



ESG Policy 2024 - 2026

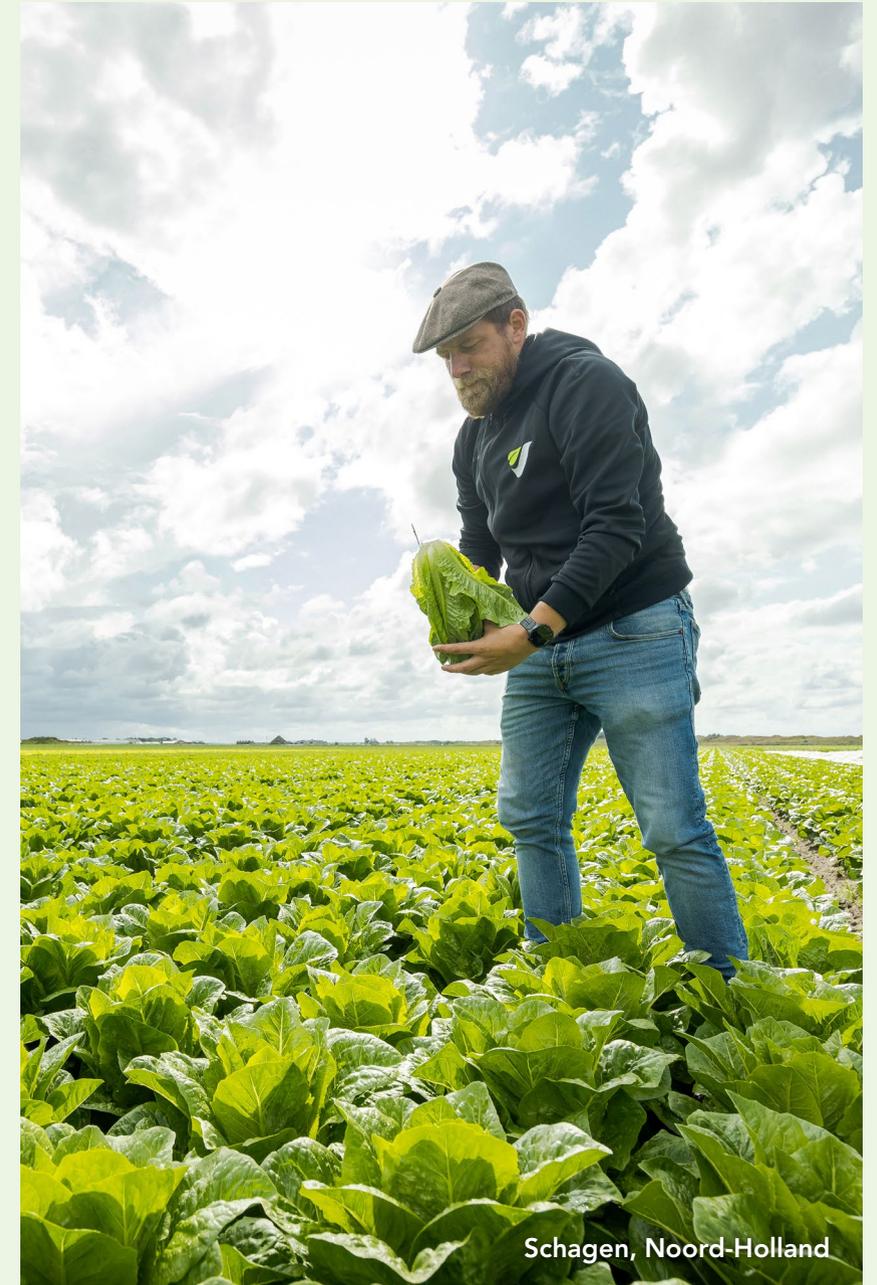
Investing in perpetual value

ASR Dutch Farmland Fund



Mission

“We create **perpetual value** for our investors and society by investing in sustainable and fertile farmlands.”



Schagen, Noord-Holland

Environmental, Social and Governance (ESG)

Responsible portfolio management is a top priority of the Fund. The Fund believes that it can best serve the interests of tenants and investors in the best possible way by creating and maintaining farmland investments that have long-term value from a financial, environmental and a social perspective. It aims to achieve this in a sound and responsible manner, in collaboration with engaged and conscious partners and employees. By doing so the Fund enables farmers to pass on the valuable farmlands in a better condition to the next generation of farmers.

The Fund's aim is to position itself as a sustainable fund that has an impact on the Dutch agricultural sector by encouraging farmers to apply the principles of climate-smart agriculture (CSA). These principles motivate farmers to pass on their valuable assets to the next generation in better condition, measured in soil quality.

Enhancing soil quality improves yields for both the Fund and the farmers. A thorough investment and management process, with a focus on the further development, distribution, implementation and monitoring of our CSA objectives, is key to achieving the Fund's environmental and social objectives. To work towards these goals, the Fund develops strategic ESG objectives around the following themes:

1. Environment
 - a. Sustainable productivity and sustainable farmer's income
 - b. Reducing greenhouse gas emissions
 - c. Adapting to climate change and improving biodiversity
2. Social
3. Governance

The Fund takes a leading position in furthering transparency and accountability in sustainable farmland investing by applying its climate-smart agriculture strategy

Investing in perpetual value translates to:



