



Vesteda impact and allocation report Q3 2023

Green issuance to date

In September 2023 Vesteda issued its first digital green bond on the public blockchain. Vesteda raised EUR 5 million via an institutional investor. The digital green bond has a maturity of 1 year with floating interest rate based on 3 months Euribor.

In October 2021, Vesteda successfully issued its second green bond. This was 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 1-1-2021 should have a primary 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%.

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 1-1-2021 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.

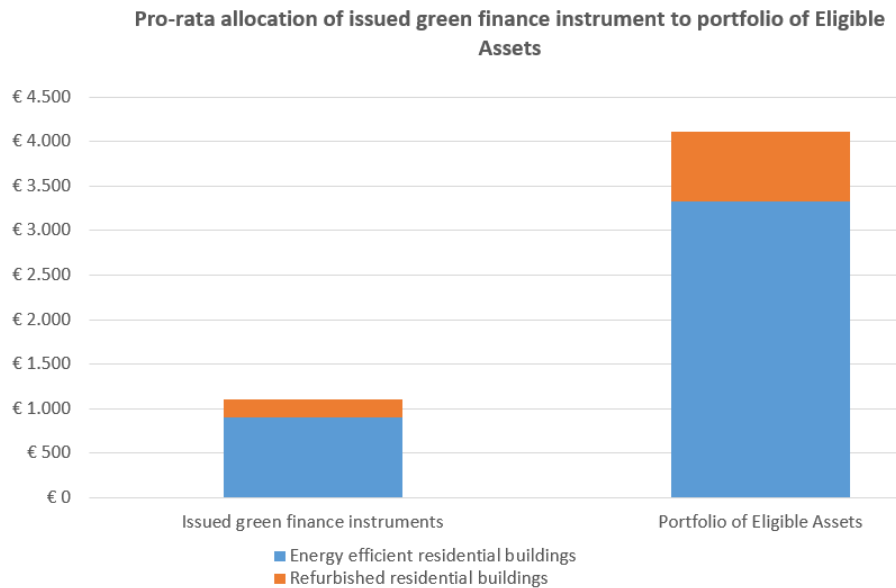
Eligibility Criteria	
Energy efficient residential buildings	Refurbished residential buildings
<ul style="list-style-type: none"> ✓ Existing buildings constructed before 31-12-2020 with at least an EPC label of "A" or <u>better, or</u> belonging to the top 15% of the Dutch residential building stock 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. 	<ul style="list-style-type: none"> ✓ Existing buildings which have <u>realised</u> 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. € 3,328 million	c. € 781 million
	

Allocation reporting as of Q3 2023

A) Portfolio of Eligible Assets	Value in EUR million
Portfolio of Energy efficient residential buildings	3,328
Portfolio of refurbished residential buildings	<u>781</u>
Total	4,109

B) Green finance instruments issued	proceeds in EUR million
May 2027 Green Bond	500
November 2031 Green Bond	<u>500</u>
Subtotal	1000
Other Green Finance instruments	
Green Private Placement, December 2030/ 2035	100
Green digital bond, September 2024	<u>5</u>
Total	1,105

C) Remaining Portfolio of Eligible Assets	Value in EUR million
Total (A-B)	3,004



D) Percentage of proceeds of green finance instruments allocated to Eligible Assets:
100%

