

CSR annual report 2019

a.s.r. real estate



Our vision





At a.s.r. real estate, responsible management is one of our top priorities. We invest in real estate which retailers, businesses, farmers and householders want to work, live and shop in – both now and in the future. This is the guiding principle of our approach to sustainability and social responsibility.

To achieve long-term returns, we believe that properties must be sustainable. To make this vision a reality, we have set ambitious objectives which focus on the real estate sustainability, engaging our partners and employees and contributing to society and environment.

In order to achieve a.s.r. real estate's CSR objectives, a CSR policy plan has been conducted for the period 2019-2021. Additionally, the a.s.r. real estate funds (ASR DCRF, ASR DPRF, ASR DMOF, ASR DSPF and ASR PF) and a.s.r. rural real estate each have their own CSR policy which sets out their specific sustainability objectives in greater detail.

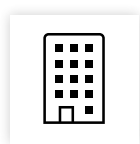
This report describes the results of a.s.r. real estate's CSR strategic objectives for 2019. A more detail insight in the results of the specific funds can be found in their own annual CSR reports. The Funds follow the INREV Sustainability Reporting guidelines. The Sustainability Reporting Compliance Rates of ASR DCRF, ASR DPRF and ASR DMOF are respectively 100%, 100%, and 98%, ASR DSPF will execute this assessment later this year.

Strategic objectives 2019 - 2021

Property  Sustainable portfolio	Partners  Sustainable partners in long term relationships	Planet  Contribution to the environment and society	People  Ongoing employability of employees
<ul style="list-style-type: none"> Enhance the sustainability of the portfolio through acquisitions and renovations Improve the environmental performance of standing investments Obtain Green Building Certificates 	<ul style="list-style-type: none"> Average tenant satisfaction rating of at least 7 out of 10 Long-term relationships and specific agreements regarding sustainability In control Invest in CSR partnerships 	<ul style="list-style-type: none"> Helping by taking action Invest in local neighbourhoods Contribute to the development of students Monitor and improve environmental performance Generate renewable energy 	<ul style="list-style-type: none"> Provide employees with opportunities for personal development Informed and involved employees Employee satisfaction >80% Improve awareness and knowledge of CSR

Wonderwoods, Utrecht: Vertical forest, start construction 2020





Property

The 'Property' pillar relates to the sustainability of the real estate portfolios primarily with respect to environmental performance. a.s.r. real estate focusses on energy efficiency, health and wellbeing, indoor environmental quality, use of water, waste management, pollution prevention and the application of materials in the buildings.

Objective: Enhance the sustainability of the portfolio through acquisitions and renovations

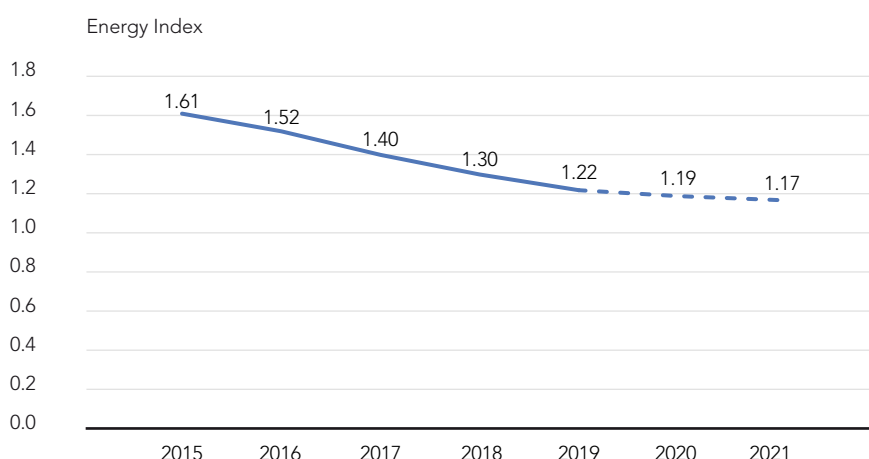
a.s.r. real estate continuously strives to ensure that the portfolios become more sustainable. The focus is on both sustainable acquisitions as well as making standing investments more sustainable. To achieve this, a.s.r. real estate demands compliance with the Dutch 'Building Code', including the minimum EPC label standards for new buildings. The Funds set their goals primarily based on energy label and BREEAM-NL improvements. a.s.r. rural real estate focuses on sustainable soil management, sustainable forestry practices, farmland-related growth and 100% asbestos safety.

1. Energy Index and energy label improvements

In 2019, Energy Index and energy label improvements continued to be an important focus.

