

CSR policy 2021-2023

ASR Dutch Prime Retail Fund



Our vision of CSR

ASR Dutch Prime Retail Fund's vision of corporate social responsibility (CSR)

The aim of the ASR Dutch Prime Retail Fund (ASR DPRF) is to develop and maintain a retail property portfolio with real long-term value. Long-term value can be created in locations that attract – or have the potential to attract – shoppers and retailers over the long term. Retail facilities at these locations, which meet current and future demand, are also sustainable in terms of usage. They include supermarkets and shops in the vicinity of residential areas and high street retail in historic city centres – pleasant places to spend time for a day out or for special purchases.

To accommodate the interests of tenants and investors in the best way possible by creating stores and retail areas that have 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.

Sustainable retail property means attractive retail property: attractive to tenants because of low energy consumption, a pleasant indoor climate and healthy surroundings for store personnel; and attractive to consumers because it provides an enjoyable retail experience. Investors find sustainable retail property attractive because it is easier to market and involves fewer investment risks. Sustainability ensures continuity and stability for investors. And importantly, sustainable stores have a lower environmental impact thanks to their energy-efficiency and lower levels of waste generation, helping to reduce CO₂ emissions a.s.r. real estate signed the DGBC Paris Proof Commitment to showcase its dedication to achieving a carbon-neutral portfolio by 2050.

To achieve a sustainable portfolio with long-term value, close cooperation is required with all stakeholders, who need to keep one another informed, support each other as much as possible, and make clear agreements together. By cooperating closely with tenants, the Fund also maximises customer satisfaction and increases tenant involvement in ensuring the sustainability of retail premises.

As an investment manager, we believe that corporate social responsibility can be achieved only through sound, transparent business practices and healthy and satisfied employees. For a.s.r., this goes without saying.

This policy document ties in with the current policies of a.s.r. real estate and a.s.r. concerning corporate social responsibility. For more information about the CSR policies of ASR DPRF 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 of Corporate Social Responsibility (CSR) is to accommodate the interests of tenants and investors in the best possible way by creating and maintaining retail properties that have 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:

- 1 **Property** Sustainable portfolio
- 2 **Partners** Sustainable partners in long-term relations
- 3 **Planet** Contribution to environment and society
- 4 **People** Sound business practices and healthy and satisfied employees

While each 'P' focuses on a specific aspect of CSR, all four aspects 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 project not only the three-year goals but also the one-year goals. This gives a better view of the achievements during the first year of the period under consideration.

Strategic objectives 2021-2023

		2021	2023
Property 	Sustainable portfolio		
	% Green Labels	80%	≥ 80%
	Investment energy-saving measures	≥ €350,000	≥ €450,000
	Coverage Green Building Certificates	≥ 25%	100%
Partners 	Sustainable partners in long-term relations		
	% partnership documents containing CSR requirements and goals	100%	100%
	Tenant satisfaction	≥ 7.0	≥ 7.5
	Active tenants participation programme (# of projects yearly)	≥ 5	≥ 5
Planet 	Contribution to environment and society		
	Energy intensity, yearly reduction	≥ -0.6%	≥ -0.6%
	CO ₂ intensity, yearly reduction	≥ -3.3%	≥ -3.6%
	Renewable energy		
	- # PV panels	≥ 4.500	≥ 5.000
	- # of yearly renewable energy projects	≥ 2	≥ 3
	Encourage activities in inner cities and retail areas (# of yearly projects)	≥ 4	≥ 4
People 	Sound business practices and healthy and satisfied employees		
	Sound business practices:	TCFD & SFDR	Future regulation
	implementation sustainability in risk control framework		
	Personal development of employees		
	- Training (% annual salaries)	≥ 1%	≥ 1%
	- Sustainable employability (% annual salaries)	≥ 1%	≥ 1%
	Focus on employee's health and wellbeing	Improvement vitality score	
	Employee satisfaction (Denison scan)	≥ 94/100	≥ 94/100

