

# CSR policy 2020-2022

ASR Dutch Prime Retail Fund



# Our vision of CSR

## ASR Dutch Prime Retail Fund's vision of corporate social responsibility (CSR)

**To accommodate the interests of tenants and investors in the best way possible by creating stores and retail areas that have long-term value from both a financial and a social perspective, and to achieve this in a sound and responsible manner with engaged and aware partners and employees.**

The aim of the ASR Dutch Prime Retail Fund (ASR DPRF) is to develop and maintain a retail property portfolio with real long-term value. Long-term value can be created in locations that attract – or have the potential to attract – shoppers and retailers over the long term. Retail facilities at these locations, which meet current and future demand, are also sustainable in terms of usage. They include supermarkets and shops in the vicinity of residential areas and high street retail in historic city centres – pleasant places to spend time for a day out or for special purchases.

Sustainable retail property means attractive retail property: attractive to tenants because of low energy consumption, a pleasant indoor climate and healthy surroundings for store personnel; and attractive to consumers because it provides an enjoyable retail experience. Investors find sustainable retail property attractive because it is easier to market and involves fewer investment risks. Sustainability ensures continuity and stability for investors. And importantly, sustainable stores have a lower environmental impact thanks to their energy-efficiency and lower levels of waste generation, helping to reduce emissions of greenhouse gases.

To achieve a sustainable portfolio with long-term value, close cooperation is required with all stakeholders, who need to keep one another informed, support each other as much as possible, and make clear agreements together. By cooperating closely with tenants, the Fund also maximises customer satisfaction and increases tenant involvement in ensuring the sustainability of retail premises.

The investment manager, a.s.r. real estate, believes strongly that corporate social responsibility can only be achieved by pursuing sound, transparent business practices and hiring and training committed employees.

This policy document ties in with the current policies of a.s.r. real estate and a.s.r. concerning corporate social responsibility. For more information about the CSR policies of ASR DPRF and a.s.r. real estate, please visit our [website](#). To read more about a.s.r.'s CSR policy, please visit a.s.r.'s [website](#).

# Strategic objectives 2020-2022

## ASR DPRF’s CSR policy is based on ‘four Ps’, which together cover the whole CSR spectrum

Each P refers to a different perspective on CSR, each of which is a requirement for achieving the vision outlined above. The four Ps are: **Property, Partners, Planet** and **People**. Each P comes with its strategic objectives, as illustrated in the table below. There is also a fifth P: Profit. The Fund regards this as a self-evident parameter. After all, providing a good and stable return is the core objective of every investment manager.

### Strategic objectives 2020-2022

Property	Partners	Planet	People
			
<p><b>Sustainable portfolio</b></p>	<p><b>Engaged partners</b></p>	<p><b>Contribution to society and the environment</b></p>	<p><b>Sound business practices and healthy and satisfied employees</b></p>
<ul style="list-style-type: none"> <li>• Over 80% of the portfolio will have a Green Label</li> <li>• Portfolio 100% asbestos-safe</li> <li>• Environmental savings in all projects and included in the maintenance</li> <li>• Assess portfolio’s sustainability based on BREEAM NL</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal engagement of partners in the retail chain</li> <li>• Continuous check on compliance with CSR requirements and objectives</li> <li>• Tenant satisfaction rating of at least 7.0 (out of 10)</li> <li>• Active tenant engagement programme</li> <li>• 100% green leases for new lease agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce energy consumption by &gt;25% and greenhouse gas with &gt;15% (compared to 2015)</li> <li>• Explore and apply uses of renewable energy including 4,000 installed PV-panels</li> <li>• Encourage activities in inner cities and retail areas</li> <li>• Monitor effects of climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Sound business practices</li> <li>• Provide employees with opportunities for personal development</li> <li>• Focus on employees’ health and wellbeing</li> <li>• Employee satisfaction rating &gt;80%</li> </ul>



# Property

## Strategic objectives

- Over 80% of the portfolio will have a Green Label
- Portfolio 100% asbestos-safe
- Environmental saving measures in all developments and included in maintenance
- Assess portfolio’s sustainability based on BREEAM NL

