

ANNEX II

Template pre-contractual 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

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.

Product name: ASR Dutch Prime Retail Fund (the "Fund")

Legal entity identifier: 724500QLCIZQY4VF3O24

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ____%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ____%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0¹ % of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes various environmental and social characteristics which are set out in its ESG policy. The Fund's vision on Environment, Social and Governance (ESG) is to accommodate the interests of tenants and investors in the best possible way by creating and maintaining 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 and aware partners and employees. To work towards these goals, the Fund has developed an Environment, Social and Governance (ESG) strategy around three themes:

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








¹The Fund is not restricted to have a minimum percentage of sustainable investments. However, the Fund has sustainable investments as defined by the SFDR and EU Taxonomy. Please see page 6 for the percentages of sustainable investments of the Fund as at 30 September 2022.

The Fund does not use a formal benchmark to compare its results with those of its peers. However, the Fund does report to the yearly GRESB survey, through which its ESG performance is measured and reported on.

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The sustainability indicators that are used to measure the attainment of the environmental or social characteristics promoted by the Fund are:

Strategic objectives 2023-2025		
Strategic objectives	Target 2023	Target 2025
Environment		
 Energy intensity (kWh per sq.m. / year)	≤ 161	≤ 155
GHG intensity (kg CO ₂ per sq.m. / year)	≤ 40	≤ 38
Renewable energy (# PV panels)	≥ 5,500	≥ 6,500
Renewable energy projects (# projects / year)	≥ 3	≥ 3
Plan for properties with a high climate risk profile (#)	4	All properties
Climate adaptation and improvement (# projects / year)	≥ 10	≥ 20
Enhance local biodiversity	Design plan	Execute plan
Coverage of green labels	≥ 82.5%	≥ 85%
Coverage of green building certificates	100%	100%
Coverage of BREEAM Very Good or higher	≥ 15%	≥ 25%
Social		
Community & Tenants		
 Tenant satisfaction rating	≥ 7	≥ 7
Tenant engagement (# projects / year)	≥ 5	≥ 5
Encourage activities in inner cities and retail areas (# projects / year)	≥ 4	≥ 4
Green lease coverage for new lease agreements & active tenant engagement	100%	100%
Our employees		
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
Governance		
Compliant		
 Alignment with sustainability guidelines		
- SDGs		
- GRESB (yearly survey rating)		
Sound business practices		

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund 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 stabilization of greenhouse gas concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement. The Fund does not promote activities where such activities lead to significant greenhouse gas emissions.

How do the sustainable investments that the financial product partially intends to make, 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 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 do not lead to an increased adverse impact of the current climate and the expected future climate, on the activity itself or on people, nature or assets;

(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; 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.

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

How have the indicators for adverse impacts on sustainability factors been taken into account?

The following factors have been identified as relevant adverse impacts for the Fund: i) Fossil fuels, ii) Energy efficiency, iii) GHG emissions, iv) Waste production and v) Land artificialisation.

i) Fossil fuels

Exposure to fossil fuels through real estate assets is measured in terms of the share of real estate investments involved in the extraction, storage, transport or manufacture of fossil fuels. The Fund has no exposure to fossil fuels.

ii) Energy efficiency

As at 30 September 2022, 30.8% of the Fund's assets are inefficient real estate assets (C-label or lower). The Fund has set the objective for 2023 to obtain a green label (A, B or C) for 82.5% of the portfolio in 2023 and for 85% in 2025.

iii) GHG emissions

Coinciding with its Paris Proof target, the Fund has set the objective to reduce its energy intensity and its GHG emissions, measured in kWh per sq.m. and kg of CO₂ equivalents per sq. m., achieving GHG neutrality ahead of its 2045 Paris Proof target.

iv) Waste production

The Fund aims to equip its assets with waste sorting facilities and requires that tenants limit and separate their waste as much as possible. Paper, cardboard, metal, green waste, glass, plastic, residual waste and chemical waste are disposed of separately.

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.

v) Land artificialisation

The Fund aims to reduce its non-vegetated surface area by the greening of roofs. As at 30 September 2022, the Fund had adapted six rooftops, another four rooftops are scheduled to be adapted by year-end 2022.

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

The Fund will do 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.



Does this financial product consider principal adverse impacts on sustainability factors?



Yes,

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.



No



What investment strategy does this financial product follow?

The strategy of the Fund is to invest in direct real estate, by selecting core, high quality retail assets in the Netherlands and maintain and enhance the prime status of the Portfolio. Whilst this ensures the quality of the Portfolio it also protects against future obsolescence.

The Fund will target the following retail segments:

City centres

- High street shops and inner-city shopping centres in the best performing inner city retail areas of the Netherlands (approximately 15 top retail cities).
- Typically catering to tenants providing 'experience/fun' shopping, such as fashion, luxury, specialty and food & beverage retailers at futureproof assets in high traffic areas.

