

**Product information about the ESG characteristics  
that the Fund promotes  
as part of article 10 SFDR – 01-2024**

*ASR Dutch Core Residential Fund*

**1. Summary**

This document provides information as set out in article 10 of the Sustainable Finance Disclosure Regulation and relates to the ASR Dutch Core Residential Fund (the Fund). The Fund is a financial product that promotes environmental characteristics within the meaning of Article 8(1) of Regulation (EU) 2019/2088 but does not have a minimum commitment to sustainable investments. The Fund takes into account the relevant adverse impact indicators on sustainability factors for real estate investments.

The Fund has various environmental and social characteristics as set out in its ESG Policy around three themes: Environmental, Social and Governance. The objectives set in the ESG policy can be clustered around five environmental and social characteristics:

1. Energy performance of the portfolio
2. Adaptation to climate risks
3. Enhance local biodiversity
4. Inclusion & well-being within communities
5. Tenant satisfaction
6. Employee satisfaction & development

The disclosure sets out how the environmental and social characteristics are monitored and measured throughout the Fund's lifetime. It sets out what data sources are used, what measures are taken to ensure data quality and how data is processed.

The implementation of an engagement policy is usually particularly relevant when investing in companies. As the Fund only invests in direct real estate, it does not elaborate on the engagement policy.

The Fund does not use a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes. However, the Fund does report to the annual GRESB survey.

**2. No sustainable investment objective**

**Does this financial product have the objective of a sustainable investment? If no, does the financial product promote environmental or social characteristics?**

The Fund promotes environmental/social (E/S) characteristics but does not have a minimum commitment to sustainable investments. Although there is no commitment for a minimum proportion of sustainable investments, this Fund will contain sustainable investments and EU Taxonomy aligned investments over which the Fund reports in its periodic report.

**How do the sustainable investments that the financial product aims to do, not significantly harm any of the sustainable investment objectives? How are the indicators for adverse impacts taken into account?**

To ensure that the sustainable investment in which it invests do no significant harm to any environmental or social objective, various environmental or social related subjects are monitored, more specifically the indicators for adverse impacts on sustainability factors applicable to real estate investments. The following factors have been identified as relevant adverse impacts for the Fund: i) exposure to fossil fuels through real estate assets, ii) exposure to energy-inefficient real estate assets, iii) GHG emissions and iv) energy consumption intensity.

**How is the sustainable investment aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?**

The Fund is committed to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at

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Work and the International Bill of Human Rights. As such, a.s.r. real estate has implemented policies, processes and procedures to ensure alignment with aforementioned guidelines which are continuously improved.

### 3. Environmental or social characteristics

#### What are the environmental or social characteristics that the financial product promotes?

The Fund promotes various environmental and social characteristics which are set out in its ESG policy. The Fund's vision on Environmental Social and Governance (ESG) is to accommodate the interests of tenants and investors in the best possible way by creating and maintaining assets 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. To work towards these goals, the Fund has developed an ESG strategy around three themes: Environmental, Social and Governance. In the table below the sustainability indicators to measure the attainment of the environmental and social characteristics promoted by the Fund can be found:

#### Strategic objectives 2024-2026

Strategic objectives		Target 2024	Target 2026
	<b>Environmental</b>		
	Energy intensity (kWh / sq.m. / year)	≤ 101	≤ 91
	GHG intensity (kg CO <sub>2</sub> / sq.m. / year)	≤ 17	≤ 13
	On-site renewable energy (installed kWp)	≥ 5,100	≥ 6,200
	Coverage of A & B labels (% of the portfolio)	≥ 85%	≥ 90%
	Climate change adaptation plans (% of properties with a (very) high risk profile)	100% prepared	100% executed
	Enhance local biodiversity	Implement framework	Execute strategy
	<b>Social</b>		
	<b>Community &amp; Tenants</b>		
	Tenant satisfaction rating (score out of 10)	≥ 7.0	≥ 7.0
	Senior housing (# of dwellings, rented out with priority to seniors)	≥ 500	≥ 650
	Addition of affordable dwellings (#)	≥ 450	≥ 650 <sup>1</sup>
	AED coverage (% of the portfolio)	≥ 99%	100%
	<b>Our employees</b>		
	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	
	<b>Governance</b>	<b>Compliant</b>	
	Sound business practices	✓	
	Alignment with sustainability guidelines	✓	
	- SDGs	✓	
	- GRESB (yearly survey rating)	★★★★★	

Note: whilst the Management Company will make reasonable efforts to achieve the strategic objectives as set forth above, no guarantee can be given that the strategic objectives can be realised. Due to various risks and uncertainties, actual results may differ materially from the strategic objectives set forth above.