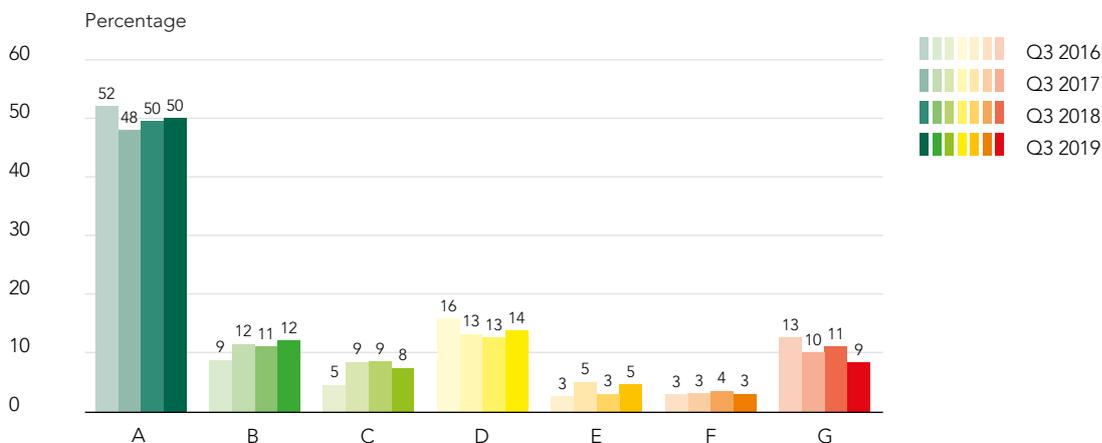
As a real estate investment fund, property plays a central role in ASR DPRF’s CSR policy. The main objective is to enhance the sustainability of the portfolio in various ways. Whenever possible, the Fund aims to do this at appropriate moments in the property cycle, such as during routine maintenance or when there is a change of tenant or in the tenancy agreement. Not only do sustainable stores reduce environmental impact, the Fund firmly believes that sustainable real estate is more attractive to tenants and shoppers alike.

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

All stores in ASR DPRF’s portfolio are energy label certified. A large proportion of these properties are located in historic city centres and qualify as listed buildings. ASR DPRF seeks to achieve a ‘Green Label’ (energy label C or better) for 80% of its portfolio by 2022. In order to achieve this, properties will be made more sustainable or converted at an appropriate point in the operating process. To date, 70% of the portfolio has achieved Green Label certification. To increase the share of Green Label properties still further, the Fund is focusing on renovating properties in a sustainable manner, converting the spaces above shops into apartments and incorporating energy label certification into the acquisition process.

In 2019, the Fund continued to convert units above shops into apartments with a Green Label, for example in Haarlem and Amsterdam. In addition, assets have been acquired where energy label certification was assessed as part of the acquisition proposal. The assessment shows how acquisitions and investment are contributing to the Fund’s Green Label objective. In addition, strict sustainability requirements have been set for purchases, new developments and renovations in the Fund’s Programme of Requirements and Technical Due Diligence process. More details on agreements between ASR DPRF and its partners are included in the section on ‘Partners’. Additionally, the energy labels for high street retail properties are largely determined based on installations and modifications made by tenants. ASR DPRF will continue its policy of advising and encouraging tenants to make their retail properties more sustainable. Goal for 2020 is to have at least 73% Green Label within the portfolio.

### Improvement of energy labels in ASR DPRF from 2016 to 2019



## **Portfolio 100% asbestos-safe**

ASR DPRF believes that it has a responsibility to reduce the presence of asbestos in its portfolio. ASR DPRF is proactive on matters relating to asbestos and takes additional precautionary measures. Asbestos surveys have already been carried out for the retail property portfolio. High-risk and potentially high-risk uses of asbestos have been removed. Asbestos that is used in a way that does not pose a risk to health is removed during refurbishment and renovation. Tenants are informed of the possible presence of asbestos and are involved in the process of cleaning up the property in order to avoid any unsafe situations. Goal for acquisitions is to make them asbestos safe within one year.

## **Environmental efficiency in all developments and included in maintenance**

The portfolio is being assessed for 'green' solutions such as LED lighting, high-efficiency boilers, sustainable exterior walls, energy-efficient glazing, solar panels, water-saving plumbing and sedum roofs in order to identify ways in which sustainable improvements can be made in day-to-day operations. The surveys are based on NEN 2765; this method leads to optimal maintenance and prevents waste and maintenance delays.

For 2020, 0.5% of rental income has been allocated to sustainability improvements as part of the maintenance budget. The resulting actions are documented and monitored at property level. Where possible, the Fund links sustainability improvements to its multi-year maintenance programme and carries this out at appropriate times, such as during conversion or maintenance work. This also involves the use of sustainable materials, such as FSC-certified wood for construction work and the reduction of waste through the reuse of materials. The primary aim is to improve the sustainability of at least 5% of the portfolio annually.

## **Assess portfolio's sustainability based on BREEAM NL**

The Fund believes that sustainable property is not just about energy-efficiency. To assess and improve the portfolio's sustainability, ASR DPRF applies all nine aspects of BREEAM NL certification. The fund started a pilot to map out solitary retail properties based on BREEAM methodology. The aim is a structured insight into making these premises sustainable

## **BREEAM NL Very Good certification or higher for new-build properties**

ASR DPRF assesses its portfolio from the broadest possible notion of sustainability. This is achieved by applying all nine aspects of the BREEAM environmental rating system in the 'Programme of Requirements' for new buildings. The Fund's aim is to be awarded BREEAM Very Good certification or higher for all new developments.

