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		Code: PROCEDIMIENTO-VESTA-01
		Approval date: 2023/01/01
	Version: 2. Revision: 1	Expiration: 2025/01/01

1. INTRODUCTION

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

Vesta has made a pledge to its stakeholders to consider Environmental, Social and Corporate Governance (ESG) aspects throughout the life cycle of our operations, so that we can create value and reduce socioenvironmental impacts.

This document describes the ESG evaluation process and requirements that we ask our suppliers to adopt and incorporate into their daily activities.

2. PURPOSE

To evaluate the incorporation of ESG-related actions by Vesta's suppliers, based on existing regulations, applicable policies and Vesta's Stakeholder Engagement Program.

These actions will be aimed at ensuring that our suppliers abide by all applicable regulations, reducing risks, operating costs and the socio-environmental impact of their operations within the projects where they partner with Vesta.

3. AREAS INVOLVED:

a) Validate:

- ESG
- Procurement
- IT

b) Report and implement:


- All Vesta suppliers.

Our supply chain ESG evaluation, monitoring and surveillance process is carried out by the corresponding area. For our critical contractors and suppliers, the result of this process is escalated to senior management.

4. PROCEDURE AND TOPICS FOR EVALUATION

The activities and initiatives that are evaluated during this process are:

- 4.1** Regulatory compliance (federal, state and local).
- 4.2** ESG requirements for suppliers and alignment with Vesta's ESG Strategy.
- 4.3** Ethics and Anti-Corruption.
- 4.4** Environmental, Social and Corporate Governance (ESG) Policy.
- 4.5** Environment (energy, water and waste).

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- 4.6 Biodiversity
- 4.7 Climate change and resilience.
- 4.8 Transportation
- 4.9 Health, safety and hygiene.
- 4.10 Human rights.
- 4.11 Social aspects.
- 4.12 Continuous improvement.

The principles enumerated in this section apply to all business relationships between Vesta and its suppliers, and compliance with the principles formulated is considered basic to the contractual relationship.

It is the responsibility of every supplier to read, understand and deliver a signed copy of this document as a token of its acceptance of responsibility.


This supplier evaluation process is linked to our ESG Strategy (aligned with Vesta's Level 3 Strategy), the goal of which is to establish ESG commitments with 35% of our total suppliers, including the most critical and relevant for Vesta. Through these annual evaluations, we are moving toward fulfillment of this goal by 2025.

4.1 REGULATORY COMPLIANCE

For Vesta, it is vital that the entire supply chain assures us that 100% of their operations comply fully with the law and pertinent regulations. Specifically, emphasis must be placed on compliance with hygiene, health, human rights, safety and environmental legislation.

4.2 ESG requirements for suppliers and alignment with Vesta's ESG Strategy

- The main requirements are based on internal values and standards, as well as on the universal declarations and conventions to which Vesta is a party. The requirements we require suppliers to meet are contained in the following documents, which are sent in digital form to each of them:
 - Vesta's Social Responsibility, Environment and Governance Policy, aligned with the 10 Principles of the Global Compact and the 17 Sustainable Development Goals of the United Nations Organization (SDG-UN).
 - Anti-Corruption Policy
 - Environmental Policy
 - Code of Ethics
 - Supplier Code of Ethics
 - Diversity, Equality and Inclusion Policy
 - Human Rights Policy

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- Resilience and Climate Change Policy
- Responsible Purchasing Policy
- Biodiversity Policy
- Office Emergency Plan
- Civil Protection Plans for Office and Industrial Parks
- Disaster Response and Fundraising Procedure

4.2.1 ADDITIONAL REQUIREMENTS FOR CONTRACTORS AND MAJOR MAINTENANCE PROVIDERS

- Sustainable Construction Manual
- Safety Measures Log.

At Vesta, we expect suppliers to act responsibly and to meet these requirements. We also expect for them to involve their own stakeholders and value chain in these actions.

We give preference to suppliers who show superior ESG performance by applying a minimum weighting to ESG criteria during the supplier selection process. This approach ensures that our partnerships align with our values of sustainability and social responsibility.


