

Corporate Responsibility Report 2019







Building Tomorrow Today

**As a family-owned business
we think across generations.**

Building Tomorrow Today has long been our guiding principle as we believe a brighter tomorrow can be built from the foundations of today. We want to secure a happier future for coming generations.

We are building to create value.

Not only for our clients, partners and shareholders but also for the communities in which we operate.

**At VGP, we want to build tomorrow
by doing the right thing today:
By doing business in a responsible
manner.**

By finding a balance between results, tradition, innovation and sustainability.

**We do this by challenging ourselves
and adapting to changing needs
every day.**

Content

Page 06

2019 Highlights

Page 10

**Message
from the CEO**

Page 19

**Resilience
& integrity**

Group-wide rules of conduct

Page 20

People

Company culture

Staff well-being

Preparing staff for success

Health & Safety

Supply chain ethics

Page 34

About this report

Page 39

**Corporate
Directory**

Page 12

The Group

VGP at a glance

Business principles

Engaging with stakeholders

Page 22

Sustainability

Addressing climate risk

Sustainable use of
land and buildings

Sustainable energy usage

Creating value through
renewable energy

**Case study: Setting
new standards with
our VGP Park in Munich**

Green financing framework

Page 16

The 2030 Sustainable Developments Goals

Page 32

Society: VGP Foundation

Three focus areas

Governance

Projects

2019 Highlights



Launch of VGP Renewable Energy

Setup a separate business line “VGP Renewable Energy” with the ultimate scope to help our clients to achieve carbon neutrality by offering a broad array of renewable energy production, including solar, wind and thermal, as well as integrators for storage and distribution. In first instance the business will start to invest in rooftop-mounted photovoltaic installations when suitable across the existing and future building portfolio.

BREEAM[®]



100% BREEAM Very Good certification for new developments

We implemented a policy with the goal of certifying 100% of our new developments with at least a BREEAM (Building Research Establishment Environmental Assessment Method) Very Good or equivalent certification for buildings to be delivered from 2020 onwards. During 2019 four BREEAM certified buildings were delivered, including BREEAM Very Good in Use Certification for Macron in VGP Park Valsamoggia, Italy.



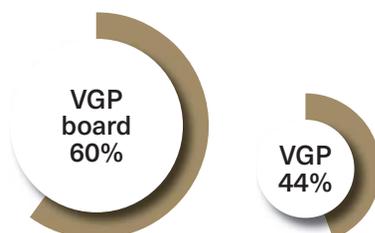
New state of the art corporate offices in Prague and Düsseldorf

These offices will enhance employee welfare and have been taken in use with high sense of sustainability. The internal design of our Prague offices has been completed by our inhouse architects. The Prague office building has been awarded a LEED Gold certificate and was among the five finalists in 2019 Czech Office of the Year competition, category friendly work environment.



Changes to board – women now represent 60% of our board

Three women joined our board as independent members bringing the ratio of women on our board to 60%. The entire organization has a ratio of 44% female staff.



Installed 16.0 MW of PV solar

We have more than 16.0 MWP of solar PV installed or under construction on our rooftops across the portfolio and a further 36.8 MWP in the pipeline.

Setup a Green Financing Framework

Setup a green financing framework in order to be able to attract Green Financing for our sustainable projects. The Green Financing Framework was independently reviewed and classified as “Medium Green” with a “Good” Governance framework, in-line with the Green Bond and Green Loan principles by CICERO Shades of Green AS.



°CICERO
Medium Green



Launch of VGP Foundation

Setup the VGP Foundation as a registered Belgian private foundation. VGP has committed to contribute circa 1-2% of its annual profit into the VGP Foundation, starting in 2020. The foundation will focus on three main areas: firstly, supporting education for children and young people in need, secondly, the preservation and creation of biospheres and nature conservation zones and, thirdly, the protection of European cultural assets and heritage.

VGP
FOUNDATION



Code of Conduct

Prepared a Code of Conduct describing the key principles of conduct for the business environment, in which the Group operates. A new group-wide training program is being rolled out in order to preserve the compliance culture across the Group.



Start of construction of VGP Park Munich as a landmark sustainable project

Kicked off the construction work for VGP Park Munich, a trophy build-to-suit project with several leading sustainability features including: green roofs and façade, smart energy technology, electric car and truck charging stations, groundwater heat pumps and the largest European roof-fitted solar panel installation generating 12.5 MWP*.

* At the time of the construction start (September 2019)



Corporate Responsibility Report

The group prepared voluntarily its inaugural Corporate Responsibility Report (previously this was limited to a chapter in the annual report) which describes how we address sustainability, how we implement our sustainability strategy, the policies and guidelines we observe, the targets we have set ourselves including the Sustainable Development Goals (SDGs) and our main achievements. This report has been prepared in accordance with the GRI Standards – Core Option.



Message from the CEO

VGP has grown into a pan-European company active across 12 countries. We have over 220 employees, and each of these individuals makes his or her own unique contribution to our success.

This is our first Corporate Responsibility Report, which we are not required by law to publish but we believe it is the right thing to do in order to be transparent about the initiatives we have taken and be accountable for the implementation.

We know that accountability, transparency and integrity are the cornerstones of doing good business, which includes effectively managing environmental, social and governance matters. The basic idea behind Corporate Responsibility is that we want to do more than be successful in creating value for our customers and shareholders; we also want to give something back to society and the planet. But this is not separate from our everyday business. Corporate Responsibility is not a “nice to have”; it is integral to our strategy and driven by our company guiding principle of **Building Tomorrow Today**.

