

# CSR annual report 2018

ASR Dutch Mobility Office Fund



# Our vision

The Fund's vision of Corporate Social Responsibility is to establish and maintain an office portfolio with an intrinsic long-term value. As defined in the ASR DMOF strategy, long-term value can be created near national and international mobility hubs with a strong focus on train stations. We aim to offer offices that are comfortable, attractive for a wide range of tenants and that meet the current and future wishes of tenants in terms of use, flexibility and sustainability. These offices have a proven track record as being among the most attractive places to work throughout the economic office-real estate cycle.

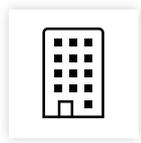
The Fund has an Asset Management plan in place for every asset in the portfolio. Objectives to support the CSR policy on a Fund level are included and apply to the same reporting period.

A sustainable office is an attractive property: attractive for the tenant because of low energy consumption, a pleasant indoor climate and a healthy environment for employees and visitors. Investors find a sustainable office property attractive given that a sustainable portfolio creates long-term value and helps to mitigate risks. Sustainability ensures marketability, continuity and stability. In addition, sustainable offices reduce environmental impact thanks to their energy and water efficiency, and low waste generation. As a result, they help to reduce greenhouse gas emissions.

To realise this vision, the Fund has developed a CSR policy. This policy is based on 'four Ps' which cover the entire spectrum of Corporate Social Responsibility: Property, Partners, Planet and People. While the four Ps represent different dimensions of the CSR policy, each is equally essential to realise 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 DMOF's CSR annual report follows the INREV Sustainability Reporting guidelines. The Sustainability Reporting Compliance Rate of the Fund is 100%.

## Strategic objectives 2018 - 2020

<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 organisation</b></p>
<ul style="list-style-type: none"> <li>• Green Label for &gt; 90% of the portfolio</li> <li>• An energy label A for &gt; 80% of the portfolio</li> <li>• Green Building Certificate for &gt; 30% of the portfolio</li> <li>• Explore energy saving measures for individual assets</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal engagement with partners in the chain</li> <li>• Continuously check for compliance with CSR requirements and objectives</li> <li>• Conducting a tenant satisfaction survey with a satisfaction rate &gt; 7</li> <li>• 100% green leases for new lease agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal monitoring of environmental performance</li> <li>• Reduce energy consumption and GHG emissions &gt; 10% compared to 2017</li> <li>• Explore renewable energy uses</li> <li>• Invest in mobility hubs and encourage use of public transport</li> <li>• Contribute to opportunities for 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 organisational embedding of CSR</li> </ul>



# Property

As a real estate investment fund, property takes centre-stage at ASR DMOF. The main goal is to continue to make the portfolio more sustainable in various ways. The Fund aims to concentrate these efforts at logical times in the property cycle, for instance during regular maintenance or when there is a tenancy change.

## Strategic objectives

- 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

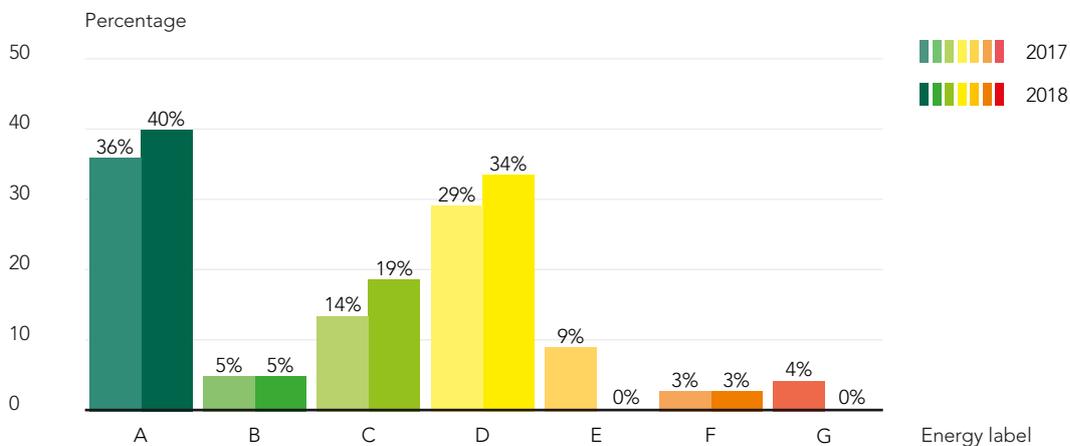
## Green Label for > 90% of the portfolio

