Vesteda impact and allocation report Q2 2022

Green issuance to date

In October 2021, Vesteda successfully issued its second green bond. This is Vesteda's third benchmark size bond under its €2.5 billion EMTN program. The €500 million green bond has a maturity of 10 years (October 2031) and a coupon of 0.75%. Vesteda's inaugural green bond was issued in May 2019 and has a maturity of 8 years (May 2027) and a coupon of 1.5%.

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

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 green finance instruments. The issued green bonds and private placement are testimony to 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 existing buildings (constructed before 2021), to have at least an Energy Performance Certificate (EPC) label of A. Buildings constructed as of 1-1-2021 but permitted before that date are required to have an Energy Performance Coefficient better than 0.4. Buildings permitted and constructed as of 1-1-2021should have a primay energy demand at least 10% below the Dutch Nearly Zero-Energy Building (NZEB) requirements. 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%.

Climate Bond Certified

Vesteda's inaugural Green obtained CBI Certification

The majority of the eligibility criteria outlined above are aligned with the Technical Screening Criteria of the EU Taxonomy Climate Delegated Act (June, 2021), i.e. for existing buildings constructed before 2021, newly permitted and constructed buildings as of 1-1-221 as well as for refurbished buildings. In addition, the eligibility criteria are aligned with the Climate Bonds Initiative (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.

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.

Eligibility Criteria	
Energy efficient residential buildings	**Refurbished residential buildings**
✓ Existing buildings constructed before 31-12-2020 with at least an EPC label of "A" or better, or belonging to the top 15% of the Dutch residential building stock in terms of primary energy demand. ✓ New residential buildings that are permitted before 1-1-2021 and constructed after 1-1-2021 with an energy performance coefficient of at least 0.4. ✓ New residential buildings permitted and constructed after 1-1-2021 for which the primary energy demand is at least 10% below the Dutch Nearly Zero-Energy Building (NZEB) requirements.	✓ Existing buildings which have realised a reduction in primary energy demand (PED) of at least 30% and achieved an EPC label of "C" or better. The 30% reduction in primary energy demand took place after obtaining ownership by Vesteda and will be verified by an external advisor.
c. € 3,778 million	**c. € 563 million**

Allocation reporting as of Q2 2022

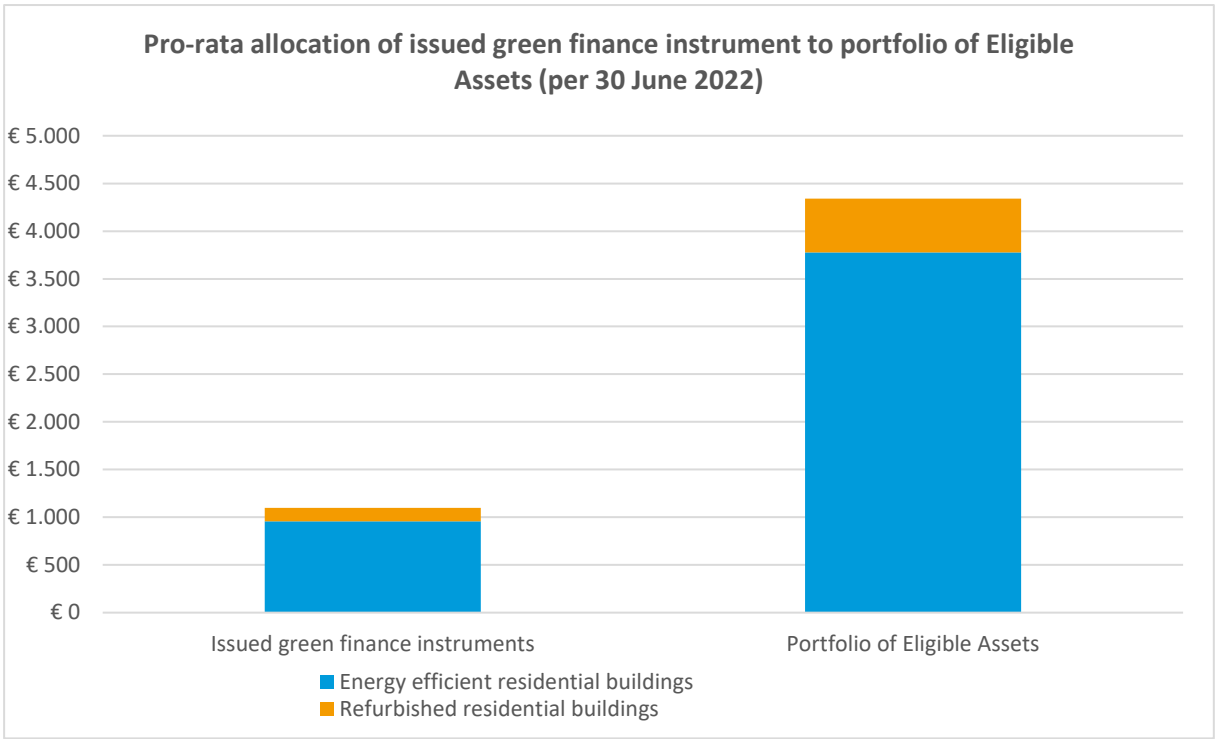
A) Portfolio of Eligible Assets	**Value in EUR million**Portfolio of energy efficient
residential buildings	3,778
Portfolio of refurbished residential buildings	563
Total	**4,341**

