



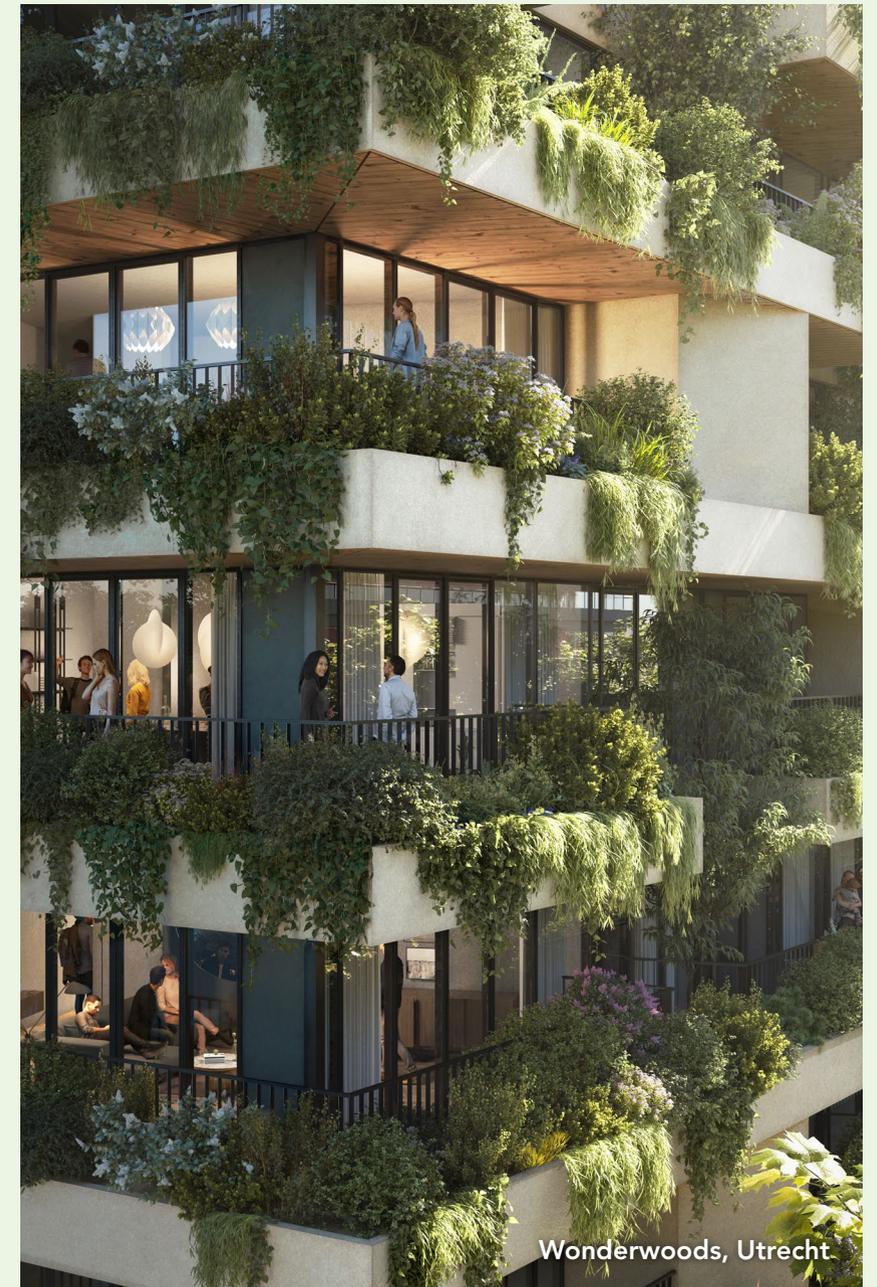
ESG Policy 2024 - 2026

Investing in
perpetual value

ASR Dutch Core Residential Fund

Mission

“We create **perpetual value** for our investors and society by investing in sustainable high-quality real estate.”



Environmental, Social and Governance (ESG)

The ASR Dutch Core Residential Fund (ASR DCRF) provides access to a mature core, diversified residential portfolio in the most attractive locations of the Netherlands, as identified by a.s.r. real estate.

The investment objective of the Fund is to provide stable, sustainable and attractive returns by investing in high-quality assets and by actively managing and adding value to the existing portfolio.

Future-proof dwellings are an essential part of this strategy. Dwellings must be comfortable, sustainable and affordable for different types of households, and must meet the current and future needs and preferences of tenants. Sustainable dwellings are attractive to tenants for many different reasons, such as lower energy costs and a healthier indoor climate. They are also attractive to investors, since a sustainable portfolio adds value over time and helps to mitigate risks.

Sustainability ensures continuity and stability, and sustainable dwellings have a reduced environmental impact

Investing in perpetual value translates to:



Environmental

Dedicated to decarbonisation



Social

Making a positive impact on society



Governance

Compliant with sustainability regulations

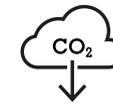
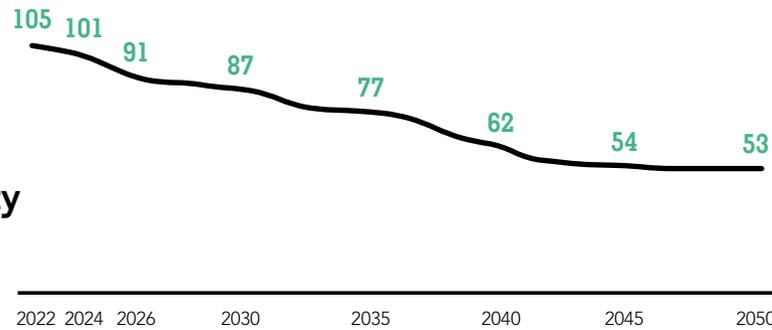
Strategic objectives

On our way to net zero in 2045

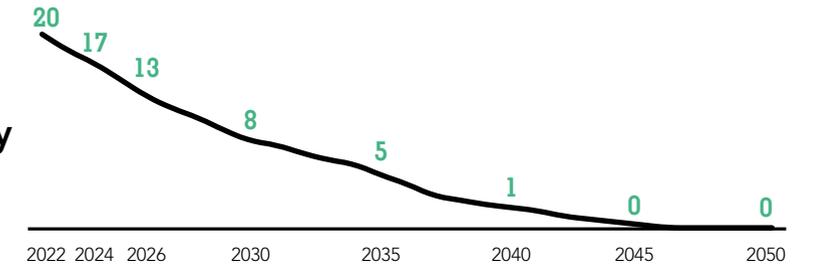
2045



Energy intensity
kWh / sq.m. / year



GHG intensity
kg CO₂ / sq.m. / year



Objectives 2024

Coverage of A & B labels
(% of the portfolio)

≥ 85

Senior housing
(# of dwellings, rented out with priority to seniors)

≥ 500

Addition of affordable dwellings
(#)

≥ 450

Tenant satisfaction rating
(score out of 10)

≥ 7.0

Employee satisfaction rating
(eMood® score)

≥ 7.5

GRESB rating
(# of stars)

5

Strategic objectives 2024-2026

The Fund has categorised its targets in three themes: Environmental, Social and Governance (ESG). The three themes contain separate, but complementary key targets, allowing the Fund to establish a future-proof residential real estate portfolio.

