

WE ARE

awake.



ESG STRATEGY

2023 - 2030

achmea 

Real Estate



FOREWORD

Achmea Real Estate opts for sustainable investments with high social value and an appropriate financial return. An ambitious ESG (Environmental, Social and Governance) policy is indispensable for this purpose. It is about making clear choices with specific objectives.

You are about to read our ESG strategy, which we updated in 2023 following consultations with internal and external stakeholders. Given the pace of change in the world, the real estate sector and our organisation, it was time to revisit our strategy and refine our objectives.

We look forward to engaging with you to create a sustainable, attractive living environment together. Are you ready to join us?



OUR

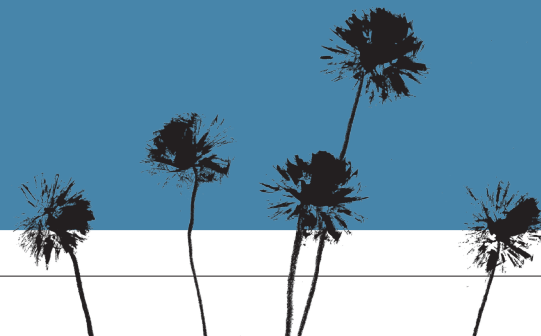
VISION

*Our asset management
is at the service of
a sustainable future.*

OUR

MISSION

We choose to invest in real estate with high social value and an appropriate financial return. In doing so, we work for our institutional clients (and their customers) to ensure a good income for now, the near future and the longer term - in a sustainable, attractive living environment.



We contribute to five United Nations goals



OUR ESG strategy

This is Achmea Real Estate's ESG strategy. It applies both to the real estate portfolios and our organisation itself. Our ESG strategy establishes a corporate impact framework, with strategic objectives and action points around E, S and G, fleshing out our ESG policy for the coming years. We take a similar approach in the property funds, while recognising the specific characteristics of each fund. We encourage the development of ESG impact frameworks tailored to client needs and that contribute to our overarching ESG programme. This allows us to deliver tailored solutions while ensuring consistency in our sustainability ambitions.

Our ESG strategy is regularly reviewed and refined, as appropriate, to keep pace with relevant developments, trends and best practices in sustainability and social impact.

OUR ESG STRATEGY HAS FOUR PILLARS:

PHYSICAL SUSTAINABILITY

we are taking action on climate change

- Reducing operational CO₂ emissions
- Reducing material-related CO₂ emissions
- Building certifications
- Resilient buildings
- Biodiversity

SOCIAL IMPACT

we are creating a lasting social impact

- Social Impact Monitor
- Tenant satisfaction
- Affordable housing
- Suitable housing for the elderly
- Housing for key occupations
- Combating loneliness

SUSTAINABLE RESULTS

we are delivering sustainable results for our investors

- Outperforming ESG benchmarks
- Investor satisfaction
- Risk management
- Sustainable collaboration with suppliers
- Good corporate governance

