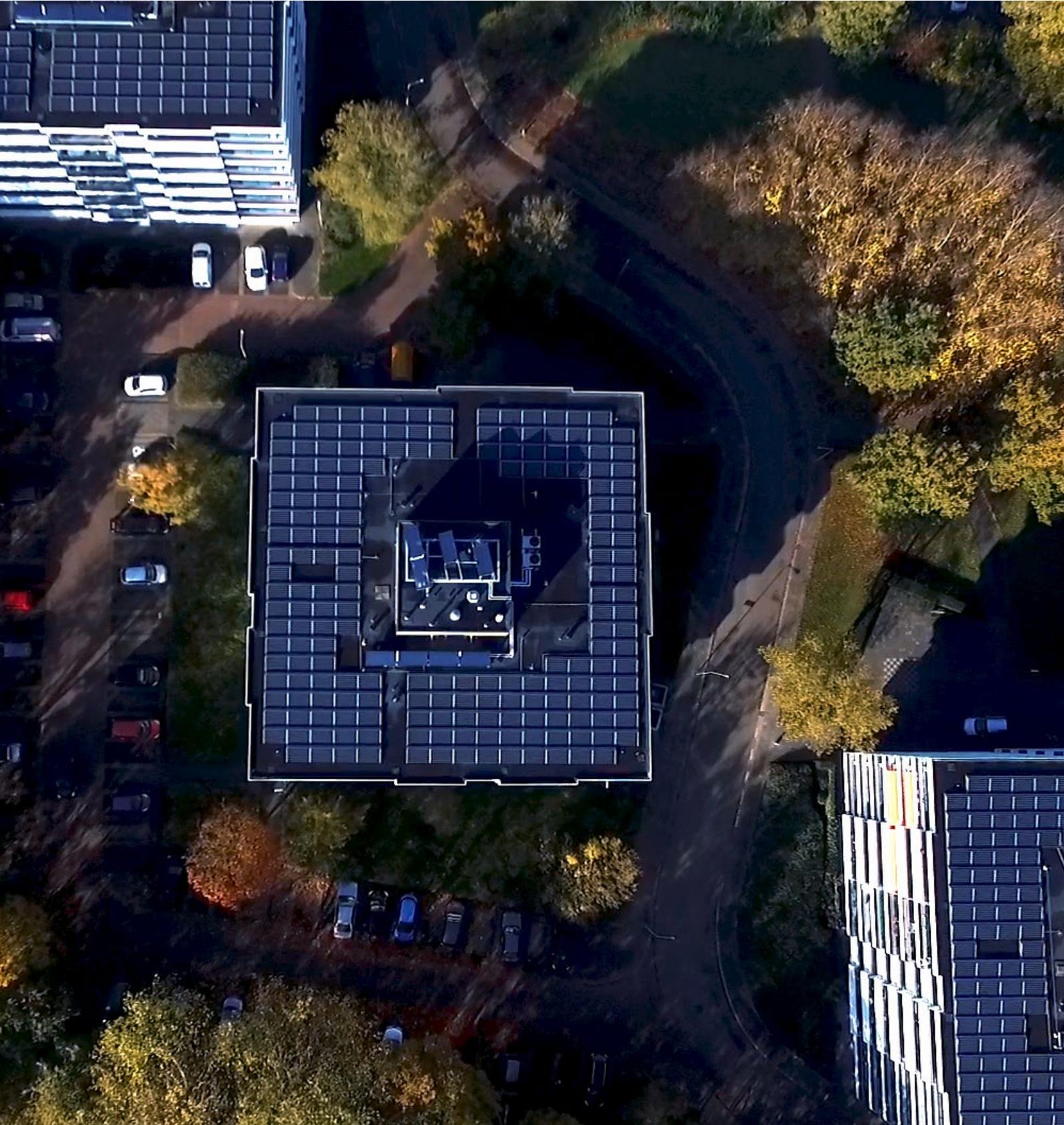


CSR annual report 2018

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.

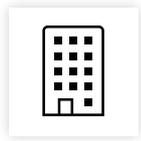
The Fund aims to do this in a sound and responsible manner with engaged and aware partners and employees. Our goal is a residential portfolio with long-term value, which requires future-proof homes in attractive locations. These homes should be comfortable, sustainable and meet the current and future 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 materialise 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.