The Environmental and Social themes both have their own strategic objectives, which are listed in the table on the right. For the Governance theme a checklist applies. The Fund revises its one-year and three-year goals on an annual basis.

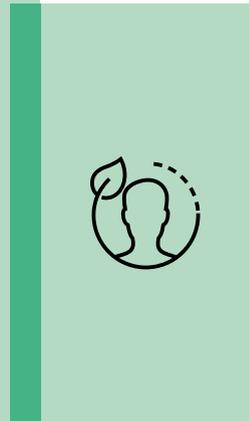
Strategic objectives 2024-2026



Strategic objectives

Environmental

	Target 2024	Target 2026
Energy intensity (kWh / sq.m. / year)	≤ 101	≤ 91
GHG intensity (kg CO ₂ / sq.m. / year)	≤ 17	≤ 13
On-site renewable energy (installed kWp)	≥ 5,100	≥ 6,200
Coverage of A & B labels (% of the portfolio)	≥ 85%	≥ 90%
Climate change adaptation plans (% of properties with a (very) high risk profile)	100% prepared	100% executed
Enhance local biodiversity	Implement framework	Execute strategy



Social

Community & Tenants

Tenant satisfaction rating (score out of 10)	≥ 7.0	≥ 7.0
Senior housing (# of dwellings, rented out with priority to seniors)	≥ 500	≥ 650
Addition of affordable dwellings (#)	≥ 450	≥ 650 ¹
AED coverage (% of the portfolio)	≥ 99%	100%

Our employees

Employee satisfaction rating (eMood® score)	≥ 7.5 / 10	≥ 7.5 / 10
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
Diversity, equity & inclusion	Execute policy	Execute policy



Governance

	Compliant
Sound business practices	✓
Alignment with sustainability guidelines	✓
- SDGs	✓
- GRESB	★★★★★

¹ During the 2024-2026 period



Environmental

The Fund aims to decarbonise its portfolio and to limit its negative impact on nature, society and climate. The environmental strategic objectives focus on the Fund's Paris Proof roadmap, climate adaptation and biodiversity. This approach leads to a future-proof and resilient residential portfolio.

Energy intensity

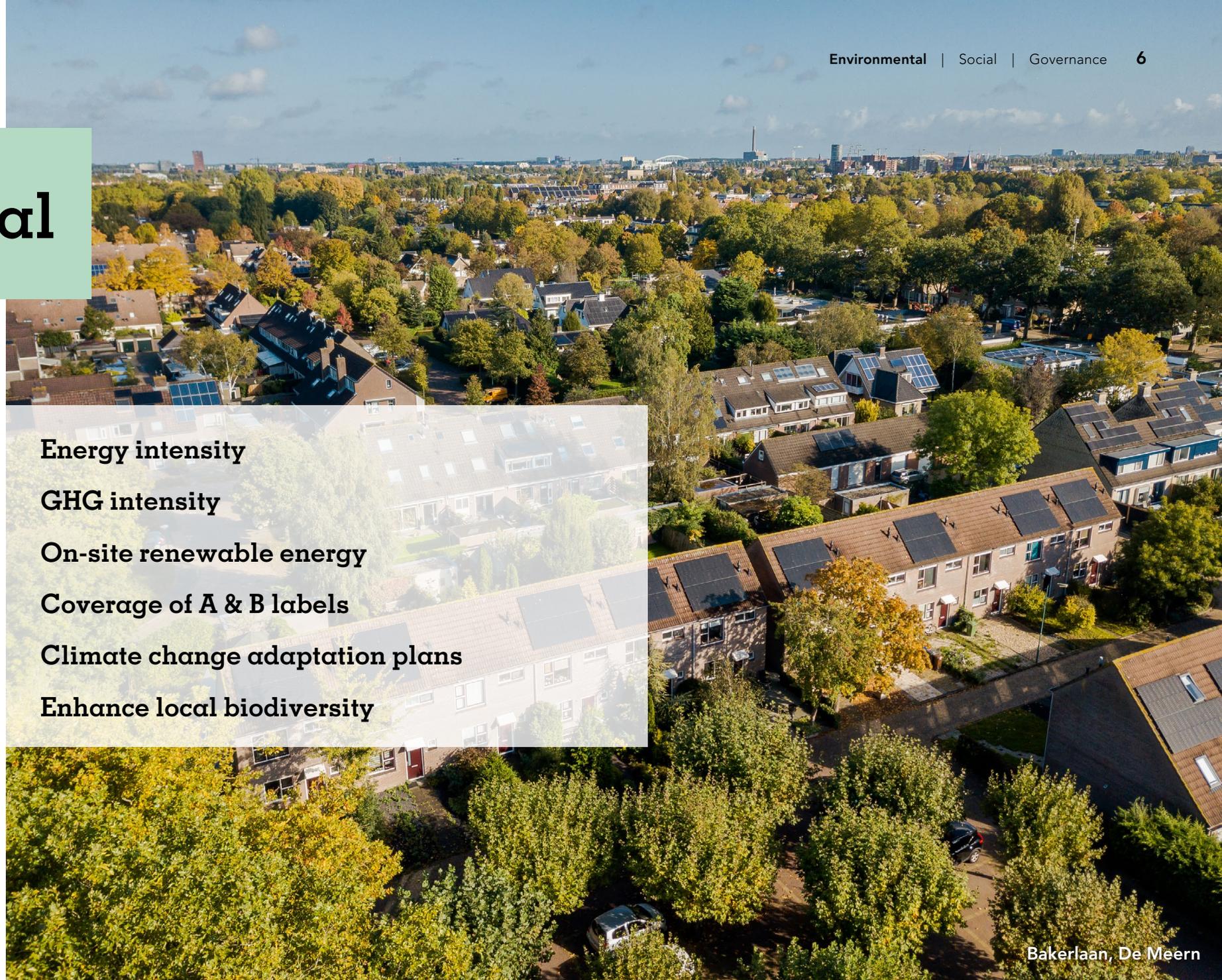
GHG intensity

On-site renewable energy

Coverage of A & B labels

Climate change adaptation plans

Enhance local biodiversity



Net zero in 2045

In 2020, a.s.r. real estate signed the Paris Proof Commitment of the Dutch Green Building Council, dedicating itself to achieving a GHG-neutral portfolio¹ by 2050. In 2021, a.s.r. real estate decided to raise its ambition and aims to achieve this goal by at least 2045.