## **BREEAM NL In-Use for all wholly owned district shopping centres**

In recent years, BREEAM In-Use certificates were awarded to five of the Fund's nine wholly owned shopping centres: Vathorst (Good), Vleuterweide (Good), Floriande (Good), Castellum (Good) and Terwijde (Very Good). These results will serve as a guideline for enhancing the sustainability of these assets and other non-certified wholly owned district shopping centres. The Fund will take steps to improve owner-related BREEAM credits and will scan non-certified assets with respect to these credits as well, in order to identify the areas of improvement for all wholly owned district shopping centres. The goal is to obtain higher BREEAM NL In-Use scores for these assets when they are recertified, starting in 2020 with Vathorst and Vleuterweide as part of the three-year cycle. In addition to this, the Fund aims to involve its tenants in the process of BREEAM certification and, more importantly, in the process of making the sustainability improvements required for BREEAM certification. The Fund's tenants are an important partner in the BREEAM certification process and the associated improvement measures, since they play a major role in the final BREEAM score. The Fund will continue the certification process for all wholly owned DSCs as a baseline measurement for future improvements

## **Integration of BREEAM requirements into redevelopment activities**

As with new property developments, the Fund's aim for redevelopment projects is to apply all aspects of the BREEAM rating system in its 'Programme of Requirements' in order to move towards a more sustainable portfolio over time. The Fund is committed to achieving BREEAM certification of at least Very Good for all larger-scale redevelopment projects. In 2018, the first phase of the redevelopment of Koningsplein Amsterdam was awarded a BREEAM NL 'Very Good' certificate. Three department stores are also BREEAM NL In Use certified (Good). After the completion of the renovation of Pottenbakkerssingel in Middelburg (shopping center) this asset will receive a BREEAM-NL In-Use Excellent.

## Case Study

# Shopping centre Potterbakkerssingel, Middelburg

### Redevelopment of a sustainable asset, aiming at a BREEAM Excellent

Shopping centres and solitary supermarkets are large energy consumers because they rely on product cooling and freezing installations. They therefore have the biggest potential for reducing energy consumption. This article will highlight the case of a large supermarket and a shopping centre in Middelburg.

### Sustainability measures in 2020-2022

The asset in Middelburg was outdated, having been built in the 1970s as a Trefcenter, a supermarket operator at that time. Albert Heijn, the current tenant of the shopping centre, opted out of the master lease contract and sought a new lease following improvements to the shopping centre. As the owners of the property, a.s.r. real estate and the ASR Dutch Prime Retail Fund saw an opportunity to update the shopping centre. From the outset, it was clear that all parties had an ambitious redevelopment in mind, which would not only make sense from a commercial perspective, but would also greatly improve the sustainability performance of the property.

### Lowered energy consumption

The adviser DGMR, the tenant Albert Heijn and the landlord a.s.r. real estate jointly investigated the environmental and energy impact of several changes to the property. VOCUS, the architect, used these adjustments as a framework for developing a 'Paris-proof' asset. Most savings were achieved through new (climate) installations, the installation of LED lighting, PV-panels, improved and renewed insulation and natural ventilation and lighting. As a result, energy consumption is expected to be reduced from 345 kWh per sq. m. to 138 kWh per sq. m., resulting in the saving of over 1,000 MWh per year. This saving is the equivalent of the household consumption of over 300 average residential households.

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## Partners

### Strategic objectives

- **Optimal engagement of partners in the retail chain**
- **Continuous check for compliance with CSR requirements and objectives**
- **Tenant satisfaction survey with a satisfaction rate >7.0**
- **Active tenant participation programme**
- **100% green leases for new lease agreements**

The Fund's partners play an essential role in achieving ASR DPRF's CSR objectives. All the partners together form a chain in which each link is important to achieving the best possible CSR results. By ensuring that contractors act in step with tenants and are on board with CSR's objectives, the Fund can successfully enhance the sustainability of its properties. ASR DPRF aims to increase partner involvement by communicating openly about its CSR policy, sharing specialist knowledge, giving presentations, prioritising CSR at scheduled meetings, and making concrete agreements in relation to sustainability.

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### Optimal engagement of partners in the retail chain

The Fund's investors generally remain involved with the Fund for many years. It goes without saying that ensuring openness and transparency in the Fund's dealings with investors is a fundamental principle. The Fund informs investors by means of the Three Year Business Plan and the Annual and Quarterly Reports. The Fund also actively involves its investors in important decisions that affect assets or stakeholders. As far as ESG issues are concerned, the Fund asks the General Meeting of Investors – by means of the Three Year Business Plan, which is updated annually – to approve the funds' CSR policies every year. In addition, ASR DPRF provides investors with detailed insight into its sustainability performance through its participation in GRESB, and by means of newsletters and the Fund's Annual and Quarterly Reports.

#### Investigating 'Green Loan' possibility

The Fund has entered into negotiations with ABN Amro with regard to a Green Loan clause.

A Green Loan, like a Green Lease, relates to a clause in the Term Sheet Agreement – not Loan Management Agreement - for certain Green KPIs resulting in a small discount or premium on the margin. If the Fund passes some or all KPIs, the margin will be lower than currently anticipated, but if it fails to meet most KPIs, the margin will be slightly higher. The impact will be max. ± 5 bps.

