

CSR policy 2020-2022

ASR Dutch Core Residential Fund



Our vision of CSR

The ASR Dutch Core Residential Fund's vision on corporate social responsibility

To accommodate the interests of tenants and investors in the best possible way by creating homes that have long-term value from both a financial and a societal perspective, and to achieve this in a responsible manner with engaged and aware partners and employees.

The aim of the ASR Dutch Core Residential Fund (ASR DCRF) is to provide investors with the opportunity to invest in a residential portfolio with long-term value. Long-term value requires future-proof homes in attractive locations. These homes must be comfortable and sustainable, and they must meet the current and future needs and preferences of housing market consumers. And they should be located in a residential environment that adds value. In short, we aim to provide properties where occupants can feel at home.

Sustainable homes 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 homes have a reduced environmental impact due to lower energy and water consumption and reduced waste production. This means they also help to reduce emissions of greenhouse gases.

To create a portfolio with long-term value, close cooperation is required with stakeholders with clear agreements between parties 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 engaged employees.

This policy document reflects a.s.r. real estate and a.s.r.'s current policies concerning corporate social responsibility. For more information about the CSR policies of ASR DCRF and a.s.r. real estate, please visit our [website](#). For more information regarding a.s.r.'s CSR policy, please visit a.s.r.'s [website](#).



Vathorst. Amersfoort:
High tenant satisfaction

Strategic objectives 2020-2022

ASR DCRF’s CSR policy is based on ‘four Ps’, which together cover the whole CSR spectrum.

Each ‘P’ highlights a different aspect of CSR policy, and together these aspects enable the Fund to achieve its vision. The four ‘P’s are: **Property, Partners, Planet** and **People**. Each ‘P’ comes with its own strategic objectives, which are outlined below. These strategic objectives have in turn been translated into annual objectives. There is in fact also a fifth ‘P’: Profit. The Fund regards this aspect as a self-evident parameter for the other four aspects. After all, good and stable returns are the primary objective of every investment manager. Since managing real estate is our core business, ASR DCRF places great emphasis on building a portfolio of sustainable dwellings. Because of the swift progress and growing urgency the Fund sharpened its objectives.

Strategic objectives 2020-2022

Property



Sustainable portfolio

Partners



Sustainable partners in long-term relations

Planet



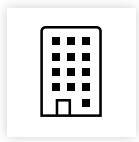
Contribution to environment and society

People



Sound business practices and healthy and satisfied employees

<ul style="list-style-type: none"> • Reduce the average Energy Index to at least 1.15 • Reduce ownership of properties with an Energy Index of >2.4 to less than 0.5% of the portfolio • Implement energy-saving measures in 60% of the portfolio • Obtain Green Building Certificates for 100% of the portfolio 	<ul style="list-style-type: none"> • Optimal engagement of partners in the chain • 100% check for compliance with CSR requirements and objectives • Tenant satisfaction rating of at least 7.5 (out of 10) • Active tenant participation programme: at least 5 projects each year 	<ul style="list-style-type: none"> • Reduce energy consumption by >20% and greenhouse gas by >15% (compared to 2015) • Renewable energy: 9,000 PV panels • Invest in neighbourhoods and mobility: at least 5 projects each year • Monitor effects of climate change 	<ul style="list-style-type: none"> • Sound business practices • Provide employees with opportunities for personal development • Focus on employee’s health and wellbeing • Employee satisfaction rating >80%
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Property

Strategic objectives

- Reduce average Energy Index to at least 1.15
- Reduce ownership of properties with Energy Index of >2.4 to less than 0.5% of the portfolio
- Implement energy saving measures in 60% of the portfolio
- Obtain Green Building Certificates for 100% of the portfolio

Naturally, property plays a central role in the ASR DCRF. The main aim of the Fund is to increase the sustainability of its portfolio in a range of different ways.