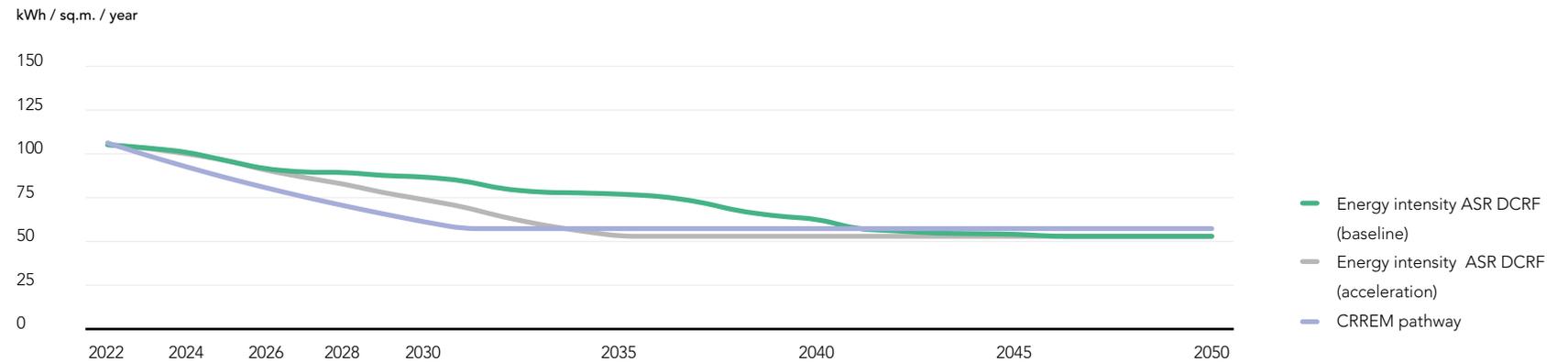
To achieve this goal, the Fund has drawn up a Paris Proof roadmap using the CRREM pathways. The pathways were developed by the EU to help investors in real estate to measure their exposure to emission related risks. The Paris Proof roadmap is based on the current energy intensity and reduction measures at the level of individual assets.

In 2022, a.s.r. real estate invested in a new software platform for ESG data, enabling the Fund to use a highly visual online dashboard. This has led to improved insights at the level of both the portfolio and individual assets, allowing the Fund to increase its focus on properties with higher energy intensity levels and leading to a cost-efficient reduction path.

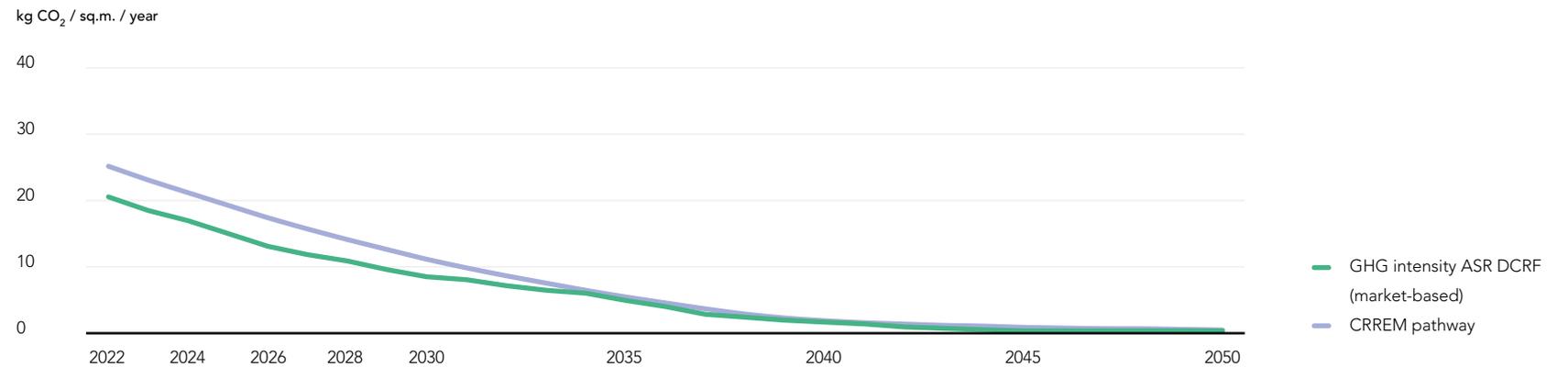
In the coming years, the Fund will continue to execute asset-level reduction strategies and will refine the Paris Proof roadmap with annual consumption data, lessons learned and evolving insights.

Paris Proof roadmap

Energy intensity



GHG intensity (baseline)



¹ The ambition of a.s.r. real estate includes the energy consumption of the landlord and tenant in scope 1, 2 and 3 of the GHG protocol. GHG-neutral means net zero emissions measured with a market-based approach (please see the next page for more information).

Paris Proof roadmap

Objectives for energy intensity and GHG intensity

	2022	2024	2026	2030	2035	2040	2045
DCRF energy intensity (kWh / sq.m. / year) ¹	105	101	91	87	77	62	54
CRREM pathway energy intensity (kWh / sq.m. / year) ²	106	92	80	61	57	57	57
DCRF on-site renewable energy (installed kWp)	4,077	5,100	6,200	7,000	8,300	11,200	14,100
DCRF on-site renewable energy (kWh / sq.m. / year)	7.8	9.7	11.9	13.3	15.9	21.4	27.0
DCRF GHG intensity (kg CO₂ / sq.m. / year) - market based	20	17	13	8	5	1	0
DCRF GHG intensity (kg CO ₂ / sq.m. / year) - location based	22	20	17	12	10	5	3
CRREM pathway GHG intensity (kg CO ₂ / sq.m. / year) ²	25	21	17	11	5	2	1

The energy intensity reflects the performance of individual assets and can be directly influenced by the Fund. The ambition for energy intensity will be realised in 2045 and the Fund's energy intensity is expected to be below the CRREM pathway from 2041 onwards (baseline). Speeding up the execution of the asset-level plans (to reduce the energy consumption) is an option to realise an energy intensity below the CRREM pathway around 2035 (acceleration).

