

	Responsible Sourcing Policy Version: 4. Revision: 4	CORPORATE POLICY
		Code: PL-VESTA-COMPRAS-01
		Approval Date: 2023/NOVIEMBRE

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1. INTRODUCTION

Corporación Inmobiliaria Vesta, S.A.B. de C.V. (and, together with its subsidiaries, referred to hereinafter as “Vesta”), is a company engaged in the development, administration and acquisition of industrial parks and buildings in Mexico.

Vesta is committed to environmental, social and governance (ESG) aspects in its dealings with all stakeholders through the lifecycle of its operations, with the aim of generating value and reducing socio-environmental impacts. Within our operations, properly managing supply chains is a crucial objective, and our Responsible Sourcing Policy underscores our commitment to sustainable development in Mexico and the alignment of our strategies with international standards and best sustainable practices in our industry.

2. OBJECTIVES

- Establish and communicate Vesta’s engagement with its suppliers and contractors during the comprehensive responsible sourcing process.
- Encourage compliance with basic criteria (standards) on human rights, hygiene, health and safety, environment; climate change and resilience, and ethical conduct, among suppliers and contractors.
- Promote the positive impact of our commercial interactions, striving to improve conditions in our supply chain.
- Identify, create and improve commercial relations with organizations that meet consistent standards and align with Vesta’s.
- Ensure sustainable sourcing of daily supplies and durable goods in such a way as to reduce operation costs, environmental and social impacts.

3. SCOPE

Application of this policy is mandatory for all Vesta employees and suppliers¹ involved in any of the company’s operations or supply chains. The policy has been developed according to the definition of responsible sourcing provided by the French Standards Association (AFNOR), provided in the “Glossary” section of this document.

Situations not provided for herein will be settled on the basis of Vesta’s Supplier Code of Ethics and the following current Vesta policies:

- Environmental, Social and Governance Policy.
- Policy on Human Rights.
- Anti-Corruption Policy.
- Policy on Diversity, Equity and Inclusion.
- Climate Change and Resilience Policy.

¹ Supplier. Individuals, corporations or organizations engaged in any of the following: provision of services, distribution, agents, intermediaries or representatives.

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- Environmental Policy.

Vesta is committed to making this policy available to all employees and suppliers, and encouraging suppliers to adopt policies and procedures consistent with those of this company.

AREAS INVOLVED AND RESPONSIBILITIES

AREA	RESPONSIBILITIES
ESG DEPARTMENT	Draft and check changes to this policy. Train employees to validate and apply this policy.
ALL EMPLOYEES AND VALUE CHAIN	Respect the guidelines established in this policy.
OFFICE MANAGER	Prepare and complete logs for offices – Sustainable Sourcing Section
PURCHASING	Validate application of this policy. Apply policy together with ESG Department

4. REFERENCE DOCUMENTS, STANDARDS AND REGULATIONS

- Environmental, Social and Governance Policy.
- Policy on Human Rights.
- Anti-Corruption Policy.
- Policy on Diversity, Equity and Inclusion.
- Climate Change and Resilience Policy.
- Biodiversity Policy.
- Vesta Code of Ethics
- Principles of the International Labor Organization
- UN Universal Declaration of Human Rights.
- Principles of the UN Global Compact.
- Sustainability Assurance Standard (AA1000).
- Principles of the Ethical Toy Program (ICTI)
- Sustainable Development Goals (SDG) directly related to this policy, which are:
 - SDG 3: Health and Well-being
 - SDG5. Gender equality
 - SDG 8: Decent work and economic growth
 - SDG 11: Sustainable cities and communities
 - SDG 13. Climate action

5. CONTENTS

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Because correct management by our suppliers is important to us, we seek out commercial relationships based on clearly established principles that enable us to build solid relations based on trust.

The following are some of the requirements we have for organizations seeking to become Vesta suppliers.