All the Fund's office properties are EPA-certified. ASR DMOF aims to obtain a Green Label (energy label C or better) for at least 90% of its properties by the end of the CSR policy period. In order to achieve this, properties will be renovated at logical points in the operational process and be made more sustainable. In 2018 the Laag Katreine building received an energy label C (initially energy label E), mainly due to a more efficient air-treatment system.

Under Dutch law, historic buildings like Moreelsepark are exempt from the obligation to have energy label C by 2023. Nevertheless, the Fund installed high performance insulating glass (HR ++ ) in the staircases of the building in 2018, which boosted the energy label from F to D.

At year-end 2018 63% of the portfolio had a Green Label, a rise of 8% on 2017.

## EPA labelling



## Energy label A for > 80% of the portfolio

In order to accelerate sustainability in the office market, the Dutch government has adopted a policy requiring investors to invest in their properties and obtain at least energy label C. From 2023 onwards, all Dutch office buildings must have at least a C-label (except for office properties smaller than 100 sq.m. and listed buildings). Properties that do not meet the energy label C requirement by 2023 will no longer qualify for use as office buildings. The expectation is that energy label A will be mandatory for all Dutch office properties by 2030.

The Fund plans to obtain energy label A for over 80% of the portfolio in the period 2018-2020 even though this will not be mandatory until 2030. The Fund is taking these measures to create a green office portfolio that scores above-average well in advance of future regulation and that will therefore maintain its long-term value.

At year-end 2018 40% of the portfolio had energy label A.

## Green Building Certificate for > 30% of the portfolio

In addition to EPA certification, the Fund wants to go one step further in making its portfolio more sustainable by focusing on obtaining Green Building Certificates (e.g. BREEAM, GPR Gebouw and LEED) for its properties. At the end of 2018, 6% of the portfolio was certified. The Fund has initiated BREEAM certification of the Eempolis building, which it expects to obtain in 2019. This will boost the figure for buildings with a Green Building Certificate to 31%.

## Explore energy saving measures for individual assets

The portfolio is being assessed to identify green solutions (such as LED lighting, high-efficiency boilers, solar panels, water-saving plumbing and sedum roofs) and the Fund has identified how sustainable improvements can be made in day-to-day management. By using an asset-specific monitoring system and making smart adjustments to installations, the Fund can implement tailored energy efficiency measures.

In 2018 the Fund implemented the energy saving tool E-nolis in the portfolio. After the first results, the follow up programme was performed on two assets within the portfolio (Europlaza and Eempolis). The results and the feedback from the buildings maintenance parties were enthusiastic about the insights gained and actions to improve the performance of the installations. Based on this success, the Fund is looking to implement this service continuously within the portfolio.

Eempolis, Amersfoort





## Partners

The role of the Fund's partners is essential for achieving its CSR targets. ASR DMOF wishes to increase partner involvement through open communication about its CSR policy and by sharing specialist knowledge (with presentations on CSR as the main point of discussion during periodic consultations), and by making specific sustainability agreements.

### Strategic objectives

- Optimal engagement with partners in the chain
- Continuously check for compliance with CSR requirements and objectives
- Conducting a tenant satisfaction survey with a satisfaction rate > 7
- 100% green leases for new lease agreements

### Optimal engagement with partners in the chain

ASR DMOF sees investors, tenants, external property managers and government bodies as its most important partners in achieving its investment goals. The Fund aims to increase tenant awareness and ensure its tenants engage with the Fund's CSR policy. The Fund firmly believes that cooperation between owners and tenants is essential to meet CSR objectives. In 2018 the Fund therefore implemented (together with the external property manager) a CSR agenda item at every scheduled tenant meeting.