The GHG intensity is derived from the energy intensity and based on predictions of the expected mix of energy sources in the Netherlands. The market-based approach is common market practice and used for the net zero objective of the Fund. To reach the net zero objective, the on-site renewable energy generation and procurement of off-site renewable energy will be maximised. The Fund procures 100% renewable energy from the Netherlands and encourages tenants to do so as well. This results in a net zero portfolio in 2045 (market-based approach).

To be fully transparent, the location-based figures are also reported. The location-based figures are not sufficient to meet the CRREM pathways, since this method doesn't allow to take the procurement of off-site renewable energy into account and because the energy mix of the national energy grid (as estimated by CRREM) does not reach the net zero emission level.

GHG intensity: market and location-based approach

Market-based: the GHG emissions of a portfolio are calculated based on the mix of energy which is procured. All energy types (e.g., natural gas, electricity and heat networks) have a specific emission factor and the procurement of renewable energy is considered in the market-based approach.

Location-based: the GHG emissions of a portfolio are calculated using the expected energy mix and related emission factor per country as defined by CRREM. The energy mix of national energy grids is expected to become more sustainable, meaning the emission factor decreases every year. Procurement of renewable energy by the landlord and tenant is not considered in this approach.

The Fund monitors and reports both market and location based figures on an annual basis, to give a complete understanding of the fund's performance. The market-based approach is used for the objectives of the Fund, in line with standard market practice.

¹ The building energy intensity is the total energy consumption, before taking into account on-site renewable energy. The 2022 number represents only the building energy intensity from buildings for which the Fund has 100% data coverage. In 2022, this was 100% of the portfolio. The future targets are based on the Paris Proof roadmap.

² As a benchmark, the Fund uses the CRREM pathways for the 1.5 degrees Celsius global warming target for residential buildings in the Netherlands. The Fund weighs the share of single-family assets (36%) and multi-family assets (64%) to define a weighted CRREM pathway for the portfolio of ASR DCRF.

Energy intensity

The Fund's Paris Proof roadmap shows the reduction path of the Fund's energy intensity and GHG emissions. Lowering the portfolio's energy intensity is the first step in this process. The Fund drafted up asset-level execution plans to reduce the energy intensity.

The energy intensity is measured in kWh per sq.m. per year. The 2024 and 2026 objectives for energy intensity are based on the Fund's Paris Proof roadmap.

Objective
Energy intensity
(kWh / sq.m. / year)

2024
≤ 101

2026
≤ 91

GHG intensity

The Fund aims to realise a net zero portfolio by 2045. To minimise GHG emissions, the Fund aims to scale back energy consumption and to scale-up the on-site renewable energy generation and procurement of off-site renewable energy.

The GHG intensity is measured in kg CO₂ per sq.m. per year. The 2024 and 2026 objectives for the GHG intensity are based on the Fund's Paris Proof roadmap.

Objective
GHG intensity
(kg CO₂ / sq.m. / year)

2024
≤ 17

2026
≤ 13

On-site renewable energy

The Fund aims to implement renewable energy solutions where feasible. PV panels are the most suitable solution for the Fund's portfolio. A significant part of the single-family houses in the portfolio has already been provided with PV panels. The Fund eventually aims to install PV panels on all single-family houses and, if possible, on all apartment buildings.

There is a wide variety in PV panels, in terms of age and capacity, but also in orientation and position on the roofs. All these features determine the results of the energy production. Therefore, the Fund has decided to change the objective from the number of PV panels to on-site renewable energy generation.

Objective
On-site renewable energy
(installed kWp)

2024
≥ 5,100

2026
≥ 6,200

Encouraging resource efficiency

The Fund's activities on resource efficiency focus on the behaviour of all stakeholders (from tenants to partners and employees), internal and external processes and business operations. It also covers the further implementation of circularity.

The Fund sets up projects on resource efficiency and related awareness. These may include projects on household waste, the use of paper, water and plastic, a clean-living environment but also real estate projects aimed at circularity. For newly developed acquisitions, circular applications will be adapted in the schedule of requirements which is continuously updated with new market standards.

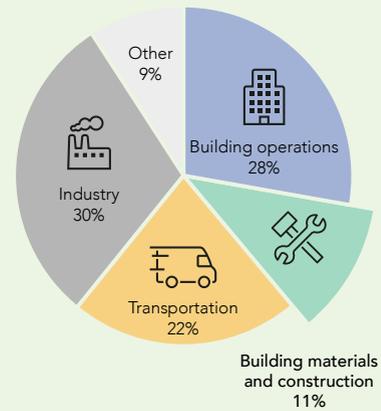
Embodied carbon: the next step in decarbonising our portfolio

11% of the total GHG emissions are embodied carbon emissions. Embodied carbon emissions are GHG emissions arising from the extraction, production, transportation, and assembly of building materials, but also from the dismantling and demolition processes.

a.s.r. real estate has undertaken a study to identify and evaluate existing standards for measuring and limiting embodied carbon. Currently, the DGBC standard is the most suitable standard for real estate in the Netherlands. This standard uses a Global Warming Potential (GWPa) indicator and establishes target values for embodied carbon per asset type.

The Fund is assessing the integration of the GWPa indicator in its acquisition and renovation plans. Goal is to collect project data and challenge partners to adopt an integrated approach that addresses both operational and embodied carbon emissions.

Carbon emissions per sector in the Netherlands



Source: KEV, NIBE (2019)

The Fund identified two key strategies to mitigate embodied carbon:

1. Preservation of existing real estate

In addition to acquiring properties with a low carbon footprint, the Fund critically assesses its existing assets. Investing with a focus on perpetual value entails maximising the lifespan of standing investments. By doing so, utilisation of existing materials is optimised and the need for additional resources is reduced.

2. Application of biobased materials

To reduce embodied carbon in projects, the Fund explores the use of biobased building materials. Investment in biobased materials not only contributes to the reduction of embodied carbon in projects but also accelerates the transition to a more sustainable, biobased construction industry.



