

CSR annual report 2019

ASR Dutch Mobility Office Fund



Our vision

The Fund's vision of Corporate Social Responsibility (CSR) is to establish and maintain an office portfolio with an intrinsic long-term value. As defined in the Fund 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.

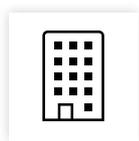
The Fund has an Asset Management Plan in place for every asset in the portfolio. Objectives to support the CSR policy on a Fund level are included and apply to the same reporting period.

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 realize this vision, the Fund has developed a CSR policy. This policy is based on the '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 realizing our vision. Each P has its own strategic goals, the results of which are discussed in this report.

Strategic objectives 2019-2021

<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 organisation</p>
<ul style="list-style-type: none"> • Green Label for >90% of the portfolio • Energy label A for >80% of the portfolio • Green Building Certificate for >30% of the portfolio • Implementation of energy-saving & wellbeing measures 	<ul style="list-style-type: none"> • Optimal engagement of partners in chain • Continuous 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 	<ul style="list-style-type: none"> • 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 the development of students 	<ul style="list-style-type: none"> • Personal development of employees • Informed and involved employees • Employee satisfaction >80% • Optimal organisational embedding of CSR



Property

The overall objective goal is to continue to enhance the sustainability of the portfolio in various ways. Wherever possible, the Fund aims to do this at appropriate moments in the property cycle, such as during routine maintenance work or when there is a change of tenants.

Strategic objectives

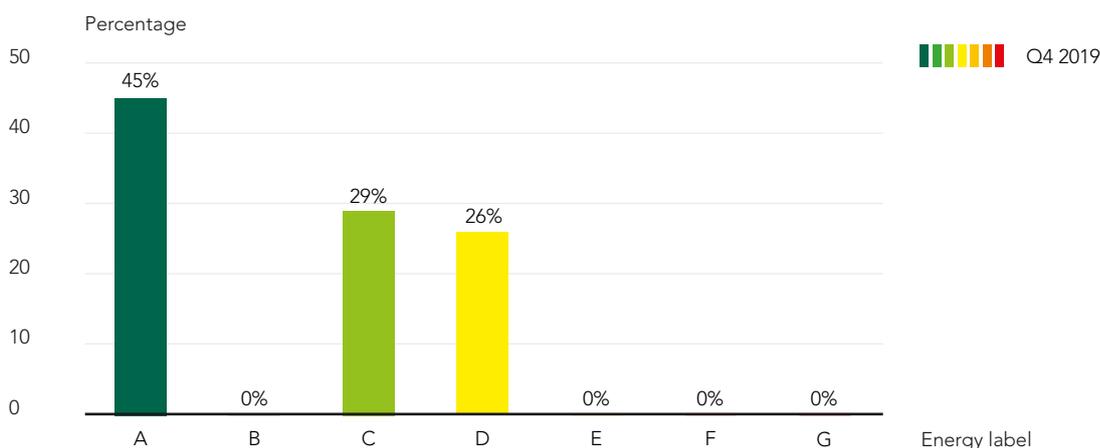
- Green Label for >90% of the portfolio
- Energy label A for >80% of the portfolio
- Green Building Certification for >30% of the portfolio
- Implementation of energy-saving & wellbeing measures

Green Label for 90% of the portfolio

In order to speed up progress towards sustainability in the office market, the Dutch government has adopted a policy of requiring investors to invest in their properties and obtain a minimum energy label of C. From 2023 onwards, all Dutch office buildings will be required to have energy label C or higher (except for offices that are smaller than 100 sq. m. and listed buildings). Properties that do not comply with this requirement by 2023 will no longer be permitted to be used as office buildings. All the Fund’s offices are energy label certified. The Fund aims to obtain a Green Label (energy label C or higher) for at least 90% of its properties by the end of the policy period. In order to achieve this, properties will be renovated at appropriate points in the operational cycle and be made more sustainable.

Over the past two years, the Fund has taken major steps in preparing and implementing a number of refurbishment and renovation projects within the portfolio. Some of these refurbishment and renovation decisions have naturally led to an energy label improvement. This process will continue over the years to come, fulfilling the target of 90% of properties being awarded a Green Label. By the end of 2019, 74% of the portfolio achieved a Green Label. Both Katreinatoren and Neckerspoel obtained a green label during the past year. By the end of 2020, the Fund expects to have achieved 96% Green Labels. Only Moreelsepark (4%) is expected to remain Label D. This asset is a listed building which is not required to obtain a Green Label. In 2018, the Fund purchased a new-to-build office (Wonderwoods) which will achieve an Energy Label A or higher when completed (2023).

