

Vesteda Green Bond: Allocation and impact report Q2 2021.

Green issuance to date

In October 2020, Vesteda successfully signed its first green private placement with two new debt investors. This private placement – made up of two individual EUR 50-million placements – has a term of 10 and 15 years with interest rates of 1.03% and 1.38%.

In May 2019, Vesteda successfully issued its inaugural green bond. This bond marked the issuance of the second benchmark size bond under its €2.5 billion EMTN programme and the first EUR green bond by a residential fund. The €500 million bond has a term of 8 years and a coupon of 1.5%.

Background of the Green Finance Framework



Vesteda sees corporate sustainability and social responsibility as vitally important for the long-term value development of its portfolio, the organisation and the society in which it operates. The focus on sustainability makes Vesteda eligible for financing itself by means of a green bond. This green bond underpins Vesteda's sustainable strategy and helped to attract a broader group of investors with a strong focus on sustainable investment opportunities.

As outlined in its Green Finance Framework, Vesteda intends to use an amount equivalent to the net proceeds of green bonds and other finance instruments issued under this Framework to exclusively finance or refinance, in whole or in part, assets and activities in the category Green buildings. This includes new, existing and refurbished buildings that contribute to achieving its sustainability goals.

Vesteda has established eligibility criteria for the use of proceeds of green finance instruments that requires new and existing buildings to have at least an Energy Performance Certificate (EPC) label of A. Refurbished residential buildings, are required to have made an improvement of at least two EPC label steps up to a minimum EPC label of "C", which will achieve a reduction in carbon intensity of at least 30%. As indicated by the certification of the inaugural green bond by the Climate Bonds Initiative (CBI), the eligibility criteria are aligned with the CBI low-carbon buildings criteria for the Netherlands



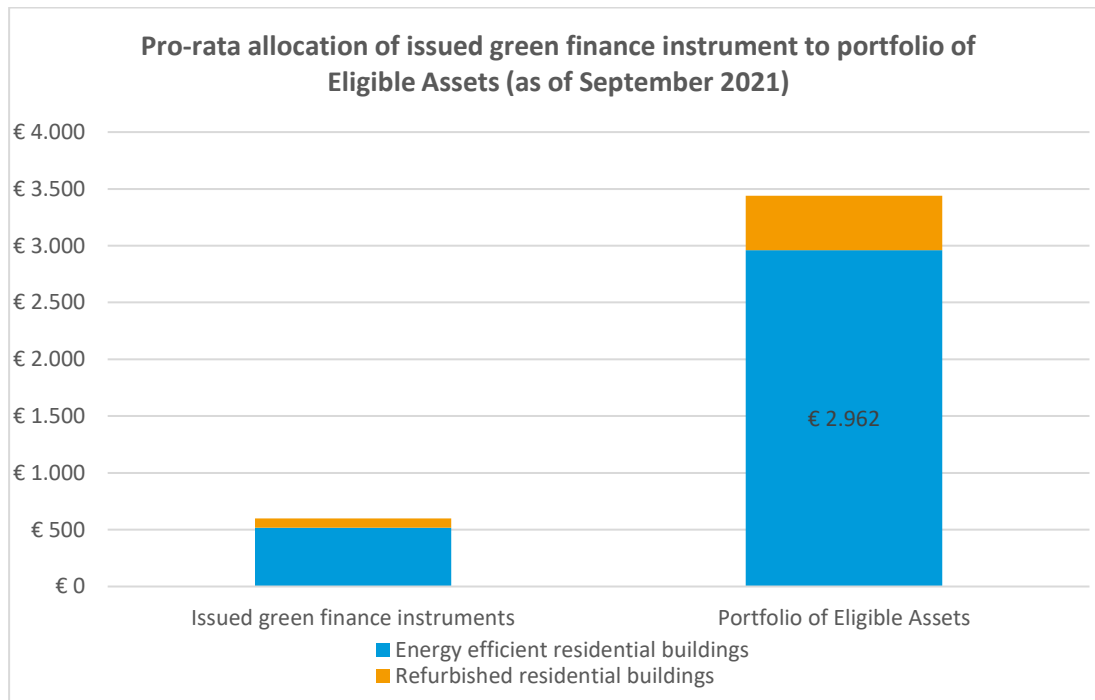
The table below provides an overview of the eligibility criteria and maps the use of proceeds categories to the UN Sustainable Development Goals (SDGs). All Eligible Assets are located in the Netherlands.