1 During the 2024-2026 period

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The indicators can be clustered around six environmental and social characteristics:

1. Energy performance of the portfolio;
2. Adaptation to climate risks;
3. Enhance local biodiversity;
4. Inclusion & well-being within communities;
5. Tenant satisfaction; and
6. Employee satisfaction & development.

## 4. Investment strategy

### Which investment strategy is used to meet the environmental or social characteristics promoted by the financial product?

The strategy of the Fund is predominantly to buy, hold and unlock reversionary potential of residential (rental) real estate in the Netherlands that generate predictable and stable returns and will continue to do so in the future, taking into account the trends and developments in the residential real estate market.

The focus of the portfolio is defined by sub-segments (based on location and occupier types) in the residential market to secure the core character of the portfolio. The investment policy focuses on a diversified portfolio with regards to location, occupier characteristics and residential types. This ensures long-term portfolio quality.

In executing the strategy, the Fund focusses on the following aspects:

- Core residential investments;
- Best performing agglomerations and cities;
- Target groups;
- Affordable housing; and
- Sustainability.

### What is the policy to assess good governance practices of the investee companies?

Not applicable. The Fund does not invest in corporate bonds or shares of (listed) companies.

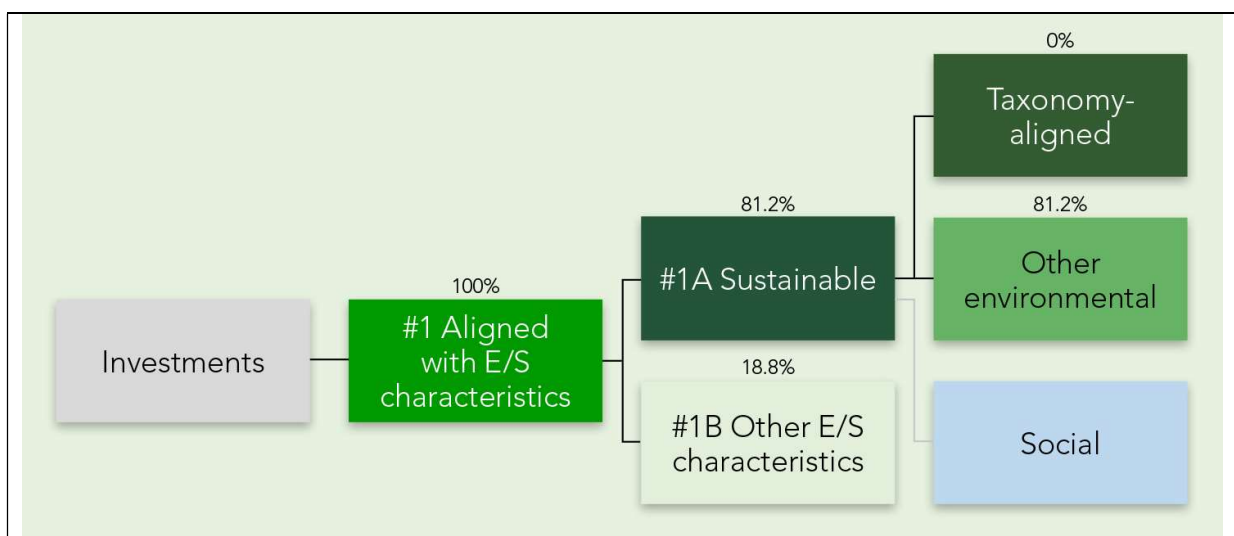
## 5. Proportion of investments

The asset allocation of the Fund is 100% towards direct real estate assets, therefore, the Fund does not have any direct exposures in investee entities nor other types of exposures to investee entities. All assets of the Fund align with the E/S characteristics, since the Fund's objectives apply to the entire portfolio. As at 30 September 2023, 81.2% of the Fund's investments qualify as sustainable investments under the SFDR (#1A). As at 30 September 2023, 0% of the Fund's investments qualify as Taxonomy-aligned. SFDR and EU Taxonomy legislation regarding the required minimum safeguards on human rights that was interpreted differently than before, resulted in 0% of the Fund's investments to qualify as Taxonomy-aligned.

Due to the complexity of implementing the minimum safeguards, with the OECD guidelines being revised in mid-2023, we have found that not all obligations of the minimum safeguards are demonstrable met. Although there is no reason to assume that human rights are (partly) being violated due to the actions of a.s.r. real estate, it is currently insufficiently clear whether the measures a.s.r. real estate has taken to manage human rights risks are in line with the OECD guidelines and UNGPs.