For 2020 we have set ourselves enhanced sustainable development goals as we believe the private sector plays an important role in creating solutions that help grow the economy and addressing challenges such as climate change. As part of a comprehensive strategy to advance environmentally sustainable solutions for our tenants and our own operations, VGP envisages to obtain BREEAM ‘Very Good’ certificates for all our construction projects by 2020 onwards and to source renewable power from as many of our parks’ available resources as possible – starting with increasing investments into roof-fixed solar panels. This commitment builds on VGP’s efforts to advance sustainability in our business and operations, and our effort to support our tenants and the communities in which we operate in managing their carbon footprint.

As part of this drive to sustainability we have developed an externally credited Green Financing Framework. This new framework will allow us to facilitate clean financing investments into VGP Parks. This effort underscores the degree to which our mission to drive sustainable growth has become a core tenant of our culture.

In addition to stepping up our commitments to sustainability, we are stepping up our commitments to our communities and people. In 2019 the VGP Foundation was founded. It is the aim to use the Foundation’s funds to finance projects that support children and young people, preserve and create biospheres for endangered species, and protect European cultural assets.

By assisting in addressing some of the challenges our communities face, we are positioning VGP and the communities we serve to be successful today and over the long term. In this report, I invite you to read about these and other ways in which we work continuously towards **Building Tomorrow Today**.

Jan Van Geet

as permanent representative
of Jan Van Geet s.r.o.
CEO

The Group

VGP is a leading pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has an owned and secured development land bank of 6.2 million m² and its strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of over 220 employees

today owns and operates assets in 12 European countries directly and through VGP European Logistics and VGP European Logistics 2, both joint ventures with Allianz Real Estate. As of December 2019, the Gross Asset Value of VGP, including the joint venture at 100%, amounted to € 2.48 billion and the company had a Net Asset Value (EPRA NAV) of € 741 million. VGP is listed on Euronext Brussels and on the Prague Stock Exchange (ISIN: BE0003878957).

Our key figures in 2019

Committed Annualised rental income ¹	€ 155 Mio.
Number of tenancy contracts	245
Completed gross leasable area ²	2,412,000 m ²
Green energy production installed ³	16.5 MWP
Green energy production pipeline ⁴	36.8 MWP
Number of employees	242
% men / % women	56 % / 44%
% women in board positions	60 %
% independent directors	60%

For more information, please visit www.vgpparks.eu

1 Including the joint venture at 100%

2 Completed gross leasable area including under construction (areas held through JVs accounted for at 100%)

3 Enabled green energy production through PV installations owned by third parties installed on roofs of VGP Parks (Including operational and installations under construction)

4 Enabled green energy production through own PV installations and PV installations owned by third parties installed on roofs of VGP Parks for which heads of terms have been agreed





Business Principles

As a family-owned business we think across generations. We operate in a responsible and sustainable manner, striking the right balance between results, tradition and innovation. Our business is driven by prosperous, long-term relationships. We strive to create value and be a trusted partner to our customers and the communities in which we operate.

In our efforts to serve our customers and communities best, we are guided by three principles:

- local presence
- respect
- responsiveness

That means we have a deep and thorough understanding of markets and regional specifics and respect the individual needs of both our customers and the communities. By being on-the-ground and close to our customers as well as to the communities in which we operate, we ensure that we can react quickly to serve their needs. We listen to them and respond to their individual needs through creative solutions and a collaborative spirit. We do this by challenging ourselves and adapting to the changing demands of our industry every day.

Engaging with stakeholders

In our efforts to serve our customers and communities best, we are guided by our desire to operate with a local presence, taking into account local needs and specifics, in addition to the principles of respect and responsiveness. We maintain an open dialogue with our stakeholders, including our investors, customers, employees, suppliers and the communities in which we operate. We seek feedback during our investor updates and client meetings. Whilst we have no legal obligation to publish on our ESG efforts (Belgian law WVV (art. 3:6, §4)), this work has been inspired by a desire to be a responsible corporate citizen taking into account feedback from our stakeholders. This has helped us to determine material sustainability priorities and the social impacts of our business. This in turn allows us to set targets and systems to manage, review and report on our ESG performance. Our Global Reporting Initiative (GRI) index at the end of this report demonstrates the full view of our identified ESG topics.



VGP IN DIALOGUE



The 2030 Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted in 2015 by the 193 United Nations (UN) member states. There are 17 goals which address economic, environmental and social impacts, and are designed to form a blueprint for good growth, nationally and internationally, by 2030. They're underpinned by 169 targets to help define progress. The SDGs provide a focus for how businesses, governments and civil society can tackle these challenges in order to promote a more sustainable future for all. They have helped to inform our thinking about where we can play a role. VGP contributes in different ways and to different degrees to all the SDGs. In line with UN Global Compact guidance, we have identified which goals are particularly relevant to us: where expectations, risks and opportunities for VGP are greatest, and where we can make the most significant contribution. We list these priority SDGs in the table below.



