (eg LED investments)
- Biodiversity initiatives
- Offer renewable energy

- Install photovoltaic if/when feasible
- Battery investments to be rolled-out further to enhance self-consumption
- EV charging infrastructure

- % of ESG data disclosure
- % of parks with biodiversity measures
- % LED

- MWp installed
- EV chargers installed

Renewable energy

Strategic partnerships

In order to sustain its growth over the medium term, VGP entered into several 50:50 joint ventures with well-known institutional investors. These joint venture structures allow VGP to partially recycle its initial invested capital when completed projects are acquired by the respective joint ventures and allow VGP to re-invest the sales proceeds in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

For more information on the various existing joint ventures entered into with Allianz, Deka, Areim or with other local partners please refer to Strategy section of the Group Integrated Annual Report 2024.

An aerial photograph showing a parking lot with several semi-trailers parked in rows. Below the parking lot, a large solar panel array is visible on a roof, consisting of many blue panels arranged in a grid. The text '2 VGP's ESG Strategy' is overlaid in white on the top half of the image.

2 VGP's ESG Strategy



2 VGP's ESG Strategy

Sustainability is fundamental to our approach and investment philosophy, and fully integrated into every stage of the investment lifecycle—from land acquisition and development, leasing, responsible disposals towards our joint ventures and to proactive management of the already standing portfolio.

We take a long-term perspective, ensuring our buildings align with key environmental, social and governance (“ESG”) ambitions for all stakeholders. Collaboration is at the heart of our strategy. By engaging with communities and with our clients from the earliest design and specification stages, we ensure our buildings are efficient and resilient.

VGP's ESG strategy is built on the findings of a materiality analysis and an assessment of ESG risks. It tackles the primary challenges facing the semi-industrial and logistics real estate sector: transitioning to a low-carbon economy and promoting sustainable mobility, while fully integrating the Group's business activities within local communities.

Our ESG Strategy is built on five core pillars:

- Sustainable properties
- Strengthen communities
- Empowering our workforce
- Protect and improve biodiversity
- Improve eco-efficiency

Protect ecosystem and address climate change



Integrated ESG risk management and governance

ESG and sustainability are embedded in our Group Strategy and fully integrated at the asset, portfolio, and corporate levels. The Group has integrated these ESG pillars throughout its entire value chain, aiming to address the broad scope of indirect carbon emissions resulting from development activities, tenants' energy consumption, and employees' transportation and office use.

As part of this strategy, the Group is committed to reducing carbon emissions across its value chain. Beyond Scope 1 and 2 emissions, the Group's commitment also addresses Scope 3 emissions, including greenhouse gases generated during the construction of its development projects and those resulting from tenants' private energy consumption.

Data plays a crucial role in optimizing our approach. By continuously tracking performance, we are able to proactively enhancing asset value through innovation and effective management.

In 2022, the Group submitted its GHG emissions reduction targets to the Science Based Targets initiative (SBTi), with the exception of the target for construction. The targets covering GHG emissions from the Group's operations (Scope 1 and Scope 2) align with the reductions needed to limit global warming to 1.5°C. The Scope 3 target meets the SBTi criteria for ambitious value chain goals, indicating alignment with current best practices.

The Group's carbon reduction targets for 2020 to 2030 are divided into three complementary objectives:

- Reduce emissions from construction by 20% by 2030.
- Reduce emissions from other internal activities by 50% by 2030.
- Reduce emissions from energy consumption in buildings by 55% by 2030.

The Group's ESG assessments by extra-financial rating agencies were updated in 2024:

- GRESB: with a score of 95/100, VGP received a "4 star" Developer rating;
- MSCI A rating;
- Sustainalytics 11.7 score (29th of 150 competitors);
- VGP remained included in the BEL ESG Index, the 20 most sustainable companies listed on Euronext Brussels.

For more details see Integrated Annual Report 2024.