EPA labelling



Energy label A for >80% of the portfolio

Although the Fund will not be legally required to obtain energy label A for all its office properties until 2030, it plans to ensure that over 80% of the portfolio has achieved this standard in the period 2019-2021. By taking these steps, the Fund will ensure that it has a green office portfolio that is well above average and is ready for future regulatory regimes. In other words, this means a portfolio that is more likely to maintain its long-term value. By the end of 2019, 45% of the portfolio has been awarded energy label A. The current projection for label A properties in 2021 is 67%. To increase this to 80%, the Fund needs to investigate further buildings and execute additional renovations.

Green Building Certification for >30% of the portfolio

In addition to the portfolio's energy label certification, the Fund wishes to improve the sustainability of its portfolio even further by focusing on achieving Green Building Certificates (e.g. BREEAM, GPR Gebouw, LEED and WELL) for its properties. To obtain this certification, the property, its surroundings, and the development process are all reviewed on a wide range of sustainability criteria. The aim for the period 2019-2021 is to obtain this certification for at least 30% of the portfolio. The focus will be on both newly developed properties and existing properties. For the Eempolis building, for example, a BREEAM Very Good certification was received in December 2019. In 2018, the Fund purchased a new-to-build office (Wonderwoods) which will achieve a BREEAM Excellent certificate or higher when finished (2023). By the end of 2019, 31% of the portfolio (excluding Wonderwoods) was awarded a Green Building Certificate. The Fund decided to investigate Green Building Certificate possibilities for all buildings in the portfolio 2020.

Implementation of energy efficiency & wellbeing measures

In addition to renovation projects, existing buildings can also be made more sustainable in other ways. 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. The resulting actions are documented and monitored at the asset level. Wherever possible, sustainability improvements are synchronised with maintenance in the multi-year maintenance programme (MYMP). The Fund's aim is to reduce its portfolio's energy use and carbon emissions by at least 10% by 2021 (compared to 2017).

Europlaza, Amsterdam





Partners

Strategic objectives

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

The role of the Fund's partners is essential to achieving its CSR targets. Together, the partners form a chain in which every link plays an important part in achieving the best possible CSR results. By ensuring that the Fund's contractors are in step with the Fund's tenants and that tenants are on the same page as the investors, the Fund can maximise the social value generated.

The Fund wishes to increase partner involvement through open communication regarding its CSR policy and by sharing specialist knowledge (through presentations on CSR as the central point for discussion during periodic consultative meetings), and by making specific agreements in the area of sustainability.

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Optimal engagement of partners in chain

The Fund sees investors, tenants, external property managers and government bodies as its most important partners in achieving its investment goals. Risk management, returns, governance, stability and transparency are all essential pillars for the Fund's investors. That said, good progress is already being made with regard to stakeholder commitment to sustainability. The Fund proactively communicates its sustainability targets and performance in its quarterly and annual reports and also at Investment Committee meetings. The investors fully endorse the Fund's vision of investment funds with long-term value, which – as a result – make sustainable investments. Investors are given the opportunity to provide feedback on CSR policy and they receive regular progress reports on the status of sustainability objectives.

The Fund aims to increase tenant awareness and ensure that its tenants are engaged with the Fund's CSR policy. The Fund firmly believes that cooperation between owners and tenants is an essential ingredient of meeting CSR objectives. The Fund is working towards monitoring and reporting energy usage and waste production for both single as multi-tenant buildings. The Fund's goal is to challenge tenants to enter into new green lease agreements that set ambitious CSR targets and go beyond the ROZ-2015 level. CSR is a permanent item on the agenda of meetings with external property managers and tenants in order to increase awareness of CSR and to ensure that it is a high priority.

In addition, the Fund seeks to maintain close contact with government bodies by making good, clear agreements on tax and legal matters. It also aims to coordinate closely with local authorities since they are vital stakeholders when it comes to our assets more generally.

