

## Statement on principal adverse impacts of investment decisions on sustainability factors

**Financial market participant** Vesteda Investment Management B.V.

### Summary

Vesteda Investment Management B.V. ("VIM"), LEI number: 724500GA1ZREYP7XO676 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Vesteda Investment Management B.V.

This statement on principal adverse impacts on sustainability factors covers the reference period from **1 January 2024 to 31 December 2024**.

Vesteda invests directly in real estate assets, not in investee companies. Therefore, it only considers indicators for principal adverse impact on sustainability factors that are explicitly applicable to investments in real estate assets, being exposure to fossil fuels through real estate assets and exposure to energy-inefficient real estate assets. All indicators related to investee companies are not applicable. Another indicator for principal adverse impacts on sustainability factors that Vesteda considers is energy consumption intensity of the asset portfolio. Below you find a summary of the outcome of the principal adverse impact assessment.

- Exposure to fossil fuels through real estate assets: Vesteda does not invest in such real estate assets and therefor has **0%** exposure.
- Exposure to energy-inefficient real estate assets: the share of investments in energy-inefficient real estate assets is **18.7%**, in accordance with the definition set in Delegated Regulation 2022/1288. The definition in the Delegate Regulation is based on energy labels and *not* actual energy use. Since the actual energy use is of the essence, Vesteda also uses its own threshold to assess energy inefficiency, being 140 Kwh/m<sup>2</sup>. This threshold is based on *actual energy use* and the target values drawn up by the Dutch Green Building Council for achieving the 2050 target of the Paris Agreement. The share of investments in energy-inefficient real estate assets based on this metric is **1%**.
- Energy consumption intensity: Energy consumption in GWh of owned real estate assets per square meter is **0.000088 GWh**.

**27.6%** of the Vesteda portfolio is deemed "energy inefficient real estate" (according to the "SFDR<sup>1</sup> definition"), which is based on energy labels rather than actual energy performance. However, Vesteda keeps track of the actual energy performance of its portfolio. Based on this, the actual

<sup>1</sup> COMMISSION DELEGATED REGULATION (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre- contractual documents, on websites and in periodic reports

percentage of energy inefficient real estate is **1%**. Combined with the total performance of 0.000088 GWh and Vesteda's CO<sub>2</sub> reduction roadmap and available budget to decrease the impact even further to 0% (based on energy performance), Vesteda deems the negative impact as such as limited.

Key actions that Vesteda will take in 2025 to limit the principal adverse impact of said indicators are:

- Continue with planned improvements of higher energy consuming assets, in combination with value creation in the portfolio.
- Install 11,000 solar panels to reduce CO<sub>2</sub> emissions and improve affordability.
- Explore possibilities to start with pilot projects regarding sustainable heat systems, starting from 2028 onwards as a 'smart follower'.
- Social sustainability: stimulate behavioural changes among tenants to encourage energy reduction.
- Upcoming new projects focus more on additional insulation measures together with planned maintenance to bring homes to the insulation standard needed for natural gas-free heating systems towards 2030.

#### **Description of the principal adverse impacts on sustainability factors**

The mandatory indicators defined by the SFDR are set out in the table below. For each of these indicators, we have included information to describe the actions that we have taken and actions that we plan to take/targets set to avoid or reduce the identified principal adverse impact.

We have included the reported principal adverse impact of our investments, measured using these indicators, for the reference period from 1 January to 31 December 2024.

We will report this information on an annual basis, subject to data availability and quality. Information on impact compared to the previous year no later than 30 June of each year.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	n/a	n/a		
		Scope 2 GHG emissions	n/a	n/a		
		Scope 3 GHG emissions	n/a	n/a		
		Total GHG emissions	n/a	n/a		
	2. Carbon footprint	Carbon footprint	n/a	n/a		
	3. GHG intensity of investee companies	GHG intensity of investee companies	n/a	n/a		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	n/a	n/a		
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-	n/a	n/a		

		renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources				
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	n/a	n/a		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	n/a	n/a		
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	n/a	n/a		
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	n/a	n/a		
<b>INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS</b>						

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	n/a	n/a		
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	n/a	n/a		
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	n/a	n/a		
	13. Board gender diversity	Average ratio of female to male board members in investee companies,	n/a	n/a		

		expressed as a percentage of all board members				
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	n/a	n/a		
<b>Indicators applicable to investments in sovereigns and supranationals</b>						
<b>Adverse sustainability indicator</b>		<b>Metric</b>	<b>Impact 2024</b>	<b>Impact 2023</b>	<b>Explanation</b>	<b>Actions taken, and actions planned, and targets set for the next reference period</b>
Environmental	15. GHG intensity	GHG intensity of investee countries	n/a	n/a		
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	n/a	n/a		

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels	0	0	Vesteda does not invest in such real estate assets.	Not applicable
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets <sup>2</sup>	18.7%	27.6%	This percentage is based on the definition set in Delegated Regulation 2022/1288. The definition in the Delegate Regulation is based on energy labels and not	In 2024, Vesteda invested EUR 34 million and improved the energy performance of 2,018 residential units. The measures include the installation of high efficiency boilers, DC ventilators, LED lightning in common

