

# VASTNED RETAIL N.V.

# ESG Policy

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# 1. Introduction

## 1.1. Background

Vastned Retail N.V. (“Vastned”) is a listed European property company focused on the best properties in popular shopping areas of selected European cities with a historic city centre, where shopping, living, working and leisure meet. By investing in historic city centres, Vastned helps preserve the cultural heritage of these locations. The company contributes positively to the liveability and safety of city centres by creating and renovating residential space above shops. In this way, Vastned endeavours to connect property with people and experiences and through this also creates long-term value for its shareholders, financiers, tenants, employees, and society. At the end of 2021, the total value of Vastned’s portfolio was € 1.4 billion located in the Netherlands, Belgium, France, and Spain. Investing in historic city centres of larger European cities is attractive due to the positive demographic growth, strong purchasing power, cultural heritage, tourist appeal and the presence of national and international institutions and universities.

Vastned has set up a sustainability framework, as can be seen in figure one, that links its financial and non-financial objectives. Hereby, Vastned considers sustainability in the broadest sense as an integral part of its mission, strategy, and organisation. As a leading player in the commercial real estate market in historical city centres, Vastned takes its responsibility to contribute to the quality of life and the preservation of cultural heritage of historic inner cities. By continuing to invest in cultural heritage, Vastned extends the functional lifespan of these properties while contributing to the attractiveness of city centres. Due to ongoing urbanization, it is important for society that the housing stock in historical inner cities is expanded. Through converting empty spaces above shops into residential units, city centres are livelier after closing time, which enhances social cohesion and the feeling of safety. Part of the commercial real estate buildings in Vastned’s portfolio are already energy efficient. However, Vastned is aware that improvement can still be made in its portfolio and, hence, aims to increase (transparency of) the energy efficiency of its assets. Vastned also aims to reduce the environmental impact of its own operations, for example by minimising the carbon footprint of offices and travel.



Figure one The Sustainability framework of Vastned

## 1.2. Purpose of this policy

The purpose of this policy is to elaborate on Vastned’s management approach and practices regarding sustainability topics. Hereby, the document functions as a guide for employees to take various sustainability elements into account when implementing activities for Vastned. Moreover, through this document, other stakeholders can be informed on Vastned’s stance and actions regarding sustainability.

## 1.3. ESG topics and materiality

Vastned looks at sustainability in the broad sense of Environmental, Social and Governance (“ESG”) topics. These topics are fully incorporated in Vastned’s mission, strategy, and organisation.

- Environmental topics refer to the company’s response to environmental issues such as climate change, resource depletion, waste, and energy consumption.
- Social topics are related to the company’s care for people, workers, and local communities, including stakeholder relations and health and safety issues.
- Governance topics refer to how a company runs its business, from corporate policies and decision-making processes to compliance and a company’s stance on issues such as corruption, data privacy and remuneration.

To identify the relevant ESG topics for Vastned to include in this policy, the ESG topics for Real Estate Investment are taken into account as recommended by the UN Principles for Responsible Investments (“PRI”).

Environmental	Social	Governance
Biodiversity and habitat	Community development	Anti-bribery and money laundering
Climate change	Health and safety	Cybersecurity
Land contamination	Human rights	Data protection and privacy
Energy consumption	Inclusion and diversity	Legal and regulatory fines
Greenhouse gas emissions	Labour standards and working conditions	ESG clauses in existing leases
Indoor environmental quality	Social enterprise partnering	
Location and transportation	Stakeholder relations	
Materials	Occupier amenities - showers, changing rooms.	
Pollution	Controversial tenants	
Resilience to catastrophe/ disaster		
Renewable energy		
Sustainable procurement		
Waste management		
Water consumption		

Figure two List of topics for Real Estate Investment as recommended by the UN PRI

The ESG policy addresses many topics under each of the three headings: Environmental, Social and Governance. Whilst all ESG topics are important, certain topics are more critical to the operations of Vastned. Therefore, Vastned regularly conducts a ‘materiality

assessment' on a broad range of sustainability topics based on input from various stakeholders, including shareholders, employees, financiers, and tenants. The outcome of this materiality assessment encourages Vastned to update the topics included in this ESG policy to align with the expectations of key stakeholders. Figure three shows the topics that are currently considered to be most material according to the materiality analysis. Every time its materiality analysis is renewed Vastned develops performance indicators based on the outcome of the analysis that form the most important objectives for the coming three years.