Continuously check for compliance with CSR requirements and objectives

The Fund works with ethical and responsible contractors which comply with business standards for sustainable business practices. Contractors, such as commercial builders and external property managers, are kept fully informed of CSR's objectives at all times. Contracts incorporate CSR requirements, which stipulate, for example, that materials and installations must comply with CSR requirements.

Conduct a tenant satisfaction survey with a satisfaction rating of >7

Tenants are important partners and the Fund wants to ensure that tenants are involved, aware and satisfied. The Fund will actively seek to improve tenant satisfaction and commitment by conducting tenant satisfaction surveys every two years. The results of these surveys will be used to improve tenant engagement. In 2018, the Fund commissioned a survey company (Keepfactor) to conduct these surveys. The results came early in 2019 and showed a combined result (Asset and Property Management score) of 6.3 out of 10. The Fund is aiming for a score of 7.0. The Fund welcomes feedback from its tenants and uses that information both for sustainable investment decisions and to maintain its long-term relationships with them. By communicating with tenants, the Fund is able to keep its finger on the pulse of what they need and want. Tenant participation was further improved in 2019. Key issues include the exchange of energy data, sharing and following up on ideas, improving the Green Lease requirements and establishing mutual agreements. Better insight into energy consumption should result in a reduction in energy usage and a better understanding of which assets are energy-efficient and which assets require attention. The goal for 2020 is to execute a new tenant satisfaction survey.

100% Green Lease contracts for new lease agreements

The Fund wants all its new lease agreements to be Green Lease contracts, wherein the landlord and tenant agree on how the leased asset will be used in the most responsible and sustainable manner. In 2019, all new rental contracts were Green Lease contracts. This means that the number of standing contracts with a Green Lease is growing each year. In the years to come, the Fund will aim to further increase the number of Green Lease contracts and conduct more substantive talks with tenants on achieving Green Lease objectives.

Daalsesingel, Utrecht





Planet

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 the opportunities for students

'Planet' stands for the contribution that the Fund makes to nature, society and the environment. In the Netherlands, real estate is responsible for over 35% of GHG emissions. As such, the Fund considers it its duty to ensure that it works to achieve a smaller environmental footprint, less waste, reduced water consumption and lower emissions of greenhouse gases.

Optimal monitoring of environmental performance

Achieving a good understanding of the Fund's environmental performance is a key objective. All gas and electricity meters for general systems in the Fund's multi-tenant offices are monitored remotely and are part of the data management system (DMS). Water consumption and waste production are also recorded. This enables us to monitor the offices' environmental footprint very closely and to take active steps to reduce GHG emissions in a controlled manner.

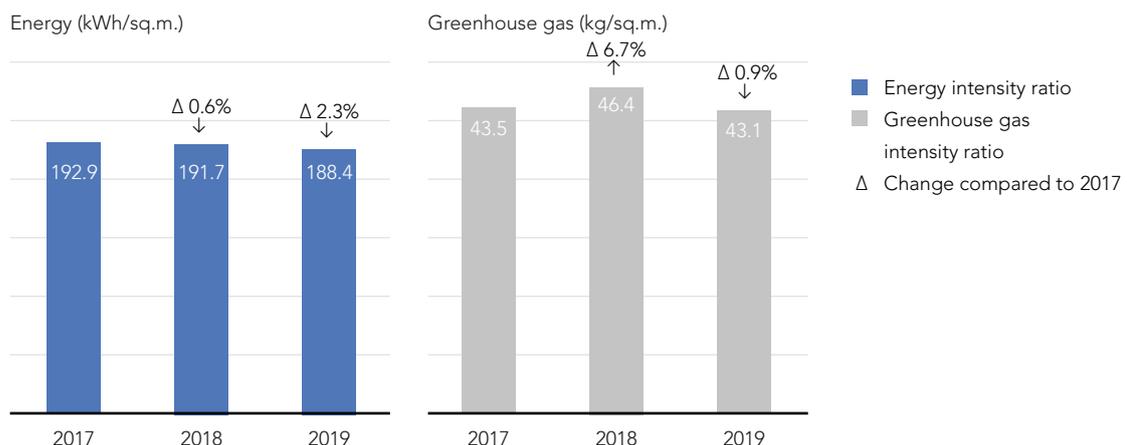
Smart water meters have been installed in nine offices which provide a more detailed insight into water usage and leak detection

At the end of 2019, a pilot project was launched to measure automatically the water usage of properties in the portfolio. Smart water meters have been installed in five apartment buildings which provide a more detailed insight into water usage in relation to the annual invoice. These meters also function as a water leak detection system.