HUMAN RIGHTS

We aim to ensure that purchases are made with full respect to human rights within our value chains, such as:

- Respectful, honest, diligent, and loyal practices.
- Respect for diversity and non-discrimination.
- No forced labor or child exploitation.
- Compliance with current regulations on labor relations, including working hours, benefits and compensation, social security payments, overtime pay, and tax withholding and payment.

ENVIRONMENT AND SUSTAINABILITY

All activities should ensure care and respect for the environment in areas where there is an impact, with the following requirements:

- All operations must be conducted under current environmental standards and regulations.
- Employees must not be exposed to situations that encourage practices that are disrespectful of the environment.
- The precautionary principle must be embedded in all environmental strategies, meaning that if any activity could cause environmental harm and there is no solid scientific consensus on the matter, it should be avoided.
- Innovation should be promoted within suppliers' value chains to offer products and services with a lower environmental impact throughout their lifecycle.
- Minimize generation of waste sent to landfills, meaning purchased products should:
 - Be reusable.
 - Contain some percentage of recycled material.
 - Have little packaging (to reduce waste) or be packed with recyclable materials.
 - Promote waste reduction by emphasizing the use of containers and packaging.
- Encourage resource efficiency through the following measures.
 - Promote the efficient and responsible use of energy, water, and raw materials, emphasizing their care and conservation (recommending the use of products with certifications such as Energy Star or FIDE).

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- Prohibit toxic ingredients or substances in the product.
- Encourage the biodegradability of the item.
- Minimize the risks directly and indirectly associated with the company's actions (emissions into the atmosphere; use of water and energy; production and management of waste).
- Implement a proactive culture in preventing environmental incidents.

SUSTAINABLE SOURCING

- When purchasing supplies, the sustainability criteria outlined in Annex I of this document must be applied in the acquisition of everyday office supplies, durable goods, and during the construction process.

OUTSIDE PARTY RELATIONS

- The following Fair-Trade practices must be followed:
 - Promoting dialogue, transparency, and respect in commercial relationships.
 - Establishing strategies to achieve greater equity in domestic and international trade.
 - Offering better trade conditions and ensuring the rights of marginalized producers and workers.
 - Favoring consumption of local products to reduce waste, save energy and lower greenhouse gas emissions by decreasing long-distance transportation.
 - Promoting local development through the purchase of local inputs and the hiring of regional human capital, supporting local economies.
 - Creating opportunities for the inclusion of economically marginalized producers within the supply chain (family businesses, cooperatives, associations, among others), allowing these groups to transition from economic uncertainty to social and economic empowerment.
 - Providing transparency in internal management and commercial relationships while respecting the sensitivity and confidentiality of information by ensuring reliable and secure information channels.
 - Honoring commercial contracts with partners and meeting contractual obligations in a timely and adequate manner.
 - Offering fair pricing on products and services, negotiated and agreed upon by all the parties involved through dialogue, considering the principle of equal pay for men and women.
- Actions to support the local community should be included when commercial activities are carried out, including the following:
 - Demonstrate social commitment by engaging communities in a responsible, active and proactive way, seeking mutual benefit that allows for the community's economic, social and environmental development.

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- Taking responsibility for the social impact that our activities have on local communities.
- Providing support to local educational institutions, supporting their development through technology transfer or classroom equipment.
- Developing methods and indicators for monitoring the social impact caused of commercial activities.
- Solving identified problems beyond existing regulatory requirements.
- Promoting and establishing strategic partnerships with other regional organizations for community development.

