

CSR annual report 2017

ASR Dutch Prime Retail Fund



Our vision

The Manager facilitates the interests of our tenants and investors in the best possible way by creating shops and retail areas that have long-term value from both a financial and societal perspective. The Manager does this in a responsible manner with engaged and aware partners and employees.

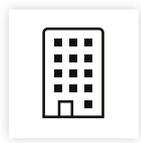
The objective of the Fund is to create a retail portfolio with long-term value. This may be created at locations that have continuing appeal for consumers and tenants, or at locations that have this potential.

A CSR policy plan has been drawn up for 2017-2019 to realize the Fund's CSR goals. The results of the Fund's CSR objectives achieved so far are presented in this report, using the same thematic approach as in the CSR policy 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. The Fund wishes to achieve the objectives set out below by 2020. ASR DPRF's CSR annual report follows the INREV Sustainability Reporting guidelines. The Sustainability Reporting Compliance Rate of the Fund is 95%.

Strategic objectives 2017 - 2019

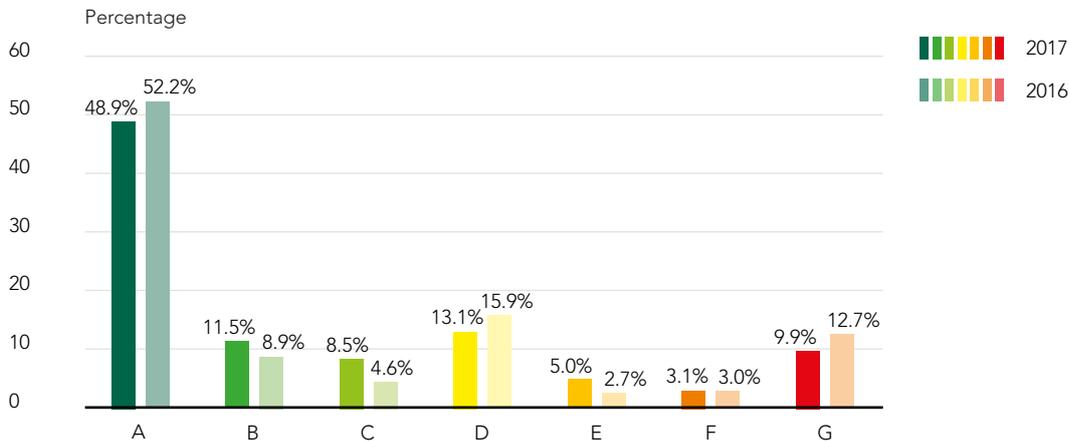
<p>Property</p>  <p>Sustainable portfolio</p>	<p>Partners</p>  <p>Engaged partners</p>	<p>Planet</p>  <p>Contribution to society and the environment</p>	<p>People</p>  <p>Committed organization</p>
<ul style="list-style-type: none"> • Green Label for > 90% of the portfolio • An energy label A for > 80% of the portfolio • Green Building Certificate for > 30% of the portfolio • Explore energy saving measures for individual assets 	<ul style="list-style-type: none"> • Optimal engagement of partners in chain • Continuous check for compliance with CSR requirements and objectives • Tenant satisfaction rating of at least 7.0 (out of 10) • Active tenant participation programme 	<ul style="list-style-type: none"> • Reduce energy consumption and carbon emissions by 10% compared to 2014 • Maximum use of measuring options • Investing in retail areas • Contribution to opportunities and development of pupils and students 	<ul style="list-style-type: none"> • Personal development of employees • Informed and involved employees • Employee satisfaction > 80% • Optimal organizational embedding of CSR



Property

Over 90% of portfolio to have a 'Green Label'

Energy labels



Existing EPA labels were analyzed in 2017. We applied for labels for new and renovated buildings as well as lettable units which were not classified as shops – the latter consisting mainly of higher floor-level apartments and storage spaces. Over 99% of the portfolio has now received an EPA label.

- The buildings that received an EPA label G have been analyzed, and measures have been implemented for individual properties. In the short term, an improved EPA ranking can hardly be realized for buildings with a listed status.
- There was an increase in the number of 'Green Label' contracts due to renovations, conversions and the acquisition of new assets. Currently, 68.9% of the Fund's assets has a 'Green Label' (2016: 65.7%). Therefore, it is an ambitious target for the Fund to get over 90% of the portfolio to have a 'Green Label'.

