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## **BIODIVERSITY POLICY**

### **1. INTRODUCTION**

Biodiversity is the variety of life. It encompasses the diversity of species: animals, plants, mushrooms and microorganisms—that live in a given ecosystem or region—where ecological and environmental processes take place at the level of genes, species, ecosystems and landscapes (CONABIO, 2020).

The unrestrained use of natural resources to meet human needs has triggered a catastrophic series of events, including climate change, environmental imbalances and a loss of biodiversity worldwide. Currently, biological imbalances and the number of endangered species are growing.

For the real-estate industry, biodiversity is an unescapable concern when developing complexes, because it depends not only on raw materials from the natural environment but also indirectly on the regulation of ecosystems, health, and the aesthetic benefits of the natural environment.

The industrial real-estate business is one of the three sectors that poses the greatest threat to global biodiversity, according to the World Economic Forum (WEF, 2020). The built environment contributes significantly to the depletion of food and raw material supplies, deforestation, soil compacting, and the obstruction of rivers or canals that feed flora and fauna around construction sites, ultimately leading to extreme climatic events and the collapse of ecosystems. For the same reason, it is one of the industries upon whom the most responsibility falls to take measures against climate change and in favor of biodiversity.


### **2. OBJECTIVE**

This document defines standards and guidelines on biodiversity to which we as a company must conform, at times together with our stakeholders, and define the actions we must take to protect and minimize our biodiversity impacts.

These principles must be applied in each phase of our lifecycle where they apply, to be able to improve quality of life, reconnect urban populations with nature, improve the situation of biological diversity safeguarding ecosystems, species and genetic diversity, reduce direct pressures on biological diversity and promote the sustainable use of resources. All of this should be done through participative planning, knowledge management and capacity-building, reducing our environmental footprint, improving relations with our clients, suppliers and

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investors, and incorporating natural capital (the stock of goods and services provided by ecosystems) into our development and operating processes.

### 3. SCOPE

This document is applicable to all employees of Corporación Inmobiliaria Vesta (Vesta) as well as all commercial partners, brokers, clients and suppliers of the company, who have an obligation to read and act in accordance with it, in matters pertinent to them.

Vesta must ensure implementation of and compliance with this policy, and must follow up, respond to inquiries and take the measures appropriate to guarantee that the involved stakeholders are familiar with, understand and apply the content of this document in their operations with us.

### 4. REFERENCE DOCUMENTS

- ESG Policy
- Responsible Investment Policy
- Responsible Investment Checklist
- Sustainable Construction Manual
- Responsible Construction Checklist

### 5. RESPONSIBILITIES

<b><u>Area or Office</u></b>	<b><u>Responsibility</u></b>
<b>Investment Committee</b>	Analyze and decide whether to approve the investment, defining the parameters for return on investment and the required strategies.
<b>Investment Area</b>	Evaluate proposed investments according to criteria established by the Investment Committee and decides on whether to improve them, incorporating biodiversity aspects in the Vesta Responsible Investment process.
<b>Development Area</b>	Generate concrete proposals for investment in keeping with Vesta policies and procedures, which incorporate ESG and biodiversity concerns.

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<b>Asset Management</b>	<ol style="list-style-type: none"> <li>1. Manage development, implementation and compliance with environmental impact statement decisions.</li> <li>2. Maintain green areas and apply initiatives for protecting biodiversity in our assets</li> </ol>
<b>Environmental, Social and Corporate Governance Committee</b>	<p>This is a standing committee charged with deciding on strategy, ensuring compliance and evaluating the company's performance in environmental, social and corporate governance responsibility.</p> <p>It is made up of experts in these fields. The committee is informed of progress against the policy twice yearly.</p>
<b>ESG Department</b>	Responsible for managing the social and environmental needs of regions and businesses, promoting communication between the areas, coordinating and organizing ESG committee activities, and developing tools that help the regions to fulfill Vesta's ESG strategy, along with the Work Group.
<b>Vesta Employees</b>	Responsible for knowing about this policy and regularly updating their knowledge of these rules.
<b>Stakeholders</b>	Be aware of and follow the guidelines in the services and operations where they apply.

## 6. PROTECTION OF BIODIVERSITY


Vesta is committed to applying and tracking, to the extent possible, the following minimum protection measures, always with a focus on sustainability, stewardship and conservation of biodiversity.

### General Aspects

1. Guarantee compliance with all legal obligations regarding biodiversity as established in business standards as well as state, national and international laws and regulations on the matter.
2. Take urgent and meaningful action to reduce degradation of natural habitats, through conservation, restoration and the sustainable use of land ecosystems as well as other ecosystems and habitats with which we interact directly.
3. Consider nature (flora and fauna) as key aspects in all important decisions regarding our projects and developments.