Environmental

Dedicated to decarbonisation and improve ecosystems



Social

Making a positive impact on society



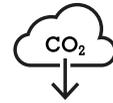
Governance

Compliant with sustainability regulations

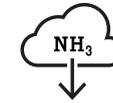
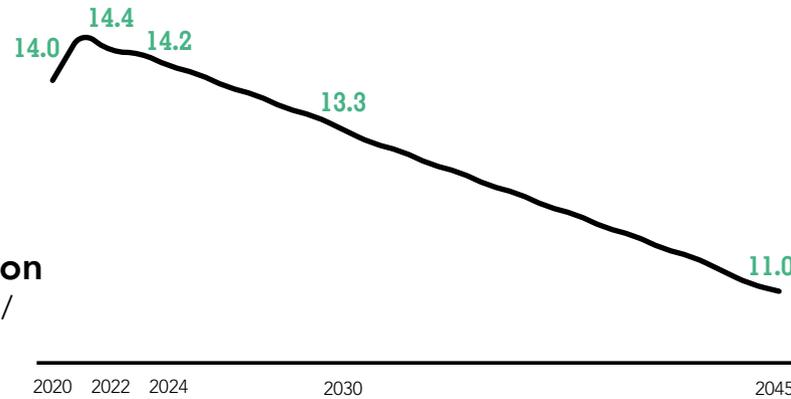
Strategic objectives

On our way to Paris Proof in 2045

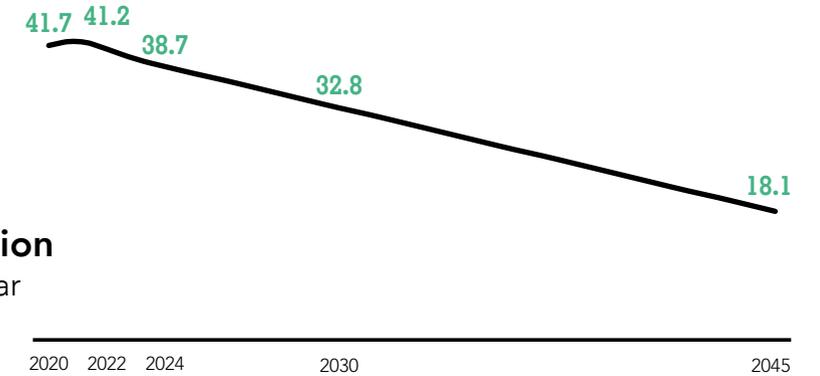
2045



Carbon emission
tons CO₂e / ha / year



Nitrogen emission
kg NH₃ / ha / year



Objectives 2024

Facilitate young farmers

(# of hectares)

200

CO₂-footprint per hectare

(tons CO₂e per hectare)

14.2

Green leases for new ground lease agreements

(%)

≥ 90

Green leases for existing agreements

(%)

≥ 20

Facilitating farmers in execution of CO₂ reduction plan

(# tenants)

≥ 10

Tenant satisfaction rating

(score out of 10)

≥ 7.5

Strategic objectives 2024-2026

The Fund has categorised its targets in three separate themes: Environmental, Social and Governance (ESG). The three themes contain separate, but complementary key targets, allowing the Fund to establish a future-proof residential real estate portfolio.

The Environmental and Social themes both have their own strategic objectives, which are listed in the table on the right. For the Governance theme a checklist applies. The Fund revises its one-year and three-year goals on an annual basis.

Strategic objectives 2024-2026



Strategic objectives

Environmental

Sustainable productivity and sustainable farmer's income

Green leases for new ground lease agreements

Target 2024

Target 2026

≥ 90%

100%

Green leases for existing agreements

≥ 20%

≥ 30%

Portfolio contributes to food supply

≥ 80%

≥ 80%

Reducing greenhouse gas emissions

Carbon emission (tons CO₂-equivalent per hectare)

14.2

13.9

Nitrogen emission (kg NH₃ per hectare)

38.7

36.8

Facilitating farmers in execution of CO₂ reduction plan

≥ 10

≥ 20

Nitrogen emission reduction strategy

Design plan

Execute plan

Adapting and building resilience to climate change and improve biodiversity

Climate adaptation - landscape elements (# of projects / year)

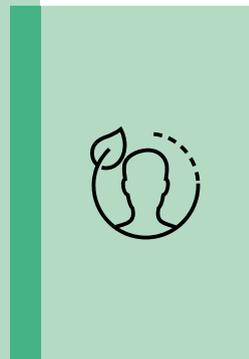
≥ 10

≥ 20

Agricultural land available for the development of sustainable initiatives and alternative crops (# hectares)

100

250



Social

Community & tenants

Tenant satisfaction rating (score out of 10)

≥ 7.5 / 10

≥ 7.5 / 10

Facilitate young farmers (# of hectares new young farmers ground leases / year)

200

250

Our employees

Employee satisfaction rating (eMood® score)

≥ 7.5 / 10

≥ 7.5 / 10

Personal development

- Training (% of annual salaries)

≥ 1%

≥ 1%

- Sustainable employability (% of annual salaries)

≥ 1%

≥ 1%

Health & well being (eMood® vitality score)