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. Goal is to reduce the energy consumption and greenhouse gas emissions by 10% from 2017 to 2021. This is measured by the energy and greenhouse emissions intensity ratio per sq.m. These ratios are normalised based on year of construction, vacancy, degree days and area.

Energy intensity ratio and greenhouse gas intensity ratio



Performance indicators ASR DMOF 2019

	absolute			like-for-like		absolute
	2019	2018	2017	2019	2018	Δ 2017-2019
ENERGY						
Intensity ratio energy - Electricity, fuel, district heating & cooling (kWh/sq.m.)	188.4	191.7	192.9	186.0	187.5	-2.3%
Data coverage portfolio (sq.m.)	100%	100%	96%	99%	99%	
Intensity ratio electricity (kWh/sq.m.)	124.4	131.8	133.2	127.4	133.1	-6.6%
Total energy consumption from electricity (kWh)	15,083,255	15,609,077	14,853,115	15,083,255	15,609,077	
Corresponding properties	12	12	10	12	12	
Data coverage portfolio (sq.m.)	100%	100%	95%	100%	100%	
Intensity ratio fuel (m3/sq.m.)	12.4	13.1	13.7	13.0	12.5	-9.5%
Total energy consumption from fuels (m3)	350,876	361,717	329,138	316,609	300,800	
Corresponding properties	4	4	3	3	3	
Data coverage portfolio (sq.m.)	100%	100%	88%	88%	88%	
Intensity ratio energy (GJ/sq.m.)	0.2	0.2	0.2	0.2	0.2	0.0%
Total energy consumption from District Heating & Cooling (GJ)	21,238	20,515	20,503	21,238	20,515	
Corresponding properties	8	8	8	8	8	
Data coverage portfolio (sq.m.)	100%	100%	100%	100%	100%	
GREENHOUSE GAS						
Intensity ratio greenhouse gas (kg/sq.m.)	43.1	46.4	43.5	43.6	45.8	-0.9%
Data coverage portfolio (sq.m.)	100%	100%	95%	100%	100%	
Total direct greenhouse gas emissions (kg)	661,050	681,475	620,096	596,491	566,707	
Electricity from main (with certificate of source)	7,072,768	7,039,552	7,485,494	7,072,768	7,039,552	
Electricity not from main	8,010,487	8,569,525	7,367,621	8,010,487	8,569,525	
Total indirect greenhouse gas emissions (kg)	4,568,912	4,808,463	4,259,041	4,568,912	4,829,086	
Total greenhouse gas emissions (kg)	5,229,963	5,489,938	4,879,137	5,165,404	5,395,793	
WATER						
Intensity ratio water (m3)	0.4	0.4	0.5	0.4	0.5	
Total water (m3)	47,864	48,545	46,432	42,340	44,236	
Corresponding properties	10	10	8	8	8	
Data coverage portfolio (sq.m.)	91%	91%	83%	82%	82%	
WASTE						
Total weight of waste (metric tonnes)	223.0	186.0	199.0	215.0	186.0	
Total weight of recycled waste (metric tonnes)	53	44	28	51	44	
Recycled waste	24%	24%	14%	24%	24%	
Data coverage portfolio (sq.m.)	50%	46%	46%	46%	46%	

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.

Explore renewable energy uses

In addition to the use of green electricity and thermal energy storage at the Eempolis and Noordzicht assets, the Fund is exploring the possibility of expanding the use of different types of renewable energy. In 2019, preparations have been carried out to install solar panels on the roofs of 6 office assets.. It is expected that these pv panels will be installed in 2020.

Invest in mobility hubs and encourage use of public transport

Given the Fund's focus on mobility hubs, it is clear that users of its office buildings already have an incentive to travel to work by public transport. By offering a wide network of office locations close to mobility hubs, the Fund is contributing to more environmentally friendly forms of commuting. The Fund recognises that tenants located at mobility hubs also benefit from easy access to several modes of transportation. For this reason, the Fund is investing in sustainable mobility, such as car and (electric) bike-sharing initiatives at the Wonderwoods acquisition. As a property owner, the Fund is also committed to the environment surrounding its buildings and contributes to associations involved in the development of these areas.

