

CSR annual report 2018

ASR Dutch Prime Retail Fund



Our vision

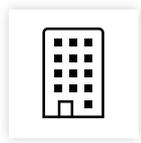
a.s.r. real estate facilitates the interests of our tenants and investors in the best possible way by creating shops and retail areas that have long-term value in both a financial and societal perspective. a.s.r. real estate does this in a responsible manner with engaged and aware partners and employees.

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.

In order to realise the Fund's Corporate Social Responsibility (CSR) goals, a CSR policy has been drawn up for 2018-2020. This report presents the results of the Fund's CSR objectives to date following the thematic approach of the CSR policy.

The Fund's CSR 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 the end of 2020. ASR DPRF's CSR annual report follows the INREV Sustainability Reporting guidelines. The Sustainability Reporting Compliance Rate of the Fund is 96%.

Strategic objectives 2018 - 2020			
Property  Sustainable portfolio	Partners  Engaged partners	Planet  Contribution to society and the environment	People  Committed organisation
<ul style="list-style-type: none"> Over 80% of the portfolio will have a 'Green Label' Portfolio 'asbestos-safe' Environmental savings in all projects and included in maintenance BREEAM certification for new assets, BREEAM NL In-Use for district shopping centres 	<ul style="list-style-type: none"> Optimal engagement of partners in the retail chain Continuous check for compliance with CSR requirements and objectives Tenant satisfaction of at least 7.0 (out of 10) in a new tenant satisfaction survey Active tenant engagement programme 100% green lease clauses for newly signed retail leases 	<ul style="list-style-type: none"> Optimal monitoring of environmental performance Reduce energy consumption and GHG emissions with 10% compared to 2015 Encourage activities in inner cities and retail areas Contribute to opportunities for and development of students 	<ul style="list-style-type: none"> Informed and involved employees Optimal organisational embedding of CSR requirements Employee satisfaction >80% Personal development of employees



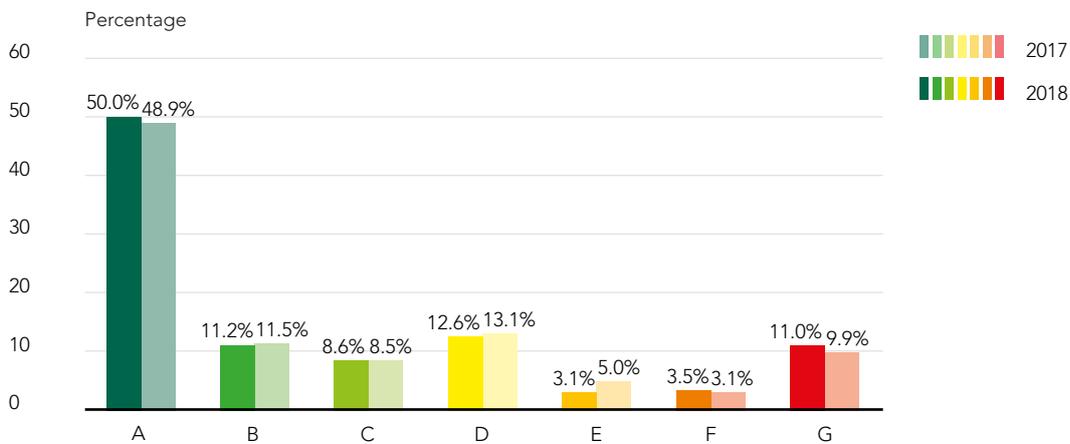
Property

Strategic objectives

- Over 80% of the portfolio will have a 'Green Label'
- Portfolio 'asbestos-safe'
- Environmental savings in all projects and included in maintenance
- BREEAM certification for new assets, BREEAM NL In-Use for district shopping centres

Over 80% of the portfolio will have a 'Green Label'

Energy labels



- In 2018, the existing EPA labels were reviewed. We applied labels for new and renovated buildings as well as lettable units which were not classified as shops. Over 99% of the portfolio has EPA label certification. The limited units which do not yet have EPA label coverage will be covered in the upcoming years.
- The buildings that received an EPA label D - G have been reviewed and measures will be implemented on individual properties.
- There was a limited increase in the number of 'Green Label' properties (69.8%), as the improvement was due to renovations, conversions and the acquisition of new assets. The Fund continues to strive to achieve a Green Label for 80% of the assets.
- Software package EPA View, which enhances a.s.r. real estate's monitoring ability of the energy certifications, was acquired and implemented in 2018. The energy certification data will be analysed using EPA View.

