## **CSR** policy 2021-2023

**ASR Dutch Core Residential Fund** 



## Our vision of CSR

#### ASR Dutch Core Residential Fund's vision on corporate social responsibility (CSR)

The ASR Dutch Core Residential Fund (ASR DCRF) provides access to a mature core, diversified residential portfolio in the most attractive locations of the Netherlands, as identified by a.s.r. real estate. The investment objective of the Fund is to provide stable, sustainable and attractive returns by investing in high-quality assets and by actively managing and adding value to the existing portfolio. Future-proof dwellings are an essential part of this strategy. Dwellings must be comfortable, sustainable and affordable for different types of households, and must meet the current and future needs and preferences of tenants.

Sustainable dwellings are attractive to tenants for many different reasons, such as lower energy costs and a healthier indoor climate. They are also attractive to investors, since a sustainable portfolio adds value over time and helps to mitigate risks. Sustainability ensures continuity and stability, and sustainable dwellings have a reduced environmental impact due to lower energy and water consumption and reduced waste production. Sustainable dwellings also help to reduce  $CO_2$  emission. a.s.r. real estate has signed the DGBC Paris Proof Commitment to showcase its dedication to achieving a carbon-neutral portfolio by 2050.

To create a portfolio with long-term value, close cooperation with stakeholders is required. Clear agreements between parties help to support one another and keep one another informed. The Fund also aims to maximise engagement and awareness among its tenants.

For ASR DCRF, it goes without saying that corporate social responsibility can only be achieved by means of sound, transparent business practices and healthy and satisfied employees.

This policy reflects a.s.r. real estate's and a.s.r.'s current policies on corporate social responsibility. For more information about the CSR policies of ASR DCRF and a.s.r. real estate, please visit our website. To read more about a.s.r.'s CSR policy, please visit a.s.r.'s website.



## Strategic objectives 2021-2023

The Fund's vision on Corporate Social Responsibility (CSR) is to accommodate the interests of investors and tenants in the best possible way by creating and maintaining a portfolio with long-term value from both a financial and a social perspective, and to achieve this in a sound and responsible manner with engaged and aware partners and employees. To work towards these goals, each year the Fund develops a strategic Corporate Social Responsibility (CSR) policy around four themes:

**Property** Sustainable portfolio

Partners Sustainable partners in long-term relations
Planet Contribution to environment and society

**People** Sound business practices and healthy and satisfied employees

While each 'P' focuses on a specific aspect of CSR, all four themes must work in tandem in order for the Fund to achieve its vision. Each theme has its own strategic objectives, which are listed below. From now on the Fund will determine not only the three-year goals but also one-year goals. This provides a better insight in the achievements during the first year of the period under consideration.

#### Strategic objectives 2021-2023

		2021	2023
	Sustainable portfolio		
	Average Energy Index of portfolio	≤ 1.15	≤ 1.05
	Green Labels	≥ 93%	≥ 96%
	Energy-saving measures (excl. projects, yearly)	≥ € 150k	≥ € 300k
	Coverage of Green Building Certificates	100%	100%
	Sustainable partners in long-term relations		
	Partnership documents containing CSR requirements and goals	100%	100%
	Tenant satisfaction	≥ 7	≥ 7
		> benchmark	> benchmark
	Active tenant participation programme (# of projects yearly)	≥ 6	≥ 10
	Addition of affordable dwellings (#)	150	1,200 1)
	Contribution to environment and society		
	Paris Proof roadmap	Design	Execute
	Energy intensity (average yearly reduction)	≥ -1.7%	≥ -1.7%
	CO <sub>2</sub> intensity (average yearly reduction)	≥ -3.3%	≥ -3.6%
	Renewable energy (# of PV panels)	≥ 10,000	≥ 15,000
	Invest in neighbourhood and sustainable mobility (# of yearly projects)	≥ 5	≥ 7
	Climate adaptation (greening measures yearly)	≥ 500 sq.m.	≥ 500 sq.m.
	Sound business practices and healthy and satisfied employees		
	Sound business practices (implementation sustainability in risk control	TCFD &	Future
	framework)	SFDR	regulation
	Personal development of employees		
	- Training (% annual salaries)	≥ 1%	≥ 1%
	- Sustainable employability (% annual salaries)	≥ 1%	≥ 1%
	Focus on employee's health and wellbeing	Improvement of	of vitality score
	Employee satisfaction	≥ 94/100	≥ 94/100
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<sup>1)</sup> During the 2021-2023 period

