

# ESG Annual Report 2022

Investing in  
perpetual value

ASR Dutch Farmland Fund



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# Mission

“We create **perpetual value** for our investors and society by investing in sustainable and fertile farmlands.”



Niekerk, Groningen

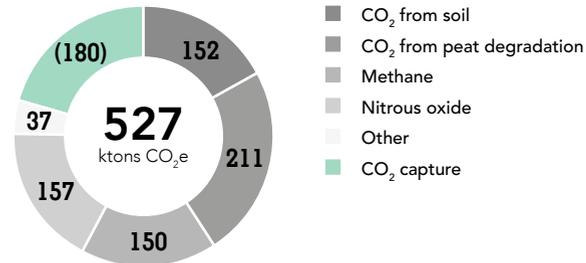
# Performance figures

## On our way to Paris Proof

2045



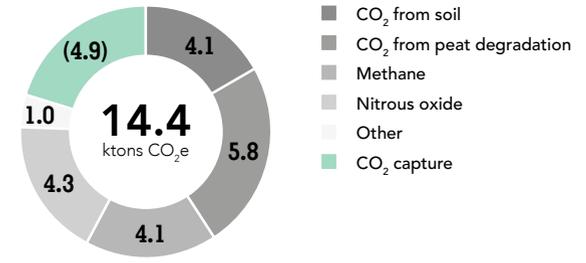
Total CO<sub>2</sub>-footprint  
ktons CO<sub>2</sub>e



- CO<sub>2</sub> from soil
- CO<sub>2</sub> from peat degradation
- Methane
- Nitrous oxide
- Other
- CO<sub>2</sub> capture



CO<sub>2</sub>-footprint per hectare  
ktons CO<sub>2</sub>e per hectares



- CO<sub>2</sub> from soil
- CO<sub>2</sub> from peat degradation
- Methane
- Nitrous oxide
- Other
- CO<sub>2</sub> capture

Green lease for new ground lease agreements (%)

50

Objective: ≥ 50

Soil quality- tenant participation in 'Open bodemindex' (%)

8.2

Objective: ≥ 5

Soil use - portfolio contributes to food supply (%)

97.2

Objective: ≥ 80

Allocate suitable farmland for renewable energy (out of 10)

4

Objective: ≥ 5

Climate adaptation - landscape elements (out of 100)

3

Objective: ≥ 5

Tenant satisfaction (%)

7.4

Objective: ≥ 7.5 /10

# Environmental, Social and Governance (ESG)

**The Fund's vision on Environmental, Social and Governance (ESG) criteria is to accommodate the interests of tenants and investors in the best possible way by creating and maintaining farmland investments that have long-term value from a financial, environmental and a social perspective, and to achieve this in a sound and responsible manner with engaged and aware partners and employees.**

The Fund has its own annual ESG policy which sets out its specific sustainability objectives.

This policy is also published on the website of a.s.r. real estate.

The Fund's aim is to position itself as a sustainable fund that has an impact on the Dutch agricultural sector by encouraging farmers to apply the principles of climate-smart agriculture (CSA). These

principles motivate farmers to pass on their valuable assets to the next generation in better condition, measured in soil quality. Enhancing soil quality improves yields for both the Fund and the farmers. A thorough investment and management process, with a focus on the further development, propagation, implementation and monitoring of sustainable soil management, is key to achieving the Fund's environmental and social objectives. To work towards these goals, the Fund developed strategic ESG objectives around five themes:

1. Planet
  - a. Sustainable productivity and sustainable farmer's income
  - b. Reducing greenhouse gas emission
  - c. Adapting and building resilience to climate change

2. Partners: Sustainable long-term partners
3. People: Sound business practices and healthy and satisfied employees

The Fund takes a leading position in furthering transparency and accountability in sustainable farmland investing by applying its climate-smart agriculture strategy.



Strategic objectives 2022

		Objective 2022	Realisation 2022	
1		<b>Planet</b>		
		<b>Sustainable productivity and sustainable farmer's income</b>		
		Soil quality - Tenant participation in 'Open bodemindex' (% of total hectares)	≥ 5%	8.2%
		Soil use - Portfolio contributes to food supply (% of portfolio)	≥ 80%	97.2%
		Green leases for new ground lease agreements	≥ 50%	50.0%
		Number of tenants that apply to the good agricultural principles (common agricultural policy European Union)	≥ 50%	84.0%
		<b>Reducing greenhouse gas emissions</b>		
		Paris proof roadmap	Design	In progress
		Allocate suitable farmland for renewable energy (# of projects / year)	≥ 5	4
		<b>Adapting and building resilience to climate change</b>		
Transition roundabout (# of projects / year)	≥ 1	-		
Climate adaptation - landscape elements (# of projects / year)	≥ 5	3		
2		<b>Building long-term relationships with sustainable partners</b>		
		Tenant satisfaction	≥ 7.5 /10	7.4
		Active strategic partnership for sector development (# of partners)	≥ 2	2
		Facilitate young farmers to start their agricultural business based on conditions which lead to lower cash outflows (# young farmers)	≥ 5	16
		Active tenant participation programme (# of events / year)	≥ 2	1
3		<b>People</b>		
		Employee satisfaction rating	≥ 94/100	91
		Personal development		
		- Training (% of annual salaries)	≥ 1%	2.1%
		- Sustainable employability (% of annual salaries)	≥ 1%	1.0%
		Health & well-being	Improvement of vitality score	7.4 (2021: 7.1)
		Diversity & inclusion	Execute diversity, equity and inclusion policy	Improved score Denison Scan: 66 (2021: 48)
		Sound business practises	Further implementation of SFDR and EU taxonomy	Compliant with SFDR and EU taxonomy

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# Investing in perpetual value translates to:

## 1. Planet



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Committed to making a positive impact on climate and society

## 2. Partners



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Building long-term relationships with sustainable partners

## 3. People



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Healthy & satisfied employees

# SDGs

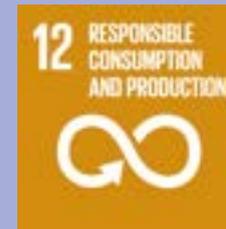
In 2015 the Sustainable Development Goals (SDGs) were endorsed by all United Nations member states to enhance sustainable development at the global level. Ahead of 2030, these goals provide a shared blueprint for eradicating global poverty and inequality, combating climate change and creating a prosperous and peaceful life for all.



