

# CSR annual report 2017

ASR Dutch Core Residential Fund



# Our vision

The Fund's vision of Corporate Social Responsibility (CSR) is to offer the best possible facilitation of tenants and investors' interests by creating homes that have long-term value from both a financial and a social perspective. We do this in a sound and responsible manner with engaged and aware partners and employees.

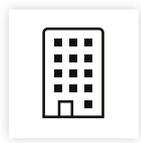
Our goal is a residential portfolio with long-term value, which requires future-proof homes in attractive locations. These homes should be comfortable, sustainable and meet the current and future wishes of consumers. In short, they should be places where our tenants feel at home in residential environments that are and will continue to be highly valued.

The Fund composed a formal CSR policy last year to materialize this vision, which focused on the sustainability of its property, the engagement of its partners and employees and its contribution to nature, society and the environment. To embed its policy, the Fund published it on its website, started a companywide CSR working group, appointed a CSR manager, and drew up an action plan.

The Fund's CSR policy is based on four P's (Property, Partners, Planet and People) which cover the entire spectrum of Corporate Social Responsibility. Each P represents a different perspective of the CSR policy, and all are equally essential in realizing our vision. Each P has its own strategic goals, the results of which are discussed in this report. ASR DCRF's CSR annual report follows the INREV Sustainability Reporting guidelines. The Sustainability Reporting Compliance Rate of the Fund is 91%.

## Strategic objectives 2017 - 2019

<p><b>Property</b></p>  <p><b>Sustainable portfolio</b></p>	<p><b>Partners</b></p>  <p><b>Engaged partners</b></p>	<p><b>Planet</b></p>  <p><b>Contribution to society and the environment</b></p>	<p><b>People</b></p>  <p><b>Committed organization</b></p>
<ul style="list-style-type: none"> <li>• Reduce average Energy Index to at least 1.30</li> <li>• Reduce ownership of properties with an Energy Index of &gt; 2.4 to under 3% of portfolio</li> <li>• Annual energy-saving measures in 10% of properties</li> <li>• Deliver property development with Green Building certificate once every three years</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal engagement of partners in chain</li> <li>• Continuous check for compliance with CSR requirements and objectives</li> <li>• Tenant satisfaction rating of at least 7.5 (out of 10)</li> <li>• Active tenant participation programme</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce energy consumption and carbon emissions by 10% compared to 2015</li> <li>• Maximum use of measuring options</li> <li>• Investing in neighbourhoods</li> <li>• Contribution to opportunities and development of pupils and students</li> </ul>	<ul style="list-style-type: none"> <li>• Personal development of employees</li> <li>• Informed and involved employees</li> <li>• Employee satisfaction &gt; 80%</li> <li>• Optimal organizational anchoring of CSR</li> </ul>

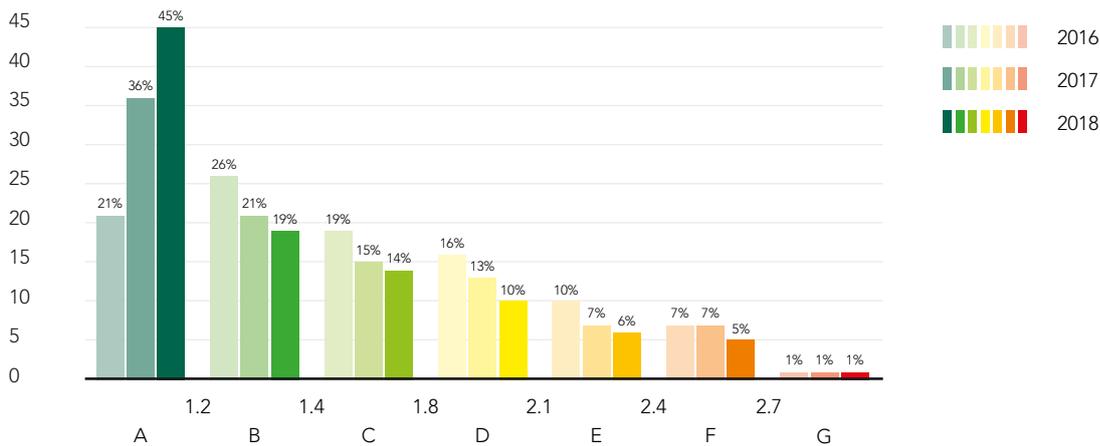


# Property

## Reduce average Energy Index to at least 1.30

In 2017, the average Energy Index (EI) of the Fund's portfolio improved from 1.52 to 1.40. The two main reasons for this improvement were an enhancement of the sustainability of standing investments and the acquisition of highly sustainable dwellings.