Portfolio 'asbestos safe'

- All conversions and renovations included asbestos investigations. Any asbestos found was removed: this was the case at several buildings in the newly acquired high street portfolio. Asbestos risks are also assessed whenever there is a change in tenants. For instance, several units at the Hoge Vucht shopping centre in Breda were extensively stripped of asbestos and improved.
- In the case of rental transactions, the tenant receives the most recent asbestos report (if applicable) and is informed of any asbestos risks. This enables tenants to have their shops fitted out safely.

The measures mentioned above also take account of the removal of asbestos which is difficult to reach in order to prevent unsafe situations. Our asbestos policy will continue in 2019. The goal to have an 'asbestos-safe' portfolio by 2020 remains unchanged.

Environmental savings in all projects and included in maintenance

Whenever possible, we incorporate sustainability improvements in multi-year maintenance programme, which clearly identifies CSR activities. During construction work, we work with sustainable materials such as FSC timber and take waste reduction measures. Energy-saving measures include LED-lighting, high efficiency boilers, sustainable facades, HR+ glass, solar panels and water-saving sanitation systems. For 2019, 0.5% of rental income will be allocated to sustainability improvements as part of the maintenance budget. In 2018, a similar percentage of rental income was spent on sustainability measures as an integral part of the maintenance budget.

For the district shopping centres Castellum (Houten), Lijnbaan (Vianen) and Haagse Passage (The Hague), old lighting was replaced by LED-lighting with the aim of reducing energy use overall and lowering tenants' energy consumption for the communal space. In district shopping centre Hoge Vucht (Breda) the Fund provided the tenants with part of the funding needed to invest in LED-lighting and energy efficient installations. At Utrechtsestraat 6 (Amersfoort) and Annastraat / Oud Kerkhof (Utrecht) the Fund replaced the roofing and improved the insulation.

In Q4 2018, a pilot was started for an attractive and modular construction fence, as part of the redevelopment of Koningsplein (Amsterdam). This fence can subsequently be used for other building projects, for instance at Haagse Passage (The Hague).

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

The Fund received BREEAM NL In-Use labels for the renovation of Koningsplein (Amsterdam) and Terwijde (Utrecht), with both locations receiving three stars (BREEAM 'Very Good'). Total BREEAM certification covered 25.4% of the total value of the portfolio, of which 19.8% related to BREEAM NL In-Use coverage at 31 December 2018.

BREEAM certificates are in preparation for the following assets:

- The second part of project Koningsplein (Amsterdam). Many sustainability measures have been applied, such as LED-lighting, FSC Timber and isolation. Upon completion of the renovation (due in 2020), the whole property will be BREEAM-certified. The goal is to also increase the BREEAM label to 'Excellent' (four stars).
- DSC Castellum in Houten. As the property was bought by the Fund in late 2017, the Fund assessed all sustainability measures put in place by the previous owner. The Fund currently contemplates the implementation of a BREEAM NL In-Use certificate.
- DSC Floriande in Hoofddorp will receive a BREEAM NL In-Use label in 2019, after a quickscan which aims to improve the BREEAM NL In-Use label before obtaining it.

The Fund will decide upon certificates for 2019 as soon as we have reviewed our experiences relating to current certificates and those pending approval. The Fund already has three certificates in place (out of eight wholly-owned DSCs), and two pending certificates. This means that the Fund would need to obtain BREEAM NL In-Use certification for the last three properties in 2020 to meet its CSR objectives.