Portfolio 'asbestos safe' by 2020

- All conversions and renovations were accompanied by asbestos investigations. Any asbestos found was removed, as was the case at Grote Houtstraat 40 and Grote Houtstraat 18 in Haarlem and Koningsplein in Amsterdam. Asbestos risks are also assessed whenever there are changes in tenants. For instance, Eindstraat 26 in Breda and Grote Houtstraat 70 in Haarlem were extensively stripped of asbestos and improved.
- In the case of rental transactions, the tenant is presented with the latest known asbestos report (if applicable) and informed of any asbestos risks. This enables tenants to have their shops outfitted in a safe manner.

The above measures also allowed for the removal of asbestos which is difficult to reach, preventing unsafe situations. Our asbestos policy will continue in 2018. The goal of an 'asbestos-safe' portfolio by 2020 remains unchanged.

Energy saving measures in 5% of the Fund annually

We will incorporate sustainability improvements in our multi-year maintenance programme whenever possible. CSR activities are labeled in this programme, while sustainable materials such as FSC timber are used and wastage is prevented during construction work. It is our ambition to make at least 5% of our standing investments more sustainable every year. Energy-saving measures include LED lighting, high efficiency boilers, sustainable facades, HR+ glass, solar panels and water-saving sanitary facilities. The programme has not yet been fully implemented. It is therefore still not possible to properly quantify the work that has been carried out in 2017.

In the residential units in 's-Hertogenbosch, lighting was replaced by LED lighting, saving future energy usage and lowering the tenants' energy consumption for the shared space. LED lighting was installed at Nieuwe Haagse Passage and Linea Nova Rotterdam. Extra insulation has been applied in various buildings, including Oude Gracht 149 in Utrecht, a monumental building in 's-Hertogenbosch (Markt 40) where the roof has been replaced, and in Kalverstraat 73 in Amsterdam.

BREEAM certification for new assets, BREEAM NL In-Use for shopping centres

No new-build shopping centres were acquired in 2017. Therefore, no BREEAM certificates for new-build properties were awarded. The Fund received BREEAM NL In-Use labels for the two district shopping centres Vathorst (Amersfoort) and Vleuterweide (Utrecht). Both centres received two stars (BREEAM 'Good').

BREEAM certificates are currently being prepared for the following assets:

- Preparations for the renovation of Koningsplein (Amsterdam) were made in 2016, and realization started in 2017. Many sustainability measures have been applied, such as LED lighting, FSC Timber and isolation. This property will be BREEAM-certified upon completion of the renovation (2018/2019). The goal is an Excellent (four stars) BREEAM label.
- Redevelopment of the former V&D building in Amstelveen for Hudson's Bay Company. This property was awarded a BREEAM NL In-Use certificate in 2016, which will be renewed following redevelopment.
- District shopping centre Terwijde in Utrecht (BREEAM NL In-Use).

The Fund will decide upon new certificates for 2018 as soon as we have analyzed our experiences regarding current certificates and those pending approval.

Vleuterweide, Utrecht





Partners

Optimal engagement of partners in chain

Making clear sustainability agreements with our stakeholders is a key area of focus for a.s.r. real estate, and we actively worked towards this in 2017. In addition, we put sustainability on the agenda more frequently during periodic meetings with our key stakeholders. In 2017, this was the case during meetings with our suppliers, real estate managers, key tenants and appraisers.

In 2017, we spoke with those partners in the chain with whom we do business relatively often. We also organized various CSR presentations in conjunction with (and by) our partners. This enabled an exchange of information and increased our employees' commitment to corporate social responsibility.

a.s.r. real estate also promoted ASR DPRF's CSR policy at the Provada (RAI Amsterdam). A special presentation about climate change was held by climatologist Reinier van den Berg.

The Fund's investors were informed about sustainability issues by way of the 2017-2019 three-year business plan, periodic meetings and the annual report. The next CSR policy for 2018-2020 was submitted and approved by the Meeting of Investors in the 2018-2020 three-year business plan.