2.1 Governance

The Role of Administrative, Management and Supervisory Bodies (ESRS 2 GOV-1): Composition of the Administrative, Management and Supervisory Bodies and their Access to Expertise and Skills with regard to sustainability matters.

The governance structure of VGP N.V. (“VGP”) is detailed in the Group 2024 Integrated Annual Report section Management and supervisory bodies.

Executive Management as at 31 December, 2024.

As of December 31, 2024, the Executive Management (“EM”) is composed of 8 members and chaired by Mr Jan Van Geet; for full details please refer to section regarding the Composition of Executive Management in the Group 2024 Integrated Annual Report. The percentage of women within the EM is 0%. In addition to overseeing the Human Resources, Sustainability and Information Technology, Mr Jan Van Geet, the Chief Executive Officer, supervises the implementation of the Group ESG Strategy roadmap (sustainable properties, improving eco-efficiency, protecting and improving biodiversity, strengthen communities and empowering our workforce).

Board of Directors as at 31 December, 2024

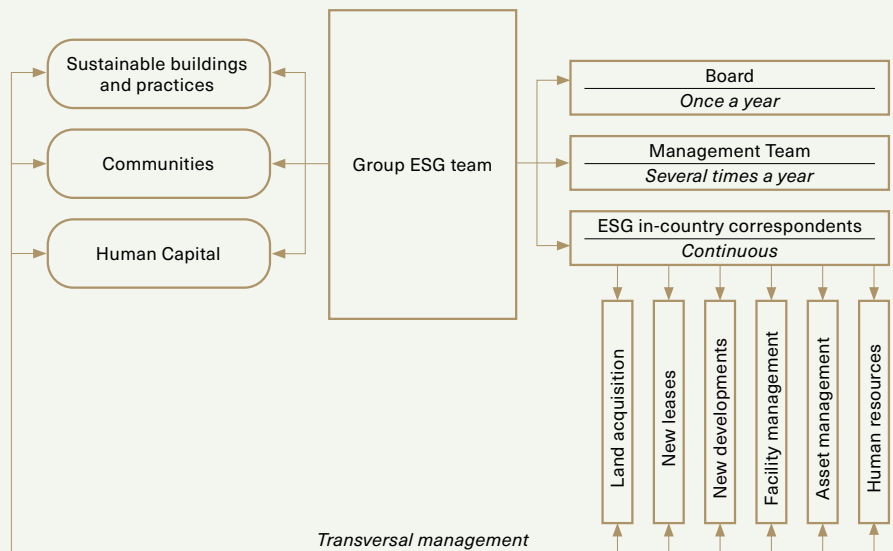
The Board of Directors (“BoD”) composition is detailed in the section Composition of the Board of Directors in the Group Integrated Annual Report 2024, where also a detailed experience matrix is provided. A focus is made on the 8 key competencies identified to best carry out the BoD duties, in light of the nature and scope of the Group’s core business and strategy, with “ESG/ Sustainability” skill being part of those 8 essential skills. 60% (3/5) of the BoD members have been qualified as ESG/ Sustainability experts, with those specific skills (competencies in social, environment, climate and governance matters, and sustainability) being further developed in the biographies of the BoD members. For future hires, it has been discussed and decided within the BoD to prioritise recruiting BoD members with robust ESG/Sustainability expertise to ensure that they can challenge efficiently the ESG/Sustainability strategies proposed by the EM. The BoD as a whole already represents a range of ESG/ Sustainability expertise, having been in their other/ former functions or being currently responsible for, amongst others: the sustainable energy transition and implementation of ESG strategies with environmental values (notably on carbon footprint reduction, sustainable product life cycle assessments, net zero carbon strategy or energy transition), sustainable developments, resources cycles, extra financial indicators, sustainability standards, Human Capital, environmental certification of development projects, and/or relations with institutional equity investors. Some members also have executive positions with ESG and sustainability responsibilities. In their different positions they also monitor compliance and business ethics, corporate social responsibility strategy and practices, ensuring non-discrimination, and oversee diversity and talent management, notably change management and related reporting.