# Property

## Strategic objectives

Sustainable portfolio			
	2021	2023	
Average Energy Index of portfolio	≤ 1.15	≤ 1.05	
Green Labels	≥ 93%	≥ 96%	
Energy-saving measures (excl. projects, yearly)	≥ € 150k	≥ € 300k	
Coverage of Green Building Certificates	100%	100%	

Property plays a central role in ASR DCRF's CSR policy. The main objective of the Fund is to increase the sustainability of the properties in its portfolio.

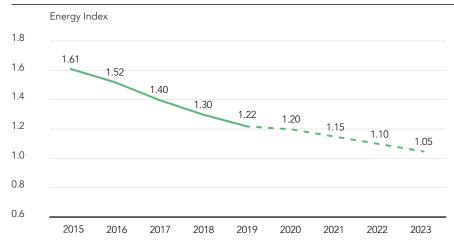
#### Average Energy Index of the portfolio

In recent years, major steps have been taken to improve the average Energy Index. In 2015 the average Energy Index of the portfolio was 1.61. As at 31 December 2019 the average Energy Index was 1.22 and in 2020 it was further reduced to 1.20 (as at 30 September 2020). The renovation of 43 single-family houses in Ambachtenlaan (Breda) and 126 apartments in RiMiNi (Amstelveen) – both finalised in 2020 – contributed to the further improvement of the Index. In total, the Fund has now considerably improved the sustainability of 1,028 dwellings.

In the coming years many new dwellings will be added to the Fund. In addition, the Fund is researching the potential to improve the sustainability of 430 dwellings. The Fund is continuously looking to improve its Energy Index.

The Fund is further sharpening the Energy Index objective and aims to achieve an average Energy Index of 1.15 by the end of 2021 and 1.05 by 2023 (the previous target was 1.15 by 2022).

#### Improvement of Energy Index ASR DCRF



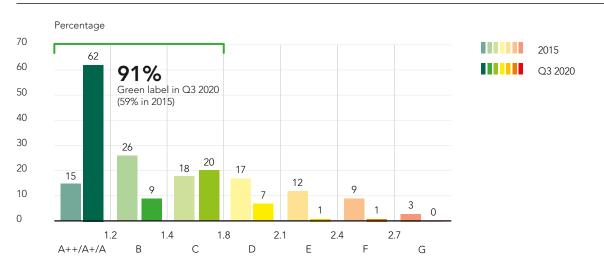
#### Green Labels

The Fund strives for a portfolio with only sustainable dwellings. In the long run the portfolio will no longer include any dwellings with a low Energy Index. Only dwellings with a Green Label will be included in the portfolio. A Green Label is achieved when a dwelling has an energy label C or better - an Energy Index below 1.8.

The dwellings in portfolio without a Green Label are mainly dwellings with a D label / Energy Index of 1.80 - 2.10. The Investment Hold Portfolio no longer includes any dwellings with an Energy Index above 2.4.

As at 30 September 2020 the share of Green Labels in the Fund stood at 91%, representing a major improvement compared to 2015, when the share was 59%. The Fund aims to have 93% Green Labels at the end of 2021 and 96% at the end of 2023.

#### Distribution of energy labels



#### Energy-saving measures (excl. projects)

The Fund is assessing its portfolio to identify 'green' solutions (such as LED lighting, high-efficiency boilers, PV panels, water-saving plumbing and sedum roofs) and has also identified sustainable improvements to be made in day-to-day management.

In addition to the renovation projects, the Fund makes an annual minimum budget available for energy-saving measures. The yearly budget for 2021 is at least €150,000 and for 2023 at least €300,000.