RESPONSIBLE ORGANISATION

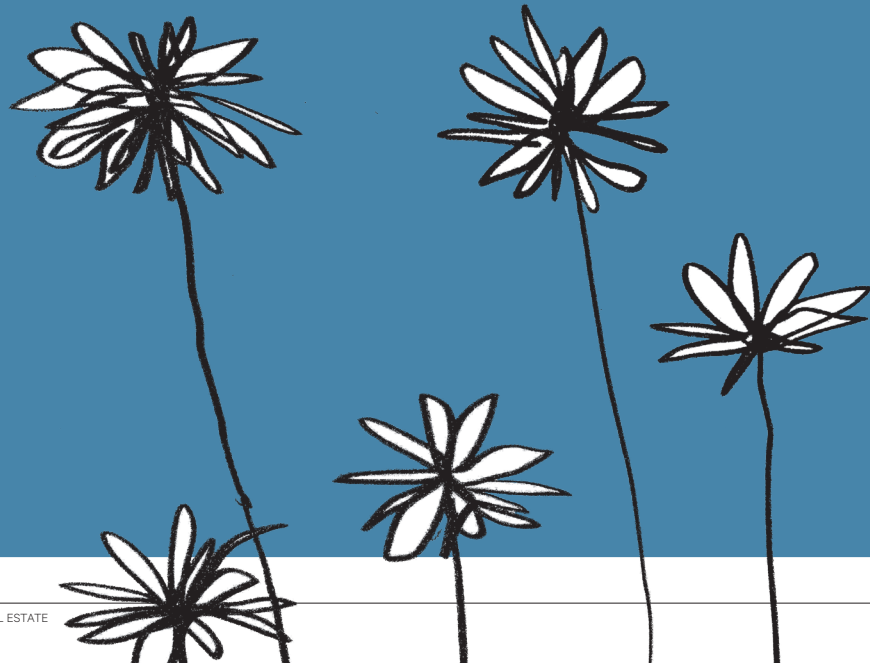
we are a responsible organisation

- Reducing our organisation's CO₂ emissions
- Employee engagement
- Attracting and retaining talent
- Diversity, equality and inclusiveness

PILLAR 1

Physical Sustainability

We are taking action on climate change



Physical Sustainability

We are taking action on climate change

In this pillar, the aim is to intensify our efforts and minimise the environmental impact of our real estate portfolios. We focus on reducing CO₂ emissions from the built environment. We do this by making our buildings more energy efficient. And where possible, we generate our own energy through solar panels. Our target is a carbon-neutral real estate portfolio by 2050.

Besides reducing operational CO₂ emissions, we are also reducing material-related CO₂ emissions. Also known as embodied carbon, this refers to the CO₂ released in producing and transporting the materials used in construction, maintenance and sustainability projects. We seek out locally produced, circular or bio-based building materials that sequester CO₂ and alternative production processes that have less impact on the environment.

We make the environmental performance of new-build assets measurable and transparent with GPR Gebouw certification. For new acquisitions, we aim for a minimum GPR Gebouw score of 7.5.

Buildings that can withstand the effects of climate change are essential

for resilient living environments. We are developing procedures to monitor climate risks on an ongoing basis. Climate adaptation plans are developed where risks are high. These plans detail management measures to protect buildings from extreme conditions such as heatwaves and flooding.

Creating healthy living environments is an integral part of our strategy. We create green spaces in and around buildings that are healthy for people and support biodiversity.

Our KPIs:

- 1 A carbon-neutral real estate portfolio by 2050
- 2 Energy label A for all buildings by 2030
- 3 Fewer material-related CO₂ emissions in future investments (embodied carbon)
- 4 An average GPR Gebouw score of 7.5 or higher for new acquisitions
- 5 Identifying climate risks for all buildings and developing adaptation plans by the end of 2025



KPI 1

A carbon-neutral real estate portfolio by 2050



The Netherlands wants to be climate-neutral by 2050, meaning it will no longer contribute to global warming. We recognise the urgency of minimising CO₂ emissions and limiting further global warming. Our vision is simple but powerful: achieving zero CO₂ emissions from real estate portfolios by 2050.

We have developed a CO₂ reduction roadmap for all real estate portfolios, outlining measures that can reduce CO₂ emissions. Apart from improving the sustainability of our buildings, we also aim to make tenants aware of the benefits of energy efficiency. We inform and support them to understand how much energy they are using and to make informed choices to reduce their consumption.

Portfolio emissions are monitored in a CO₂ dashboard based on energy consumption in the buildings. This allows us to see whether the reduction in emissions is on track or needs to be adjusted. Pathways from the Carbon Risk Real Estate Monitor (CRREM) are also included in the CO₂ dashboard. These show what emissions are allowed in a year to meet the Paris Climate Agreement targets, which aim to keep global warming below 1.5 degrees Celsius.

KPI 2

All buildings to have an energy label A by 2030

Because we want to offer tenants energy-efficient homes, we only want to let out buildings with an energy label A or higher by 2030. This allows us to create comfortable places to live while minimising our impact on the environment. We have used CO₂ reduction roadmaps to identify the investments needed over the coming years.