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Property

Strategic objectives

Sustainable portfolio

	2021	2023
% Green Labels	80%	≥ 80%
Investment energy-saving measures	≥ €350,000	≥ €450,000
Coverage Green Building Certificates	≥ 25%	100%

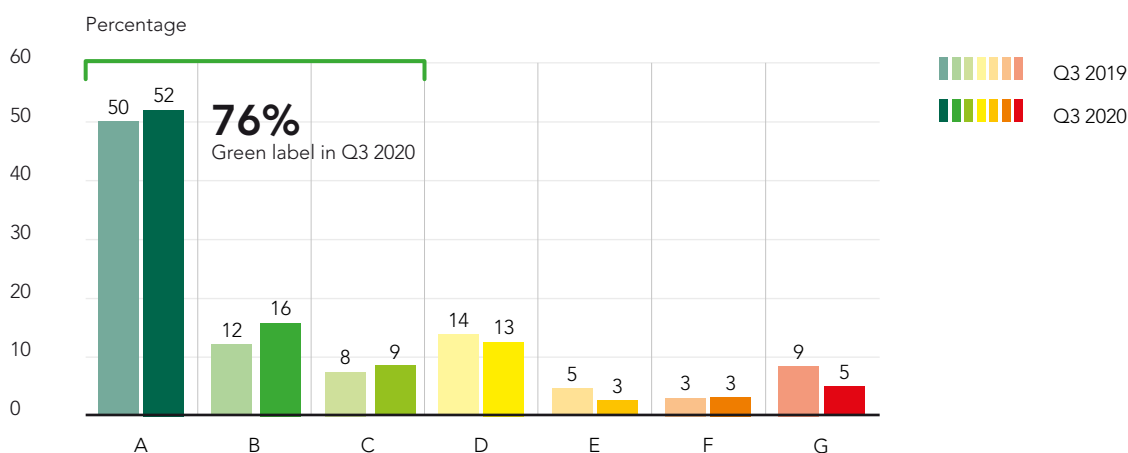
As a real estate investment fund, Property plays a central role in ASR DPRF's CSR policy. The main objective is to enhance the sustainability of the portfolio in various ways. Whenever possible, the Fund aims to do this at appropriate moments in the property cycle, such as during routine maintenance or when there is a change of tenant or in the tenancy agreement. Not only do sustainable stores reduce environmental impact, the Fund firmly believes that sustainable real estate is more attractive to tenants and shoppers alike.

% Green Labels

All stores in ASR DPRF's portfolio are energy label certified. A large proportion of these properties are located in historic city centres and qualify as listed buildings. ASR DPRF seeks to achieve a Green Label (energy label C or better) for ≥ 80% of its portfolio by 2023. In order to achieve this, properties will be made more sustainable or converted at an appropriate point in the operating process. To date, 76% of the portfolio has achieved Green Label certification. To increase the share of Green Label properties, the Fund is focusing on renovating properties in a sustainable manner, converting the spaces above shops into apartments and incorporating energy label certification into the acquisition process.

In 2020, the Fund continued to convert units above shops into apartments with a Green Label, for example in Amsterdam. In addition, assets have been acquired where energy label certification was assessed as part of the acquisition proposal. The assessment shows how acquisitions and investment are contributing to the Fund's Green Label objective. In addition, strict sustainability requirements have been set for purchases, new developments and renovations in the Fund's Programme of Requirements and Technical Due Diligence process. More details on agreements between ASR DPRF and its partners are included in the Partners chapter. Additionally, the energy labels for high street retail properties are largely determined based on installations and modifications made by tenants. ASR DPRF will continue its policy of advising and encouraging tenants to make their retail properties more sustainable. Goal for 2021 is to have at least 80% Green Label within the portfolio.

Distribution of energy labels



Investment energy-saving measures

The portfolio is being assessed for energy-efficient and green solutions such as LED lighting, high-efficiency boilers, sustainable exterior walls, energy-efficient glazing, solar panels, water-saving plumbing and sedum roofs in order to identify ways in which sustainable improvements can be made in day-to-day operations. The maintenance assessments are based on NEN 2765; this method leads to optimal maintenance and prevents waste and maintenance delays.