#### Coverage of Green Building Certificates

All properties owned by the Fund have been energy label-certified. In addition to this energy label certification, the Fund aims to improve the sustainability of its portfolio by focusing on obtaining Green Building Certificates, e.g. DGBC Woonmerk, GPR and BREEAM, for its complexes. The property, its surrounding area and the development process are all assessed on a broad range of sustainability criteria, as part of this certification process. The certificates provide insight into the performance of properties and offer opportunities to improve the sustainability of the portfolio.

As at 30 September 2020 about 23% of the portfolio has been certified with Green Building Certificates. By the end of 2021, the Fund expects 100% of the portfolio to have a Green Building Certificate.

## Case study

#### **Installing PV panels**

The Fund has renovated over 1,000 dwellings in the period between 2015 and 2020. The vast majority of these dwellings used to have a low energy label (E, F & G labels). As a result, the percentage of dwellings with a low label decreased significantly (from 24% in 2015 to less than 2% as at Q3 2020). This makes it harder to increase the sustainability of the portfolio in a cost-effective way. The next step for the Fund to further increase its sustainability is the on-site generation of renewable energy. Therefore, the Fund focussed on developing PV panel solutions for both single-family houses and apartments in 2020.

The Fund has started a partnership with Zonneplan to install PV panels on approximately 1,000 single-family houses in the hold portfolio. The first project started in the spring of 2020 in De Meern. The Fund pays for the installation of the PV panels. In return the Fund increases the rent by half of the expected savings, rewarding the tenant with half of the result of the savings on the energy bill. This approach has led to positive results, with 60% of the tenants agreeing to participate.

The Fund has adopted a similar approach to apartment buildings, with the first pilot due to be conducted in 2021. With this strong focus on PV panels, the Fund contributes significantly to the increase of renewable energy and the improvement of both its Energy Index and tenant satisfaction. The goal for 2023 is to have at least 15,000 PV panels installed.



#### GRESB - Five stars for ASR DCRF

ASR Dutch Core Residential Fund further improved its Global Real Estate Sustainability Benchmark rating in 2020 to five stars (the maximum number of stars). This makes the Fund one of the 20% best performing GRESB funds worldwide. With this rating, the Fund scored above average and ended sixth in its peer group (out of 9 instead of 8 out of 16 in 2019). The 2020 GRESB score remains 84 (out of 100 points). Due to the changed rating system the 2020 score is 84 instead of 87 (based on the old system).

The improvement of the GRESB rating is mainly achieved by the Fund's continuing commitment to large-scale renovation of its portfolio assets (bricks), structured data monitoring and the Fund's focus on tenant engagement (incentivizing tenant behaviour). Additionally, the Fund's implementation of the new DGBC's Green Building Certification Scheme and water- and energy-saving measures significantly contributed to the improved score.

The outperformance on both Management and Performance (scoring respectively 28 out of 30 and 56 out of 70) demonstrates the Fund's high-quality sustainable governance. These scores were among others achieved through detailed policies and procedures and through improved insight into environmental performance and the reduced footprint.











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## **Partners**

## Strategic objectives

Sustainable partners in long-term relations		
	2021	2023
Partnership documents containing CSR requirements and goals	100%	100%
Tenant satisfaction	≥ 7	≥ 7
	> benchmark	> benchmark
Active tenant participation programme (# of projects yearly)	≥ 6	≥ 10
Addition of affordable dwellings (#)	150	1,200 1)

The role of the Fund's partners is essential to achieve its CSR targets. ASR DCRF requires its partners to actively implement CSR policies. Together, the partners form a chain in which each link plays an important role in achieving the best possible teamwork and results with respect to CSR.

#### Internal and external documents containing CSR requirements and goals

The Fund works with a number of long-term partners, such as its investors. There are various ways in which investors can provide the Fund with input for its CSR policy, and the Fund actively shares its CSR activities with its investors. CSR is a standing item on the agenda of periodical meetings with external property managers and direct maintenance partners (contractors and consultants). In addition, there are guidelines for the Fund's partners to follow and quantifiable sustainability targets set out in agreements between parties. An independent party assesses maintenance teams in terms of sustainability during implementation. The Fund also seeks cooperation with governing bodies on sustainability initiatives.