## The Fund actively contributes to the SDGs which are outlined on this page.



The Fund aims to contribute to target 2.4: 'ensure sustainable food production systems... that increase productivity... and that progressively improve land and soil quality'. The Fund does this by implementing the 'Open bodemindex', by measuring and reducing greenhouse gas emissions in our portfolio and through our green lease products.



Through the 'Open bodemindex' and by awarding sound farming practices with our green lease products, the Fund contributes to target 12.4: 'environmentally sound management of chemicals and all wastes and significantly reduce their releases to air, water and soil in order to minimise their adverse impacts on human health and the environment'.



Last year the Fund's Paris Proof commitment was further specified, resulting in an ambitious reduction strategy up to 2045 for the Fund's portfolio. The Fund is already measuring the carbon footprint of the Fund's portfolio, resulting in a greenhouse gas emission of 14.4 tons of CO<sub>2</sub>-equivalent per hectare. The Fund will integrate reduction targets in our strategies and planning (target 13.2) and will help our farmers in building resilience and adapting to climate change (target 13.1).



By signing the Finance for Biodiversity pledge, the Fund is committed to protecting and restoring biodiversity through finance and investment activities, and thereby also committed to target 15.a. With the implementation of the 'Open bodemindex', the Fund aims to contribute to biodiversity in the soil. By financing landscape elements on the Fund's farmlands, the Fund is taking a first step in contributing to biodiversity on land. In 2023 the Fund will develop a biodiversity plan to further specify the next steps to be taken.

# 1 Planet



Climate change and the loss of biodiversity are among the greatest challenges of our time. Together with our partners we want to find answers to these challenges and therefore we have adopted an ambitious climate-smart agriculture strategy. Every day we experience that agricultural entrepreneurs feel engaged and are prepared to take responsibility, supported by a government that invests in entrepreneurship, innovation and knowledge development. Our climate-smart agriculture strategy consists of three pillars.



	Objective 2022	Realisation 2022
<i>Sustainable productivity and sustainable farmer's income</i>		
→ <b>Soil quality - Tenant participation in 'Open bodemindex'</b> (% of total hectares)	≥ 5%	8.2%
→ <b>Soil use - Portfolio contributes to food supply</b> (% of portfolio)	≥ 80%	97.2%
→ <b>Green leases for new ground lease agreements</b>	≥ 50%	50.0%
→ <b>Number of tenants that apply to the good agricultural principles</b> (common agricultural policy European Union)	≥ 50%	84.0%
<i>Reducing greenhouse gas emissions</i>		
→ <b>Paris proof roadmap</b>	Design	In progress
→ <b>Allocate suitable farmland for renewable energy</b> (# of projects / year)	≥ 5	4
<i>Adapting and building resilience to climate change</i>		
→ <b>Transition roundabout</b> (# of projects / year)	≥ 1	-
→ <b>Climate adaptation - landscape elements</b> (# of projects / year)	≥ 5	3

*Strategic objectives - Sustainable productivity and sustainable farmer's income*

## Soil quality

The Fund's aim was for 5% of the portfolio to be awarded tenant participation in the OBI by the end of 2022. By the end of 2022, 8.2% of the portfolio's hectares participated in the OBI.

Based on the Fund's portfolio as at 31 December 2022, the 'Nutriënten Management Instituut' has determined the soil quality of farmland properties within the portfolio, based on public information in the OBI. On average, the farmland portfolio has a more than satisfactory soil quality score of just below 0.8. The individual scores for chemistry and structure range between 0.6 and 0.75, while the scores for biology and environment range between 0.8 and 1.0. The score for integral soil quality is between 0.7 and 0.8. Significant variation can occur within each group of soil functions. The risk of leaching of nitrogen is predominantly low and manageable. Soil management is given a low score because up-to-date data on soil management on most of the agricultural plots are (still) lacking. The wide variation shows that there are opportunities to further improve soil quality.

**Tenant participation in 'Open bodemindex'**  
(% of total hectares)

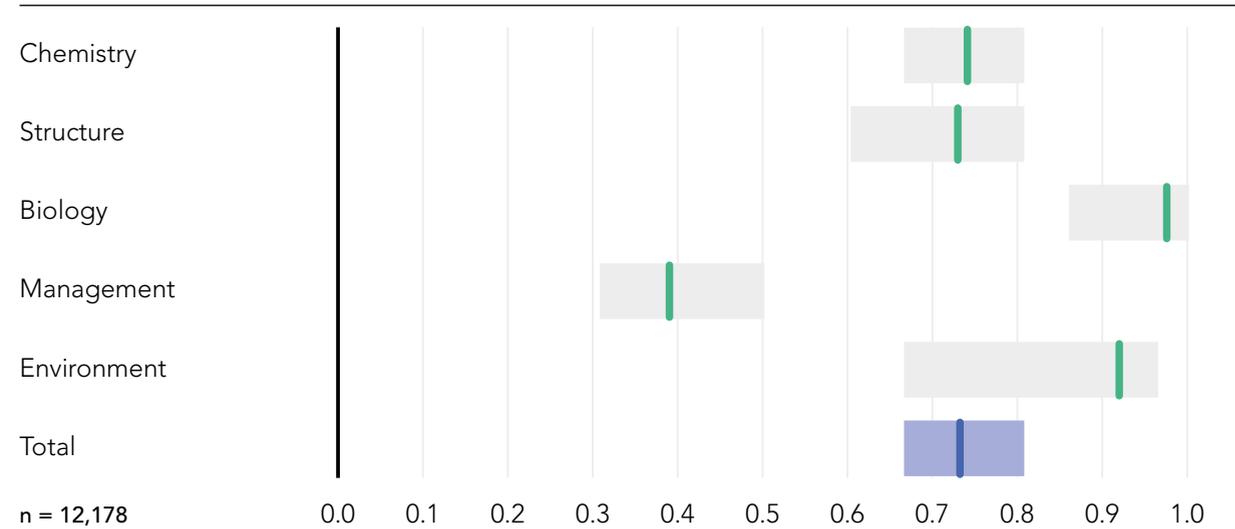
**Objective 2022**

≥ 5

**Realisation 2022**

8.2

**Figure 1 OBI scores of portfolio investments as at 31 December 2022**



Source: a.s.r. real estate, 2022

## Soil use

The Sustainable Development Goal (SDG) of Zero Hunger aspires to end all forms of hunger and malnutrition by 2030, ensuring that all people, especially children, have sufficient, nutritious food all year round. The Fund aimed to contribute to this SDG by making at least 80% of the portfolio available for food supply by the end of 2022. By the end of 2022, 97.2% of the portfolio contributed to the food supply.

