

# VGP

## External Review of Green Finance Reporting 2024

March 12, 2025

This report was produced by S&P using Shades of Green Methodology.  
On December 1, 2022, S&P Global acquired Shades of Green from CICERO.

S&P Global has reviewed the elements of VGP's ESRS ("Report") relating to its green financing activities. We review against VGP's Green Finance Framework (dated March 2021, the "Framework") criteria, and impact metrics for relevance and transparency.

**We consider that the allocations in the Report align with the Framework.** We welcome that VGP adopts requirements for eligible assets that exceed Framework requirements, for example higher certification standards, to align with developing market expectations. The green portfolio furthermore reflects VGP's issuer-level climate and environmental ambitions and approaches demonstrated, for example, in the increasing percentage of buildings in the green portfolio VGP considers EU Taxonomy aligned.

**We consider that the Report utilizes relevant and transparent impact metrics.** Particularly for green buildings, we welcome the additional context the Report provides (e.g. on EPC ratings, EU Taxonomy alignment, and CRREM alignment) which provide additional color to green bond impacts. We consider it a strength that VGP has increased transparency in its reporting year-on-year, for example including additional information on EPC levels in the Report.

**Finally, we consider the Report aligns with the core principles and recommendations contained in ICMA's Handbook – Harmonized Framework for Impact Reporting (June 2024).**

### Project allocation

VGP has issued two green bonds under the Framework, totaling EUR 1.6 billion. The first, issued in March 2021, raised EUR 600 million, and the second, issued in January 2022, raised EUR 1 billion in two, EUR 500 million tranches. Allocation is reported as at 31 December 2024, with eligible assets in VGP's green portfolio totaling around EUR 1.67 billion.

We consider that the allocations in the Report align with the Framework -- see Appendix 1 for a detailed review.

The Framework was assigned an overall Medium Green in our Second Party Opinion.<sup>1</sup> Project categories were shaded Dark Green (renewable energy, waste management, clean transportation, and sustainable water and wastewater management projects), Light to Medium Green (energy efficiency), and Light Green (green buildings). Figure 1 sets out the allocations by Shade of Green, showing that around 93% of assets in the green portfolio are buildings. Based on the Shades of Green allocated to the project categories, the investments in VGP's green portfolio are not therefore - in and of themselves - representative of the Medium Green shading awarded to the

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<sup>1</sup> VGP SPO

Framework, though we note VGP's holistic approach to the climactic and environmental performance of its green building portfolio.

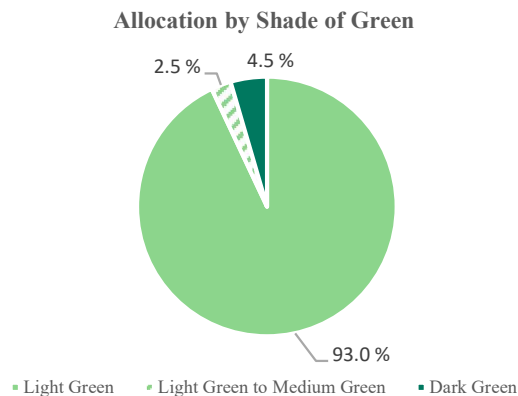


Figure 1: Allocation by SPO Shade of Green. Shading is based on evaluation at time of issuance and does not reflect ex-post project verification.

### Impact metrics

VGP reports impacts as at 31 December 2024. We consider that VGP provides transparent and relevant impact reporting. Viewed as a whole, the Report paints a good and clear picture of impacts, complemented by useful context and description, including reference to VGP's issuer-level approaches. See Appendix 1 for a detailed reviewed.

### Terms

S&P Global provides a review of VGP's annual reporting based on documentation provided by the issuer and information gathered during teleconferences and e-mail correspondence with VGP. VGP is solely responsible for providing accurate information. All financial aspects of the sustainable finance reporting - including the financial performance of the bond and the value of any investments in the bond - are outside of our scope, as are general governance issues such as corruption and misuse of funds. S&P Global does not validate nor certify the existence of investments and does not validate nor certify the climate effects of investments. Our objective has been to provide an assessment of the extent to which the bond has met the allocation and reporting criteria established in the Framework. The review is intended to inform VGP, investors and other interested stakeholders in VGP's green bond and has been made based on the information provided to us. S&P Global cannot be held liable if estimates, findings, opinions or conclusions are incorrect. Our review does not follow verification or assurance standards and we can therefore not provide assurance that the information presented does not contain material discrepancies.