The sustainability manager also participated in three different sustainability working groups (IVBN, NEPROM and DGBC) to share and increase knowledge in the area of sustainable real estate development.

In various cities – including Arnhem, Haarlem, Amsterdam, The Hague and Assen – close consultation takes place between municipalities and other stakeholders regarding the enhancement of city centres.



Global Real Estate Sustainability Benchmark

The Fund has been a member of the Global Real Estate Sustainability Benchmark (GRESB) since 2011. GRESB is an independent, scientific benchmark that assesses the sustainability policies of real estate funds worldwide and the implementation of their policies. The Fund increased its' GRESB score to 66 in 2017 (on a scale of 0 to 100), an increase of 4.8% compared to 2016. Therefore, the Fund retains its' three out of five stars rating and now scores above average in their peer group. The Fund aims to improve its score even further in the upcoming years.

Continuous check for compliance with CSR requirements and objectives

Agreements were made with all external property managers regarding the way in which the Fund wishes to deal with sustainability, and there was an exchange of CSR objectives. External property managers should have a CSR policy that includes measurable action points and objectives, reporting regularly on them to a.s.r. real estate.

External property managers should contribute to the CSR objectives of the Fund's CSR policy in the following manner:

Sustainability improvements at an annual rate of 5% in building complex(es).

- A tenant satisfaction rate of at least 7.0.
- Active participation/involvement of tenants concerning CSR. Each calendar year, a minimum of two proposals should be made by real estate managers aimed at increasing tenant participation/involvement.
- Investing in/contributing to the neighbourhood by way of projects.

Sustainability provisions were included in purchase conditions that applied to all contractors. The maintenance process was recorded in the assessment criteria and is to be assessed as part of the internal operational controls. This is in compliance with the objectives.

Tenant satisfaction rating of at least 7.0 (out of 10)

In 2017, the Manager did not perform a customer satisfaction survey, in 2018 the Manager intends to perform the survey again.

After reviewing the current supplier of the survey, USP Marketing Consultancy, the Manager deemed it best to change the survey and strategy.

Active tenant participation programme

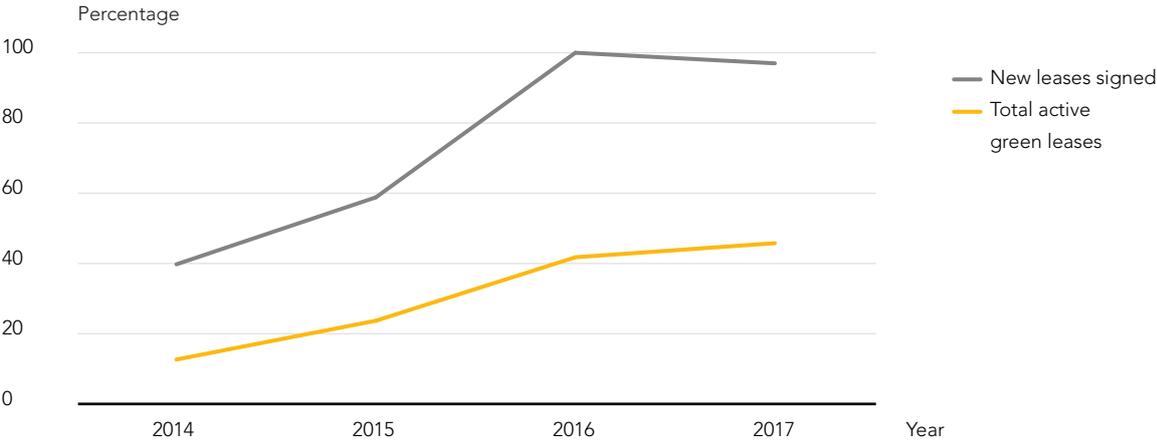
A proposal has been drawn up and finalized which has tenants participating actively in the attainment of CSR objectives.

There have been meetings with various key users (major tenants) regarding the Fund's CSR policy and that of the tenants in question. It appears that a number of them – such as Albert Heijn and Lidl – are already very active in this field. A new agreement was reached with Hudson's Bay Company to share energy performance information after the tenant starts operating the assets, adding to the target of increasing energy performance data.

