

CSR annual report 2019

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.

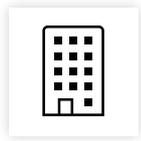
The Fund aims to do this in a sound and responsible manner with engaged and aware partners and employees. Our goal is a residential portfolio with long-term value, which requires future-proof homes in attractive locations. These homes should be comfortable, sustainable and meet the current and future wishes of tenants. 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 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 ASR Dutch Core Residential Fund is 100% compliant with the INREV Sustainability Reporting Module (mandatory part and 97% with sustainability best practices).

Strategic objectives 2019 - 2021

<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 1.25 • 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 20% 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"> • Optimal monitoring of environmental performance • Reduce energy consumption and green-house gases by >10% compared to 2015 • Invest in neighbourhoods and sustainable mobility • Monitor and adapt to climate change 	<ul style="list-style-type: none"> • Informed and involved employees • Optimal organisational embedding of CSR • Employee satisfaction >80% • Personal development of employees



Property

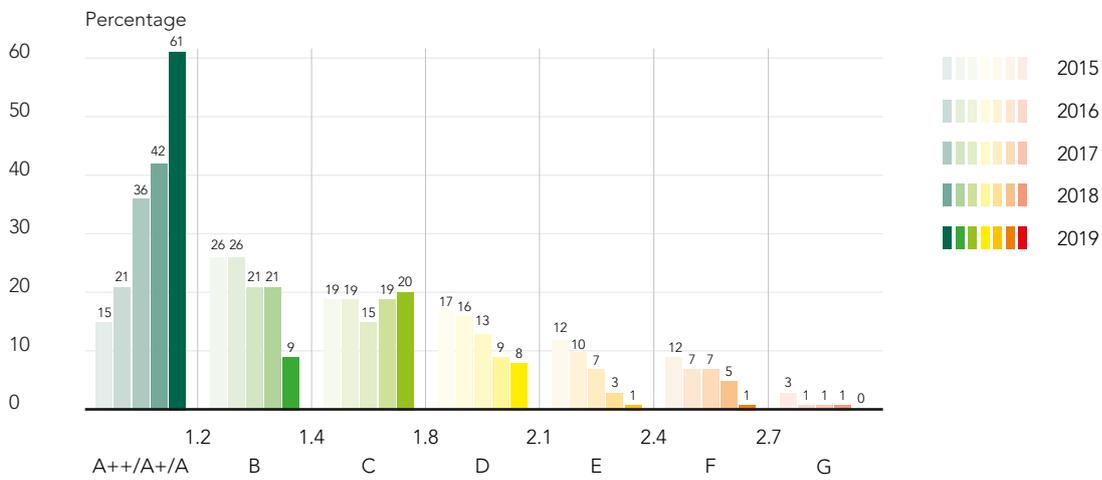
Strategic objectives

- Reduce average Energy Index to at least 1.25
- 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 20% of the portfolio

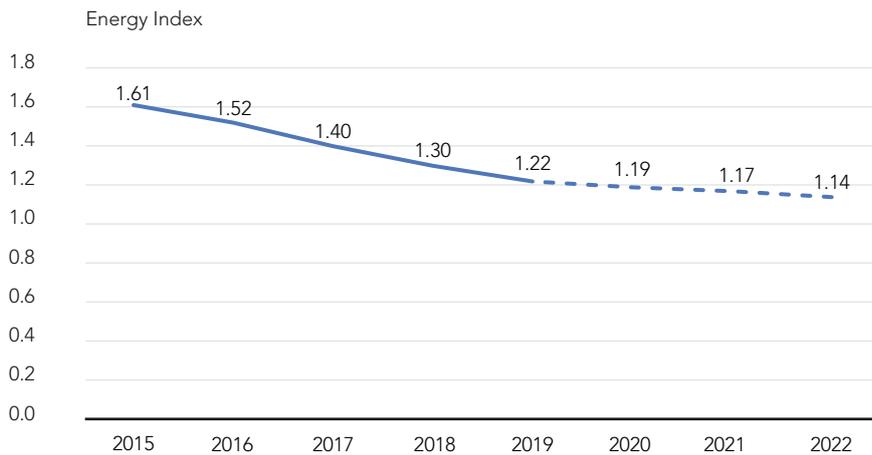
Reduce average Energy Index to at least 1.25