E) Share of financing vs refinancing

63% refinancing
37% financing

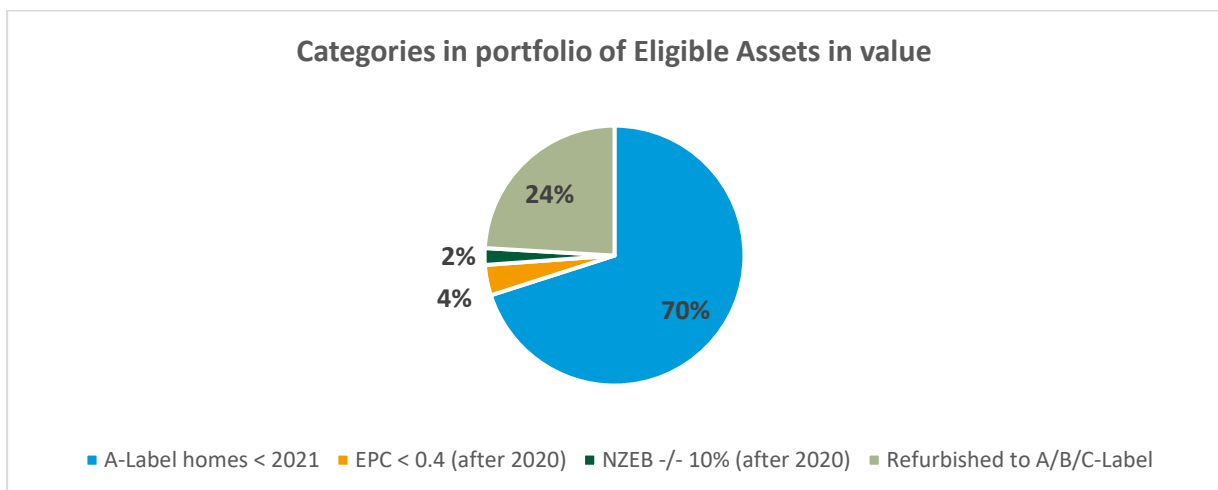
The EUR 100m green private placement was a refinancing, and both the EUR 500m green bonds of 2019 and 2021 were to refinance maturing EUR 300m bonds. The EUR 5 tokenized debt was a new financing; 700m refinancing/ 405m financing

F) Average lookback period of the portfolio*1

New & existing energy efficient residential buildings: 5 years
Refurbished residential buildings: 4 years

Impact reporting as of Q3 2023

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 (September 2023) 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 the 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


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

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 CO₂emissions 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 Q3 2023 Green finance portfolio:

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

	Total CO ₂ savings of energy efficient buildings (excl. 2 label steps) in comparison with a representative average Dutch residential portfolio	c. 9.1 million kg*
	Total Energy savings of energy efficient buildings (excl. 2 label steps) in comparison with a representative average Dutch residential portfolio	c. 51 GWh*
	Total CO ₂ savings of existing buildings which have made an improvement of at least two EPC label steps	c. 5.3 million kg
	Total Energy savings of existing buildings which have made an improvement of at least two EPC label steps	c. 29 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.

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	3.328	100%	100%	100%	895	9.434	939.095	51.102	9.104
Refurbished residential buildings	781	100%	100%	100%	210	2.991	296.162	29.434	5.315
Total	4.109	100%	100%	100%	1105	12.425	1.235.257	80.537	14.419

- 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
- g/ Impact indicators

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

E) Below you can find some examples of Eligible Assets/ projects in 2023

'De Cavalière' in Helmond (new residential building):



Features:

- Rent below EUR 1.100,- per month
- Specifically for key workers
- Energy Performance rating of $\leq 0,4$ (building permit before Jan 1, 2021)
- Shared biodiverse courtyard with water buffer for excess rainfall
- Well-rated on climate adaptation
- Water saving sanitary

'De Regent II' in The Hague (new residential building):



Features:

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- Rent between EUR 1.000,- and 1.600,- per month
- 1 out of 3 new tenants is a key worker
- Energy Performance rating of $\leq 0,4$ (building permit before Jan 1, 2021)
- Shared biodiverse courtyard with water buffer for excess rainfall, nesting for bats
- Well-rated on climate adaptation
- Water saving sanitary

Kluizeweg in Arnhem (renovation existing building):

Before



After



Measures:

- Post-insulating cavity walls
- Replacing glass with HR++ glass
- Replacing the front door
- Replacing balcony door
- Installation of CO₂-controlled mechanical ventilation
- Placing self-regulating grilles above glass (low noise)
- Install six solar panels per home

Egelantiersstraat in Badhoevedorp (renovation existing building):

Before



After



Measures:

LESS ENERGY CONSUMPTION

- Post-insulating cavity walls (where necessary)
- Post-insulate roof (on the outside)
- Replacement of single glazing with HR++ glass
- Replace front door
- Installing soil insulation
- Installation of CO2 controlled mechanical ventilation box
- Placing self-regulating grilles above glass (low noise)
- Installing solar panels



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

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