Eligibility Criteria	
Energy efficient residential buildings	Refurbished residential buildings
<ul style="list-style-type: none"> ✓ New and existing buildings with an EPC label \geq "A" issued by the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland, RVO) 	<ul style="list-style-type: none"> ✓ Refurbished residential buildings: existing buildings which have made an improvement of at least two EPC label steps up to a minimum EPC label of "C" ✓ The EPC label improvements are a result of measures such as building insulation, energy-efficient glazing, high-efficiency boilers and the installation of solar panels, and result in an energy efficiency improvement of at least 30%
 	
c. € 2.96 billion	c. € 478 million

As Vesteda is committed to transparency, this report provides information on the allocation of the proceeds of issued green finance instruments and the environmental impact of its portfolio of Eligible Assets.

Allocation reporting as of Q2 2021

A) Portfolio of Eligible Assets	Value in EUR million
Portfolio of energy efficient residential buildings	2.962
Portfolio of refurbished residential buildings	<u>478</u>
Total	3.439
B) Green finance instruments issued	Value in EUR million
Vesteda Inaugural Green Bond, May 2027	500
Vesteda Green Private Placement, December 2030/ 2035	<u>100</u>
Total	600
C) Remaining Portfolio of Eligible Assets	Value in EUR million
Total (A-B)	2.839



D) Percentage of net proceeds of green finance instruments allocated to Eligible Assets:

100%

E) Share of financing vs refinancing

100%

F) Average lookback period of the portfolio*

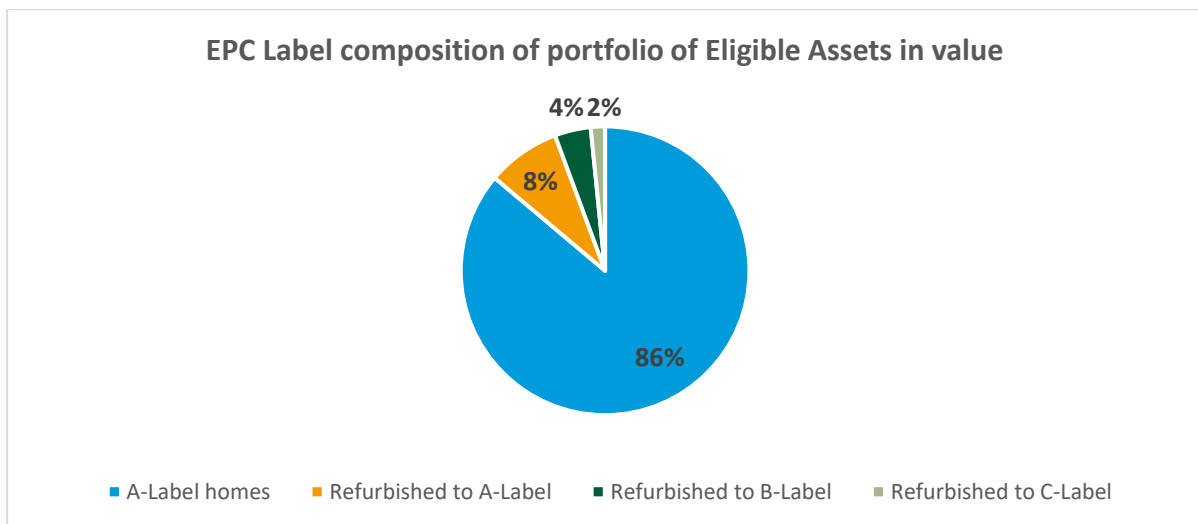
New & existing energy efficient residential buildings: 7 years

Refurbished residential buildings: 3 years

*the lookback period is based on the date that the most recent EPC label was provided for the eligible building

Impact reporting as of Q2 2021

A) EPC Label Composition of portfolio of Eligible Assets



B) Estimated energy savings and accompanying greenhouse gas emission avoidance


On the request of Vesteda, Real Estate consultant Nibag has calculated the environmental impact of the portfolio of Eligible Assets in terms of both energy savings and CO₂ emission avoidance.

For the portfolio of Energy Efficient Residential homes, Nibag compared the primary energy usage and related CO₂ emissions of portfolio of Eligible Assets with a comparable average portfolio of residential homes in the Netherlands (using EPC Label C and the accompanying average energy usage and related CO₂ emissions as a benchmark). For the portfolio of refurbished residential buildings, the primary energy savings and CO₂ emission avoidance was calculated based on all individual home improvements in terms of final EPC-label. The improvements in primary energy usage and related CO₂ emissions are based on the publicly available report “Relatie tussen energielabel, werkelijk energieverbruik en CO₂-uitstoot van Amsterdamse corporatiewoningen” (Majcen D., Itard L. (2014)).

All calculations indicate the theoretical primary energy reduction and related CO₂ emission avoidance.

C) Overview of the impact of Vesteda’s 2021 Green finance portfolio:

The table below provides an overview of the environmental impact of the total portfolio of Eligible Assets.