For 2021, 0.5% of rental income has been allocated to sustainability improvements as part of the maintenance budget. The resulting actions are documented and monitored at property level. Where possible, the Fund links sustainability improvements to its multi-year maintenance programme and carries this out at appropriate times, such as during conversion or maintenance work. This also involves the use of sustainable materials, such as FSC-certified wood for construction work and the reduction of waste through the reuse of materials. The primary aim is to improve the sustainability of at least 5% of the portfolio annually.

A budget of € 350,000 is available for 2021 to further optimise energy efficiency. The available budget will increase to € 450,000 in 2023 and will be used by both invest in the portfolio itself and by motivating tenants to make their contribution.

Coverage Green Building Certificates

The Fund believes that sustainable property is not just about energy-efficiency. To assess and improve the portfolio's sustainability, ASR DPRF applies all nine aspects of BREEAM certification. The Fund started a pilot to map out solitary retail properties based on BREEAM methodology. The aim is a structured insight into making these premises sustainable.

BREEAM Very Good certification or higher for new-build properties

ASR DPRF assesses its portfolio from the broadest possible notion of sustainability. This is achieved by applying all nine aspects of the BREEAM environmental rating system in the 'Programme of Requirements' for new buildings. The Fund's aim is to be awarded BREEAM Very Good certification or higher for all new developments.





100% Green Building Certificates coverage in 2023

In recent years, BREEAM In-Use certificates were awarded to five of the Fund's nine wholly owned shopping centres. These results will serve as a guideline for enhancing the sustainability of these assets and other non-certified wholly owned district shopping centres. The Fund will take steps to improve owner-related BREEAM credits and will scan non-certified assets with respect to these credits as well, in order to identify the areas of improvement for all wholly owned district shopping centres. Goal is to obtain higher BREEAM scores for these assets when they are recertified, starting with Vathorst and Vleuterweide as part of the three-year cycle.

ASR DPRF has set itself the goal of certifying at least 25% of the portfolio BREEAM by 2021. In addition to the certification of shopping centers, efforts are made to certify the High Street objects within the portfolio. The ultimate goal is to have the entire portfolio BREEAM certified by 2023.

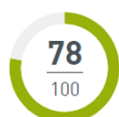
In addition to this, the Fund aims to involve its tenants in the process of BREEAM certification and, more importantly, in the process of making the sustainability improvements required for BREEAM certification. The Fund's tenants are an important partner in the BREEAM certification process and the associated improvement measures, since they play a major role in the final BREEAM score. The Fund will continue the certification process for all wholly owned DSCs as a baseline measurement for future improvements.

Integration of BREEAM requirements into redevelopment activities

As with new property developments, the Fund's aim for redevelopment projects is to apply all aspects of the BREEAM rating system in its 'Programme of Requirements' in order to move towards a more sustainable portfolio over time. The Fund is committed to achieving BREEAM certification of at least Very Good for all larger-scale redevelopment projects. After the completion of the renovation of Pottenbakkerssingel in Middelburg (shopping center) this asset will receive a BREEAM In-Use Excellent most likely.

GRESB results 2020

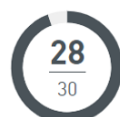
Due to COVID-19 the GRESB 2020 final results have been postponed to mid-November. For now, the preliminary results are shown. Because of the changed rating system the 2020 score is 78 instead of 82. However, the Fund is pleased with its improvement and will report the GRESB 2020 final score as soon as possible.

**GRESB Score**

GRESB Average 70

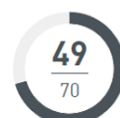
Green Star

Peer Average 86

**Management Score**

GRESB Average 26

Benchmark Average 27

**Performance Score**

GRESB Average 44

Benchmark Average 57



Vleuterwilde, Utrecht

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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	≥ 7.0	≥ 7.5
Active tenants participation programme (# of projects yearly)	≥ 5	≥ 5
100% Green leases for new lease agreements	100%	100%

The role of the Fund's partners is essential to achieving its CSR targets. Together, the partners form a chain in which every link plays an important part in achieving the best possible CSR results.