At the other end of the chain are the tenants. The Fund aims to ensure that its tenants are informed, engaged and satisfied. ASR DPRF seeks to keep tenants updated and actively seeks their partnership in sustainability projects. CSR is a standing item on the agenda for routine meetings with tenants, external property managers and most direct maintenance partners (contractors and consultants). Together with Ahold-Delhaize, the Fund has made a renovation plan for the Pottenbakkerssingel Middelburg shopping centre according to Paris-proof guidelines and is planning to install solar panels on 5 Albert Heijn supermarkets.

### Improving our knowledge and network

For a.s.r. real estate, improving and sharing its knowledge and network in the field of CSR is an important objective. Within the company, involvement in and support for promoting CSR initiatives in the sector and throughout society as a whole is always a foremost consideration. For this reason, a.s.r. real estate is affiliated with several organisations (including IVBN, INREV, GRESB, NEVAP, DGBC, NEPROM and RICS) and participates actively in the sustainability working groups of a.s.r., IVBN, NEPROM and DGBC. a.s.r. real estate regularly shares its experience at congresses and other events such as Provada, GRESB results release event and the NRW Sustainability event.

### Continuous check for compliance with CSR requirements and objectives

In its dealings with contractors, such as commercial builders and external property managers, the Fund keeps them fully informed of its CSR objectives. Additionally, contracts must accept and adhere to the Fund's CSR policy. During the maintenance process, the Fund closely monitors whether the CSR policy is being respected in practice.

All maintenance contracts with regular suppliers include sustainability requirements - concerning the monitoring of energy usage and advice on sustainability measures, for instance. These contracts are discussed during periodic consultative meetings. When awarding maintenance contracts to suppliers, the Fund also stipulates CSR requirements to which technical materials and installations must comply.

To avoid conflicts of interest, the Fund closely monitors leases and acquisition or disposition proposals in accordance with internal compliance guidelines. In addition, a.s.r. real estate works with ethical and responsible contractors who comply with business standards for sustainable business practices. In order to monitor its objectives on an ongoing basis, ASR DPRF ensures that CSR is a standing item on the agenda at periodic meetings with managers and direct maintenance partners (contractors and consultants). Commercial managers proactively seek ways to make the Fund's portfolio more sustainable on the basis of the results of the tenant satisfaction survey. Over the next few years, the manager will continue to fine-tune these surveys to reflect CSR-related issues.

### Alignment with sustainability guidelines

The Fund's CSR policy is aligned with important guidelines set by reputable organisations:

#### UN Principles for Responsible Investment:

- a.s.r. obtained an UNPRI A-rating for its properties.

#### The UN Global Compact:

- a.s.r. signed the United Nations Global Compact (UNGC) in 2011. By signing the UNGC, a.s.r. embraces, supports and implements (within its sphere of influence) these principles relating to human rights, labour standards, the environment and the fight against corruption.

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

- The Fund was set up in conformity with the INREV Guidelines;
- The ASR Dutch Prime Retail Fund is 100% compliant with the INREV Sustainability Reporting Module (mandatory part and 97% with sustainability best practices).

#### IVBN (Foundation for Dutch Institutional Investors in the Netherlands):

- The Manager is present in multiple IVBN working groups in which the industry discusses and sets targets on multiple topics (sustainability is one of these topics).

#### Dutch Insurance Code:

- The Manager, as part of a.s.r., has adhered to the Dutch Insurance Code since 1 January 2011.

### Integrating SDGs and investing with impact

The UN Sustainable Development Goals (SDGs), as selected by a.s.r. and a focus on investing with impact are becoming an integral part of the Fund's CSR policy.



VERBOND VAN VERZEKERAARS

## 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 promote sustainable development worldwide. These goals will focus on the eradication of global poverty and inequality, combating climate change and creating a prosperous and peaceful life for all. The Manager’s contribution to SDGs have been categorised into four themes: ‘sustainable insurer’, ‘sustainable investor’, ‘sustainable employer’ and ‘social role’. These themes have been included in a.s.r.’s annual report. The Manager added a fifth theme: ‘sustainable real estate investor’, to monitor its contribution to the SDGs from a real estate perspective for the investors in the Fund. ASR DPRF actively contributes to the four SDGs mentioned below:

### SDG 7 Affordable and clean energy

Renewable energy measures such as solar panels are being investigated for some of the Fund’s assets. In the upcoming Business Plan period, more than 4,000 PV-panels are scheduled to be installed, in cooperation with a few large tenants

### 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 by local initiatives, such as Tiny Forests and public areas in DSCs or taking a seat in voluntary urban counsels for the main high street cities.

### SDG 12 Responsible consumption and production

The Fund publishes its CSR policy annually and adheres to the sustainability guidelines  
The Fund also verifies whether 100% of its chain partners comply with its CSR policy.

### SDG 13 Climate action

Besides the Fund’s attention to the broader climate developments, insight into the adverse effects of this climate change is necessary to respond to the impact of climate change. An important goal for 2020-2022 is to improve the monitoring of these effects. The Fund will return on adverse effects of climate change in 2020.