Target	Progress
<p>100 MW of solar PV in operation or under construction by 2025</p> <p>   </p>	<p>Approximately 16.5 MW installed or under construction across Europe</p> <p>Projects representing 36.8 MW are currently in the pipeline</p>
<p>100% BREEAM Very Good or equivalent sustainability certification for all newly constructed buildings</p> <p>   </p>	<p>Initiative implemented on 1 Jan 2020 and all new construction projects across Europe are being adapted to the new building standard accordingly</p>

Target	Progress
<p>Maintain >95% historical occupancy rate</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  	<p>As of Dec 2019 the average occupancy rate for the completed portfolio was 99.8%. Since 2010 VGP has operated with an occupancy rate of >95%, except 2014 when it was 94%</p>
<p>Safe working environment</p> <p>3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH</p>  	<p>Targeting zero workforce fatalities</p> <p>We request employees, contracted workforce as well as suppliers of VGP to adhere to our new VGP Health and Safety Policy</p>
<p>Supply chain ethics</p> <p>8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES</p>  	<p>We conduct a supplier due diligence (based on our new Quality Management Handbook)</p>
<p>Gender equality</p> <p>5 GENDER EQUALITY</p> 	<p>We have assessed our overall gender ratio at 44% female and 56% male and for our board 60% female and 40% male</p>
<p>Code of conduct training</p> <p>4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH</p>  	<p>We have introduced in-person training to familiarise employees with the Code of Conduct. This training is mandatory for all managers and is carried out progressively throughout the organization</p>
<p>GRI aligned disclosures</p> <p>13 CLIMATE ACTION</p> 	<p>This report describes for the first time how we address corporate sustainability, including SDGs. This Corporate and Social Sustainability Report has been prepared in accordance with the GRI Standards – Core Option</p>
<p>1-2% of net profits annually to be invested into the VGP Foundation</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND 4 QUALITY EDUCATION</p>   	<p>The VGP Foundation was founded in 2019 as a registered Belgian private foundation</p> <p>VGP NV has committed to contribute circa 1-2% of its annual profit into the VGP Foundation, starting in 2020</p>



Resilience and integrity

In the past year, the Group has carried out a review of its compliance policies and has taken a new initiative in this area in order to preserve, taking into account the growth of the Group's geographical coverage as well as headcount, the integrity with which its business has been conducted since its establishment. Therefore, with the support from the Board of Directors and from the CEO, the legal department has prepared a Code of Conduct describing the key principles of conduct for the business environment, in which the Group operates. At the same time, a training program is being rolled out throughout the countries in which the Group operates in order to preserve the compliance culture across the Group.

The review of the compliance policies has been carried out in advance of the review of the Group's Corporate Governance Charter, scheduled for this year, in view of the updates of the Belgian Corporate Governance Code 2020 (which replaces the Corporate Governance Code 2009) and the Belgian Code on Companies and Associations (which replaces the Belgian Companies Code).

Group-wide rules of conduct

The Code of Conduct sets out the shared values of integrity, compliance with local and international law, respect for employees and customers, the willingness to accept social responsibility, environmental awareness and an unequivocal stand against bribery and corruption. The Code of Conduct describes in clear terms the principles which the VGP Group must adhere to and provides a number of examples of potential violations as well as good practice.

The Code of Conduct is available on our Group-wide intranet. We use in-person training to familiarise employees with its contents and application in everyday scenarios. This training is mandatory for all employees having managerial responsibilities and is carried out progressively throughout the countries, in which VGP operates.

There are a number of channels for reporting possible violations of the Code of Conduct, including a compliance hotline.

People

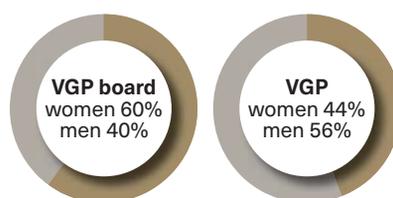
Company culture

The family ownership of the business transpires into a collegial team spirit across the company. Integrity means honesty and sincerity in what VGP does and adhering to open communication with issues being openly discussed and addressed as soon as possible. Mutual trust, respect for everyone and opportunity to grow with room for own initiative are important for our employees to feel rewarded and enjoy their work. This is critical in order to be able to execute on the ambitious goals VGP has set for the years ahead.

We operate in culturally diverse markets and we celebrate our differences. We support an inclusive and transparent workplace, free of harassment and discrimination, where all of our people can contribute equally to our commercial goals. VGP believes in equal opportunities for all employees. VGP does not make any distinction on the grounds of gender, religion, ethnic background or sexual orientation in its HR, recruitment and promotion policies or remuneration systems.

Performance and career development reviews are encouraged by senior management. These reviews are conducted on a constructive basis and personal level, generally always conducted by line management albeit the actual performance rate of conducting reviews are not monitored on a group wide basis.

At year-end 2019, the group had 242 employees spread over the 12 countries in which we are active. In 2019, the number of employees increased with 41. Diversity is important in business, as it is in all other aspects of life and society, and diversity certainly is valued at VGP. The gender split of the VGP staff at the end of 2019 is: 56% male – 44% female. Moreover, women are very well represented in our Board of Directors. In 2019, three women joined our board as independent members, bringing the ratio of women in our board to 60%. Our HR system does currently not register minority or vulnerable groups.



The family culture and collegial spirit are promoted in our yearly Family Day, which is organised in one of the countries in which we operate. This day full of activity creates the opportunity to get to know each other better in an informal way and also engage partners and children of the employees.