In 2019, the average Energy Index (EI) of the Fund’s portfolio improved from 1.30 to 1.22 which means that this important objective was achieved. The two main reasons for this improvement were by enhancing the sustainability of standing investments and the acquisition of highly sustainable dwellings.

Energy labels (EPA) for ASR DCRF as at 31 December 2019



Improvement of Energy Index for ASR DCRF 2015-2019



Completed in 2019: 43 renovated dwellings Ambachtenlaan in Breda



The sustainable renovation of 43 residential units was successfully completed in 2019. The renovation of another 126 units started in the autumn of 2019.

- Ambachtenlaan in Breda: 43 family houses were made more sustainable and modern. Work commenced after summer 2019 and was finalised in January 2020. The average Energy Index improved from 1.66 to 0.90;
- RiMiNi in Amstelveen: tenants consented to a renovation project to make their dwellings more sustainable and convenient. The renovation of 126 apartments commenced in the autumn of 2019 and will be finalised in phases. The final part will be completed in the late summer of 2020.

The completion of the Fund's acquisition project of The Beacons in Amsterdam also had a positive effect on the Fund's average Energy Index (EI). This property concerns 41 apartments with an average EI of 0.61. In 2020, at least four acquisition projects will be (partially) completed.

A third reason for the Energy Index's improvement was through modifying the Energy Index of some properties.

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

In 2020, 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. As of 31 December 2019, only 1.1% of the portfolio had an EI higher than 2.4, which is a reduction of almost 5% compared to 31 December 2018 (6%). An important reason for this big improvement is the modification of the Energy Index, as mentioned above.

Several dwellings in the portfolio had a temporary Energy Index, of which a large part had an EI > 2.4 (label F and G). After their actualisation in 2019, the labels improved, finally reaching C and D (< 2.4).

In 2020, the Fund expects this percentage to further fall to less than 0.5% and aims to reduce the number to less than 0.5% by 2022, mainly through its current renovation plans, like in Amstelveen. 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). By the end of 2019, 35% of the portfolio's energy-saving measures were implemented. Therefore, the Fund is well on track to reach this objective.

Obtain Green Building Certificates for 20% of the portfolio

In addition to the portfolio's energy label certification, the Fund aims to further improve the sustainability of its portfolio 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.

As at 31 December 2018, 11.7% of the portfolio was certified with a Green Building Certificate. In 2019, the Fund increased the urgency of Green Building certification and took steps to accelerate the achievement of this objective. 462 dwellings were certified in 2019. This means that about 22.5% of the portfolio has a Green Building Certificate, as at 31 December 2019. The new aim for the Fund is to have the whole portfolio certified with a Green Building Certificate by 2022 latest.



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 achieving the best possible teamwork and results with respect to CSR, each partner plays an important role. Therefore, the Fund focuses on optimal engagement.

- In June 2019, ASR DCRF sent its yearly CSR newsletter to more than 500 partners. In this letter, the Fund informed its partners of the results and activities regarding CSR.
- The permit process for the project with vegetable gardens ('moestuinen') at Zeeburgereiland in Amsterdam has been completed. The ground works are planned in the first quarter of 2020, so the first crop festival will be organised in the second quarter of 2020. a.s.r. real estate was one the initiators of this project. The Fund is the owner of the Beacons property at Zeeburgereiland.
- For ASR DCRF, an important objective in the area of CSR is to improve and share its knowledge, and to expand its network. Within the company, involvement in and support for promoting CSR initiatives throughout the sector and society as a whole is a priority. 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.

Continuous check for compliance with CSR requirements and objectives

In order to ensure proper compliance with the Fund's CSR policy, agreements with the most important partners are regularly amended, tightened and assessed.