Roles and responsibilities of the administrative, executive management and director bodies with regard to sustainability matters.

The sustainability governance and the Group ESG Strategy program are built around 2 priorities:

- Monitoring sustainability performance by ensuring that the objectives of the Group ESG Strategy 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 Group ESG Strategy Roadmap

As a key topic of the Group ESG Strategy roadmap, climate change is fully integrated into the sustainability governance described hereafter.



The sustainability governance is structured around the following bodies:

- The Board of Directors (“BoD”), including its 2 committees (the Audit Committee and the Remuneration Committee), oversees the sustainability program as part of its regular business reviews and discusses the sustainability roadmap during its strategy sessions.
- The Audit Committee is provided with comprehensive information on sustainability matters. It oversees the sustainability reporting process, the effectiveness of internal control and risk management systems in relation to sustainability, and where appropriate, internal audits in relation to sustainability reporting.
- The Remuneration Committee oversees social and governance matters. This includes data on VGP’s Diversity Policy, as well as social and governance practices, compliance, ethics and human resources. It regularly reviews and assesses the effectiveness of the actions in place, making necessary adjustments to enhance the Group’s performance. This approach ensures that social and governance matters are integrated into VGP’s core business strategy, promoting long-term value creation for all stakeholders.
- The Executive Management act as the Group Sustainability Steering Committee by defining the strategy and key Group policies, and by monitoring the implementation of the sustainability program. They are responsible for advancing VGP’s ESG Strategy and sustainability roadmap and they are actively involved in the decision-making process regarding sustainability

initiatives, ensuring that the Group’s business operations align with its commitment to sustainable development. They report on progress and results to the BoD. The BoD and EM are chaired by the Chief Executive Officer (“CEO”).

- Chief Operating Officers (“COOs”) are members of the EM. There may be instances where ad hoc meetings are convened. These meetings serve to brief them on specific topics that necessitate local input, roll-out and approval. This approach ensures that all VGP’s geographical regions are incorporated into the sustainability decision-making process.
- ESG Strategy coordination meetings include the Chief Technology Officers, Group Director of Sustainable Buildings, Head of Innovation, and the pillar leads of the ESG Strategy roadmap. The meetings are dedicated to follow-up on the action plan of the ESG Strategy roadmap and ensure coordination across all functions and geographies.
- A dedicated Sustainability team is responsible for overseeing and supporting the implementation of the Group’s sustainability roadmap across the organisation. This team develops tools and methodologies and supports and trains other corporate teams as well as the country teams. It shares best practices and measures sustainability performance to regularly report on results and progress achieved.



3 Sustainable Finance Committee





3 Sustainable Finance Committee

In 2019 VGP set up a dedicated Sustainable Financing Committee aimed at identifying and selecting Eligible Green Projects from a pool of investments. The committee, chaired by the CFO, includes members from the following departments:

- Finance;
- Sustainability;
- Planning & Control; and
- Investor Relations.

The Finance Department, in collaboration with the Group ESG Team, preliminary selects the pool of the Eligible Green Projects, the ESG KPIs, the targets, the impact metrics and prepares the draft of the annual allocation reporting. The review takes place on an annual basis and as when the situation requires.

4 The Green Financing Components





4 The Green Financing Components

Green Financing Instruments issued under this Sustainable Finance Framework (“Framework”) will align with the Green Bond Principles (GBPs), administered by the International Capital Market Association (“ICMA”) – 2021 version with June 2022 Appendix¹⁴, including the updated Appendix I of June 2022, and the Green Loan Principles (GLPs) published by the Loan Market Association (LMA) – 2023 version¹⁵ and their four core components:

- Use of proceeds;
- Process for Project Evaluation and Selection;
- Management of Proceeds;
- Reporting.