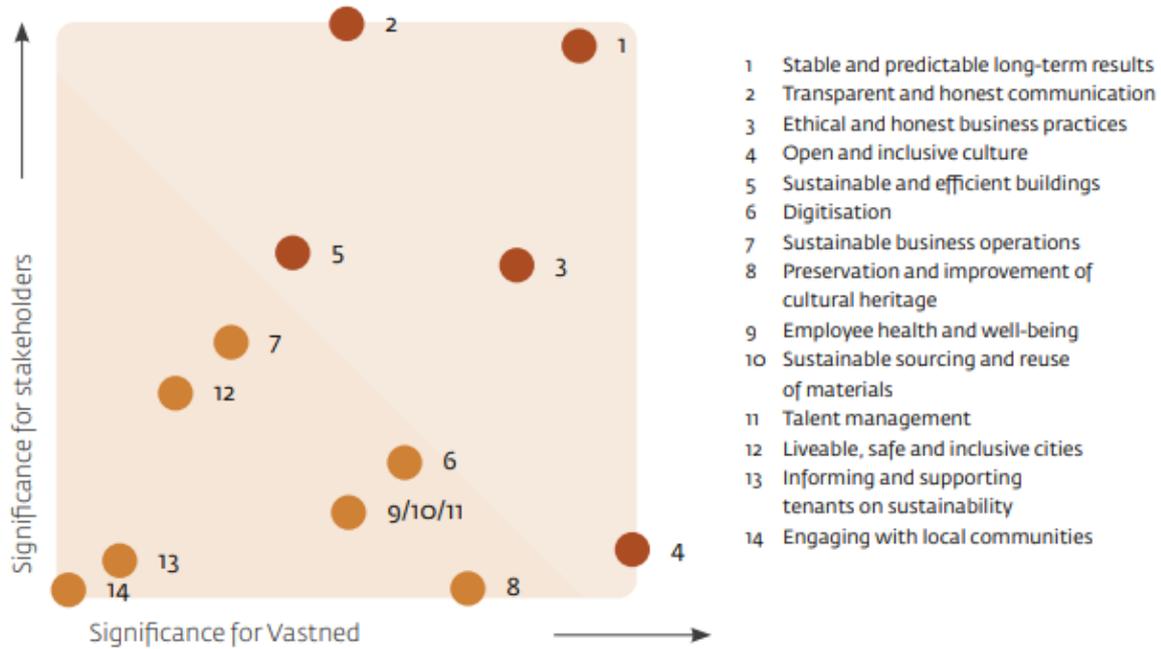


Figure three Outcome of the materiality assessment 2019 (will be renewed in 2022)

#### 1.4. Principles and Guidelines

Vastned uses various international principles and guidelines for its sustainability focus areas, strategy, and management approach. Vastned endorses the following standards:

- The UN Global Compact Principles;
- The OECD Guidelines for Corporate Social Responsibility;
- The UNs Sustainable Development Goals;
- The Paris Climate Agreement as presented on 12 December 2015 to combat global warming.

These internationally accepted standards define principles for responsible business conduct on ESG matters such as governance, human rights, labour practices, environment, and anti-corruption. In its relations with stakeholders, Vastned motivates employees, business partners and service providers to embrace these standards as well.

#### 1.5. Approach to Implementation

Vastned reports on its environmental, social and governance impact in accordance with the EPRA Sustainability Best Practice Recommendations ("EPRA sBPR"). In accordance

with the EPRA sBPR Guidelines, Vastned makes a distinction in its annual report between overarching recommendations and sustainability performance indicators.

ESG considerations should flow into at least each of the following management processes:

- Decision-making regarding acquisition of buildings;
- Decision-making regarding renovations and maintenance of owned buildings;
- Daily processes, such as travel, energy use, employee engagement.