- The Programme of Requirements for new buildings and renovation projects was further updated in terms of CSR and incorporated in future plans. The Programme was tightened through determinations regarding solar panels and building gasless, among other things.
- Sustainability has become an integral part of the lease agreement with our tenants. Two clauses have been added to stimulate sustainable behaviour. The first clause focuses on smart energy meters. It obliges tenants to cooperate with reading-out data.
- The other clause provides a set of measures to be implemented by the tenant, on a best effort basis. Examples of these measures include the use of LED-lighting, energy-efficient equipment, green energy, waste separation, water-saving measures, and the use of eco-friendly cleaning products.
- The Fund introduced Key Performance Indicators as part of assessing its real estate managers. In 2019, the CSR component represented a more significant part of that assessment: 10% instead of 5% in 2018. Furthermore, in 2019, the Fund required four CSR initiatives to be taken by the real estate manager. In 2018, the Fund required two CSR initiatives.

ABN AMRO Sustainable 50 - Young professional award

At the 10th of April 2019, Lizzy Butink (29), sustainability manager at a.s.r. real estate, was voted number 32 at the ABN AMRO Sustainable 50 and has won 'the ABN AMRO Young professional award'. This prize is awarded every year to the most promising future green leader among young professionals below the age of 30.



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 which 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 past years, the survey in 2019 is performed by an independent research agency, Customeyes. The agency carried out a survey among a representative sample of tenants.

The results of the yearly tenant satisfaction survey were presented. The average score for the Fund was 7.0 which is in line with 2018 and 2017 (both 6.9), as well as the average benchmark score (7.1). The subject 'energy efficiency satisfaction' scored 6.7, which was a little higher than in 2018 (6.6). This implies a positive experience among tenants with regard to sustainability. All results and improvements will be discussed with the external property managers. In the coming years, the Fund will strive to improve the satisfaction score to at least 7.5.

Active tenant participation programme

The Fund works continuously on a participation programme to ensure tenants are optimally involved.

- In the first quarter of 2019, the Fund started the Energy Box Project in Couwenhoven, Zeist. With this project, previously rolled out in Utrecht and De Meern, tenants were advised on sustainable ways of living. In addition, the tenants received an energy box.
- To create more awareness on sustainable ways of living, the Fund shared the CSR bag at a special event. Our contractor was present at this event with their 'Service Bus'. In 2019, the Fund organised these events for all tenants of Staalmeesterslaan, Amsterdam (180 dwellings); Lamérislaan, Utrecht (216 dwellings) and Van Randwijkstraat, Leiden (93 dwellings). All new tenants also receive a CSR bag when signing up for their new home.
- To create more awareness on sustainable ways of living, the Fund initiated the Energy Battle. The first Battle took place in Lamérislaan, Utrecht, with more than 30 participating households. In December 2019, the Fund started a new Battle, at the Bonifaciuslaan in Hilversum. This Battle will last 5 months, running from December 2019 to May 2020.
- Tenants were involved in the development of plans for Ambachtenlaan in Breda and RiMiNi in Amstelveen.
- In December 2019, the Fund sent the yearly CSR newsletter to all its tenants which informed them of its CSR policy, results and initiatives. In addition, several pieces of advices were given on ways tenants could live in a more sustainable manner.
- Digitalisation is the cornerstone of the Fund's new development in delivering services to its tenants. ASR DCRF is engaged in building an online portal for its tenants, which it aims to launch in 2020. With this portal in place, the service to tenants will be better and more efficient.

