



AMVEST LIVING & CARE FUND

SUSTAINABILITY REPORT 2017



INTRODUCTION BY THE BOARD OF MANAGEMENT

It is my pleasure to provide you with our Sustainability Report 2017 for the Amvest Living & Care Fund (AL&C Fund). This report provides an overview of our sustainability policies and performance. With this report, we aim to satisfy our stakeholders' need for sustainability information with respect to our company.

At Amvest, we truly care about a sustainable and vital living environment. We develop and manage real estate to fully satisfy the expectations of our stakeholders. By doing so we provide our tenants with attractive, suitable, sustainable and comfortable homes, while simultaneously providing our investors a stable and appropriate return on investment.

Sustainability is an important and integral component of the AL&C Fund. In 2017 strategy was honed by setting up a 'materiality matrix' in association with our stakeholders. The AL&C Fund strives for a focused and balanced realisation of economic, social and environmental aspects in the field of sustainability, as expected by its stakeholders. Considerable attention was paid in 2017 to the policy on sustainability.

In 2017, The AL&C fund had a first ranking in the GRESB survey in the group Healthcare/ Europe/ Non-listed. The Fund participated for the first time with the GRESB survey and has been recognised by GRESB as a Green Star and had a 5-star ranking (out of 5).

We have prepared this report in line with several standards and benchmarks. We endorse the United Nations Principles for Responsible Investment. We have used the GRI Standards as underlying bases for our report. We do not yet report in accordance to the Standards. Our ambition is to report in accordance with the Global Reporting Initiative (GRI) Standards - Option Core in the following years. The GRESB requirements were taken into account in the creation of this report. Another ambition is to work towards creating an integrated report in the following years.

On behalf of the Board of Management,

Wim Wensing



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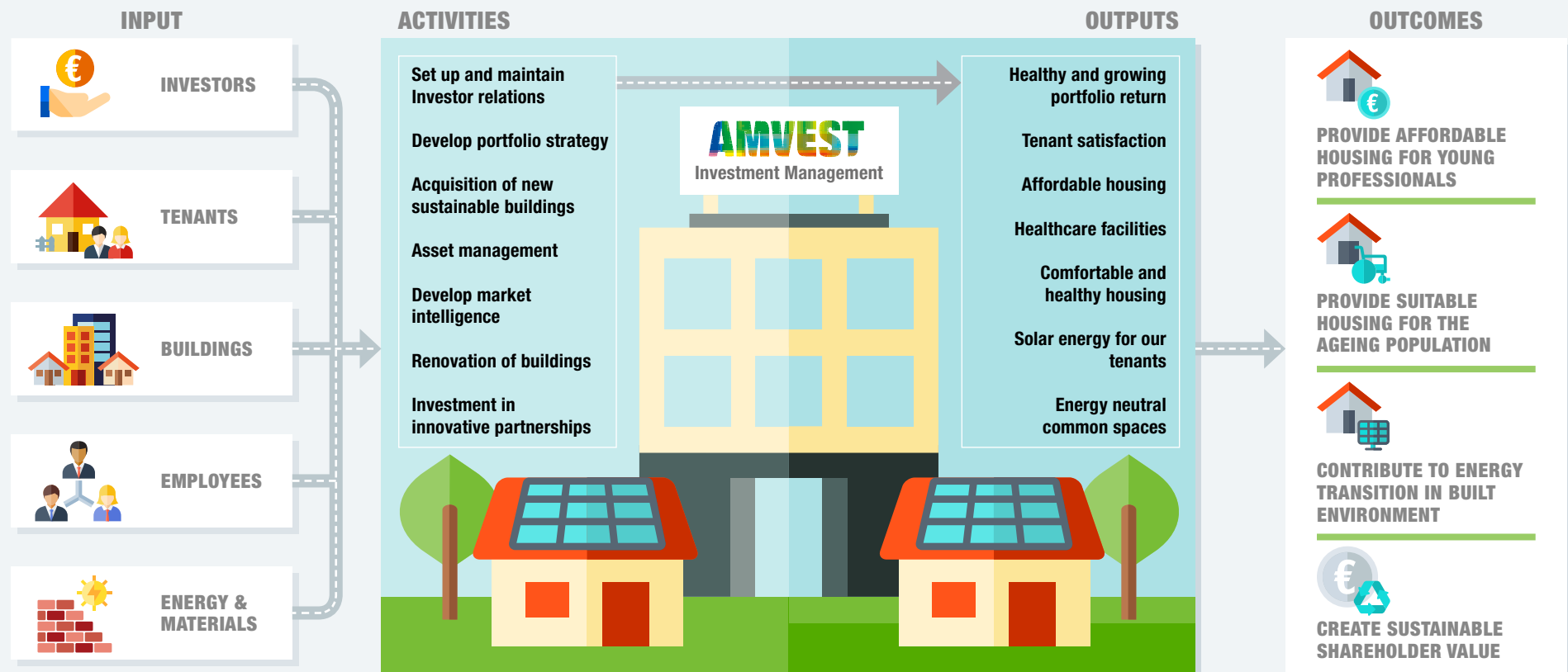
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MISSION