Vastned aims to implement best practices at the level of the company portfolio as well as at the level of individual assets. Where possible and feasible, Vastned translates this ESG policy document into the contracts via its green and ethical clauses, implementing it along both its upstream (responsible sourcing and procurement) and downstream (responsible lease management) supply chain. In the weekly Executive Committee meetings, developments around sustainability are discussed. The Executive Committee meetings deal with various topics, among which:

- Progress in the realisation of current objectives;
- Potential objectives;
- Developments in reporting and communication;
- Assessment of results;
- Current sustainability topics;
- Capital expenditures and energy-saving measures that will be taken.

The Sustainability Task Force is responsible for sustainability practices and consists of the CEO and two members of the Executive Committee. The Sustainability Task Force is also responsible to update this policy when needed.

To anchor sustainability in Vastned's financing, the company has developed a Green Finance Framework ("Framework"). The aim of the Framework is to (re)finance energy-efficient commercial and residential property that contributes to the preservation of historic city centres and be a positive force in the fight against climate change. On at least an annual basis, the Investment and BI manager of Vastned selects existing and potential new eligible assets that are in line with this Green Finance Framework. Subsequently, the Green Finance Committee of Vastned verifies whether the proposed assets comply with the criteria of eligible assets as included in [paragraph 2.1 of this Framework](#) and subsequently approves its portfolio of eligible assets. The Green Finance Committee is composed of the Investment and BI manager, the Treasurer and Finance Director of Vastned.

When it comes to remuneration, Vastned's policy takes account of the identity, mission and values, and public support of Vastned. The total remuneration for the Executive Board comprises a fixed remuneration, a short-term variable remuneration, a long-term variable remuneration, a pension plan, and other benefits. The long-term variable remuneration depends inter alia on a Business Health Test, of which the purpose is to encourage that short-term incentives are not predominant in determining the policy and that the Executive Board is encouraged to always keep the long-term strategy in mind. Non-financial performance indicators such as employee satisfaction and strategic leadership are already considered in the evaluation of the Business Health Test. From 2022 onwards, Vastned will suggest including ESG related targets in the business health test as part of the remuneration of the Executive Board however this is subject to AGM approval. The members of the Supervisory Board receive a remuneration that consists of a competitive compensation that does not include performance-based elements. Thus,

the remuneration contributes to safeguarding independent expert supervision in the interests of the company and its long-term performance. More detailed information on Vastned's Remuneration Policy can be found [here](#).

## 2. Environmental topics

### 1.6. Biodiversity and habitat

Since the vast majority of Vastned's portfolio is located in historic city centres it does not directly contribute to the preservation of biodiversity and habitat. Vastned does encourage its employees to explore possibilities to improve the biodiversity and habitat near its properties where possible. Vastned does indirectly contribute to this topic by increasing the functional lifespan of properties in historic city centres and improving the liveability in these areas.

When the lifespan of our properties is increased it reduces the demand for raw materials in comparison when a new property would have been built on the same location. This indirectly improves the biodiversity of locations where the specific raw material is being excavated. Furthermore, by increasing the liveability inside city centres and creating apartments above our shops the need for city expansion decreases. This increases the biodiversity of peripheral areas around big cities by decreasing demand for housing.

### 1.7. Climate change

Vastned recognizes the potential impacts of climate change. Therefore, Vastned considers sustainability risks and factors in the investment decision-making process. Vastned's investments can be divided in two parts: acquisition of buildings and renovations of owned buildings. In both cases, sustainability risks are specifically related to the buildings acquired or renovated and hence to Vastned's financial position, as these buildings are core assets. These can for example be transition risks (the risks related to a transition to a low carbon economy, e.g., new legislation that prohibits the use of buildings with low energy efficiency), physical risks (the risks related to climate impacts, such as heat stresses and flooding), or social risks (the risks of damaging impacts on health and wellbeing of tenants, for example due technical issues in the property). The Executive Committee is responsible for the investment decision-making process and the accompanying risk analysis.