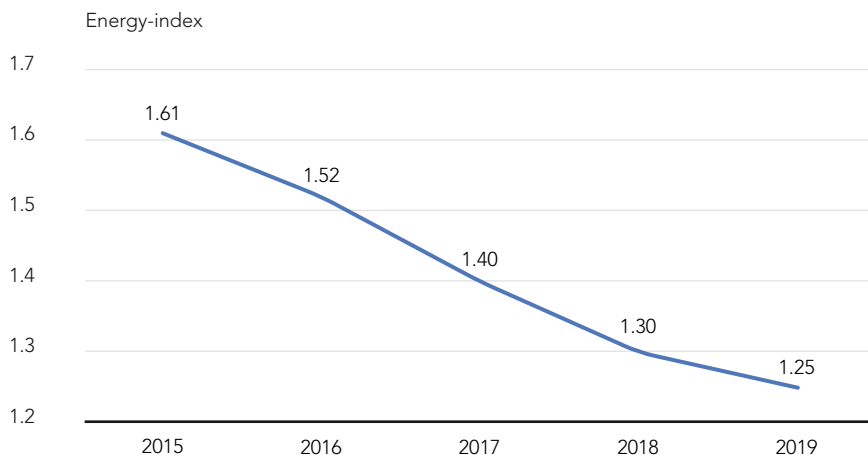
Reduce average Energy Index to at least 1.15

All properties owned by the Fund have been energy label certified. In recent years, significant steps have been made to improve the average Energy Index. In 2019 the average Energy Index (EI) has lowered from 1.30 to 1.25 as at 30 September 2019. That means that the (former) objective of 1.25 already has achieved and that the average EPA label almost A (Energy Index 1.20 and less) is. Therefore the Fund has sharpened the objective to an ambitious 1.15 for 2022.

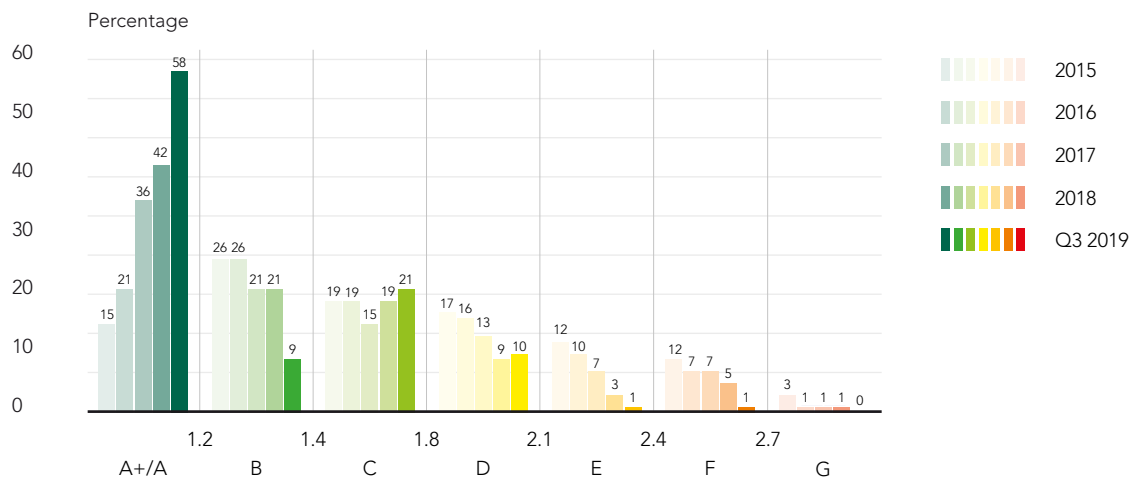
In 2019, the addition to the portfolio of 41 new properties with an Energy Index of <1.20 (energy label A) had a positive effect on the average Energy Index of the Fund. Also, the updating of the Energy Index of some dwellings led to an improvement of the average Fund's Index.

In the past years major steps have also been taken to improve the Fund's existing portfolio. From 2015 to 2018 859 dwellings have been made more sustainable: 213 single-family properties and 646 multi-family properties. The Energy Index of most single-family properties improved to about 0.70. The Energy Index of the apartments improved to 1.10 or better.

Improvement of Energy Index ASR DCRF 2015-2019



Improvement of Energy Labels ASR DCRF 2015-2019



In 2019, two new sustainability projects started. In Breda 43 family houses are improved and made more sustainable. The Energy Index of these dwellings will improve from an average 1.79 to an Index of about 0.70. The completion of the work will take place at the end of 2019. In Amstelveen a start has been made on making 128 multi-family properties more sustainable and making them more convenient. The current Energy Index is 2.20. After the realisation this Index will enhance to an estimated Index between 0.90 and 1.10. The completion of this work will be gradually during the year of 2020.