	Total CO2 savings A-label buildings (excl. 2 label steps) in comparison with a representative average Dutch residential portfolio	c. 8.3 million kg*
	Total Energy savings A-label buildings (excl. 2 label steps) in comparison with a representative average Dutch residential portfolio	c. 46 GWh*
	Total CO2 savings of existing buildings which have made an improvement of at least two EPC label steps	c. 3.0 million kg
	Total Energy savings of existing buildings which have made an improvement of at least two EPC label steps	c. 16 GWh

*The amount excludes refurbished buildings which improvement led to an EPC Label of "A". These improved buildings are included in refurbished residential buildings portfolio

D) Impact reporting as per the ICMA Harmonized Framework for Impact Reporting:

As Vesteda is committed to transparency and the application of industry standards, the table below provides our impact reporting in line with the ICMA Harmonized Framework for Green Bond Impact Reporting (2021).

Eligible Project Category Green Bond Principles (GBP)	Eligible portfolio (EURm)	Share of Total Financing	Eligibility for Green Bonds	Green Building component	Allocated amount	Number of residential buildings (#)	Total of square meters	Estimated energy savings (MWh per year)	Total of CO2 savings (in tonnes of CO2 equivalent)
a/	b/	c/	d/	e/	f/	e/	e/	e/	e/
Energy efficient residential buildings	2.962	100%	100%	100%	517	8.599	852.365	46.407	8.267
Refurbished residential buildings	478	100%	100%	100%	83	2.014	194.457	16.476	2.974
Total	3.439	100%	100%	100%	600	10.613	1.046.822	62.883	11.241

- a/ Eligible category
- b/ Signed/budgetted amount committed by the issuer for the portfolio or portfolio components eligible for Green Bond financing
- c/ This is the share of the total project cost that is financed by the issuer.
- d/ This is the share of the total portfolio value that is Green Bond eligible
- e/ The share of assets having a Green Building Component
- f/ This represents the amount of green bond proceeds that has been allocated for disbursements to the project/portfolio
- e/ Impact indicators

**Greenhouse gas emission avoidance per EUR 1 million invested:
3.3 tonnes of CO₂ equivalent**

E) Below you can find some examples of Eligible Assets/ projects in 2021 and 2022:

'Churchillaan' in Rijswijk (refurbished residential building):



1. Placed green roofs on garages
2. Created open view
3. Placed glass fencing and panels
4. Upgraded end facade
5. Improved entrance area



This complex is built in 1969 and has 12 floors, divided in 12 porches. It has a total of 215 housing units of different sizes. This refurbishment increased the sustainability performance by measures such as, insulation of roof and walls, energy-efficient glazing (HR++). Also a CO₂-managed ventilation system is implemented. These measures resulted in improvement of the energy-label from E to B.

'Westkappellelaan' in The Hague (refurbished residential building):



This complex is built in 1972 and has six floors and is divided in four building blocks. The complex has a total of 96 apartments. There are three- and four bedroom apartments and storage rooms and garages on the ground floor.



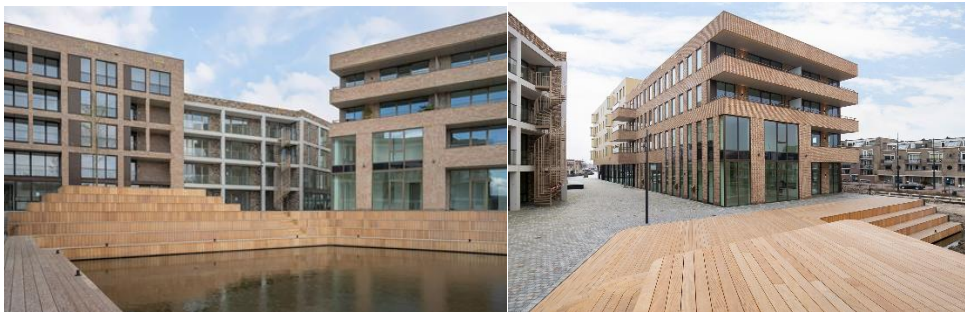
Block 3 before the refurbishment



Block 1 after refurbishment

The refurbishment included measures such as insulation of roof and walls and energy-efficient glazing (HR++). Also a CO₂-managed ventilation system is implemented and the heating system was improved. Due to these measures the energy label improved from E to B.

'Punt Sniep' in Diemen ((new) energy efficient residential building):





Complex Punt Sniep was completed in February 2021 en consists of 202 apartment and some commercial spaces on the ground floor. The project is realized with an energy performance coefficient of -0.12. This effectively means that this project generates more energy than is should use. To realize this, the following measures have been taken (amongst others): solar panels on the roofs and a pellet burner for heating and warm tap water.

If there any questions please contact Vesteda at below contact details.

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