

## REPORT REVIEW

# Vesteda Impact and Allocation Report

10 April 2025

## VERIFICATION PARAMETERS

### Type(s) of reporting

- Green Finance Instruments Allocation and Impact Report

### Relevant standard(s)

- Harmonised Framework for Impact Reporting, ICMA, June 2024
- Vesteda's Impact and Allocation Report (as of March 24, 2025)
- Vesteda's Green Finance Framework (as of December 2023)
- Bond identification and private placements:

### Scope of verification

Issue date	ISIN	Maturity date	Amount raised (EUR)
May 2019	XS2001183164	May 24, 2027	500 million
Oct 2021	XS2398710546	Oct 18, 2031	500 million
Apr 2024	XS2815987834	May 7, 2032	500 million
Oct 2020	Private placement	Dec 21, 2030	50 million
Oct 2020	Private placement	Dec 21, 2035	50 million
Sep 2023	Private placement	Sep 2024	5 million

### Lifecycle

- Post-issuance verification

### Validity

- As long as no changes are undertaken by the Issuer to its Impact and Allocation Report (as of March 24, 2025)

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## SCOPE OF WORK

Vesteda (“the Issuer”) commissioned ISS-Corporate to provide a Report Review<sup>1</sup> on its Impact and Allocation Report by assessing:

1. The alignment of Vesteda’s Impact and Allocation Report (as of March 24, 2025) with the commitments set forth in Vesteda’s Green Finance Framework (as of December 2023).<sup>2</sup>
2. Vesteda’s Impact and Allocation Report, benchmarked against the Harmonised Framework for Impact Reporting (HFIR), as administered by the International Capital Market Association (ICMA).
3. The disclosure of proceeds allocation and soundness of reporting indicators — whether the impact metrics align with best market practices and are relevant to the green finance instruments issued.

## VESTEDA OVERVIEW

Vesteda is classified in the real estate industry, as per ISS ESG’s sector classification. Vesteda Finance BV is a real estate investor that operates in the Netherlands. Founded in 1998, the company has mainly residential properties in its portfolio. As of June 30, 2024, the company’s property portfolio consisted of 28,280 residential units with a total value of EUR 9.2 billion.

<sup>1</sup> A limited or reasonable assurance is not provided on the information presented in Vesteda’s Impact and Allocation Report. A review of the use of proceeds allocation and impact reporting is solely conducted against the core principles and recommendations of ICMA’s standards (Green Bond) where applicable, and the criteria outlined in the underlying Framework. The assessment is solely based on the information provided in the allocation and impact reporting. The Issuer is responsible for the preparation of the report, including the application of methods and internal control procedures designed to ensure that the subject matter is free from material misstatement.

<sup>2</sup> The Framework was assessed as aligned with the Green Bond Principles and Green Loan Principles as of Dec. 21, 2023.

## ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p><b>Part I</b></p> <p><b>Alignment with the Issuer's commitments set forth in the Framework</b></p>	<p>Vesteda's Impact and Allocation Report fulfills the commitments outlined in its Green Finance Framework.</p>	<p>✓</p>
<p><b>Part II</b></p> <p><b>Alignment with the Harmonised Framework for Impact Reporting</b></p>	<p>The Impact and Allocation Report aligns with the HFIR. The Issuer follows core principles and, where applicable, recommendations.</p> <p>The Issuer provides transparency regarding the level and frequency of expected reporting, consistent with best practices. Vesteda has illustrated environmental impacts and clarified the currency used.</p>	<p>✓</p>
<p><b>Part III</b></p> <p><b>Disclosure of proceeds allocation and soundness of reporting indicators</b></p>	<p>The allocation of bond proceeds has been disclosed, with a detailed breakdown across different eligible asset categories as proposed in the Framework.<sup>3</sup></p> <p>Vesteda's Impact and Allocation Report employs an appropriate methodology to report the impact generated, providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices.</p>	<p><b>Positive</b></p>

<sup>3</sup> The assessment is based on the information provided in the Issuer's report. The Issuer is responsible for the preparation of the report, including the application of methods and procedures designed to ensure that the subject matter is free from material misstatement.