Coverage of A & B labels

The Fund strives for a portfolio made up entirely of sustainable dwellings. In the long run, the portfolio will no longer include any dwellings with a low Energy Index. Only dwellings with an energy label of B or better will be included in the portfolio. In terms of EP2, this is a primary fossil use of less than 190 kWh / sq.m. / year.

Objective
Coverage of A & B labels
(% of the portfolio)

2024

≥ 85

2026

≥ 90

100% coverage of green building certificates

All properties owned by the Fund have been certified with the BREEAM-NL In Use certificate. The property, its surrounding area and the development process are all assessed on a broad range of sustainability criteria as part of this certification process. The certificates provide insight into the performance of properties and offer opportunities to improve the sustainability of the portfolio. For new-build properties the BREEAM-NL In Use certificate can be obtained a year after realisation.

The Fund aims to maintain its 100% coverage by obtaining certificates after realisation and renewing certificates when needed.



Climate change adaptation plans

As the impact of climate change is evident, maintaining a resilient portfolio is important. By understanding and anticipating on the long-term risks of climate change, the Fund strives to build a portfolio that is progressively adaptable.

The Sustainable Finance Disclosure Regulation (SFDR) framework and EU Taxonomy serve as a basis for consistent disclosure of climate-related financial risks and opportunities. The Fund is developing an ESG risk-framework to address current or anticipated physical and transition risks or impacts of climate change at the asset level. In accordance with the framework, the Fund mitigates the most important physical risks by implementing physical and non-physical solutions ('adaptation solutions') on and around properties.

The Fund conducted a comprehensive climate risk assessment for all properties in its portfolio based on the Framework for Climate Adaptive Buildings (FCAB). This assessment identifies vulnerabilities to climate-related impacts, including four major climate risks: heat, drought, flooding and extreme weather. The climate risk score is calculated based on the environmental score and the building score:

- The environmental score is an estimate of the climate effects for the immediate vicinity of a building.
- The building score is an estimate of the vulnerability of a building to the various climate effects by looking at the building-specific characteristics. The methodology for determining the building score was published by the DGBC in July 2023 and has already been implemented by the Fund.

The Fund identified the assets which are exposed to high risks and established a risk appetite to determine the acceptable level of climate risk and the actions appropriate to mitigate climate risk to the best of its ability. The combined outcome of the climate risk assessment and risk appetite is summarised in the figures on the right.

Objective
Climate change adaptation plans
 (% of properties with a (very) high risk profile)

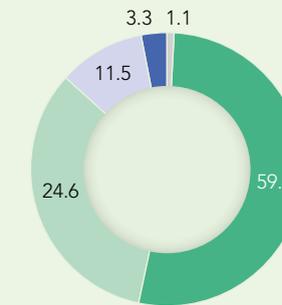
2024

100% prepared

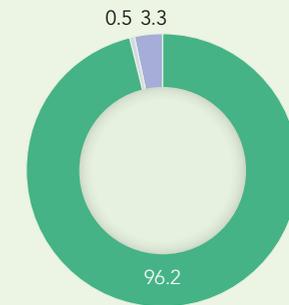
2026

100% executed

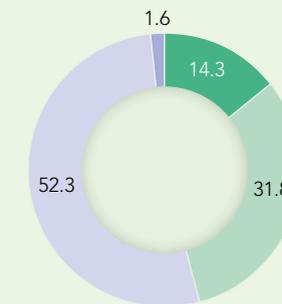
Climate risk assesment (%)



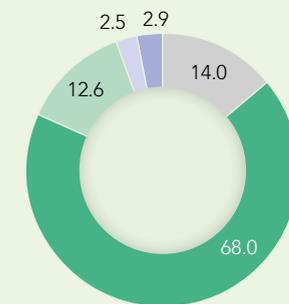
Extreme weather



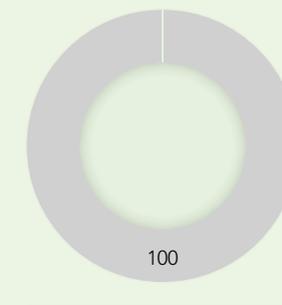
Flooding



Heat



Soil erosion (drought)



Pile rot (drought)

- Not applicable
- Very low
- Low
- Moderate
- High
- Very high

Case study

Building a climate-adaptive real estate portfolio

The complex named 'Floor' at the Wibautstraat in Amsterdam is one of the largest assets (in value and number of dwellings) in the portfolio of the ASR Dutch Core Residential Fund. In 2018 the transformation of the former office building into a residential complex has been completed and the asset was delivered to the Fund.

The property at the Wibautstraat is located in a dynamic and lively environment. The public space has been greened over the past few years and the traffic intensity has declined a bit, but the environment is still densely built and hard-paved with a lot of asphalt and concrete. Therefore a higher than average risk of heat stress appears.

In the years after the transformation the number of tenant complaints about heat increased. Although the building complies with building regulations, a part of the tenants experienced uncomfortable warmth in their apartment. The heat is caused by the hard-paved surrounding area, intensified by the large windows in the living room and the reduced opportunities to ventilate in the one-side oriented apartments.

On behalf of the Fund a technical research firm assessed the heat in the apartments and the effect of two heat reflective solutions: foil on the windows and awnings from the outside on the facade. The awnings turned out to have a significantly larger effect to reduce heat stress. Awnings have been installed on the east, west and south side of the property. The costs were fully covered by capital growth because the building became more convenient and future-proof by the adaptations made. After placing the awning the Fund hasn't received any tenant complaints about heat anymore.

For new assets the Fund considers the application of awnings by default. For the standing investments the Fund investigates the need of required adaptations (like awnings) by using the results of the climate risk assessment.



Floor, Amsterdam

Enhance local biodiversity

Biodiversity is a fundamental pillar of ecological balance and sustainability. A loss of diversity leads to adverse impacts on the well-being and quality of life, as well as on food security, resilience to natural disasters and availability of water and resources. The built environment disrupts important habitats for animal and plant species. The Fund therefore aims to contribute as much as possible to conserve and enhance the biodiversity on and around its properties.

Biodiverse landscapes can act as natural buffers against climate-related hazards including heat, drought, flooding and extreme weather. By integrating biodiversity into its properties, the Fund reduces the risks associated with climate change and enhances the resilience of its portfolio. The Fund believes that properties with rich biodiversity and well-maintained green spaces have a higher aesthetic and economic value.