Both external documents and internal documents provide for CSR checks and goals, which are continuously updated. Strict sustainability requirements apply to tendering procedures. ASR DCRF includes CSR provisions in lease agreements with its tenants and in agreements with parties such as developers, utility companies and government bodies.

#### Tenant satisfaction

Every year, ASR DCRF conducts a tenant satisfaction survey which includes questions regarding the services provided by the Fund and the external property manager. Tenants also assess the property, surrounding area and handling of repair requests and complaints. The outcome of the survey are discussed both internally and with the external property managers, and improvement measures are identified. In addition to the external satisfaction survey, the Fund also uses additional surveys to gain more insight into the needs of tenants and points for improvement.

In the years ahead, the Fund aims to score at least a 7.0 and to outperform the benchmark on tenant satisfaction.

<sup>1)</sup> During the 2021-2023 period

#### Active tenant participation programme

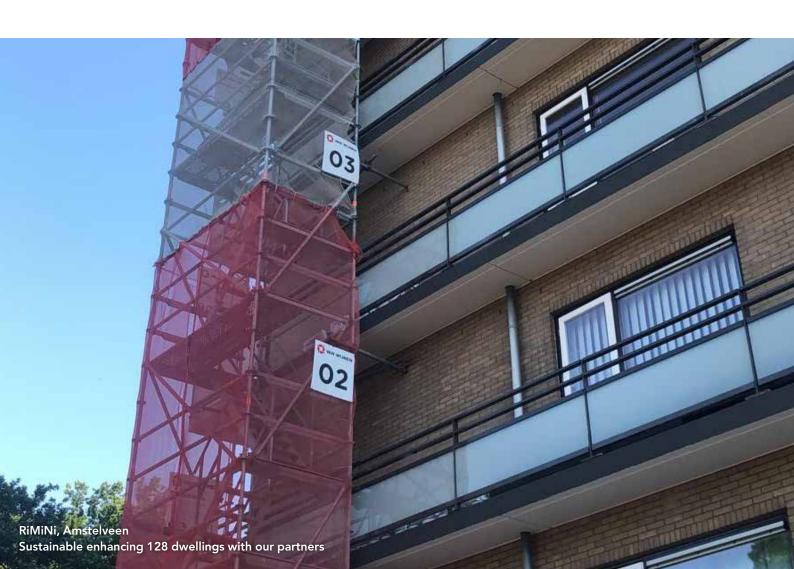
The Fund focusses on improving tenant satisfaction, health & wellbeing and awareness of sustainable living. The Fund believes that tenants whom are more involved with their home, living environment and landlord, are more satisfied and aware. Therefore, the Fund continuously works on a participation programme involving various forms of tenant participation. Ranging from an active role in sustainability projects to an energy battle, an annual CSR newsletter and a CSR information bag. Besides the standard form of participation, the activity of resident associations is another important element. The number of tenants' associations in the portfolio increased further in 2020.

The Fund aims to have at least six projects related to tenant participation in 2021, rising to 10 in 2023.

#### Addition of affordable dwellings

Affordable housing is one of the basic human needs. The Fund acknowledges the urgency and its ability to contribute to this specific topic. Affordable housing typically refers to residential dwellings with rents which are deemed to be affordable for households with a median income. The Fund designates rents up to €1,250 as affordable

The Fund contributes to affordability by keeping a considerable part of the portfolio in the affordable segment. The Fund extends its portfolio with dwellings in the affordable segment and takes affordability into account in its rental policy. The Fund aims to add 150 affordable dwellings at the end of 2021 and 1,200 in the 2021-2023 period.



#### Impact Investing: making an impact for affordable housing

The Global Impact Investing Network (GIIN) differentiates impact investing as follows: 'Investments made into companies, organisations and funds with the intention to generate positive social and environmental impact alongside a financial return'.