## Appendix 1 - Detailed Review

Category	Description	Review against framework criteria	Impact Metrics	Relevance of metrics	Transparency considerations
Renewable Energy	<ul style="list-style-type: none"> <li>Projects, investments and expenditures in products, technologies and services ranging from the generation and transmission of energy to the manufacturing of related equipment including among others onshore and offshore renewable energy facilities. This includes among others solar, wind, hydro, and geothermal energy projects.</li> </ul>	<p><b>No discrepancies identified</b></p> <ul style="list-style-type: none"> <li>The projects financed under the renewable energy project category are solar panels and geothermal heating projects.</li> </ul>	<ul style="list-style-type: none"> <li>Total energy generated (MWh).</li> <li>Avoided CO<sub>2</sub> emissions (tCO<sub>2</sub>e).</li> </ul>	<p>✓ Metrics are relevant and production, capacity, and avoided emissions are listed as core indicators in the ICMA Handbook – Harmonized Framework for Impact Reporting.</p> <p>✓ No quantitative impacts are provided for the geothermal heating projects – this is considered a minor omission.</p>	<p>Capacity, production and avoided emissions are reported on a portfolio basis.</p> <p>✓ For avoided emissions, VGP uses the average grid factor of the European countries in which it operates. Transparency on this is welcome.</p> <p>✓ No quantitative impacts are provided for the geothermal heating projects – this is considered a minor omission.</p>
Green Buildings	<ul style="list-style-type: none"> <li>Projects, investments, and expenditures in relation to real estate assets which have received, or are designed and intended to receive, BREEAM “Very Good” certification (or equivalent DGNB/LEED rating).</li> </ul>	<p><b>No discrepancies identified</b></p> <ul style="list-style-type: none"> <li>The Report states that all buildings in the green portfolio exceed the Framework criteria, achieving at least BREEAM Excellent or DGNB/OGNI Gold. We welcome that the</li> </ul>	<ul style="list-style-type: none"> <li>Environmental certification achieved or expected to be achieved.</li> <li>EPC levels (%).</li> </ul>	<p>✓ Certification standard (including environmental certifications such as BREEAM, as well as EPCs) is listed as a core indicator in the ICMA Handbook –</p> <p>✓ VGP reports environmental certification on a project basis.</p> <p>✓ Given that environmental certifications do not guarantee, for example, a certain energy use, VGP could consider reporting</p>	

	performance of the portfolio improves over time.				on additional metrics such as energy use on an absolute and intensity basis. As such, we welcome that the Report includes the EPC level of the buildings in the portfolio (on a percentage basis).
	<ul style="list-style-type: none"> <li>The Report contains useful contextual information on allocations, particularly around EU Taxonomy alignment, EPC levels, and CRREM performance.</li> </ul>				Harmonized Framework for Impact Reporting.
Energy Efficiency	<ul style="list-style-type: none"> <li>Projects, investments and expenditures focusing on energy efficiency measures in existing or new (logistics) buildings, warehouses.</li> <li>Technologies (insulation, LED lighting, motion detectors, energy monitoring tools etc.) and related services and products, including installation.</li> </ul>	<b>No discrepancies identified</b>	<ul style="list-style-type: none"> <li>Avoided energy consumption (MWh)</li> <li>Avoided emissions (tCO<sub>2</sub>)</li> </ul>	✓	Metrics are relevant ✓
		<ul style="list-style-type: none"> <li>The Report does not list all eligible energy efficiency measures. According to the Report, investments under the energy efficiency category include HVAC systems, LED investments, sun protection, and moving sensors to reduce energy consumption.</li> </ul>			VGP provides information on the baselines used for calculating avoided energy consumption, and how it derives its emissions factors for calculating avoided emissions.
				✓	According to VGP, the calculation includes a majority, rather than all, of energy efficiency investments.
Clean Transportation	<ul style="list-style-type: none"> <li>Electric vehicle charging stations.</li> <li>Bike facilities.</li> </ul>	<b>No discrepancies identified</b>	<ul style="list-style-type: none"> <li>Total EV charging (KWh)</li> <li>Assumed car kilometres covered</li> <li>Avoided emissions per km (kgCO<sub>2</sub>/km)</li> <li>Avoided emissions (tCO<sub>2</sub>)</li> </ul>	✓	Metrics are relevant ✓
		<ul style="list-style-type: none"> <li>According to the Report, investments under the clean transportation category are electric vehicle charging and bicycle parking facilities across 105 locations.</li> </ul>			VGP provides sufficient and transparent information on how it has calculated impacts. According to the Report, the calculation is limited to sites where charging data is available.

‘other sustainability indicators’.

Sustainable water and wastewater management	<ul style="list-style-type: none"><li>• Reduction of freshwater consumption.</li><li>• Capturing and recycling rainwater.</li><li>• Green roofing.</li></ul>	<b>No discrepancies identified</b> <ul style="list-style-type: none"><li>• The Report does not list all eligible water/wastewater projects, listing selected projects, such as the construction of rainwater channels with rainwater retention basin, the utilization of rainwater for toilet facilities, and the development of green roofs for water retention.</li></ul>	<ul style="list-style-type: none"><li>• Collected and reused rainwater/greywater (m<sup>3</sup>)</li></ul>	✓	Water reuse is listed as a core indicator in the ICMA Handbook – Harmonized Framework for Impact Reporting.	✓	VGP reports on completed projects for this project category. Impacts for projects currently under construction will be reported following completion.
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