The Framework also complies with the guidelines of these Principles in terms of external reviews.

4.1 EU regulation

VGP has taken into account the technical screening criteria (“TSC”) for substantial contribution to the six environmental objectives of the EU Commission stemming from the Delegated Acts of the EU Taxonomy Regulation¹⁶ to draft the eligibility criteria for Eligible Green Projects defined below when applicable. Furthermore, VGP commits to providing in each allocation reporting the share of the amount equivalent to the net proceeds that have been allocated to projects fully aligned with the EU Taxonomy Regulation (including the TSC for substantial contribution, the Do No Significant Harm (“DNSH”) criteria and the Minimum Social Safeguards (“MSS”).

4.2 Use of proceeds

An amount equal to the net proceeds from the issuance of the Green Financing Instruments issued by VGP will be used to finance and/or refinance, in full or in part, new or existing Eligible Green Projects as defined below. Eligible Green Projects may include capital expenditures (“Capex”), operating expenditures (“Opex”) related to improvement and maintenance of Eligible Green Projects, research and development (“R&D”), as well as the acquisitions of the majority stake of entities deriving at least 90% of revenues or 90% of the balance sheet derived from activities identified as Eligible Green Projects.

Any project, asset, expenditure, or investment (included unallocated proceeds) related to the following activities will be excluded:

- Fossil energy generation;
- Nuclear energy generation;
- Development of new gas distribution pipelines/networks.

VGP will exclude any project that does not meet the internationally acknowledged sustainable best practices such as, for example, Global Compact or International Labour Organization





| | Renewable Energy | Energy Efficiency | Sustainable Water and Waste management |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible Green Projects | <p>Increasing production and storage of renewable energy, through acquisitions, construction or maintenance, including</p> <ul style="list-style-type: none"> - (roof-fitted) PV plants / Wind plants - Energy storage system (Battery) | <p>Reducing energy consumption or mitigate greenhouse gas emissions, including:</p> <ul style="list-style-type: none"> - Services to improve energy efficiency of lighting from traditional lighting to LEDs technology considering only the assets aligned to EU Taxonomy - Ensure maximum efficiency throughout BAT (best available technologies, e.g. NZEB² framework for buildings) for the Group assets (new and refurbished buildings) considering only the assets aligned with EU Taxonomy - Installation of electric heat pumps considering only the assets aligned to EU Taxonomy | <p>Construction, development, operation and maintenance of facilities, systems or equipment used for sustainable infrastructure for clean and/ or drinking water, wastewater treatment and sustainable urban drainage systems, including:</p> <ul style="list-style-type: none"> - Wastewater treatment and purification plants, networks and appliances - Reduction of water losses projects (automatic systems to find leakages, new pipelines, water smart meters) |

1) PED: Primary Energy Demand

2) NZEB: Nearly-Zero Energy Building

3) DGNB: Deutsche Gesellschaft für Nachhaltiges Bauen, the German Sustainable Building Council. See section 4.4 regarding 3rd party verification of EU Taxonomy Aligned Activities for more information