% partnership documents containing CSR requirements and goals

In its dealings with contractors, such as commercial builders and external property managers, the Fund keeps them fully informed of its CSR objectives. Additionally, contracts must accept and adhere to the Fund's CSR policy. During the maintenance process, the Fund closely monitors whether the CSR policy is being respected in practice. All maintenance contracts with regular suppliers include sustainability requirements - concerning the monitoring of energy usage and advice on sustainability measures, for instance. These contracts are discussed during periodic consultative meetings. When awarding maintenance contracts to suppliers, the Fund also stipulates CSR requirements to which technical materials and installations must comply.

To avoid conflicts of interest, the Fund closely monitors leases and acquisition or disposition proposals in accordance with internal compliance guidelines. In addition, a.s.r. real estate works with ethical and responsible contractors who comply with business standards for sustainable business practices. In order to monitor its objectives on an ongoing basis, ASR DPRF ensures that CSR is a standing item on the agenda at periodic meetings with external property managers and direct maintenance partners (contractors and consultants). Over the next few years, the Fund will continue to fine-tune these surveys to reflect CSR-related issues.

Tenant satisfaction

Tenants are important partners, and the Fund wants to involve them and ensure that they are satisfied. In 2018, a new tenant satisfaction survey was carried out, the result was a satisfaction of 7.0. This survey will be repeated periodically to assess tenant satisfaction, the next survey takes place in 2021. The survey includes questions about the services of a.s.r. real estate and the external property manager, and tenants are also asked to evaluate the store, the surrounding area and other important aspects such as accessibility. The findings of the survey are discussed both internally and with external property managers and individual tenants. In the future, steps will be taken to make tenant satisfaction surveys part of ongoing contacts between the Fund and the counterparty, such as follow-up surveys after complaints.

Active tenants participation programme

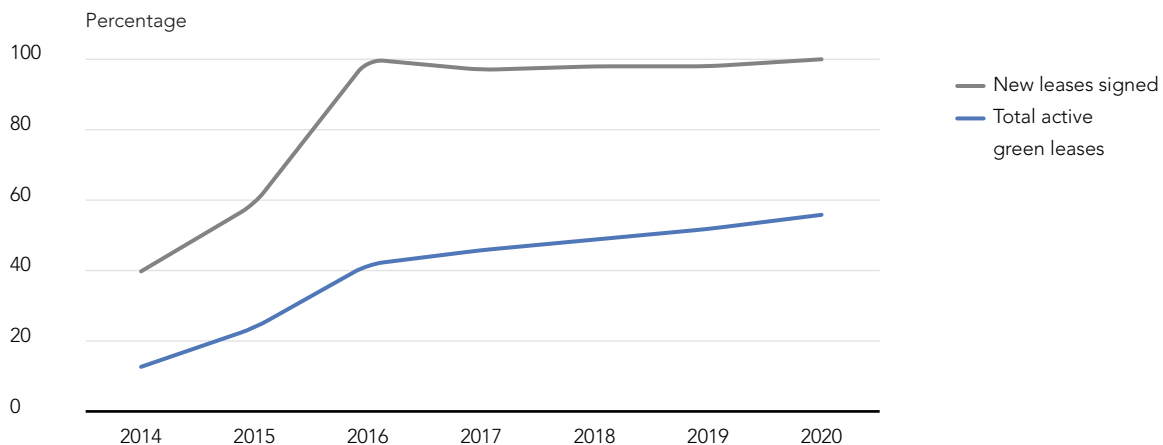
The Fund welcomes feedback from tenants and it uses this to make more sustainable investments and maintain long-term relationships. Furthermore, the programme provides the Fund with insights into the retail market. Knowledge about tenants' experiences can also be applied elsewhere. The Fund holds periodic meetings with large tenants (such as chain retailers) and CSR is a standing item on the agenda for these meetings. In addition, the Fund focuses on knowledge-sharing events. The project that has been started for the district shopping centre Castellum (Houten) with EcoMatters to advise tenants on how to make their business operations and store more sustainable is successfully completed. On the basis of the good results of this pilot, energy-saving advice will be offered to tenants in two other shopping centers next year.