Key measures include improving insulation to prevent unnecessary energy loss. This helps to reduce energy consumption and create a pleasant indoor

climate. We also invest in technologies such as CO₂-controlled ventilation, ensuring buildings are well-ventilated and optimal air quality is maintained. And we install solar panels and use heat pumps or connect buildings to a heat network. In this way, tenants benefit from green energy and can reduce their energy costs. The aim is to use locally produced, circular and bio-based materials as much as possible.



KPI 3

Fewer material-related CO₂ emissions in future investments (embodied carbon)

Reducing CO₂ emissions is a complex challenge, involving not only the energy consumption of build-ings, but also the entire chain from design and construction to the maintenance of a building in use. As making existing portfolios more sustainable has significantly reduced overall CO₂ emissions during the in-use phase, the CO₂ footprint during the construction phase has relatively increased. Extracting and processing materials into a building is a major source of these CO₂ emissions, also known as embodied carbon.

We aim to reduce embodied carbon by using bio-based and circular materials wherever possible in both new-build and renovation projects. Timber is a common example of such a material because of its durability and recyclability. Using timber as a building material helps reduce CO₂ emissions as trees absorb CO₂ from the atmosphere as they grow. We also use recycled plastic and locally pro-duced, natural building materials.



KPI 4

An average GPR Gebouw score of 7.5 or higher for new-build assets



All buildings added to the portfolios must meet high sustainability standards. To ensure that new developments meet strict sustainability criteria, we apply not only the legal standards set by the Buildings Decree, but also additional requirements in our Schedule of Requirements. These requirements include using locally produced natural materials such as timber and promoting circular and sustainable construction. By doing so, we aim to optimise both the energy and environmental performance of new developments.

We arrange for all acquisitions to be GPR Gebouw-certified. This assessment method covers five sustainability themes: energy, the environment, health, quality of use and future value. Our goal is to achieve an average GPR Gebouw score of 7.5 or higher for all new-build acquisitions, with a minimum score of 8 for energy.



KPI 5

Assessing climate risks for all buildings and preparing adaptation plans by the end of 2025

By reducing real estate CO₂ emissions, we are helping to combat climate change. The effects of climate change are already being felt. Heavy rainfall, flooding and hot, dry summers are also becoming more common in the Netherlands. We need to make real estate portfolios resilient to these extreme weather conditions.

This involves considering both location and building characteristics to analyse the climate risks of each building in the portfolios. For buildings with an unacceptably high level of risk, we will draw up an adaptation plan by 2025. This plan includes specific climate risk mitigation measures such as water drainage systems, building envelope modifications and improved ventilation and cooling systems. When designing and building new projects, we seek innovative and sustainable solutions that address climate risks. Examples include green roofs, heat-resistant materials and smart climate control technologies. This is how we make real estate portfolios resilient to the effects of climate change.



PILLAR 2

Social Impact

We are creating a lasting social impact



Social Impact

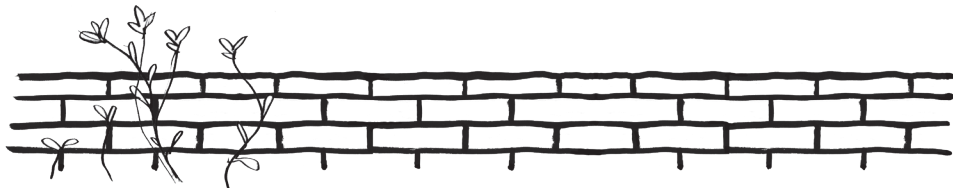
We are creating a lasting social impact

We want to create an attractive living environment where everyone has a place to live. Creating a lasting social impact is our mission.

We encourage residents to meet each other, both during the design and use of the building. People who feel connected to their environment are generally happier.

As well as encouraging people to meet and connect, one way we do this is by providing affordable rental properties, particularly in regions where demand for affordable housing is high.