The Fund is not an impact investment vehicle. Nonetheless, a large part of its investments have a societal impact. Therefore, the Fund has developed an impact investment strategy, focused on the addition of affordable dwellings to the portfolio.

#### Impact Investing

- Intentionality: the Dutch residential rental market is characterised by shortage and pressure on affordability. The Fund aims to contribute to the addition of affordable dwellings to the Dutch residential market.
- Financial returns: according to the Fund target.
- Measurability: addition of assets under management in the rental range between € 737 and € 1,250.
- Additionality: the positive impact would not have occurred without the investment made.

#### Defined rental range

- Lower limit: €737 (based on the liberalised rental threshold);
- Upper limit: €1,250 (based on a modal income as defined by Statistics Netherlands and an average household of 1.0 and 1.5 persons and our allocation criteria (3.75 4.0 times the monthly rent), servicing mid-incomes between €35,000 €60,000).

#### Objective

The Fund aims to add at least 1,200 affordable dwellings to the portfolio during the 2021-2023 period.

UN PRI



SDG





#### United Nations Sustainable Development Goals

On 25 September 2015, 193 world leaders committed themselves to the 17 SDGs of the United Nations which are designed to achieve sustainable development worldwide. Between now and 2030, these goals will focus on the eradication of global poverty and inequality, combating climate change and ensuring that everyone can lead a prosperous and peaceful life. It is not only up to governments but also to companies like a.s.r. to make a contribution in this context.

a.s.r. and a.s.r. real estate have continued to contribute to and work on the UN SDGs. As a real estate investor, four SDGs are in focus and are being monitored for the Fund.



The Fund has set the objective for 2023 of having at least 15,000 PV panels installed. The Fund also aims to further improve the portfolio's energy efficiency and committed itself to the Paris Proof goals. Progress will be monitored by keeping track of the generated amount of renewable energy (kWh) and intensity ratios.



The Fund focuses on affordable housing (please see impact investing frame on page 10), encouragement of sustainable transport and future-proof living environments (including implementing green roofs). The Fund aims to execute at least five projects a year.



Since 2015, the Fund has reduced its energy and  ${\rm CO_2}$  intensity by -20.0% and -15.6% respectively. The Fund will maintain a focus on sustainable maintenance to further reduce these ratios. The Fund publishes its CSR policy annually and adheres to the sustainability guidelines.



Besides the Fund's focus on climate mitigation, climate adaptation is key in mitigating climate risks. To build a progressively resilient portfolio, an important objective for 2021 is to add at least 500 sq.m. of greenery and further monitor and adapt to the effects of climate change.







## Planet

## Strategic objectives

#### Contribution to environment and society

	2021	2023
Paris Proof roadmap	Design	Execute
Energy intensity (average yearly reduction)	≥ -1.7%	≥ -1.7%
CO <sub>2</sub> intensity (average yearly reduction)	≥ -3.3%	≥ -3.6%
Renewable energy (# of PV panels)	≥ 10,000	≥ 15,000
Invest in neighbourhood and sustainable mobility (# of yearly projects)	≥ 5	≥ 7
Climate adaptation (greening measures yearly)	≥ 500 sq.m.	≥ 500 sq.m.

Planet represents the contribution made by ASR DCRF to nature, society and the environment. In the Netherlands, real estate is responsible for over 35% of  $CO_2$  emission. As such, the Fund considers it its duty to work actively towards a smaller environmental footprint by improving energy efficiency, lowering  $CO_2$  emission and reducing waste and water consumption.

#### Paris Proof roadmap

Last September, a.s.r. real estate signed the Paris Proof Commitment of the Dutch Green Building Council to showcase its dedication to achieving a carbon-neutral portfolio by 2050. The Commitment has been signed by dozens of real estate organisations and was enthusiastically embraced by Frans Timmermans, Vice-President of the European Commission. To actively work towards a Paris Proof portfolio in 2050, a roadmap will be developed for the Fund's portfolio. This roadmap will be implemented and monitored to gain insight for the Fund, but also for the real estate sector and the government.