The Fund has drawn up a Biodiversity Framework in collaboration with an external ecologist to further improve the biodiversity of the portfolio. The Framework contains quantitative and qualitative guidelines to increase the natural variation on and around properties, in line with ecological values and based on the Fund’s green roofs and facades (see box on the right). The Fund will further implement this framework into its day-to-day operations.

Objective
Enhance local biodiversity

2024
Implement framework

2026
Execute strategy



Integrate

nature and biodiversity within the Fund’s acquisition and renovation plans (program of requirements).



Renovate

sites and buildings to make them more natural and varied.



Manage

existing and new greenery in an ecologically responsible manner.

Fund characteristics

Undeveloped plot area (%)	42
Average height (floors)	5
Average plot area (sq.m.)	4,907
Average built (roof) area (sq.m.)	2,838

Opportunities

- Amount of ground level for high-quality greening;
- Diversity: gardens, roofs, facades;
- Informing and encouraging tenants;
- Relatively new (structurally strong) buildings.

Limitations

- Ground level partly private use (gardens);
- Fragmentation of management/control limited.



Social

The Fund strives to make a positive impact on society, enhance engagement and improve community standards for our tenants and employees. Diversity, equity, inclusion and well-being are valued within both our organisation and communities. Therefore, the Fund continues to challenge its impact and added value on the social factors of its portfolio.

Community & Tenants

Tenant satisfaction rating

Senior housing

Addition of affordable dwellings

AED Coverage

Our employees

Employee satisfaction rating

Personal development

Health & well-being

Diversity, equity & inclusion



Community & Tenants

Tenant satisfaction rating

The Fund conducts a tenant satisfaction survey every year. The survey includes questions regarding the services provided by the Fund. Tenants also assess the property, the surrounding area and the handling of repair requests and complaints. The outcome of the survey is discussed both internally and externally and improvement measures are identified. In addition to the external satisfaction survey, the Fund also uses additional surveys to gain more insight into the needs of tenants and potential improvements.

In the coming years the Fund aims to score at least a 7.0 out of 10 and to outperform the benchmark on tenant satisfaction.

Objective
Tenant satisfaction rating
(score out of 10)

2024
≥ 7.0

2026
≥ 7.0

Tenant engagement

The Fund believes that tenants who are more involved with their home, living environment and landlord are more satisfied and aware. The Fund focuses on improving tenant satisfaction, health and well-being and awareness of sustainable living. Therefore, the Fund continuously works on a participation programme involving various forms of tenant participation. Activities range from an active role in sustainability projects and tenants' associations, to focus on ESG in the bi-monthly newsletters and events for tenants.



Senior housing

Seniors (aged 55 and over) are one of the main target groups served by the Fund. This target group is growing significantly and has its specific housing requirements, such as demand for a single-storey apartment, the presence of an elevator, the proximity of facilities in the area and the possibility to meet other tenants in communal spaces. Moves by seniors increase mobility on the residential market and therefore have a positive effect on the availability of homes for other target groups.

The Fund strives to make its portfolio more attractive for seniors. In its rental policy the Fund has assigned several apartment blocks to be rented out with priority to senior tenants.

Objective
Senior housing
 (# of dwellings, rented out with priority to seniors)

2024
 ≥ 500

2026
 ≥ 650

Addition of affordable dwellings

Affordable housing is one of the basic human needs. The Fund acknowledges the urgency and its ability to contribute to this specific topic and has therefore developed an impact investing strategy focusing on affordable housing. Affordable housing refers to residential dwellings with rents which are deemed to be affordable for households with a median income. The Fund designates rents up to €1,350 as affordable. The Fund contributes to affordability by keeping a considerable part of the portfolio in the affordable segment. The Fund extends its portfolio with dwellings in the affordable segment and takes affordability into account in its rental policy.

Objective
Addition of affordable dwellings
 (#)

2024
 ≥ 450

2026
 ≥ 650¹

1 During the 2024-2026 period

AED coverage

a.s.r. real estate is a partner of the Dutch Heart Foundation ('Nederlandse Hartstichting'), an organisation that invests in research and innovation in the field of prevention and care. In case of a heart attack, the chances of survival are considerably higher if resuscitating takes place within six minutes. The Fund aims to have automated external defibrillators (AEDs) within this six-minute radius for its entire portfolio. The Fund works with several partners to achieve this objective, such as municipalities, project developers, associations of owners and (of course) the Dutch Heart Foundation.

Objective
AED coverage
 (% of the portfolio)

2024
 ≥ 99

2026
 100

Invest in neighbourhoods and sustainable mobility

It is important that areas in which the Fund manages properties continue to thrive. For this reason, a.s.r. real estate is actively involved in these neighbourhoods and communities and invests in neighbourhood facilities and green spaces, such as playgrounds, benches, 'tiny forests', and other enhancements.

The Fund also invests in sustainable mobility to minimise GHG emissions and improve accessibility. Examples are charging stations for electric cars and projects to stimulate the use of bicycles.

Impact Investing: making an impact for affordable housing

'Impact investments are investments made with the intention to generate, positive, measurable social and environmental impact alongside a financial return' (The Global Impact Investing Network, 2023).