CULTURE OF LEGALITY AND INFORMATION SECURITY

- To ensure all operations remain free of corruption, these actions must be included:
 - Promoting respect and integrity in relationships with external and internal stakeholders (suppliers, consultants, public officials, intermediaries, and any other outside parties).
 - Acting honestly, transparently, and ethically in dealings with outside parties, in accordance with the values promoted by the organization.
 - Combating all forms of corruption in their activities (fraud, bribery, extortion).
- To prevent conflicts of interest, Vesta recommends that suppliers:
 - Report any exceptional condition in labor or business relationships, following the Conflict-of-Interest Form shared in the Code of Ethics and the Mandatory Conflict of Interest Course.
- The protection of confidential information is crucial, and it must be safeguarded as follows:
 - Refraining from disclosing or sharing the company's proprietary information with unauthorized outside parties.
 - Avoiding the unauthorized leakage of confidential information through any means (electronic, written, visual, auditory, among others).
 - Under no circumstances should confidential information be used for personal gain.
 - Providing correct and accurate information for contractual commercial activities, free of deceptive or misleading content.
 - Ensuring compliance with intellectual property rights, as required.
- To prevent anti-competitive conduct, the following aspects should be considered:
 - Measures to prevent unfair competition practices, such as:
 - Unauthorized substitution of lower-quality products.
 - Improper appropriation of trade secrets.
 - Discrediting of a competitor's industrial activity, product, or service.
 - Statements that induce misunderstanding by the public (prospective customers) about their business activities.

RISK MANAGEMENT

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- To monitor our suppliers' performance in ESG matters, their actions and initiatives in this area will be assessed each year according to the latest version of the **Supplier ESG Evaluation and Development Procedure**.
- A performance evaluation will be issued based on the documentary evidence shared during the audit process and a risk category assigned to the supplier (Low, Medium, High or Very High) to identify those that pose a considerable risk to Vesta.
- An Action Plan will be shared with the supplier to encourage its ESG performance, creating a virtuous circle of continuous improvement.

SUBSIDIARIES COMPANIES

CORPORACIÓN INMOBILIARIA VESTA
S.A.B. DE C.V.
QVC S. DE R.L. DE C.V.
QVC II S. DE R.L. DE C.V.
VESTA QUERETARO S. DE R.L. DE C.V.
VESTA BAJIO S. DE R.L. DE C.V.
VESTA BAJA CALIFORNIA S. DE R.L. DE C.V.

PROYECTOS AEROESPACIALES S. DE R.L. DE C.V.
WTN DESARROLLOS INMOBILIARIOS DE MÉXICO S. DE R.L. DE C.V.
VESTA DSP S. DE R.L. DE C.V.
VESTA MANAGEMENT
SERVICIOS DE ADMINISTRACIÓN Y MANTENIMIENTO VESTA

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ANNEX I. SUSTAINABLE SOURCING

Corporación Inmobiliaria Vesta places the utmost importance on ensuring that it acquires only goods that meet sustainability criteria. The action of sustainable sourcing is defined as the acquisition of products and services that meet our needs more effectively and efficiently (SEMARNAT, 2018).²

Sustainable sourcing means incorporating environmental, social and economic criteria into the production process or consumption phase (distribution and purchasing), and provides a broader perspective of the effects and responsibilities the consumer of a product assumes.

Vesta's sustainable sourcing efforts are based on three overall categories of sustainability criteria to direct its acquisition of products within the company, focused on various types of product:³

1. Product criteria:

P1	Biodegradable
P2	Organic
P3	Recycled
P4	Recyclable
P5	Reused
P6	Reusable
P7	Non toxic
P8	No packaging, recycled packaging
P9	Local product (made in Mexico)

2. Criteria in the purchase-consumption process

C1	Preserves biodiversity
C2	Promotes human well-being
C3	Fair trade

² National Development Plan 2013-2030, at: http://www.dof.gob.mx/nota_detalle.php?codigo=5299465&fecha=20/05/2013

³ None of these criteria are considered "better" than the others, but a product is preferable if it meets more criteria. These can be viewed in the Vesta Sustainable Products Catalog – Product criteria.

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3. Sustainable certificate or seal criteria

S1	Water saving
S2	Energy Star / FIDE
S3	Certified wood, for example Forest Stewardship Council - FSC
S4	EPEAT
S5	Rain Forest Alliance
S6	Other

Products are considered sustainable when they meet any of these criteria, and the best purchase options are the products that meet the most criteria.