In 2024, the AIF Manager's policy and control framework will be refined to again be compliant with the required minimum safeguards on human rights. Would these requirements have been in place, 61.9% of the Fund's investments would qualify as Taxonomy-aligned as at 30 September 2023.

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**6. Monitoring of environmental or social characteristics**

**How are the environmental or social characteristics promoted by the financial product, and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics monitored throughout the lifecycle of the financial product?**

Environmental and social characteristics are monitored through sustainability indicators on which the Fund reports in its quarterly and annual reports. All sustainability indicators are re-evaluated annually in the Three Year Business Plan and ESG Policy.

**And what are the related internal or external control mechanisms?**

For all indicators it is specified how they should be calculated and how the data should be collected. All internal data is validated and the outcomes are reviewed by the Fund. External data is validated by the external data providers and the outcomes are reviewed by the Fund. All sustainability indicators are part of the Fund's quarterly report and/or annual report and are audited by the Fund's auditor in the Annual report.

**7. Methodologies for environmental or social characteristics**

**Which methodologies are used to measure how the social or environmental characteristics promoted by the financial product will be met?**

**1. Energy performance of the portfolio:**

Improving the Energy intensity (kWh / sq.m. / year) & GHG intensity (kg CO<sub>2</sub> / sq.m. / year)

The energy consumption of the buildings in the portfolio is collected annually. Where possible, smart meters are used, for which the data is provided in an automated way. If no smart meters are present, the data is supplied by external managers and owners' associations, among others, or is collected by the Fund's property management. Where actual data cannot be retrieved, clustered data received from grid operators is used to measure the energy intensity.

A Paris Proof Roadmap has been drawn up for the Fund with the aim of being net zero by 2045. The reduction of the energy intensity and GHG intensity are monitored against the targets formulated in this Roadmap.

The sustainability data are processed in the ESG platform developed by our external ESG advisor Cooltree. This platform enables the Fund to monitor the performance on energy intensity and GHG intensity. The platform also provides forecasting of the impact of future sustainability measures and a comparison of expected and achieved reduction.

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The energy intensity and GHG intensity are reported in the Fund's annual ESG report.

## On-site renewable energy generation in terms of installed kWp

The Fund sets an annual target for increasing the renewable energy generated. Increasing renewable energy is typically done by installing or replacing PV panels. The number and type of PV panels are registered in our administration system. With this system the progress of increasing sustainably generated energy is monitored.

## Improving the coverage of A & B labels:

The Fund sets an annual target for increasing the number of buildings with A & B labels. The labels are registered in our administration system. The progress of improving the number of labels is monitored from this system.

## **2. Adaptation to climate risks**

The Fund uses the 'Framework for climate adaptive buildings' to assess climate risk and vulnerability for the properties. This framework is drawn up by the Dutch Green Building Council (DGBC) together with a broad alliance of financial institutions (including a.s.r. real estate), knowledge institutes, advisors and government bodies to determine a clear and sector-wide methodology for assessing physical climate risks at property level.

The Fund uses the Climate Risk Monitor (CRM), which makes use of a geographical information system (GIS) and is based on the most recent climate scenarios of the Royal Netherlands Meteorological Institute (KNMI).

The KNMI climate scenarios are based on the same sources as those of the IPCC, the climate panel of the United Nations. The climate scenarios can be seen as a translation of the global IPCC scenarios to the Netherlands and therefore have a comparable publication cycle of approximately six years.

The Fund consults an external advisor to assess the vulnerability of its properties to climate risks and to determine the appropriate adaptation solutions to mitigate climate risks.

## **3. Enhance local biodiversity**

The Fund is currently investigating which methodology for measurement best matches the vision and objectives for promoting biodiversity in the immediate vicinity of the properties.

## **4. Inclusion & well-being within communities**

### Renting out (certain assigned) apartment blocks with priority to senior tenants

The Fund has indicated the senior target group based on market experience and research. The needs and requirements of seniors have been investigated with interviews. In the rental policy suitable apartment blocks have been assigned to be rented out with priority to senior households. The number of dwellings rented out to seniors is registered in our administration system.

### Adding affordable dwellings to the portfolio

The Fund considers dwellings with a rent of up to € 1,350 to be affordable. This threshold is based on a combination of income, household size and allocation criteria and has been set off against a reasonable rent/income ratio, determined by Nibud.