The Fund aims to improve more dwellings from energy label C/D/E/F/G to A/A+, with the ultimate goal of enhancing the sustainability of a further several hundred properties in the years to come. At least properties in Zwolle, Houten, Huizen and Veldhoven are investigated for an enhancement.

The future pipeline of new, energy-efficient complexes and the comprehensive renovation proposed for the existing portfolio will further improve the average Energy Index. In addition, building conversion projects will be carried out where possible, in order to enhance sustainability performance still further. The Fund plans to acquire an increasing number of energy-neutral dwellings in the years to come. By the end of 2020, the Fund expects to have achieved an average Energy Index of 1.20.



Wonderwoods, Utrecht:
Vertical forest, start construction 2020

Under the Dutch Building Decree, new-build properties must have a maximum EPC of 0.4 upon completion, so any new ASR dwelling has an EPC of 0.4 or lower. Any existing real estate acquired must conform to a maximum Energy Index of 1.15 or have clear potential to reach this level through enhancements. The Fund's Programme of Requirements will be continually adapted to meet the demands of sustainability, including aspects such as only permitting the use of FSC-certified wood, LED lighting and the circularity of materials. To ensure the proper implementation of this policy, ASR DCRF applies a sustainability assessment to all its acquisition and investment proposals.

The Fund is constantly working on investigating and implementing new developments and applications, such as offering shared electric bikes and car services, installing charging points for electric cars, energy-neutral dwellings, green space and biodiversity.

The Fund has sharpened the Energy Index objective to an ambitious 1.15 for 2022.

Reduce ownership of properties with Energy Index of >2.4 to less than 0.5% of the portfolio

ASR DCRF wants to minimise the number of residential properties with lower sustainability levels so that the number of dwellings with an Energy Index above 2.4 (energy labels F/G) is reduced to less than 0.5% of the portfolio by 2021. As at 30 September 2019, 1.2% of the portfolio has an Energy Index >2.4 as at the end of 2018 this share was 6%. Therefore the Fund has sharpened this objective from 3% to 0.5%.

The improvement from 6% at the end of 2018 to 1.2% is partly due to a geometric correction of the Energy Index of a large part of the portfolio which took place in 2019. About 2,500 dwellings were involved in this correction. After the correction in most cases there was only a little change of the Energy Index. Most of them got a better Index afterwards. Among these dwellings were a lot of apartments in Kramsvogellaan, Bilthoven and Nachtwachtlaan, Amsterdam. In these large properties there were many dwellings with an Energy Index higher than 2.4. After the correction it turned out that the Index was better than 2.4.

The Fund expects this percentage to improve further to 1% in 2020 and aims to reduce the number to less than 0.5% by 2022. The final share of lower energy labels will diminish through sustainable renovations and individual unit sales.

Implement energy-saving measures in 60% of the portfolio

Existing investments can be made more sustainable in other ways than renovation work. 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 how sustainable improvements could be made in day-to-day management. The resulting actions have been documented and are being monitored at the asset level. Where possible, sustainability improvements are synchronised with maintenance in the multi-year maintenance programme (MYMP).

Since 2016, the Fund has applied energy-saving measures in 35% of its existing dwellings. Last year objective was to implement energy-saving measures in 50% of the portfolio, but the Fund aims to increase this number to more than 60% of the standing portfolio by 2022. The Fund's goal is to achieve at least a share of 45% at the end of 2020.

Case Study

Sustainable improvement of 169 dwellings in Breda and Amstelveen



Ambachtenlaan, Breda

The Ambachtenlaan is well located in the south-western part of Breda. However, their Energy Index was falling behind (1.79). In the autumn of 2019 the Fund improved 43 (type 4) dwellings. The improvement included the renewal of roof insulation, wall cavity insulation, installation of HR++ glass, new front doors and PV panels. The renovation resulted in a significant improvement of the Energy Index as well as a tremendous aesthetic and comfort improvement.