Suppliers must also consider the following aspects depending on the type of input they sell to Vesta:

SUSTAINABLE SOURCING OF DAILY SUPPLIES

These are products that are used regularly in operations and replaced continually, so their useful life is relatively short.

We recommend that at least 30% of products acquired meet at least one of the grouped criteria, and toxic products must be avoided.

Toxic products: Avoid the use of products containing any of the compounds listed below. If their use is necessary, ensure that the ingredient does not exceed 0.01% of the weight of the concentrated product.⁴

- | | |
|------------------------------|-----------------------------|
| a. Acetone. | |
| b. Alcohol. | benzethonium chloride, |
| c. Alkylphenols, alkylphenol | cetylpyridinium chloride, |
| ethoxylates, nonylphenol | cetrimide, benzyl dimethyl |
| ethoxylates, and other | stearyl ammonium chloride). |
| ethoxylates (used in liquid | e. Benzyl alcohol. |
| detergents). | f. Butane. |
| d. Ammonium or quaternary | g. Butoxypropanol. |
| ammonium disinfectant | h. Chlorhexidine and |
| compounds (e.g., | chloramine-T. |
| benzalkonium chloride, | |

⁴ Information on product ingredients, properties, safety measures and first aid must be provided on the technical labeling on the container; otherwise the produce should be asked to supply or revise the technical label. This should be done for all cleaning products used in the building, and updated copies of the labels kept on file.

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- | | |
|---|--|
| i. Coconut diethanolamide. | w. Methyl ethyl ketone. |
| j. Cyclohexanol. | x. Monoethanolamine. |
| k. Dibutyl phthalate and other phthalates. | y. Sodium hypochlorite. |
| l. Diethanolamine, diethylene glycol, and diethylene glycol monobutyl ether, monoethyl ether. | z. Sodium metasilicate. |
| m. Dyes, perfumes, fragrances. | aa. Stoddard solvent. |
| n. EDTA (ethylenediamine-tetraacetic acid, or ethylene-dinitrilotetraacetic acid). | bb. Toluene. |
| o. Nitrilotriacetic acid (NTA). | cc. Triethanolamine. |
| p. Ethylene glycol and ethylene glycol monobutyl ether (butoxyethanol). | dd. Trichloroethylene. |
| q. Fluorocarbons (e.g., HCFCs), ozone-depleting compounds. | ee. Xylene. |
| r. Heavy metals such as lead, arsenic, mercury, cadmium, chromium, cobalt, nickel, and zinc. | ff. 1,1,1-TCE (1,1,1-trichloroethane). |
| s. Hexylene glycol. | gg. 2-butoxyethanol. |
| t. Hydrochloric acid. | hh. NTA. |
| u. Isobutene. | ii. N-methyl-2-pyrrolidone. |
| v. N-hexane. | jj. Naphtha or naphthalene. |
| | kk. Perchloroethylene. |
| | ll. Phenolic compounds. |
| | mm. Phosphates (or no more than 0.5% by weight) in detergents. |
| | nn. Phosphoric acid. |
| | oo. Potassium hydroxide. |
| | pp. Propylene glycol or propylene glycol monomethyl ether. |
| | qq. Sodium hydroxide. |

SUSTAINABLE SOURCING OF DURABLE GOODS

This refers to equipment with an extended useful life. Materials and warranties should ensure high durability and at least one efficiency seal (when applicable) or some green certification, be low maintenance, and have an optimal cost-benefit ratio. Other criteria to consider are as follows:

- Electrical appliances: At least 10% of the products should have Energy Star certification or FIDE seal; bronze certification awarded by EPEAT⁵, and avoid the use of LP gas for fuel.
- Furniture: 40% of the goods purchased in this category should meet more than one production criterion (e.g., made with recycled materials). Optimally they should be recovered within Vesta, under the equipment reuse program. Preference should be given to products where at least 50% of their raw materials have been extracted, processed, and manufactured within 100 km of building.