We have ongoing training programs for our procurement area and employees, focusing on their roles and responsibilities within the ESG supplier program. This training ensures that all personnel involved in supplier selection and management are well informed and committed to ESG standards, thus strengthening our sustainable and responsible supply chain.

4.3. ETHICS AND ANTI-CORRUPTION

Our evaluation of suppliers covers the ethical and anti-corruption guidelines they have in place in all phases of their processes and interaction with their stakeholders.

Vesta requires supplier to have at least two of the following:

- A written description of the organization's values, principles, standards and norms of behavior.
- Mechanisms for ethics advice and concerns:
 - Advice on ethical and legal behavior, and organizational integrity.
 - Channels to report concerns regarding unethical or illegal behavior and organizational integrity.
- A formal assessment of operations for risks related to corruption.
- Communication and training on anti-corruption policies and procedures for employees.
- A written description of confirmed incidents of corruption and actions taken.

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4.4 ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) POLICY.

On this point, we urge suppliers to have an ESG or sustainability and/or social responsibility policy, which governs the incorporation of ESG aspects into their operations based on their principles, values, mission and vision.

Note: If the supplier does not have an ESG Policy, it may adopt Vesta's ESG Policy and incorporate it, to the extent possible, into its processes and operations.

4.5. ENVIRONMENT (ENERGY, WATER AND WASTE)

In evaluating this area of supplier operations, we consider their capacity to work sustainably, to reduce their consumption of energy, water and inputs during their processes, and to manage their waste, in order to reduce the environmental footprint of their current and future operations, thus improving Vesta's operations. This topic is in turn divided into the categories of Energy, Water, Waste and Transportation.

Furthermore, we urge suppliers to adopt Vesta's Responsible Sourcing Policy, to the extent possible.

Finally, we have requirements suppliers must meet as part of Vesta's purchasing process, specifically in the areas of:

4.5.1 ENERGY


This includes lighting, electrical power and equipment. All suppliers and subcontractors are required to take specific action to reduce energy consumption in their operations and/or use renewable energy.

4.5.2. WATER

All suppliers and subcontractors will be asked to carry out some of the following specific actions to reduce water consumption in their operations.

- Promote the implementation of a water saving program that involves some of the following practices:
 - Raise awareness among their employees regarding efficient water use.
 - Reuse water for watering plants or washing floors.
 - Measure water consumption (in logs and on a monthly basis).
 - Maintain equipment

4.5.2. WASTE

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Non-Hazardous, Recoverable and Hazardous

Suppliers are responsible for employee awareness programs and messages aimed at all employees and their value chains, to ensure responsible management their non-hazardous, recoverable and hazardous waste.

These include, but are not limited to, the following activities.

- Waste management plan.
- Training and awareness for all employees on the difference between organic, inorganic, recyclable, reusable, recoverable and hazardous waste.
- Follow-up on the plan, ensuring that employees separate waste correctly.
- Disposal of waste with authorized suppliers and archiving of the corresponding manifests.

Waste reduction

Suppliers are responsible for employee awareness programs and messages aimed at all employees and their value chains, aimed at reducing waste generation. These include, but are not limited to, the following activities.

- Encouraging the non-printing, reuse and non-use of paper (paperless), encouraging the use of digital media instead.
- Encourage the use of washable and reusable bottles for drinking water.
- Reduce the use of disposables and plastics in general.
- Purchase inputs with less packaging.

4.6. BIODIVERSITY

In this area, we seek information our value chain's familiarity with and commitment to biodiversity, by means of a questionnaire that is part of in the ESG Checklist for Supplier Audits.


4.7. CLIMATE CHANGE AND RESILIENCE

This area includes those activities that allow us to reduce Vesta's carbon footprint and thus contribute to the decarbonization of its activities.

To this end, some of initiatives each supplier can introduce to its facilities are:

- Setting energy reduction targets (carbon footprint, at least in scope 1 and scope 2 emissions).
- Analyze the feasibility of using renewable energies for its processes, if applicable.
- Establish goals to reduce the carbon footprint of its products, if applicable.

4.8. TRANSPORTATION

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If the supplier uses fleets and/or private vehicles as part of its operation and/or business, the following measures should be considered:

- Monitor the emissions generated by these vehicles by means of monthly logs. Establish a program and/or strategy to reduce such emissions.
- To the extent possible, establish good use practices.