### 1.8. Energy consumption and Renewable energy

Considering Vastned's commitment to being a positive force in the fight against climate change, Vastned aims to extend the (economic) lifespan of its properties as far as possible and improve their energy efficiency. Energy efficiency is measured using an Energy Performance Certificate ("EPC"). Where possible, the wish is for all Vastned's assets to have an A certificate. For our growing residential portfolio this is the standard and most of our apartments are energy efficient due to the significant number of renovations done through the years. However, due to the listed status of Vastned's portfolio and technical limitations of our commercial units, the actions that can be taken are limited. Moreover, Vastned rents out its commercial properties as a shell, meaning that the tenant is responsible for energy connections and energy consumption. Vastned has only limited influence on the energy consumption of its tenants and is only responsible for the energy consumption of a limited number of general areas in the portfolio and of its own offices. However, Vastned is working on improving the EPCs. Only rental units with an EPC of, A or better in the Netherlands, Belgium and France and C or better in Spain, are eligible to be allocated to green financing instruments. With our suggestion for a ESG target in the remuneration policy of the Executive Board we have signalled to our stakeholders that we are committed to improve our properties for the years to come.

To gain improved insight in our EPC's and energy performance of Vastned's portfolio, data is key. Data analysis will increasingly be used to support the sustainability of the property portfolio. One example is collecting data on tenants' energy consumption, on the basis of which Vastned has identified targeted energy saving renovations for the largest energy consuming units in the property portfolio. In this way Vastned increases the number of eligible assets that have been defined within the Green Finance Framework. This will ultimately support the valuation of the real estate portfolio and increase the possibilities for issuing green financing instruments.

With respect to its own energy consumption, Vastned tries to reduce its Scope 1 and 2 greenhouse gas emissions by reducing energy consumption through efficiency gains that are reported on in the annual report. For the energy that is still needed, Vastned uses electricity from Dutch wind power and green gas. In 2020 and 2021, Vastned purchased 100% renewable electricity for the consumption of properties under its operational control.

**Performance indicators:**

- Percentage of eligible assets in line with the Green Finance Framework
- % Of properties with Energy Performance Certificates
- Total electricity consumption
- Total energy consumption
- Ratio of renovations with attention for energy and water efficiency

## 1.9. Greenhouse Gas Emissions

Every year, Vastned calculates the level of CO<sub>2</sub> its operations have emitted during the previous year. Vastned aims to limit the Greenhouse gas emissions from its operations. For example, by stimulating employees to work from home (maximum of 3 days a week), take public transport to the office and by procuring green energy. Our new main office is located right next to train station Hoofddorp in the Netherlands. Due to our move of our main office train travel is often a quicker alternative than traveling by car.

Since 2012, Vastned fully compensates the CO<sub>2</sub> emissions generated by its operational side. This is achieved by purchasing CO<sub>2</sub> credits based on the Gold Standard, which supports projects that reduce CO<sub>2</sub> emissions.

**Performance indicators:**

- Scope 1 emissions (direct)
- Scope 2 emissions (indirect - energy)
- Emission of Tonnes CO<sub>2</sub>e (own office)

## 1.10. Sustainability/Catastrophe Risk Identification and Management

A sustainability risk is an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. This means that an ESG aspect, when it occurs, can have a significant negative impact either on the amount of cash flow generated, or the cost of external financing (the weighted average cost of capital).

A catastrophe risk is the risk that a catastrophe causes extensive damage to one or more properties with the potential consequent loss of rent, a lower direct and indirect result, and tenants bringing claims and legal proceedings. Vastned is insured on conditions as customary in the industry for damage to property, liability, and loss of rent during the period until the property is rebuilt and relet. In the context of climate change

and the expected increasing extreme weather events that impact the built environment, it is becoming more important to design and renovate buildings with greater resilience against catastrophes and disasters. Please see the section 'Climate Change' on how Vastned manages these risks.

### 1.11. Sustainable Procurement of materials and appliances

When Vastned renovates a property, it always makes sure that the materials and appliances comply with environmental regulations, health, and safety standards. Vastned always sources its materials responsibly and uses recycled materials as much as possible. Where this is not possible, it uses materials bearing quality labels like the Forest Stewardship Council ("FSC") quality label to make sure that materials have been sourced responsibly. When it installs appliances, Vastned always makes sure that these are energy efficient, for example high efficiency boilers, efficient dishwashers and Led lighting.