#### Energy intensity and CO<sub>2</sub> intensity

The Fund aims to reduce its energy use on a yearly basis by at least 1.7% to ensure that the portfolio is Paris Proof in 2050. This is measured by the absolute energy intensity ratio per sq.m. These ratios are normalised on the basis of the year of construction, vacancy, degree days and area.

For  $\mathrm{CO}_2$  emissions, the Fund aims for an annual reduction of at least 3.3% in 2021 and 3.6% in 2023 to work towards a zero emission portfolio in 2050. This is measured by the absolute energy intensity ratio per sq.m. These ratios are also normalised on the basis of the year of construction, vacancy, degree days and area. With newly developed acquisitions, the program of requirements will include adaptation for circular applications.

The aforementioned reduction targets are based on the current DGBC Paris Proof calculations. The DGBC is working with the Carbon Risk Real Estate Monitor research consortium (CRREM) to streamline its methods in order to achieve the best possible objectives for 2050. CRREM is based on the methodology of the Science Based Target initiative (SBTi) to calculate the decarbonisation pathway to a zero emission built environment by 2050. Therefore, the Fund expects that the energy and  $CO_2$  intensity objectives may change slightly in the near future.

#### Renewable energy

The Fund aims to implement renewable energy solutions where feasible. At the moment, PV panels are the most suitable solution for the Fund's portfolio, so a new objective has been set. As at Q3 2020, about 4,000 PV panels have been installed in the portfolio. Compared to the end of 2019, this is an increase of 1,500 panels due to acquisitions but mostly because of the Zonneplan solar project for single-family houses in the hold portfolio. The Fund aims to expand the number of PV panels substantially and also made preparations in 2020 for the installation of PV panels on its apartments.

The Fund aims to increase the number of PV panels to at least 10,000 in 2021 and 15,000 in 2023.

#### Investing in neighbourhoods and sustainable mobility

ASR DCRF considers it important that the areas in which it manages property continue to thrive. For this reason, a.s.r. real estate is actively involved in these neighbourhoods and communities. ASR DCRF sets aside a budget to invest in neighbourhood facilities and green spaces, such as playgrounds, benches, 'Tiny Forests' and other enhancements. The Fund has therefore adopted a budget for new buildings and renovation projects. The Fund invests in the local environment in the form of facilities and green spaces, but also by facilitating sustainable mobility options. This is important for air quality and accessibility. The Fund invests in sustainable mobility programmes. It aims to invest in at least five projects in 2021 and at least seven projects in 2023.



#### Climate Adaptation

As the impact of climate change starts to emerge, the importance of a resilient portfolio becomes evident. By understanding and anticipating the long-term risks of climate change, ASR DCRF strives to build a portfolio that is progressively adaptable. In general, the Royal Netherlands Meteorological Institute (KNMI) distinguishes four major climate risks affecting the portfolio. The indicators used are based on the 'Klimaateffectatlas' (Climate Impact Atlas), which is managed by Climate Adaptation Services (CAS).

Climate risks	mate risks Indicators (situation in 2050)	
Heat	Tropical days & urban heat island effect	
Flooding	Chance of flooding > 20 cm	
Drought	Subsidence & pole rot	
Extreme weather	# days > 15 mm precipitation & average highest groundwater level	

The TCFD framework serves as a basis for consistent disclosure of climate-related financial risks and opportunities. In accordance with the framework, the Fund has set an objective of mitigating the risks of heat, drought and extreme weather. Flooding does not appear to be a direct threat, because of active governmental water management. Longer periods of drought cause subsidence, this is currently not a threat for the Fund. However, the Fund closely monitors all four climate risks.

The Fund responds to these indicators by opting for a greener environment. The Fund focusses on greening (petrified) gardens and roofs. Green areas contribute to water storage, reduce heat stress, and have the potential to contribute to protecting and/or restoring biodiversity.