The quality of living of cities benefits from diversity and inclusiveness. We build appropriate housing for senior citizens, who need a comfortable and safe lifetime home with the care they require close by. By providing good housing, we encourage them to live independently for longer and reduce the pressure on care services.



In recent years, it has also often been difficult for people in key occupations (education, police, health, and so forth) to find affordable housing near to where they work. To help them find a suitable place to live, we also give them priority in some municipalities when allocating new rental housing.

We can monitor social impact with the Social Impact Monitor (SIM) introduced in 2022. By doing so, we are making it possible to measure the soft factors that are so important for a liveable environment.

Our KPIs:

- 1 At least three quarters of all new-build assets are affordable rental properties
- 2 At least 50% of acquisitions are lifetime homes
- 3 Monitoring social impact across all funds with the SIM tool by 2027
- 4 Achieving an average tenant satisfaction score of 7 or higher by 2025
- 5 Priority for key occupations when letting out new rental properties in the four major cities

KPI 1

At least three quarters of all new-build assets are affordable rental properties

The housing shortage in the Netherlands is a social problem. This is particularly true of the demand for housing in the mid-market rent segment. We want to help resolve this problem.

To this end, we have set the target of purchasing at least three-quarters of all new homes in the affordable rental segment. This approach aims to ensure that more affordable housing is available, easing pressure on the housing market. This also has a positive effect on movement in that market. We believe that access to good quality and decent housing is important for people of all income levels. As we cannot do this alone, we work together with the government and partners.



KPI 2

At least 50% of acquisitions are lifetime homes

The Dutch population is ageing and older people want to live independently at home for longer. As the result is a growing need for lifetime homes, we want to increase the supply of senior housing in the Netherlands. We do this by creating homes suitable for the elderly and prepared for their future care needs. At least 50% of the homes we acquire must be lifetime homes.

One example is the Samen Zelfstandig (Independent Together) concept that we have developed with our sister company Zilveren Kruis, which can be implemented across the Netherlands. It meets the need of elderly people to live independently as long as possible, but with care in close proximity.

Creating homes where care providers can do their job properly also has benefits for the care sector. It relieves pressure on care providers by allowing them to work efficiently.

Developing lifetime homes will also help improve movement in the housing market. Senior citizens leaving single-family homes trigger a series of people moving to new homes as this opens the door for other house hunters.



KPI 3

Monitoring social impact across all funds with the SIM tool by 2027



Increasing importance is being attached to the social value of the built environment. But how is social impact measured? We do this through our Social Impact Monitor (SIM), which measures the social impact of buildings. This allows us in conjunction with our partners to focus on increasing this impact and, in turn, the quality of life and sustainability of districts and cities.

We developed a Social Impact Monitor for residential properties in 2022 and will develop a SIM for healthcare and commercial real estate in the next few years, allowing us to demonstrate the social impact of all our funds by 2027. By measuring the social impact of buildings on an annual basis, we can monitor the development of scores and focus on improving social impact.



KPI 4

Achieving an average tenant satisfaction score of 7 or higher by 2025

We place a premium on tenant satisfaction and conduct an annual tenant satisfaction survey to measure it. Our aim is to achieve an average tenant satisfaction rating of 7 or higher for the real estate and its surroundings by 2025.

The tenant satisfaction survey helps us to understand what tenants want and need, enabling us to tailor our services accordingly. By conducting a regular survey, we can identify trends, patterns and work proactively with property managers to improve tenant satisfaction.