≥ 7.5

≥ 7.5

Diversity, equity & inclusion

Execute policy

Execute policy



Governance

Sound business practices

Compliant



Alignment with sustainability guidelines



- SDGs





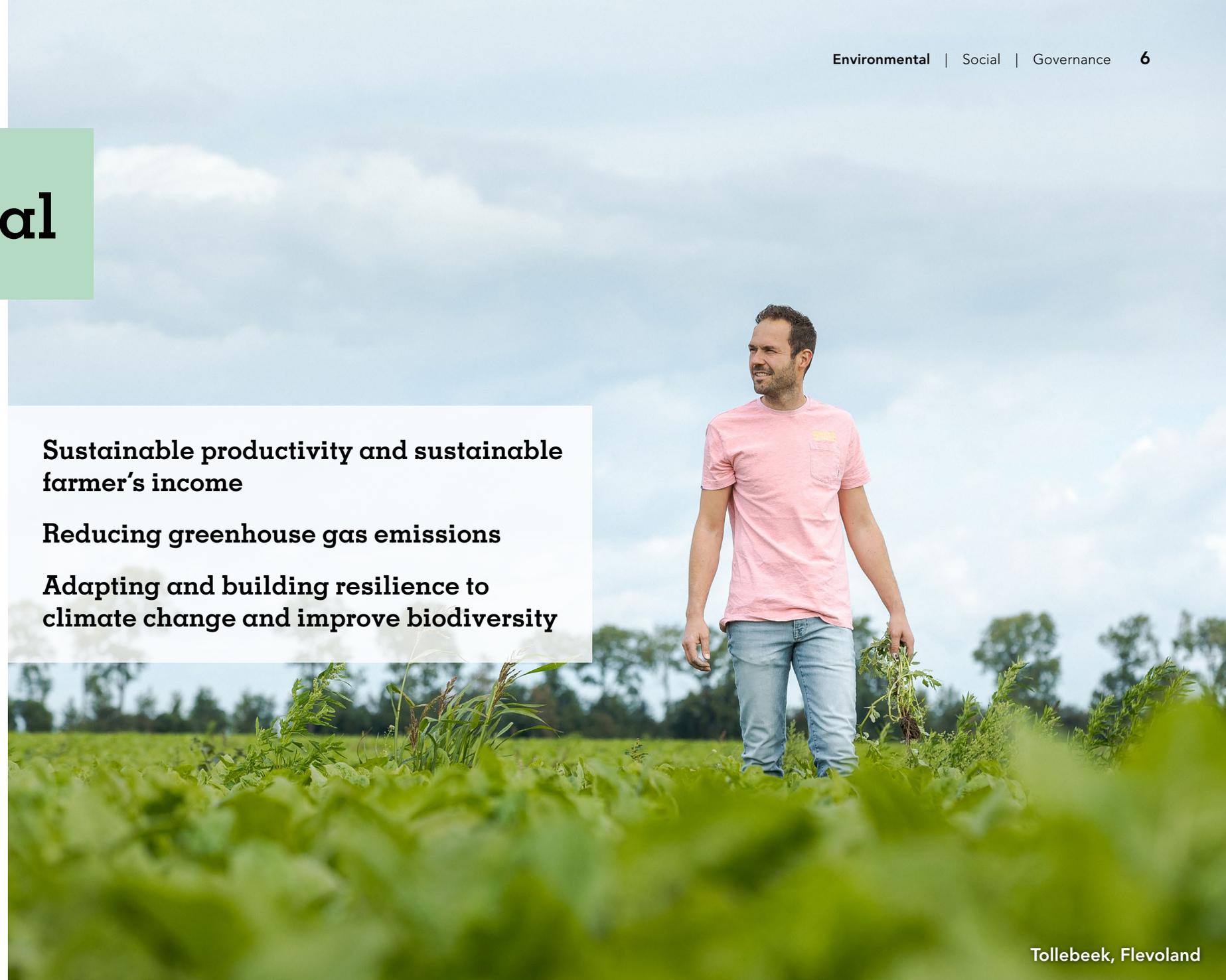
Environmental

The Fund aims to decarbonise and make a positive impact on nature, society and climate. The environmental strategic objectives focus on facilitating the reduction of greenhouse gas emissions, promoting sustainable productivity and restoring ecosystems. This integrated approach leads to a future-proof and resilient portfolio.

Sustainable productivity and sustainable farmer's income

Reducing greenhouse gas emissions

Adapting and building resilience to climate change and improve biodiversity



Sustainable productivity and sustainable farmer's income

Green lease products

Next to engaging with our farmers and including our sustainability objectives in our acquisition decisions, the Fund also aims to contribute financially and reward farmers for the transition they are making.

Our green lease products are available to all clients, with both new and existing contracts, and provide a discount (5-10% on the annual rent) if a farmer commits to a set of sustainable farming criteria. The criteria consist of three categories:

1. Implementation of the 'Open bodemindex' to measure and report on soil quality;
2. Implementation of biodiversity measures in line with the Nature and Landscape management framework of the Dutch government or when there is cultivation of 'leguminous or biobased crops' in the cropping plan; and
3. A detailed business plan that includes farm-specific sustainability measures and compliance with the criteria in the EU Common Agriculture Policy.

Objective
Green leases for new ground lease agreements
(% of hectares acquired)

2024

≥ 90

2026

100

Objective
Green leases for existing agreements
(% of hectares of existing contracts)

2024

≥ 20

2026

≥ 30

Development of the Open bodemindex (OBI)

We are convinced that farmers can make a significant contribution to the various ecoservice systems such as water quality, water retention, biodiversity etc. Sustainable soil management is key in this process and acknowledged by every farmer. However, due to financial constraints, sustainable soil management is not implemented in full by every farmer. a.s.r. therefore developed the 'Open bodemindex' in close cooperation with its charter coalition partners Rabobank and Vitens.