RiMiNi, Amstelveen

The 126 apartments are located in the southern part of Amstelveen. The appearance of the three apartment buildings was outdated, the average Energy Index was among the Fund's lowest (2.2) and extensive maintenance was required. Altogether, this was reason enough to start an asset enhancement study. The renovation includes the application of different kinds of insulation, installation of HR++ glass, 180 PV panels, the renewal of elevators, application of balcony screens and the modernisation of entrances. As a result, the tenants will experience a more comfortable indoor climate as well as reduced energy costs. The renovation is expected to be completed in the autumn of 2020.

Obtain Green Building Certificates for 100% of the portfolio

In addition to the portfolio's energy label certification, the Fund aims to improve the sustainability of its portfolio still further by focusing on achieving Green Building Certificates for its complexes. This certification means that the property, its surrounding area and the development process are all assessed on a broad range of sustainability criteria.

The former objective was to obtain Green Building Certificates for 25% of the portfolio, but the new aim for the Fund is to certificate the whole portfolio before 2022 at the latest. The certificates give insight in the performance of properties and offer opportunities to achieve a higher rate of sustainability of the portfolio. The Fund thinks that optimal insight is necessary to do the maximum in terms of sustainability. Preferably, the Fund wants to certificate its dwellings as much as possible with the DGBC Woonmerk, a Green Building Certificate launched in 2018 by The Dutch Green Building Council and the Fund itself.

At the end of 2018 11.7% of the portfolio had been certified. By the end of 2019, the Fund expects that at least 25% of the portfolio will have a Green Building Certificate. At the end of 2020 the Fund expects that this will be at least 50%.

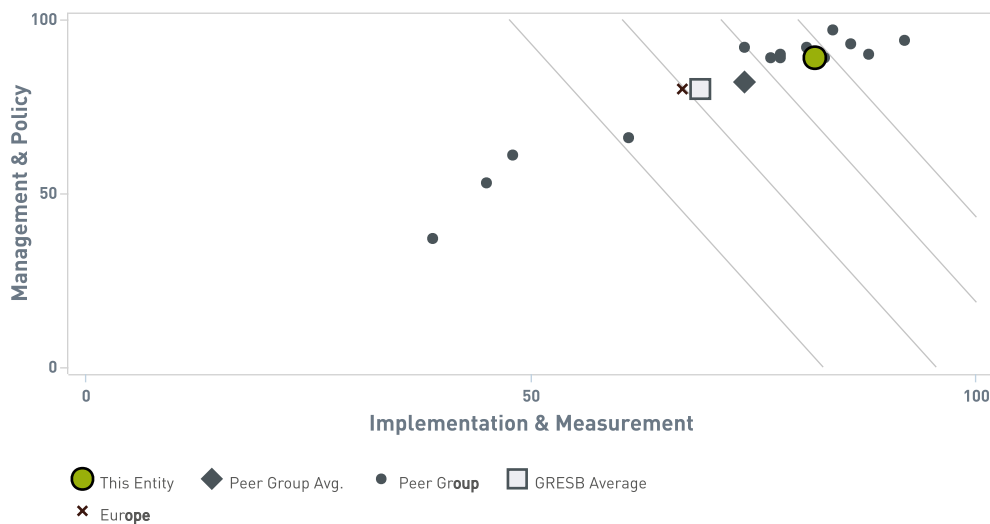
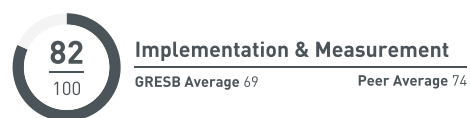


GRESB - Four stars for ASR DCRF

ASR Dutch Core Residential Fund improved its Global Real Estate Sustainability Benchmark score in 2019 further to 84 points (out of 100 points), which was an increase of 4 points compared to 2018. And once again, the Fund obtained a four-star rating, scored above average and improved its place in its peer group from ninth to eight (out of 16 instead of 13 in 2018).

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 the Fund's focus on tenant engagement (incentivizing tenant behavior). 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 & Policy and Implementation & Measurement (scoring respectively 89 and 82 out of 100) 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.