Contribute to the development of students

The future belongs to young people and a.s.r. real estate provides traineeships for students in higher professional and university education every year. The objective is to offer at least four internships and a traineeship each year. In addition, various employees of a.s.r. real estate give guest lectures at universities and colleges of higher professional education every year, and a.s.r. real estate has a partnership agreement with the interfaculty student association known as FRESH Students. In 2019, a.s.r. real estate have mentored two trainees and five interns.

Eempolis, Amersfoort



Sustainability guidelines

United Nations Sustainable Development Goals

a.s.r. and a.s.r. real estate have continued to contribute to and work on the UN SDGs. As a real estate investor, four SDGs are in focus and being monitored for the Fund. Our accomplishments over the last year and our objectives are summarised below.

SDG 7 Affordable and clean energy

The Fund has explored the possibilities for renewable energy use. The results of these investigations showed the investment, savings (in money, energy and CO2 emissions) and payback period. These reports will be used in the coming maintenance and investment planning cycle. The targets are PV panels for at least 50% and thermal storage in at least 25% of the office buildings.

SDG 11 Sustainable cities and communities

In addition to reducing energy consumption and improving the use of renewable energy, the Fund wants to reduce car usage among the office workers who use its buildings by making electric cars available to share. To achieve this, a.s.r. real estate has embarked on a partnership with Amber, the fastest-growing user platform for shared electric cars in the Netherlands (see p. 10). At the start of September 2019, the Willemswerf office in Rotterdam was the first Amber hub in a.s.r. real estate's office portfolio to officially open.

SDG 12 Responsible consumption and production

Energy use has decreased modestly by 2% in 2018. However, the Fund believes a reduction of 10% by 2022 is feasible. For Greenhouse Gas emissions, the target has been raised from 10% to 20% in 2022. Decreases of 3% in water consumption and 7% in waste have been achieved. The decreases show that the Fund's focus on sustainable maintenance has had a positive impact on performance indicators. The Fund has also improved stakeholder engagement, including its chain partners' adherence to CSR policy.

SDG 13 Climate action

Besides the Fund's focus on climate mitigation, insight into the adverse effects of climate change is vital in order to respond to the impact which climate change is having and will have. The Fund is therefore evaluating which effects apply to the portfolio and how urgently a response is required. An important goal for 2020 is to improve the monitoring of these effects.





People

Strategic objectives

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

Informed and engaged employees

ASR DMOF seeks to keep its employees fully informed regarding CSR issues in order to maximise the integration of CSR into their daily operations. This goal has been addressed by measures including appointing a sustainability manager and making CSR a standing item on the agenda of various meetings. In addition, a.s.r. real estate keeps everyone informed on the latest CSR initiatives and results by means of a monthly internal newsletter. Since 2016, CSR has also been included in the annual targets for most employees. Another priority is for them to attend internal and external CSR-related masterclasses, seminars and/or congresses. Last year, a.s.r. real estate organised two masterclasses in 2019. The first was about the effects of climate change on real estate, presented by the Technical University of Delft; the second was about the impact of digital technology and innovations on cities, presented by an architect from UN Studio. a.s.r. real estate organised a masterclass. Finally, members of the CSR working group act as a contact for other a.s.r. real estate employees, as well as serving as a catalyst and inspiration with respect to CSR.

Optimal organisational anchoring of CSR

To guarantee correct implementation of its policy, ASR DMOF is focusing on optimising the use of sustainability assessments during internal decision-making processes. Last year, extra sustainability issues were added to the 'Programme of Requirements' for acquisitions and renovations, portfolios were assessed in relation to sustainability opportunities and risks, and a.s.r. real estate has worked consistently to optimise its administrative and BI systems.

Employee satisfaction rating of > 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. The last survey took place in 2018. The result was that a.s.r. real estate exceeded the goal of an employee satisfaction rating 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 next survey will take place in 2020.

Personal development of employees

The main focus of a.s.r.'s human resources management policy is the personal development of its employees in terms of professional expertise, competences and skills. In 2019, 33% of a.s.r. real estate's employees were invited to participate in a.s.r. Nederland's Development Programme, where they were 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 lifelong employability.

**a.s.r. real estate was
nominated as one of the best
workplaces in the Netherlands
for the second time in a row**

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