**Portfolio contributes to food supply**  
(% of portfolio)

**Objective 2022**

≥ 80

**Realisation 2022**

97.2

## Green leases

In the first six-month period after the launch of the new contracts with a green clause, the Fund experienced a difference in the viability of the sustainability measures between dairy farming and arable farming. Sustainability measures for dairy farming appear to be easier to implement in practice than for arable farming. In consultation with arable farmers, the Fund communicated and implemented its new sustainability measures for arable farming. In addition, the Fund adjusted its sustainable product conditions so that green lease incentives are more accessible to arable farms.

It was the Fund's intention to have added green clauses to 50% of its new ground lease agreements by the end of 2022. Based on the number of hectares acquired at year-end 2022, 50% of new ground lease agreements included a green clause.

**Green leases for new ground lease agreements**  
(% of number of hectares)

**Objective 2022**

≥ 50

**Realisation 2022**

50.0

## Good agricultural practises

The Common Agricultural Policy (CAP) is the agricultural policy of the European Union. It implements a system of agricultural subsidies and contributes to food production while simultaneously protecting nature and safeguarding biodiversity. Agriculture ministers have accepted the provisional deal struck with the European Parliament on the key elements of the CAP reform for the period 2023-2027, thus bringing the proposal a step closer to becoming part of EU law. The agreement paves the way for a fairer, greener and more performance-based CAP that seeks to provide a sustainable future for European farmers. The new CAP bolsters environmental measures, and also includes provisions to ensure more targeted support for smaller farms and help young farmers enter the profession.

By the end of 2022, the Fund's aim was to have at least 50% of its lessees apply 'good agricultural practices' as set out in the CAP. Based on public data from the Netherlands Enterprise Agency ('Rijksdienst voor Ondernemend Nederland'), the Fund concluded that at least 84% of our lessees receive an agricultural subsidy and therefore comply with the good practices as set out in the CAP.

**Number of tenants that apply to the good agricultural principles**  
(% of tenants)

**Objective 2022**

≥ 50

**Realisation 2022**

84.0

Strategic objectives - Reducing greenhouse gas emissions

## Paris proof roadmap

In 2022, the Fund drew up an ambitious roadmap that matched the characteristics of our portfolio. We defined ambitious yet realistic objectives to reduce the emissions of properties in our portfolio. The targets are even more ambitious than those formulated in the national Climate Agreement for the agricultural sector, as presented by the Dutch Ministry of Agriculture, Nature and Food Quality. The Fund's roadmap was developed in collaboration with Nutriënten Management Instituut (NMI) and Wageningen University & Research (WUR). This roadmap has led to better insights in the current carbon emissions of our portfolio and the actions that should contribute to a reduction in those emissions.

The Fund's individual plots were screened against the national reduction target and this target was transposed into our portfolio. Based on this analysis, emissions were quantified, both for the current situation and for when action was taken (maximum feasible scenario).

### Carbon footprint

By the end of 2022, the emissions and sequestration of greenhouse gases of the rural real estate portfolio were mapped by using company-specific data (from the agricultural companies that lease the parcels) in relation to numbers of animals, soil type, land use and fertilisation. The greenhouse gases included in this study were carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

### Paris Proof Roadmap

Objective 2022  
Design

Realisation 2022  
In progress

### CO2 footprint as at 31 December 2022

Category	Emission source	Emission 2022 (ktons CO <sub>2</sub> e)	Emission 2021 (ktons CO <sub>2</sub> e)	Change
CO <sub>2</sub> from soil	Mineralisation	152	151	1
CO <sub>2</sub> from soil	Peat degradation	211	203	8
Methane	Dairy farming	150	150	-
Nitrous oxide	Fertilisation	157	165	(8)
Other	Fuel, energy, etc.	37	37	-
CO <sub>2</sub> capture		(180)	(171)	(9)
<b>Net emissions</b>		<b>527</b>	<b>535</b>	<b>(8)</b>

Category	Emission source	Emission 2022 (tons CO <sub>2</sub> e per hectares)	Emission 2021 (tons CO <sub>2</sub> e per hectares)	Change
CO <sub>2</sub> from soil	Mineralisation	4.1	4.2	(0.1)
CO <sub>2</sub> from soil	Peat degradation	5.8	5.6	0.2
Methane	Dairy farming	4.1	4.1	-
Nitrous oxide	Fertilisation	4.3	4.5	(0.2)
Other	Fuel, energy, etc.	1.0	1	-
CO <sub>2</sub> capture		(4.9)	(4.7)	(0.2)
<b>Net emissions</b>		<b>14.4</b>	<b>14.7</b>	<b>(0.3)</b>

The net emission in 2022 (527 kilo tons CO<sub>2</sub>-equivalent) was slightly lower than the previous year (535 kilo tons CO<sub>2</sub>-equivalent). The decrease in net emission is mainly caused by the changes in existing parcels, such as a reduction in emissions from fertilisation, a slight decrease of the share of maize relative to grassland, a slight decrease in emissions from stables and an increase in sequestration via plant residues and organic products.

## Allocate farmland for renewable energy

Through its dispersed ownership of farmland, the Fund is well positioned to facilitate energy parks. In line with the Regional Energy Strategy (RES), the Fund decided to cooperate with our lessees in allowing energy parks on farmland. Investments in wind and solar parks offer the opportunity to achieve sustainability goals and contribute to the energy transition. They enable the Fund to create impact and also to enable farmers to de-risk their business model, as energy parks provide a guaranteed cash flow based on subsidies for the first 15 years.

It was the Fund's intention to realise 5 renewable energy projects on suitable farmland plots in the Fund's portfolio by the end of 2022. By the end of 2022, 4 projects had been completed, including 2 wind parks and 2 solar parks.

**Allocate suitable farmland for renewable energy**  
(# of projects / year)

**Objective 2022**

≥ 5

**Realisation 2022**

4

*Strategic objectives - Adapting and building resilience to climate change*

## Transition roundabout

Farmers have been associated with nature for thousands of years and have the ability to adapt to changing circumstances. Climate change is now playing a major role and we see adapting to this as one of today's most important challenges. In order to make the sector resistant to climate change, we are in close contact with knowledge centres and enterprising farmers. We are also testing promising crops and cultivation methods together with farmers. All of this contributes to the techniques we will choose and the variations that have the potential to be scaled up in the future. Together with NextEconomy and Rabobank, we have created the project 'transition roundabout'. The aim of this project is to create a platform for climate adaptation and alternative income solutions. The platform should function like a knowledge centre and incubator of new business models for both the technical and the economic aspects of these new solutions. Examples are new crops, new farming techniques or alternative revenue streams from payment for ecosystem services.