Partners

Strategic objectives

- **Optimal engagement of partners in chain**
- **100% check for compliance with CSR requirements and objectives**
- **Tenant satisfaction rate of at least 7.5 (out of 10)**
- **Active tenant participation programme: at least 5 projects each year**

The role of the Fund's partners is essential to achieving ASR DCRF's CSR targets. ASR DCRF requires its partners to actively implement its 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.

Optimal engagement of partners in chain

The Fund works with a number of long-term partners, such as its investors. Risk management, returns, good governance, stability and transparency are not the only factors that are considered essential by the Fund's investors. To an increasing extent, another key factor is the portfolio's sustainability performance. 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 investors. Meanwhile, the Fund aims to ensure that its tenants are aware of, committed to and satisfied with its efforts in the field of sustainability. ASR DCRF strives to keep tenants updated, not only regarding energy savings and sustainability improvements, but also regarding user behaviour and its positive impact on energy use. The Fund firmly believes that promoting sustainable behaviour is just as important as providing energy-sustainable homes. CSR is a standing item on the agenda of routine meetings with its external property managers and most direct maintenance partners (contractors and consultants). In addition, there are guidelines for the Fund's partners to follow and concrete quantifiable targets regarding sustainability set out in agreements between parties. An independent party assesses maintenance teams on sustainability regarding implementation. The Fund also seeks cooperation with governing bodies regarding sustainability initiatives.

Improving knowledge and expanding 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.

Continuous check for compliance with CSR requirements and objectives

Both external documents, such as the Fund's programme of requirements and procurement guidelines, and internal documents such as investments proposal, provide for CSR checks and goals, which are continuously being updated. The Fund also closely monitors the implementation of its CSR policy during the maintenance process. Technical maintenance may only be carried out by CSR-certified businesses. The technical materials and systems used must comply with current CSR requirements. For example, only FSC-produced timber may be used. The quality of ASR DCRF's portfolio and the related technical requirements are assessed annually by an external consultant and accredited in accordance with the NEN 2767 building condition and quality measurement standard. Strict sustainability requirements apply to tendering procedures. In order to ensure proper compliance with the Fund's CSR objectives, agreements with all maintenance and management partners are regularly amended, tightened up, recorded and assessed. The Fund works on expanding the documents and include specific requirements regarding energy production, gasless facilities, circularity and climate change.

Where possible, ASR DCRF includes CSR provisions in lease agreements with its tenants and in agreements such as developers, utility companies and government bodies. Besides, the Fund briefs these partners about its objectives to ensure the agreements the Fund makes conform the CSR policy.

Alignment with sustainability guidelines

The Fund's CSR policy is aligned with important guidelines set by reputable organisations:

- **UN Principles for Responsible Investment:**
 - a.s.r. obtained an UNPRI A-rating for its properties.
- **The UN Global Compact:**
 - a.s.r. signed the United Nations Global Compact (UNGC) in 2011. By signing the UNGC, a.s.r. embraces, supports and implements (within its sphere of influence) these 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 was set up in conformity with the INREV Guidelines;
 - The ASR Dutch Core Residential Fund is 100% compliant with the INREV Sustainability Reporting Module (mandatory part and 97% with sustainability best practices).
- **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 (sustainability is one of these topics).
- **Dutch Insurance Code:**
 - The Manager, as part of a.s.r., has adhered to the Dutch Insurance Code since 1 January 2011.

Integrating SDGs and investing with impact

The UN Sustainable Development Goals (SDGs), as selected by a.s.r. and a focus on investing with impact are becoming an integral part of the Fund's CSR policy.



VERBOND VAN VERZEKERAARS

Tenant satisfaction rate of at least 7.5 (out of 10)

ASR DCRF's aim is to achieve an annual satisfaction rating of at least 7.5 out of 10 in 2022.

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, the surrounding area and the handling of repair requests and complaints. The findings of the survey are discussed both internally and with the external property managers, and improvement measures are then identified. Progress on these measures is monitored on a quarterly basis. The Fund records any complaints filed by tenants and monitors these in its Complaint Management System. Actions resulting from the survey are addressed by external property managers immediately. The Fund scored 6.9 out of 10 in 2019 – the same result as in 2017 and 2018 – and aims to reach a score of 7.5 by (at last) 2022. Tenants gave the highest scores for their dwelling and the surrounding area. They were less satisfied with the service provided by external property managers and service costs.