Terwijde, Utrecht





Partners

Strategic objectives

- Optimal engagement of partners in the retail chain
- Continuous check for compliance with CSR requirements and objectives
- Tenant satisfaction of at least 7.0 (out of 10) in a new tenant satisfaction survey
- Active tenant engagement programme
- 100% green lease clauses for newly signed retail leases

Optimal engagement of partners in chain

Making clear sustainability agreements with our stakeholders is a key focus area for a.s.r. real estate. We are actively working towards increasing the number of sustainability agreements. In addition, we make sustainability an agenda item during periodic meetings with our key stakeholders. In 2018 we discussed sustainability regularly with tenants, suppliers, real estate managers, key tenants and appraisers.

In 2018, we discussed CSR with our key chain partners. We initiated CSR presentations with our partners and attended their CSR events as well. Our aim was to facilitate information exchange and to help enhance our employees' commitment to CSR. The Fund's investors were informed on sustainability issues through the three-year business plan 2018-2020, in periodic meetings and in the quarterly and annual reports. The CSR policy for 2019-2021 was submitted and approved by the Meeting of Investors in the three-year business plan 2019-2021. The Fund's sustainability manager participates in three different sustainability working groups set up by real estate sector organisations (IVBN, NEPROM and DGBC) to share and increase our knowledge in the area of sustainable real estate development. The sustainability manager participated in the panel discussion at the GRESB release event and ASR DPRF hosted the sustainability event organised by the Netherlands Council for Shopping Centres (NRW) in 2018. In various cities – including Arnhem, Haarlem, Amsterdam, The Hague and Assen – we consult closely with municipalities and other stakeholders regarding the enhancement of city centres.

Continuous check for compliance with CSR requirements and objectives

We communicate our CSR objectives to all external property managers and make agreements on how the Fund wishes to deal with sustainability. External property managers are expected to have a CSR policy that includes measurable action points and objectives and report on them regularly to a.s.r. real estate.

The instructions we issue to external property managers include:

- Sustainability improvements of 5% annually in building complex(es).
- 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)

Tenants are important partners, and the Fund wants to involve them and ensure that they are satisfied. In 2018, a new tenant satisfaction survey was carried out. The average score was 7.0. The survey included questions about the services of a.s.r. real estate and the (external) manager, and tenants were also asked to evaluate the store, the surrounding area and other important aspects such as accessibility. The tenant satisfaction survey will be repeated periodically. In future, steps will be taken to make tenant satisfaction surveys part of ongoing contacts between the manager and the counterparty, such as follow-up surveys after complaints. To facilitate this in 2018 the Fund mapped out the customer journey of our tenants in full, in order to understand which processes are in place and how they could be improved.

Active tenant participation programme

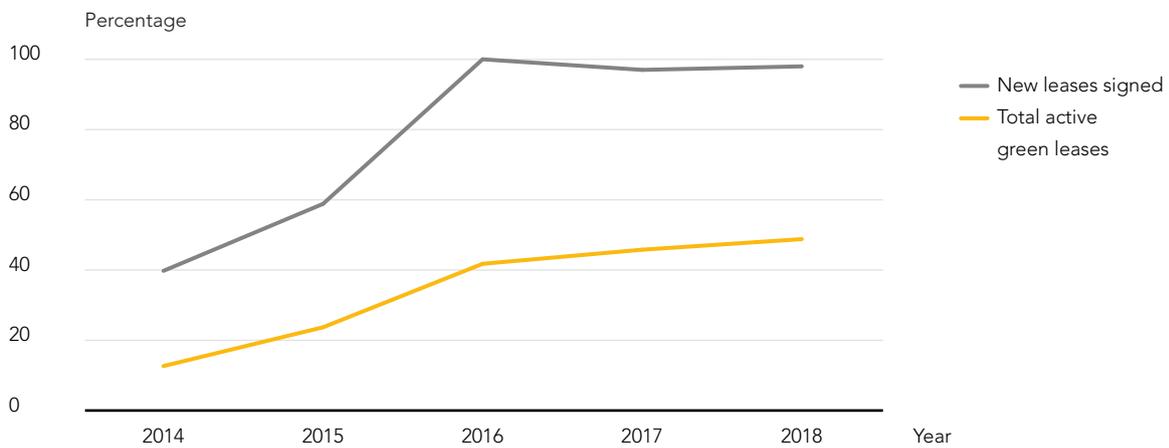
In 2018, meetings were held with various key users (major tenants) regarding the Fund's CSR policy and that of the tenants in question. Together with Ahold a pilot was started to redevelop an asset in Middelburg to be 'Paris Proof'. For the new Arket store (H&M) in the property located at Koningsplein (Amsterdam) we discussed the CSR opportunities with the tenant.

