

Annex II, **SFDR** pre-contractual disclosure

01-2024

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

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 0%¹ 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**

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.

¹ The 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 2023.



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 Environmental, 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 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. However, the Fund does report to the yearly GRESB survey, through which its ESG performance is measured and reported on.

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 2024-2026		Target 2024	Target 2026
	Environment		
	Energy intensity (kWh / sq.m. / year)	≤ 156	≤ 148
	GHG intensity (kg CO ₂ / sq.m. / year)	≤ 32	≤ 27
	On-site renewable energy (installed kWp)	≥ 1,950	≥ 2,200
	Coverage of A labels (% sq.m.)	≥ 75%	≥ 80%
	Coverage of BREEAM Very Good or higher (% sq.m.)	≥ 20%	≥ 25%
	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	≥ 7.0 / 10	≥ 7.0 / 10
	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 (%)	100%	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		
	Sound business practices	✓	
	Alignment with sustainability guidelines	✓	
	- SDGs	✓	
- GRESB (yearly survey rating)	★★★★★		

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

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.

● **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.

● **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?**

To ensure that the sustainable investment in which the Fund invests do no significant harm to any environmental or social objective, various environmental or social sustainability related subjects are monitored, more specifically the indicators for adverse impacts on sustainability factors applicable to real estate assets.

The do no significant harm principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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

The Fund considers principal adverse impacts on sustainability factors as per its ESG Policy by measuring and monitoring the negative impact on sustainability factors. The adverse impact indicators on sustainability factors that the Fund considers are aligned with the ESG Policy and strategic areas of interest and are chosen taking into account materiality, data quality and availability. The following principal adverse impacts are taken into consideration in this statement for investments in real estate assets:

- i) Exposure to fossil fuels through real estate assets;
 - ii) Exposure to energy-inefficient real estate assets;
 - iii) Greenhouse gas emissions; and
 - iv) Energy consumption intensity
- i) **Exposure to fossil fuels through real estate assets**
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) **Exposure to energy-inefficient real estate assets**
Exposure to energy-inefficient real estate assets is measured as real estate assets with an energy C-label or lower. As at 30 September 2023, 12.9% of the Fund's assets are inefficient real estate assets
 - iii) **Greenhouse gas emissions**
GHG emissions generated by real estate are measured as Scope 1, 2 and 3 emissions. As at 31 December 2022, the Fund's GHG intensity is 41 kg CO₂ per sq.m. per year. Coinciding with its net zero target, the Fund has set the objective to reduce its GHG emissions, achieving a net zero portfolio in 2045. Measured in kg of CO₂ equivalents per sq. m., achieving GHG neutrality ahead of its 2045 net zero target.
 - iv) **Energy consumption intensity**
Energy consumption intensity is measured as kWh of owned real estate assets per square meter. As at 31 December 2022, the Fund's Energy consumption intensity is 156 kWh / sq.m. / year. Coinciding with its net zero target, the Fund has set the objective to reduce the Energy consumption intensity, achieving a net zero portfolio in 2045.

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 is committed to the OECD Guidelines for Multinational Enterprises and 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. As such, a.s.r. real estate has implemented policies, processes and procedures to ensure alignment with aforementioned guidelines which are continuously improved.



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 (top 16 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.

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 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 Environmental, 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 or are part of the Fund’s sales list and will be sold.

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

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

● **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 2023, 86.5% of the Fund’s investments qualify as sustainable investments under the SFDR (#1A) and 0% of the Fund’s investments qualify as Taxonomy-aligned. SFDR and EU Taxonomy legislation regarding the required minimum safeguards on human rights that was interpreted differently than before, resulted in 0% of the Fund’s investments to qualify as Taxonomy-aligned.

Due to the complexity of implementing the minimum safeguards, with the OECD guidelines being revised in mid-2023, we have found that not all obligations of the minimum safeguards are demonstrable met. Although there is no reason to assume that human rights are (partly) being violated due to the actions of a.s.r. real estate, it is currently insufficiently clear whether the measures a.s.r. real estate has taken to manage human rights risks are in line with the OECD guidelines and UNGPs.