Active tenant participation programme: at least 5 projects each year

The Fund welcomes input from its tenants so that it can make use of their knowledge and first-hand experience and accommodate their preferences more effectively. For this reason, the Fund works continuously on a participation programme that involves various forms of tenant participation. This participation may consist of brainstorming with residents regarding future sustainability projects. Ideas are submitted to the Fund on ways of improving sustainability and focusing on making tenant behaviour more sustainable. The standard form of participation of resident associations is another important element. In recent years, the Fund has engaged tenants through several tenant-related projects, such as an energy battle in Utrecht, an annual CSR newsletter sent out to all tenants and a CSR information bag, providing information and items such as a LED lightbulb for new tenants. See also the Case Study: Engagement of tenants. Tenants were also actively engaged in the plan preparation of the sustainability projects of Amstelveen and Breda. The Fund aims to have at least 5 projects each year related to tenant participation.

Case Study

Engagement of tenants

The Fund puts a great emphasis on building a futureproof and sustainable real estate portfolio. Not only by acquiring new highly sustainable buildings and by renovating and improving existing dwellings. To make a real impact on the living environment the Fund needs the engagement of its tenants as well. To stimulate more sustainable behaviour, multiple initiatives have been rolled out.

Energy box

In Q1 2019 the Fund started the Energy Box Project for our dwellings in Couwenhoven in Zeist. In this project tenants are advised about a sustainable way of living and they received an energy box. The goal is to lower the energy bill by creating awareness and take energy saving measures into account.

CSR bag

The Fund also initiated the CSR bag. In 2019 ASR DCRF provided a total of more than 1250 existing tenants with our CSR bag. This is a jute bag which contains sustainable goodies (like a LED bulb, ecological dish soap and an eco-plug) and tips and tricks to encourage sustainable choices. Together with the Fund's contractor Jansen Huybregts a social event was organized with their 'Service Bus'. During this event the contractor assist with some housework in the homes of our tenants while employees of a.s.r. real estate handing out the CSR bag. For the Fund a great opportunity to get in contact with its tenants.

Energy battle

Another example of encouraging sustainable behaviour is the Energy Battle, firstly rolled out at the Lamérislaan in Utrecht. This initiative was used to create awareness among tenants about their energy consumption and provided them with suggestions to lower their energy use. Participants can make use of a digital platform. At this platform tenants can chat with each other, but also ask questions to the Fund. Every week the Fund places suggestions at the platform for a more sustainable way of living. The winner of the battle received a weekend break in a nature house. With more than 35 participated households it was a great success and the Fund will implement the project in a larger part of the portfolio.

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.

Integrating SDGs

a.s.r. has categorised its contribution to the SDGs in four themes: sustainable insurer, sustainable investor, sustainable employer and sustainable role. These themes have been included in a.s.r.'s annual report. a.s.r. real estate added a fifth theme, sustainable real estate investor, to monitor its specific contribution to the SDGs from a real-estate perspective.

The Fund actively contributes to four SDGs:

SDG 07: Affordable and clean energy

The Fund has set the objective for 2022 of having at least 9,000 PV panels. The Fund also aims to further improve the portfolio's energy efficiency (-20% in 2022 compared to 2015). Progress will be monitored by keeping track of the generated amount of renewable energy (kWh) and intensity ratios.

SDG 11: Sustainable cities and communities

The Fund focuses on affordable housing (+20% in 2022), encouragement of sustainable transport and future-proof living environments (including implementing green roofs). The Fund aims to execute 5 projects a year.

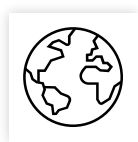
SDG 12: Responsible consumption and production

Since 2015, the Fund has reduced its electricity and greenhouse intensity ratios by 14.1% and 9.2% respectively. The Fund will maintain a focus on sustainability maintenance to further reduce these ratios. The Fund publishes its CSR policy annually and adheres to the sustainability guidelines. The Fund also checks whether its chain partners comply with its CSR policy.