The challenge lies in joining forces whenever sustainability opportunities arise. The most effective way to achieve this is to engage in a dialogue. Tenant participation will be extended. 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.

100% green lease clauses for newly signed retail leases

In 2018, 98% of all new rental contracts were Green Lease contracts. As a result, 49% of all the Fund's leases qualify as a Green Lease contract. With the number of Green Lease contracts growing each year, the Fund aims to further increase the number of Green Lease contracts in future and have more substantive talks with tenants on the achievement of Green Lease objectives. In addition, implementing the renewed Green Lease together with other IVBN members and tenant representatives is an important goal for the coming year.

Green Lease provisions

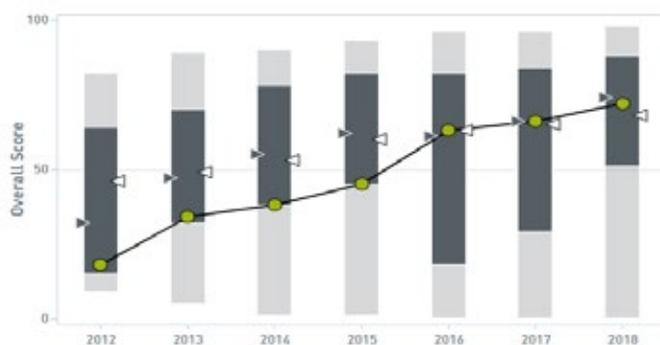


Floriande, Hoofddorp



Improved GRESB score for ASR DPRF

Every year, the Fund's CSR performance is assessed using the GRESB, an independent, scientifically based benchmark that reviews real estate funds' sustainability policies and how they are implemented around the world. In 2018, ASR DPRF improved its score to 72 points, compared to 66 in 2017. There was improvement across a range of themes, with the largest improvement in the area of 'Building Certificates', due to the successful BREEAM certification of two district shopping centres. The efforts made by the Fund to optimise its CSR policy last year were reflected in the significant improvement of 'Policy & Disclosure' to the maximum score of 100. The Fund also performed particularly strongly on the ESG's Governance (G) theme, scoring 98 out of 100. This demonstrates the quality of the Fund's governance in the field of sustainability due to its detailed policies and clear procedures. ASR DPRF also improved in both other categories, with the strongest growth in Environment (E), at 19.6%. The Fund is currently taking further measures, such as the implementation of a new tenant satisfaction survey and measures to improve the energy labels, which will further improve the scores achieved.





Planet

Strategic objectives

- Optimal monitoring of environmental performance
- Reduce energy consumption and GHG emissions with 10% compared to 2015
- Encourage activities in inner cities and retail areas
- Contribute to opportunities for and development of students

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 administration system. The Fund 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.

Reduce energy consumption and GHG emissions by 10% compared to 2015

To minimise carbon emissions, the Fund is aiming to scale back its energy consumption, water consumption and waste production. Goal is to reduce the communal 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. These ratios are normalised based on year of construction, vacancy, degree days and area and all electricity is 100% green.

Since 2015, the electricity intensity ratio decreased by 22% and the greenhouse gas intensity ratio by 62%. Water consumption and waste decreased by 27% and 35% since 2015 and 2016, respectively. The decreases show that the Fund's focus on its sustainable policy, acquisitions and maintenance have had a positive impact on the performance indicators. Since the Fund achieved its reduction targets, ASR DPRF will sharpen its targets in the Three Year Businessplan 2020-2022.

Encouraging activities in inner cities and retail areas

In 2018, a.s.r. real estate once again participated actively in meetings about inner city revitalisation: for instance, with municipal authorities and other investors in Haarlem, Assen and Arnhem. Whenever possible, managers acting for a.s.r. real estate are members of owner associations. In addition, we participate in various Business Investment Zones (BIZ) to maintain attractive business districts for retailers and investors.