<sup>2</sup> 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

					<p>actual energy use.</p> <p>Since the actual energy use is of the essence, Vesteda also uses its own threshold to assess energy inefficiency, being 140 Kwh/m2. This threshold is based on <i>actual energy use</i> and the target values drawn up by the Dutch Green Building Council for achieving the 2050 target of the Paris Agreement.</p> <p>The share of investments in energy-inefficient real estate assets based on this metric is <b>1%</b>.</p>	<p>areas, insulated glass, the insulation of roofs, cavity walls and under floors, and the installation of solar panels. Vesteda installed a total of 13,935 solar panels last year. At year-end 2024, Vesteda had a total of 47,613 solar panels in its portfolio, generating approximately 12.5 million kWh annually. The percentage of homes in the portfolio with an energy-efficient label (A or B increased to 84% in 2024.</p> <p>Key actions 2024:</p> <ul style="list-style-type: none"> <li>- Continue with planned improvements of higher energy consuming assets, in combination with value creation in the portfolio;</li> <li>- Install 11,000 solar panels to reduce CO<sub>2</sub> emissions</li> </ul>
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						<ul style="list-style-type: none"> <li>- Social sustainability: stimulate behavioral changes among tenants to encourage energy reduction;</li> <li>- Upcoming new projects focus more on additional insulations measures together with planned maintenance to bring homes to the insulation standard needed for natural gas-free heating systems towards 2030;</li> <li>- Continue with planned improvements of higher energy consuming assets, in combination with value creation in the portfolio.</li> </ul>
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Other indicators for principal adverse impacts on sustainability factors						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Energy consumption	19. Energy consumption intensity <sup>3</sup>	Energy consumption on GWh of owned real estate assets per square meter.	0.000088	0.000097	This is actual use for scope 1, 2 and 3 with an actual coverage of 85% of the real estate assets.	Reference is made to point 18 for a description of actions taken and planned.

### Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Vesteda has developed a CO<sub>2</sub> Roadmap, in line with government targets, to become Paris Proof by 2045. Vesteda's goal for 2030 is to realise a 60% energy reduction in kWh/sqm compared with 1990.

In identifying and prioritising principal adverse impacts on sustainability factors, Vesteda focuses on the indicators specifically set for real estate, which are limited. In addition, Vesteda focuses on energy consumption intensity. This is based on actual use (scope 1, 2 and 3) en not on (theoretical and less accurate) energy labels and therefore, in the opinion of Vesteda, constitutes the best indicator for energy consumption of its portfolio. The Program Manager Sustainability is responsible for developing the policy, which is monitored on a continuous basis, under supervision of the CEO. The ESG Committee monitors the progress of the actions defined to meet the set targets.

Vesteda's sustainability improvement plans aim at reducing the actual energy consumption to Paris Proof standards and improve the affordability for our tenants. The plans are integrated in Vesteda's technical standards which are applied when acquiring, renovating and maintaining Vesteda's real estate assets. Vesteda applies its technical standards to assess whether (potential) investments comply with Vesteda's sustainability and technical requirements. These standards are, in some cases, even higher than national and local regulations and legislation and also take into consideration the Technical Screening Criteria for climate change mitigation and adaptation in relation to the EU Taxonomy Regulation. In addition, Vesteda uses an ESG risk-framework to determine a sustainability impact score for each new-build or renovation project. This contributes to a broader scope on relevant sustainability risks and factors. As a result, each potential project is assigned a sustainability impact score based on various indicators. The weighted average of this score results in a sustainability impact core (SIS) of the project. This is laid down in a "Policy on the integration of sustainability risks and factors in the investment decision making process". This policy was last approved in March 2023; the Head of Acquisitions & Development is responsible for the implementation of the policy.

### Methodologies:

When applying the methodologies to select the additional indicators, Vesteda strives to use, to the extent possible, science-based targets. They provide a clearly-defined pathway for companies to reduce greenhouse gas emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. The focus lies on indicators that Vesteda can influence as owner of the real estate assets; in that regard, Vesteda deems energy consumption intensity the best suitable indicator.

<sup>3</sup> 'energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company

<p><b>The data sources:</b></p> <ul style="list-style-type: none"> <li>• Exposure to fossil fuels through real estate assets: Vesteda’s own real estate portfolio administration.</li> <li>• Exposure to energy-inefficient real estate assets/ energy consumption intensity of the asset portfolio: energy labels in line with the EU Energy Performance of Buildings Directive. The energy label must be determined according to the calculation method NTA 8800. This method applies to existing and new buildings. A certified external party will assess the relevant real estate asset and will register its characteristics in EP-online, the official Dutch database for energy indicators and labels. The database can be consulted to retrieve the energy label for a specific housing unit.</li> <li>• Energy consumption intensity: data provided by energy companies and grid operators.</li> </ul>
<p><b>Engagement policies</b></p> <p>Vesteda does not invest in investee companies and therefore does not have engagement policies in place.</p>
<p><b>References to international standards</b></p> <ul style="list-style-type: none"> <li>• Vesteda participates in the Global Real Estate Sustainability Benchmark (GRESB). Vesteda has been awarded with five stars in this benchmark and is part of the top 20% worldwide.</li> <li>• Vesteda applies the UN's Sustainable Development Goals, which defines global sustainable development priorities and aspirations for 2030. This common set of 17 goals and 169 sub-targets calls for worldwide action from governments, business and civil society to end poverty, ensure prosperity for all, and protect the planet. We consider the SDGs Affordable and clean energy (7), Sustainable cities (11) , Responsible consumption and production (12) and Climate action (13) the most relevant to our activities, based on what we do and our ambitions.</li> <li>• Vesteda uses the GRI Standards to report on its ESG policy in its annual report.</li> <li>• Vesteda is committed to the Paris Proof Commitment of the Dutch Green Building Council</li> </ul>

These standards predominantly aim at setting disclosure standards in order to prevent greenwashing. In addition, they serve as benchmark tools to compare peer groups. As such, these standards usually do not provide concrete indicators to align with the Paris Agreement; they rather provide ambitions, reporting standards and tools to come to such alignment.

**Historical comparison**

See above, no data before 2022.