



# EU Taxonomy and its implications

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# VGP Parks and EU Taxonomy – implications for our tenants

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## What is the EU Taxonomy?

The EU Taxonomy is a **green classification system** that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. It recognises as green, or 'environmentally sustainable', economic activities that make a **substantial** contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards.

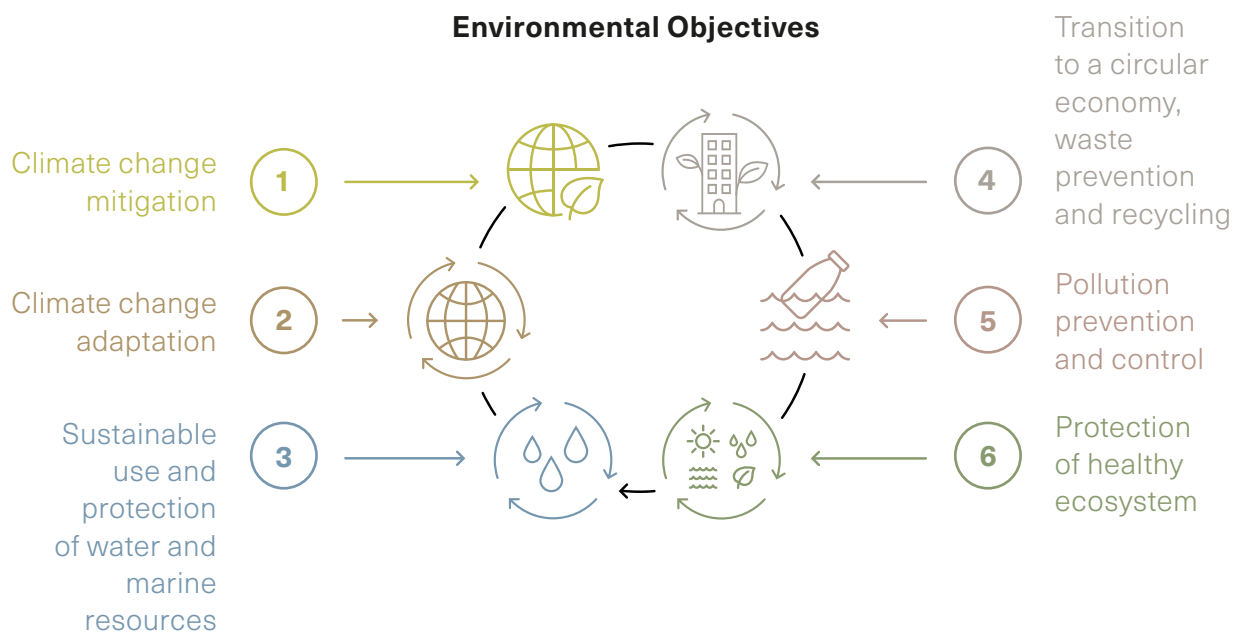
The Taxonomy Delegated Acts will establish and maintain **clear criteria** for activities to define what it means to make a **substantial contribution** and what it means to do **no significant harm**.

It is a **transparency tool** that will introduce mandatory disclosure obligations on some companies and investors, requiring them to **disclose** their share of Taxonomy-aligned activities. This disclosure of the proportion of Taxonomy-aligned activities will allow for the comparison of companies and investment portfolios. In addition, it can guide market participants in their investment decisions.

For further information please refer to the website of the EU:

FAQ: **[What is the EU Taxonomy and how will it work in practice? \(europa.eu\)](#)**

## THE EU TAXONOMY ENCOMPASSES A STANDARD SET OF DEFINITIONS FOR SUSTAINABLE ACTIVITIES CENTERED AROUND SIX ENVIRONMENTAL OBJECTIVES:



## THE AIM IS TO DECARBONIZE THE BUILT ENVIRONMENT IN EUROPE

Energy efficiency is an important tool to enable the built environment in Europe to decarbonise.

However, we must look at **buildings' whole life cycle** and the embodied carbon footprint, and this is what has been incorporated into the EU Taxonomy's DNA. If not, we will not align the built environment with the European climate objectives.

In order to establish the whole life carbon footprint of a building **the carbon emissions of its usage must be established** in order to create measures which **align the building with the 1.5°C Paris objective**.

For further information on the what is required please refer to the following infographic published by EPRA:

**[Infographic on EU Taxonomy \(epra.com\)](https://www.epra.com/infographic-on-eu-taxonomy)**



## VGP POLICY REGARDING EU TAXONOMY

VGP aims to be compliant with EU Taxonomy on a portfolio basis on the following basis:

- To update the VGP Green Finance Framework with EU Taxonomy once finally implemented and to monitor assets compliance with EU Taxonomy within the 'Use of Proceeds' – table which will be made available as part of the annual Corporate Responsibility Reporting
- Aim to be compliant with EU Taxonomy for new buildings on a best-efforts basis

With respect to broader stakeholder engagement, EU Taxonomy compliance has also been agreed as part of the ESG framework within the 4th Joint Venture between VGP and Allianz Real Estate as well as with Deka in respect of the 5th Joint Venture.