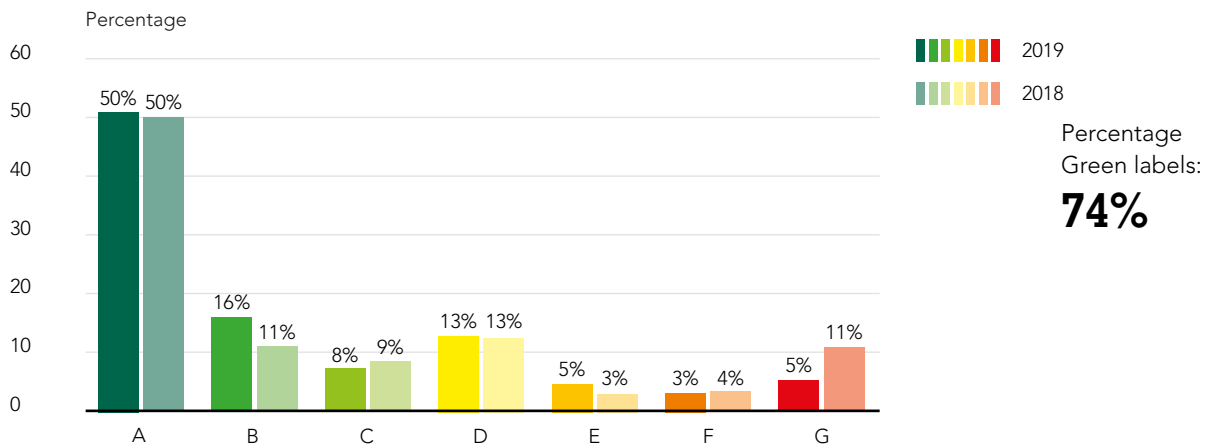
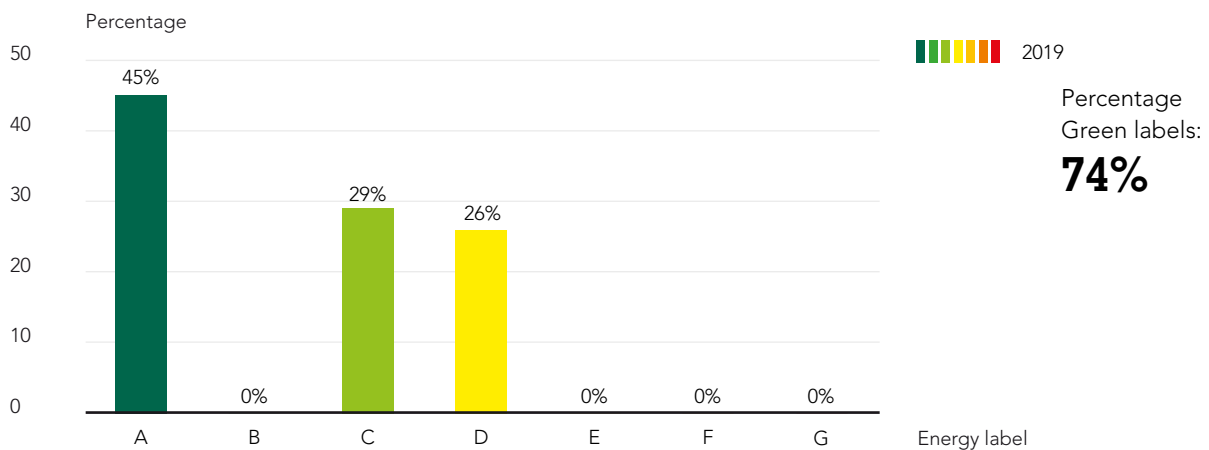
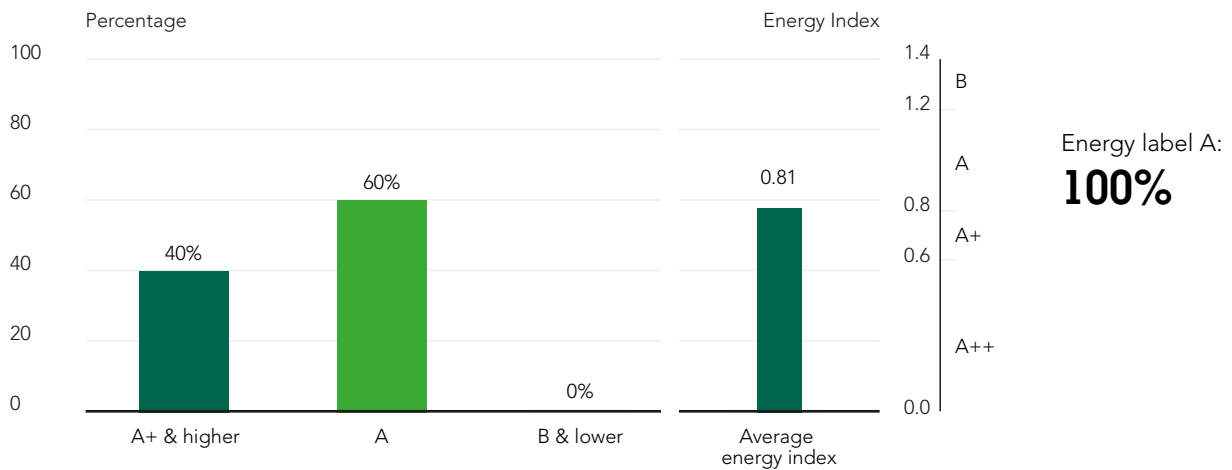
- The residential fund ASR DCRF objective for 2019 was to reduce average Energy Index to at least 1.25. The Fund reduced its average Energy Index from 1.30 in 2018 to 1.22 in 2019 which means that this objective was achieved. The two main reasons for this improvement were by enhancing the sustainability of standing investments and the acquisition of highly sustainable dwellings. Both the sustainable renovation of 43 residential units in Breda and the acquisition of the Beacons in Amsterdam have contributed to the achievement of this objective.
- Within the retail fund ASR DPRF was a small increase in the percentage of Green Label properties (from 69.7% to 74.0%), mostly due to renovations, conversions and the acquisition of new assets. The Fund will continue to strive to achieve a Green Label for 80% of the assets, which is achievable for the coming years.
- The office fund ASR DMOF aims to obtain a Green Label (energy label C or higher) for at least 90% of its properties by the end of 2021. By the end of 2019, 74% of the portfolio achieved a Green Label. Both Katreinetoren and Neckerspoel obtained a Green Label in the past year.
- The science park fund ASR DSPF aims to minimise energy usage by investing in energy efficient buildings. As at year-end 2019, the average energy index of the Portfolio stood at 0.81, and an average energy label of A.
- ASR PF is focusing on improving the energy labels of its direct real estate portfolio, which is limited to the Lijnbaan Rotterdam renovation project. Furthermore ASR PF aims to obtain a Thomas Reuters ESG score from 75 and a coverage ratio of 95% in 2021. In 2019 the score was 71 and the coverage ratio 100%. The Fund is well on track to reach this objective.

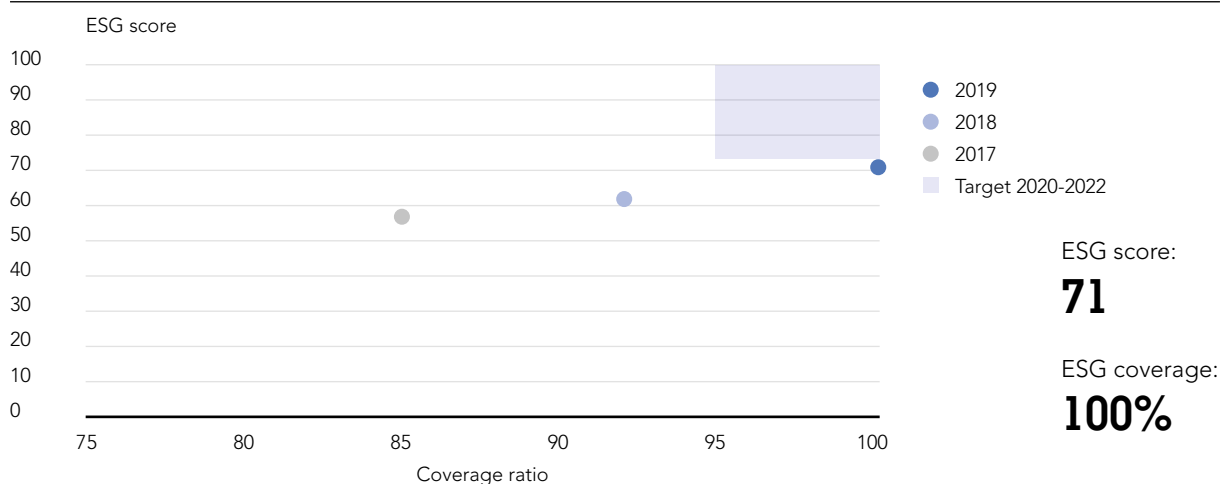
ASR DCRF – Objective: Reduce average Energy Index to at least 1.25 in 2021



Energy Index:

1.22

ASR DPRF - Objective: Over 80% of the portfolio will have a Green label in 2021**ASR DMOF - Objective: Energy label A for 80% of the portfolio in 2021****ASR DSPF – Objective: Energy label A for 100% of the portfolio in 2021**

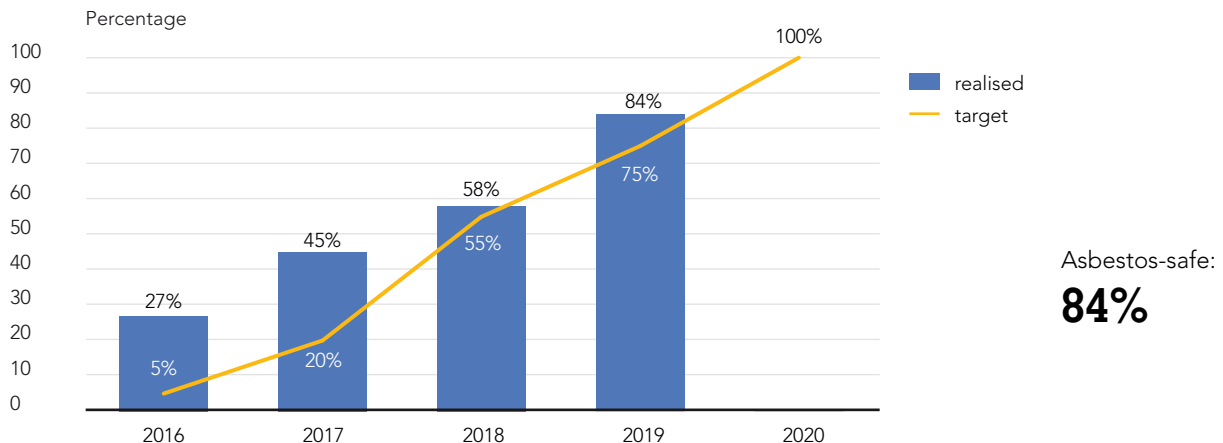
ASR PF - Objective: Listed real estate ESG-score 75 and coverage ratio 95% in 2021**2. Asbestos-safe**