The OBI has been placed in an independent foundation ('Stichting Open bodemindex') which facilitates forerunners in agriculture, in the movement towards further soil sustainability. The foundation manages and develops, the computing heart, based on the latest soil science, of the OBI. In addition, the foundation seeks greater support within the entire agricultural sector. It aims to set the quality standard for objectively determining soil and water quality functions of agricultural land. And aims to increase support for the computational heart and the resulting OBI score. The land user, the agro chain and the government thus speak the same independent common soil quality language. This language is needed to indicate the qualitative condition of all agricultural plots in the Netherlands. what the qualitative condition is and what you can change it in the medium and long term to make the soil as sustainable and responsible as possible. So that the soil can continue to be managed in an optimally sustainable and responsible way.



Voedselbos Beheerlyckheid, Brouwershaven, Zeeland

Portfolio contributes to food supply

The soil is the most important source for our food production and the long-term value creation in the Fund depends on healthy soils. The Sustainable Development Goal (SDG) of Zero Hunger aspires to end all forms of hunger and malnutrition ensuring that all people, especially children, have sufficient, nutritious food year-round. The Fund aims to contribute to this SDG by making at least 80% of the portfolio available for food supply.

Objective
Soil use – Portfolio contribution to food supply
(% of portfolio)

2024

≥ 80

2026

≥ 80

Reducing greenhouse gas and nitrogen emissions

The Commitment

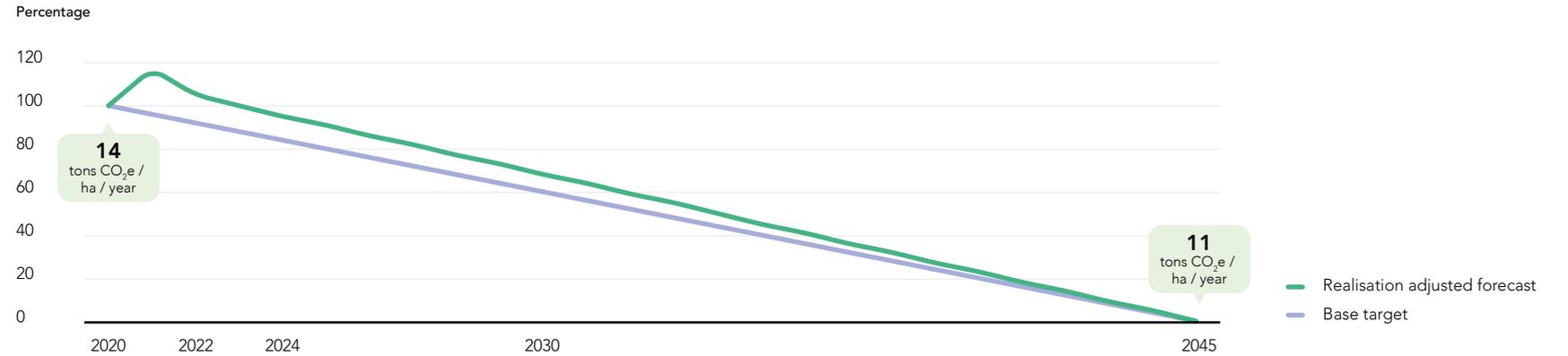
The Fund aims to be a frontrunner in furthering transparency and accountability in sustainable farmland investing, and this is why the Fund developed an ambitious greenhouse gas reduction strategy. The agriculture sector plays a crucial role in reducing greenhouse gas emissions, and our Paris Proof commitment in 2045 plays a central role in the Fund's strategy. In 2023 the Fund draws up an ambitious roadmap that matches the characteristics of our portfolio. We set up ambitious but realistic objectives to reduce the emissions in our portfolio even more ambitious than the objectives as mentioned in the national Climate Agreement for the agriculture sector as presented by the Ministry of Agriculture, Nature and Food Quality.

The Roadmap

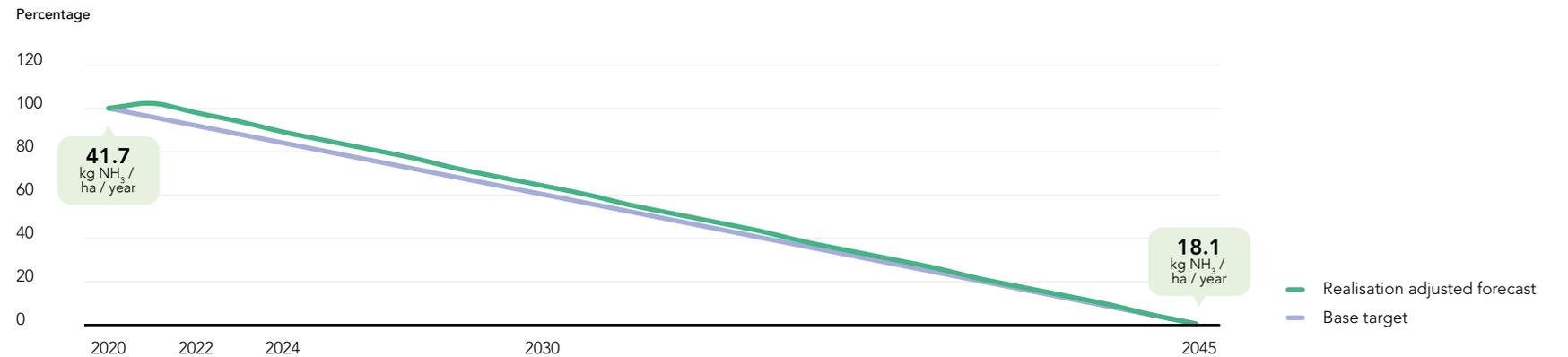
The Fund's Roadmap is developed in collaboration with Nutriënten Management Instituut (NMI) and Wageningen University & Research (WUR). The Roadmap has led to improved insights in the current carbon emission of our portfolio and the perspectives for action that should contribute to the reduction objectives. For the contribution of our individual plots in relation to the national objectives, the national reduction target has been analysed and converted to our portfolio. Based on the analysis, the emission is quantified, both for the current situation and for the situation in which all kinds of measures have been taken (the maximally feasible scenario).