### Tenant satisfaction survey with a satisfaction rate >7.0

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 result was a satisfaction of 7.0. This new survey will be repeated periodically to assess tenant satisfaction. The survey includes questions about the services of a.s.r. real estate and the (external) manager, and tenants are also asked to evaluate the store, the surrounding area and other important aspects such as accessibility. In the 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. In order to do this, this year the Fund will improve the customer journey of our tenants.

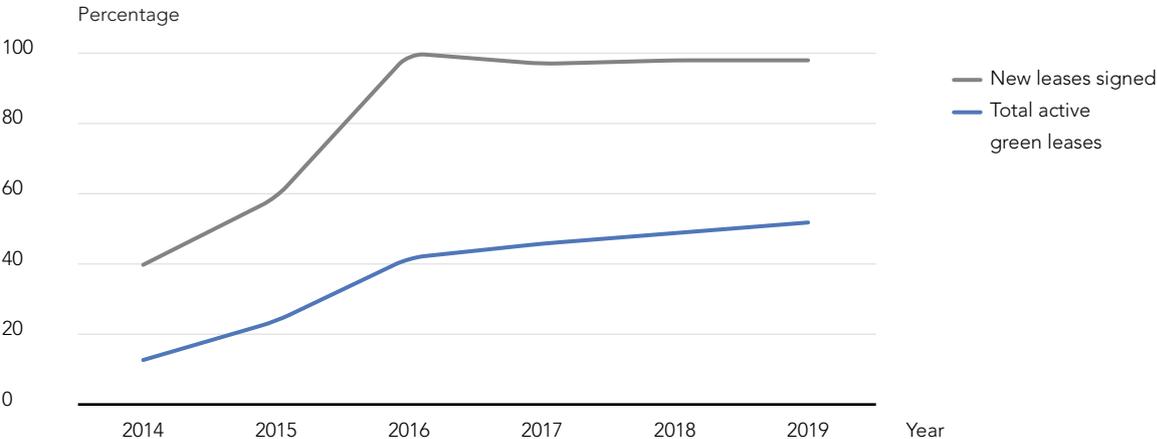
### Active tenant engagement programme

The Fund welcomes feedback from tenants and it uses this to make more sustainable investments and maintain long-term relationships. Furthermore, the programme provides the manager with insights into the retail market. Knowledge about tenants’ experiences can also be applied elsewhere. The manager holds periodic meetings with large tenants (such as chain retailers) and CSR is a standing item on the agenda for these meetings. In addition, the Fund focuses on knowledge-sharing events. In 2020, tenant participation will remain an import theme. Priorities will include collaboration on energy efficiency projects, exchanging ideas on energy usage data and knowledge sharing. The Fund aims to have at least five projects each year related to tenant engagement.

### 100% green leases for new lease agreements

As far as new rental contracts are concerned, ASR DPRF seeks to sign ‘green lease’ contracts, whereby the landlord and the tenant agree on how the leased asset will be made more sustainable. In 2019, 98% of all new rental contracts were green lease contracts. This means that the number of standing green lease contracts is growing every year. Over the next few years, the Fund aims to further increase the number of green lease contracts and hold more substantive discussions with tenants on achieving green lease objectives. Another important objective is to improve the standard green lease contract together with the IVBN. The revised green lease is almost complete and is currently being discussed with representatives of tenant organisations and will be put in place in 2020.

### Green lease progress – retail properties



## GRESB results 2019

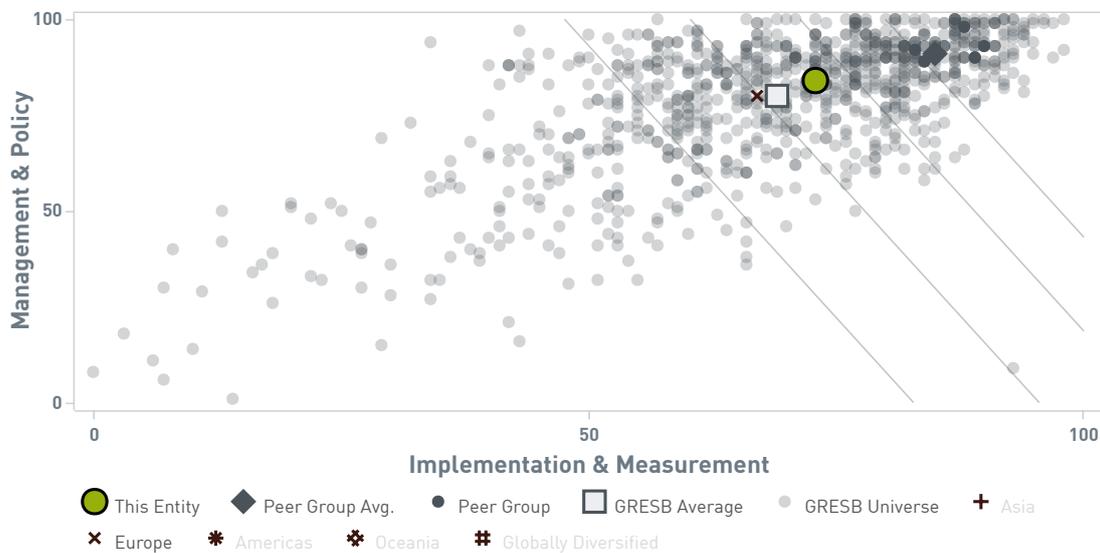
ASR DPRF took part in the GRESB Survey for the eighth consecutive time, increasing its score to 76 out of 100 points (2018: 72 out of 100) and maintaining its three-star rating. The Fund is outperforming the GRESB average (72) but is underperforming the peer average (86). The Fund scored 84 points for 'Management & Policy' and 73 points for 'Implementation & Measurement'.