In 2021, tenant participation will remain an important theme. Priorities will include collaboration on energy efficiency projects, exchanging ideas on energy usage data and knowledge sharing. The Fund aims to have at least five projects each year related to tenant engagement.

100% green leases for new lease agreements

As far as new rental contracts are concerned, ASR DPRF seeks to sign 'green lease' contracts, whereby the landlord and the tenant agree on how the leased asset will be made more sustainable. In 2020, 100% of all new rental contracts (excluding temporary contracts) were green lease contracts. This means that the number of standing green lease contracts is growing every year. The total percentage of green lease contracts is 56% at 1 November 2020. Over the next few years, the Fund aims to further increase the number of green lease contracts and hold more substantive discussions with tenants on achieving green lease objectives. For this purpose, use will be made of the standard green lease provisions that have been drawn up in consultation between IVBN and a representation of retailers.

Green lease progress – retail properties



Improving knowledge and expanding the network

For a.s.r. real estate, improving and sharing its knowledge and expanding its network in the area of CSR is an important objective. Within the Company, involvement in and support for promoting CSR initiatives throughout the sector and society as a whole are at the forefront. For this reason, a.s.r. real estate is affiliated with several organisations (including IVBN, INREV, GRESB, DGBC, NEPROM, VOGON and RICS) and participates actively in a.s.r.'s sustainability working groups, IVBN, NEPROM and DGBC. a.s.r. real estate regularly shares its experience at congresses and other events.



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.



VERBOND VAN VERZEKERAARS



TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



3



Planet

Strategic objectives

Contribution to environment and society

	2021	2023
Energy intensity, yearly reduction	≥ -0.6%	≥ -0.6%
CO ₂ intensity, yearly reduction	≥ -3.3%	≥ -3.6%
Renewable energy		
- # PV panels	≥ 4.500	≥ 5.000
- # of yearly renewable energy projects	≥ 2	≥ 3
Encourage activities in inner cities and retail areas (# of yearly projects)	≥ 4	≥ 4
Climate adaptation (# of yearly future-proof projects)	≥ 5	≥ 7

Planet represents the contribution that ASR DPRF makes to nature, society and the environment. In the Netherlands, real estate is responsible for over 35% of CO₂ emissions. As such, the Fund considers it its duty to work actively towards a smaller environmental footprint by improving energy efficiency, lowering CO₂ emissions 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 ASR DPRF portfolio.

Energy intensity and CO₂ intensity

The Fund aims to reduce its energy use on a yearly basis by at least 0.6% in 2021 and 2023 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 CO₂ 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.

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 CO₂ intensity objectives may change slightly in the near future.

Renewable energy

Last years, the Fund has actively worked on the on-site generation of renewable energy. Supermarkets, in particular, appeared to be suitable for the installation of solar panels due to their large roof area and high energy demand. Lease agreements have been signed with multiple tenants to install 3,802 solar panels at 10 different locations in 2020. By 2023, goal is to have installed over 5,000 panels. Besides the Fund's focus on solar panels, the Fund aims to participate in at least two other renewable energy projects in 2021 and three projects in 2023. Encourage activities in inner cities and retail areas

ASR DPRF contributes to society by investing in inner cities and retail areas through social facilities and green spaces near its properties. The Fund also participates in initiatives to make inner cities more attractive and liveable and contributes to society by participating in city centre associations-and supporting charities ('Helping by taking action'). The Fund aims for a minimum of four contributions or initiatives per year.