It was the Fund's intention to start a pilot project in 2022 to execute the transition roundabout plan. We have investigated the possibilities of starting a project in the Alblasserwaard, which has been temporarily halted due to uncertainties in the agricultural sector.

**Transition roundabout**  
(# of projects / year)

**Objective 2022**

≥ 1

**Realisation 2022**

-

## Landscape elements

In each district, stewards (in Dutch: rentmeesters) are working on a landscape elements project. The first project was completed in the first quarter of 2022 in Rilland (south-west district). The project involved the planting of 30 trees (pedunculate oak and lime trees), approximately 900 shrubs and a walking route will be added within this newly realised nature area. In the fourth quarter of 2022, a project was completed at the Janmiekeshoeve forestry farm in Mariahout (south district). The project involved planting mainly fruit-bearing trees and shrubs, which are planted in so-called guilds. Smaller trees and shrubs are planted in circles around tall trees with a layering from low to high towards the taller trees. In addition, a food forest was planted with highly diverse trees and shrubs. The design of the rows at a distance of five metres from each other is based on the historical layout of the plot before it became agricultural land.

By the end of 2022, the Fund's aim was to have completed at least 5 landscape elements projects. By the end of 2022, 3 landscape elements were completed.

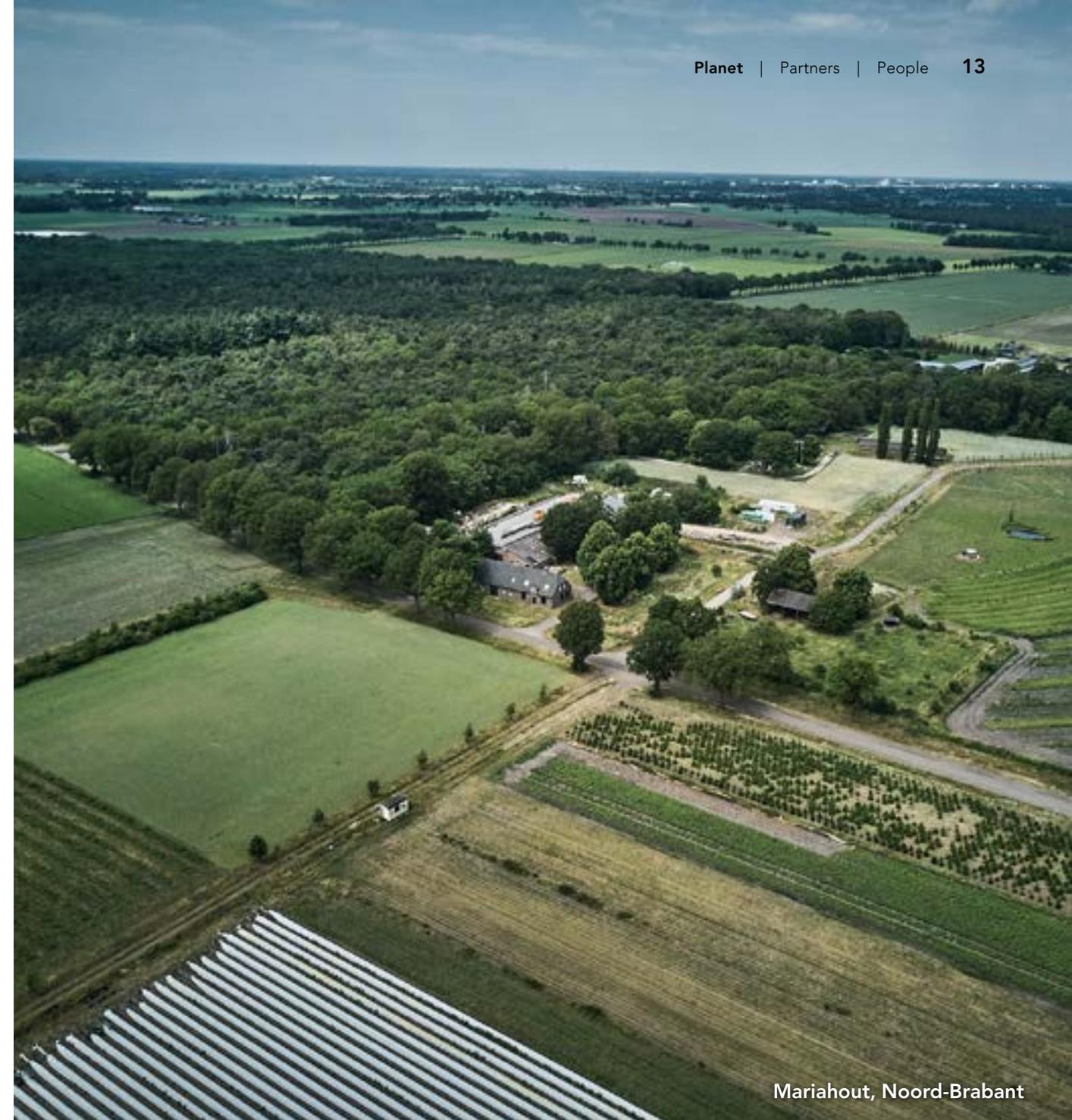
**Climate adaptation -  
landscape elements**  
(# of projects / year)

**Objective 2022**

≥ 5

**Realisation 2022**

3



Mariahout, Noord-Brabant

# 2 Partners

Environmental, Social and Governance is not something we do alone. We build long-term relationships with sustainable partners. This enables us to optimize the quality of use and the sustainability of our assets. We also aim for satisfied tenants.

	Objective 2022	Realisation 2022
→ <b>Tenant satisfaction</b>	≥ 7.5 /10	7.4
→ <b>Active strategic partnership for sector development</b> (# of partners)	≥ 2	2
→ <b>Facilitate young farmers to start their agricultural business based on conditions which lead to lower cash outflows</b> (# young farmers)	≥ 5	16
→ <b>Active tenant participation programme</b> (# of projects / year)	≥ 2	1



## Tenant satisfaction

The Fund's tenants are important partners and the Fund works to ensure that they are involved, aware and content. The Fund actively seeks to improve tenant satisfaction and commitment by periodically conducting tenant satisfaction surveys at least every two years. The 2022 tenant satisfaction survey, which was held in the third quarter of 2022, revealed a number of areas in which tenant satisfaction could be higher and where the quality of services performed by a.s.r. real estate and its contractors could be improved. The survey showed an average score of 7.4 out of 10, just below the Fund's objective of 7.5.