Staff well-being

To increase the well-being of our staff, importance is attached to appropriate office locations and design. At the beginning of 2019, the VGP team in the Czech Republic relocated to the new Rustonka administrative building in Prague. Our in-house architects created an exceptional and pleasant workspace combining open and enclosed spaces where everyone enjoys working. A main part of the offices is a multi-functional relax zone dominated by a bar counter instead of the classic office kitchen. It is used for meetings, screenings, and physical exercise using gym equipment. The Rustonka administrative complex is located in the attractive Karlín neighbourhood, close to the Invalidovna underground station allowing excellent public transport connection. The building received the LEED Gold Certificate. Other such initiatives were accomplished the past year for new offices in Düsseldorf and Barcelona.



Preparing staff for success

The integration of new digital systems should lead to an improvement of the corporate processes, the optimisation of the cooperation, as well as the quality and service for all stakeholders. In 2020 we will start to implement and roll-out a new ERP-system, after the selection of the partner at the end of 2019.

To increase cooperation, internal communication and engagement within the growing VGP team, we started in 2018 with the implementation of the VGP intranet (Sharepoint), the internal platform to connect VGP people in the day-to-day operations, combined with Power BI for management reporting. The platform can be used for cross-border communication, internal communication and for sharing useful documents. In 2020, we will continue to improve and expand the utilities of the platform.

Also video conferencing tools are widely available to make communication easier, more flexible and more efficient regardless of borders while at the same time help to reduce our carbon footprint.



Health & safety

VGP is committed to the prevention of harm in our operations, extending to both our employees and contracted workforce. We request employees, contracted workforce as well as suppliers of VGP to adhere to VGP Health and Safety Policy. VGP will comply with applicable legislation and safety procedures at all building sites in close cooperation with the respective general contractor. VGP conducts inspections and assessments of potential areas of improvement during workplace visits and we are committed to identifying critical risks and applying controls to actively prevent incidents. We look to create a safe working environment and our ongoing target is for zero workforce fatalities in our operations whilst we drive an understanding that safety is everyone's responsibility.

Supply chain ethics

VGP is committed to good business ethics and the protection of human rights across its supply chain. Our supply chain consists of small, medium and large scale suppliers who we partner with to help deliver our property development and property and facility management activities. As part of our introduction of our Code of Conduct, VGP will impose compliance with its code on its suppliers. Furthermore, to mitigate the bribery risk of our suppliers, we conduct a supplier due diligence (based on the Quality Management Handbook). Our Code of Conduct requires the respective VGP manager responsible for the engagement to ensure proper due diligence is conducted, including the requirement to report any work which is subcontracted by a supplier. This review is generally always conducted under supervision of the respective technical director albeit the actual performance rate of conducting such reviews are not monitored on a group wide basis.

Sustainability

Addressing climate risk

The Paris Agreement for the first time brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so. The renewable energy directive 2018/2001/EU with implementation deadline of 30 June 2021 was introduced as part of the Clean energy for all Europeans package, aimed at keeping the EU a global leader in renewables and, more broadly, helping the EU to meet its emissions reduction commitments under the Paris Agreement. The new directive establishes a binding renewable energy target for the EU for 2030 of at least 32%, with a clause for a possible upwards revision by 2023.

VGP supports the Paris Agreement goal to reduce global carbon emissions to limit the average temperature rise to below two degrees Celsius.

VGP's newly introduced goal of BREEAM Very Good or equivalent, which is applied across the board for all new construction activities in all the countries in which we operate is testament to the practical implementation. This is aimed to enhance the durability of the portfolio and reduce the carbon footprint. In addition, we are investing capital into solar panels across the parks which we already operate and we have under construction, in order to drive onsite energy solutions and drive towards carbon neutral operations at our parks.

Sustainable use of land and buildings

Our business model starts with the sourcing of prime land locations. With the land selection we look for locations close to ring roads and with multi-modal connectivity.

Our land sourcing strategy encompasses a careful selection process to ensure we minimize potential travel for both our customer's employees on site and logistics accessibility.

As part of a comprehensive strategy to advance environmentally sustainable solutions for our tenants and our own operations, VGP envisages to obtain BREEAM (Building Research Establishment Environmental Assessment Method) 'Very Good' certificates (or equivalent) for all our construction projects by 2020 onwards.

Its multi-criteria approach distinguishes BREEAM from other methods. The building certification process evaluates land use, environmental aspects, the building process, water consumption, waste, contaminations, transport, equipment and materials, health and comfort, alongside energy consumption. Whilst, naturally, all new-build projects in the past were already completed as energy efficient as possible, separately from the certification process, we now aim to ensure a certification for BREEAM Very Good or equivalent is obtained for every new Building.

VGP has accomplished an occupancy rate benchmark above 95% across its portfolio since 2010 (except 2014 when it was 94%). For us a high occupancy rate represents good business and sustainable use of the buildings we have created. It suggests our properties are well-located, adaptable to a variety of uses and are continuing to meet the needs of our customers.

Sustainable energy usage

Client portfolio

VGP's ambition is to progressively reduce the energy consumption and emissions of its operations.