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

Impact Investing

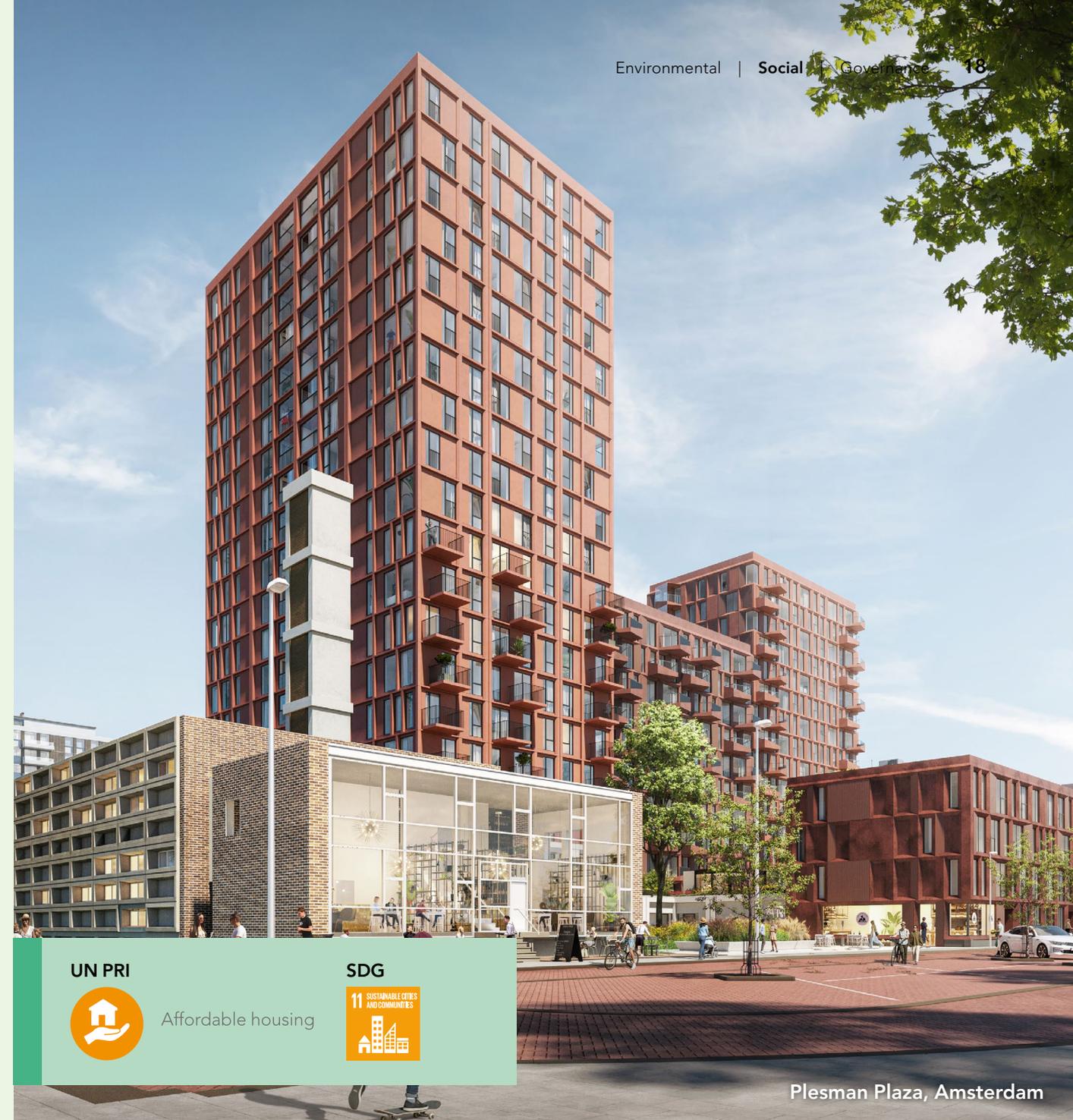
- Intentionality: the Dutch residential rental market is characterised by shortage and pressure on affordability. The Fund aims to contribute to the addition of affordable dwellings to the Dutch residential market;
- Financial returns: according to the Fund target;
- Measurability: addition dwellings with rents up to € 1,350 a month.

Affordability defined

The Funds definition of affordability is based on 1.5 times the modal income, as determined by Statistics Netherlands, servicing mid-incomes up to € 66,000. Combined with our allocation criteria (3.75 times the monthly rent), an upper monthly rental limit of € 1,350 a month is defined.

Objective

The Fund aims to add at least 650 affordable dwellings to the portfolio during the 2024-2026 period.



UN PRI



Affordable housing

SDG



11 SUSTAINABLE CITIES AND COMMUNITIES

Plesman Plaza, Amsterdam

Our employees

Employee satisfaction rating

A weekly survey is conducted among a.s.r.'s employees: the Employee Mood Monitor (eMood®). This in-house developed tool intends to provide up-to-date information on the well-being and connectedness of the employees. The eMood® survey considers three categories:

- Employee satisfaction;
- Vitality;
- Productivity.

The outcome provides insight into the needs of a.s.r. real estate employees. Where necessary, steps are taken to improve a.s.r.'s standing as an excellent employer.

Objective
Employee satisfaction rating
(eMood® score)

2024
≥ 7.5

2026
≥ 7.5

Health & well-being

Prioritising health and well-being and avoiding stress in the workplace is an important issue. Awareness, prevention and guidance are three important instruments in this regard. A wide range of workshops are provided and a dedicated team is in place to support employees. Human resources also devotes a lot of attention to ensuring a healthy office (or home office) and flexible working conditions.

The weekly eMood® survey provides specific insight into the vitality of a.s.r. real estate employees. Additionally, the health and well-being of employees are formally monitored every three years.

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

2024
≥ 7.5

2026
≥ 7.5

Personal development

The main focus of the human resource management policy is personal development of a.s.r. employees in terms of professional expertise, competences and skills. 1% of annual salaries is devoted to training and development and 1% is devoted to sustainable employability.

A dedicated human resources team provides guidance for employees who wish to develop their talents and take control of their own future by developing their talents, moving to another position (sustainable employability) or leaving.

Objective
Training
(% of annual salaries)

2024
≥ 1%

2026
≥ 1%

Objective
Sustainable employability
(% of annual salaries)

2024
≥ 1%

2026
≥ 1%

Diversity, equity & inclusion

a.s.r. believes that differences make the organisation stronger and better, and a.s.r. stands for equal opportunities for all. Different perspectives, backgrounds, knowledge and experiences contribute to the realisation of a.s.r. its objectives and are positively used and deployed in innovative, sustainable solutions for our tenants and investors. At a.s.r., diversity, equity and inclusion are permanently on the agenda of human resources. a.s.r. continues to work on this theme and the policy is evaluated and further developed every year. a.s.r. real estate further implements this by facilitating a diversity, equity & inclusion discussion group for all employees twice a year.

Every year, a.s.r. carries out an organisational success survey, conducted by Denison. In the diversity, equity & inclusion module the progress within the organisation is measured on the basis of four pillars:

- Perceptions of inclusion and respect;
- A working environment that is safe and free from discrimination;
- Fair and equal access to opportunities;
- Leadership with an eye for diversity values.

Objective
Diversity, equity & inclusion

2024
Execute policy

2026
Execute policy



Employees of a.s.r. real estate



Governance

In accordance with the mission of 'investing in perpetual value', the Fund believes that sustainability is a key factor in its long-term strategy. To achieve the strategic objectives, a dedicated sustainable governance framework is in place. The Fund closely participates in, aligns with and complies to sector-wide sustainable initiatives, guidelines and regulations.