KPI 5

Priority for key occupations when letting out new rental properties in the four major cities

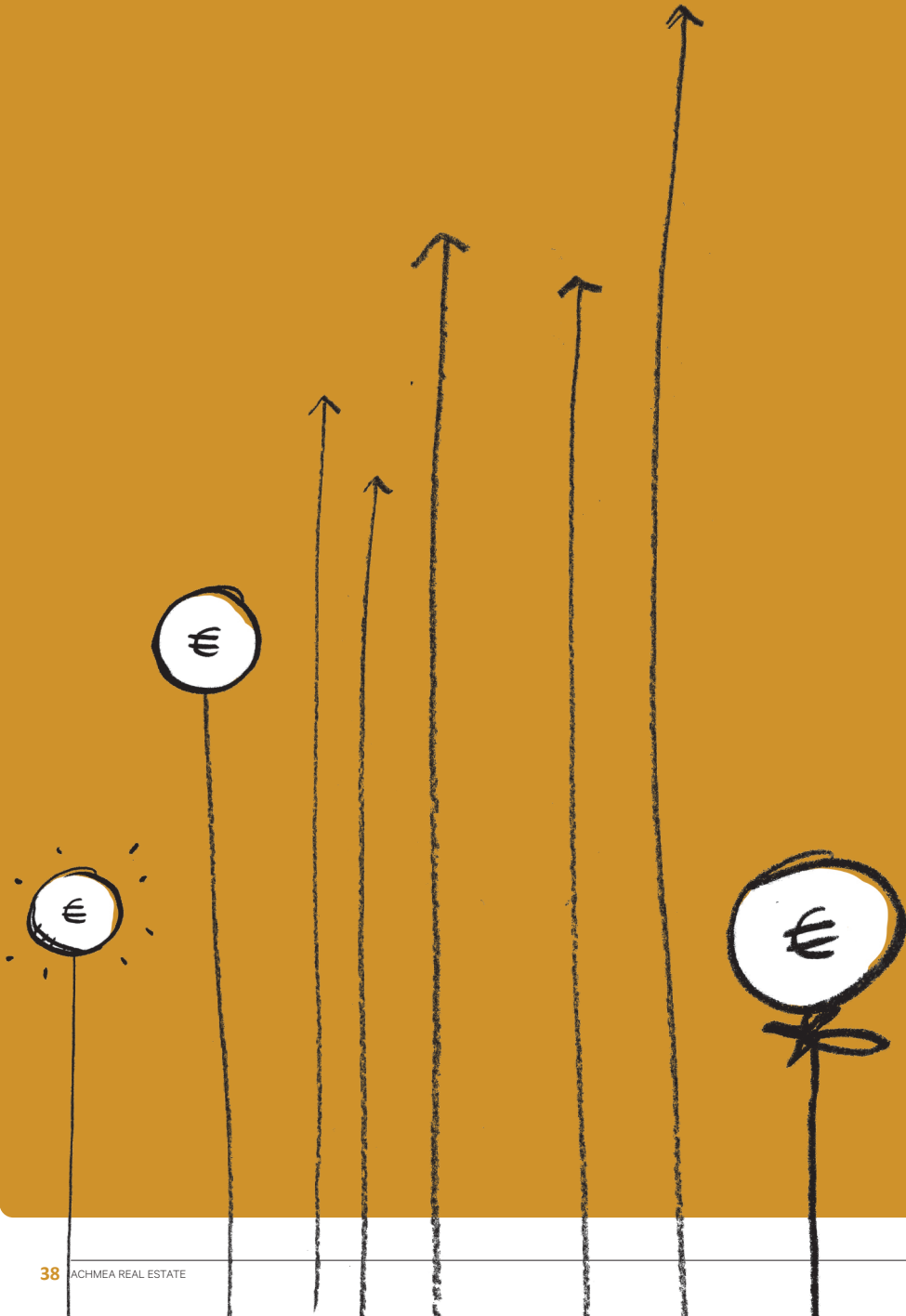
In large cities, high rents and house prices are making it increasingly difficult for average earners to find suitable accommodation. This is why we give priority to people in key occupations when we let out new homes in suitable projects in the four largest cities in the Netherlands. Professionals such as teachers, police officers and healthcare workers are included. As they contribute to the health, safety and education of local residents, it is important that these people can live in the city where they work.