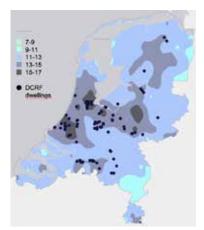
The Fund aims to add 500 sq.m. of greening each year.

## Implementation of climate risks and opportunities

As of 2021, climate risks and opportunities are taken into account at portfolio and asset level. The Fund's portfolio is mapped in GIS (Geographic Information System). a.s.r. real estate uses cartographic layers from the Klimaateffectatlas to see what climate change entails for the Fund.

Climate-related risks will be part of all investment decisions as of 2021. Qualitative and quantitative data are used to assess the level of climate risk regarding the location and characteristics of an asset. These data will be incorporated in the ResidentialFilteR, which identifies the best-performing locations.

To periodically assess the standing portfolio as well, the hold/sell analysis will take climate risks into account by incorporating climate risk data in the ResidentialFilteR and the asset analysis tool (AAT).



Indication of days with >15 mm of precipitation in 2050, and the portfolio of ASR DCRF

#### **Partnerships**

Climate adaptation as a solution to mitigate climate risks requires a large-scale approach. Resilience cannot be achieved by one player. The Fund strives to create an adaptive and liveable environment through collaboration.

#### Alignment with sustainability guidelines

The Fund's strategy is aligned with guidelines set by the following organisations:

#### **UN Principles for Responsible Investment:**

• a.s.r. obtained a UN PRI A+ rating for its Strategy and Governance and an A rating for its Properties.

#### **UN Global Compact:**

• a.s.r. signed the UNGC in 2011, embracing, supporting and implementing (within its sphere of influence) its principles relating to human rights, labour standards, the environment and the fight against corruption.

#### INREV (European Association for Investors in Non-listed Real Estate Vehicles):

• The Fund is compliant with the INREV Sustainability Reporting Module (100% for the mandatory module and 97% for the sustainability best practices module).

#### IVBN (Foundation for Dutch Institutional Investors in the Netherlands):

• The Manager is present in multiple IVBN working groups in which the industry discusses and sets targets on multiple topics (including sustainability).

#### **Dutch Insurance Code:**

• The Manager, as part of a.s.r., has adhered to the Dutch Insurance Code since 1 January 2011.

#### **UN Sustainable Development Goals (UN SDGs):**

• The UN SDGs selected by a.s.r. as well as the Fund are an integral part of the CSR policy.

#### **Paris Proof Commitment DGBC:**

 By signing this Commitment in 2020, a.s.r. real estate embraces the targets of the Paris Climate Conference and actively works towards a Paris Proof portfolio.

#### TCFD:

• The Manager, as part of a.s.r., has adhered to TCFD since 2019. TCFD is an industry-led initiative for consistent disclosure of climate-related financial risks and opportunities.

#### Finance for Biodiversity pledge:

• a.s.r. has signed the Finance for Biodiversity pledge, with the intention to commit to protecting and restoring biodiversity through the finance activities and investments. The pledge was launched on 25 September 2020.

























## People

### Strategic objectives

Sound business practices and healthy and satisfied employees			
	2021	2023	
Sound business practices (implementation sustainability in risk control	TCFD &	Future	
framework)	SFDR	regulation	
Personal development of employees			
- Training (% annual salaries)	≥ 1%	≥ 1%	
- Sustainable employability (% annual salaries)	≥ 1%	≥ 1%	
Focus on employee's health and wellbeing	Improvement of	Improvement of vitality score	
Employee satisfaction	≥ 94/100	≥ 94/100	

People relates to a.s.r.'s governance regarding risk management and employees. Sound business practices are a key principle within the company. Secondly, a.s.r. real estate aims to promote the employability, health and wellbeing, and satisfaction of its employees and invests in its human capital on an ongoing basis.