Asbestos was used in the past as a common component in construction materials, and this continues to pose major risks to human health and the environment. a.s.r. real estate believes that it has a responsibility to help reduce the presence of asbestos in its Dutch real estate portfolio. For the retail, office and residential portfolio, all high-risk and potentially high-risk applications of asbestos have been removed in recent years. As a result, this part of the portfolio is now completely asbestos-safe. In the rural portfolio's buildings, some asbestos may still be present. Currently, a.s.r. real estate is remediating asbestos in all agricultural buildings. Farmers have been informed about the possible presence of asbestos and are closely involved in the clean-up operations, so that unsafe situations are avoided. By the end of 2019, 84% of the portfolio is declared asbestos-safe. As a result the 2019 target is met.

The Gallery, Kennispark Twente



a.s.r. rural real estate - Objective: Asbestos-safe in 2020

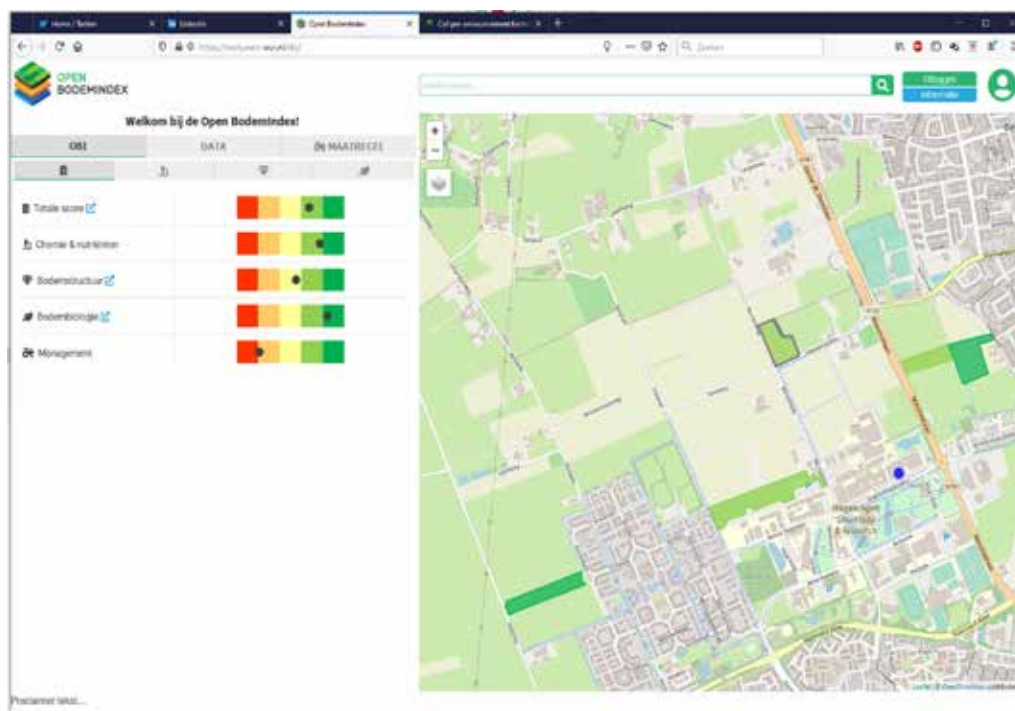


3. a.s.r. rural real estate: Sustainable soil management and forestry

a.s.r. rural real estate manages for its policyholders and pensioners a significant farmland portfolio which was built up over more than a century. a.s.r. aims to provide a stable and secure income in combination with a relatively low risk character and to create 'perpetual value' through responsible stewardship by engaging farmers to pass on this valuable asset in a better condition to our next generation farmers.

The three pillars (.1 sustainable productivity for a sustainable farmer's income, .2 adapting and building resilience to climate change and .3 reducing greenhouse gases emissions where possible) of Climate Smart Agriculture substantiate a.s.r.'s mission of creating perpetual value. Important in this respect is the ability to measure the farmers' efforts. This is why a.s.r. together with its partners Rabobank and Vitens initiated the charter coalition to develop the 'Open Bodem Index' (OBI). This index provides farmers insight in their soil quality based of the following aspects: structure, biology and chemistry. Based on the functionality of the soil and the current management plan of the farmer, the OBI provides a list with suggestions the farmer could consider discussing with his agronomist or agricultural consultant in order to improve the soil.

Screenshot OBI online tool



In 2020 the charter coalition will scale up the number of (non)-commercial parties (within the periphery of the farmers) who are interested in the OBI data. Together with these parties a.s.r. rural real estate will explore how to incentivize farmers for their sustainable efforts to improve the quality of the soil and the biodiversity.

Forestry

The objective of a.s.r. rural real estate is to enable its forests to mature progressively by cutting less timber than the growth rate. In addition, the stewards are also promoting the forest's natural regeneration. In close cooperation with the Bosgroep a.s.r. rural real estate is working on a long-term plan to make our forest as climate resilient as possible. The reports with its findings are expected to be presented in 2020.

Watchtower on country estate De Utrecht





Katreinetoren, Laag Katreine and Laan van Puntenburg, Utrecht

Objective: Improve environmental performance of standing investments

a.s.r. real estate is constantly focusing on optimising the energy-efficiency of its portfolio. Energy-saving measures include LED lighting, high-efficiency boilers, sustainable facades, HR+ glass, solar panels, water saving sanitation systems and sedum roofs. If possible, sustainability improvements are linked to multi-year maintenance programmes to ensure employees and partners are aware of the importance of using sustainable materials and working methods. The initiatives below illustrate a.s.r. real estate's last year improvements:

- By the end of 2019, 35% of the portfolio's energy-saving measures were implemented by ASR DCRF. Therefore the Fund is well on track to reach its 50% objective in 2021.
- The portfolio of ASR DMOF is being assessed to identify green solutions and the Fund has identified how sustainable improvements can be made in day-to-day management. By using an asset-specific monitoring system and making smart adjustments to installations, the Fund can implement tailored energy efficiency measures.
- ASR DSPF will strive for a highly sustainable standard, not only from an impact perspective, but also from a risk/return perspective. The Fund aims for all new properties to be CO₂-neutral. New properties will not be connected to the natural gas grid and will be heated through either an all-electric system or connection to an alternative sustainable source. Existing properties will be upgraded to at least an A label, unless inhibited by, for example, monument status, and will switch from the natural gas grid to a sustainable source in line with regional or municipal planning.
- Furthermore, a.s.r. real estate is constantly working on investigating and implementing new developments and applications, such as solar parks, the circular economy, transforming unused spaces and/or buildings, facilitating electric bicycle and car services, energy-neutral dwellings, charging points for electric cars, and focusing on greenery and biodiversity.