### Improvements in measurement and stakeholder engagement

- The outperformance on both Management & Policy and Implementation & Measurement (scoring respectively 89 and 82 out of 100) demonstrates the Fund's high-quality sustainable governance.
- The Fund performed particularly well on the ESG topic of Governance (G) with a very high score of 98 out of 100. This demonstrates the ambitious objectives that the Fund has set itself through its sustainability policies and the quality of the policy and disclosure of sustainability targets and performances.
- The Fund outperformed the retail benchmark on the 'social' component (S) and 'environment' component (E). The latter is impressive considering its high degree of exposure to high street assets which perform less well for standard environmental aspects, such as EPA-labels and BREEAM coverage.

### Main focus areas for improvement are Monitoring & EMS and performance indicators

Monitoring & EMS will be improved in the upcoming years by assigning Cushman for a verification of energy, GHG, water and waste collection data, in addition to a check by the supplier INNAX. Performance indicators should increase as a result of better energy consumption monitoring and the installed PV-panels by means of investing with impact in the portfolio. This should lower the energy consumption and increase the performance indicator score of the Fund.





## Planet

### Strategic objectives

- **Reduce energy consumption by >25% and greenhouse gas with >15% (compared to 2015)**
- **Explore and apply uses of renewable energy including 4,000 installed PV-panels**
- **Encourage activities in inner cities and retail areas**
- **Monitor effects of climate change**

'Planet' stands for the contribution that ASR DPRF makes to nature, society and the environment. In the Netherlands, real estate accounts for over 35% of total GHG emissions. As such, the Fund sees its duty as ensuring that ASR DPRF achieves a lower footprint with less waste, reduced water consumption and lower GHG emissions. Moreover, ASR DPRF focuses not only on its partners but also on other stakeholders in Dutch society, such as the users of retail areas and students.

### **The Fund sees its duty as ensuring that ASR DPRF achieves lower footprint with less waste, reduces water consumption and lower GHG emissions**

#### **Reduce energy consumption by >25% and greenhouse gas with >15% (compared to 2015)**

The Fund's main goals are to reduce energy consumption by 25% and CO<sub>2</sub> emissions by 15% for the common area of directly controlled investments. This will be achieved by various measures, such as improving the insulation value, optimizing installations and applying LED lighting. Optimising the data management system will also contribute to reaching this goal. Within the portfolio, the share of directly controlled investments is fully reliant on green electricity.

#### **Explore and apply uses of renewable energy including 4,000 installed PV-panels**

Renewable energy measures such as solar panels are being investigated for some of the Fund's assets. By 2022, more than 4,000 solar panels will be installed in cooperation with a number of tenants. A large number of these panels will already be installed in 2020.

#### **Encourage activities in inner cities and retail areas**

ASR DPRF contributes to society by investing in inner cities and retail areas through social facilities and green spaces near its properties. The Manager also participates in initiatives to make inner cities more attractive and liveable and contributes to society by participating in city centre associations and supporting charities ('Helping by taking action'). The fund aims for a minimum of five contributions or initiatives per year.

#### **Monitor effects of 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 the management of the built environment, due to natural disasters, rising sea levels and air or soil pollution, for instance. Insight into the adverse effects of climate change is vital in order to respond to the impact which climate change is 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. The results will be communicated in the annual report. An important objective for 2020 is to further improve the monitoring of these effects.

## Case Study

# PV-panels

## Pottenbakkerssingel Middelburg

### What differentiates investing with impact from responsible or sustainable investing or impact investing?

The Global Impact Investing Network (GIIN) differentiates impact investing as follows:

“Investments made into companies, organisations, and funds with the intention to generate positive social and environmental impact alongside a financial return.” The Fund identified and followed the UN PRI Impact Investing Market Map (renewable energy), which aligns with SDG 7 (affordable and clean energy), as guidelines to make a notable change in the world, but the Fund does not qualify as an ‘impact investment vehicle’.

### Investing with impact as a non-impact real estate vehicle

Although ASR DPRF is not an impact investment vehicle, investments it makes could address the most pressing challenges the climate and society face. One of the areas in which it could go above and beyond, is investing in PV-panels on top of large retail units, such as supermarkets. In line with SDG 7 (affordable and clean energy) and UN PRI IIMM (renewable energy) the Fund intentionally aims to lower the energy consumption by its heavy energy users.