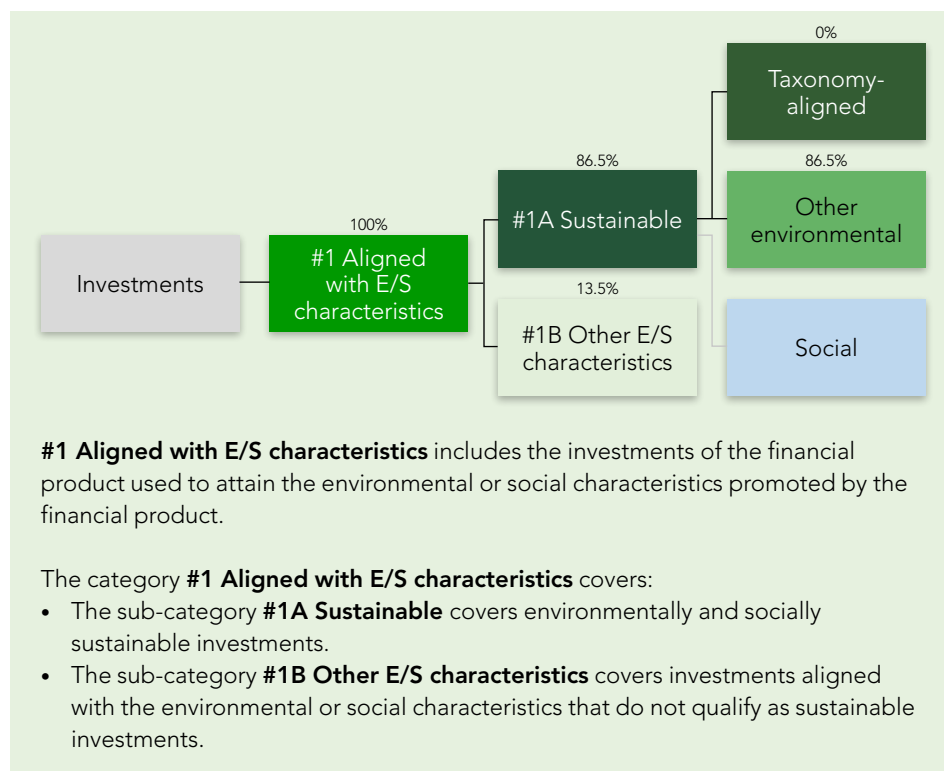
In 2024, the AIF Manager’s policy and control framework will be refined to again be compliant with the required minimum safeguards on human rights. Would these requirements have been in place, 73% of the Fund’s investments would qualify as Taxonomy-aligned as at 30 September 2023.

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

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.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not use derivatives.



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

As at 30 September 2023, 0% of the Fund’s investments are aligned with the EU Taxonomy. SFDR and EU Taxonomy legislation regarding the required minimum safeguards on human rights that was interpreted differently than before, resulted in 0% of the Fund’s investments to qualify as Taxonomy-aligned.

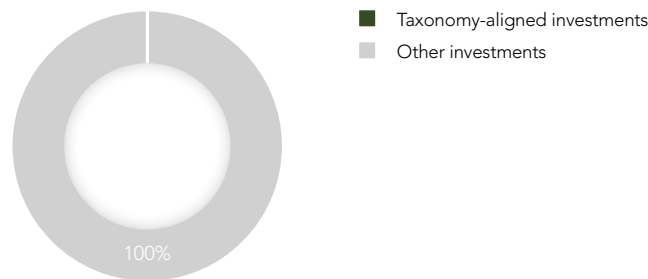
Due to the complexity of implementing the minimum safeguards, with the OECD guidelines being revised in mid-2023, we have found that not all obligations of the minimum safeguards are demonstrable met. Although there is no reason to assume that human rights are (partly) being violated due to the actions of a.s.r. real estate, it is currently insufficiently clear whether the measures a.s.r. real estate has taken to manage human rights risks are in line with the OECD guidelines and UNGPs.

In 2024, the AIF Manager’s policy and control framework will be refined to again be compliant with the required minimum safeguards on human rights. Would these requirements have been in place, 72.4% of the Fund’s investments would qualify as Taxonomy-aligned as at 30 September 2023.

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. The Fund calculated the percentage based on turnover, which represents the percentage of gross rental income coming from taxonomy-aligned assets. As ESG is an integral part of the Fund’s maintenance and capital expenditure plan, no distinction is made between the costs borne in light of taxonomy-alignment and other investments.

1. Taxonomy-alignment of investments

Percentage



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

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?

Yes:

In fossil gas In nuclear energy

No

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 2023, 13.5% 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 share 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.

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.

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>

² 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.

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.

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