### 1.12. Waste Management

Vastned is not responsible for the waste created by tenants across its portfolio. Vastned normally lets its commercial properties as a shell, meaning that the tenant is responsible for the management of waste and waste separation. Therefore, waste is not a material topic for Vastned. With regard to Vastned's own offices, Vastned only has data on paper waste and tries to reduce this by working online. When assets are being renovated or redeveloped, Vastned separates the waste as much as possible to make sure its recyclable. For example, the fit out of our old office at the De Boelelaan in Amsterdam has not been demolished but will be used again by the new tenant occupying the office.

#### **Performance indicators:**

- Kg of paper consumed per year
- Emission of Tonnes CO<sub>2</sub>e (paper)

### 1.13. Water Consumption

Vastned is not responsible for the water consumed by its tenants across its portfolio. Vastned normally lets its commercial properties as a shell, meaning that the tenant is responsible for the consumption and management of water and wastewater. Therefore, water is not a material topic for Vastned. With regards to Vastned's own offices, Vastned has insight in the water consumption of its offices.

#### **Performance indicators:**

- Water consumed per m<sup>3</sup> per year
- Emission of Tonnes CO<sub>2</sub>e (water consumption)

## 3. Social topics

Actively managing the property portfolio requires a hands-on, proactive, and pragmatic organisation. Good contacts and a strong local network are indispensable. Employees play a crucial role in this for Vastned and contribute to the long-term value creation. Short communication lines and a horizontal organisation ensure the right dynamics. Vastned is a small but ambitious organisation with employees dedicated to managing a high-quality sustainable portfolio let to leading retailers and office and residential tenants.

### 3.1. Community development and engagement

To emphasise its social commitment, Vastned organises a volunteer day every year. This contributes both to society and boosts the team spirit among its staff. Within its own business activities, Vastned will, where possible, redevelop and convert the upper floors of the commercial properties into apartments and offices. This stimulates the social cohesion and livelihoods of inner-city centres.

**Performance indicators:**

- Number of apartments created and renovated

### 3.2. Employee Health and Safety

Vastned considers promoting the health and well-being of its employees to be fundamental to a well-functioning organisation. For this reason, Vastned helps to create a pleasant work environment for all its employees and invests in training, health, and social engagement of its employees. Vastned pays for half of employees' gym memberships and employees are encouraged to refresh their knowledge and take relevant training courses regularly. Vastned has a 37.5-hour work week so that employees can find the right work-life balance. In 2021, during the COVID-19 pandemic, Vastned also offered employees across all countries it operates in, the opportunity to participate in an online wellness and health program (Virgin Pulse Go). This program offers tips and support for a sustainable healthy lifestyle, encourages employees to stay in touch with each other (also remotely) and thus contributes positively to the team's well-being.

### 3.3. Tenants/Visitors Health and Safety

Vastned normally lets its commercial properties as a shell, meaning that Vastned has limited influence on the health and safety of its tenants. However, Vastned aims to ensure that these properties it lets as a shell are a safe space to use and do no significant harm to one's health. This is for example done by assessing whether asbestos is present within buildings after acquisition and removing asbestos when needed.

### 3.4. Human Rights and Labour Standards and Working Conditions

Vastned endorses the principles of the United Nations Global Compact for human rights and motivates all its stakeholders to abide by these principles. Vastned endorses the principles of the United Nations Global Compact for working standards and encourages its tenants to endorse these principles to.

### 3.5. Diversity and Inclusion

By ensuring an open and inclusive culture Vastned aims to combat all forms of discrimination within the organisation. Vastned has also defined a diversity and inclusion policy that aims to create equal opportunities for everyone in the organisation. This aim finds its concrete implementation in the intention for the Executive Board, the Supervisory Board, and the Executive Committee to include/be comprised of at least 30% women and at least 30% men.