### Tenant satisfaction

#### Objective 2022

≥ 7.5/10

#### Realisation 2022

7.4

## Tenant participation

The Fund aims to organise at least two knowledge-sharing events for our lessees to share knowledge with our tenants, to encourage knowledge sharing among tenants, and to find out which skill sets they would like to improve. In 2022, the Fund organised a webinar for its clients in collaboration with young farmers. During the webinar, which was titled 'Our common interest: the agricultural sector', Tom Jessen talked about the vision and mission of the Fund with regard to the agricultural sector. Besides Fund representatives, our direct partners and contractors had also been invited to the webinar. The webinar addressed questions such as 'Why has a.s.r. been active in the sector for more than 130 years and why does it want to increase its presence in agriculture in the future?' and 'How can we team up to find ways to improve the agricultural sector?'

### Active tenant participation programme (# of events / year)

#### Objective 2022

≥ 2

#### Realisation 2022

1

## Young farmers

To guarantee our food production in the future, we must invest in young farmers who want to start or take over a business. Initiatives to encourage young farmers who want to start or take over a business and who want to invest in sustainable business development are perfectly in line with the Fund's ambition to create perpetual value within a green and vital agricultural sector. In practice, the Fund has to meet daily the growing demand from young farmers for a customised product that makes it possible to obtain investment space in a responsible manner.

In 2022, the Fund acquired 16 farmland investments (279 hectares; € 16.4m) and has issued the farmland on ground leases to young farmers.

### Facilitate young farmers to start their agricultural business (# young farmers)

#### Objective 2022

≥ 5

#### Realisation 2022

16

## Strategic partnership

The role of the Fund's partners is essential to the achievement of ESG targets. The partners together form a chain in which each link is important in creating the best possible teamwork and delivering ESG results. The Fund aims to increase partner engagement through open communication on its ESG policy, by sharing specialist knowledge and by making specific agreements in the area of sustainability. To this end, the Fund reaches out to other Dutch and international partners to exchange views on how further teamwork can be explored and how existing programmes could be used for farmland guidance.

### Active strategic partnership for sector development (# of partners)

#### Objective 2022

≥ 2

#### Realisation 2022

2

### Soil coalition

The success of sustainable soil management will depend above all on strong working relationships with farmers, long-term involvement with the agricultural sector and the willingness to share information. This is what ultimately resulted in the development of the OBI. To this end, the Fund joined Rabobank and Vitens in the soil coalition, to which each partner contributes staff and budget.

### Sustainable Finance Platform

The Fund is also an active member in the Biodiversity working group of the Sustainable Finance Platform. This platform has issued a report entitled Biodiversity Opportunities and Risks for the Financial Sector. The report is the result of the efforts of the Biodiversity Working Group, which was set up under the auspices of the Sustainable Finance Platform. The members of the working group are representatives of Actiam, APG, ASN Bank, a.s.r., FMO, Rabobank, Robeco, the Dutch Ministry of Agriculture, Nature and Food Quality, and Erasmus University Rotterdam. The initiative is sponsored by NWB Bank. The Sustainable Finance Platform is a partnership between the Dutch Central Bank (DNB), which serves as its chair, and the Dutch Banking Association, the Dutch Association of Insurers, the Federation of the Dutch Pension Funds, the Dutch Fund and Asset Management Association, Invest-NL, the Netherlands Authority for the Financial Markets, the Dutch Ministry of Finance, the Dutch Ministry of Economic Affairs and Climate, and the Sustainable Finance Lab.

In addition to the strategic partnerships with the Soil Coalition and the Sustainable Finance Platform, the Fund is investigating options for expanding its collaboration with Wageningen University & Research (WUR). A potential partnership with WUR is expected to contribute to the sustainable transition of the agricultural sector and the Fund's climate-smart agricultural strategy



Mariahout, Noord-Brabant

# 3 People

We believe it is important to be an attractive employer. We prioritise the well-being of our employees and encourage them to reach their full potential.

In addition, we ensure that everyone at a.s.r. real estate is fully committed and aware of their particular role in achieving our ESG objectives.

	Objective 2022	Realisation 2022
→ <b>Employee satisfaction rating</b>	≥ 94/100	91
<b>Personal development</b>		
→ - Training (% annual salaries)	≥ 1.0%	2.1%
→ - Sustainable employability (% annual salaries)	≥ 1.0%	1.0%
→ <b>Health &amp; well-being</b>	Improvement of vitality score	7.4 (2021: 7.1)
→ <b>Diversity &amp; inclusion</b>	Execute diversity, equity and inclusion policy	Improved score Denison Scan: 66 (2021: 48)
→ <b>Sound business practices</b>	Further implementation of SFDR and EU Taxonomy	Compliant with SFDR and EU Taxonomy



a.s.r. real estate employees

## Employee satisfaction rating

Every year, a.s.r. real estate conducts the Denison Organisational Success Survey for all its employees. This survey measures the success of an organisation on several dimensions, such as employee satisfaction, engagement and company mission. The results are compared to a global benchmark of other organisations that use the survey.

In 2022, the overall score of the survey was 88.6% and the employee satisfaction score was 91.3%. The employee satisfaction score represents a sum of empowerment, core values and behaviour, strategic direction and vision. The current score is slightly below our goal.

**Employee satisfaction rating**  
(Denison survey, score out of 100)

**Objective 2022**

≥ 94

**Realisation 2022**

91

## Personal development

The personal development of employees in terms of professional expertise, competences and skills remains the main focus of a.s.r. human resource management. In 2022, a.s.r. real estate spent 2.1% of annual salaries on employee learning and development. This largely exceeded the target of 1.0% of annual salaries, which shows ample attention for learning and development.

Next to training, there is a yearly target for sustainable employability. A dedicated HR team provides guidance for employees who wish to move to another position. In 2022, a.s.r. real estate spent 1.0% of annual salaries on sustainable employability. a.s.r. offers employees the opportunities to develop themselves in order to increase their chances on the labour market, both inside and outside a.s.r.

**Objective Training**  
(% of annual salaries)

**Objective 2022**

≥ 1

**Realisation 2022**

1.0

**Objective Sustainable employability**  
(% of annual salaries)

**Objective 2022**

≥ 1

**Realisation 2022**

1.0

## Health and well-being

Health and well-being as well as avoiding stress in the workplace, are important issues. During COVID-19, a.s.r. introduced the 'eMood', a weekly survey to determine work happiness, vitality and productivity. Because of its success, it has now become standard practice.