B) Green finance instruments issued	**proceeds in EUR million**
May 2027 Green Bond	500
November 2031 Green Bond	500
Subtotal	1000

Other Green Finance instruments

Green Private Placement, December 2030/ 2035	100
Total	**1,100**

C) Remaining Portfolio of Eligible Assets	**Value in EUR million**
Total (A-B)	**3,241**



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

100%

E) Share of financing vs refinancing

64% refinancing

36% financing

The EUR 100m green private placement was a refinancing, and both EUR 500m green bonds (2019 and 2021) were to refinance maturing 300m bonds; 700m refinancing/ 400m financing

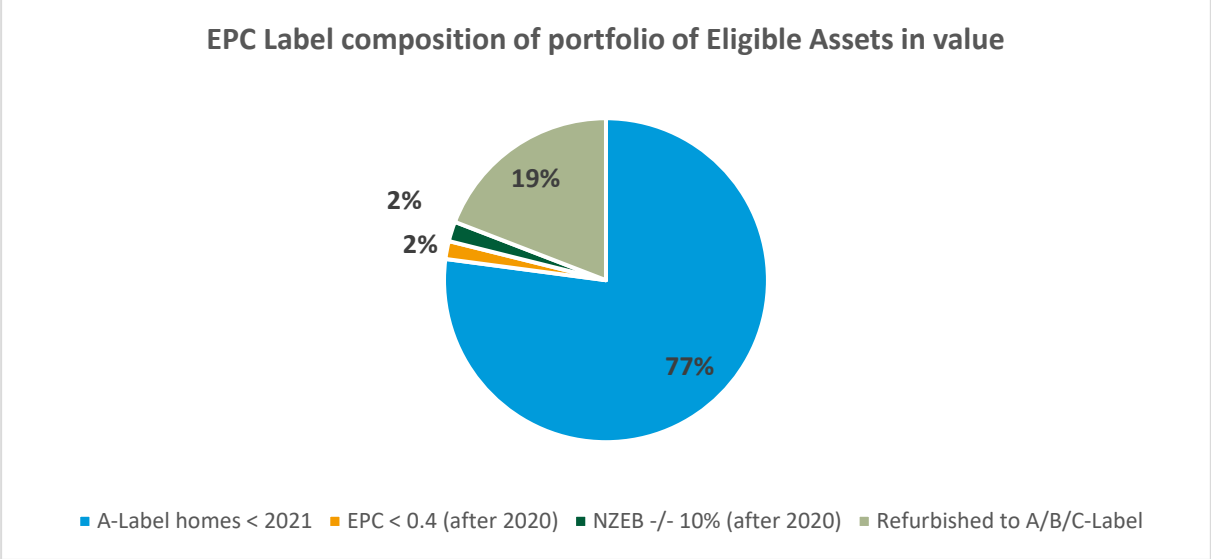
F) Average lookback period of the portfolio*[1]

New & existing energy efficient residential buildings: 4 years

Refurbished residential buildings: 4.5 years

Impact reporting as of Q2 2022

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 (August 2022) the environmental impact of the portfolio of Eligible Assets in terms of both energy savings and CO_2 emission avoidance.