In 2018 the Fund cooperated with tenant Arcadis (from the Eempolis building) in investigating a pilot for an entry in the Madaster Platform. The Madaster Platform functions as a public, online library of materials in the built environment. It links the identity of materials to a location and registers this in a materials passport. Through the materials passport, materials keep their identities, changing every building into a depot of materials with a certain value.

### Conducting a tenant satisfaction survey with a satisfaction rate >7

The Fund commissioned a specialist company (Keepfactor) to perform a tenant satisfaction survey within the portfolio. The survey took place late 2018 and had a response rate of 95% of rental income. The survey is divided in questions regarding the asset itself and about the property management. Both subjects are scored separately and can combined give a single figure outcome to see the overall score. This year the asset part scored an 6.4 (on a scale of 10) and the property management part scored an 5.8. Combined (weighted) this resulted in a score of 6.3. The score is lower than the desired satisfaction rate of >7. The survey is set up in a way that on a high level of detail can be seen where the assets and property managers perform above and below this desired score. This gives the Fund the opportunity to address possible improvements and act accordingly to increase the tenant satisfaction overall. By doing so the Fund is confident that the score will improve for coming years.

### 100% green leases for new lease agreements

In order to raise awareness and encourage tenants and landlords to take responsibility, the Fund focuses on green leases. All new leases will have additional ASR sustainability provisions (modelled on the standard Dutch 'ROZ' contract) to reduce waste and improve energy and water use. As a result, the total percentage of new tenancy agreements in the portfolio with a green lease provision was 100% in 2018.



# Planet

'Planet' stands for the contribution ASR DMOF makes to nature, society and the environment. In the Netherlands, real estate is responsible for more than 35% of greenhouse gas (GHG) emissions. The Fund therefore considers it as its duty to ensure that ASR DMOF works to achieve a lighter footprint with less waste, reduced water consumption and lower GHG emissions.

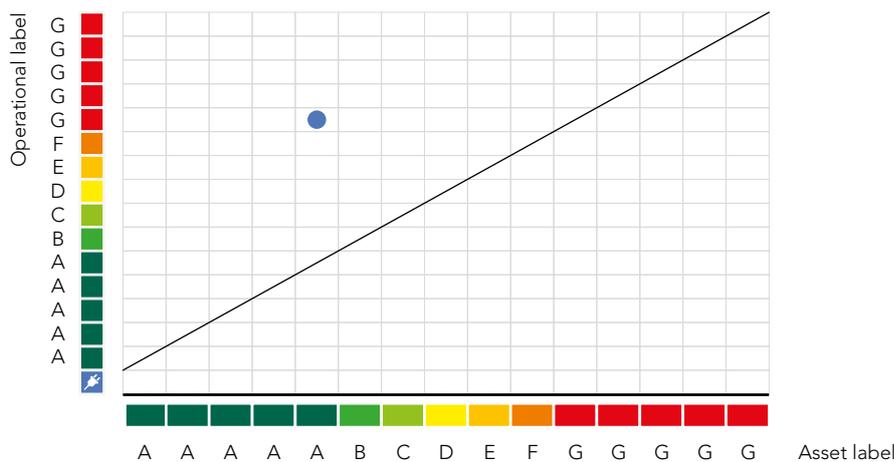
## Strategic objectives

- Optimal monitoring of environmental performance
- Reduce energy consumption and GHG emissions > 10% compared to 2017
- Explore renewable energy uses
- Invest in mobility hubs and encourage use of public transport
- Contribute to opportunities for and development of pupils and students

## Optimal monitoring of environmental performance

In 2018 the Fund implemented the energy saving tool E-nolis in the portfolio. This company can monitor installations by using an integrated system. By identifying systems that are not performing as they should, quick wins can be achieved. After the first results the follow up programme was performed on two assets within the portfolio (Europlaza and Eempolis). The Fund is looking to implement this service continuously within the portfolio.

## Energy benchmark



The software package EPA View (which enhances a.s.r. real estate's ability to monitor energy certifications) was also implemented in 2018. The energy certification data will be analysed using EPA View.