In 2022, a.s.r. real estate employees scored an eMood average of 7.6 and a vitality score of 7.4. This is an improvement on the eMood average (7.5) and the vitality score (7.1) in 2021. Based on these outcomes, targeted actions are being taken to improve the vitality of employees. Examples include the provision of fruit at the workplace and work-out challenges in the a.s.r. Vitality app.

**Health & well-being**  
(eMood® vitality score))

**Objective 2022**  
**Improvement of vitality score**

**Realisation 2022**

7.4

## Diversity & inclusion

a.s.r. stands for equal opportunities for all and strives towards having a diverse and inclusive culture. Different perspectives, backgrounds, knowledge and experiences contribute to the realisation of a.s.r.'s objectives and we use these positively and sustainably. It is important to create the space to express these differences.

The aforementioned annual Denison Survey contains a Diversity & Inclusion module in which the perception and progress of this issue is measured. In 2022, the diversity and inclusion score was 66. This was an improvement on the score (48) in 2021. The focus is on fair and equal chances for all and providing opportunities to learn about diversity and inclusion.

In 2022, a diversity, equity and inclusion working group was launched. The working group membership reflects the organisation and it aims to raise awareness and gives colleagues the space to introduce areas for improvement. Since the introduction of the working group, there is more room for dialogue and the expression of personal preferences.

### Diversity & Inclusion

**Objective 2022**  
Execute diversity, equity and inclusion policy

**Realisation 2022**  
Improved score (66)

## Sound business practices

The Fund adheres to the EU Sustainable Finance Disclosure Regulation (SFDR) and is classified as a financial product that promotes environmental characteristics within the meaning of Article 8 (1) of Regulation (EU) 2019/2088. As of the first of January 2023, the Fund complies with the second set of rules for the Level 2 SFDR and EU Taxonomy Regulation.

The Fund promotes the climate and environmental objective climate mitigation, as included in article 9 of the EU Taxonomy Regulation. The Fund promotes this objective in its underlying investments by promoting the stabilisation of greenhouse gas concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement.

For more information on the SFDR and EU Taxonomy, please refer to the pre-contractual and periodic disclosure in the Fund's [Prospectus](#), Annual Report and Appendix 2 of this ESG Annual Report.

### Sound business practices

**Objective 2022**  
Further implementation of SFDR and EU Taxonomy

**Realisation 2022**  
Compliant with SFDR and EU Taxonomy

# Strategic objectives 2023-2025

While each theme targets a specific aspect of impact, all themes must work together in order for the Fund to achieve its ambitions. Each theme comes with its own strategic objectives, which are reported on to provide an understanding of the progress that is made. The Fund revises its one year and three-year goals on a yearly basis.

## Strategic objectives 2023-2025

Strategic objectives	Target 2023	Target 2025
<b>Environment</b>		
<i>Sustainable productivity and sustainable farmer's income</i>		
Soil use - Portfolio contributes to food supply (% of portfolio)	≥ 80%	≥ 80%
Soil quality - Tenant participation in 'Open bodemindex' (% of portfolio)	≥ 10%	≥ 20%
Green leases for new ground lease agreements for arable farmers	≥ 60%	≥ 80%
Green leases for new ground lease agreements for dairy farmers	≥ 90%	100%
Green leases for existing agreements	≥ 10%	≥ 20%
<i>Reducing greenhouse gas emissions</i>		
Carbon footprint (tons CO <sub>2</sub> -equivalent per hectare)	≤ 15.2	≤ 14.5
Allocate suitable farmland for renewable energy (# of projects / year)	≥ 5	≥ 5
Expand our emission reduction plan with nitrogen emissions and water quality	Design Plan	Execute Plan
<i>Adapting to climate change and improve biodiversity</i>		
Climate adaptation - landscape elements (# of projects / year)	≥ 5	≥ 15
Making agricultural land available for the development of sustainable initiatives and alternative crops (# hectares)	100	200
Improve local biodiversity	Design plan	Execute plan
<b>Social</b>		
<i>Community &amp; Tenants</i>		
Tenant satisfaction	≥ 7.5 / 10	≥ 7.5 / 10
Active tenant participation programme (# of events / year)	≥ 2	≥ 2
Facilitate young farmers (# of hectares new young farmers ground leases / year)	150	150
Facilitate and publish agricultural confidence index (# of publications / year)	4	4
<i>Our employees</i>		
Employee satisfaction rating (eMood@ score)	≥ 7.5	≥ 7.5
Personal development		
- Training (% of annual salaries)	≥ 1%	≥ 1%
- Sustainable employability (% of annual salaries)	≥ 1%	≥ 1%
Health & well being (eMood@ vitality score)	≥ 7.5	≥ 7.5
<b>Governance</b>		
Compliant		
Alignment with sustainability guidelines	✓	
- SDGs	✓	
- SFDR article 8	✓	
Sound business practices	✓	

# Appendix 1: Annex IV, SFDR periodic disclosure

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:**

ASR Dutch Farmland Fund (the 'Fund')

**Legal entity identifier:**

724500Q41C88OY4A2N91

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
●●■ Yes	●●× No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> __% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0% <sup>1</sup> of sustainable investments <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> __%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

<sup>1</sup> The Fund's investments are not eligible to the screening criteria for sustainable investments under the SFDR and EU Taxonomy.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Fund promotes various environmental and social characteristics which are set out in its ESG policy. The Fund’s vision on Environmental, Social and Governance (ESG) is to accommodate the interests of tenants and investors in the best possible way by managing a portfolio of assets that have long-term value from both a financial and a social perspective, and to achieve this in a sound and responsible manner, with engaged & aware partners and employees. To work towards these goals, the Fund has developed an Environmental, Social and Governance (ESG) strategy around three themes:

1. Environmental: Dedicated to decarbonisation
2. Social: Making a positive impact on society
3. Governance: Compliant with sustainability regulations

The Fund does not use a formal benchmark to compare its results with those of its peers.