Paris Proof roadmap

Carbon emission



Nitrogen emission



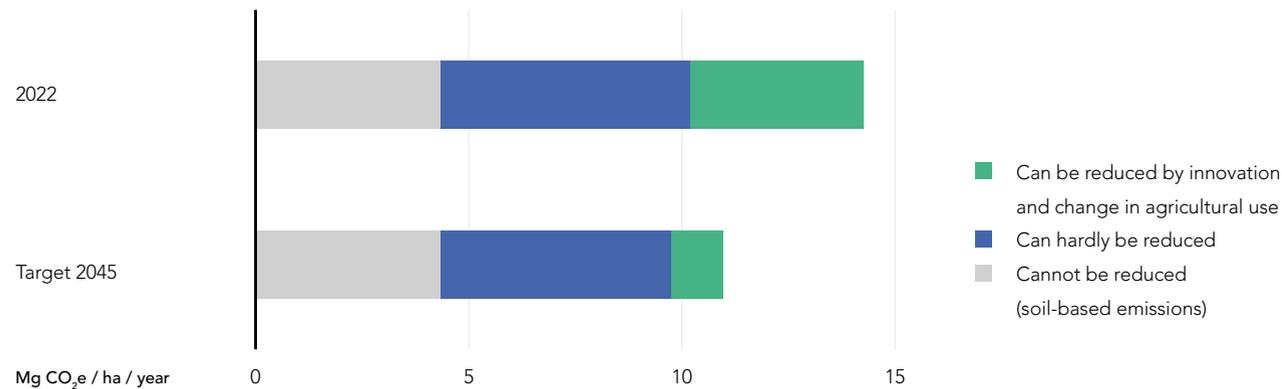
Emission reduction measures

To focus and effectively target lower emissions, it is first necessary to understand the magnitude of current emissions and the factors influencing them. In 2023, this was achieved with the preparation of the environmental systems analysis for the Fund's portfolio. This analysis quantified the impact of agriculture for ammonia (from stable, manure storage and manure application), greenhouse gases (nitrous oxide, CO₂ and methane), and nitrogen and phosphorus leaching. Based on this analysis, NMI has defined concrete targets to be met by each farm, adjacent to and ahead of current developments within the National Program for Rural Areas ('Nationaal Programma Landelijk Gebied').

To implement the reduction strategy, it is important to understand the action perspective: what measures can a farmer take to reduce emissions to the environment and protect soil quality. In addition, any financial, legal or other type of bottlenecks that prevent entrepreneurs from taking the necessary measures should be eliminated. To make this action perspective concrete, NMI has prepared a fact sheet with a focus on farm type, taking into account soil type and proximity to nature, among other things. Based on the gained (theoretical) insights from the fact sheets (in terms of selection, prioritisation and (cost) effectiveness of measures), this should be tested in practice and, after acceptance, implemented among as many farmers as possible.

By 2024, The Fund aims to select at least 10 farmers spread across the most common farm types. As a core group and ambassadors, these entrepreneurs will engage in targeted circular agriculture that reduces emissions as much as possible. With these 10 farmers, under the guidance of advisers, stewards and experts, an intensive process will be carried out in which tailor-made solutions will be sought for each farm in order to steer towards lower emissions and a better soil. The Fund will bear the cost of developing these reduction plans, and in addition, funding for the necessary measures will be sought jointly.

Carbon emission reduction strategy towards 2045



Objective
Carbon emission
(tons CO₂e per hectare)

2024
≤ 14.2
(-/- 10% compared to 2022)

2026
≤ 13.9
(-/- 19% compared to 2022)

Objective
Nitrogen emission
(kg NH₃ per hectare)

2024
≤ 38.7
(-/- 9% compared to 2022)

2026
≤ 36.8
(-/- 17% compared to 2022)

Objective
Facilitate farmers in execution of CO₂ reduction plan
(# tenants)

2024
≥ 10

2026
≥ 20

Objective
Expand our reduction strategy with nitrogen emissions

2024
Design plan

2026
Execute plan

Adapting and building resilience to climate change and improve biodiversity

Farmers have been associated with nature for thousands of years and have the ability to adapt to changing circumstances. Climate change plays a major role in this. We see adapting to this as one of the most important challenges. In order to make the sector resistant to climate change, we are in close contact with knowledge centres and enterprising farmers. We also facilitate farmers to test promising crops and cultivation methods jointly with farmers. This together contributes to the choices in techniques and varieties with future possibilities that can be scaled up.

The Fund will actively support new sustainable initiatives by making agricultural land available for the development of these initiatives (e.g. alternative (biobased) crops, new farming techniques or alternative revenue streams).

Furthermore, the Fund will directly invest in 'landscape elements' on the farmlands in our portfolio. We plan to launch ten projects in 2024 and increase the number of projects to 20 in 2026. The Fund has the ambition to accelerate the landscape elements project in close cooperation with other initiators such as the SBNL Foundation ('Stichting SBNL') and 'Stichting Hoopheggen'.