Whilst energy consumption as such is entirely the responsibility of our clients, it is VGP's long-term goal to create value by reducing the environment impact of its buildings. VGP does this by implementing energy-saving measures as well as enabling the production of clean energy sources. Sustainable building standards, energy-efficient design and construction of a building is vital to reducing energy demands within the building. Therefore our goal to always ensure a minimum of BREEAM Very Good certification will further contribute to a reduction of the energy consumption of our future portfolio. This high quality and certified building standard is applied in order to create sustainable value for shareholders, tenants and other stakeholders. Some examples of efficient measures which are utilized include LED lighting roll-out for new-built warehouses, depending on use and location, an assessment of adequate insulation in the walls of our buildings to prevent temperature loss and the benefits of the use of a heat-pump are being considered. The more systems are used in a building, the more the energy manager is dependent on technical aids. In the best case, all building and plant engineering functions can be monitored and operated via a central system. For this purpose, all sensors, drives and operating elements as well as user and technical systems (e.g. heating, ventilation, air conditioning, cooling) are integrated. All these monitoring, control, regulation and optimisation devices are managed with specialized software, the building control technology ("Gebäudeleittechnik" or "GLT"). GLT is the central tool of the building's energy manager as it collects all data from the sensors and controllers of a building. It logs and analyses the data statistically and displays it graphically. This way the energy manager has an overview of all technical processes within a building and can more easily identify potential savings.

Own office space

Energy efficiency is a priority for our own office space too and we aim to include maximum efficient lighting technologies such as central timed control switch and moving detectors, LED and natural lighting, all of which reduces the energy consumption.

As both of our largest offices (in Düsseldorf and Prague) moved in the past year to larger premises a like-for-like comparison is not available. The premise in Prague is among the finalists for the CBRE Art of Space Award for the most healthy and sustainable office space in Czech Republic and the building in which we occupy our office space, Rustonka, received a LEED Gold Certificate. In the next annual Corporate Responsibility Report we aim to report on like-for-like energy usage for our two largest offices.





Creating value through renewable energy

Generation to date

The large roofs of our logistics warehouses are very well suited for the installation of solar panels without imposing aesthetic damage to local communities. This allows the park and the immediate surrounding communities to have access to locally produced green energy. Thanks to their scale, solar panels are perfectly in line with decentralised energy production. This decentralised approach ensures more continuity and availability of energy at a specific industrial logistics park and its community without burdening the network. Moreover, clients can consume locally produced green energy.

We have so far developed a minor share of roofs with solar panels enabling the generation of 16.5 MWP, all through third-party operators. We are in advanced discussions for the installations of a further 36.8 MWP, which will be mostly invested by VGP (details in the following chapter).

Based on German average emission standards¹, the total capacity installed and under construction is expected to realise a reduction in CO₂ emissions of 3,027 tCO₂ on an annual basis once operational in the course of 2020. This is sufficient energy for maintaining 5,200 households². The pipeline projects are expected to add a further prevention of CO₂ emissions of 6,755 CO₂ on an annual basis or enough energy for maintaining 11,605 households.

¹ Emissionsbilanz erneuerbarer Energieträger; Bestimmung der vermiedenen Emissionen im Jahr 2018; Umwelt Bundesamt; 37/2019

² Ignoring peak vs trough production of a PV system; assuming households consume on average 3,171 kWh of electricity annually (www.energytransition.org: German 2018 household consumption)



We have more than 16.5 MWP of solar PV installed or under construction on our rooftops across the portfolio

VGP Park	Building	Roof size	Production	Status
VGP Park Leipzig	A1	6,938 m ²	531.30 kWp	Operational
VGP Park Leipzig	A2	9,657 m ²	745.20 kWp	Operational
VGP Park Leipzig	B1	n.a.	1,490.40 kWp	Operational
VGP Park Bischofsheim	A1	4,980 m ²	305.00 kWp	Operational
VGP Park Göttingen	A1	20,340 m ²	750.00 kWp	Under construction
VGP Park Göttingen	A1		749.65 kWp	Operational
VGP Park Frankenthal	A	48,193 m ²	4,010.60 kWp	Operational
VGP Park Berlin	D	n.a.	2,803.52 kWp	Operational
VGP Park Bobenheim-Roxheim	A	20,500 m ²	1,809.42 kWp	Operational
VGP Park Dresden	A	9,265 m ²	750.00 kWp	Under construction
VGP Park Hamburg	A4	12,295 m ²	745.20 kWp	Operational
VGP Park Wetzlar	B	9,200 m ²	750.00 kWp	Under construction
VGP Park Hamburg	A5	8,100 m ²	750.00 kWp	Under construction
VGP Park Valsamoggia	B	14,499 m ²	301.32 kWp	Operational
Total			16,492 kWp	



Projects representing a further 36.8 MWP are currently in the pipeline

Park	Building	Roof size	Production
VGP Park Halle	A	7,067 m ²	750.00 kWp
VGP Park Nijmegen	A	64,318 m ²	4,580.00 kWp
VGP Park Roosendaal	A	50,724 m ²	5,477.00 kWp
VGP Park Munich	A	43,202 m ²	3,500.00 kWp
VGP Park Munich	CP	n.a.	500.00 kWp
VGP Park Munich	B,C,E	n.a.	11,500.00 kWp
VGP Park Laatzten	A	n.a.	3,250.00 kWp
VGP Park Laatzten	B	n.a.	1,000.00 kWp
VGP Park Laatzten	C1+C2	n.a.	4,500.00 kWp
VGP Park Laatzten	D	n.a.	1,000.00 kWp
VGP Park Einbeck	A	6,001m ²	675.00 kWp
VGP Park Valsamoggia	A	1,950 m ²	47.88 kWp
Total			36,780 kWp

New business line: VGP Renewable Energy N.V.

The acknowledgement that renewables will one day replace fossil fuels is increasingly recognized across the board and broad initiatives are underway to change consumption habits and reduce reliance on stored energy.