## Reduce energy consumption and GHG emissions > 10% compared to 2017

To minimise carbon emissions, the Fund is aiming to scale back the energy consumption, GHG emissions, water consumption and waste production of its total portfolio, both common and tenant space. Goal is to reduce the communal energy consumption and greenhouse gas emissions by 10% from 2017 to 2020. This is measured by the electricity and greenhouse emissions intensity ratio per sq.m. These ratios are normalised based on year of construction, vacancy, degree days and area.

Since 2017, the electricity intensity ratio decreased by 12% and the greenhouse gas intensity ratio decrease by 13%. Water consumption and waste decreased by 3% and 7% since 2017, respectively. The decreases show that the Fund's focus on sustainable maintenance have had a positive impact on the performance indicators. Since the Fund achieved its reduction targets, ASR DMOF will renew its targets in the Three Year Businessplan 2020-2022.

## Performance indicators ASR DPRF 2018

	absolute		like-for-like		absolute
	2018	2017	2018	2017	Δ 2017-2018
<b>ENERGY</b>					
<b>Intensity ratio electricity (kWh/m<sup>2</sup>)<sup>1)</sup></b>	<b>119.6</b>	<b>136.2</b>	<b>119.6</b>	<b>125.5</b>	<b>-12%</b>
Total energy consumption from electricity (kWh)	11,688,070	15,132,449	11,688,070	12,154,702	
Corresponding properties	8	10	8	8	
Percentage covered in portfolio	80%	100%	80%	80%	
<b>Intensity ratio fuel (m<sup>3</sup>/m<sup>2</sup>)<sup>1)</sup></b>	<b>10.1</b>	<b>8.7</b>	<b>9.0</b>	<b>8.7</b>	<b>16%</b>
Total energy consumption from fuels (m3)	538,606	431,623	451,991	431,623	
Corresponding properties	5	4	4	4	
Percentage covered in portfolio	100%	80%	80%	80%	
<b>Intensity ratio energy (GJ/m<sup>2</sup>)<sup>1)</sup></b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-4%</b>
Total energy consumption from District Heating & Cooling (GJ)	18,849	20,503	18,849	19,341	
Corresponding properties	7	8	7	7	
Percentage covered in portfolio	88%	100%	88%	88%	
<b>GREENHOUSE GAS</b>					
<b>Intensity ratio greenhouse gas (kg/m<sup>2</sup>)<sup>1)</sup></b>	<b>37.0</b>	<b>42.4</b>	<b>35.3</b>	<b>36.7</b>	<b>-13%</b>
Total direct greenhouse gas emissions (kg)	1,017,965	647,681	854,263	815,767	
Total indirect greenhouse gas emissions (kg)	2,597,847	3,469,448	2,618,469	2,760,557	
Total greenhouse gas emissions (kg)	3,615,812	4,117,128	3,472,732	3,576,324	
<b>WATER</b>					
<b>Total water (in m<sup>3</sup>)</b>	<b>45,162</b>	<b>46,432</b>	<b>37,181</b>	<b>38,196</b>	<b>-3%</b>
Corresponding properties	9	8	7	7	
Percentage covered in portfolio	90%	80%	70%	70%	
<b>WASTE</b>					
<b>Total weight of waste (metric tonnes)</b>	<b>185.81</b>	<b>198.99</b>	<b>185.81</b>	<b>198.99</b>	<b>-7%</b>
Total weight of recycled waste (metric tonnes)	44.44	44.66	44.44	44.66	
Recycled waste	24%	22%	24%	22%	

All data have been compiled and checked by INNAX and the portfolio portion of directly controlled investments makes 100% use of green electricity. The data is the consumption of whole buildings. 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

## Explore renewable energy uses

As mentioned in the 'Property' section, the Fund is exploring the possibilities for renewable energy use in different buildings. The results of these explorations showed the investment, the savings (in money, energy and CO<sub>2</sub> emissions) and the payback period. These reports will be used in the coming maintenance and investment planning cycle.

In addition the Fund started to explore the possibilities of implementing seasonal thermal energy storage at Katreinetoren and Laag Katreine. The municipality issued a permit to the previous owner for storage points near these buildings.