Bergkwartier, Zeewolde

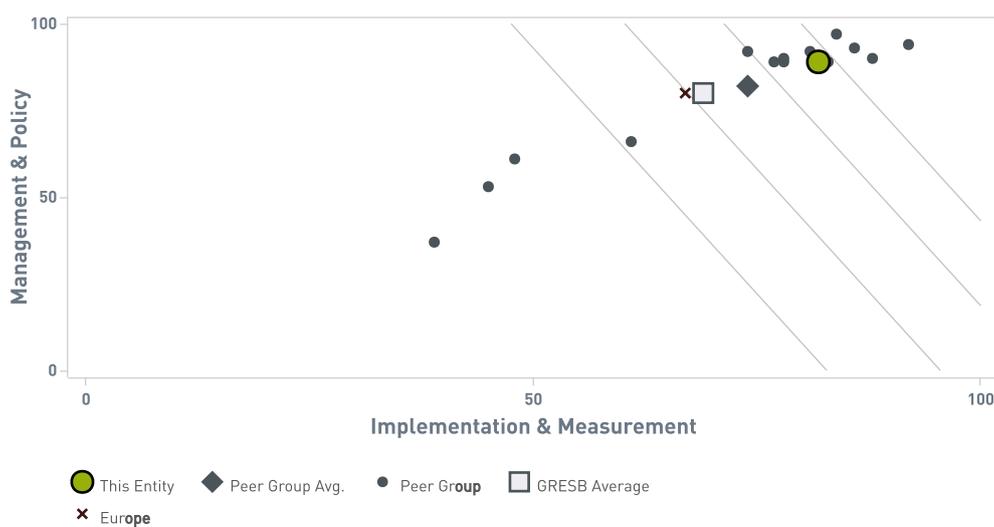


GRESB - Four stars for ASR DCRF

In 2019, ASR Dutch Core Residential Fund further improved its score to 84 points (out of 100 points), which was an increase of 4 points compared to 2018. And, once again, the Fund obtained a four-star rating, scored above average, and improved its place in its peer group from ninth to eighth (out of 16, instead of 13 in 2018).

The GRESB score improvement was mainly achieved by the Fund's continuing commitment to large-scale renovation of its portfolio assets (bricks) and the Fund's focus on tenant engagement (incentivising tenant behaviour). Additionally, the Fund's implementation of the new DGBC's Green Building Certification Scheme, along with water and energy-saving measures, significantly contributed to the improved score.

Outperforming on both Management & Policy and Implementation & Measurement (scoring 89 and 82 respectively out of 100) demonstrates the high quality of the Fund's governance on sustainability. These scores were among others achieved through detailed policies and procedures, as well as through improved insight into environmental performance and the reduced footprint.





Planet

Strategic objectives

- Optimal monitoring of environmental performance
- Reduce energy consumption and greenhouse gases by 10% compared to 2015
- Investing in neighbourhoods and sustainable mobility
- Monitor and adapt to climate change

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 now better able to exercise energy consumption control. One of the Fund's improvements is through implementing these figures into the system. The Fund is also investigating ways in which to monitor tenants' energy consumption practices. The more data the Fund can collect, the better the Fund can advise tenants on their energy consumption. 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.

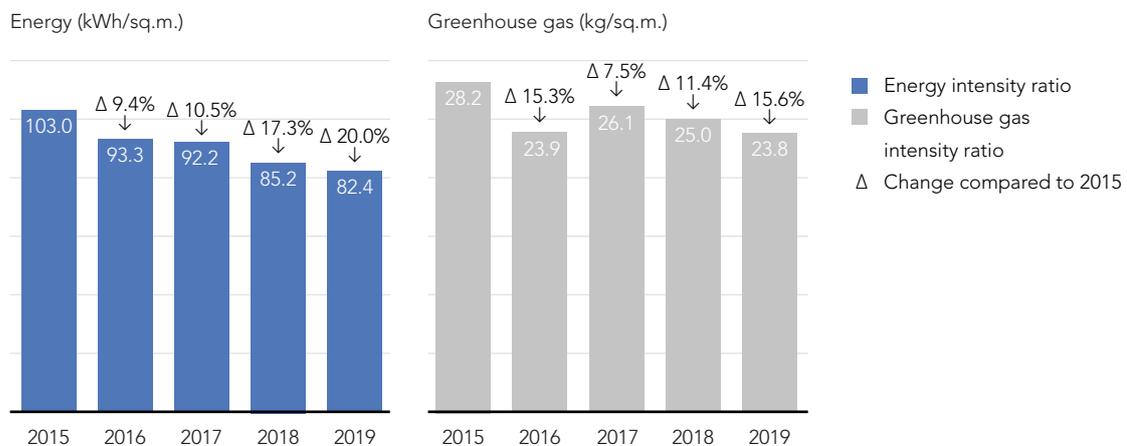
Reduce energy consumption and greenhouse gases by 10% compared to 2015