We believe, given our position as operator of business parks, we can play a more active role in the energy transition, supporting our tenants and municipalities in their goal to reduce their carbon footprint. We can achieve this by offering renewable energy, therefore VGP is setting up a new, separate company, 100% owned by VGP N.V., with the purpose to run a new business line **“VGP Renewable Energy N.V.”**.

Our imminent target is to expand the roll-out of photo-voltaic installations on the roofs of our parks – not by renting out our roofs to PV investors but by investing and operating such PV systems ourselves, in cooperation with our tenants.

Ultimately our goal is to capitalize, not only on the available roof space for PV systems but on the most current energy technologies available across the entire spectrum of renewable energy production and storage relevant to the tenants at our parks and sites. This is to do good for our tenants – as obtaining sufficient supply of (sustainable) energy sources and emissions are increasingly key constraining factors – and municipalities, but we also believe that due to a combination of better technology, lower prices, and the benefits of scale, we will be able to make such investments at increasingly attractive terms for our shareholders.



Case study: Setting new standards with VGP Park Munich

In September 2019 we started the construction of VGP Park Munich. Over the next few years, we will be developing the new Munich business park on an area of around 40 hectares as a landmark sustainable project.

The new park will offer tailor-made solutions for its tenants BMW and Kraussmaffei Group offering a wide range of jobs in production, research, logistics and administration. BMW will use the new location in Parsdorf for their BMW Research and Innovation Center. Their current location in Heidemannstraße at the Euroindustriepark will be used for the construction of urgently needed living space in the city centre of Munich. Krauss Maffei Group will accommodate production and head office at Parsdorf. In addition to the 1,800 existing jobs, it will also create many new ones.

The project will be certified DGNB Silver (comparable to BREEAM Excellent/Very Good) and feature several leading sustainability specifications, including: green roofs and façade, smart energy technology (including infrared energy-efficient heating and smart roller shutter systems), electric car and truck charging stations, groundwater heat pumps and, when construction was announced, the largest European roof-fitted solar panel installation generating 12.5 MWP*.

With this project VGP is taking a new path towards sustainable construction and resource-conserving operations. We will gradually incorporate the experience gained from this project into future new construction projects.

VGP Park München —

A new industrial and logistic park is located north of the Parsdorf junction on the A94 motorway, directly next to the S-Bahn station “S2-Grub”, near to the city centre and only 30 minutes by car from Munich airport.

* At the time of the construction start (September 2019)



Natural lighting

Maximize natural sunlight and reduce electricity usage.



Parking house

Two multi storage parking houses. Extensively green roof and façade.



Smart roller shutter system

Protecting the windows from sunlight to optimize air-conditioning efficiency.



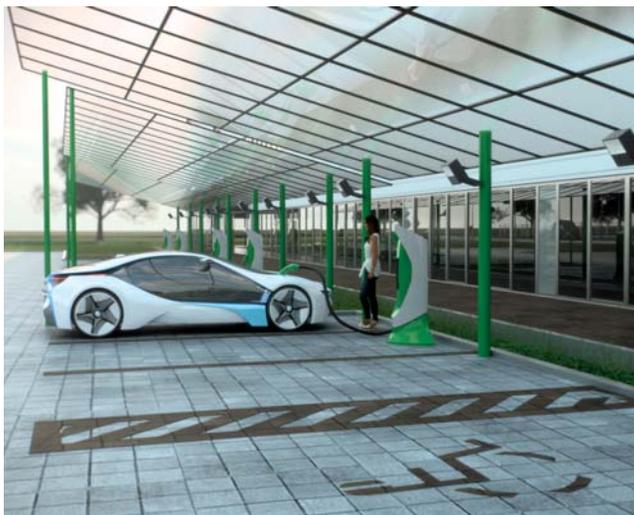
Green roof and façade

Improvement of air quality by plants filtering air pollutants and fine dust out of the air.



Charging stations

Car and truck electric charging stations.



Groundwater heat pumps

Lower CO2 emissions, lower heating and ancillary costs.



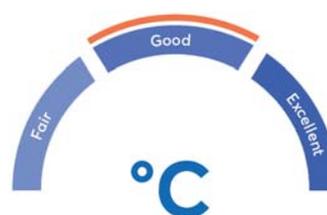
Green Finance Framework

In 2019, VGP drew up a Green Finance Framework which provides clear, transparent insight into the criteria that facilitate investments into renewable energy projects, energy efficiency and ecologically sound measures for logistics property, in order to reduce CO₂ emissions and achieve a carbon-neutral environment.

This Green Finance Framework offers VGP a general framework for the issue of Green Bonds, Green Private Placements and/or Green (Syndicated) Loans.

The independent non-profit research institute Centre for International Climate and Environmental Research (CICERO) has confirmed that this financing program is in line with the Green Bond Principles. Based on the foreseen minimum BREEAM Very Good certification of our building projects, a considerable part of the anticipated capital expenditure for 2020 is expected to amount to the eligible assets. Further information about our financing and future emissions can be found in the Investor section on our website¹.

- Green Financing Framework classified as “Medium Green”
- Governance framework classified as “Good”
- Green Financing Framework in-line with the Green Bond and Green Loan principles



¹ www.vgpparks.eu/en/investors

Society: VGP Foundation

The VGP Foundation was founded in 2019 and is a registered Belgian private foundation ('private stichting') under number 0735.540.607. The VGP Foundation received start-up capital from VGP, which will provide annual funding. VGP has committed to contribute circa 1-2% of its annual profit into the VGP Foundation, starting in 2020. Additionally, VGP offers in-kind funding through the provision of expert volunteers, community volunteers, products and services. It also provides office space, IT and travel support, and hosts the Foundation's website.