## Invest in mobility hubs and encourage use of public transport

The Fund recognises that tenants located at mobility hubs also benefit from easy access to several modes of transportation. For this reason, the Fund invested in sustainable mobility, such as car and (electric) bike-sharing initiatives as part of the Wonderwoods acquisition in 2018. To encourage the use of public transportation, the Fund investigated a range of options to inform the tenants of public transportation departures by live feed. This is one of the feeds that will be presented in the lobbies of multi-tenant offices (implementation in 2019).

## Contribute to opportunities for 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 2018, a.s.r. real estate mentored seven students, two trainees and organised several guest lectures. Furthermore, a.s.r. organised the second 'sustainable school challenge': all schools in the province of Utrecht were challenged to come up with sustainable ideas for their school. The best idea won € 12k.

### Climate change

The built environment has an impact on global climate change through the development of new real estate, the way in which real estate is managed in operational terms, and the removal of assets from the real estate stock. Conversely, climate change can also have an effect on the management of the built environment, due to natural disasters, rising sea levels and air or soil pollution, for instance.

Insight into the adverse effects of climate change is vital in order to respond to the impact which climate change is having and will continue to have, while at the same time preparing for its future effects. The Fund has therefore evaluated which effects apply to the portfolio and how urgently action is required. Currently, there are no effects that require urgent action from the Fund.

ASR DMOF will continue to monitor these effects closely as part of its commitment to a future-proof portfolio. In its annual report, the Fund will include any changes to the effects identified and their level of urgency, in order to assure the mid- to long-term value of ASR DMOF's portfolio.

### Wonderwoods, Utrecht



## 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 aim to move towards sustainable development around the world. Between now and 2030, these goals will focus on the eradication of global poverty and inequality, combating climate change and creating a prosperous and peaceful life for all. 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 also added a fifth theme, 'Sustainable real estate investor', in order to monitor its specific contribution to the SDGs from a real estate perspective. The Fund actively contributes to the four SDGs listed below.

#### SDG 7 Affordable and clean energy

The Fund is exploring the use of renewable energy and has set targets for reducing energy consumption and GHG emissions. This will be monitored by tracking 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 outlined on page 10. 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 monitored. The results are communicated in the annual report.





## People

'People' is about the employability, development opportunities, rights and the physical and mental health of a.s.r. real estate's employees. a.s.r. real estate aims to maintain the employability and satisfaction levels of its employees, which is why it continuously invests in its human capital. These aspects are well represented in the policy of a.s.r. real estate and a.s.r. Nederland. Another important 'people' aspect is raising employees' awareness about sustainability. ASR DMOF's CSR policy focuses mainly on the engagement of employees and on sound embedding of CSR aspects in the organisation.

### Strategic objectives

- Personal development of employees
- Informed and involved employees
- Employee satisfaction > 80%
- Optimal organisational embedding of CSR

### 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 Programme, where they are 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.

### Informed and involved employees

ASR DMOF wants to ensure that its employees are kept adequately informed about CSR issues in order to maximise the impact of CSR on their day-to-day practices. In 2018 this was enhanced by the establishment of an ASR DMOF CSR working group and frequent updates to colleagues at internal presentations. For the majority of employees, CSR is part of their annual targets. Furthermore, 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.

### Employee satisfaction > 80%



Periodically, a.s.r. real estate commissions what is known as the 'Great Place To Work' 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, with a score of 81% a.s.r. real estate exceeded the goal of employee satisfaction of at least 80% and was nominated by GPTW 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%.

### Optimal organisational anchoring of CSR

- An important achievement in 2018 was the optimisation of the Fund's administrative system and implementation of EPA view. Key variables of ESG parameters such as energy labels and BREEAM certificates are now well documented and can be put to optimal use.
- In 2017 the Fund had applied all aspects of the BREEAM rating system in its 'Programme of Requirements' in order to move towards a more sustainable portfolio over time. In 2018 this was successfully applied in the acquisition process of Wonderwoods.
- In 2018, ASR DMOF analysed its contribution to the UN Sustainable Development Goals. The Fund actively contributes to the four SDGs listed below.

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