Sound business practices

Alignment with sustainability guidelines

SDGs

GRESB



Sound business practices

For a.s.r. real estate, it goes without saying that ESG can only be fully embedded by means of sound, transparent business practices. Important principles of the governance are (among others) its Integrity & Compliance regulation, Risk Management, Code of Conduct, Privacy Policy, Customer Due Diligence policy and Whistleblowing procedures. Furthermore, a.s.r. real estate has been licensed under the AIFMD by the Dutch authority AFM since 2015 as a provider of financial services in the field of collective and individual asset management.

Compliant with SFDR and EU Taxonomy

The Fund adheres to the EU Sustainable Finance Disclosure Regulation (SFDR) and has published the SFDR statement on its website. Under this disclosure regulation, the Fund is classified as a financial product that promotes environmental characteristics within the meaning of Article 8(1) of Regulation (EU) 2019/2088. As of 1 January 2023, the second set of rules is disclosed for the Level 2 SFDR and EU Taxonomy Regulation.

The Fund promotes the climate and environmental objective 'climate change 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 GHG concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement.

The Fund continues to implement updated Regulatory Technical Standards (RTS) related to the SFDR and related legislation. 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 [ESG annual report](#).

Embedding ESG

Organisational

The ultimate oversight and responsibility for sustainability performance and compliance lies with the fund director. The fund director is informed by a specialised sustainability team on the ESG performance and relevant market trends. A designated ESG coordinator oversees and implements the ESG strategy and related actions on the fund level. The fund director, sustainability team and ESG coordinator meet on a regular basis.

Partners

The Fund works with a number of long-term partners, such as its investors and direct maintenance partners. ESG is a standing item on the agenda of periodic meetings with investors and direct maintenance partners (contractors and consultants). In addition, there are guidelines for the Fund's partners to follow and quantifiable sustainability targets set out in agreements between parties. An independent party assesses maintenance teams in terms of sustainability during implementation. The Fund also seeks cooperation with governing bodies on sustainability initiatives.

Contracts

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

Alignment with sustainability guidelines

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

UN Global Compact

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



UN Sustainable Development Goals (UN SDGs)

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



Dutch Insurance Code

a.s.r. real estate, as part of a.s.r., has adhered to the Dutch Insurance Code since 1 January 2011.



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

The Fund is 100% compliant with the INREV Sustainability Reporting Module.



IVBN (Foundation for Dutch Institutional Investors in the Netherlands)

a.s.r. real estate is present in multiple IVBN working groups in which the industry discusses and sets targets on multiple topics (including sustainability).



Finance for Biodiversity pledge

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



TCFD

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



UN Principles for Responsible Investment

a.s.r. obtained an UNPRI A+-rating for its strategy and governance and an A-rating for its properties.



Paris Proof Commitment DGBC

By signing this Commitment in 2020, a.s.r. real estate embraces the targets of the Paris Climate Conference and actively works towards net zero in 2045.



SFDR (European Union Sustainable Finance Disclosure Regulation) & EU Taxonomy

a.s.r. real estate and the Fund are compliant with the SFDR. The Fund qualifies in accordance with Article 8 of the SFDR. The Fund strives to be compliant to the future SFDR and EU Taxonomy regulations.



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, combatting climate change and creating a prosperous and peaceful life for all.

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



ASR DCRF actively contributes to four SDGs



The Fund aims to achieve a net zero portfolio in 2045. Its objective for 2024 is to reduce the energy- and GHG intensity at least towards 101 kWh / sq.m. / year and 19 kg CO₂ / sq.m. / year and increase onsite renewable energy towards 5,100 kWp installed. The actual energy intensity is reported in the ESG annual report.



The Funds' focus is on creating a healthy and future-proof living environment. This encompasses affordable housing, green and healthy public spaces and active communities. The objective is to add 650 affordable dwellings in the 2024-2026 period.



In recent years operational emissions have been the focus to work towards a net zero portfolio. Since last year, the Fund also considers embodied carbon in acquisitions and major renovations. By doing this the Fund ensures a holistic approach on the reduction of its carbon emissions.



Besides climate mitigation, climate adaptation is a major objective of the Fund. To adapt to climate change and related risks within the portfolio, the Fund identified the key risks and is acting accordingly by designing an execution plan for properties with one or more high climate risks.

GRESB

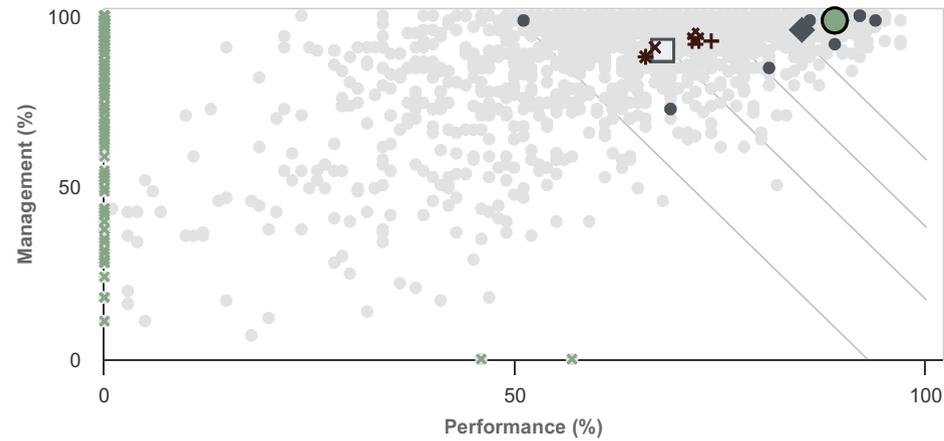
Five stars for the ASR Dutch Core Residential Fund

The ASR Dutch Core Residential Fund achieved a score of 92 points (compared to 90 points in 2022). With a GRESB rating of five stars, the Fund belongs to the 20% best-performing GRESB funds in the world. The Fund scores above the GRESB average (75 points) and the peer group average (89 points). The improved score is mainly the result of renovations and efforts to encourage tenants to use less energy, leading to a reduction in energy consumption and GHG emissions.

GRESB results ASR Dutch Core Residential Fund



GRESB Model



- This Entity ◆ Peer Group Avg. ● Peer Group □ GRESB Average
- GRESB Universe + Asia x Europe * Americas * Oceania
- # Globally diversified x Entities with only one component submitted



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