| Environmental objective | Climate change mitigation (MIT) & Transition to Circular Economy (CE) | MIT | MIT, CE, Sustainable Use and Protection of Water and Marine Resources (WTR) & Pollution prevention and control (PPC) |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EU Taxonomy mapping | <p>4.1. (MIT) Electricity generation using solar photovoltaic technology</p> <p>4.3. (MIT) Electricity generation from wind power</p> <p>4.10. (MIT) Storage of electricity</p> <p>5.7. (MIT) Anaerobic digestion of bio-waste</p> <p>2.5. (CE) Recovery of bio-waste by anaerobic digestion or composting</p> | <p>4.16. (MIT) Installation and operation of electric heat pumps</p> <p>7.3. (MIT) Installation, maintenance and repair of energy efficiency equipment</p> <p>7.4. (MIT) Installation, maintenance and repair of charging stations for electric vehicles in buildings</p> <p>7.5. (MIT) Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings</p> <p>7.6. (MIT) Installation, maintenance and repair of renewable energy technologies</p> <p>9.3. (MIT) Professional services related to energy performance of buildings</p> | <p>4.25. (MIT) Production of heat/cool using waste heat</p> <p>5.1. (MIT) Construction, extension and operation of water collection, treatment and supply systems</p> <p>5.3. (MIT) Construction, extension and operation of waste water collection and treatment</p> <p>5.5. (MIT) Collection and transport of non-hazardous waste in source segregated fractions</p> <p>5.8. (MIT) Composting of bio-waste</p> <p>5.9. (MIT) Material recovery from non-hazardous waste</p> <p>2.1. (WTR) Water Supply</p> <p>2.2. (WTR) Urban waste water treatment</p> <p>2.7. (CE) Sorting and material recovery of non-hazardous waste</p> <p>2.2. (PPC) Treatment of hazardous waste</p> |
| SDG contribution | | | |



| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Sustainable Buildings</p> | <p>Clean transportation</p> |
| <p>Construction, development, operation and maintenance of facilities, systems or equipment used for sustainable infrastructure for clean and/ or drinking water, wastewater treatment and sustainable urban drainage systems, including:</p> <ul style="list-style-type: none"> - Wastewater treatment and purification plants, networks and appliances - Reduction of water losses projects (automatic systems to find leakages, new pipelines, water smart meters) <p>Development or acquisition and ownership of logistics and semi-industrial buildings including:</p> <ul style="list-style-type: none"> - Construction of new buildings with a PED¹ 10% below NZEB with DGNB³ or equivalent verification on EU Taxonomy compliance - Acquisition or ownership of buildings with a EPC A or within top 15% of national or regional building stock as operational PED with DGNB or equivalent verification on EU Taxonomy compliance | <p>Construction, development, operation, acquisition and maintenance of infrastructure for sustainable mobility and cleaner vehicles with a lower environmental impact, for communities and for the Group's fleet, including:</p> <ul style="list-style-type: none"> - Charging infrastructure for low environmental impact vehicles (Electric charging hub) |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>MIT & CE</p> | <p>MIT & CE</p> |
| <p>7.1 (MIT) Construction of new buildings 7.2 (MIT) Renovation of existing buildings 7.7 (MIT) Acquisition and ownership of buildings 3.1 (CE) Construction of new buildings 3.2. (CE) Renovation of existing buildings</p> | <p>5.5. (MIT) Collection and transport of non-hazardous waste in source segregated fractions 6.15. (MIT) Infrastructure enabling low-carbon road transport and public transport 2.3. (CE) Collection and transport of non-hazardous and hazardous waste</p> |



4.3 Process for project evaluation and selection

Project evaluation and selection is a key process in ensuring that the projects financed and/or refinanced through the Green Financing Instruments meet the Eligibility Criteria detailed in this Framework. According to the internal procedures, at the capex plan preparation and investment approval phases all the projects are analysed and mapped as green or not green and as Taxonomy eligible or not. In addition, the relevant sustainability KPIs are quantified and monitored. The Eligible Green Projects are also expected to comply with applicable national, European and international environmental and social standards and regulations. As part of the selection process, it is verified if the Eligible Green Projects are also aligned as closely as possible with the EU Taxonomy Regulation and Delegated Acts, including Do No Significant Harm (DNSH) and Minimum

Social Safeguards (MSS) criteria. The selection process for Eligible Green Projects is performed and coordinated by the Sustainable Finance Committee previously described. Key responsibilities: the Team is responsible for the review, selection, validation and monitoring of the pool of Eligible Green Projects, based on Group sustainability strategy, enterprise risk valuation and this Sustainable Finance Framework. After the approval by the Team, the list of selected potential Eligible Green Projects is registered in the Green Financing Register.