**How did the sustainability indicators perform?**

Strategic objectives 2022		Objective 2022	Realisation 2022	
1		<b>Planet</b>		
		<b>Sustainable productivity and sustainable farmer's income</b>		
		Soil quality - tenant participation in 'Open bodemindex' (% of total hectares)	≥ 5%	8.2%
		Soil use - Portfolio contributes to food supply (% of portfolio)	≥ 80%	97.2%
		Green leases for new ground lease agreements	≥ 50%	50.0%
		Number of tenants that apply to the good agricultural principles (common agricultural policy European Union)	> 50%	84.0%
		<b>Reducing greenhouse gas emissions</b>		
		Farm proof roadmap	Design	In progress
		Allocate suitable farmland for renewable energy (# of projects / year)	≥ 5	4
		<b>Adapting and building resilience to climate change</b>		
Transition roundabout (# of projects / year)	≥ 1	-		
Climate adaptation - landscape elements (# of projects / year)	≥ 5	3		
2		<b>Building long-term relationships with sustainable partners</b>		
		Tenant satisfaction	≥ 7.5 / 10	7.4
		Active strategic partnership for sector development (# of partners)	≥ 2	2
		Facilitate young farmers to start their agricultural business based on conditions which lead to lower cash outflow (# young farmers)	≥ 5	16
		Active tenant participation programme (# of events / year)	≥ 2	1
3		<b>People</b>		
		Employee satisfaction rating	≥ 94/100	91
		<b>Personal development</b>		
		- Training (% of annual salaries)	≥ 1%	2.1%
		- Sustainable employability (% of annual salaries)	≥ 1%	1.0%
		<b>Health &amp; well-being</b>		
		Improvement of safety score	7.4 (2021: 7.1)	
<b>Diversity &amp; inclusion</b>				
Execute diversity, equity and inclusion policy	Improved score Diversity Score 66 (2021: 46)			
<b>Sound business practices</b>				
Further implementation of SFDR and EU taxonomy	Compliant with SFDR and EU taxonomy			

**What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund specifically promotes one of the climate and environmental objectives as included in article 9 of the Taxonomy Regulation, being the objective 'climate mitigation'. The Fund promotes this objective in its underlying investments, by promoting the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement. The GHG intensity figures are published in the Fund’s ESG annual report.

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund does not significantly harm any other of the environmental objectives (i.e. climate change adaptation, the sustainable use and protection of water and marine

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems), for the following reasons:

- (i) **climate change adaptation:** the activities of the Fund have less adverse impact on the current climate and expected future climate, on the activity itself or on people, nature or assets compared to agricultural standards;
- (ii) **the sustainable use and protection of water and marine resources:** the activities of the Fund are not detrimental to the good status or the good ecological potential of bodies of water or to the good environmental status of marine waters;
- (iii) **the transition to a circular economy:** the activities of the Fund do not lead to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources, do not lead to a significant increase in the generation, incineration or disposal of waste and do not lead to the long-term disposal of waste which may cause significant and long-term harm to the environment;
- (iv) **pollution prevention:** the activities of the Fund do not lead to a significant increase in the emissions of pollutants into air, water or land, as compared with the situation before the activity started, as the Fund promotes emissions reductions; and
- (v) **restoration of biodiversity and ecosystems:** the activities of the Fund are not significantly detrimental to the good condition and resilience of ecosystems or detrimental to the conservation status of habitats and species, as compared with the situation before the activity started.

Additionally, the do no significant harm criteria of the SFDR regulation (PAI indicators) can be found in the question below.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

As there are no specific adverse impacts indicators available for farmland investments, the Fund has only identified one indicator applicable to the Fund of Annex 1, table 2, being GHG emissions.

- i) **GHG emissions**  
Coinciding with its Paris Proof target, the Fund has set the objective to reduce its GHG emissions, measured in tons of CO<sub>2</sub>-equivalent per hectare, achieving a significant reduction of GHG emission. The Fund has set ambitious objectives to reduce emissions in its portfolio, even more ambitious than the objectives mentioned in the national Climate Agreement for the agriculture sector as presented by the Dutch Ministry of Agriculture, Nature and Food Quality.

The GHG intensity figures are published in the Fund's ESG annual report.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Fund did its utmost best to handle in line with the OECD Guidelines for Multinational Enterprises and on the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.



***How did this financial product consider principal adverse impacts on sustainability factors?***

The Fund considers principal adverse impacts on sustainability factors by drawing up its own annual ESG policy which sets out specific sustainability objectives, including the Fund's considered adverse impacts on sustainability factors. The Fund's principal adverse impacts on sustainability are disclosed in the annual report.



### What were the top investments of this financial product?

#### Top investments of this financial product

Largest investments <sup>1</sup>	Sector	% Assets	Country
Rural real estate	Farmland	100%	The Netherlands

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

<sup>1</sup> Please see page 30 in the Fund's annual report for the top 10 Assets

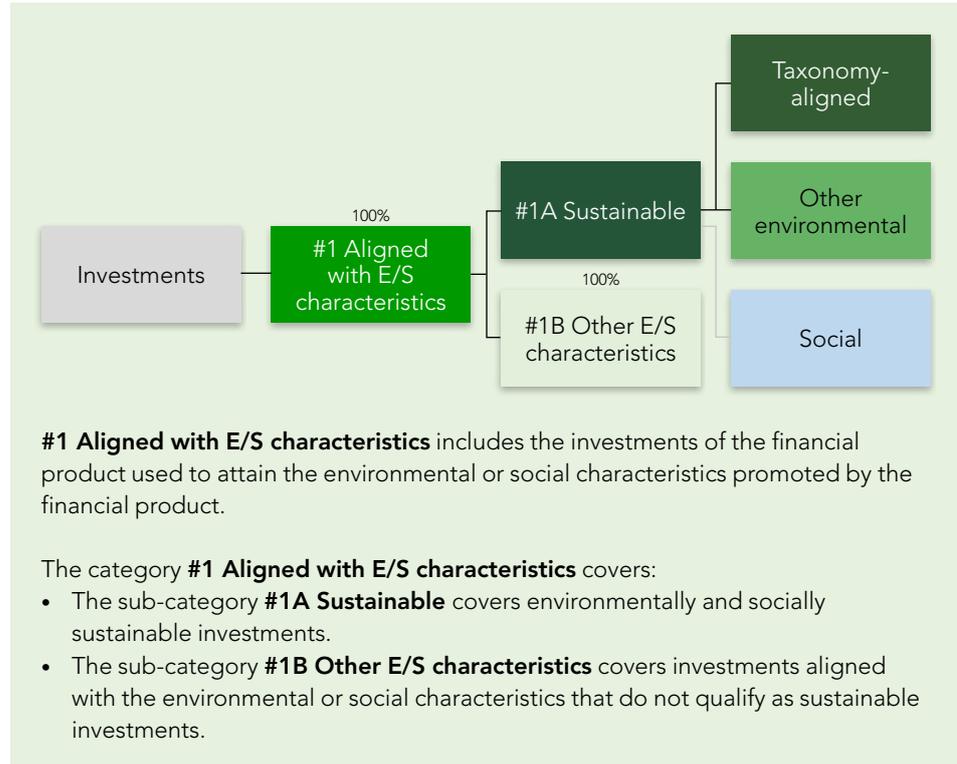


**What was the proportion of sustainability-related investments?**

All investments align with the E/S characteristics of the Fund.