4.9. HYGIENE, HEALTH AND SAFETY

It is important to Vesta that its suppliers meet occupational health and safety standards in order to reduce occupational risks in its operations. These should include, as far as possible, aspects such as:


- Occupational health and safety management system.
- Hazard identification, risk assessment and incident investigation.
- Occupational health services.
- Worker participation, consultation and communication on occupational health and safety.
- Training of workers on occupational health and safety.
- Instruction of personnel on risk mitigation and control and safe work methods.
- Reporting and management of occupational health incidents (Vesta Safety Measures Logbook).
- Worker health promotion/communication.
- Prevention and mitigation of occupational health and safety impacts directly linked to business relationships.
- Workers covered by an occupational health and safety management system.
- Work-related injuries.
- Work-related ill health.
- Decent working hours.
- Good condition of work areas.

4.9.1. MINISTRY OF LABOR AND SOCIAL WELFARE STANDARDS

In addition to the above, suppliers must meet with all official Mexican health and safety standards that apply to them based on the scope of their industry, paying special attention to compliance with the following:

- NOM-031-STPS-2011 Construction-Occupational safety and health conditions.
- NOM-021-STPS-1994 Requirements and characteristics of work risk reports.
- NOM-017-STPS-2008 Personal protective equipment-selection, use and handling in the workplace.

4.9.2. EMERGENCY AND DISASTER RESPONSE PLANS

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The supplier must have emergency and disaster response plans for its employees in order to reduce risks.

Emergency plans should be customized according to each supplier's line of business.

4.10. Human Rights

Vesta promotes respect for human rights in all its business relationships and asks its suppliers and business partners to abide by the same principles, paying particular attention to conflict and high-risk situations.

With this in mind, Vesta will include the following actions in its initiatives:


- Promote integrity by doing business according to the principles of trust, respect, honesty, equality, justice and legality; but, above all, with zero tolerance for corruption in any of its forms, both direct and indirect. The document that expresses our ethical commitment, and is our guide to regulate the behavior of those who work or interact with the company, is Vesta's Code of Ethics. For suppliers in particular, we have developed a Supplier Code of Ethics.
- Promote commitment to human rights throughout our value chain, where we seek to communicate our policy to suppliers, contractors, customers, investors and any other stakeholder group.

Suppliers must also fully comply with the following requirements and commitments in order to work with us:

- No forced labor in their operations (not allowing workers to leave of their own free will, forcing them to work overtime).
- No child labor.
- Guaranteeing health and safety conditions for its workers as mandated by law.
- Promoting diversity and inclusion in their hiring.
- No inhumane treatment in their labor relations (using threats of physical harm or extreme intimidation, corporal punishment, mental or physical coercion).
- Providing a living wage.
- No abuse and harassment.
- No hiring, payment, promotion and dismissal of workers based on characteristics, sexual orientation, gender, personal, religious and/or political beliefs, among others.
- Keeping workplaces free of unsafe and unhealthy conditions for employees.

4.11. SOCIAL ASPECTS

At Vesta, we consider ourselves part of the communities in which we operate, so we work on cooperative projects based on dialogue, recognizing the needs and the different cultural,

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environmental, economic and social contexts in which we operate; recognizing at all times the principles of human rights, gender equality, and above all, transparency.

We forge positive and meaningful ties with our stakeholders in order to build long-term relationships, earning and maintaining the trust of all those with whom we interact. For Vesta, social aspects are important and should be considered whenever possible in all the projects we develop.

5. EVALUATION OF THE PROCEDURE'S PERFORMANCE

5.1 DIAGNOSTIC PROCESS

The purchasing area provides a questionnaire through Oracle, which gives suppliers access to all the documents mentioned at the beginning of this procedure, for them to sign and confirm their adherence. This process also results in a rating on the status of the supplier's actions in ESG matters.

This supplier evaluation is based on:

- The risks of the country where it operates.
- The risks of the industry to which it belongs.
- The risks of the specific operation it carries out for Vesta.


In the event that any supplier does not pass the diagnosis and subsequent evaluation, Vesta reserves the right to terminate the commercial relationship by extraordinary cancellation of the contract.