### Energy labels (EPA) for ASR DCRF as at 31 December



The sustainable renovation of 389 dwellings was completed in 2017. The renovation of another 306 dwellings has started and is on track.

- In Nieuwegein (Dotterbloemstraat), 49 family houses were made sustainable, lowering the EI from 1.86 to 0.73.
- In Hilversum (Bonifaciuslaan), 250 apartments were made sustainable, lowering the EI from 2.07 to 1.02.
- In Amsterdam (Staalmeesterslaan), the first tower was renovated, with 90 apartments seeing an improvement of the EI from 2.12 to < 1.20 (the exact score will be established after completion). The second tower (also 90 apartments) will be completed in March 2018.
- In Utrecht (Lamérislaan) the renovation of 216 apartments has started. The project will be completed in May 2018.

The completion of 146 new residential units and the addition of 47 existing residential units had a positive effect on the average EI of the Fund.

- In Arnhem (Malburgen), 36 new building family houses with EI < 1.20 were delivered.
- In Utrecht (Milestones), 70 units were delivered: 21 single-family houses with EI < 1.20 and 49 apartments with EI < 1.20.
- In Nieuwegein (Van Reeshof), 40 apartments with EI < 1.20 were completed.
- In Monster (Molenstraat), 22 existing properties with EI 1,06 were added
- In Waddinxveen (Gouwe Zicht) 25 apartments with construction year 2015 were added to the Fund's portfolio. The average EI is 1.18.

The forward acquisition of Bergkwartier in Zeewolde will include three units that will be provided with additional measures to make these homes energy neutral (NOM).

## Reduce ownership of properties with an EI > 2.4 to under 3% of portfolio

At the end of 2017, 8% of the dwellings had an EI above 2.4, which is in line with the end of 2016 (8%). The number of units with relatively high EI declined in the past few years, due to the large-scale sustainability process and the individual unit sale of less sustainable dwelling. It is expected that the share of EI > 2.4 will drop to 6% at the end of 2018.

### **Annual energy saving measures in 10% of properties**

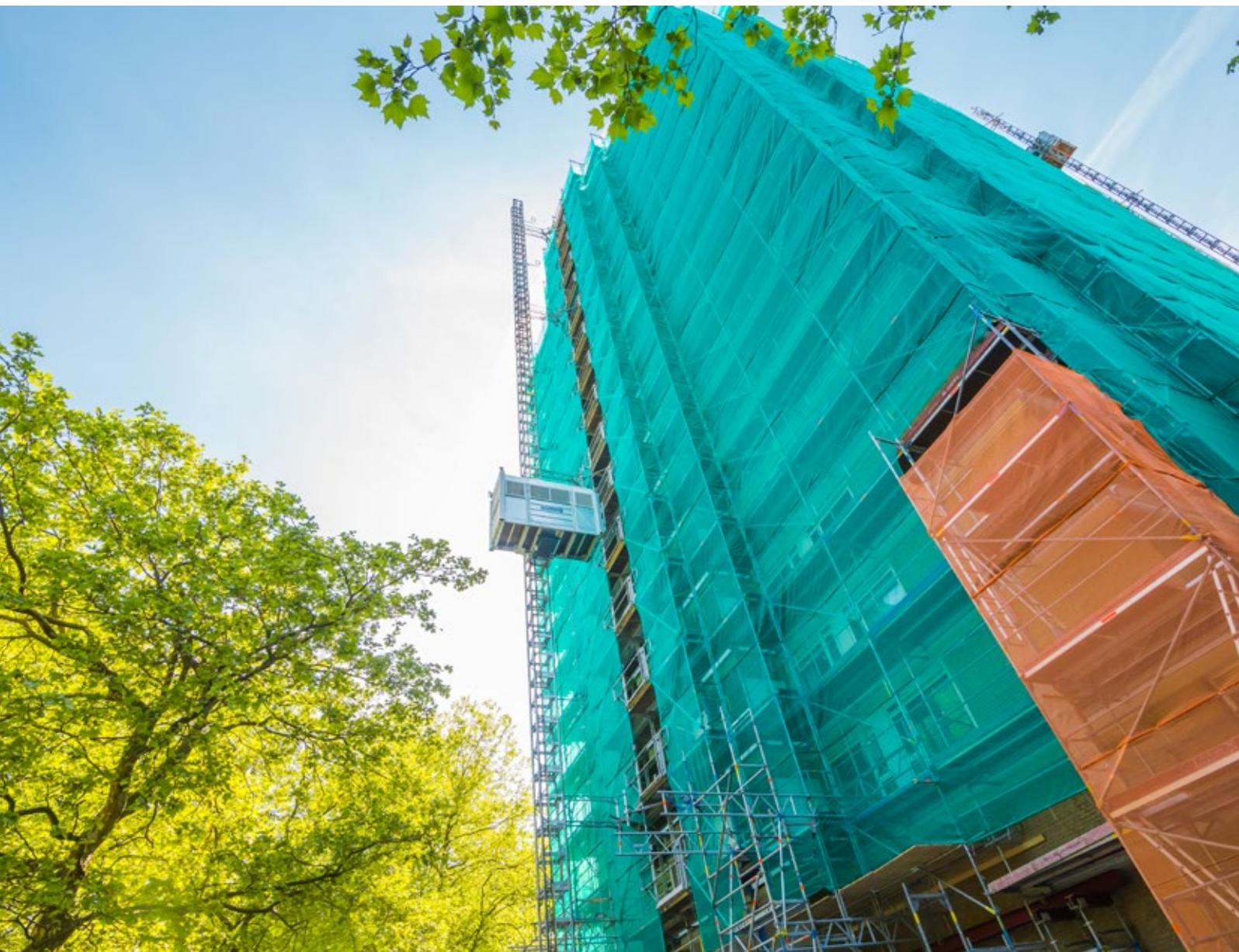
- Energy saving measures were implemented in 272 of the Fund's standing investments in 2017. This concerns 7% of all standing investments in the portfolio.
- Water saving faucets and water saving flush systems were installed in 310 units in the bathrooms, toilets and kitchens.
- New, high-efficiency central heaters were installed in 97 dwellings.
- In Utrecht (Terwijde-centrum) and De Meern (Bakerlaan), more than 60 households participated in a project, initiated by a.s.r. real estate and the municipality of Utrecht, in order to encourage sustainable living.
- A study was executed in order to replace the current lighting in public areas with LED lighting in most of the Fund's apartment buildings. Implementation is expected to take place in the first part of 2018.