The number of added affordable dwellings is registered in our administration system. The Fund has developed a format in which progress is reported. Every quarter this format is drawn up by fund control and checked by asset management. Both disciplines sign the format for agreement.

### Increasing AED coverage

The number and share of AED coverage is based on figures from the Heart foundation and registered in our administration system.

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**5. Tenant satisfaction**

The external data provider (Customeyes) conducts a tenant satisfaction survey among the Fund’s tenants every year. The topics in the survey include several aspects of the building, the environment and the property management. The tenants are asked to grade each factor with a score from 1 to 10 and to weigh individual aspects to indicate which they believe are the most important. The results can be derived at asset and portfolio level.

**6. Employee satisfaction & development**

a.s.r. conducts with the Employee Mood Monitor (eMood®) a weekly short survey with varying questions in the areas of employee satisfaction, productivity and vitality. The results are provided on an anonymous basis in a dashboard. An internal a.s.r. financial system measures the percentage of annual salaries is devoted to training and development.

a.s.r. carries out an organisational success survey annually. The progress of diversity, equity & inclusion within a.s.r. real estate 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.

The outcome of the survey is discussed in the Management team of a.s.r. real estate and improvement measures are identified and executed on an on-going basis.

**8. Data sources and processing**

- **How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?**
- **Which measures are taken to ensure data quality?**
- **How is the data processed?**
- **Which proportion of the data is estimated?**

Indicator	Data sources	Measures to ensure data quality	Processing of data	Proportion of data estimated (Availability of data)
<b>1. Energy performance of the portfolio</b>				
Energy intensity (kWh / sq.m. / year) & GHG intensity (kg CO <sub>2</sub> / sq.m. / year)	Smart meters, conventional meters, invoices, tenant information, grid operators	Where possible smart meters are used to collect energy data. All data is subject to (automated) controls. Automated controls in Scaler (an ESG data platform) identify outliers in the data and substantial changes compared to	All energy data is collected and entered in our ESG-template. This template is uploaded in our datahub, where automated controls on the data are performed. The template is transferred to our ESG advisor Cooltree, which uses the platform Scaler.	Energy Intensity: 2.0% of the data is estimated.  GHG Intensity: 2.7% of the data is estimated  (both at portfolio level)

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		previous year. A dedicated team member analyses the data on building level. The fund controller analyses the data on portfolio level.	Scaler uploads the data in their ESG platform, where checks and analyses on the data take place.	
Renewable energy in terms of number of kWp	Internal administration	All data regarding PV panels is administered in our internal administration system. All data is checked using the 4-eyes principle and the data is subject to automated controls	After completing a PV panel project the data is entered into our internal administration by dedicated administration officers	No data is estimated.
Improving the coverage of A & B labels	Vabi EPA NTA 8800 is used to determine energy labels.	The Vabi EPA software is BRL-9501 attested and compliant with ISSO 82 and NTA 8800. An automated process is used to convert the data from Vabi to our internal administration system.	Data regarding energy labels is transported from Vabi to our internal software system using an automated process.	No data is estimated.
2. Adaptation to climate risks	Climate Risk Monitor (CRM)	CRM is a geographic information system (GIS) that uses geographical files, graphs and tables. By doing so, CRM simulates the various climate scenarios from the KNMI to assess climate risk at the property level.	The properties are plotted in the CRM to identify climate risks for each building.  In addition, the Fund consults an external advisor to assess the vulnerability of the properties to climate risk.	No data is estimated in the CRM.  Data used to assess the vulnerability of the properties to climate risks is partially based on desktop research and estimated by the external advisor.

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3. Enhance local biodiversity	N/A, the Fund is designing a plan	N/A	N/A	N/A
<b>4. Inclusion &amp; well-being within communities</b>				
Renting out (certain assigned) apartment blocks with priority to senior tenants	Internal a.s.r. system, SAP	4 eyes principles, data is subject to internal controls and controls by our external auditor.	Asset management determines which apartments are feasible for senior tenants and are rented out with priority to this target group. Every quarter the number of assigned apartments is counted and reported in the quarterly report. Once designated these apartments remain available for the target group, so the number of apartments is cumulative.	No data is estimated
Adding affordable dwellings to the portfolio	Internal a.s.r. system, SAP	4 eyes principles, data is subject to internal controls and controls by our external auditor.	The Fund designates rents up to €1,350 as affordable, based on households with a median income. Every quarter the number of assigned apartments is counted and reported in the quarterly report. The target set for the next three years is cumulative.	No data is estimated.