**What was the asset allocation?**

The asset allocation of the Fund is 100% towards direct rural real estate assets. All assets of the Fund align with the E/S characteristics, since the Fund’s objectives apply to the entire portfolio. As at 31 December 2022, no distinction can be made between sustainable and other E/S characteristics under the SFDR using the PAI indicators. As at 31 December 2022, none of the Fund’s investments are eligible under the EU Taxonomy.



**In which economic sectors were the investments made?**

All of the Fund’s investments are in direct rural real estate.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the 'greenness' of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

At the moment, the AIF Manager has not been able to provide any relevant disclosures under this section / question, as the Fund focuses solely on the agriculture sector, for which the screening criteria were removed by the European Commission from an earlier draft version of the relevant EU Taxonomy Climate Delegated Act (see the European Commission's Q&A dated 21 April 2021) and, as a result, the current Delegated Act does not provide for any relevant screening criteria for the Fund. As soon as relevant screening criteria will be published with respect of the agriculture sector the relevant disclosures under this section will be updated to the extent relevant and required.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>2</sup>?

- Yes:
- In fossil gas
  - In nuclear energy
- No

### What was the share of investments made in transitional and enabling activities?

The Fund has not set an objective for a minimum share of transition and enabling activities. However, the Fund's activities can be classified as transitional activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance. The Fund has set ambitious objectives to further reduce emissions in its portfolio, even more ambitious than the objectives mentioned in the national Climate Agreement for the agriculture sector as presented by the Dutch Ministry of Agriculture, Nature and Food Quality. With its green lease discount for farmers that meet our sustainability criteria, the Fund promotes the transition of the Dutch agriculture sector.

### How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.



### What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

At the moment, the AIF Manager has not been able to provide any relevant disclosures under this section / question, as the Fund focuses solely on the agriculture sector, the screening criteria which have been removed by the European Commission from an earlier draft version of the relevant EU Taxonomy Climate Delegated Act (see the European Commission's Q&A dated 21 April 2021) and, as a result, the current Delegated Act does not provide for any relevant screening criteria for the Fund. As soon as relevant screening criteria will be published with respect of the agriculture sector, the relevant disclosures under this section will be updated to the extent relevant and required.

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ('climate change mitigation') and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### What was the share of socially sustainable investments?

The Fund has not set an objective for a minimum share of socially sustainable investments. However, the Fund has set various social objectives regarding its community & tenants and its employees. These objectives include the increase of tenant satisfaction & participation, facilitation of young farmers and employee development programs. In the second quarter of 2022, the results of the Denison Organizational Success Survey have been published. This survey, which was conducted in March, resulted in a benchmarked score of 91/100. Employees' mood is monitored in three categories, and the following results were achieved in 2022:

- Employee satisfaction: 8.1 / 10
- Vitality: 7.4 / 10
- Productivity: 7.9 / 10

Please see the table under question 'How did the sustainability indicators perform?' to see how they performed.



### What investments were included under 'other', what was their purpose and were there any minimum environmental or social safeguards?

None, as all the investments of the Fund are classified as investments that align with E/S characteristics.



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Please see the table under the question 'How did the sustainability indicators perform?' to see what actions have been taken to meet the environmental and social characteristics.



### How did this financial product perform compared to the reference benchmark?

This question is not applicable, as no specific index has been designated as a reference benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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## Text

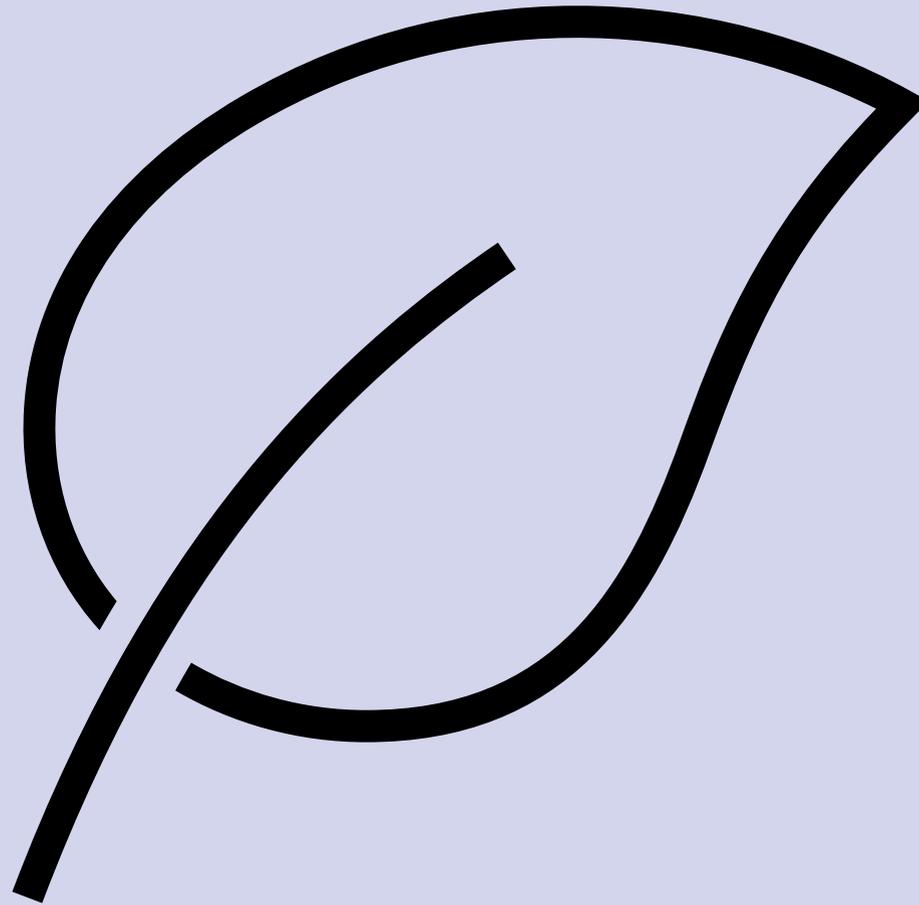
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## Photography

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**Cover:** Niekerk, Groningen