Objective: Obtain Green Building Certificates

In addition to the portfolio's energy label certification, a.s.r. real estate wants to improve sustainability even further by focusing on achieving Green Building Certificates (e.g. BREEAM-NL, Woonmerk and Well) for its properties. The Company has made real progress in obtaining Green Building Certificates and thus succeeded in reaching its objectives for 2019.

Green building Certificates

	Objective	Result 2019
ASR DCRF	Portfolio 15% certified in 2019	22.5%
ASR DPRF	BREEAM-NL In Use certification for at least one wholly owned district shopping centre in 2019	Two new certificates: Floriande Hoofddorp (Good) and Castellum Houten (Good)
ASR DMOF	Portfolio 30% certified in 2021	31.0%



Ambachtenlaan, Breda

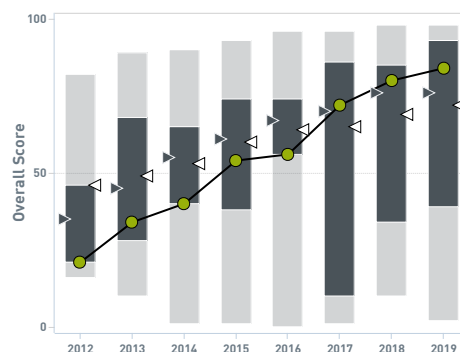
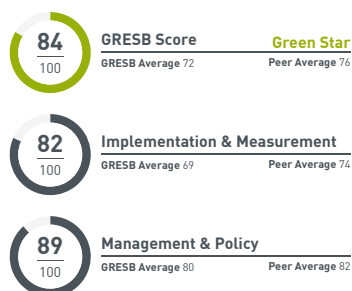
Improved GRESB scores for a.s.r. real estate funds

The continuing commitment to investments that are sustainable in the longer term has led to the further improvement of the GRESB score of the a.s.r. real estate funds. The ASR Dutch Core Residential Fund improved its GRESB score to 84 points, taking 8th place in its peer group and maintaining its four-star status. The ASR Dutch Prime Retail Fund improved its score by 5.6% to 76. The Fund maintained its three-star status. The ASR Dutch Mobility Office Fund took part in its second GRESB survey and scored above the GRESB and its peer group average, achieving a three-star ranking and scoring 77 points.

The GRESB is an independent benchmark that assesses the sustainability policies of real estate investment funds and portfolios around the world. Fund managers can use their GRESB scores as a basis on which to examine and improve their sustainability policy and implementation.

Four stars for ASR Dutch Core Residential Fund

The ASR Dutch Core Residential Fund improved its score once again in 2019 to 84 points (out of 100 points), which was an increase of 4 points compared to 2018. The Fund obtained a four-star rating, scored above average and improved its place in the peer group is 8th (out of 16). The improvement of the GRESB score is mainly achieved by the Fund's continuing commitment to large-scale renovation of its portfolio assets (bricks) and its focus on tenant engagement (incentivising tenant behaviour). Furthermore, the implementation of the new DGBC's Green Building Certification Scheme for residential dwellings and water- and energy-saving measures significantly contributed to the improved score.

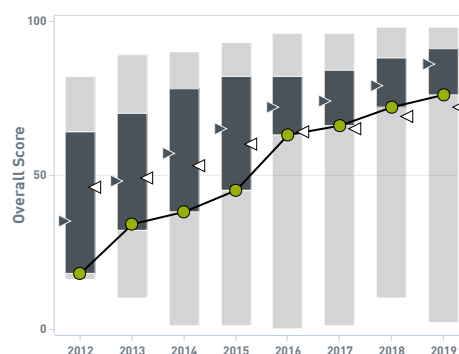
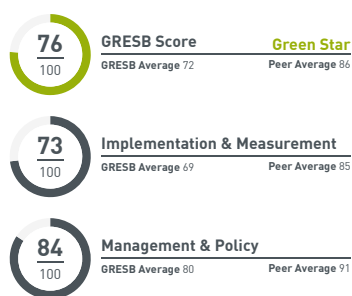


Improved score for ASR Dutch Prime Retail Fund

ASR DPRF took part in the GRESB Survey for the eighth consecutive time, increasing its score to 76 out of 100 points (2018: 72 out of 100) and maintaining its three-star rating. The Fund is outperforming the GRESB average (72) but is underperforming the peer average (86). The Fund scored 84 points for 'Management & Policy' and 73 points for 'Implementation & Measurement'.

The outperformance on both Management & Policy and Implementation & Measurement (scoring respectively 89 and 82 out of 100) demonstrates the Fund's high-quality sustainable governance.

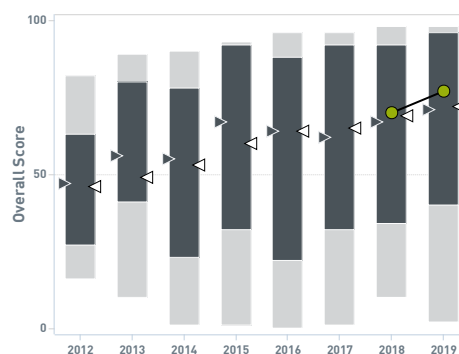
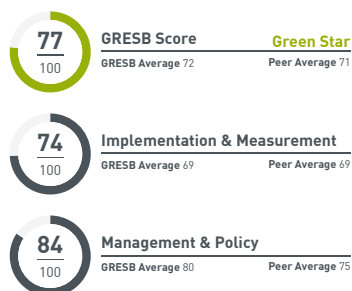
- The Fund performed particularly well on the ESG topic of Governance (G) with a very high score of 98 out of 100. This demonstrates the ambitious objectives that the Fund has set itself through its sustainability policies and the quality of the policy and disclosure of sustainability targets and performances.
- The Fund outperformed the retail benchmark on the 'social' component (S) and 'environment' component (E). The latter is impressive considering its high degree of exposure to high street assets which perform less well for standard environmental aspects, such as EPA-labels and BREEAM coverage.



ASR DMOF: a 10% increase in the GRESB score

ASR DMOF participated in the GRESB Survey for the second time in 2019. The Fund scored 77 out of 100 points in 2019 compared to 70 last year and maintained its three-star (out of five) rating. The Fund has again outperformed both the GRESB average (72) and the peer group average (71). The Fund scored 84 points for 'Management & Policy' and 74 points for 'Implementation & Measurement'.

The Fund obtained a higher score mainly due to improvement of two aspects. Firstly, the score for stakeholder engagement has increased from 65 to 83 as our tenant engagement programmes improved, while Keep Factor was implemented to measure customer satisfaction. Secondly, the score for performance indicators has improved from 69 to 77 as the Fund had better data on energy consumption, greenhouse emissions, water and waste management.





Partners

a.s.r. real estate's partners play an essential part in achieving its CSR targets. The principal aim is to cultivate and maintain long-term relationships with sustainable partners. Besides, a.s.r. real estate seeks to achieve a high satisfaction rating among stakeholders and shareholders by focusing on their interests and preferences.

Objective: Average tenant satisfaction rating of at least 7 out of 10

a.s.r. real estate carries out periodic satisfaction surveys among their tenants and leaseholders to find out how they rate the services, properties and their living and working environments. a.s.r. real estate aims to achieve an average customer satisfaction rating of at least 7.0 out of 10.

The results of the last surveys showed that the average rating achieved was 7.0 - in other words, a.s.r. real estate met its target. However, not all Funds have met their individual targets. The findings are being processed by asset management and discussed with the external property managers. They will identify which follow-up measures are required.