The Fund received an approved SDE+-subsidy, which is awarded by the Dutch Authority for Entrepreneurs (RVO) for the next 15 years. This is a top-up subsidy, negating the price difference between ‘grey’ energy and ‘green’ energy at the energy market. By analysing the rooftops of the portfolio, the Fund earmarked c. €2.5m in PV-panel investments for an impact in the retail real estate market, enabling its tenants to lower fossil energy consumption in return for a market-neutral energy price in 2020-2022. Ultimately, this is good for the environment (Planet), the tenants (Partners) and the underlying properties (Property).



Renewable energy



**Investments made into companies, organisations, and funds with the intention to generate positive social and environmental impact alongside a financial return**





## People

### Strategic objectives

- Sound business practices
- Provide employees with opportunities for personal development
- Focus on employee's health & wellbeing
- Employee satisfaction >80%

'People' relates to a.s.r.'s governance regarding risk management and employees. Sound business practices are a key principle within the Company. Current, climate related risks is an important topic. Secondly, a.s.r. real estate actively focuses on the employability, health and wellbeing and satisfaction of its employees and invests in its human capital on an ongoing basis.

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

#### Sound business practices

a.s.r. real estate's risk management function is based on a number of key principles. First, the Manager conducts risk management in accordance with the AIFMD licence that it was awarded by the AFM at the beginning of 2015. In addition, IT risks are managed in accordance with the Cobit standards of the Dutch Central Bank (DNB) and integrity risks are managed on the basis of DNB's SIRA (Systematic Integrity Risk Assessment). Finally, the risk management model (ERM COSO) is based on a.s.r.'s central risk management system, supplemented by local real estate risk management tools.

Each year, a risk self-assessment is conducted with the Executive Board based on the company's objectives and the relevant strategic risks. Key policies are reviewed annually, addressing aspects such as conflicts of interest, incidents and outsourcing. Where necessary, existing controls are supplemented or changed.

#### Dutch Insurance Code

Governance principles are enshrined in the Dutch Insurance Code, which was implemented in January 2011. The Dutch Insurance Code is mandatory for all supervised insurance companies. As a result, it also applies to the managing directors of a.s.r. and its management team members. The code states the terms and conditions that risk management must comply with, including the monitoring by audit (third line of defence) based on the 'Three Lines of Defence' model.

#### Evaluation of processes and reports

a.s.r. real estate's major purchase, sale and investment proposals are also reviewed by the Compliance Officer and the Business Risk Manager. They form the 'second line of defence' and ensure that all procedures and fund restrictions are applied in the correct manner.

a.s.r. real estate's risk manager is involved with all outsourcing activities and major projects.

In this role, the risk manager manages the risk analysis for decision-making purposes.

All key processes are identified and described in an AO/IC and ISAE framework. Every month, the Internal Control team assesses the ISAE 3402 controls. As of 2018, the ISAE 3402 controls are assessed annually by the external auditor. As of 2018, the ISAE 3402 framework also includes various controls at the real estate fund level.

Since 2019, in addition to the current CSR risks, Business Risk Management has also been involved and responsible, as second line of defence, for monitoring, reporting and mitigating the risks associated with the climate change objectives to which a.s.r. real estate has committed itself. In 2020 this remains an important topic.

### **Code of ethics**

a.s.r. real estate has introduced a code of ethics, which consists of a wide range of integrity policy documents on the issue of combating bribery and corruption. These documents set down various rules of conduct for the proper implementation of this 'Code of ethics'.