4.4 3rd party verification of EU Taxonomy Aligned Activities

In order to obtain a third party verification of VGP's assets' EU Taxonomy criteria conformity, VGP has used DGNB's ESG verification service for the real estate industry. Applicable to three fields of business defined in the taxonomy – 7.1 new construction, 7.2 renovation, and 7.7 acquisition and ownership – it is based on currently applicable taxonomy criteria, although it also includes employment standards, social standards and good governance on the part of the asset manager.

In addition to proof of the building's conformity with the EU taxonomy, VGP will receive a report on each asset submitted to the process detailing the results and thus information on where there is still a need for improvement. The ESG verification service is offered collaboratively by the DGNB and its partners in the Climate Positive Europe Alliance (CPEA) . Thereby, it adheres to uniform principles and is applicable throughout Europe

¹ Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB GmbH): German Sustainable Building Council: Europe's largest network for sustainable building and number

² worldwide, with more than 2,300 member organisations (www.dgnb.de) <https://www.dgnb.de/en/certification/esg-verification>

³ ESG Verification for the EU Taxonomy –<https://www.cpea.eu/su-fi/esg-verification-for-the-eu-taxonomy/>



4.5 ESG Risk Management

VGP has put in place a strong evaluation and selection process, corporate sustainability and risk management framework in order to ensure mitigation of potential environmental and social risks associated with the Eligible Green Projects, in addition to applicable national and international environmental and social standards and regulations. The Group has set up a Risk Management Framework, developed in order to make risk management an integral and systematic part of the corporate management processes. Through the engagement of all corporate structures, the risk measurement process is regularly activated, enabling the identification of the most significant critical issues, the measures to monitor them and the mitigation plans. The risk profile of the Group is analysed by the board of directors. The Risk Management Framework takes into account all possible risks, including socio-environmental risks, and it assesses their impact on the company, as regards both the financial and reputational aspects

Different policies and management systems are in place within the Group to tackle main social and governance potential issues including its Code of Conduct , VGP Environmental Management System , a Group Environmental Policy Statement , Corporate Biodiversity Policy , Considerate Construction Charter , Anti-bribery & anti-corruption policy , Human rights policy , Suppliers' Code of Conduct , Diversity Policy and Health and Safety policy . The Code of Conduct, Human Rights Policy and Diversity Policy make explicit references to the UN Universal Declaration of Human Rights, the ILO Fundamental Conventions, the OECD Guidelines and the principles of the Global Compact , to which the Group adheres.

Overall, the main risk factors considered and assessed relate to:

- VGP's relationship with the community;
- The nature of its business activities;
- VGP's growth plan and strategic goals;
- The competitive, legislative and regulatory environment;
- The macroeconomic environment;
- Social-environmental considerations, in particular climate change and health & safety

It identifies the requirements aimed at ensuring that the enterprise's activities are inspired by the following principles:

- recognition and protection of the dignity, liberty and equality of human beings;
- protection of workers and freedom of union association;
- protection of health, of safety, of the environment and of biodiversity;
- integrity, transparency, honesty and loyalty in action

All Group companies are monitored in terms of risks connected to corruption. In line with what is outlined in the Group Code of Conduct and the specific regulatory document, VGP Group's Anti-Bribery & Anti-Corruption Policy, the Group bans all forms of corruption, unlawful errors, collusive conduct, requesting of advantages, conferral of material and immaterial benefits and other advantages aimed at influencing or remunerating representatives of institution or their relatives and Group's employees. Furthermore, VGP adopted a Human Rights Policy, aimed at protecting and promoting the recognition and safeguarding the dignity, freedom, equality of human beings, the protection of work, trade union freedoms, occupational health and safety, also with reference to external collaborators.