Tenant satisfaction survey

	Rating	Objective	Last survey	Response rate	Research company	Share of portfolio
ASR DCRF	6.9	7.5	2019	39%	Customeyes	28%
ASR DPRF	7.0	7.0	2018	88%	Keepfactor	35%
ASR DMOF	6.3	7.0	2018	95%	Keepfactor	6%
Rural real estate	7.3	7.5	2017	69%	Prosu	31%
Final rate	7.0					

Objective: Long term relationships and specific agreements regarding sustainability

a.s.r. real estate regards the need for long-term relationships with all its stakeholders as self-evident. The Funds take pride in working for the long-term benefit of their investors, but the company also makes long-term agreements with its tenants, leaseholders, suppliers and other partners. This creates certainty, enhances the quality of the supplier's services and allows a.s.r. real estate to make clear agreements when it comes to sustainability measures.

Investors

The Funds' investors have generally been involved with a.s.r. real estate for many years. It goes without saying that a.s.r. real estate ensures openness and transparency in all its dealings with investors. The Company informs its investors in the Three-Year Business Plans and in the Annual and Quarterly Reports. Furthermore, a.s.r. real estate seeks to involve them in important decisions that affect the assets, stakeholders and their surroundings. As far as ESG issues are concerned, the Funds ask the Meeting of Investors – through its Three-Year Business Plan (updated annually) – to approve the Funds' CSR policies every year. In addition, the Funds provide investors with detailed insight into the sustainability performance through participation in GRESB, and in the form of newsletters and the Fund's Annual and Quarterly Reports.

Tenants and leaseholders

a.s.r. real estate seeks to ensure that its tenants and leaseholders are involved, aware and satisfied. In addition to being well-informed and involved in making properties more sustainable, a.s.r. real estate also wants them to have a positive impact on energy reduction and sustainable land use through the practices that they adopt. a.s.r. real estate is convinced that sustainable practices are as important as sustainable, energy-efficient real estate. In addition, a.s.r. real estate likes to receive input from its tenants in order to use their knowledge and experience to meet their needs better. To this end, a.s.r. real estate holds periodic consultations with major tenants and

leaseholders (such as farmers, retailers and office tenants). CSR is a standing item on the agenda of these meetings. a.s.r. real estate also has a strong focus on concluding Green Leases for its commercial tenants and educating residential tenants by distributing sustainable living information packages to all new tenants and sending a yearly CSR newsletter. a.s.r. real estate's focus on tenant participation is set to continue in the years to come.

Partners in management, maintenance and (re)development

In all work carried out in relation to managing, maintaining and (re)developing a.s.r. real estate's properties, the company aims to work with suppliers who are committed to sustainability and contractors that share its beliefs and values. This means that a.s.r. real estate can be assured that sustainable building materials are being used, and that future operational costs and energy requirements have been fully considered. Working with suppliers and contractors who not only aim for maximum profitability, but also maximum efficiency helps a.s.r. real estate to meet its CSR goals.

Since 2011 a.s.r. real estate has purchased only green electricity for their real estate portfolios. The company has also employed waste disposal services that adhere to carbon-neutral methods in order to dispose of tenants' waste. Last years, the Funds sharpened their 'Programme of Requirements' for new buildings and major redevelopments, in order to standardise the acceptable materials and processes. The focus for the next few years is tightening the ESG requirements specified in working contracts, in addition to mandatory screening by the Safety/CDD department.

ABN AMRO Sustainable 50 - Young professional award

At the 10th of April 2019, Lizzy Butink (29), sustainability manager at a.s.r. real estate, was voted number 32 at the ABN AMRO Sustainable 50 and has won 'the ABN AMRO Young professional award'. This prize is awarded every year to the most promising future green leader among young professionals below the age of 30.



Staalmeesterslaan, Amsterdam: In 2019 a.s.r. real estate provided more than 1,250 residential tenants with an a.s.r. real estate CSR bag



Objective: In control

a.s.r. real estate's risk management function is based on a number of key principles. First, the Manager conducts risk management in accordance with the AIFMD licence that it was awarded by the AFM at the beginning of 2015. 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). Finally, the risk management model of a.s.r. real estate and a.s.r.'s central risk management is based on (ERM COSO), supplemented by local real estate risk management tools.

Each year, a risk self-assessment is conducted with the Executive Board 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.

Dutch Insurance Code

Governance principles are enshrined in the Dutch Insurance Code, which was implemented in January 2011.

The Dutch Insurance Code is mandatory for all supervised insurance companies. As a result, it also applies to the managing directors of a.s.r. and its management team members. The code states the terms and conditions that risk management must comply with, including the monitoring by audit (third line of defence) based on the 'Three Lines of Defence' model.

Evaluation of processes and reports

a.s.r. real estate's major purchase, sale and investment proposals are also reviewed by the Compliance Officer and the Business Risk Manager. They form the 'second line of defence' and ensure that all procedures and fund restrictions are applied in the correct manner.

a.s.r. real estate's risk manager is involved with all outsourcing activities and major projects. In this role, the risk manager manages the risk analysis for decision-making purposes.

All key processes are identified and described in an AO/IC and ISAE framework. Every month, the Internal Control team assesses the ISAE 3402 controls. As of 2018, the ISAE 3402 controls are assessed annually by the external auditor. As of 2018, the ISAE 3402 framework also includes various controls at the real estate fund level.

Code of ethics

a.s.r. real estate has introduced a code of ethics, which consists of a wide range of integrity policy documents on the issue of combating bribery and corruption. These documents set down various rules of conduct for the proper implementation of this 'Code of ethics'.

Zeeburgereiland, Amsterdam: Neighbourhood gardens, ready for use in the beginning of 2020



Objective: Invest in CSR partnerships

a.s.r. real estate believes that actively cooperating with stakeholders is an effective way of making a positive impact on society and the environment. Therefore a.s.r. real estate will continue working with its CSR partners. Goal is to establish at least one new CSR partner each year.

2019 Ahold

Solar panels on roofs Albert Heijn supermarkets

In 2019, a.s.r. real estate has signed five rental agreement with Albert Heijn on behalf of ASR DPRF in order to generate renewable energy using solar panels. In the spring of 2020 solar panels will be installed in the roofs of Albert Heijn supermarkets.

Paris Proof

Ahold and a.s.r. real estate made a renovation plan according to Paris Proof goals for the Pottenbakkerssingel shopping centre in Middelburg. These goals have been set by the Dutch Green Building Council (DGBC) to make sure that the built environment meets the requirements of the Paris Climate Agreement. As a result, energy consumption is expected to be reduced from 345 kWh per sq. m. to 138 kWh per sq. m.

2019 De Gezonde Stad – Greening in Zeeburgereiland, Amsterdam

The permit process for the project with vegetable gardens ('moestuinen') at Zeeburgereiland in Amsterdam has been completed. The ground works are planned in the first quarter of 2020, so the first crop festival will be organised in the second quarter of 2020. a.s.r. real estate was one the initiators of this project. The Fund is the owner of the Beacons property at Zeeburgereiland.

2019 ABN AMRO – Green loans

ASR DMOF and ASR DPRF have entered into negotiations with ABN Amro with regard to a Green Loan clause. A Green Loan, like a Green Lease, relates to a clause in the Term Sheet Agreement –not Loan Management Agreement –for certain Green KPIs resulting in a small discount or premium on the margin. If the Funds pass some or all KPIs, the margin will be lower than currently anticipated, but if it fails to meet most KPIs, the margin will be slightly higher.