PILLAR 3

Sustainable Results

We are delivering sustainable results for our investors



Sustainable Results

We are delivering sustainable results for our investors

We want to offer institutional clients a financial and social return. We believe in the power of sustainable and responsible investment to create both economic and social value.

One way of measuring social return is our annual participation in the Global Real Estate Sustainability Benchmark (GRESB). Environmental, social and governance performance are assessed in this international sustainability benchmark for the real estate sector. The ambition is to achieve an annual five-star rating, the highest attainable level, for the Dutch funds.

We also place a premium on our investors' satisfaction and aim for an average client satisfaction score of 8 or higher, showing that we care about satisfying institutional clients and looking after their interests.

A sustainable result includes financial success, which is why we aim to outperform the MSCI benchmark. This allows us to offer clients a solid return.

We constantly innovate, optimise and collaborate with clients and partners to create a positive and sustainable future. Our commitment to sustainable and responsible investment remains steadfast, and we are committed to delivering sustainable and valuable outcomes for all our stakeholders.

Our KPIs:

- 1 A five-star rating in GRESB for all Dutch funds
- 2 An average client satisfaction score of 8 or higher
- 3 Outperformance of the MSCI benchmark
- 4 Agreeing and monitoring targets with our top five suppliers in 2024

KPI 1

A five-star rating in GRESB for all Dutch funds

The Global Real Estate Sustainability Benchmark (GRESB) is an annual measure of the sustainability performance of real estate funds worldwide. We aim to achieve the highest five-star rating for all our Dutch funds and portfolios.

GRESB assesses real estate portfolios across a range of ESG themes, including strategy, objectives, environmental performance of buildings, integration of climate risks into investment decisions, and positive impact on tenants and the local community. It allows us to see how we are performing compared to similar funds, and to see where it is feasible and relevant for us to improve. This is an important and independent benchmark against which we can measure our sustainability performance and continue to meet the ever-changing demands of the time.

Based on the GRESB results, we draw up an annual improvement plan to ensure that our ESG programme remains current and effective. By constantly striving to improve, we can increase the impact and make a positive long-term contribution.



KPI 2

An average client satisfaction score of 8 or higher

We want to provide institutional clients with solid, sustainable results and the best possible service. We aim to achieve a score of 8 or higher in our annual client satisfaction survey.

This provides valuable feedback on several aspects, including returns, communication, governance and risk management. The insights gained from this survey help us to better tailor our services and products to our clients' needs and expectations, and to improve our service to them, allowing us to increase our added value.



KPI 3

Outperformance of the MSCI benchmark

We aim to provide our clients with attractive returns through prudent portfolio management. In doing so, we seek to outperform the Morgan Stanley Capital International (MSCI) Property Index.

Achieving solid financial results for our institutional clients in a responsible manner enables them to meet their long-term pension and insurance obligations. We combine strategies to achieve this financial outperformance. First, we engage in active portfolio management, closely monitoring market trends and developments and adjusting our portfolio accordingly. By responding proactively to market changes, we can capitalise on opportunities and mitigate risks. We also have a strong acquisition strategy. We can make targeted acquisitions because we know which types of real estate projects fit our vision.



KPI 4

Agreeing and monitoring targets with our top five suppliers in 2024

We make sustainability upgrades to real estate in cooperation with our partners. For this reason, we want to make specific ESG arrangements with our top five suppliers by 2024 and monitor the progress of these arrangements.

We manage an extensive real estate portfolio with more than eight hundred residential, retail and healthcare properties. Increasing its sustainability is not something we can do alone. To this end, we work with partners such as property managers, contractors, maintenance companies and installers. A sustainable portfolio can be achieved only if all these parties work in a committed and responsible manner. As the client, we are responsible for making clear arrangements with our partners on this. We aim to work together to achieve sustainability goals. We will monitor progress and compliance with the arrangements.





PILLAR 4

Responsible Organization

We are a responsible organization

Responsible Organization

We are a responsible organization

At Achmea Real Estate, we strive to provide our employees with a dynamic, sustainable and healthy place to work. We are a firm believer in creating equal opportunities and room for personal development. We strive to have a positive impact on our employees.