⁴ https://vgpparks.eu/media/3919/vgp-code-of-conduct_a4_k08.pdf

⁵ <https://vgpparks.eu/media/4882/vgp-ems-systems-p-a4-en-k12.pdf>

⁶ <https://vgpparks.eu/media/4871/vgp-environmental-p-a4-k03.pdf>

⁷ <https://vgpparks.eu/media/4876/vgp-biodiversity-strategy-a4-en-k04.pdf>

⁸ Available upon request

⁹ https://vgpparks.eu/media/3918/vgp-anti-bribery-corruption-p_a4_k07.pdf

¹⁰ <https://vgpparks.eu/media/4872/vgp-human-rights-p-a4-en-k04.pdf>

¹¹ <https://vgpparks.eu/en/investors/code-of-conduct-suppliers/?e=u5X3Or>

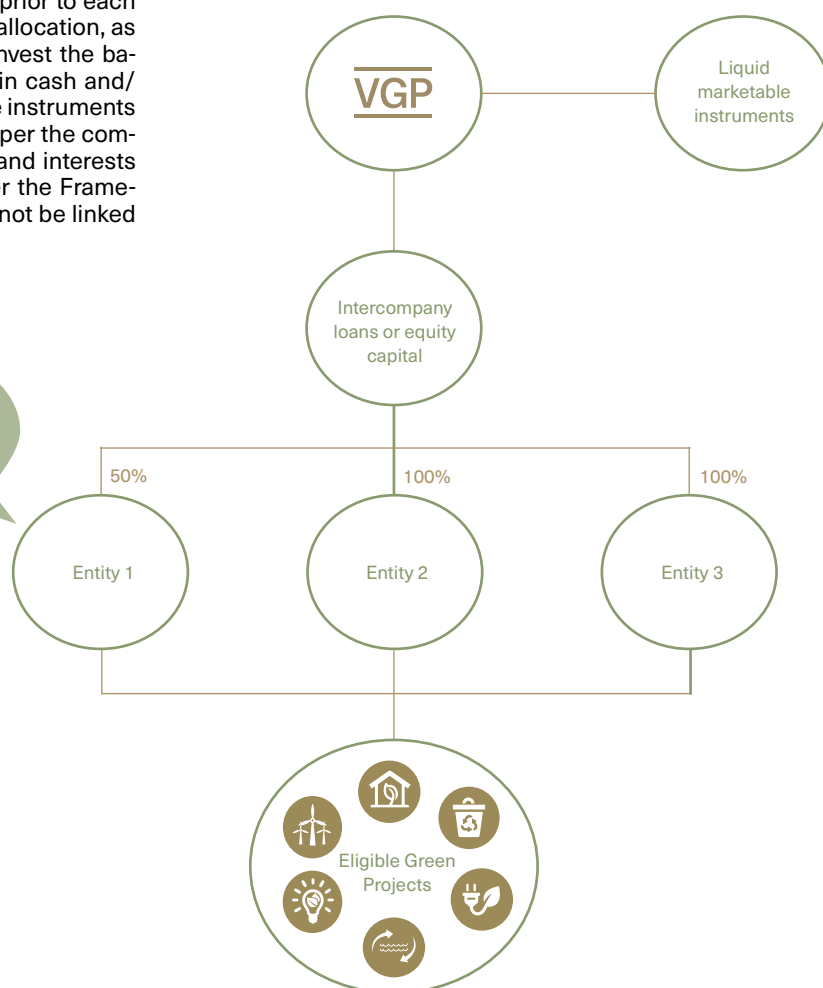
¹² <https://vgpparks.eu/media/3921/vgp-diversity-p-a4-k06.pdf>