2018 Rabobank and Vitens – open soil index

a.s.r. real estate is part of a charter coalition with Vitens and Rabobank. The objective of the coalition partners is to develop a tool that can assess soil on three aspects: structure, biology and chemistry. The aim of this dynamic soil index is to give farmers insight into their soil conditions and provide them with practical, scientifically based information in order to improve their soil. In 2019 the 1.0. version of this tool was developed, and it will be further adapted and improved and handed out to farmers in the Netherlands.

2017 IVN – Tiny Forest

a.s.r. real estate has a partnership agreement with IVN, the Institute for Nature Education and Sustainability, the main goal of which is to develop local sustainability initiatives to improve the quality of life in neighbourhoods and to raise awareness of sustainability. Together with IVN, a.s.r. real estate is trying to realise at least one 'Tiny Forest' each year. In 2019, a.s.r. real estate's second Tiny Forest is planted at a primary school in Bilthoven and plans were initiated for a Tiny Forest near the Hoge Regentesse in The Hague.



Planet

'Planet' concerns our relationship with nature and society. a.s.r. real estate aims to make a genuine contribution in this area.

Objective: Helping by taking action

a.s.r.'s motto is 'helping by taking action'. But a.s.r.'s contribution to nature and society consists not only of monetary value; a.s.r. also tries to help others directly. The Financial literacy workshops and supporting households with a risk of problematic financial debts in getting rid of their debts and building a healthy financial future are all recent examples of this. Volunteer work also falls into this category and every a.s.r. employee may devote one day each year to this. For a.s.r. real estate the goal was to take part in at least four charity projects in 2019. As a result, 73 employees participated in four different projects. One project was visiting a circus performance with seniors from a housing, care and rehabilitation organization. Help was provided at a care farm, together with people with intellectual disabilities, the site of the farm was tackled, and the animals were cared for. And at Christmas, employees decorated a home for people with intellectual disabilities inside and outside with Christmas decorations.

Socially Responsible Investment at a.s.r.

For a.s.r., Socially Responsible Investment (SRI) is an important part of CSR. a.s.r. wants to play a leading role in the field of sustainable business in the financial sector.

- The Code for Sustainable Investment, the UN PRI and the UN Global Contract are guiding principles for a.s.r. Their policy measures are an integral part of existing processes and current (investment) policy.
- In 2019 a.s.r.'s sustainable investing strategy was awarded the highest score by UN PRI assessment, scoring the same or better than the sector average in all areas, with the highest possible score A+ given for its strategy and governance and the ESG management of its equity investment. The fact that a.s.r. takes responsible investment extremely seriously is evidenced by its number 1 ranking in the Fair Insurance Guide for six years in a row.

Monitor and adapt to climate change

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, due to natural disasters, 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. a.s.r. real estate has therefore investigated which effects may apply to the portfolio, and how urgently they require action. a.s.r. real estate monitors these effects closely as part of its commitment to managing a future-proof portfolio. In 2019 a.s.r. reported for the first time about its approach to managing climate risks and opportunities in line with the recommendations set out by the TCFD.

Objective: Investing in local neighbourhoods

a.s.r. real estate believes it is important that the areas where it manages property remain attractive and healthy places to work, shop, recreate and live. Therefore budget is set aside to invest in neighbourhood facilities and green spaces, such as green roofs, playgrounds, hiking trails, 'tiny forests' and other enhancements.

- In 2019, a.s.r. real estate once again participated actively in meetings about inner city revitalisation: for instance, with municipal authorities and other investors in Haarlem, Den Haag, Assen and Arnhem.
- ASR DPRF have realised three new apartments in the centre of Amsterdam and is contributing to the liveability of the inner city. In district shopping centres managed by the Fund, retailers' associations are very active. Contributions to the promotional budget facilitate the organising of activities that embed the shopping centres into their neighbourhoods, such as a skating rink in district shopping centre Vleuterweide (Utrecht).
- In Biltoven, an area next to a primary school was transformed into a tiny forest. School children planted plants, bushes and little trees. ASR DCRF made also plans for a Tiny Forest near the Hoge Regentesse in The Hague.
- The permit process for the project with vegetable gardens ('moestuinen') at Zeeburgereiland in Amsterdam has been completed. The ground works are planned in the first quarter of 2020.
- Since 1899 a.s.r. owns and developed the country estate "de Utrecht" in Noord-Brabant near the Belgium Border. This 2.500 hectare large estate is a combination of forests and nature, agriculture, houses and recreational facilities such as a tavern, a hotel and a golf course. The estate-manager is preparing a plan to improve and ensure the sustainability for the future to come. It includes the plantation of more broad-leaved trees in the forest, a plan for watermanagement to preserve nature values, more nature-based forms of agriculture and the recycling of humus-based products of the estate to improve her soils.
- Another country estate is "Bleyenbeek" in Limburg near the German border. In the center stands a preserved medieval castle ruin which is surrounded by a golf-course. The estate is divided by a stream and surrounded by nature of the National Park "De Maasduinen" a.s.r. is working together with a farmer who grows old wheat-and other grain varieties. In the changing climate the specific qualities of these old races are very important to preserve for future use.

Landgoed Bleyenbeek, Afferden



Sustainability guidelines

United Nations Sustainable Development Goals

On 25 September 2015, 193 world leaders committed their nations to the 17 SDGs of the United Nations to enhance sustainable development at the global level. Between now and 2030, these goals will focus on eradicating global poverty and inequality, combating climate change and creating a prosperous and peaceful life for all. Not only governments but also companies like a.s.r. have a contribution to make in this context

a.s.r. has categorised its contribution to the SDGs with four topics: sustainable insurer, sustainable investor, sustainable employer and sustainable role. These topics were included in a.s.r.'s annual report. a.s.r. real estate added a fifth topic—sustainable real estate investor—to monitor its specific contribution to the SDGs from a real-estate perspective.



Hinthamerstraat 31, 's-Hertogenbosch



Objective: Contribute to the development of students

a.s.r. real estate offers at least four work placements for students from upper secondary vocational, higher professional and universities. In 2019, this objective was achieved by mentoring five students and two trainees and organising a number of guest lectures.

Objective: Monitor and improve environmental performance

a.s.r. real estate aims to reduce its energy consumption and CO2 emissions. This process goes hand-in-hand with gaining more insight in the environmental performance of the portfolios.

Monitoring

All gas and electricity meters for the general systems in a.s.r. real estate's buildings can be read remotely and have been integrated into a.s.r. real estate's online data management system (DMS). Water consumption and waste production have also been logged and in 2019 a smart water metering pilot is carried out. This enables a.s.r. real estate to monitor the portfolio's performance very closely and to take active steps to reduce in a controlled manner. Furthermore, the Company is benchmarking the operational performance of the office buildings assets compared to the expected performance based on the energy label. By using an integrated system to monitor installations and identify systems that are not performing efficiently, a.s.r. real estate will achieve quick wins.

Previous research has indicated the CO2 emissions and storage of the rural real estate portfolio. This study showed that 30% of the CO2 emissions come from the arable farm and 70% is caused by dairy farming. A follow-up study has been conducted by the Has University of Applied Sciences. New into the question is how rural real estate can reduce net CO2 emissions in an efficiently and practical way.

The study revealed that six measures from a literature study can be practically implemented on the basis of the Multi-Criteria Analysis (MCA) in the farmland portfolio of a.s.r. rural real estate. Examples of these measures are: a combination of manure separation, frequent manure discharges and closed manure storage at the dairy farm, adjusting the ration composition for dairy farming and level-controlled underwater drains for dairy farming and arable farming. The calculations of these measures do not yet yield the reduction that must be realized in 2030. But in 2020 a.s.r. rural real estate will look together with the farmers at a possible implementation of the measures.