Our corporate culture is rooted in the Achmea values of Bevlogen (Enthusiastic), Eigentijds (Contemporary), Ambitieu (Ambitious), Trots (Proud) and Slagvaardig (Decisive) - BEATS. These values form the basis of our actions and determine our choices and actions. We are committed to solving societal challenges and creating a sustainable society. And we believe this is best achieved by working together.

Because we recognise the importance of diversity and inclusiveness at Achmea Real Estate, we want at least 35% of our senior management to be women. We recognise that a diverse and inclusive working environment ensures a broader perspective and better decision-making.

As we not only take responsibility for our employees, but also for the planet, we aim to be carbon-neutral as an organisation by 2030.



Our KPIs:

- 1 An average employee satisfaction score of 8 or higher by 2025
- 2 At least 8% of employees will be promoted to another position within Achmea by 2025
- 3 At least 35% of senior management will be women
- 4 Our organisation will be carbon-neutral by 2030

KPI 1

An average employee satisfaction score of 8 or higher by 2025

Our employees are the driving force behind achieving solid and sustainable results for our clients. To help us be an attractive employer, we ask them to participate in the employee satisfaction survey every year. We have set a goal of achieving an average score of 8 or higher by 2025.

The survey, conducted annually by an independent organisation, covers a range of issues including internal cooperation, leadership, communication, and health and well-being. The results are carefully analysed and discussed with our employees. Employees' feedback, ideas and suggestions are turned into improvement initiatives.

We want employees to experience a positive work culture and believe that engaged and inspired employees contribute significantly to our organisation's success.



KPI 2

At least 8% of employees will be promoted to another position within Achmea by 2025

We are committed to support our employees' personal growth and development and want them to keep working with us. For this reason, we have a target that at least 8% of our employees will be promoted to another position within Achmea by 2025.

To achieve this, we encourage our employees to develop both personally and professionally. We have set up the 'All you can learn' programme for this purpose. Employees are given an annual training budget of five thousand euros that can be increased on request. This programme provides access to a wide range of training and education.

By investing in our employees' development, we believe that we not only contribute to their personal growth, but also increase their value to our organisation. By giving them the opportunity to acquire new knowledge and skills, we increase their chances of promotion to other positions within Achmea and contribute to their sustainable employability.



KPI 3

At least 35% senior management consists of women

Because we value our organisation's diversity, we feel it is vital to have a good gender balance, especially at the top of our company. Our target is thus to have at least 35% women in senior management positions.

We want our employees to have equal opportunities and our organisation to be an accurate reflection of society. Through a balanced gender mix on our teams, we aim to create an environment in which differences are valued and decisions are made based on equality. Diversity in teams creates a broader perspective, leading to a wider range of ideas, insights and better decisions. These teams also make our organisation attractive to new talent.

To achieve our ambition, we focus on raising awareness, inclusive recruitment and selection, and employee development and growth.



KPI 4

Our organisation will be carbon-neutral by 2030

At Achmea Real Estate, we are not only concerned with making the real estate portfolios we manage more sustainable, but also our own organisation. We want to contribute to the Paris Climate Agreement targets through our own operations. As CO₂ emissions need to be drastically reduced, we want to be a carbon-neutral organisation by 2030.

We will achieve this by minimising energy consumption in the office, buying as few materials as possible and using recycled products and materials whenever possible. We are also committed to sustainable mobility for our employees. Raising awareness among our employees is essential for reducing our CO₂ emissions. Progress will be tracked and reported on annually in Achmea's annual report. Our organisation's net CO₂ emissions are offset by planting trees, for which we have a partnership with Land Life Company.



Achmea Real Estate is a trade name of the private limited company Syntrus Achmea Real Estate & Finance B.V., with its registered office and principal place of business in Amsterdam (Chamber of Commerce no. 33306313). Achmea Real Estate is an asset manager specialising in solutions for individual and collective investments in real estate.

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