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Increasing AED coverage	Internal administration, checked by the Heart foundation.	The addresses of our portfolio have been sent to the Heart Foundation. This organization shows the Fund which dwellings are covered by an AED.	The addresses of our portfolio have been sent to the Heart Foundation. This organization showed the Fund which dwellings are covered by an AED.	No data is estimated.
5. Tenant satisfaction	Customeyes	Customeyes has controls in place to ensure data quality and checks the consistency and interpretation of questions.	The answers of the Customeyes survey are processed by an external provider.	No data is estimated.
6. Employee satisfaction & development	The Employee Mood Monitor (eMood®), a tool, designed to provide up-to-date information on the well-being and connectedness of a.s.r.'s employees.	Internal controls are in place to ensure eMood meets all compliancy and privacy requirements.	Weekly online tool	No data is estimated.
6. Employee satisfaction and development	Internal a.s.r. financial system	Financial data is subject to internal controls and controls by our external auditor	The amount devoted to training and development and devoted to sustainable employability is compared to the annual salaries	No data is estimated.
6. Employee satisfaction and development Diversity, equity & inclusion	Denison Scan is a tool designed to measure the progress within the organisation.	Anonymous surveys are processed into integral results by an external supplier.	Annual online survey	No data is estimated

**9. Limitations to methodologies and data**

**What are the possible limitations of the previously mentioned methodologies and data? How do these limitations not affect the way how the environmental or social characteristics promoted by the financial product are met?**

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#### **1. Energy performance of the portfolio**

The Fund partly depends on the cooperation of tenants to receive actual energy data. Where actual data cannot be retrieved, clustered data received from grid operators is used to measure the energy performance. Although these clusters consist as much as possible of similar buildings, the result is an average of the buildings in the cluster. Where cluster information is not available, an estimate based on data from buildings in the same area is used. In collaboration with external data providers, a.s.r. real estate is investigating how to increase the share of actual data in order to have a more accurate representation of the energy performance of the portfolio.

#### **2. Adaptation to climate risks**

The current model uses KNMI'14 climate scenarios for assessing climate risk. Since this model was drawn up in 2014, recent developments in the field of climate change have not been taken into account. The new version (KNMI'23 climate scenarios) was released in October 2023. Corresponding geographical information layers are expected in the second half of 2024 and will be implemented by the Fund when available.

Data used to assess the vulnerability of the properties to climate risks is partially based on desktop research and estimations of the external advisor. The Fund validated the data to the best of its ability and will implement a process for further data validation in 2024.

#### **3. Enhance local biodiversity**

The Fund does not (yet) use data and/or methodologies for promoting biodiversity in the immediate vicinity of the properties.

#### **4. Inclusion & well-being within communities**

There are no limitations.

#### **5. Tenant satisfaction**

In surveys not all surveyed might respond, also a different interpretation of a question might exist. Customeyes tries to keep away these limitations by getting an as high as possible response rate and to interpret the answers of the respondents to reliable outcomes for the Fund.

#### **6. Employee satisfaction & development**

Completion of eMood® is voluntary and therefore constitutes a sample, while representativeness is promoted by "gentle reminders". Representativeness is measured weekly. The response is proportionally distributed across business units, gender, age and years of service. This makes the results representative of all a.s.r. employees. Completion of the annual diversity, equity & inclusion survey is voluntary and therefore constitutes a sample. The response is proportionally distributed across business units, gender, age and years of service. This makes the results representative of all a.s.r. real estate employees.

#### **10. Due diligence**

##### **What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls on that due diligence)?**

All material divestment- and investments proposals of the Fund are discussed in a.s.r. real estate's investment committee, which includes the statutory board of a.s.r. real estate and the delegated directors of the business lines. In the investment proposals, both the sustainability objectives and the DNSH criteria are components that are assessed. Furthermore, an independent analysis is provided by staff from the Legal, Tax, Research & Intelligence, Compliance and Business Risk departments. Above a certain threshold, as described in the Fund governance, the (dis)investment proposals are submitted to the ASR DCRF Investment Committee for approval.

Also, the Fund reports on the sustainability targets set for its portfolio via its quarterly and annual report. These sustainability objectives are annually reviewed in its Three Year Business Plan and ESG Policy which is submitted to the Fund's Meeting of Investors for approval.

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**11. Engagement policies**

**What are the implemented engagement policies?**

Implementing an engagement policy is usually particularly relevant when investing in companies. As the Fund only invests in direct real estate, the question is not applicable.

**12. Designated reference benchmark**

**Has an index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?**

The Fund does not use a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes. However, the Fund does report to the annual GRESB survey, through which its ESG performance is measured and reported.