Carbon footprint data coverage

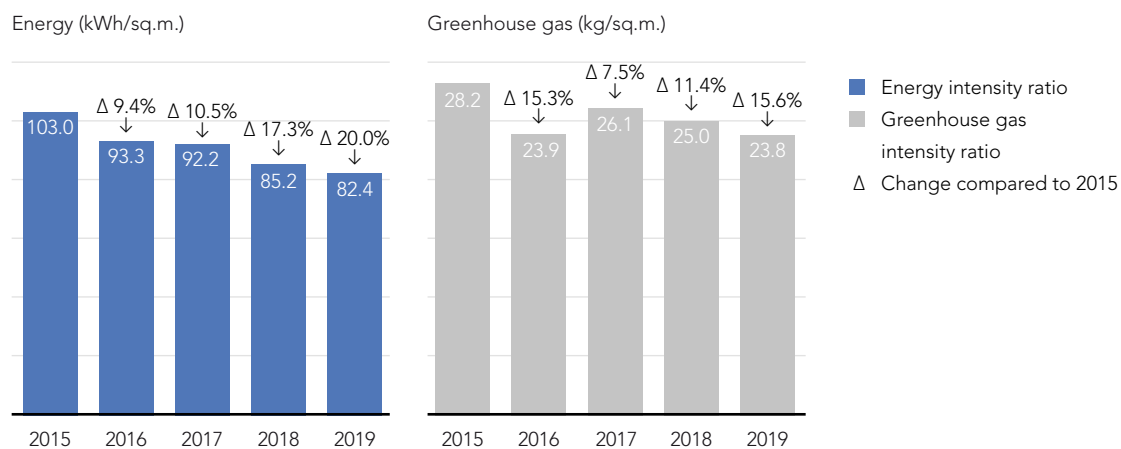
In 2018 a.s.r. have set an objective to improve the carbon footprint's data coverage of at least 95% of all investments in 2021. As at Q4 2019, a.s.r. real estate has insight in 78% of its portfolio. In the years to come, the Company will focus on increasing this percentage. For 2020 the goal is to have insight in 85% of the portfolio.

Carbon footprint data coverage

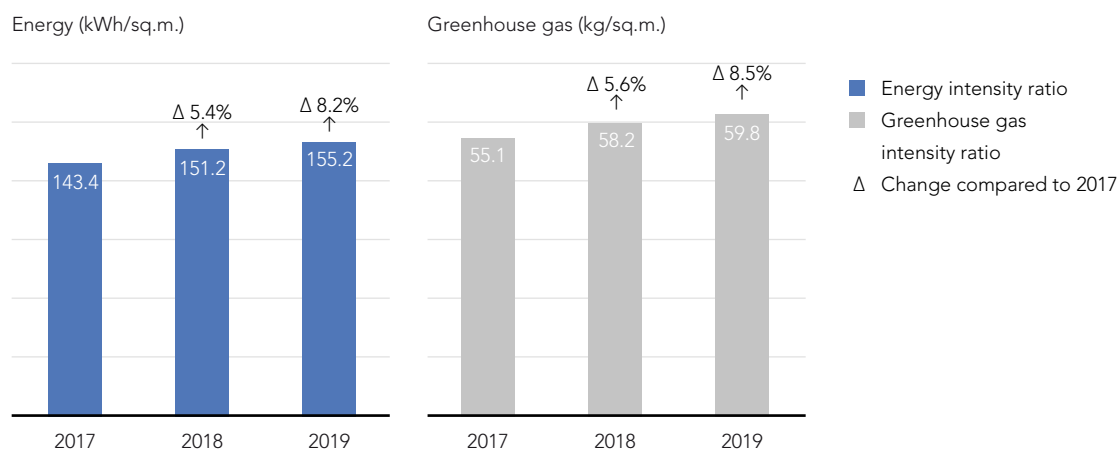
Investment category	carbon footprint coverage
Rural	100%
ASR DPRF	61%
ASR DCRF	80%
ASR DMOF	92%
ASR DSPF	0%
ASR PF	79%
Other	53%
Total	78%

Funds' energy intensity ratios

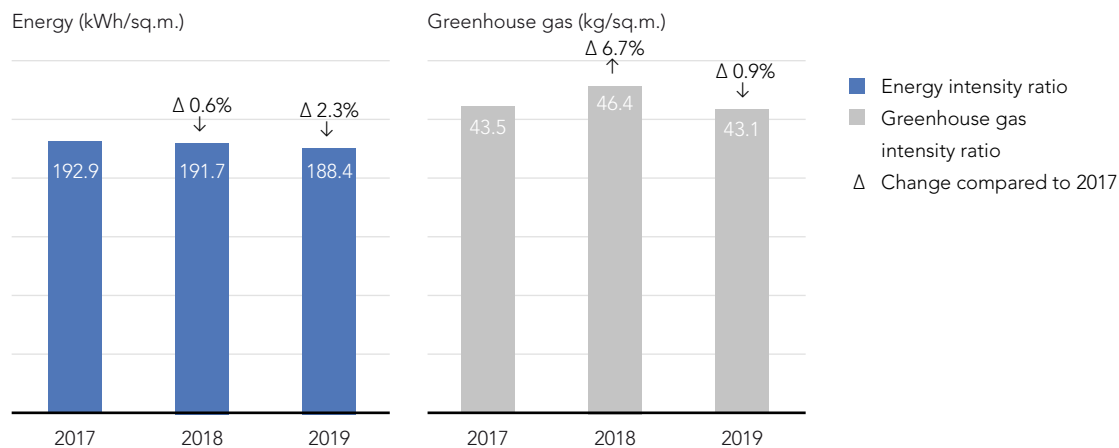
ASR DCRF



ASR DPRF



ASR DMOF



Objective: Generate renewable energy

In addition to its determined efforts to reduce energy consumption, a.s.r. real estate also maintains a firm focus on increasing the renewable energy generated on site. Since its portfolios encompass both farmland and the built environment, a.s.r. real estate is in an interesting position to contribute to the Dutch energy transition.

Farmland held by a.s.r. real estate opens the door to a whole range of commonly used land-based renewable energy sources, from wind and solar to tidal and geothermal. While there will be investment opportunities across the spectrum of renewable energy, the initial focus will be on solar power. In 2017, a.s.r. real estate decided to allow its farmland to be used for the construction of solar energy installations. In 2018 and 2019, the first farmland locations were put at the disposal of developers, signaling the launch of development procedures for solar parks. In the coming years, a.s.r. real estate expects to 'set aside' areas for three solar park locations.

As for generating renewable energy on a.s.r. real estate's buildings, several thermal energy storage units are already in use and over 3,500 solar panels have been installed, mainly on residential and office assets. The Company has planned to expand the use of different types of renewable energy, with a primary focus on fitting solar panels on the roofs of offices, retail and residential assets. ASR DPRF has signed rental agreements with supermarkets in order to generate renewable energy using solar panels. In the first half of 2020 ASR DPRF will install about 2000 solar panels, they generate the energy of nearly 200 households. Meanwhile, investing in sustainable mobility facilities will be another important theme in the years to come. ASR DSPF will employ local energy sources such as central thermal storage or geothermic energy (as on the TU Delft Campus) where possible and aims to contribute to local energy production such as central solar solutions or other means of energy production on every campus within its portfolio.