## REPORT REVIEW ASSESSMENT

### PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN FINANCE FRAMEWORK<sup>4</sup>

The following table evaluates the Impact and Allocation Report against the commitments outlined in Vesteda’s Framework, which are based on the core requirements of the Green Bond Principles and Green Loan Principles, as well as best market practices.

GBP/GLP	OPINION	ALIGNMENT WITH COMMITMENT
<p><b>Process for project evaluation and selection</b></p>	<p>Vesteda confirms adherence to the process for project evaluation and selection outlined in its Green Finance Framework. The Issuer applied the eligibility criteria detailed within the Framework to assess project alignment with defined categories.</p> <p>ESG risks associated with these project categories are identified and managed in accordance with the Framework’s guidelines.</p>	<p>✓</p>
<p><b>Management of proceeds</b></p>	<p>Vesteda confirms adherence to the management of proceeds described in its Green Finance Framework.</p> <p>The proceeds collected equal the amount allocated to eligible projects, with no exceptions. These proceeds are tracked appropriately and attested to in a formal internal process.</p>	<p>✓</p>
<p><b>Reporting</b></p>	<p>The report aligns with the initial commitments outlined in Vesteda’s Green Finance Framework. Vesteda reports on the proportion of eligible assets aligned with the EU taxonomy Climate Delegated Act, as committed to in the Green Finance Framework.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	<p>✓</p>

<sup>4</sup> Vesteda’s Green Finance Framework was assessed as aligned with the Green Bond Principles and Green Loan Principles (as of Dec. 21, 2023).

## PART II: ASSESSMENT AGAINST THE HARMONISED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the Green Bond Principles and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of annual reporting. Green bond issuers are required to report on both the use of green bond proceeds and the environmental impacts at least annually until full allocation or maturity of the bond. The HFIR has been chosen as benchmark for this analysis as it represents the most widely adopted standard.

The table below evaluates Vesteda’s Impact and Allocation Report against the HFIR.

CORE PRINCIPLES		
HFIR	IMPACT AND ALLOCATION REPORT	ASSESSMENT
Report on an annual basis	As reporting is a core component of the Green Bond Principles, Vesteda reported within one year of issuance and will subsequently provide reports within one year of the prior report’s publication date. The report will be available on Vesteda’s <a href="#">website</a> .	✓
Formal internal process to allocate proceeds	All proceeds as of the date of the Impact and Allocation Report have been allocated only to green projects meeting the eligibility criteria outlined in the Framework.  The Issuer confirms that verification of eligible green projects for proceeds allocation is integrated into regular lending and investment operations.	✓
Transparency on the currency	Allocated proceeds have been reported in a single currency, euros.	✓
ESG risk management	The Issuer has a system in place to identify and manage ESG risks associated with financed projects. Resource usage and biodiversity are the primary environmental challenges identified as potentially causing environmental damage. The Issuer has implemented several measures in the areas of circular economy, biodiversity and CO <sub>2</sub> reduction to mitigate these risks.	✓

<p>Illustrate the expected environmental impacts or outcomes</p>	<p>The impact report details the expected environmental impacts and outcomes resulting from projects funded by green bond proceeds. Calculations are based on theoretical usage and the energy performance of the financed assets, with the estimation <u>method</u> transparently disclosed.</p> <p>Further information is available in Part III.</p> <p>An external verifier assessed the estimation method as aligned with industry best standards and practices for real estate.</p>	<p>✓</p>
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**RECOMMENDATIONS**