### **Deliver property development with a Green Building Certificate once every three years**

The Fund searched for ways to improve the sustainability of its portfolio by focusing on achieving Green Building Certificates for its complexes. Together with the Dutch Green Building Council in 2017, the Fund implemented a new Green Building Certificate for residential buildings. With this certification, the property, the surroundings and the development process are all tested according to a broad number of sustainability criteria. The focus lies both on newly developed properties and standing investments.

The pilot project of this new Green Building Certificate was executed in two of the Fund's properties; Terwijde in Utrecht (199 dwellings) and Bonifaciuslaan in Hilversum (250 dwellings). Both properties received a Very Good certificate. At the end of 2017, 11% of the portfolio had a Green Building Certificate. This concerns the properties in Utrecht and Hilversum, as well as property Futura in Zoetermeer (BREEAM New Build Very Good).

**Staalmeesterslaan, Amsterdam**





## Partners

### Optimal engagement of partners in chain

- The Fund sent its first CSR newsletter to 350 partners in June 2017. The aim of this newsletter is to increase awareness and drive collaboration in the area of CSR. The Fund sent a second CSR newsletter to all its tenants in November 2017, reporting the CSR actions and results, and providing sustainability tips & tricks.
- Several employees gave presentations and workshops at CSR conferences and seminars, such as the Rooftop Revolution and the DGBC conference.
- The Fund organized an investor property tour with a sustainability theme. The tour included several presentations, as well as visits to new building projects and two properties under renovation.
- CSR was a regular point on the agenda of our meetings with direct partners, real estate managers and maintenance contractors. The Fund's sustainability policy was discussed with investors in the Meeting of Investors.
- At an annual meeting in December 2017, external property managers were informed about the results of the Fund's CSR policy and actions.

### Continuous check for compliance with CSR requirements and objectives

- The new management agreement with the Fund's external property managers became operational in 2017. This agreement records issues such as stricter and more measurable requirements in terms of CSR.
- The Program of Requirements was updated in terms of CSR. A new paragraph about gasless dwellings was added.

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

- The tenant satisfaction rate for 2017 was 6.9, which is a slight decrease compared to 2016 (7.1).
- All external property managers as well as the Fund created an annual action plan with measures to improve the tenant satisfaction rate.
- The Fund records any complaints filed by tenants and monitors them in the Complaint Management System. Actions resulting from the survey were taken up immediately by external property managers.
- A new phase of the maintenance process was initiated in January 2017. By implementing important changes in this process, tenants can be served in a better and more direct way. A positive effect was already seen in the results of the most recent tenant satisfaction survey.