SDG 13: Climate action

Besides the Fund's focus on climate mitigation, insight into the adverse effects of climate change is key to mitigate the impact of climate change on the portfolio. The Fund therefore assesses the risks and effects of climate change on its portfolio, to determine how urgently amendment is required. An important objective for 2020 is to further improve the monitoring of these effects.





Planet

Strategic objectives

- Reduce energy consumption by >25% and greenhouse gas by >15% (compared to 2015)
- Renewable energy: 9,000 PV panels
- Investing in neighbourhoods and mobility: at least 5 projects each year
- Monitor effects of climate change

'Planet' stands for the contribution ASR DCRF makes to nature, society and the environment.

Reduce energy consumption by >25% and greenhouse gas by >15% (compared to 2015)

To minimise carbon emissions, ASR DCRF wishes to further scale back its portfolio's energy consumption, water consumption and waste production. Furthermore, the Fund aims to scale up the on-site generation of renewable energy. The Fund is already making use of 100% green power in communal areas and investing in sustainable solutions in all projects, both new and existing, such as LED lighting, PV panels and thermal energy storage systems. The Fund wishes to continue reducing its energy consumption and GHG emissions by respectively 25% and 15% between 2015 and 2022. This is measured by the intensities per sq.m. of the total portfolio, including both communal areas and tenant areas. As been shown in the table below, the Fund is making sufficient improvements. Over time, the extensive renovation of the Fund's current portfolio and the acquisition of highly energy efficient dwellings will have a major impact on energy consumption and GHG emissions.

Investment market performance indicators

	absolute				Δ 2015-2018	Target 2021
	2018	2017	2016	2015		
Energy - Intensity ratio electricity, fuel, district heating & cooling (kWh/sq.m.)	88.5	95.2	93.3	103.0	-14.1%	-25%
Greenhouse Gas - Intensity ratio greenhouse gas (kg/sq.m.)	24.4	25.5	22.8	26.8	-9.2%	-15%

An important goal for 2019 is to further optimise the monitoring for water usage and waste production and, in addition, to analyse this data more actively. Therefore the Fund started a pilot with smart water meters which will be continued in 2020. Goal is to achieve a 10% reduction in 2022 for both water (compared to 2016) and waste (compared to 2017).

Renewable energy: 9,000 PV panels

This objective is new compared to the Fund's objectives of the former version of the Fund's CSR policy. As most traditional – fossil – energy is running out of time, the Fund aims to implement renewable energy solutions where feasible. For the Fund's portfolio PV panels are the most suitable solution and therefore this new objective is set. As at 30 September 2019, in the portfolio about 3,500 PV panels were installed. Most of them on the roofs of the five properties of Bonifaciuslaan, Hilversum but also in most of the new building projects from past years. The Fund strives to expand largely the number of PV panels and took in 2019 preparations for a rollout of PV panels in the portfolio as of the beginning of 2020. The Fund aims to increase the number of PV panels to at least 6,000 in 2020 and 9,000 in 2022.

The Fund aims to increase the number of PV panels to at least 6,000 in 2020 and 9,000 in 2022.

Case Study

Investing with Impact

What differentiates investing with impact from responsible or sustainable investing?

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'.

Investing with impact as a regular non-listed real estate vehicle

Although the Fund is not an impact investment vehicle, it nonetheless aims to make investments with an impact. The Fund can make an impact on two specific themes:

Affordability

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 € 1,000 as affordable (in specific locations, such as Amsterdam, rents up to € 1,250 are also considered affordable).

The Fund can make an impact by keeping a considerable part of the portfolio in the affordable segment. The Fund does so by extending its portfolio with dwellings in the affordable segment as well as taking affordability into account in its rental policy.

Green Buildings

The built environment causes a large share of the global CO₂ emissions. To contribute to a future-proof living environment the Fund aims to lower its emissions by building on a sustainable portfolio.

Green buildings typically refer to companies that generate their revenues from buildings designed, constructed, operated, maintained, renovated and dismantled in an environmental-friendly way and using resource-efficient processes.

In recent years, the Fund has sustainably renovated over 850 dwellings. Besides the total renovations, the Fund has also invested in smaller measures to improve sustainability.