Climate adaptation

The built environment has an impact on global climate change through the development of real estate, the operational management of properties and the removal of assets from the real estate stock. However, climate change can also affect the management of the built environment as a result of extreme weather, drought, rising sea levels and air or soil pollution, for instance. Insight into the adverse effects of climate change is vital in order to respond to the impact which climate change is already having, while at the same time preparing for its future effects. The Fund has therefore investigated which effects may apply to the portfolio, and how urgently they require action. The Fund monitors these effects closely as part of its commitment to managing a future-proof portfolio. Besides the monitoring, the Fund has the goal of participating in climate adaptation projects to build a portfolio that is progressively adaptable. For 2021 the Fund aims to carry out at least five projects to make rooftops green or white. Green roofs contribute to water storage, reduce heat stress and have the potential to contribute to protecting and/or restoring biodiversity. White roofs reflect sunlight and warmth, which positively affects heat stress.



Winkelcentrum Houten, Castellum

Climate Adaptation Project case study

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, the Fund 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 "Klimaat-effectatlas" (Climate Impact Atlas), which is managed by Climate Adaptation Services (CAS).



Climate risks which increasingly affect the portfolio

Climate risk	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

Climate adaptation objective

The TCFD framework serves as a basis for consistent disclosure of climate-related financial risks and opportunities. Following the framework, the Fund has set an objective to mitigate 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.

Climate adaptation objective

Climate risk	Indicators (situation in 2050)
Objective	Carry out at least five projects to make rooftops green or white
Result	Green roofs contribute to water storage, reduce heat stress and have the potential to contribute to protecting and/or restoring biodiversity. White roofs reflect sunlight and warmth, which positively affects heat stress.
Match with SDGs	 

Implementation of climate risks and opportunities

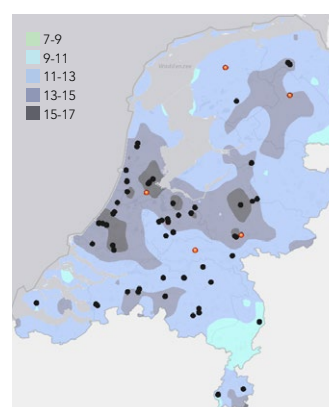
As of 2021, climate risks and opportunities are taken into account on portfolio- and asset level. The portfolio of ASR DPRF is mapped in GIS (Geographic Information System). a.s.r. real estate uses cartographic layers from the Klimaat-effectatlas to see what climate change entails for the Fund.

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 its location and characteristics of an asset. This data will be incorporated in the research filter, which identifies the best-performing locations.

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

Partnerships

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



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

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 governments but also companies like a.s.r. that have a contribution to make 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 being monitored for the Fund.



The Fund has set the objective for 2023 of having at least 5,000 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 is focusing on healthier and more attractive inner cities and retail areas by local initiatives, such as Tiny Forests and public areas in DSCs or taking a seat in voluntary urban counsels for the main high street cities. The Fund aims to execute at least four projects a year.



The Fund publishes its CSR policy annually and adheres to the sustainability guidelines. In 2021 the Manager implements a new tool to monitor energy consumption and waste in the portfolio.



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 carry out at least five projects to make rooftops green or white and further monitor and adapt to the effects of climate change.



Burchtstraat 25-27, Nijmegen

4



People

Strategic objectives

Sound business practices and healthy and satisfied employees

	2021	2023
Sound business practices: implementation sustainability in risk control framework	TCFD & SFDR	Future regulation
Personal development of employees		
- Training (% annual salaries)	≥ 1%	≥ 1%
- Sustainable employability (% annual salaries)	≥ 1%	≥ 1%
Focus on employee's health and wellbeing	Improvement vitality score	
Employee satisfaction (Denison scan)	≥ 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 manager who operates independently of the operational departments. Independence of the business risk manager 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 TCFD and SFDR in the risk control framework, so that 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. altogether. In 2019, 2.4% and 1.0% respectively are being spent on these themes.

Focus on employees' health and wellbeing

Prioritising health and wellbeing and avoiding stress are important issues for office-based companies. 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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