HFIR	IMPACT AND ALLOCATION REPORT	ASSESSMENT
<p>Report at project or portfolio level</p>	<p>Reporting was conducted on a green bond portfolio basis, whereby the proceeds from all of Vesteda’s outstanding green bonds fund a portfolio of projects.</p>	<p>✓</p>
<p>Define and disclose period and process for including/removing projects in the report</p>	<p>All proceeds have been allocated to green assets. Only financing disbursed and confirmed as eligible as of June 30, 2024, is included in the Impact and Allocation Report. The Issuer reports transparently on the process used to add and remove projects from the reported portfolio.</p>	<p>✓</p>
<p>Signed amount and amount of green bond proceeds allocated to eligible disbursements</p>	<p>Vesteda does not disclose the total signed amount and the amount of green bond proceeds allocated to eligible disbursements.</p>	<p>-</p>
<p>Approach to impact reporting</p>	<p>The Issuer reports on the overall impacts of the portfolio.</p>	<p>✓</p>
<p>Report on at least a limited number of sector-specific core indicators</p>	<p>To facilitate comparison and benchmarking of project results, Vesteda reports on sector-specific core indicators: energy performance (primary energy use) and carbon performance (GHG emissions avoided).</p>	<p>✓</p>

<p>Disclose own methodologies, where there is no single commonly used standard</p>	<p>Where a single, commonly used standard does not exist, the Issuer discloses its own methodologies.</p> <p>The methodology relies on scientific literature, a <a href="#">link</a> to which is provided. The study examines the relationship between theoretical energy consumption (based on energy labels) and actual energy consumption, as well as the theoretical and actual savings achieved with each label improvement.</p> <p>Further information can be found in Part III.</p>	<p>✓</p>
<p>Disclosure of the conversion approach</p>	<p>The Issuer converts units reported for individual projects based on standard conversion factors and includes appropriate disclosure of the conversion approach in the report.</p> <p>The standard conversion factors for MJ to CO<sub>2</sub> for primary energy from gas and electricity are reported in the impact report.</p>	<p>✓</p>
<p>Projects with partial eligibility</p>	<p>There are no projects with partial eligibility.</p>	<p>N/A</p>
<p>Use (and disclosure) of the attribution approach</p>	<p>The impacts achieved are reported under one portfolio.</p>	<p>N/A</p>
<p>Ex-post verification of specific projects</p>	<p>There is no ex-post verification.</p>	<p>N/A</p>
<p>Report the estimated lifetime results and/or project's economic life (in years)</p>	<p>The Issuer does not report on the estimated lifetime results and/or project's economic life.</p>	<p>-</p>

OPINION

*Vesteda adheres to the HFIR's core principles and key recommendations. The Issuer provides transparency regarding the level and frequency of expected reporting, consistent with best practices. Vesteda has illustrated environmental impacts and provided transparency on the currency used.*



## PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

### Use of proceeds allocation

Use of proceeds allocation reporting contextualizes impacts by presenting the number of investments allocated to the respective use of proceeds categories.

Allocation reporting occurred within one year of issuance, after full allocation of the proceeds.

This is the fifth year of allocation reporting since the initial bond issuance in 2019. Subsequent green bonds were issued in 2021 and 2024. Allocation reporting always occurred within the regular annual cycle following issuance. As in 2023, all proceeds were fully allocated in 2024.

### Proceeds allocated to eligible assets

The allocation of proceeds is broken down at the portfolio level. The Issuer has provided details regarding the types of assets included in the portfolio.

The report informs that certain assets have been removed from the allocation register due to individual sales of properties.

The allocation reporting section of Vesteda's Impact and Allocation Report aligns with best market practices by providing information on:

- Total value of the portfolio of eligible assets, with a breakdown by energy-efficient residential buildings and refurbished residential buildings
- The share of assets (re-)financed
- Average look-back period of the portfolio
- Geographical scope: all assets are located in the Netherlands

## Output, outcome and impact reporting indicators


The table below presents an independent assessment of the Issuer's report and disclosure on the impact of assets using indicators.