### Active tenant participation program

- The Fund developed a CSR bag for all new tenants and for tenants in renovation projects. Tenants of the renovated dwellings in Zeist and Nieuwegein received a bag containing several sustainable products, such as a LED lamp, detergents and a shower hourglass. The Fund hopes the bag will contribute to improving sustainable tenant behavior.
- Tenants are actively engaged in sustainable renovation projects through a survey which gathers expectations, a discussion group which acts as a sounding board for various decisions and an information market at which all renovation project partners give a presentation. The Fund also intends to give tenants a vote with regard to various aspects of the renovation, such as the appearance of the asset and the units' heating systems. The extent of influence differs per project.



#### Global Real Estate Sustainability Benchmark

The Fund's CSR performance is measured annually and made transparent through GRESB. GRESB is an independent, scientific benchmark that assesses the sustainability policies of real estate funds worldwide and the implementation of their policies. The Fund's efforts have been rewarded in the past year with the high distinction of Green Star. In 2017, the Fund's score improved from 2 to 4 stars (at a scale of 5).



## Planet

### Reduce energy consumption and greenhouse gas emissions by 10% from 2015<sup>1</sup>

- To minimize carbon emissions, ASR DCRF wishes to further scale back the portfolio's energy consumption, water consumption and waste production. Goal is to reduce the communal like-for-like energy consumption and greenhouse gas emissions by 10% from 2015 to 2020.
- Since 2015, the energy consumption reduced by 9.5%, the energy consumption from fuels for collective heating reduced by 21.7% and greenhouse gas emissions decreased by 21.6%. Thus, the Fund is well on track to achieve its energy consumption objective and already widely reached its greenhouse gas emissions objective. The decreases show that the extensive renovation of the Fund's current portfolio and the focus on improving tenants' awareness has had a positive impact on the drop of the energy consumption and greenhouse gas emissions.
- Water consumption in the common areas decrease by 0.1% since 2016. The Fund is investigating how to lower the water consumption the coming years.
- The Fund wishes to scale back the energy consumption and greenhouse gas emissions of the total portfolio, both in common areas and tenant spaces. Therefore ASR DCRF started collecting actual usage data from the individual units, and from 2018 onwards, the Fund measures the energy consumption and greenhouse gas emissions intensity per sq.m. of the total portfolio, both in common areas and tenant spaces. This data will be disclosed in the GRESB and the Fund's annual report 2018.

#### Performance indicators ASR DCRF

	absolute			like-for-like			
	2017	2016	2015	2017	2016	2015	Δ 2015-2017
<b>ENERGY</b>							
<b>Total energy (kWh)</b>	<b>1,694,825</b>	<b>1,938,048</b>	<b>1,900,528</b>	<b>1,661,108</b>	<b>1,875,128</b>	<b>1,834,932</b>	<b>-9.5%</b>
Intensity ratio energy (kWh/m <sup>2</sup> )	9.6	11.0	11.0	10.0	11.3	11.1	
Corresponding properties	26	25	25	23	23	23	
% covered in portfolio	63.4%	61.0%	61.0%	56.1%	56.1%	56.1%	
<b>Total energy consumption from fuels (m<sup>3</sup>)</b>	<b>812,185</b>	<b>836,890</b>	<b>791,202</b>	<b>563,197</b>	<b>761,022</b>	<b>719,135</b>	<b>-21.7%</b>
Intensity ratio fuel (m <sup>3</sup> /m <sup>2</sup> )	17.8	23.4	22.1	15.7	21.3	20.1	
Corresponding properties	7	6	6	5	5	5	
% covered in portfolio	100%	85.7%	85.7%	71.4%	71.4%	71.4%	
<b>GREENHOUSE GAS</b>							
<b>Total greenhouse gas emissions (kg)</b>	<b>1,537,558</b>	<b>1,584,889</b>	<b>1,498,566</b>	<b>1,067,619</b>	<b>1,441,542</b>	<b>1,362,383</b>	<b>-21.6%</b>
Total direct greenhouse gas emissions (kg)	1,532,593	1,579,211	1,492,998	1,062,753	1,436,049	1,357,008	
Total indirect greenhouse gas emissions (kg)	4,965	5,678	5,568	4,866	5,493	5,375	
Intensity ratio greenhouse gas (kg/m <sup>2</sup> )	33.5	44.1	41.7	29.7	29.7	37.9	
<b>WATER</b>							
<b>Total water (in m<sup>3</sup>)</b>	<b>57,366</b>	<b>72,325</b>	<b>n/a</b>	<b>57,356</b>	<b>57,429</b>	<b>n/a</b>	<b>-0.1%</b>
Corresponding properties	12	12	n/a	10	10	n/a	
% covered in portfolio	44.4%	44.4%	n/a	37.0%	37.0%	n/a	