**Performance indicators:**

- Gender diversity of Supervisory Board, Executive Board, and company level
- Number of discrimination incidents reported to compliance officer

### 3.7. Stakeholder Relations

Vastned is aware that it operates in collaboration with a range of stakeholders with whom it is in constant contact. Parties that impact Vastned's value chain and/or are impacted by Vastned's activities are considered the most relevant. Vastned distinguishes the following four stakeholders who are of great importance to its long-term value creation and value chain: shareholders, employees, financiers, and tenants. The Executive Board regularly holds discussions with these stakeholders about how Vastned can continue to create long-term value.

Vastned regularly conducts a materiality assessment based on input from external stakeholders (investors, analysts, tenants, and financiers) as well as Vastned's Executive Committee. Vastned selects relevant topics identified through a thorough analysis. Accordingly, Vastned asks stakeholders to prioritize the topics based on relevancy. The results form key guidelines for Vastned's sustainability strategy and general business operations. Within the last assessment (2019), the stakeholders and Vastned's Management Team (currently Executive Committee) considered the following five topics to be the most important:

1. Stable and predictable long-term results
2. Transparent and honest communication
3. Ethical business operations
4. Open and inclusive culture
5. Sustainable and efficient buildings

Vastned reports on its current materiality matrix in its Annual Report.

### 3.8 Controversial tenants

The Executive Committee always takes generally accepted cultural norms into account when selecting a tenant for a rental unit and assesses this on a case-by-case basis.

## 4. Governance topics

### 4.1. General governance and management of ESG topics within Vastned

Good corporate governance is critical for Vastned to realize its strategic goals and maintain a good relationship with its stakeholders. With the ambition to match European 'best in class' companies in corporate governance, Vastned commits to strive for the highest standards on compliance with the provisions in the Dutch Corporate Governance Code and the principles and best-practice provisions contained in it. Vastned defines key principles in terms of governance and ESG topics in its Code of Conduct, Remuneration Policy and Tax Policy. More information can be found [here](#).

Vastned has a two-tier governance model consisting of an Executive Board and a Supervisory Board. The Executive Board is charged with determining the company's mission, vision, strategy, policy, and objectives and for achieving those objectives. The Supervisory Board, on the other hand, supervises the policy of the Executive Board and the general course of events in the company and the business connected with it and assists the Executive Board by providing advice. There is also an Executive Committee that is responsible for the day-to-day management of Vastned including its subsidiaries (except for Vastned Belgium NV).

The Sustainability Task Force is responsible for sustainability practices and consists of the CEO and two members of the Executive Committee. As chairman, the CEO has the final say on energy-saving measures to be taken.

#### 4.2. Anti-bribery and money laundering

Fraud, bribery, and corruption constitute criminal offences and are harmful to the interests not only of our organization but also those of our employees, business partners, and the wider society of which Vastned forms part. That is why Vastned conducts business with integrity and avoids all forms of fraud, bribery, and corruption. Vastned expects the same from its business partners.

Vastned counters corruption by actively complying with laws and regulations and by making employees aware of them through training and using codes of conduct. By continuously working towards transparent, fair, and ethical communication with its stakeholders about its activities, Vastned contributes to the development of transparent institutions in the property sector.

##### **Performance indicators:**

- Number of integrity incidents reported to compliance officer
- Ratio of employees confirming compliance with code of conduct

#### 4.3. Cybersecurity

Cybercrime can lead to financial losses, loss of data and reputational damage. It compromises the confidentiality, integrity, and availability of the information Vastned employees need to do their work. Examples of cybercrime include identity fraud, unauthorized disclosure of confidential information, virus infection, computer hacking and denial of service. Specific instances of cybercrime that Vastned experiences are fake emails (phishing) and malicious software (malware). In order to prevent cybercrime, Vastned's Code of Conduct sets out that Vastned staff members need to: report suspicious mail messages and fake profiles of Vastned colleagues on social media; forward suspicious emails and then delete them from their inbox; take all essential steps to prevent viruses and malware from entering Vastned's systems; refrain from providing any information to suspicious queries by email, telephone, or social media; and report all instances in which business partners are (suspected of being) victims of cybercrime.