VGP FOUNDATION

Three focus areas

The foundation will focus on three main areas:

— 1 —

Supporting education for children and young people in need

As VGP has an impact on local communities, the VGP Foundation wants to support social projects focused on education and child care

— 2 —

The preservation and creation of biospheres and nature conservation zones

As VGP turns green fields into economic fields, the VGP Foundation wants to engage in projects encouraging nature conservation, such as creating permanent biotopes

— 3 —

The protection of European cultural assets and heritage

VGP operates on a pan-European basis and we believe in the dream of uniting all people of Europe. We want to support European cultural heritage through conservation and protection of heritage buildings

Governance

Registered as a private foundation in Belgium, the VGP Foundation operates in accordance with charity regulations. All partners of the VGP Foundation are required to define KPIs and report on the progress of joint projects at the end of each quarter. Additionally, the VGP Foundation will follow its own transparent, KPI-led reporting process to ensure the best allocation of funds and resources.

Following the appointment in September 2019 of Jan Van Geet, CEO of VGP, as a director of the VGP Foundation, Olaf Tschimpke is the second person nominated to join the board as announced in February 2020. Besides Jan Van Geet and Olaf Tschimpke the VGP Foundation is planning to elect an additional four board members in the coming period.

Jan Van Geet

Jan Van Geet is the founder and CEO of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was also managing director of WDP Czech Republic. WDP is a Belgian real estate investment trust.

Olaf Tschimpke

Mr. Tschimpke is currently Chairman of the NABU International Nature Conservation Foundation. Founded in 2009 by the NABU (Nature and Biodiversity Conservation Union), Germany's largest nature and biodiversity conservation association, it aims to protect natural heritage worldwide. The foundations' international project funding is focused on climate protection and the conservation of biological diversity. Until 2019, Tschimpke served as President of the NABU and was Deputy Chairman of the Council for Sustainable Development of the German Federal Government from 2012 to 2019. Since 2017 member of the German steering committee for science "Sustainability 2030"; advisory board of the German Industry Initiative for Energy Efficiency; Chairman of the curator-board of the Nature Conservation Foundation History; member of the curatorship of the Michael Otto Foundation and the Hanns R. Neumann Foundation. He is also a member of the ZDF Television Council.



Projects

In 2020 the first projects will be elected for realisation which will be part financed by the contribution from VGP NV following the declaration of the financial result for FY2019. A number of projects have already been pre-screened and from this shortlist the ultimate seed projects will be selected during the first board meeting. It is the expectation that the board will aim to select a first project for each of the three focus areas.

About this report

This Corporate Responsibility Report describes how we address corporate sustainability, how we implement our sustainability strategy, the policies and guidelines we observe, the targets we have set ourselves including the Sustainable

Development Goals (SDGs) and our main achievements. This Corporate Responsibility Report has been prepared in accordance with the GRI Standards – Core Option and has not been externally audited. The GRI Content Index can be found below.



Criteria	Description	Reference
102-1	Name of the organization	VGP NV
102-2	Activities, brands, products and services	VGP is a leading pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate. VGP operates a fully integrated business model with capabilities and longstanding expertise across the value chain. The company has a well-advanced development land bank of 6.2 million m ² and the strategic focus is on the development of business parks. Founded in 1998 as a family-owned real estate developer in the Czech Republic, VGP with a staff of over 220 employees today owns and operates assets in 12 European countries directly and through VGP European Logistics, a joint venture with Allianz Real Estate.
102-3	Location of headquarters	Uitbreidingstraat 72, 2600, Berchem (Antwerp), Belgium
102-4	Location of operations	Office locations (for park locations refer to our website: www.vgpparks.eu/en/properties/): Vienna, Austria; Prague, Czech Republic; Jenišovice u Jablonce nad Nisou, Czech Republic; Düsseldorf, Germany; Győr, Hungary; Segrate (Milan), Italy; Riga, Latvia; Luxembourg, Luxembourg; Porto, Portugal; Bucharest, Romania; Bratislava, Slovakia; Barcelona, Spain; Madrid, Spain; Zaragoza, Spain
102-5	Ownership and legal form	https://www.vgpparks.eu/en/investors/share-information/