To minimise carbon emissions, the Fund is aiming to scale back the energy consumption, greenhouse gases, water consumption and waste production of its total portfolio. Goal is to reduce the energy consumption and greenhouse gases by 10% from 2015 to 2021. This is measured by the absolute energy and greenhouse emissions intensity ratio per sq.m. These ratios are normalised based on year of construction, vacancy, degree days and area.

Since the reduction targets are met, the Fund has enhanced its goals for 2022 to -25% for energy and -15% for greenhouse gases compared to 2015. However, the 2019 results show the latter is already met. Therefore the Fund will look closely at new suitable objectives for 2021-2023.

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.

Energy and greenhouse gas intensity ratios 2015-2019



Performance indicators ASR DCRF 2019

	absolute					like-for-like		absolute
	2019	2018	2017	2016	2015	2019	2018	Δ 2015-2019
ENERGY								
Total intensity ratio electricity, fuel, district heating & cooling (kWh/sq.m.)	82.4	85.2	92.2	93.3	103	81.1	82.2	-20.00%
Data coverage portfolio (sq.m.)	88%	89%	88%	87%	88%	83%	84%	
Intensity ratio electricity (kWh/sq.m.)	25.3	27.1	28	25	29.2	25.3	26.9	-13.36%
Total energy consumption from electricity (kWh)	13,190,562	14,091,761	14,327,014	11,014,163	12,880,430	12,759,289	13,484,402	
Corresponding properties	134	140	138	114	113	126	126	
Data coverage portfolio (sq.m.)	99%	100%	98.73%	97%	98%	96%	96%	
Intensity ratio fuel (m³/sq.m.)	8.7	8.9	9.6	9.8	10.9	8.9	8.9	-20.18%
Total energy consumption from fuels (m ³)	3,465,384	3,541,684	3,867,601	3,559,549	3,802,103	3,270,135	3,248,771	
Corresponding properties	105	114	113	95	95	98	98	
Data coverage portfolio (sq.m.)	76%	78%	78%	77%	78%	71%	71%	
Intensity ratio energy (GJ/sq.m.)	-	-	-	-	-	-	-	0.00%
Total energy consumption from District Heating & Cooling (GJ)	-	-	-	-	-	-	-	
Corresponding properties	-	-	-	-	-	-	-	
Data coverage portfolio (sq.m.)	0%	0%	0%	0%	0%	0%	0%	
GREENHOUSE GAS								
Intensity ratio greenhouse gas (kg/sq.m.)	23.8	25	26.1	23.9	28.2	23.5	24.3	-15.60%
Data coverage portfolio (sq.m.)	99%	100%	99%	97%	98%	96%	96%	
Total direct greenhouse gas emissions (kg)	6,528,783	6,672,533	7,286,560	6,706,189	7,163,162	6,160,935	6,120,684	
Electricity from main (with certificate of source)	1,259,295	1,368,538	1,694,825	1,938,048	1,900,528	1,193,798	1,287,999	
Electricity not from main	11,931,267	12,723,223	12,632,189	9,076,115	10,979,901	11,565,491	12,196,403	
Total indirect greenhouse gas emissions (kg)	5,667,352	6,043,531	6,005,255	4,316,832	5,221,021	5,493,608	5,797,065	
Total greenhouse gas emissions (kg)	12,196,135	12,716,064	13,291,814	11,023,022	12,384,183	11,654,543	11,917,749	
WATER								
Intensity ratio fuel (m³/sq.m.)	0.4	0.4	0.5	0.7	-	0.28	0.28	
Total water (in m ³)	44,502	42,294	58,220	72,325	-	21,444	20,751	
Corresponding properties	24	29	25	23	-	17	17	
Data coverage portfolio (sq.m.)	20%	23%	22%	23%	0%	14%	14%	
WASTE								
Total weight of waste (metric tonnes)	3,210	3,251	2,893	-	-	3,169	3,219	
Total weight of recycled waste (metric tonnes)	424	404	416	-	-	419	402	
Recycled waste	13%	12%	14%	0%	0%	13%	12%	
Data coverage portfolio (sq.m.)	100%	100%	89%	0%	0%	98%	99%	