All data was checked by INNAX. The portfolio portion of directly controlled investments makes 100% use of green electricity. Total direct greenhouse gas emissions are emissions from sources that are owned or controlled by the organization, such as combustion of fossil fuels. Total indirect greenhouse gas emissions are emissions from the consumption of purchased electricity, steam, or other sources of energy (such as chilled water) generated upstream from the organization.

<sup>1</sup> INNAX and ASR DCRF concluded that the data's reliability was better for 2015, compared to 2014. Therefore, the Fund changed the objective's base year from 2014 to 2015.

## Optimal monitoring of environmental performance

The Fund contracted energy consultant INNAX to provide better insight into the energy performance of the Fund's portfolio. As a result, the Fund will be better able to exercise energy consumption control.

## Investing in neighbourhoods

- A green rooftop will be realized for the Wibautstraat project in Amsterdam. The project involves placing plastic crates on the roof for water storage. As a result, the water remains on the rooftop for a longer period of time and drains more slowly. This prevents peak loads in the storage system in the case of heavy rains and contributes to the neighbourhood as well.
- The Fund started preparations for several projects with regard to the objective to contribute to more attractive neighbourhoods. Initial ideas were translated into plans that will be implemented in 2018.
- A tiny forest will arise near the Fund's property Terwijde-centrum in Utrecht in 2018. Final preparations were made in 2017 and the project received a final go. a.s.r. and Ahold are funding this project, which is being carried out in co-operation with the inhabitants of Terwijde.

## Contributing to the opportunities and development of pupils and students

- Two students have started as interns with a CSR subject. The first student supports the Fund with general CSR activities and the second student is carrying out a research study on the possibilities of renovating dwellings into gasless properties.
- Employees of the residential team participated in a sustainability project at several primary schools in Utrecht in which children were informed about various aspects of sustainability.

Schuytgraaf, Arnhem





## People

### Personal development of employees

- Each year, a.s.r. real estate provides a number of individual employees with the opportunity to undergo additional education, such as a post-university Master's degree, to broaden their knowledge, and skills and help ensure life-long employability.
- In 2017, 26% of a.s.r. real estate's employees were invited to participate in the Development Program of a.s.r. Nederland N.V. where they will be challenged and trained for future professional and personal growth.

### Informed and involved employees

- a.s.r. real estate keeps all stakeholders informed about the latest CSR initiatives and results through a monthly internal newsletter.
- As of two years ago, all employees now have individual CSR targets as part of their annual review.
- In April 2017, a.s.r. real estate organized a Sustainability Day at which climatologist Reinier van den Berg informed employees about the effects of climate change in general and for real estate in particular.
- During the last a.s.r. real estate's employee meeting in 2017, political scientist Maurits Groen gave a masterclass about the circular economy.
- A visit and presentation to the renovation project of Staalmeesterslaan in Amsterdam was organized for employees of the residential team.

### Employee satisfaction rating of > 80%

- In 2017, a.s.r. real estate exceeded its goal of achieving an employee satisfaction rating of at least 80% (81%) and is nominated to be named one of the best workplaces in the Netherlands again. From 2018 onwards, the goal is to maintain a satisfaction rating of at least 80%.
- The survey results are analyzed and then intensively discussed in the GPTW workforce and in all departments and business lines. Action is taken, where necessary, to improve a.s.r. real estate's standing as an excellent employer.

### Increasing awareness and organizational anchoring of CSR

- As of two years ago, a sustainability assessment has been included in all acquisition and investment proposals and sustainability variables have been included in the research department's analyses.
- In addition to participation in IVBN's sustainability working group, the sustainability manager now participates in NEPROM's sustainability working group as of 2017 to share and increase knowledge in the area of sustainable real estate development.
- a.s.r. real estate worked intensively in 2017 to optimize administrative and ICT systems to ensure data management on important CSR metrics.
- Insight into the adverse effects of climate change is vital in order to respond to the impact it has, and will have, while also preparing for future effects. This is why the Fund has investigated which effects, and corresponding urgencies, apply to its portfolio. Currently, no 'highest urgency' effects apply to the Fund.

# Colophon

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a.s.r.  
de nederlandse  
verzekering  
maatschappij  
voor alle  
verzekeringen