Several other tenants are less active in CSR or focus less on sustainability issues regarding retail property. The challenge lies in joining forces whenever sustainability opportunities arise. This may be done most effectively by engaging in a dialogue.

In 2017, 96% of all new rental contracts were Green Lease contracts. This means that the number of standing Green Lease contracts is growing each year. For the coming years, the Fund aims to further increase the number of Green Lease contracts and have more substantive talks with tenants on the achievement of Green Lease objectives. In addition, improving the provisions of the Green Lease contract together with other IVBN members and tenant representatives is an important goal for the coming year.

Green Lease provisions



Tenant participation will be extended in the upcoming years. The top priorities are: following up and disseminating any ideas that result from these discussions; improving Green Lease provisions; recording mutual agreements; and sharing figures on energy consumption.

Linea Nova, Rotterdam





Planet

Reduce energy consumption and carbon emissions by 10% compared to 2015 ¹

- To minimize carbon emissions, the Fund is aiming to scale back its 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. For now, the Fund's management of energy consumption is limited to collective heating and the energy used in the communal areas.
- Since 2015, the energy consumption increased by 12.8%, the energy consumption from fuels reduced by 4.8% and the greenhouse gas emissions decreased by 1.4%. As a conclusion, the Fund is well on track to reach its greenhouse gas emissions objective but needs to increase focus on the energy consumption objective.
- Water consumption and waste decreased by 5.8% and 7.7% since 2016 and 2015, respectively.

Performance indicators ASR DPRF

	absolute			like-for-like			
	2017	2016	2015	2017	2016	2015	Δ 2015-2017
ENERGY							
Total energy (kWh)	3,550,301	3,427,665	3,206,205	3,550,240	3,337,772	3,147,915	12.8%
Intensity ratio energy (kWh/m ²)	33.1	27.0	33.4	37.4	35.2	33.2	
Corresponding properties	18	26	23	17	17	17	
% covered in portfolio	37.5%	54.2%	47.9%	35.4%	35.4%	35.4%	
Total energy consumption from fuels (m³)	218,335	234,423	232,206	218,335	229,919	229,249	-4.8%
Intensity ratio fuel (m ³ /m ²)	3.1	3.3	3.3	3.1	3.3	3.3	
Corresponding properties	9	12	12	9	9	9	
% covered in portfolio	30.0%	40.0%	40.0%	30.0%	30.0%	30.0%	
Total energy consumption from District Heating & Cooling (GJ)	1,736	n/a	n/a	n/a	n/a	n/a	
Intensity ratio energy (GJ/m ²)	0.2	n/a	n/a	n/a	n/a	n/a	
Corresponding properties	1	n/a	n/a	n/a	n/a	n/a	
% covered in portfolio	100%	n/a	n/a	n/a	n/a	n/a	

¹ 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.

Performance indicators ASR DPRF

	absolute			like-for-like			
	2017	2016	2015	2017	2016	2015	Δ 2015-2017
Greenhouse Gas							
Total greenhouse gas emissions (kg)	511,754	481,201	465,094	449,310	468,937	455,748	-1.4%
Total direct greenhouse gas emissions (kg)	411,998	442,357	438,173	411,998	433,858	432,593	
Total indirect greenhouse gas emissions (kg)	99,756	38,844	26,921	37,312	35,079	23,155	
Intensity ratio greenhouse gas (kg/m ²)	33.5	44.1	41.7	29.7	29.7	37.9	
WATER							
Total water (in m³)	93,700	103,418	86,027	71,381	79,263	67,496	-5.8%
Corresponding properties	14	15	12	8	8	8	
% covered in portfolio	35.9%	38.5%	30.8%	20.5%	20.5%	20.5%	
WASTE							
Total weight of waste (metric tonnes)	342.794	198.164	n/a	171.397	185.678	n/a	-7.7%
Total weight of recycled waste (metric tonnes)	114.802	79.976	n/a	57.401	70.520	n/a	-18.6%
Recycled waste	33.5%	40.4%	n/a	33.5%	38.0%	n/a	-11.8%

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.

Investing in retail areas

In 2017, we once again participated actively in meetings intended to revitalize inner cities, including meetings with municipal authorities and other investors in Haarlem, Assen and Arnhem. Whenever possible, managers acting for a.s.r. real estate were members of owner associations. We also participate in various Business Investment Zones (or BIZs).

The Fund realized 5 new apartments in the centre of Haarlem and is contributing to the livelihood of the inner city. Retailers' associations are very active in the district shopping centres that the Fund manages. Contributions to the promotional budget facilitate the organization of activities that build bridges with surrounding neighborhoods, such as a skating rink in district shopping centre Vleuterweide (Utrecht). This shopping centre earned an award for being the cleanest shopping area in Utrecht.

The annual organized neighborhood barbecue in district shopping centre Terwijde (Utrecht) and the Halloween party in district shopping centre Floriande (Hoofddorp) were well attended.

Contribution to opportunities and development of pupils and students

a.s.r. real estate offers work placements for students from upper secondary vocational, higher professional and university levels. In 2017, we mentored six students, one trainee and organized several guest lectures. a.s.r. real estate and ASR Nederland N.V. also challenged all Utrecht-based schools to come up with new ideas for sustainability.



People

Personal development of employees

The policy measures mentioned below are an integral part of existing procedures and current policy. a.s.r. HR supported employee development in a variety of ways in 2017 to meet its objectives.

A number of employees started training courses or a series of coaching sessions. Each year, a.s.r. real estate also provides a number of individual employees with the opportunity for additional education – such as a post-university Masters 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 ASR Nederland N.V.'s Development Programme, where they were challenged and trained for future professional and personal growth.

Informed and involved employees

a.s.r. real estate keeps everyone informed about the latest CSR initiatives and results through a monthly internal newsletter. In 2017, a CSR seminar was held for a.s.r. real estate employees at an external location, during which a special presentation about climate change was held by Reinier van den Berg. CSR was also an important topic at several employee meetings at the a.s.r. office, including a masterclass about the circular economy by political scientist Maurits Groen during the last general employee meeting in 2017. All a.s.r. real estate employees have a personal CSR objective that includes contributing to our CSR ambitions.

Employee satisfaction >80%

The 2017 target in terms of employee satisfaction was to achieve a rating of at least 80%. a.s.r. real estate achieved a rating of 81%, and was 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.

Optimal organizational embedding of CSR

A sustainability manager has been appointed to monitor the actions and measures that result from the CSR policy and to maintain an overview. This person regularly reports to the Fund Director. The Fund's core CSR team consists of the sustainability manager and an asset manager, together with a technical asset manager and fund management associate. They are also part of a.s.r. real estate's CSR team which meets frequently and ensures that CSR is embedded even further into the business line.

A detailed CSR paragraph was added to the new formats of the acquisition and investment proposals. The paragraph uses several criteria to demonstrate the manner in which the investment contributes to the Fund's CSR objectives. In this way, CSR aspects become part of the decision-making process. The paragraph also ensures that CSR aspects are assessed in the Due Diligence investigations carried out during new acquisitions. CSR is a standing item on the agenda of the regular asset management meetings.

For two years now, a sustainability assessment has been included in all purchase and investment proposals, and sustainability variables have been included in the research department's analyses.

In addition to the participation in IVBN's sustainability working group, the sustainability manager has also participated in two new working groups since 2017: DGBC's new Deltaplan Retail working group to accelerate energy efficiency in existing retail stock, and NEPROM's sustainability working group to share and increase knowledge in the area of sustainable real estate development.

a.s.r. real estate worked intensively in 2017 to optimize its 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 the portfolio. Currently, no 'highest urgency' effects apply to the Fund.

Colophon

a.s.r. real estate
Archimedeslaan 10
3584 BA Utrecht
The Netherlands

www.asrrealestate.nl

Edwin van de Woestijne
Fund Director ASR Dutch Core Retail Fund

Nico Spinhoven
Asset Manager Retail

Lizzy Butink
Sustainability Manager
lizzy.butink@asr.nl

© 2018

Text

a.s.r. real estate
Tekstschrijvers.nl

Photography

Corné Bastiaansen, Hilversum
John Verbruggen, IJsselstein
Hubba! Digitale Fotografie
Twelve Photographic Services, Rotterdam
Wilco van Dijen, Wijk bij Duurstede
Joni Israeli, Utrecht

Design

Cascade - visuele communicatie, Amsterdam

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