Objective
Climate change adaptation – landscape elements
(# of projects / year)

2024

≥ 10

2026

≥ 20

Objective
Agricultural land available for the development of sustainable initiatives and alternative crops
(# hectares)

2024

100

2026

200



Landscape elements

Landscape elements, such as forests, wetlands, hedgerows, and flower meadows, play a crucial role in promoting biodiversity and producing healthy food resulting in some key benefits as described below:

- **Biodiversity:** landscape elements provide various habitats for a variety of plants, animals, and microorganisms. They increase biodiversity and support the ecosystem by promoting natural pollination, natural pest control, and the preservation of native species.
- **Biodiversity in Agricultural Areas:** integrating landscape elements into agricultural landscapes promotes the conservation of native plant and animal species, leading to more resilient ecosystems and sustainable farming practices.
- **Pollination:** certain landscape elements, such as flower meadows and hedgerows, attract pollinating insects like bees, butterflies, and bumblebees. These insects are essential for pollinating many crops, leading to higher yields and food production quality.
- **Soil Health:** landscape elements help prevent soil erosion and improve soil structure. This contributes to healthy soil that retains nutrients better, benefiting agricultural crops.
- **Water Quality:** forests and wetlands act as natural filters, reducing pollution and improving water quality. This has direct implications for ecosystem health and the availability of clean water for human consumption.
- **Climate Mitigation:** trees and vegetation in landscape elements absorb CO₂, reducing greenhouse gases in the atmosphere. This helps mitigate climate change and creates a more favourable climate for agriculture and food production.

By promoting and preserving landscape elements, The Fund can increase biodiversity, enhance agricultural productivity, and produce healthy food in a manner that respects and protects the environment.



Social

The Fund strives to make a positive impact on society, enhance engagement and improve community standards for our tenants and employees. Diversity, equity & inclusion and well-being are valued within both our organisation and communities. Therefore, the Fund continues to challenge its impact and added value on the social factors of its portfolio.

Community & Tenants

Tenant satisfaction

Facilitate young farmers

Our employees

Employee satisfaction rating

Personal development

Health & well-being

Diversity, equity & inclusion



Community & Tenants

Tenant satisfaction

A tenant satisfaction survey is conducted periodically, at least every two years. It includes questions about the quality of service provided by a.s.r. and, if applicable, the manager in question. The 2023 tenant satisfaction survey identified a number of areas that would increase customer satisfaction and improve the performance of a.s.r. real estate and its contractors with regard to quality of service.

Objective
Tenant satisfaction rating
 (score out of 10)