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4. Prepare up-to-date reports on biodiversity impacts each year, and take actions to reduce the duration, intensity and magnitude of the impact.
5. Make all decisions on impact prevention and reduction according to the hierarchy of mitigation (Avoid, Minimize, Restore and Remediate) in every phase of our lifecycle (UNGC 2012)
6. Align Vesta initiatives with the AICHI Targets (1, 4, 8, 9, 12, 14, 15, 17, 18 and 20), the Sustainable Development Goals (15), Principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and the strategies of the World Economic Forum (Annex 1).
7. Establish networks of work and collaboration with local actors to promote biodiversity preservation and conservation initiatives.
8. Participate in research, preservation, education and awareness-raising projects with stakeholders in the areas of biodiversity and conservation
9. Inform and communicate with our employees on the importance of coexisting with biodiversity and their relationship with the urban environment.
10. Develop manuals, procedures and regulations that improve our relationship with biodiversity in our industrial parks and buildings.

### Action Lines

At Vesta, we seek to introduce biodiversity strategies within various phases of our lifecycle.

- General aspects
- Design and construction
- Operation and maintenance

The actions and targets we will pursue are defined in our Biodiversity Protocol.

### 7. ANNEX 1

Vesta is committed to applying strategies that prioritize protection of biodiversity in keeping with the following commitments:

#### a) AICHI Targets (COP 10-2010, for 2020)


In 2010, the governments of 196 countries met in the province of Aichi, Japan for the Convention of Parties to the Convention on Biological Diversity (COP-10), where they signed their commitment to five strategic goals, grouped into 20 specific targets aimed at halting the loss of nature: vital support to all forms of life on the planet, particularly our own (WWF, 2018).

Vesta directly supports ten of the twenty AICHI targets:

**Target 1:** People will be aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.

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**Target 4:** Governments, business and stakeholders at all levels will have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.

**Target 8:** Pollution, including from excess nutrients, will have been brought to levels that are not detrimental to ecosystem function and biodiversity.

**Target 9:** Invasive alien species and pathways are identified and prioritized, priority species are controlled or eradicated, and measures will be in place to manage pathways to prevent their introduction and establishment.

**Target 12:** The extinction of known threatened species will have been prevented and their conservation status, particularly of those most in decline, will have been improved and sustained.

**Target 14:** Ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, will be restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable.

**Target 15:** Ecosystem resilience and the contribution of biodiversity to carbon stocks will have been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.

**Target 17:** Each Party will have developed, adopted as a policy instrument, and commenced implementing an effective, participatory and updated national biodiversity strategy and action plan.

**Target 18:** The traditional knowledge, innovations and practices of indigenous and local communities relevant for the conservation and sustainable use of biodiversity, and their customary use of biological resources, will be respected, subject to national legislation and relevant international obligations, and fully integrated and reflected in the implementation of the Convention with the full and effective participation of indigenous and local communities, at all relevant levels.


**Target 20:** The mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, will have increased substantially from the current levels.

## **b) Sustainable Development Goals (SDG)**

### 15. Life on land

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Within Sustainable Development Goal 15, Vests directly supports the following targets:

15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

15.3 Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.

15.4 Ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

15.6 Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed.

15.8 Introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

### **c) Taskforce on Nature-related Financial Disclosures (TNFD)**

Of the 5 principles of the TNFD, Vesta directly contributes to the following:


3. Nature-related Risks: Embrace nature-related risks that include immediate, material financial risks as well as nature dependencies and impacts and related organizational and societal risks.

4. Purpose-driven: Be purpose driven and actively target reducing risks and increasing nature-positive action by using the minimum required level of granularity to ensure achievement of the TNFD goal.

6. Climate-Nature Nexus: Employ an integrated approach to climate- and nature-related risks, scaling up finance for nature-based solutions.

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#### **d) The Future of Nature and Business: World Economic Forum (WEF) 2020**

The WEF resulted publication of a document entitled “The Future of Nature and Business,” in which it recommends the following strategies relating to the importance of nature in present and future business. Vesta follows all five of these strategies:

1. Compact, not extend: Optimize spaces within facilities so that they have a little impact possible on the environment.
2. Consider impacts on biodiversity before development.
3. Prevent contamination and provide clean energy alternatives as renewable energies.
4. Take advantage of existing natural ecosystems as infrastructure.
5. Plan infrastructure networks considering biological diversity


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