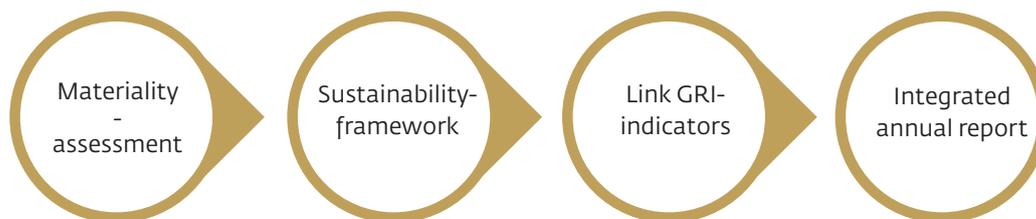


How do we manage our material subjects?

STEPS MADE IN 2017 IN ORDER TO FURTHER INTEGRATE SUSTAINABILITY IN OUR ORGANISATION

Vastned considers sustainability in the broadest sense as an integral part of its mission, strategy and organisation. It goes hand in hand with Vastned's mission to generate stable and predictable long-term results and raise the quality of its portfolio, also in the area of sustainability and energy performance.

In order to make sustainability a structural part of Vastned's business operations, the following step-by-step plan has been applied. For each of the steps Vastned reveals how it chooses to deal with sustainability and how it will flesh out the concept. This is achieved by identifying subjects that Vastned considers to be material. These subjects are then structured in a sustainability framework that is linked to the Global Reporting Initiative (GRI). Based on this framework, quantitative indicators are drawn up to make sustainability measurable. Vastned communicates its results in its annual report for 2017.



MATERIALITY ASSESSMENT

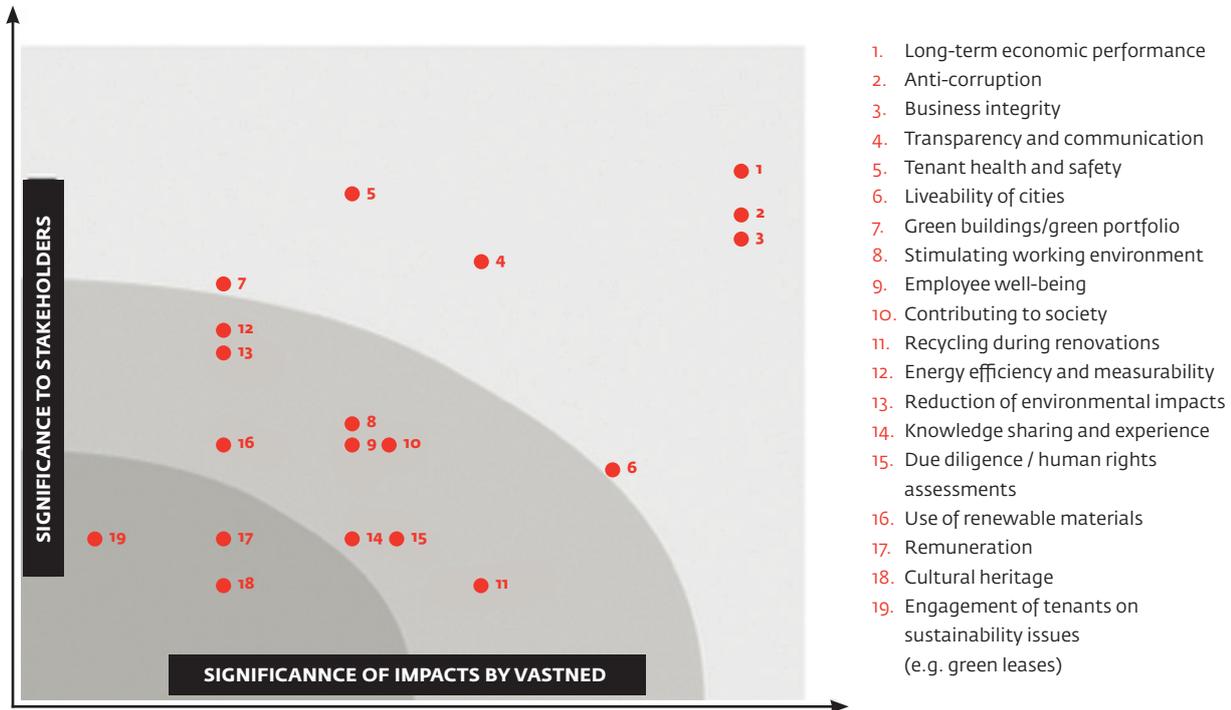
Vastned is aware that it operates in collaboration with a range of stakeholders, who all have different interests and a changing impact on decision-making. Last year, Vastned conducted a materiality analysis in order to identify the main interests for both Vastned and its stakeholders. Based on this analysis, Vastned chose nineteen subjects from a large number of possible relevant themes and asked a group of stakeholders to rank these themes in terms of importance. In 2017, Vastned made contact with its stakeholders in this way for the first time. The intention is to repeat the process annually. The stakeholder groups identified as relevant were:

- Investors
- Financiers
- Tenants

Vastned compared the ranking by the stakeholders with its own ranking of the importance of these topics. All stakeholder groups were assigned the same weight.

Of these nineteen themes, the following seven were the most important according both to the stakeholders and to Vastned: long-term economic performance, anti-corruption, business integrity, transparency and communication, health and safety of tenants, liveability of cities and green buildings/green portfolio.

The seven themes form an integral part of the strategic sustainability framework, which is in line with the overarching strategy.