#### 4.4. Data protection, privacy, and IT risks

Protecting privacy is an integral part of the trust Vastned owes to its business partners and employees. Appropriate handling of personal data both by Vastned and by third parties employed is therefore essential. To sufficiently protect the privacy of its business partners and employees, Vastned's Code of Conduct requires its staff members to: collect and retain personal data only as legally permitted; be transparent about how personal data is being used and for what purposes; report data breaches or alleged data breaches according to the relevant procedure immediately; stay alert to the privacy risks and pitfalls of new technologies and applications; keep personal data safe and ensure confidentiality; refrain from viewing personal data unless strictly necessary for work and from sharing personal data with third parties, unless laws, regulations or contracts require or allow employees to do so.

Effective control of the risks associated with the functioning and security of the internal IT infrastructure is of vital importance for Vastned. The impact of incomplete control of

IT risks may include not being able to report promptly or correctly internally or externally, loss of relevant information (including personal data), unauthorised access to information (including personal data) by third parties and reputation damage. The risk appetite in this area is low to nil.

Vastned mitigates this risk by putting in place internal procedures aimed at access security, backup and recovery procedures, periodic checks by external experts, digitisation of key documents, and hiring external knowledge and experience for continuous updates on developments in the area of IT. Thanks to its robust IT structure, Vastned was able to safeguard continuity during the periods when working from home was urgently recommended by the Dutch government and made mandatory by the Belgian, French and Spanish authorities (lockdowns during the COVID-19 pandemic).

#### 4.5. Compliance with Laws and Regulations

Compliance risks are risks related to failing to comply or inadequately complying with tax and other laws and regulations or unethical conduct with the potential consequences of reputation damage, tax and legal claims and proceedings or loss of tax status, leading to a lower direct and indirect result. The risk appetite in this area is nil. Effective control of compliance risks is of crucial importance for a property company such as Vastned in view of the traditional general conduct risk in the property sector.

Vastned wants to lead by example when it comes to compliance with laws and regulations. Vastned must not only comply with the letter – and the spirit – of the laws and regulations it is subjected to in every jurisdiction it operates, but also act according to its policies and procedures. To ensure compliance with laws and regulations, Vastned's Code of Conduct requires its staff members to: conduct business according to both the letter and the spirit of law, and in line with regulatory expectations; maintain the necessary specialist expertise, experience and training relevant to their position; cooperate according to the proper procedures in lawful investigations by government authorities that have jurisdiction over Vastned, or with internal investigations; inform Vastned's Compliance Officer about any investigation by government authorities that concerns them or one of their stakeholders; refrain from interfering with, obstructing, or seeking to influence the official proceedings of an internal investigation or an investigation by government authorities and from misusing their Vastned knowledge.

Vastned has internal procedures and training in place aimed at keeping knowledge of laws and regulations up to date. Vastned and its staff members will always comply with all relevant EU and/or national laws and regulations.

Vastned has a tax policy in which the risk appetite and the general principles on tax are defined. Control measures and administrative organizational measures have been put in place in various areas of taxation. Internal procedures comprise:

- Evaluation of contractual commitments by external tax lawyers.
- Employees taking relevant professional training.
- Continuous monitoring of the conditions for the application of the tax regime, including financing ratios, mandatory dividend distributions and the composition of the shareholder base, by internal and external tax experts.
- Careful analysis of tax risks involved in acquisitions and divestments, including turnover tax, transfer tax, deferred tax liabilities and the like.

Vastned has various regulations in place. Deviations from the Code of Conduct and unethical behaviour may result in reputation damage and claims and legal proceedings,

leading to higher costs and a lower direct result. The risk appetite in this area is nil. Vastned has internal procedures and training in place aimed at keeping knowledge of laws and regulations up to date. Compliance with the Code of Conduct is discussed with staff members at least once a year and staff members are explicitly asked to confirm that they have complied with the Code of Conduct yearly.

#### 4.6. ESG Clauses in New Leases

Vastned has included green and ethical clauses in new commercial leases to make its tenants aware of their impact on the environment and on society. This clause addresses subjects such as the use of natural resources, circular economy, the International Labour Organization, international codes and standards of conduct, human rights, child labour and animal welfare. In 2021, Vastned succeeded in negotiating a green and ethical clause in 91% of all newly concluded leases for retail assets.

##### **Performance indicators:**

- New leases with a green and ethical clause