Investing in neighbourhoods and sustainable mobility

ASR DCRF considers it important that areas in which it manages property continue to thrive.

- In Bilthoven, an area next to a primary school was transformed into a tiny forest. School children planted plants, bushes and little trees.
- a.s.r. real estate is one of the investors in this tiny forest. This forest is the second one that the Fund is involved with, next to the forest in Utrecht-Terwijde.
- The permit process for the project with vegetable gardens ('moestuinen') at Zeeburgereiland in Amsterdam has been completed. The ground works are planned in the first quarter of 2020, so the first crop festival will be organised in the second quarter of 2020. a.s.r. real estate was one the initiators of this project. The Fund is the owner of 41 dwellings in property The Beacons at Zeeburgereiland.
- For several projects, parking garages are provided with charging stations for electric cars. Among them are The Beacons and Wibautstraat (both in Amsterdam), Nieuw Mariënpark in Leidschendam, and Milestones in Utrecht.

Monitor and adapt to climate change

The built environment has an impact on global climate change through the development of real estate, the operational management of properties, and the removal of assets from the real estate stock. However, climate change can also affect management of the built environment through natural disasters, rising sea levels, and air or soil pollution, to give some examples. Insight into the adverse effects of climate change is vital in order to respond to the impact which it is already having, while at the same time preparing for its future effects. The Fund has therefore investigated which effects may apply to the portfolio, and how urgently they require action. The Fund monitors these effects closely as part of its commitment to managing a future-proof portfolio.

Nieuw-Mariënpark, Leidschendam



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, combat climate change, and strive to ensure 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.

Integrating SDGs

a.s.r. has categorised its contribution to the SDGs with four topics: sustainable insurer, sustainable investor, sustainable employer and sustainable role. These topics were included in a.s.r.’s annual report. a.s.r. real estate added a fifth topic—sustainable real estate investor—to monitor its specific contribution to the SDGs from a real-estate perspective.

The Fund actively contributes to four SDGs:

SDG 07: Affordable and clean energy

The Fund has set the objective for 2022 of having at least 9,000 PV panels. The Fund also aims to further improve the portfolio’s energy efficiency (-20% in 2022 compared to 2015). Progress will be monitored by keeping track of the generated amount of renewable energy (kWh) and intensity ratios.

SDG 11: Sustainable cities and communities

The Fund focuses on affordable housing (+20% in 2022), encouraging sustainable transport and future-proof living environments (including implementing green roofs). The Fund aims to execute 5 projects a year.

SDG 12: Responsible consumption and production

Since 2015, the Fund has reduced its electricity and greenhouse intensity ratios by 14.1% and 9.2% respectively. The Fund will maintain a focus on sustainability maintenance to further reduce these ratios. The Fund publishes its CSR policy annually and adheres to its sustainability guidelines. The Fund also checks whether its chain partners comply with its CSR policy.

SDG 13: Climate action

Besides the Fund’s focus on climate mitigation, insight into the adverse effects of climate change is key to mitigate the impact of climate change on the portfolio. The Fund therefore assesses the risks and effects of climate change on its portfolio, to determine how urgently amendment is required. An important objective for 2020 is to further 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 DCRF 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 DCRF 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.

Colophon

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