SUSTAINABLE PROCUREMENT IN CONSTRUCTION

⁵ The full list of equipment evaluated can be found at <http://ww2.epeat.net/searchoptions.aspx>

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Vesta encourages construction suppliers to review the above points and also to check the Living Building Institute's Red List⁶, which contains the worst materials prevailing in the construction industry and is recommended not to use.

The common chemicals on this list are:

- Those that pollute the environment
- Those that bioaccumulate in the food chain, reaching toxic concentrations.
- Those that harm construction workers and factories.

⁶ Construction materials Red list at: <https://living-future.org/red-list/>

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GLOSSARY

DURABLE GOODS: Refers to products that often cost more, in keeping with their extended useful life. These products can include, but are not limited to, office equipment.

BIODEGRADABLE: A product or substance that can decompose into its chemical elements due to the action of biological agents such as plants, animals, microorganisms, and fungi under natural environmental conditions.

LIFECYCLE: A model that describes the different stages a product goes through, from its production, transportation, distribution, use, and to its final disposal.

DAILY SUPPLIES: Materials that are used constantly, are replaced continuously, and therefore have a short useful life. For example, stationery materials.

SUSTAINABLE CONSUMPTION: The 1994 Oslo Symposium on Sustainable Consumption defined this as "the use of services and related products that meet basic needs and provide a better quality of life while minimizing the use of natural resources and toxic materials, as well as waste and pollutant emissions throughout the service or product lifecycle, so as not to jeopardize the needs of future generations."

RESPONSIBLE SOURCING: According to the French Association for Standardization (AFNOR), this refers to "a purchase that considers the economic, ethical, social, labor, and environmental implications of product characteristics, production, logistics, use, maintenance, reuse, and recycling, as well as contracted supplies, and assesses the behavior and responsiveness of suppliers."

SUSTAINABLE SOURCING: The action of acquiring products and services that meet our needs more effectively and efficiently (SEMARNAT, 2018). Sustainable purchases incorporate environmental, social, and economic criteria, which are represented by one or more characteristics in production or consumption processes (distribution and purchase).

GREENHOUSE GAS EMISSIONS (GHGs): A greenhouse gas is an atmospheric gas that absorbs and emits radiation within the infrared range. This process is the main cause of the greenhouse effect. The main GHGs in the Earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide, and ozone.

PRECAUTIONARY PRINCIPLE: Adapted from the 1992 Rio Declaration on Environment and Development, Principle 15: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."

SUSTAINABLE PRODUCT: One in which natural, human, and economic resources are used efficiently throughout its production chain.

RECYCLING: The process of converting an object or waste into new products or raw materials for subsequent use.

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REDUCTION: Acquiring fewer products/services/resources, in terms of size, volume, or quantity. It also includes acquiring products or services with efficient energy consumption.

HAZARDOUS WASTE: According to the General Law for the Prevention and Comprehensive Management of Waste, hazardous waste is a material or product that the owner or possessor discards, is in solid or semi-solid state, liquid or gas contained in containers or deposits, and is susceptible to monetization or requires treatment or final disposal and also exhibits at least one of the CRETIB characteristics (Corrosive, Reactive, Explosive, Toxic, Inflammable, Biological-Infectious).

NON-HAZARDOUS WASTE: Those that are not classified as hazardous waste, as they do not exhibit hazardous characteristics.

REUSE: Using an object again for similar or different purposes than its original use.

ENERGY STAR PROGRAM: A program created by the United States Environmental Protection Agency in 1992 to promote energy-efficient electrical products, thereby reducing greenhouse gas emissions from power plants.

FIDE SEAL: A distinctive mark awarded to products that directly or indirectly contribute to electricity savings. Purchasing products with the FIDE Seal guarantees that they are highly energy efficient or have characteristics that save on the consumption of electricity.