## IMPACT ON COOPERATION WITH TENANTS

In order to assess a building's EU Taxonomy compliance, as well as to identify energy efficiency improvement measures, the Group will require the cooperation of tenants.

The cooperation framework can be summarized as follows:

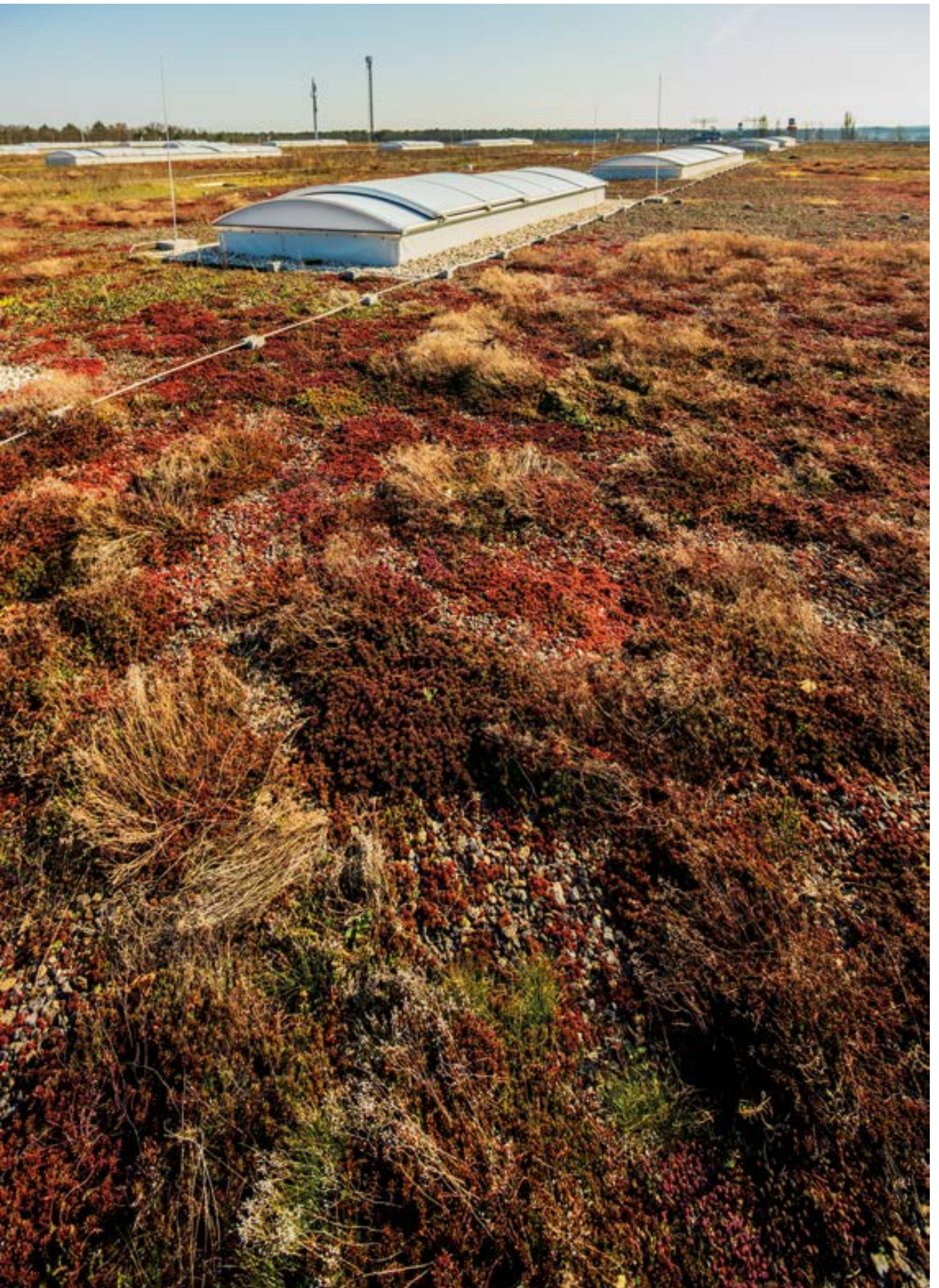
- The Group is committed to discuss once a year with its tenant the energy consumption of the respective asset and to discuss green energy alternatives or energy efficiency improvement measures
- In case VGP controls the utility contract, energy consumption data is made available to the tenant
- In case the tenant controls the energy contract, the tenant is requested to make such data available as building occupiers are required to do so by EU law to building owners<sup>1</sup>

- The Group is committed to procure green energy at the earliest available date for those assets it controls the utility contract and in new lease contracts the tenant is required to do the same
- Energy consumption data for the Group is made available to investors and external stakeholders in anonymized and aggregated form

For further information on VGP's EU Taxonomy policy please visit our website or read our Corporate Responsibility Report.

1. Directive (EU) Energy Performance of a building as adopted March 2023. See page 11 of 17: paragraph 6b.: ["\[data on energy consumption of the building\] shall be made available on request to the building owner"](#)







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