¹³ https://vgpparks.eu/media/4055/vgp-health-safety-p_a4_k10.pdf

4.6 Management of Proceeds

The net proceeds from Green Financing Instruments will be deposited in VGP's general funds account and an amount equal to the net proceeds will be earmarked to Eligible Green Projects selected by the Sustainable Finance Committee. VGP's Finance Team will transfer the proceeds directly to the subsidiaries that are in charge of delivering the projects via intercompany loans or equity capital. VGP will endeavour to fully allocate an amount equal to the net proceeds within 24 months. Net proceeds can refinance Eligible Green Projects disbursed, delivered or acquired up to 36 months before the issuance of the Green Financing Instrument. The balance of Proceeds should be periodically adjusted, in order to match allocations to Eligible Green Projects (re)financed during this period. Allocations will be made in proportion to VGP's equity ownership in each project. For joint venture assets, which are typically owned on a 50/50 basis, the allocation will reflect VGP's 50% ownership share. Furthermore, if any project ceases to be eligible, is (partially) divested, or becomes subject to a material ESG controversy, VGP commits to replacing it within 24 months, where feasible. VGP commits, to the extent possible, to transparently communicate the estimated share of refinancing prior to each instrument issuance. Pending the allocation or reallocation, as the case may be, of the net proceeds, VGP will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents and/or other liquid marketable instruments which will not include GHG intensive activities as per the company's financial policy. The payment of principal and interests on any financing instrument issued by VGP under the Framework will be made from its general funds and will not be linked to the performance of any Eligible Green Project.

The allocation to eligible projects owned through Entity 1 will reflect VGP's 50% ownership share



¹⁴ <https://vgpparks.eu/media/3832/global-compact-letter-signed-jvg.pdf>

4.7 Reporting

On an annual basis, at least until full allocation and thereafter in case of material changes, VGP will provide the following reporting on its Green Financing Instrument(s):

Allocation reporting: detailing

- (i) the financing instrument proceeds allocation by category of Eligible Green Projects; (ii) the proportion of net proceeds used for financing versus refinancing;
- (iii) if feasible, the year of operation of acquired assets;
- (iv) the percentage of EU Taxonomy eligible and aligned Eligible Green Projects financed (incl. the alignment with the SC , DNSH and MSS);
- (v) if feasible, the co-financing share;
- (vi) the balance of any unallocated proceeds, and, if feasible, the types of temporary investment instruments where unallocated proceeds have been deposited;
- (vii) disclosure of any material developments related to the Eligible Green Projects, including ESG controversies and issues; and
- (viii) the list of eligible projects (re)financed, including a brief description and geographical location.

The Allocation reports will be available on VGP's website.

Impact/Performance reporting: VGP will report on the associated environmental impact of the Green Financing Instruments with qualitative and / or quantitative information, the latter subject to the availability of suitable data. Impacts, methodologies and assumptions of indicators are disclosed in the annual Sustainability Reporting that is available on VGP's website and externally reviewed. Wherever possible, VGP intends to align its reporting with the approach described in the "Handbook – Harmonised Framework for Impact Reporting" (June 2023)

4.8 External Review

To increase transparency, VGP has obtained a **Second Party Opinion** (also known as pre-issuance verification) and is committed to obtain post-issuance verification on its **Allocation of Proceeds Reporting**.

Second Party Opinion

For the Second Party Opinion, VGP has appointed S&P to review the Sustainable Finance Framework and assess the alignment with the Green Bond Principles and Green Loan Principles. In its Second Party Opinion, S&P rated the framework as '[x]' and confirmed the alignment with both the Green Bond Principles and Green Loan Principles. The Second Party Opinion is available on the investor relations section of the VGP website .

Post-issuance verification

On at least an annual basis until full allocation of the proceeds of issued Green Financing Instruments, an external party shall verify the Allocation of Proceeds Reporting when net proceeds from issued Green Bonds, Green Private Placements and/or Green (Syndicated) Loans have been allocated in full towards Eligible Green Projects. The verification report shall be made publicly available on VGP's website for all public Green Bond transactions, for Green Private Placements and Green (Syndicated) Loans the verification report may only be disclosed to the specific investors and lenders.

¹⁵ <https://vgpparks.eu/en/investors/>

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