For the portfolio of Energy Efficient Residential homes, Nibag compared the primary energy usage and related CO_2 emissions of portfolio of Eligible Assets with a

[1] The lookback period is based on the date that the most recent EPC label was provided for the eligible building

comparable average portfolio of residential homes in the Netherlands (using EPC Label C and the accompanying average energy usage and related CO_2 emissions as a benchmark). For the portfolio of refurbished residential buildings, the primary energy savings and CO_2emission avoidance was calculated based on all individual home improvements in terms of final EPC-label. The improvements in primary energy usage and related CO_2emissions are based on the publicly available report "Relatie tussen energielabel, werkelijk energieverbruik en CO_2-uitstoot van Amsterdamse corporatiewoningen" (Majcen D., Itard L. (2014)).

All calculations indicate the theoretical primary energy reduction and related CO_2emission avoidance.

C) Overview of the impact of Vesteda's 2022 Green finance portfolio:

The table below provides an overview of the environmental impact of the total portfolio of Eligible Assets as per Q2 2022.

NIBAG regisseur in huisvesting

Total CO2 savings of energy efficient buildings (excl. 2 label steps) in comparison with a representative average Dutch residential portfolio	c. 9.0 million kg*
Total Energy savings of energy efficient buildings (excl. 2 label steps) in comparison with a representative average Dutch residential portfolio	c. 50 GWh*
Total CO2 savings of existing buildings which have made an improvement of at least two EPC label steps	c. 3.9 million kg
Total Energy savings of existing buildings which have made an improvement of at least two EPC label steps	c. 22 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 (2022).

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/	g/	h/	i/	j/
Energy efficient residential buildings	3.778	100%	100%	100%	957	9.766	927.634	50.505	8.998
Refurbished residential buildings	563	100%	100%	100%	143	2.311	224.845	21.773	3.933
Total	**4.341**	**100%**	**100%**	**100%**	**1100**	**12.077**	**1.152.479**	**72.278**	**12.931**

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 tonnes of CO_2 equivalent

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

'Imagine' in Rotterdam (new residential building):

Features:

- The rent of around 80% of the apartments is below EUR 1100.- per month
- For 60% of these apartments, the mid-rent regulation of the municipality applies (for 15 years)
- Energy Performance rating of 35 kWh/ m2/ year (10% < NZEB)
- Shared biodiverse courtyard with water buffer for excess rainfall, nesting for bats
- Well-rated on climate adaptation
- Water saving sanitary

'De Kuil' in Rotterdam (new residential building):

Features:

- 95% affordable houses, also specifically for key workers
- Energy Performance rating of 40/ 46 kWh/ m2/ year (10% < NZEB)
- Shared biodiverse courtyard with water buffer for excess rainfall, nesting for bats
- Well-rated on climate adaptation
- Water saving sanitary

Westkapellelaan in Den Haag (renovation existing building):

Measures:

- External wall insulation with mineral stone strips finish
- Extra insulation roofing
- CO2 controlled ventilation system
- Medium/low temperature heating (<55%)
- Decentralized ventilation unit with built-in heat exchanger in the living room / new radiators with thermostatic valves in the other rooms
- All apartments are equipped with a PV installation
- Nest boxes incorporated in the facade
- Water retention buffers in the sewerage of the parking lot

Churchilllaan in Rijswijk (renovation existing building):

Measures:

- External wall insulation with mineral stone strips finish
- Extra insulation roofing
- CO2 controlled ventilation system
- Medium/low temperature heating (<55%)
- thermostatic valves in each rooms
- All apartments are equipped with a PV installation
- Nest boxes incorporated in the facade

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

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