2024
≥ 7.5

2026
≥ 7.5

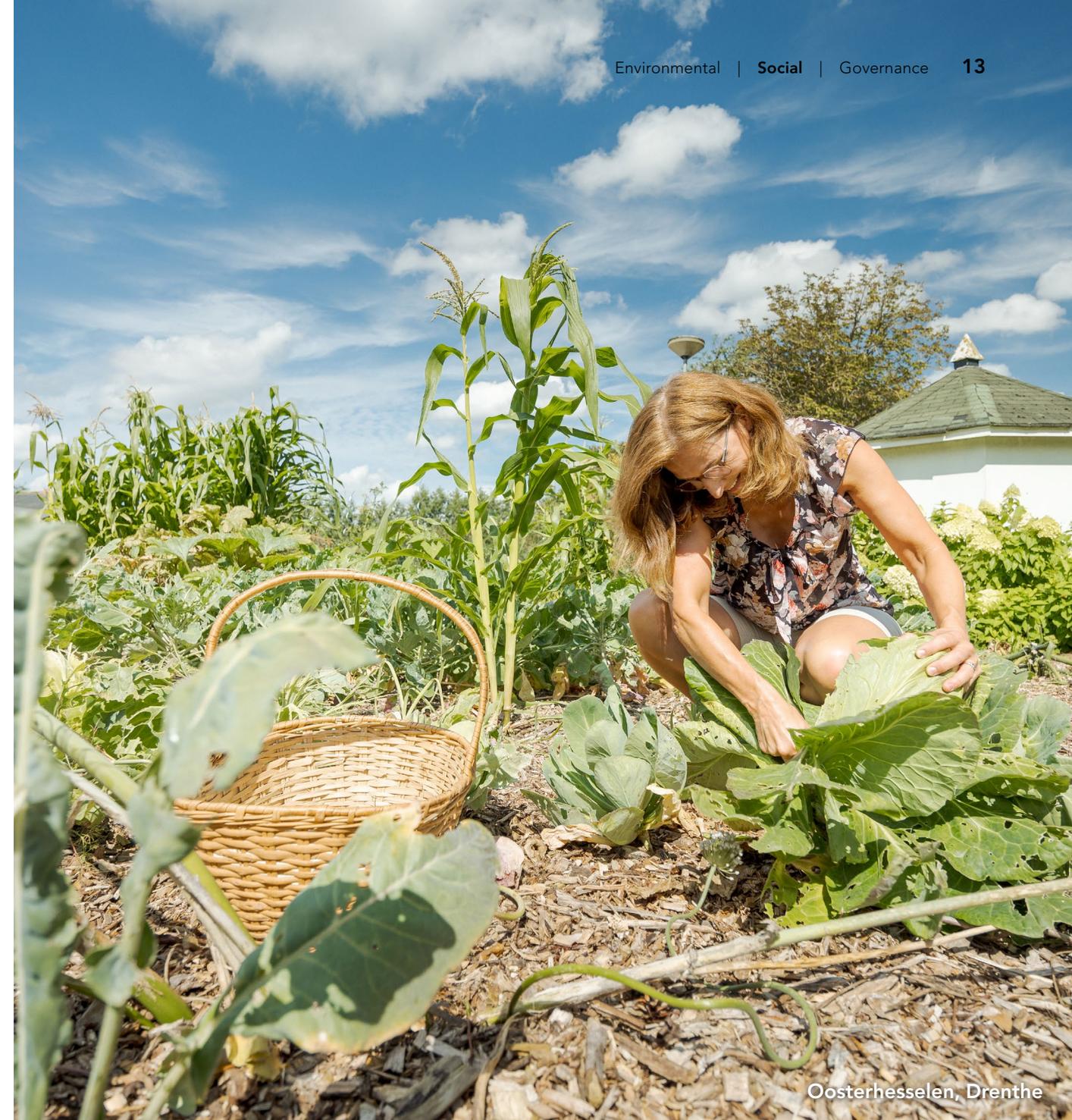
Facilitate young farmers

To ensure that our food production is also guaranteed in the future, we must invest in young farmers who want to start or take over a business. Initiatives to encourage young farmers who want to start or take over a business and who want to invest in sustainable business development are perfectly in line with the Fund's ambition to create perpetual value within a green and vital agricultural sector. In daily practice the Fund has to meet the growing demand from young farmers for a customised product that makes it possible to obtain investment space in a responsible manner.

Objective
Facilitating young farmers
 (# of hectares new young farmers ground leases / year)

2024
200

2026
250



Oosterhesselen, Drenthe

Our employees

Employee satisfaction rating

A weekly survey is conducted among a.s.r.'s employees: the Employee Mood Monitor (eMood®). This in-house developed tool is intended to provide up-to-date information on the well-being and connectedness of a.s.r. real estate's employees. The eMood® survey considers three categories:

- Employee satisfaction
- Vitality
- Productivity

The outcome provides insight into the needs of a.s.r. real estate employees. Where necessary, steps are taken to improve a.s.r.'s standing as an excellent employer.

Objective
Employee satisfaction rating
(eMood® score)

2024
≥ 7.5

2026
≥ 7.5

Health & well-being

Prioritising health and well-being and avoiding stress in the workplace is an important issue. Awareness, prevention and guidance are three important instruments in this regard. A wide range of workshops are provided and a dedicated team is in place to support employees. Human resources also devotes a lot of attention to ensuring a healthy office (or home office) and flexible working conditions.

The weekly eMood® survey provides specific insight into the vitality of a.s.r. real estate employees. Additionally, the health and well-being of employees are formally monitored every three years.

Objective
Health & well-being
(eMood® vitality score)

2024
≥ 7.5

2026
≥ 7.5

Personal development

The main focus of the human resource management policy is personal development of a.s.r. employees in terms of professional expertise, competences and skills. 1% of annual salaries is devoted to training and development and 1% is devoted to sustainable employability.

A dedicated human resources team provides guidance for employees who wish to develop their talents and take control of their own future by developing their talents, moving to another position (sustainable employability) or leaving.

Objective
Training
(% of annual salaries)

2024
≥ 1%

2026
≥ 1%

Objective
Sustainable employability
(% of annual salaries)

2024
≥ 1%

2026
≥ 1%

Diversity, equity & inclusion

a.s.r. believes that differences make the organisation stronger and better, and a.s.r. stands for equal opportunities for all. Different perspectives, backgrounds, knowledge and experiences contribute to the realisation of a.s.r. its objectives and are positively used and deployed in innovative, sustainable solutions for our tenants and investors. At a.s.r., diversity, equity and inclusion are permanently on the agenda of human resources. a.s.r. continues to work on this theme every day and the policy is evaluated and further developed every year. a.s.r. real estate further implements this by facilitating a DEI discussion group for all employees twice a year.

Every year, a.s.r. carries out an organisational success survey, conducted by Denison. In the Diversity, equity & inclusion module the progress within the organisation is measured on the basis of four pillars:

- Perceptions of inclusion and respect;
- A working environment that is safe and free from discrimination;
- Fair and equal access to opportunities;
- Leadership with an eye for diversity values.

Objective
Diversity, equity & inclusion

2024
Execute policy

2026
Execute policy



Employees of a.s.r. real estate



Governance

In accordance with the Fund Manager's mission of 'investing in perpetual value', the Fund believes that sustainability is a key factor in its long-term strategy. To achieve the strategic objectives, a dedicated sustainable governance framework is in place. The Fund closely participates in, align with and comply to sector-wide sustainable initiatives, guidelines and regulations.

Sound business practices

Alignment with sustainability guidelines

SDGs



Sound business practices

For a.s.r. real estate, it goes without saying that ESG can only be fully embedded by means of sound, transparent business practices. Important principles of the governance are (among others) its Integrity & Compliance regulation, Risk Management, Code of Conduct, Privacy Policy, Customer Due Diligence policy and Whistleblowing procedures. Furthermore, a.s.r. real estate has been licensed under the AIFMD by the Dutch authority AFM since 2015 as a provider of financial services in the field of collective and individual asset management.

Compliant with SFDR and EU taxonomy

The Fund adheres to the EU Sustainable Finance Disclosure Regulation (SFDR) and has published the SFDR statement on its website. Under this disclosure regulation, the Fund is classified as a financial product that promotes environmental characteristics within the meaning of Article 8(1) of Regulation (EU) 2019/2088. As of 1 January 2023, the second set of rules is disclosed for the Level 2 SFDR and EU Taxonomy Regulation.