#### Sound business practices

For a.s.r. real estate, it goes without saying that corporate social responsibility can only be achieved by means of sound, transparent business practices.

a.s.r. real estate is required to be licensed for the financial services it provides in the field of collective and individual asset management. The AIFMD licence was granted in February 2015 by the Dutch authority AFM. In accordance with the AIFM Directive, 'Wet op het financieel toezicht' (Wft) and 'Besluit Gedragstoezicht financiële ondernemingen' (Bgfo), a.s.r. real estate has an appropriate risk management system in place to adequately recognise, measure, manage and monitor all relevant risks associated with the activities, processes and systems of the investment firm. a.s.r. real estate has a business risk management department who operates independently of the operational departments. Independence of business risk management is guaranteed by a hierarchical reporting line to the CFRO of a.s.r. real estate and escalation lines with the Director Risk Management (CRO) of a.s.r.

In addition, independence is guaranteed because the remuneration of risk management employees is not based on commercial objectives. a.s.r. real estate has set up and implemented its own ISAE Control Framework based on the key processes and key risks. This is annually coordinated with and tested by the external auditor. A Product Approval and Review Process (PARP) has also been set up in the context of financial services and the products of a.s.r. real estate. In addition, IT risks are managed in accordance with the Cobit standards of the Dutch central bank (DNB) and integrity risks are managed on the basis of DNB's SIRA (Systematic Integrity Risk Assessment).

Each year, a risk self-assessment is conducted with the board of directors based on the company's objectives and the relevant strategic risks. Key policies are reviewed annually, addressing aspects such as conflicts of interest, incidents and outsourcing. Where necessary, existing controls are supplemented or changed.

Since 2020, risk management has been closely involved in the implementation and risk monitoring of new sustainability regulations in Europe. This concerns the implementation across the entire operational management of the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainable Finance Action Plan (SFAP) and the underlying Sustainable Finance Disclosure Regulation (SFDR). From 2021 onwards, risk management will implement the most important management measures for the sustainability objectives relating to the TCFD and SFDR in the risk control framework, so the external auditor can rely on this when drawing up the non-financial section for the annual accounts.

#### Personal development of employees

The main focus of a.s.r.'s human resource management policy is the personal development of its employees in terms of professional expertise, competences and skills. 1% of annual salaries is devoted to training and development and 1% is devoted to sustainable employability. A dedicated HR team provides guidance for employees who wish to develop their talents and take control of their own future by developing their talents, moving to another position (sustainable employability) or leaving a.s.r. In 2019, respectively 2.4% and 1.0% of annual salaries have been spent on these themes.

#### Focus on employees' health and wellbeing

a.s.r. considers it important to help employees to remain mentally and physically fit and vital, especially during COVID-19. Awareness, prevention and guidance are three important instruments in this regard. a.s.r. provides a wide range of workshops and has a dedicated team to support the employees. It also devotes a lot of attention to a healthy office (or home office) and flexible working conditions. During COVID-19, a.s.r. is questioning its employees weekly through a short online Mood Monitor survey to make sure it is assisting them as well as possible.

An important objective is to measure the health and wellbeing of a.s.r.'s departments by carrying out a four-yearly vitality scan. Key themes are stress, absentee rate, working ability, physical complaints and level of enthusiasm. Based on the outcomes, a customised vitality programme will be drawn up. The last survey among a.s.r. real estate's employees took place in 2018. The participation rate was 79% and a.s.r. real estate scored equal to or better than the Dutch average on six out of eight themes. With the programme currently being conducted a.s.r. real estate hopes to improve themes on which it scored less well. The next survey will take place in 2022.

#### Employee satisfaction

On a yearly basis, a.s.r. real estate conducts the Denison Organisational Success Survey among all its employees. This survey measures the success of an organisation on several dimensions, e.g. employee satisfaction, engagement and adaptability. The results are compared to a global benchmark of large organisations that use the Denison Survey. Following each survey, the results are analysed and discussed intensively by the board, the internal Denison workforce and all business lines. Where necessary, steps are taken to improve a.s.r. real estate's standing as an excellent employer. In 2020, a.s.r. real estate scored 94/100 for employee satisfaction. The goal is to maintain this excellent score. The next survey will take place in 2021.



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a.s.r.
de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen