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 realising 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 2018 - 2020

<p>Property</p>  <p>An attractive residential portfolio with sustainable and future-proof homes</p>	<p>Partners</p>  <p>Engagement with investors, partners and tenants, creating awareness of our sustainability goals</p>	<p>Planet</p>  <p>A green, climate change proof and energy-efficient environment and society</p>	<p>People</p>  <p>Sound, transparent business practices and engaged, satisfied employees</p>
<ul style="list-style-type: none"> • Reduce average Energy Index to at least 1.30 • Reduce ownership of properties with Energy Index of >2.4 to less than 3% of the portfolio • Implement energy saving measures in 50% of the portfolio • Obtain Green Building Certificates for 15% of the portfolio 	<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 7.5 (out of 10) • Active tenant participation programme 	<ul style="list-style-type: none"> • Reduce energy consumption and greenhouse gases by 10% compared to 2015 • Optimal monitoring of environmental performance • Investing in neighbourhoods • Contribution to the opportunities and development of pupils and students 	<ul style="list-style-type: none"> • Informed and involved employees • Optimal organisational embedding of CSR • Employee satisfaction >80% • Personal development of employees



Property

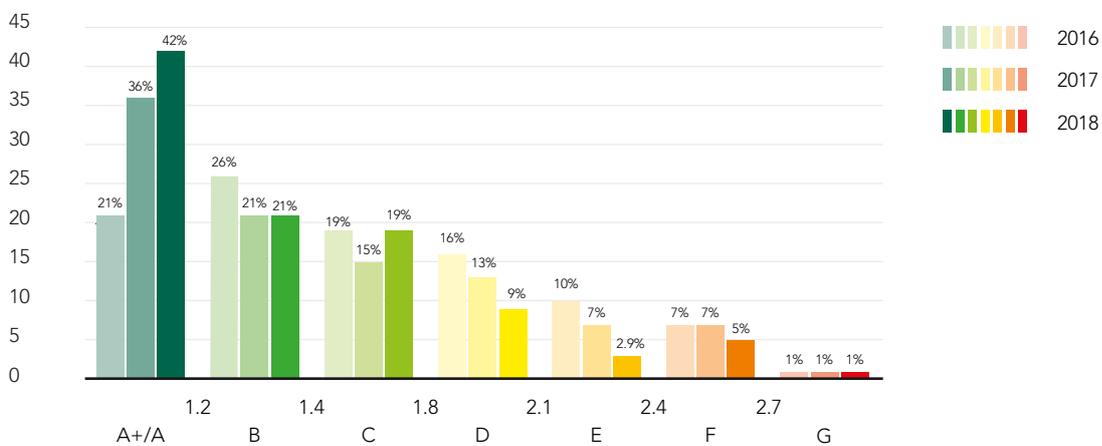
Strategic objectives

- Reduce average Energy Index to at least 1.30
- Reduce ownership of properties with Energy Index of > 2.4 to less than 3% of portfolio
- Implement energy-saving measures in 50% of the portfolio
- Obtain Green Building Certificates for 15% of the portfolio

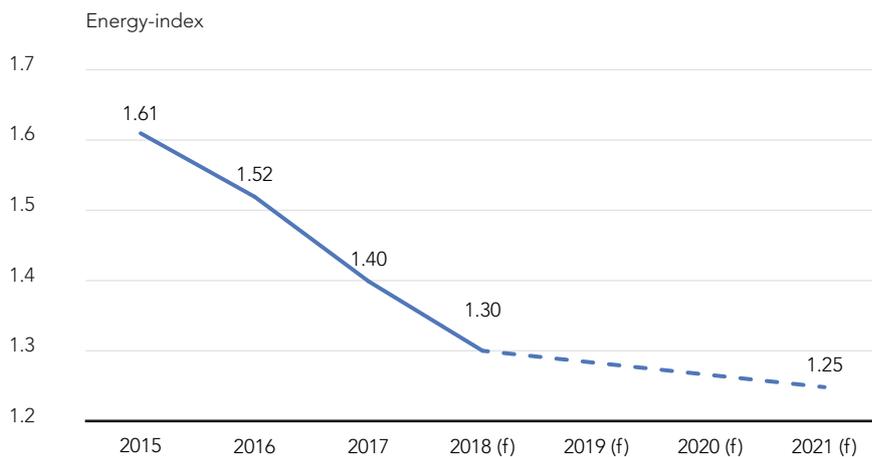
Reduce average Energy Index to at least 1.30

In 2018, the average Energy Index (EI) of the Fund's portfolio improved from 1.40 to 1.30. 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



Improvement of Energy Index



The sustainable renovation of a total of 306 residential units was successfully completed in 2018. The renovation of another 43 units will be started in 2019.

- Staalmeesterslaan in Amsterdam: the second tower with 90 apartments was renovated. In total 180 apartments were made sustainable, with an energy label upgrade from F to A.
- Lamérislaan in Utecht: a total of 216 apartments were renovated, lowering the energy label from E/F/G to A.
- Ambachtenlaan in Breda: tenants have consented to a renovation project to make their dwellings more sustainable and more convenient. The renovation of 43 single-family houses will commence in September 2019.

The Fund is also investigating the possibility to renovate projects in Bilthoven (Kramsvogel-Spreeuwlaan) and Amstelveen (RiMiNi). The energy label of these properties varies between E/F/G. The Fund aims to upgrade these properties to at least energy label A.

The completion of the Fund's acquisition projects also had a positive effect on the average Energy Index (EI) of the Fund:

- Wibautstraat in Amsterdam is completed. This property concerns 162 apartments with an average EI of 0.94.
- Vathorst (blok 12) in Amersfoort is completed. This property concerns 16 apartments and 5 single-family houses with an average EI of 0.69.
- Marie Louise In Ede is completed/ This property concerns 32 apartments with an average EI of 0.74.
- Bergkwartier in Zeewolde is completed. This property concerns 3 zero-energy dwellings that are the first zero-energy (NOM) buildings in the Fund's portfolio. In total, the property includes 22 single-family houses with an average EI of 0.76.
- Nieuw Mariënpark in Leidschendam is completed. This property concerns 36 apartments with energy label A. The average EI is currently being calculated.
- Ebbingekwartier in Groningen is completed. This property concerns 21 single-family houses with energy level A. The average EI is currently being calculated.

Reduce ownership of properties with Energy Index of > 2.4 to less than 3% of portfolio

The Fund wants to minimise the number of residential properties with lower sustainability levels so that the number of dwellings with an Energy Index above 2.4 (energy labels F/G) is reduced to less than 3% of the portfolio in 2020. As of 31 December 2018, 6% of the portfolio had an EI higher than 2.4, which is a reduction of 2% compared to 31 December 2017 (8%). The Fund expects this percentage to fall further to 5% in 2019 and aims to reduce the number to less than 3% by 2021, mainly through its current renovation plans. The final share of lower energy labels will diminish through the sale of individual units which are less sustainable.

Implement energy-saving measures in 50% of the portfolio

Where possible, sustainability improvements are synchronised with maintenance in the multi-year maintenance program (MYMP). In June 2018, at the yearly real estate exhibition PROVADA, the Fund signed an agreement with JCS for the installation of LED-lighting in 36 apartment buildings and 2 parking garages. In the common spaces of these buildings and parking garage, the former lighting was replaced by LED lighting, saving approximately 60% of energy use by lighting. The implementation of LED lighting is covering almost 1,350 dwellings of the Fund and was finalised in December 2018. At the end of 2018, in 30% of the portfolio's energy-saving measures are implemented. Therefore, the Fund is well on track to reach this objective.

Obtain Green Building Certificates for 15% of the portfolio

In addition to the portfolio's energy label certification, the Fund aims to improve the sustainability of its portfolio still further by focusing on achieving Green Building Certificates, primarily on the DGBC Woonmerk for its properties. DGBC Woonmerk certification means that the property, its surrounding area and the development process are all assessed on a broad range of sustainability criteria.

At the PROVADA in June 2018, the Dutch Green Building Council awarded the first certificates of the DGBC Woonmerk to the Fund. The Fund is one of the initiators of the DGBC Woonmerk. The certificates are awarded to the properties of Bonifaciuslaan in Hilversum (250 apartments), Terwijde-centrum in Utrecht (199 apartments) and Huizen (169 single-family houses). With the addition of the BREEAM certification for Futura in Zoetermeer (69 apartments), 11.7% of the portfolio had been certified, as at 31 December 2018.



Partners

Strategic objectives

- Optimal engagement of partners in chain
- Continuous check for compliance with CSR requirements and objectives
- Tenant satisfaction rating of at least 7.5 (out of 10)
- Active tenant participation program

Optimal engagement of partners in chain

- In June 2018, ASR DCRF sent its yearly CSR newsletter to more than 450 partners. In this letter the Fund informs its partners about the results and activities regarding CSR.
- In September 2018, a property tour with three institutional investors and a housing corporation was organised in the Utrecht region. The tour's theme was 'improving the sustainability of properties'.
- The municipality of Amsterdam and several institutional investors made an agreement with De Gezonde Stad to develop different green projects in the Sportliedenbuurt at Zeeburgereiland in Amsterdam. ASR DCRF was one of the driving forces for this initiative. The Fund's new building project The Beacons is located in the middle of the Sportliedenbuurt.
- For ASR DCRF, improving and sharing its knowledge and expanding its network in the area of CSR is an important objective. Within the company, involvement in and support for promoting CSR initiatives throughout the sector and society as a whole are at the forefront. For this reason, a.s.r. real estate is affiliated with several organisations (including IVBN, INREV, GRESB, DGBC, NEPROM and RICS) and participates actively in a.s.r.'s sustainability working groups, IVBN, NEPROM and DGBC. The Fund regularly shares its experience at congresses and other events such as PROVADA, GRESB release event and hosted a RICS event about sustainability.

Green leader award

Robbert van Dijk, Fund director of ASR DCRF, was nominated for the Green Leader 2018, an election of the Dutch Green Building Council. Van Dijk ended in the top 5 and is appreciated by its leading role in making the ASR DCRF residential portfolio more sustainable and by the way he has created more support for CSR in the a.s.r. real estate organisation as well in the residential investment market.

Continuous check for compliance with CSR requirements and objectives

- The new management agreement with the Fund's external property managers became operational last year. This agreement records issues such as stricter and more measurable requirements in terms of CSR. The Fund is monitoring all the ongoing processes each quarter.
- The Program of Requirements for new buildings and renovation projects was further updated in terms of CSR and implemented in future plans.

Tenant satisfaction rating of at least 7.5 (out of 10)

The Fund aims to continuously improve its services and tenant satisfaction. In order to monitor this, the Fund annually organises a tenant satisfaction survey, and forms a benchmark together with a number of Dutch professional real estate Funds (IVBN). This benchmark allows the Fund to monitor market developments and compare the Fund's results with the performance of the benchmark. In line with 2017, the survey in 2018 is performed by an independent research agency, Customeyes. The agency carried out a survey among a representative sample of the tenants.

The results of the yearly tenant satisfaction survey were presented. The average score for the Fund was 6.9 which is in line with last year (6.9) as well as the average benchmark score (7.0). The subject 'energy efficiency satisfaction' scored 6.6 which is also the strongest improver compared to last year (6.2). This implies a positive experience among tenants with regard to sustainability. All results and improvements will be discussed with the external property managers. The coming years, the Fund strives to improve the satisfaction score to at least 7.5.

Active tenant participation program

- a.s.r. real estate expanded the CSR box project to the property of Milestones in Utrecht. In this project tenants are informed about a sustainable way of living. The project is a collaboration among the municipality of Utrecht, JWA Advies and the Fund. The Fund still provides a CSR bag with several sustainable products for all new tenants and for tenants in renovation projects. This will contribute to improving sustainable tenant behavior.
- Amongst the tenants of Lamérislaan in Utrecht, Staalmeesterslaan in Amsterdam and the sustainable apartments in Nieuwegein, preparations were started to set up an Energy Battle. The most sustainable tenant will be rewarded with a weekend trip to a sustainable family house. The project will be executed in the first quarter of 2019. The Fund intends to improve awareness with regard to energy use.
- In December 2018, the Fund sent the yearly CSR newsletter to all its tenants. In this letter, the Fund informs about its CSR policy, results and initiatives. In addition, several advices were given about the way tenants can live more sustainable.
- Digitalisation is the cornerstone of the Fund's new development of the service delivery for the tenant. ASR DCRF is engaged in building an online portal for the tenants and aim to deliver in the second quarter of 2019. With this portal in place, tenants can be served in a better and time efficient way.

Milestones, Utrecht

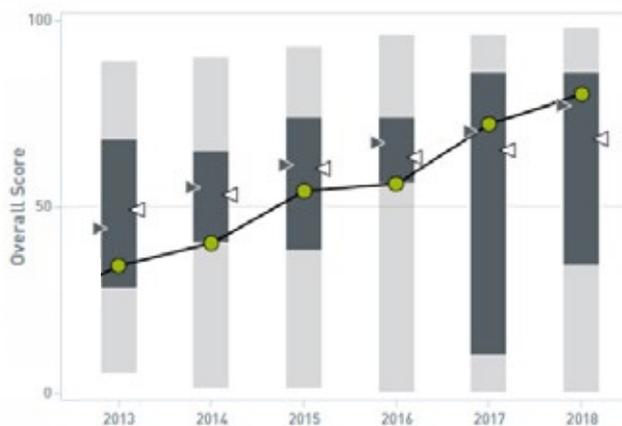
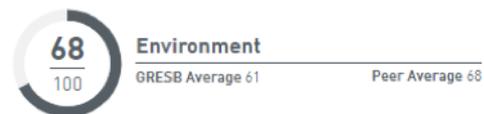
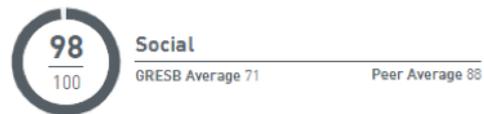
GRESB - Four stars for ASR DCRF

ASR Dutch Core Residential Fund improved its score once again in 2018 to 80 points (out of 100 points), which was an increase of 8 points compared to 2017. And once again, the Fund obtained a four-star rating, scored above average and improved its place in its peer group from ninth to seventh (out of 13).

This outstanding improvement was mainly the result of the Fund's continuing commitment to its large-scale renovation projects. For example, in 2017 the Fund renovated three large properties (389 dwellings) which have been in a.s.r.'s ownership since the 1970s, from an energy label F/G to A. Additionally, the Fund's implementation of the new DGBC's Green Building Certification Scheme for residential buildings significantly improved its score.

The Fund performed particularly strongly on the ESG themes of Social (S) and Governance (G), scoring 98 out of 100 in both areas, well above the benchmark. This demonstrates the Fund's high-quality sustainability governance, which is achieved through its detailed policies and stringent procedures, as well as its relations with - and impact on - its stakeholders regarding sustainability. The Fund made the largest improvement on the Environment (E) theme, increasing its score by 21.4% compared to 2017.

For the years to come, the Fund expects their GRESB score will increase even more due to their focus on Green Building Certificates and the portfolio's energy performance.





Planet

Strategic objectives

- Reduce energy consumption and greenhouse gases by 10% compared to 2015
- Optimal monitoring of environmental performance
- Investing in neighbourhoods
- Contribution to the opportunities and development of pupils and students

Reduce energy consumption and greenhouse gases by 10% compared to 2015

To minimise carbon emissions, ASR DCRF wishes to further scale back the portfolio's energy consumption, water consumption and waste production. Goal is to reduce the energy consumption and greenhouse gas emissions by 10% from 2015 to 2020. This is measured by the electricity and greenhouse emissions intensity ratio per sq.m. including both communal and tenant areas. These ratios are normalised based on year of construction, vacancy, degree days and area and all electricity is 100% green.

In 2017 ASR DCRF started collecting actual usage data from the individual units. The results for 2018 have not arrived yet, therefore the results below are focussing on the collective consumption only. The tenant data will be disclosed in the GRESB 2019 and the Fund's annual report 2020.

Since 2015, the electricity intensity ratio decreased by 24% and the greenhouse gas intensity ratio by 55%. Water consumption decreased by 41% since 2016 and waste increased by 4% since 2017. The Fund's influence on the latter is relatively small since waste collection primarily is a municipal responsibility.

The decreases show that the focus on its sustainable policy, acquisitions, maintenance and extensive sustainable renovation of the Fund's current portfolio have had a positive impact on the performance indicators. As soon as the tenant consumption is disclosed, the Fund will decide whether or not to sharpen its reduction targets within the ASR DCRF Three Year Businessplan 2020-2022.

Optimal monitoring of environmental performance

The Fund contracted energy consultant INNAX to provide better insight into the energy performance of the Fund's portfolio. The Fund is better able to exercise energy consumption control. One of the Fund's improvements is the implementation of these figures in the system. The Fund is also investigating several ways to monitor tenants behavior. The more data the Fund can collect, the better the Fund can advise the tenants on their energy consumption.

Investing in neighbourhoods

- In Terwijde-centrum in Utrecht a parking area is transformed into a tiny forest. School children planted more than 600 trees. a.s.r. real estate is one of the investors in this tiny forest. For 2019, the Fund will start a similar project in Bilthoven (Kramsvogel-Spreuwlaan).
- In property Gouwe Zicht in Waddinxveen five large photo canvases were installed to improve the entrance of the hall's appearance. The photos relate to five well-known places in Waddinxveen.
- A green rooftop is realised for property Wibautstraat in Amsterdam. The Fund placed plastic crates on the roof for water storage so that water remains on the rooftop for a longer period of time and drains more slowly.

Contribution to the 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. Also in 2018 the objective had been reached by mentoring seven students and two trainees and organising several guest lectures. Furthermore, a.s.r. organised for the second time the 'sustainable school challenge', all province Utrecht-based schools were challenged to come up with sustainable ideas for their school. The school which had the best idea won € 12,500.

Performance indicators ASR DCRF 2018

	absolute				like-for-like		absolute
	2018	2017	2016	2015	2018	2017	Δ 2015-2018
ENERGY							
Intensity ratio electricity (kWh/m²)¹⁾	61.1	63.7	77.2	80.2	64.2	71.4	-24%
Total energy consumption from electricity (kWh)	1,762,943	1,694,825	1,938,048	1,900,528	1,686,372	1,900,884	
Corresponding properties	37	31	25	25	31	31	
Percentage covered in portfolio	80%	67%	54%	54%	67%	67%	
Intensity ratio fuel (m³/m²)¹⁾	9.3	18.3	23.0	22.7	9.3	10.6	-59%
Total energy consumption from fuels (m3)	487,967	812,185	836,890	791,202	487,967	562,428	
Corresponding properties	6	8	6	6	6	6	
Percentage covered in portfolio	100%	100%	75%	75%	100%	100%	
GREENHOUSE GAS							
Intensity ratio greenhouse gas (kg/m²)¹⁾	19.2	34.6	43.5	42.9	17.8	20.2	-55%
Total direct greenhouse gas emissions (kg)	922,258	1,532,593	1,579,211	1,492,998	922,258	1,062,989	
Total indirect greenhouse gas emissions (kg)	87,169	4,965	5,678	5,568	77,138	80,568	
Total greenhouse gas emissions (kg)	1,009,427	1,537,558	1,584,889	1,498,566	999,396	1,143,557	
							Δ 2016-2018
WATER							
Total water (in m³)	42,390	57,366	72,325	n/a	39,992	40,423	-41%
Corresponding properties	20	15	12	n/a	13	13	
Percentage covered in portfolio	63%	47%	38%	n/a	41%	41%	
							Δ 2017-2018
WASTE							
Total weight of waste (metric tonnes)	3,022.34	2,892.68	n/a	n/a	2,900.73	2,892.68	4%
Total weight of recycled waste (metric tonnes)	348.40	324.96	n/a	n/a	325.87	324.96	
Recycled waste	12%	11%	n/a	n/a	11%	11%	

All data have been compiled and checked by INNAX. The portfolio portion of directly controlled investments makes 100% use of green electricity. Consumption is in common areas. If there is fuel present then this is combined consumption, so for the whole building. Total direct greenhouse gas emissions are emissions from sources that are owned or controlled by the organisation, 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 organisation.