Vesta may freely decide not to take this extraordinary measure and may instead adopt alternative measures if the business partner credibly commits to adopting, within a reasonable period of time, the necessary measures to avoid future non-compliance.

Every year, Vesta will make a selection of suppliers, based on the supplier's level of business with Vesta, who will undergo the diagnosis.

Based on their results, suppliers will be asked to be part of the ESG Audit Process and by filling out the Suppliers ESG Checklist, Vesta will assess their level of compliance/progress toward the above requirements.

- a) The review will be conducted by an external consultant.
- b) Based on the results of this evaluation, an action plan will be drawn up containing recommendations and next steps to improve ESG practices.
- c) Vesta and the consultants will decide on a timeframe for the supplier to initiate and complete implementation of the action plan (between 1 and 6 months). If necessary,

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the supplier may ask the ESG area and the consultant for an extension (via email, explaining the reasons and the new suggested timeframe) of up to one year.

- d) Once the aforementioned time period(s) have elapsed, the ESG area and the external consultant will contact the supplier for the final review, from which a final report will be prepared.

6. VESTA SUPPLIER ESG CHECKLIST

This audit process will be carried out for all Vesta suppliers, gradually, until it has reached 100% of them. The choice of these suppliers will always be subject to how critical the supplier is for Vesta.

DEFINITION: For Vesta, a critical supplier is one that involves a high volume of expenditure and significance in Vesta's production process.

In addition to the above, and based on the definition of "Critical Supplier", a categorization is made by levels in ascending order:


- Level 1: low sales volume.
- Level 2: moderate sales volume.
- Level 3: high sales volume.
- Level 4: very high sales volume.

In the Vesta Supplier ESG Audit Checklist, each supplier must provide evidence of how its services, products and operations meet the above-mentioned requirements, and indicate the health and environmental benefits that Vesta has enjoyed through their acquisition.

6.1. RISK ASSESSMENT AND CLASSIFICATION BY SUPPLIER

The Checklist uses a scale from 0 to 5, which indicates the level of compliance with the ESG requirements:

Scale	Description
0	The evidence shared does not meet the requirements of the checklist.
1	Deficient description of processes and no attention to the checklist's requirements. The quality of the information and its organization is of very low quality.
2	Poor description of processes and lack of attention to the requirements of the checklist. The quality of the information and its organization is low.
3	Sufficient description of processes or documents without going into more detail or description. The quality of the information and its organization is basic.
4	Sufficient description of processes or documents without going into more detail or description. The quality of information and its organization is good.
5	Clear and thorough description of processes and good amount of detail. The quality of the information and its organization is excellent.

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Once the results are obtained, the supplier's ESG risk level is calculated, which in turn determines the periods of validity of the evaluation, according to the following table:

Risk level	Color	Percentage of compliance	Audit effective for
High	Red	0% to 50%	1 year
Medium	Yellow	51% to 75%	2 years
Low Green	76% to 100%	3 years	

In accordance with the above, at the end of each period of validity, a new evaluation will be carried out using the same criteria.

This identification evaluates the significant negative risk, based on the supplier's ESG actions and strategies. For each of the categories of the ESG Supplier Audit Checklist (10 categories) a weighting percentage was established.

This weighting was obtained as the ratio of the scores achieved in each item of the Checklist and the maximum possible value (180 points). For the final evaluation, each of these values is added together and categorized according to the significant negative risk they represent for Vesta in terms of ESG:

Range	Risk
0% - 33.29%	Significant negative risk
33.3% - 66.69%	Moderate negative risk
66.7% - 100%	Non-significant negative risk

Likewise, this classification allows us to discern which suppliers may pose a substantial risk to Vesta.


6.2. RECOMMENDATIONS

This procedure will be updated on an annual basis to maintain continuous improvement.

7. COMMUNICATION AND REPORTING OF NON-COMPLIANCE

To report any violation or non-compliance of this procedure to Vesta, the supplier and any of its personnel and/or interested parties may report their concerns anonymously 24/7 to the Vesta Ethics Line at the following link: www.speakupvesta.com

8. SUBSIDIARIES

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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