The Fund realised six new apartments in the centre of Haarlem and is contributing to the liveability of the inner city. In the district shopping centres managed by the Fund, retailers' associations are very active. Contributions to the promotional budget facilitate the organisation of activities that embed the shopping centres in their neighbourhoods, such as a skating rink in shopping centre Vleuterweide (Utrecht). Furthermore, the Vleuterweide district shopping centre earned an award for being the cleanest shopping area in Utrecht.

In the Vathorst district shopping centre (Amersfoort), the Fund and the municipality co-developed a plan to make the public area more attractive. In district shopping centre Floriande (Hoofddorp) the Fund invested in improving the central square with play equipment for young children and seating areas for visitors. These activities contribute to the broader role played by these shopping centres in enhancing neighbourhood liveability.

Contribution to opportunities for and development of 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 five students, two trainees and organised several guest lectures. Furthermore, a.s.r. Nederland N.V. organised the second 'sustainable school challenge' in which all primary schools in the province of Utrecht were challenged to come up with sustainable ideas for their school. The best idea won €12,500.

Performance indicators ASR DPRF 2018

	absolute				like-for-like		absolute
	2018	2017	2016	2015	2018	2017	Δ 2015-2018
ENERGY							
Intensity ratio electricity (kWh/m²)¹⁾	95.2	102.0	114.4	121.7	95.4	102.4	-22%
Total energy consumption from electricity (kWh)	3,424,049	3,550,301	3,427,665	3,206,205	3,420,194	3,517,464	
Corresponding properties	21	22	26	23	20	20	
Percentage covered in portfolio	42%	44%	52%	46%	40%	40%	
Intensity ratio fuel (m³/m²)¹⁾	7.9	14.2	14.1	14.7	7.9	7.6	-46%
Total energy consumption from fuels (m ³)	126,534	218,335	234,423	232,206	126,534	116,928	
Corresponding properties	8	9	12	12	8	8	
Percentage covered in portfolio	27%	30%	40%	40%	27%	27%	
							Δ 2017-2018
Intensity ratio energy (GJ/m²)¹⁾	0.0	0.0	n/a	n/a	0.0	0.0	-0.8%
Total energy consumption from District Heating & Cooling (GJ)	6	6	n/a	n/a	6	6	
Corresponding properties	1	1	n/a	n/a	1	1	
Percentage covered in portfolio	100%	50%	n/a	n/a	100%	100%	
							Δ 2015-2018
GREENHOUSE GAS							
Intensity ratio greenhouse gas (kg/m²)¹⁾	6.7	12.8	15.9	17.4	6.7	6.4	-62%
Total direct greenhouse gas emissions (kg)	239,149	411,998	442,357	438,173	239,149	220,994	
Total indirect greenhouse gas emissions (kg)	233	37,537	38,844	26,921	10,252	10,529	
Total greenhouse gas emissions (kg)	239,382	449,535	481,201	465,094	249,401	231,523	
WATER							
Total water (in m³)	63,037	107,430	103,418	86,027	56,860	107,334	-27%
Corresponding properties	14	12	15	12	12	12	
Percentage covered in portfolio	36%	31%	38%	31%	31%	31%	
							Δ 2016-2018
WASTE							
Total weight of waste (metric tonnes)	129.09	342.79	198.16	n/a	126.81	145.16	-35%
Total weight of recycled waste (metric tonnes)	51.42	114.80	79.98	n/a	51.42	38.87	
Recycled waste	40%	33%	40%	n/a	41%	27%	

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. However if there is collective fuel, this a whole building' consumption. 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 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 healthier and more attractive inner cities and retail areas.

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 monitored.





People

Strategic objectives

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

Informed and involved employees

ASR DPRF 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 new working groups which all focused on a specific CSR target and by frequent updates to colleagues in internal presentations. CSR is part of the annual targets for the majority of the employees as well,. 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.

Optimal organisational embedding of CSR requirements

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. New colleagues joined and enriched the Fund's core CSR team in 2018. 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 two large renovation projects.

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 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 Programme, where they are challenged and trained for future professional and personal growth. Each year, a.s.r. real estate provides 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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NEW YORK PIZZA

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