1) Intensity ratio's normalised based on year of construction, vacancy, degree days and area

Sustainability guidelines

United Nations Sustainable Development Goals

On 25 September 2015, 193 world leaders committed themselves to the 17 SDGs of the United Nations which are designed to achieve sustainable development worldwide. Between now and 2030, these goals will focus on the eradication of global poverty and inequality, combating climate change and ensuring that everyone can lead a prosperous and peaceful life. It is not only governments but also companies like a.s.r. that have a contribution to make in this context.

a.s.r. has categorised its contribution to the SDGs into four themes: 'Sustainable insurer', 'Sustainable investor', 'Sustainable employer' and 'Social role'. These themes have been included in a.s.r.'s annual report. a.s.r. real estate has added a fifth theme, 'Sustainable real estate investor', to monitor its specific contribution to the SDGs from a real estate perspective. The Fund contributes actively to the four SDGs listed below.

SDG 7 Affordable and clean energy

The Fund is exploring the use of renewable energy and has set objectives to reduce energy consumption and GHG emissions. This will be monitored by keeping track of the intensity ratios.

SDG 11 Sustainable cities and communities

In addition to reducing energy consumption and exploring the use of renewable energy, the Fund is focusing on encouraging sustainable transport, green roofs and liveable neighbourhoods.

SDG 12 Responsible consumption and production

The Fund publishes its CSR policy annually and adheres to the sustainability guidelines. The Fund also verifies whether its chain partners comply with its CSR policy.

SDG 13 Climate action

The impact of the portfolio on climate change is being monitored.





People

Strategic objectives

- Informed and engaged employees
- Optimal organisational anchoring of CSR
- Employee satisfaction > 80%
- Personal development of employees

Informed and engaged employees

The Fund wants to ensure that its employees are kept adequately informed about CSR issues in order to maximise the extent to which CSR affects their day-to-day practices.

- a.s.r. real estate organised a masterclass in circular real estate with MVO Nederland and developer Reborn to improve the company's knowledge on this highly relevant subject.
- For the majority of employees CSR is included in their annual targets.
- a.s.r. real estate keeps all stakeholders informed about the latest CSR initiatives and results through a monthly internal newsletter.
- A property tour was organised to new properties Marie Louise in Ede and Vathorst in Amersfoort for employees of the a.s.r. residential team.

Optimal organisational anchoring of CSR

- Important achievement in 2018 is the optimisation of the Funds administrative system. From now on, key variables of ESG parameters as energy labels and BREEAM certificates are well documented and perfectly useful.
- In 2018, the Fund have analysed its contribution to the UN Sustainable Development Goals. The Fund actively contributes to four of these goals. Please also refer to the next page of this report.

Employee satisfaction rating >80%



Periodically, a.s.r. real estate commissions what is known as the 'Great Place To Work' (GPTW) survey. This global survey measures employee satisfaction on factors such as credibility, respect, honesty, pride and fellowship. Following each survey, the results are analysed and discussed intensively by the GPTW workforce and all departments and business lines. Where necessary, steps are taken to improve a.s.r. real estate's standing as an excellent employer. In 2018, a.s.r. real estate exceeded the goal of employee satisfaction of at least 80% (81%) and was nominated as one of the best workplaces in the Netherlands for the second time in a row. The goal is to maintain a satisfaction rating of at least 80%.

Personal development of employees

The main focus of the human resources management policy of a.s.r. is the personal development of its employees in terms of professional expertise, competences and skills. In 2018, 37% of a.s.r. real estate's employees were invited to participate in a.s.r. Nederland's Development Program, where they will be challenged and trained for future professional and personal growth. Each year, a.s.r. real estate gives a number of individual employees the opportunity for additional education, such as a graduate-level master's degree, to broaden their knowledge and skills and help ensure life-long employability.

Colophon

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a.s.r.
de nederlandse
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voor alle
verzekeringen