Criteria	Description	Reference
102-6	Markets served	https://www.vgpparks.eu/en/about/
102-7	Scale of the organization	https://www.vgpparks.eu/en/about/
102-8	Information on employees and other workers	See disclosure in relation to People on page 20
102-9	Supply chain	See section on Supply chain ethics on page 21
102-10	Significant changes to the organization and supply chain	Change includes start of operations in Portugal since January 2019 and the launch of the second joint venture with Allianz since June 2019 as disclosed in the annual report
102-11	Precautionary Principle or approach	VGP applies the precautionary principle to risk management
102-12	External initiatives	United Nations Sustainable Development Goals GRI
102-13	Membership of associations	Professional membership of various associations in the countries in which we operate Professional member of European Public Real Estate Association
102-14	Statement from senior decision-maker	CEO letter on page 11
102-16	Values, principles, standards and norms of behaviour	See page 3 and description of the business principles on page 14
102-18	Governance structure	https://www.vgpparks.eu/en/investors/corporate-governance/
102-40	List of all stakeholder groups	See section on Engaging with stakeholders on page 15
102-41	Collective bargaining agreements	VGP is not opposed to collective bargaining however to date there is no collective bargaining agreement in place
102-42	Identifying and selecting stakeholders	See section on Engaging with stakeholders on page 15
102-43	Approach to stakeholder engagement	See section on Engaging with stakeholders on page 15
102-44	Key topics and concerns raised	Captured in our material aspects
102-45	Entities included in the consolidated financial statements	See annual report
102-46	Defining report content and topic boundaries	See section About this report on page 34
102-47	List of material topics	See page 20 and page 22
102-48	Restatements of information	No restatements have been made as this is the first Corporate Responsibility report
102-49	Changes in reporting	No changes have been made as this is the first Corporate Responsibility Report
102-50	Reporting period	Reporting period is 12 months, applying the calendar year
102-51	Date of most recent report	This is the first standalone Corporate Responsibility report; in the 2018 annual report a chapter on Corporate Responsibility was included (published 9 April 2019)
102-52	Reporting cycle	We foresee to publish a Corporate Responsibility report from now onwards on an annual basis. Our financial reporting is on a semi-annual basis.

Criteria	Description	Reference
102-53	Contact person for questions regarding the report	martijn.vlutters@vgpparks.eu
102-54	Claims of reporting in accordance with the GRI standard	This report has been prepared in accordance with the GRI standards: Core option
102-55	GRI content index	Included
102-56	External assurance	No external assurance is provided over the Corporate Responsibility report
201-1	Direct economic value generated and distributed	See FY 2019 results press release as released dd 28 February 2020
201-2	Financial implications and other risks and opportunities due to climate change	See Addressing Climate Risk on page 22
205-1	Operations assessed for risks related to corruption	See section on resilience and integrity on page 19
205-2	Communication and training about anti-corruption policies and procedures	A training program is currently being rolled out throughout the countries in which the Group operates in order to preserve the compliance culture across the Group
205-3	Confirmed incidents of corruption and actions taken	There were no instances of corruption identified during this period
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	VGP is not subject to legal actions related to anti-competitive behaviour, anti-trust, and monopoly practices
302-1	Energy consumption within the organization	See section on energy efficiency pages 23-24
302-4	Reduction of energy consumption	Information unavailable as both of our largest offices (in Düsseldorf and Prague) moved in the past year to larger premises a like-for-like comparison is not available
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ecologists are engaged to research, identify and report on threatened species, terrestrial or aquatic, on development sites
305-1	Direct (scope 1) GHG emissions	Not reported as data not available
305-2	Energy indirect (scope 2) GHG emissions	Not reported as data not available
305-3	Other indirect (scope 3) GHG emissions	Not reported as data not available
305-5	Reduction of GHG emissions	CO ₂ emissions reductions facilitated through photovoltaic installations on our building roofs is discussed in section on Renewable energy generation on page 24
306-3	Significant spills	No occurrences of significant spills were identified
306-4	Transport of hazardous waste	VGP does not transport hazardous waste as part of day-to-day operations. If remediation is required, within the development of a project, VGP appoints principal contractors to complete works in accordance with applicable law and regulations
307-1	Non-compliance with environmental laws and regulations	No significant breaches of environmental laws

Criteria	Description	Reference
401-3	Parental leave	All employees are entitled to parental leave; information on parental leave take-up and return rates is not available at this stage
403-1	Occupational health and safety management system	See section on Health & Safety on page 21
403-2	Hazard identification, risk assessment and incident investigation	See section on Health & Safety on page 21
403-3	Occupational health services	See section on Health & Safety on page 21
403-4	Worker participation, consultation and communication on occupational health and safety	See section on Health & Safety on page 21
403-5	Worker training on occupational health and safety	Not reported
403-9	Work-related injuries	Not reported
404-3	Percentage of employees receiving regular performance and career development reviews	See section on Company culture on page 20
405-1	Diversity of governance bodies and employees	See section on Company culture on page 20
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	VGP does not prohibit or restrict freedom of association
413-1	Operations with local community engagement, impact assessments, and development programs	See section on VGP Foundation on page 32-33
414-1	New suppliers that were screened using social criteria	See section on supply chain ethics on page 21
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no reported incidents

Corporate Directory

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Düsseldorf, Germany
Győr, Hungary
Segrate (Milan), Italy
Riga, Latvia
Luxembourg, Luxembourg
Den Bosch, Netherlands
Porto, Portugal
Bucharest, Romania
Bratislava, Slovakia
Barcelona, Spain
Madrid, Spain
Zaragoza, Spain

Directors

VM INVEST NV,
represented by **Bart Van Malderen**
Chairman; Non-Executive and
Reference Shareholder

Jan Van Geet s.r.o.,
represented by **Jan Van Geet**
CEO; Executive and Reference
Shareholder

Ann Gaeremynck
Non-Executive (Independent) Director

Katherina Reiche
Non-Executive (Independent) Director

Vera Gäde-Butzlaff
Non-Executive (Independent) Director

Financial Auditor
Deloitte

Share code

VGP is listed on Euronext Brussels
and on the Prague Stock Exchange
ISIN: BE0003878957

VGP NV is a member of
the FTSE EPRA Nareit Global
Emerging Index

Bloomberg: VGP BB
Refinitiv (ThomsonReuters):
VGP:BRU

Disclaimer

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