District shopping centres and supermarkets

- Convenience-oriented shopping centres and stand-alone supermarkets, dominant in their catchment area in the strongest demographic and economic regions in the Netherlands (top DSCs and supermarkets).
- Typically catering to tenants providing 'convenience/run' shopping, such as supermarkets, food & beverage retailers, beauty and cosmetics, fast moving consumer goods and neighbourhood-targeting services, such as healthcare.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics, are the binding elements as reflected in the Environment, Social and Governance policy of the Fund. The main consideration in the selection of investments are the ESG strategic objectives which can be found under the question 'What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?'

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund has made no commitment to reducing the scope of investments considered prior to the application of the strategy as set out above by a minimum rate. The Fund has real estate in its portfolio that does not yet meet the requirements as set out above. These real estate assets have objectives in order to meet the requirements.

- ***What is the policy to assess good governance practices of the investee companies?***

Not applicable. The Fund does not invest in government bonds, corporate bonds or shares of (listed) companies.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

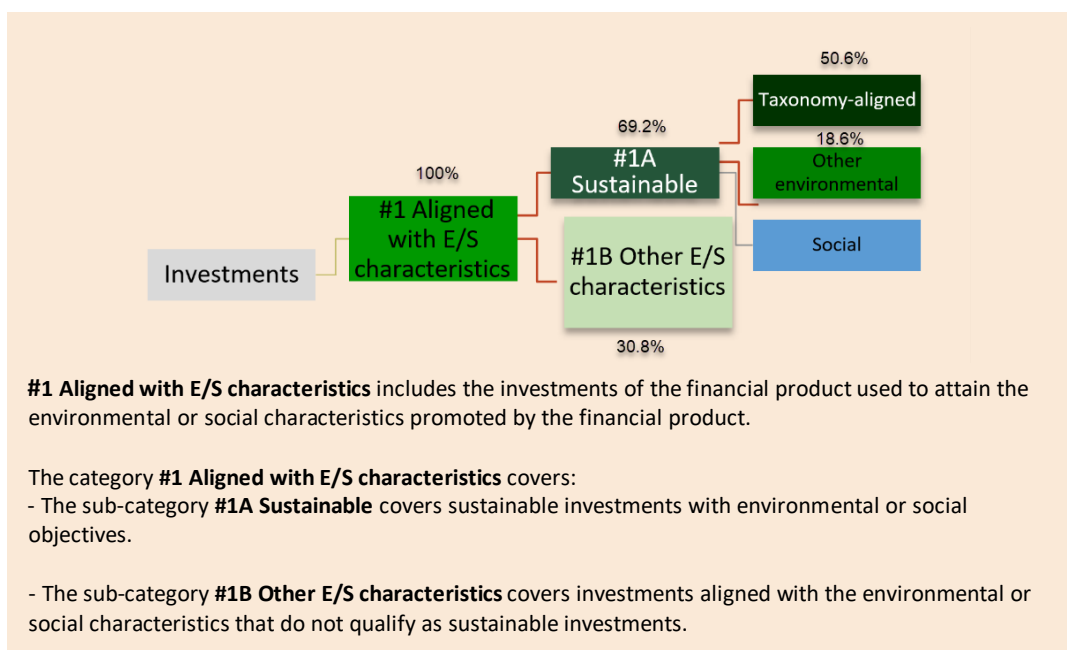


Asset allocation

describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The asset allocation of the Fund is 100% towards direct 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 30 September 2022, 69.2% of the Fund's investments qualify as sustainable investments under the SFDR (#1A). As at 30 September 2022, 50.6% of the Fund's investments qualify as sustainable under the EU Taxonomy.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
The Fund does not use derivatives.

Taxonomy-aligned activities are expressed as a share of:

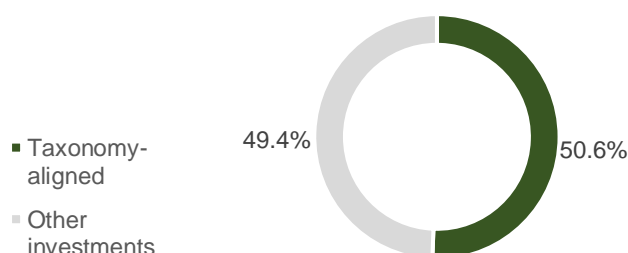
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

As at 30 September 2022 50.6% of the Fund's investments are aligned with the EU Taxonomy. The Fund has not set an objective for a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy. However, the Fund has set various Strategic Objectives that can directly or indirectly lead to a higher EU Taxonomy aligned score.

Taxonomy-aligned investments



Note: No break down including- and excluding Sovereign bond exposure is included in diagram, as the Fund does not invest in sovereign bonds.

● What is the minimum share of investments in transitional and enabling activities?

These are not applicable for the real estate investments of the Fund, as low-carbon alternatives are readily available (transitional) activities and there are no relevant targeted enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As at 30 September 2022 18.6% of the Fund's investment are sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. The Fund has not set an objective for a minimum extent of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum 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 for its portfolio. These objectives include the increase of tenant satisfaction & engagement, encouraging activities in inner cities and retail areas, green leases and employee satisfaction, well-being, health and development.



What investments are included under “#2 Other”, what is their purpose and are 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.

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 the EU Taxonomy.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://en.asrrealestate.nl/investments/asr-dutch-prime-retail-fund>