

Vastned Retail N.V.

Type of Engagement: Annual Review

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Introduction

In December 2020, Vastned Retail N.V. (“Vastned”) issued a green revolving credit facility (“RCF”) aimed at financing and refinancing new and existing energy efficient commercial and residential real estate assets with a focus on historical city centres. In January 2021, Vastned engaged Sustainalytics to review the projects funded through the issued green RCF and to provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Vastned Green Finance Framework (the “Framework”).

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded in 2020 based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Vastned Green Finance Framework; and
2. Reported on the Key Performance Indicator (KPI) associated with the Use of Proceeds criteria outlined in the Vastned Green Finance Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Green Buildings	<p>Commercial and residential buildings which meet any of the following criteria:</p> <p>Newly constructed and existing buildings:</p> <ul style="list-style-type: none"> • EPC Label “A” or better in the Netherlands • EPC Label “A” or better, or E-peil level <60 in Belgium • EPC Label “A” or better in France • EPC Label “C” or better in Spain <p>Building renovation:</p> <ul style="list-style-type: none"> • The renovation will achieve, or has achieved, a saving of at least 30% in primary energy demand 	<ul style="list-style-type: none"> • EPC label classification

Issuing Entity’s Responsibility

Vastned is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Vastned’s Green Finance Use of Proceeds. The work undertaken as part of this

engagement included collection of documentation from Vastned employees and review of documentation to confirm the conformance with the Vastned Green Finance Framework.

Sustainalytics has relied on the information and the facts presented by Vastned with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Vastned.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,¹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Vastned's green RCF, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Vastned Green Finance Framework. Vastned has disclosed to Sustainalytics that as of December 31st, 2020, it has allocated 100% of the proceeds raised by the green RCF to eligible assets.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green RCF in 2020 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Vastned Green Finance Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green RCF in 2020 to determine if impact of projects was reported in line with the KPIs outlined in the Vastned Green Finance Framework and above in Table 1.	All projects reviewed reported on the KPI per the Use of Proceeds criteria.	None

¹ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

Use of Proceeds Category	Country	FY20 Eligible Portfolio Amount (in million euros) ²	FY20 Amount Allocated (in million euros)
Green Buildings	The Netherlands	87	40
	Spain	55	
Total		142	40

Appendix 2: Impact Reporting by Eligibility Criteria³

EPC label classification	Country		Total (number of units)
	Netherlands (number of units)	Spain (number of units)	
A+	5	0	5
A	68	0	68
B	0	1	1
C	0	3	3
Total	73	4	77

² As of December 31st, 2020, Vastned has allocated 100% of the proceeds raised by its green RCF (EUR 40 million) to eligible assets, with the intention to issue additional green financing instruments in 2021 to allocate to the remainder of the eligible portfolio (valued at EUR 102 million).

³ Vastned provided Sustainalytics with two case studies illustrating its achieved impact for select buildings in the Netherlands which met the eligibility criteria

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In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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5th Green Bond Pioneer Awards

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GlobalCapital SRI Awards

Named

2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider



The
Green Bond
Principles