Windmills, Zeewolde





People

The 'People' pillar concerns the employability, rights and physical and mental health of a.s.r. real estate's employees, and the development opportunities that are open to them. a.s.r. real estate aims to maintain the employability and satisfaction of its employees and invests continuously in its human capital. Another important aspect is raising awareness of sustainability issues among employees.

Objective: Provide employees with opportunities for personal development

a.s.r. relies on competent, agile and motivated employees with an entrepreneurial and versatile attitude in order to realise 'the story of a.s.r.'. For this reason, a.s.r.'s HR policy focuses on personal leadership and personal agility, on supporting employees in their professional development and on supporting their continued employability and labour market appeal. 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. In 2019, respectively 2.4% and 1.0% are being spent on these themes.

Objective: Informed and involved employees

a.s.r. real estate wants to keep its employees adequately informed about CSR issues to maximise the integration of CSR into their daily work. This has been achieved by appointing a sustainability manager and making CSR a standing item on the agenda of various department meetings, for example. In addition, a.s.r. real estate keeps everyone informed of the latest CSR initiatives and results through a periodical internal newsletter. Since 2016, CSR has also been included in the annual development goals of the majority of a.s.r. employees. Another important priority is promoting internal and external CSR-related masterclasses, seminars and congresses. Last year, a.s.r. real estate organised two masterclasses in 2019. The first was about the effects of climate change on real estate, presented by the Technical University of Delft; the second was about the impact of digital technology and innovations on cities, presented by an architect from UN Studio. Finally, members of the CSR working group act as a contact for other a.s.r. real estate employees, as well as serving as a catalyst and inspiration with respect to CSR.

Objective: Employee satisfaction >80%

Periodically, a.s.r. real estate commissions what is known as the 'Great Place To Work' survey. This global survey measures employee satisfaction on factors such as credibility, respect, honesty, pride and fellowship. Following each survey, the results are analysed and discussed intensively by the GPTW workforce and all departments and business lines. Where necessary, steps are taken to improve a.s.r. real estate's standing as an excellent employer. In 2018, a.s.r. real estate exceeded the goal of employee satisfaction of at least 80% (81%) and was nominated as one of the best workplaces in the Netherlands for the second time in a row. The goal is to maintain a satisfaction rating of at least 80%.



Objective: Improve awareness and knowledge of CSR

A formal CSR working group is in place within a.s.r. real estate, consisting of a representative cross-section of all departments and business lines. a.s.r. real estate's management team acts as the formal client and has close links with the group. A sustainability manager is in place to ensure that all actions carried out are consistent with CSR policy and meets with the management team every quarter to provide an update. The sustainability manager is also a member of the CSR working groups of a.s.r., DGBC, IVBN and NEPROM, with a view to speed up the process towards a sustainable build environment. a.s.r. real estate seeks to keep its employees fully informed regarding CSR issues in order to maximise the integration of CSR into their daily operations. a.s.r. real estate keeps everyone informed on the latest CSR initiatives and results by means of a monthly internal newsletter.

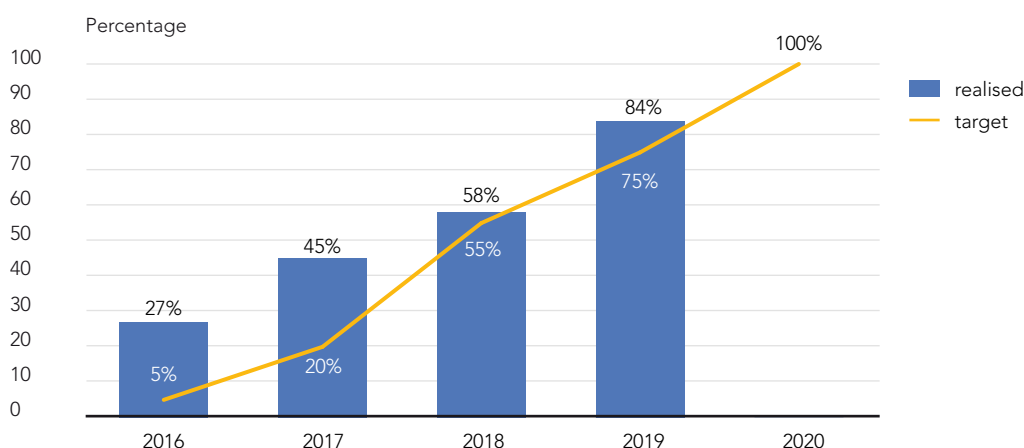
Key Performance Indicators (KPIs)

a.s.r. aspires to play a leading role in the field of sustainable entrepreneurship within the financial sector. This is consistent with its social role. As part of a.s.r., a.s.r. real estate has defined three KPIs for the area of investment. These KPIs are goals based on a.s.r. real estate's CSR policy.

1. Rural portfolio asbestos safe in 2020 (Property & Planet)

a.s.r. real estate believes that it has a responsibility to help reduce the presence of asbestos in its Dutch real estate portfolio. For the retail, office and residential portfolio, all high-risk and potentially high-risk applications of asbestos have been removed in recent years. As a result, this part of the portfolio is now completely asbestos-safe. In the rural portfolio's buildings, some asbestos may still be present. Currently, a.s.r. real estate is remediating asbestos in all agricultural buildings. Farmers have been informed about the possible presence of asbestos and are closely involved in the clean-up operations, so that unsafe situations are avoided. By the end of 2019, 84% of the portfolio will have been declared asbestos-safe. Goal for 2020 is that 100% of the rural portfolio will be declared asbestos-safe.

a.s.r. rural real estate - Objective: Asbestos-safe in 2020



2. Tenant satisfaction of at least 7.0 (Partners)

a.s.r. real estate's tenants are very important partners and as such, a.s.r. real estate wants them to be involved, aware and satisfied. The Funds carry out periodic satisfaction surveys among their tenants and a.s.r. rural real estate does the same among its leaseholders to find out how they rate the services, properties and their living and working environments. The findings are processed by asset managers and, where applicable, discussed with the internal or external property managers. Both parties then formulate follow-up measures. a.s.r. real estate aims to achieve an average tenant satisfaction rating of at least 7 out of 10.

Tenant satisfaction survey

	Rating	Objective	Last survey	Response rate	Research company	Share of portfolio
ASR DCRF	6.9	7.5	2019	39%	Customeyes	28%
ASR DPRF	7.0	7.0	2018	88%	Keepfactor	35%
ASR DMOF	6.3	7.0	2018	95%	Keepfactor	6%
Rural real estate	7.3	7.5	2017	69%	Prosu	31%
Final rate	7.0					

3. Obtain Green Building Certificates (Property)

a.s.r. real estate believes that sustainable property is not just about energy-efficiency. Therefore, in addition to the portfolio's energy label certification, a.s.r. real aims to improve the sustainability of its buildings even further by focusing on achieving Green Building Certificates (including BREEAM, DGBC Woonmerk and Well). This certification means that the properties, their surroundings and the development process as a whole are assessed on a broad range of sustainability criteria. The Company has made real progress in obtaining Green Building Certificates and thus succeeded in reaching its objectives for 2019.

Green building Certificates

	Objective	Result 2019
ASR DCRF	Portfolio 15% certified in 2019	22.5%
ASR DPRF	BREEAM-NL In Use certification for at least one wholly owned district shopping centre in 2019	Two new certificates: Floriande Hoofddorp (Good) and Castellum Houten (Good)
ASR DMOF	Portfolio 30% certified in 2021	31.0%

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