SUSTAINABILITY FRAMEWORK

After identifying the material subjects, Vastned took stock of what it already does in the area of these subjects, and how these fit in with the current strategy and business operations. For this a sustainability framework was set up (see page 3) in which sustainability is linked to Vastned's mission and values. Vastned has subdivided sustainability into three pillars: 'Increasing the liveability of cities', 'minimising the impact of the properties' and 'raising the satisfaction of investors and tenants'. These are then detailed for the sake of measurability. This operationalisation results in the company being able to work in a practical way on Vastned's overarching sustainability.

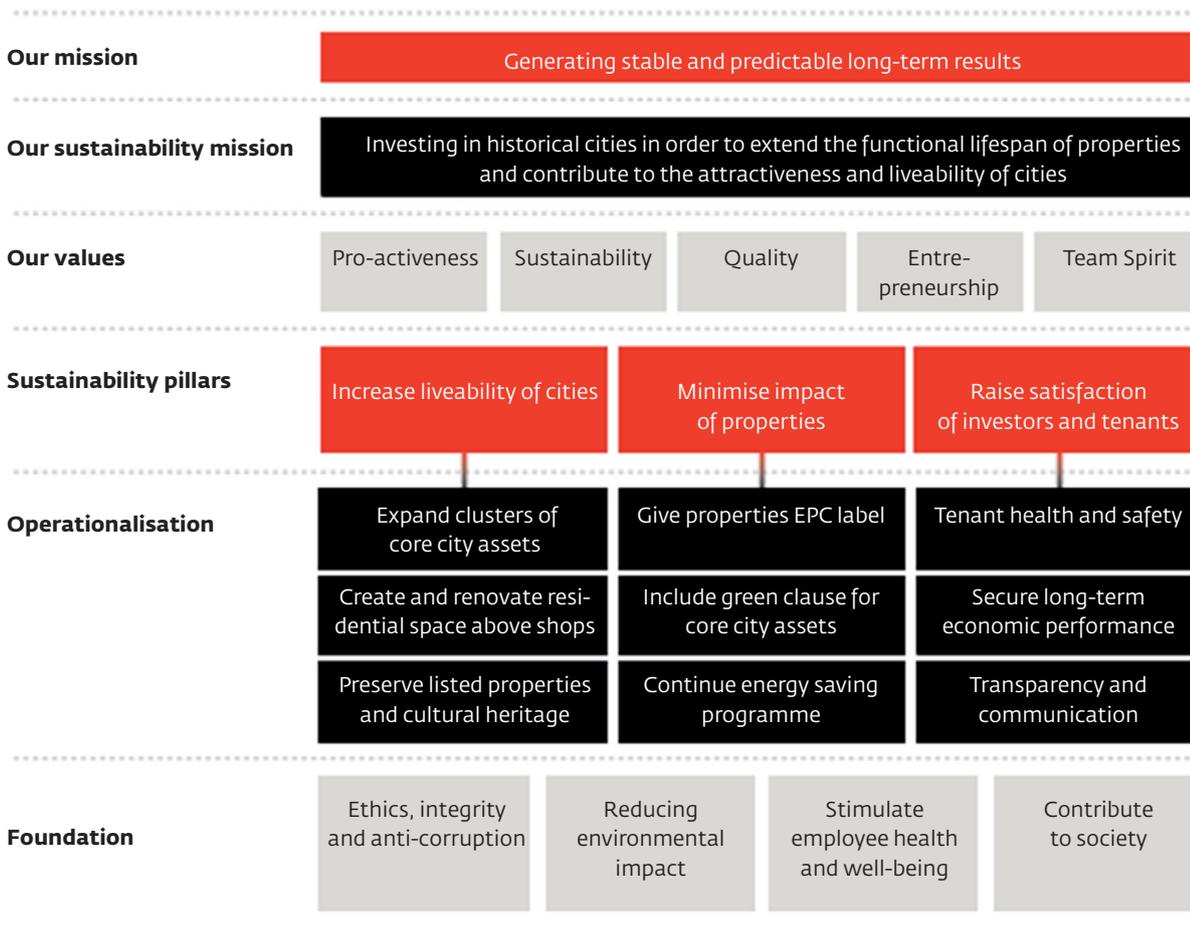
All material subjects identified in the materiality assessment will return in the framework. In this way, Vastned guarantees that the subjects that are identified are in line with the subjects that our stakeholders consider to be important. Also, the trends in the property industry to which Vastned is exposed and the present reporting were included in the creation of the framework. This has resulted in a relevant and focused sustainability strategy.

LINKING TO GRI INDICATORS

GRI is the world's most accepted and used standard for reporting non-financial information. GRI's most recent guideline is the GRI Standards, which aim for an inclusive working method that takes into account the wishes of the stakeholders. GRI principles are used in order to determine the contents of a report and guarantee its quality. The working method described above was derived by using the principles of GRI Standards.

GRI also has quantitative indicators for non-financial subjects that can be used to make identified material subjects measurable. Where possible, these indicators are linked to the strategic pillars of the sustainability strategy and the material subjects as described above.

Sustainability framework



INTEGRATED ANNUAL REPORT

All aspects discussed here are also included in Vastned's annual report. The materiality matrix and the sustainability framework are already described in the 2017 annual report. Further integrating the material subjects, the sustainability strategy and the non-financial indicators in Vastned's reporting will result in a comprehensive picture of the interwovenness of sustainability in Vastned's business operations. Thus, readers will learn how Vastned creates long-term value.

Over the year, Vastned has made a good deal of progress towards being able to report in accordance with the GRI guidelines. The 2017 annual report complies with virtually all GRI requirements. Vastned has the intention of bringing the 2018 annual report into full compliance with the Integrated Reporting standards and the GRI guidelines, in which the non-financial and financial information of that year will be integrated and published. Vastned aims to publish a fully integrated annual report for 2018.