The Fund promotes the climate and environmental objective 'climate change mitigation' as included in article 9 of the EU Taxonomy Regulation. The Fund promotes this objective in its underlying investments by promoting the stabilisation of greenhouse gas concentrations in the atmosphere consistent with the long-term temperature goal of the Paris Agreement.

The Fund continues to implement updated Regulatory Technical Standards (RTS) related to the SFDR and related legislation. For more information on the SFDR and EU Taxonomy, please refer to the pre-contractual and periodic disclosure in the Fund's [prospectus](#), annual report and [ESG annual report](#).

Embedding ESG

Organisational

The ultimate oversight and responsibility for sustainability performance and compliance lies with the fund director. The fund director is informed by a specialised sustainability team on the ESG performance and relevant market trends. A designated ESG coordinator oversees and implements the ESG strategy and related actions on the fund level. The fund director, sustainability team and ESG coordinators meet on a regular basis.

Partners

The Fund works with a number of long-term partners, such as its investors and knowledge and supply chain partners. ESG is a standing item on the agenda of periodic meetings with investors and knowledge and supply chain partners. In addition, there are guidelines for the Fund's partners to follow and quantifiable sustainability targets set out in agreements between parties. The Fund also seeks cooperation with governing bodies on sustainability initiatives.

Contracts

Both external documents and internal documents provide for ESG checks and goals, which are continuously updated. Strict sustainability requirements apply to tendering procedures. The Fund includes ESG provisions in lease agreements with its tenants and in agreements with parties such as developers, utility companies and government bodies.

Alignment with sustainability guidelines

The Fund's strategy is aligned with guidelines set by the following organisations:

UN Global Compact

a.s.r. signed up to the UNGC in 2011, embracing, supporting and implementing (within its sphere of influence) its principles relating to human rights, labour standards, the environment and the fight against corruption.



Finance for Biodiversity pledge

a.s.r. signed the Finance for Biodiversity pledge, with the intention to commit to protecting and restoring biodiversity through the finance activities and investments. The pledge was launched on 25 September 2020.



UN Sustainable Development Goals (UN SDGs)

The UN SDGs selected by a.s.r. as well as the Fund are an integral part of the ESG policy.



Dutch Insurance Code

a.s.r. real estate, as part of a.s.r., has adhered to the Dutch Insurance Code since 1 January 2011.



TCFD

a.s.r. real estate, as part of a.s.r., has adhered to TCFD since 2019. TCFD is an industry-led initiative for consistent disclosure of climate-related financial risks and opportunities.



INREV (European Association for Investors in Non-listed Real Estate Vehicles)

The Fund is 92% compliant with the INREV Sustainability Reporting Module.



UN Principles for Responsible Investment

a.s.r. obtained an UNPRI A+-rating for its strategy and governance and an A-rating for its properties.



Paris Proof Commitment DGBC

By signing this Commitment in 2020, a.s.r. real estate embraces the targets of the Paris Climate Conference and actively works towards net zero in 2045.



SFDR (European Union Sustainable Finance Disclosure Regulation) & EU Taxonomy

a.s.r. real estate and the Fund are compliant with the SFDR. The Fund qualifies in accordance with Article 8 of the SFDR. The Fund strives to be compliant to the future SFDR and EU Taxonomy regulations.



SDGs

In 2015 the Sustainable Development Goals (SDGs) were endorsed by all United Nations member states to enhance sustainable development at the global level. Ahead of 2030, these goals provide a shared blueprint for eradicating global poverty and inequality, combatting climate change and creating a prosperous and peaceful life for all.

The Fund actively contributes to the SDGs which are outlined on this page.



ASR DFLF actively contributes to four SDGs



The Fund aims to contribute to target 2.4: 'ensure sustainable food production systems... that increase productivity... and that progressively improve land and soil quality'. The Fund does this by implementing the 'Open bodemindex', by measuring and reducing greenhouse gas emissions in our portfolio and through our green lease products.



Through the 'Open bodemindex' and by awarding sound farming practices with our green lease products, the Fund contributes to target 12.4: 'environmentally sound management of chemicals and all wastes and significantly reduce their releases to air, water and soil in order to minimise their adverse impacts on human health and the environment',



Last year the Fund has further concretised its ambitious reduction strategy with action perspectives for their farmers. The Fund is already measuring the carbon footprint of the Fund's portfolio, resulting in a greenhouse gas emission of 14.4 tons of CO₂-equivalent per hectare. The Fund will integrate reduction targets in our strategies and planning (target 13.2) and will help our farmers in building resilience and adapting to climate change (target 13.1).



By signing the Finance for Biodiversity pledge, the Fund is committed to protecting and restoring biodiversity through finance and investment activities, and thereby also committed to target 15.a. With the implementation of the 'Open bodemindex', the Fund aims to contribute to biodiversity in the soil. By financing landscape elements on the Fund's farmlands, the Fund is taking a first step in contributing to biodiversity on land.

Colophon

a.s.r. real estate
Archimedeslaan 10
3584 BA Utrecht
The Netherlands

www.asrealestate.nl

© 2023

Text

a.s.r. real estate

Photography

Corné Bastiaansen, Hilversum
Joni Israeli, Utrecht

Design

Cascade visuele communicatie, Amsterdam



Cover: Broeksland, Overijssel