Going forward

In the coming year the Fund will further assess its possibilities and set targets to make an impact on both themes.



Affordable housing



Green buildings



Affordable housing is one of the basic human needs. The Fund acknowledges the urgency and its ability to contribute to this specific topic.

Investing in neighbourhoods and mobility: at least 5 projects each year

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 neighbourhood (and, first and foremost, the tenants) are actively involved in allocating this budget. For the Fund, an appropriate moment to invest in the residential environment is upon completion of newly developed buildings and renovation projects. The Fund has therefore adopted a budget for new buildings and renovation projects. An example is the vegetable garden project at Zeeburgereiland, Amsterdam. In 2019, the Fund signed an agreement to participate in this project, close to the Beacons (the Fund's property).

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, such as bike sharing at Wibautstraat, Amsterdam and electric car sharing in Wonderwoods, Utrecht and Grotiusplaats, The Hague. Charging stations for electric cars have been installed in most of our new-build projects.

Monitor effects of 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. 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. The results will be communicated in the annual report. An important objective for 2020 is to further improve the monitoring of these effects.



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



People

Strategic objectives

- **Sound business practices**
- **Provide employees with opportunities for personal development**
- **Focus on employee's health and wellbeing**
- **Employee satisfaction >80%**

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

Sound business practices

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 (ERM COSO) is based on a.s.r.'s central risk management system, 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.

Since 2019, in addition to the current CSR risks, Business Risk Management has also been involved and responsible, as second line of defence, for monitoring, reporting and mitigating the risks associated with the climate change objectives to which a.s.r. real estate has committed itself. In 2020 this remains an important topic.

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'.

Provide employees with opportunities for personal development

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 2018 and 2019, respectively 2.4% and 1.0% are being spent on these themes. In addition, certain employees are given the opportunity to take additional courses at higher professional or university level in order to broaden their knowledge and remain employable on a sustainable basis. A dedicated HR team provides guidance to 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.

Focus on employee's health and wellbeing

Prioritising health and wellbeing and avoiding stress in the workplace is an important issue for office-based companies. a.s.r. finds it important to help employees to remain mentally and physically fit and vital at work. Hereby awareness, prevention and guidance are three important instruments. a.s.r. provides a wide range of workshops and has a dedicated team to support the employees. Besides, a.s.r. devotes great attention to a healthy office and flexible working conditions. Important objective is to measure the health and wellbeing of a.s.r.'s departments by executing a four-yearly vitality scan. Important themes are stress, absentee rate, working ability, physical complaints and level of enthusiasm. Based on the outcomes a customised vitality program will be made. The last survey among the a.s.r. real estate's employees took place in 2018. The participation rate was 79% and a.s.r. real estate scored 6 out of 8 themes equal or better than the Dutch average. With the currently carried out program a.s.r. real estate hopes to improve the less scored themes. The next survey will take place in 2022.

Employee satisfaction rating >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%. Next survey will take place in 2020.



Health & wellbeing at a.s.r.

Workshops to improve physical and mental health

a.s.r. provides a range of initiatives that create a productive and health-promoting workplace and enable employees. Examples of workshop are healthy nutrition, physical activity, stop smoking, and workload & stress.

Healthy office

The a.s.r. head office building have obtained a BREEAM In-Use Outstanding in 2019, was selected a Healthy Urban Challenge 2017 finalist by Economic Board Utrecht and was voted Best Office Building in the Netherlands 2014 by Intermediair Magazine. The building is of a high quality due to its acoustics, distribution of daylight, indoor climate, workplace variation, cyclists facilities and connection with outdoor spaces. Besides a.s.r. promotes an optimal ergonomic workplace actively. It also provides in-house fitness facilities, fresh fruit is offered free of charge in all departments and the company restaurant offers a wide range of nutritious and healthy meals. By paying attention to health, involvement and development, a.s.r. contributes to the physical and mental fitness of its employees.

Flexible working

Flexi-work in terms of location and hours, including part-time jobs at all levels, is one of the ways a.s.r. helps employees to manage work-related stress and work-life balance. a.s.r. also allows paid time off for voluntary work because it believes its employees should continue to feel a strong connection with the local community.



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a.s.r.
de nederlandse
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