ELEMENT	ASSESSMENT
<p><b>Relevance</b></p>	<p>The impact indicators chosen by the Issuer for these bonds are as follows:</p> <ul style="list-style-type: none"> <li>a) Estimated energy savings (MWh per year)</li> <li>b) Total CO<sub>2</sub> savings (tCO<sub>2</sub>e)</li> </ul> <p>The Issuer also reports on the energy performance certificate (EPC) label composition of its portfolio of eligible assets. These indicators are quantitative and material to the use of proceeds categories financed through these bonds and are in line with the HFIR's suggested impact reporting metrics for green building projects. This approach aligns with best market practices.</p>
<p><b>Data sourcing and methodologies of quantitative assessment</b></p>	<p>For its impact indicators, the Issuer relies on a third party (Nibag) to assess the energy savings and related CO<sub>2</sub> emissions avoidance of the portfolio of eligible assets. Internationally recognized certification standards for green buildings, such as EPCs, are used in alignment with the core indicators proposed by the HFIR.</p> <p>For the portfolio of energy-efficient residential homes, the indicators were calculated using a comparable average portfolio of residential homes in the Netherlands. For the portfolio of refurbished residential buildings, primary energy savings and CO<sub>2</sub> emission avoidance were calculated based on all individual home improvements reflected in the final EPC label.</p> <p>The improvements in primary energy usage and related CO<sub>2</sub> emissions are based on a Delft University of Technology <a href="#">report</a> on energy labels, energy consumption and CO<sub>2</sub> emissions of Amsterdam housing.</p>
<p><b>Baseline selection</b></p>	<p>The impact data is compared with a relevant national baseline.</p> <p>For the portfolio of energy-efficient residential homes, primary energy usage and related CO<sub>2</sub> emissions of eligible assets are benchmarked against a comparable average portfolio of residential homes in the Netherlands (using EPC Label C and its accompanying average energy usage and related CO<sub>2</sub> emissions as a benchmark).</p>

ELEMENT	ASSESSMENT
	<p>For the portfolio of refurbished residential buildings, primary energy savings and CO<sub>2</sub> emission avoidance were calculated based on all individual home improvements and their resulting final EPC label.</p> <p>This aligns with the recommendation of the HFIR.</p>
<p><b>Scale and granularity</b></p>	<p>The impact data is presented at the portfolio level, with a breakdown between energy-efficient residential buildings and refurbished residential buildings.</p>

### High-level mapping of the impact indicators with the U.N. Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer’s Impact and Allocation Report, the impact indicators adopted by Vesteda for its green financing can be mapped to the following SDGs, according to ISS ESG’s SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer’s products or services on the U.N. SDGs.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p><b>a) Estimated energy savings (MWh per year)</b></p> <p><b>b) Total CO<sub>2</sub> savings (tCO<sub>2</sub>e)</b></p>	 

### OPINION

*The allocation of bond proceeds has been disclosed, with a detailed breakdown across eligible asset categories as proposed in the Framework. The Impact and Allocation Report has adopted an appropriate methodology to report the generated impact, providing comprehensive disclosure on data sourcing, calculation methodologies and granularity, reflecting best market practices. Furthermore, the impact indicators used align with best market practices using the HFIR’s recommended metrics.*

## DISCLAIMER

1. Validity of the External Review ("External Review"): As long as no changes are undertaken by the Issuer to its Impact and Allocation Report (as of Mar. 24, 2025).
2. ISS Corporate Solutions, Inc. ("ISS-Corporate"), a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
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## ANNEX 1: Methodology

### Review of the post-issuance reports

The ISS-Corporate Report Review provides an assessment of labeled transactions reporting against international standards using ISS-Corporate's proprietary [methodology](#).

### High-level mapping to the SDGs

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary methodology based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, the extent the Issuer's reporting and project categories contribute to related SDGs is identified.

## ANNEX 2: Quality management processes

### ISSUER'S RESPONSIBILITY

The Issuer's responsibility was to provide information and documentation on:

- Impact and Allocation Report
- Green Finance Framework
- Proceeds allocation
- Reporting impact indicators
- Methodologies and assumptions for data gathering and calculation
- ESG risk management

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Report Review has been conducted by following ICMA's Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Vesteda took place from January to April 2025.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this Report Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses the alignment of the Issuer's report with external principles (e.g., the Green/Social Bond Principles), assesses the alignment of the Issuer's report against the commitments in the respective Framework, and analyzes the disclosure of proceeds allocation, data source and calculation methodologies of the reporting indicators against best market practices. Following these guidelines, we draw up an independent Report Review so investors are as well-informed as possible about the proceeds allocation and the impact of the sustainable finance instrument(s).

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For information on Report Review services, please contact [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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