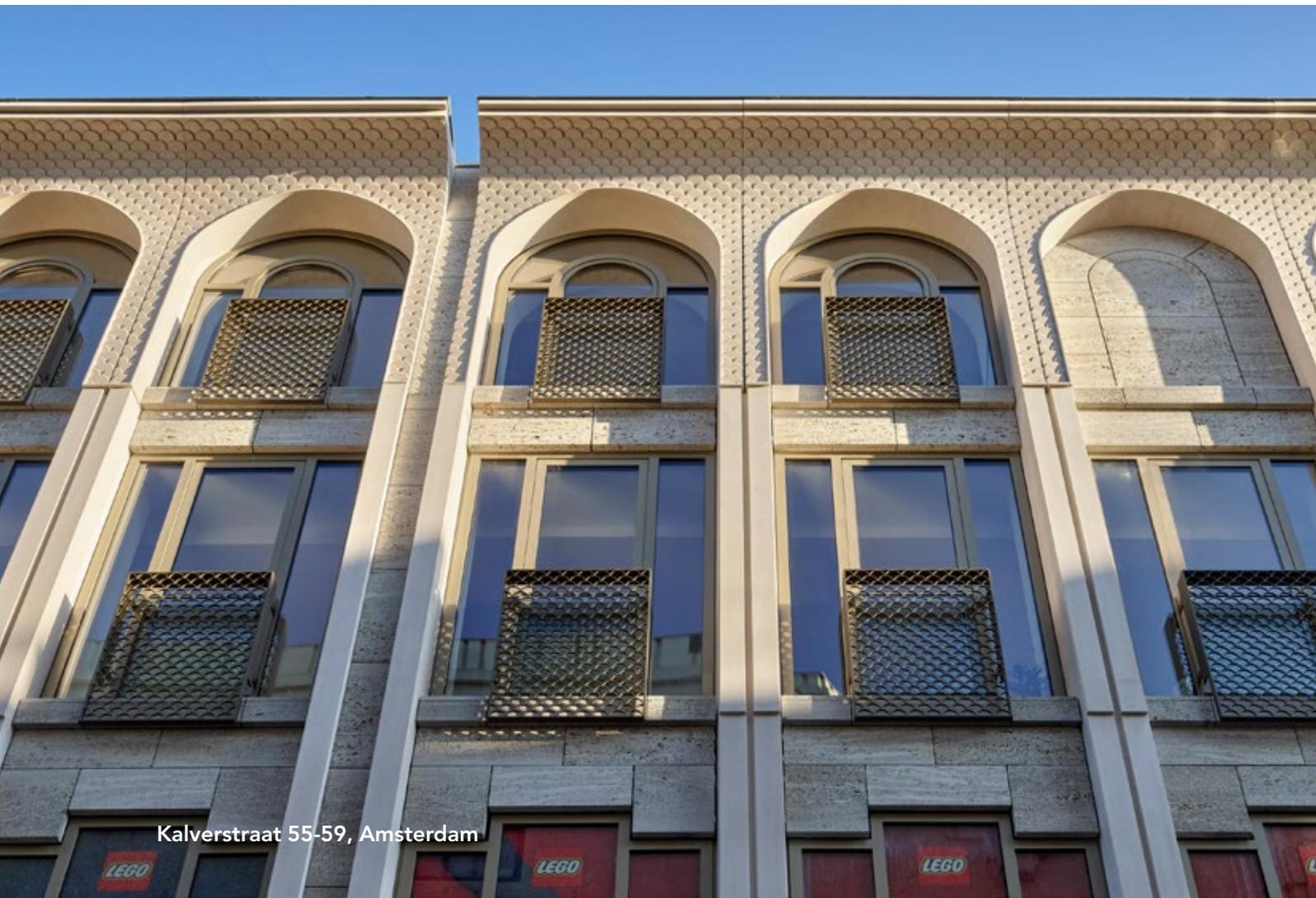
### **Provide employees with opportunities for personal development**

The main focus of a.s.r.'s human resource management policy is the personal development of its 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. In 2018, respectively 2.4% and 1.0% are being spend on these themes. In addition, certain employees are given the opportunity to take additional courses at higher professional or university level in order to broaden their knowledge and remain employable on a sustainable basis. A dedicated HR team provides guidance to 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 a.s.r. altogether.

### **Focus on employee's health and wellbeing**

Prioritising health and wellbeing and avoiding stress in the workplace is an important issue for office-based companies. a.s.r. finds it important to help employees to remain mentally and physically fit and vital at work. Hereby awareness, prevention and guidance are three important instruments. a.s.r. provides a wide range of workshops and has a dedicated team to support the employees. Besides, a.s.r. devotes great attention to a healthy office and flexible working conditions.

Important objective is to measure the health and wellbeing of a.s.r.'s departments by executing a four-yearly vitality scan. Important themes are stress, absentee rate, working ability, physical complaints and level of enthusiasm. Based on the outcomes a customised vitality program will be made. The last survey among the a.s.r. real estate's employees took place in 2018. The participation rate was 79% and a.s.r. real estate scored 6 out of 8 themes equal or better than the Dutch average. With the currently carried out program a.s.r. real estate hopes to improve the less scored themes. The next survey will take place in 2022.



## Health & wellbeing at a.s.r.

### Workshops to improve physical and mental health

a.s.r. provides a range of initiatives that create a productive and health-promoting workplace and enable employees. Examples of workshop are healthy nutrition, physical activity, stop smoking, and workload & stress.

### Healthy office

The a.s.r. head office building was voted Best Office Building in the Netherlands 2014 by Intermediair Magazine and was selected a Healthy Urban Challenge 2017 finalist by Economic Board Utrecht. The building is of a high quality due to its acoustics, distribution of daylight, indoor climate, workplace variation, cyclists facilities and connection with outdoor spaces. Besides a.s.r. promotes an optimal ergonomic workplace actively. It also provides in-house fitness facilities, fresh fruit is offered free of charge in all departments and the company restaurant offers a wide range of nutritious and healthy meals. By paying attention to health, involvement and development, a.s.r. contributes to the physical and mental fitness of its employees.

### Flexible working

Flexi-work in terms of location and hours, including part-time jobs at all levels, is one of the ways a.s.r. helps employees to manage work-related stress and work-life balance. a.s.r. also allows paid time off for voluntary work because it believes its employees should continue to feel a strong connection with the local community.

## Employee satisfaction rating >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, a.s.r. real estate exceeded the goal of employee satisfaction 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 goal is to maintain a satisfaction rating of at least 80%. Next survey will take place in 2020.





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## Colofon

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## Text

a.s.r. real estate

## Photography

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## Design

Cascade - visuele communicatie bv

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

