

Vastned Retail N.V.

Type of Engagement: Annual Review

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Introduction

In December 2020, Vastned Retail N.V. (Vastned) issued a EUR 40 million 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 Europe. In January 2023, Vastned engaged Sustainalytics to review the projects funded through the issued green RCF and 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").¹ Sustainalytics provided a Second Party Opinion on the Framework in December 2020² and an Annual Review in January 2021³ and December 2021.⁴

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2020 green RCF based on whether the projects and programmes:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one of the key performance indicators (KPIs) for each use of proceeds category outlined in the Framework.

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Green Buildings	<p>Commercial and residential buildings that meet any of the following criteria:</p> <ul style="list-style-type: none"> Newly constructed and existing buildings: <ul style="list-style-type: none"> EPC Label "A" or better in Netherlands EPC Label "A" or better or E-level ≤60 in Belgium EPC Label "A" or better in France EPC Label "C" or better in Spain Building Renovation: <ul style="list-style-type: none"> The renovation will achieve, or has achieved, savings of at least 30% in primary energy demand 	EPC label classification

¹ Vastned, "Vastned Green Finance Framework", (2020), at: <https://vastned.com/wp-content/uploads/2022/10/Vastned-Green-Finance-Framework.pdf>

² Sustainalytics, "Vastned Green Finance Framework Second-Party Opinion", (2020), at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/vastned-retail-n-v/vastned-green-finance-framework-second-party-opinion/vastned-retail-n-v-green-finance-framework-second-party-opinion-pdf>

³ Sustainalytics, "Vastned Green Finance Annual Review", (2021), at: <https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/vastned-retail-n-v/vastned-green-finance-annual-review/vastned-green-finance-annual-review-pdf>

⁴ Sustainalytics, "Vastned Retail N.V. Annual Review", (2021), at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/vastned-retail-n-v/vastned-retail-n-v-annual-review-\(2021\)/vastned-retail-n-v-annual-review-\(2021\)](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/vastned-retail-n-v/vastned-retail-n-v-annual-review-(2021)/vastned-retail-n-v-annual-review-(2021))

Issuer’s Responsibility

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

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from Vastned’s green financing instruments. The work undertaken as part of this engagement included collection of documentation from Vastned and review of said documentation to assess conformance with the Vastned Green Finance Framework.

Sustainalytics has relied on the information and the facts presented by Vastned. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein 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 of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. Vastned has disclosed to Sustainalytics that it allocated 100% of the proceeds raised by the green RCF to eligible assets as at December 31, 2022.

Detailed Findings

Table 2: 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 to determine if projects aligned with the use of proceeds criteria outlined in the 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 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 2.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

⁵ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which 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	FY22 Eligible Portfolio Amount (EUR million)	Distribution of Eligible Assets per Country	Amount Allocated (EUR million) ⁶
Green Buildings	Belgium	0.87	0.25%	0.10
	France	0.83	0.23%	0.09
	Netherlands	298.09	84.15%	33.66
	Spain	54.44	15.37%	6.15
Total		354.23	100%	40.00

Appendix 2: Impact Reporting by Eligibility Criteria

EPC Label Classification	Country				Grand Total
	Belgium (no. of units)	Spain (no. of units)	France (no. of units)	Netherlands (no. of units) ⁷	
A++	-	-	-	8	8
A+	-	-	-	14	14
A	3	-	1	88	92
B	-	1	-	3	4
C	-	3	-	1	4
Grand Total	3	4	1	114	122

⁶ Vastned has communicated to Sustainalytics that the distribution of eligible assets per country for the EUR 40 million assumes a pro-rata allocation.

⁷ Vastned has confirmed to Sustainalytics that the four units classified under EPC B or C labels in the Netherlands are eligible under the building renovation criteria of the Framework as outlined in Table 1 above.

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