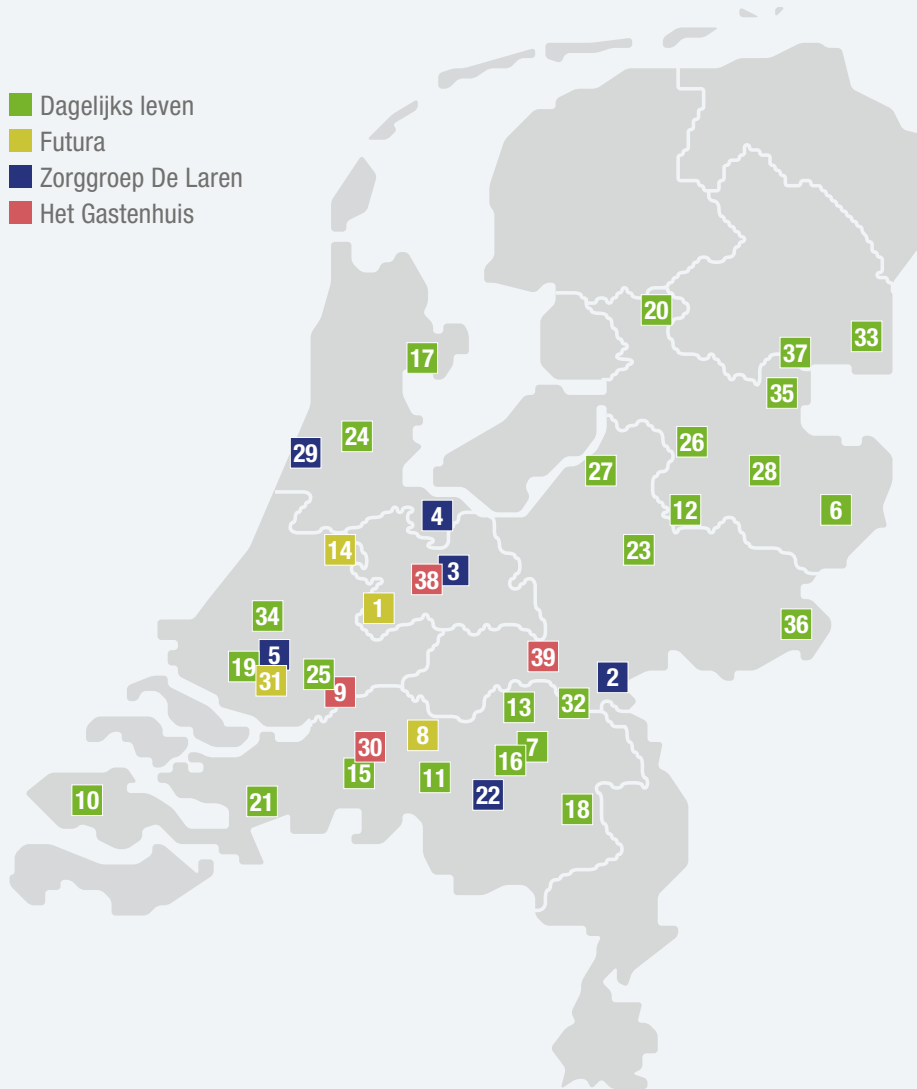
Comfortable living in an attractive area is one of the basic needs of people. We consider it our primary task and responsibility to provide such living conditions. It is our role to contribute to the availability of high-quality and affordable rental houses. We want to fulfil the implicit and explicit needs and expectations of the current and future tenants regarding comfort, service, quality of the area and sustainability.

HOW WE CREATE VALUE



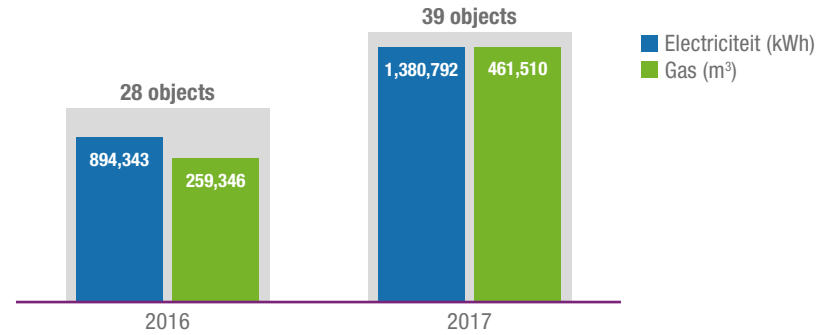
2017 IN NUMBERS¹

- Dagelijks leven
- Futura
- Zorggroep De Laren
- Het Gastenhuis



¹ Numbers end 2017

ELECTRICITY AND GAS



ENERGY LABEL



100%
added to the
portfolio in 2017

AIFMD

**AIFMD
Licensed**
as per 2017



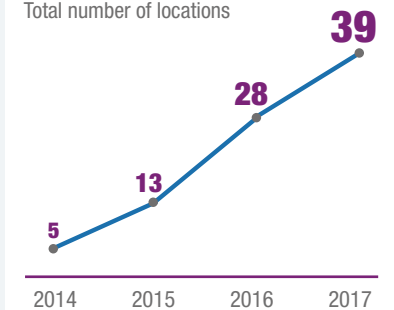
GRESB SCORE

5 STARS



PORTFOLIO GROWTH

Total number of locations



ABOUT AMVEST LIVING & CARE FUND

The strategy of the Amvest Living & Care Fund (AL&C Fund) is to respond to the demand for high quality nursing homes, in order to offer its investors an attractive and stable cash return, social impact and long term value growth. This is achieved by offering accommodation to care providers in the Netherlands. These care providers provide accommodation, care and additional services to the elderly who have more serious care requirements. The target group of the care providers has somatic and/or psycho-geriatric constraints and is not able to live on their own.

The AL&C Fund is characterised by:

- focus on the end user (resident), with a high-value living environment;
- the resident pays for his/her own accommodation, rather than the government;
- scalable, distinctive and innovative concepts;
- partnership of real estate developer, investor and tenant.



Het Gastenhuis, Dordrecht



STRATEGY

Sustainability is an important and integral component of the AL&C Fund. Strategy was honed in 2017 by setting up a 'materiality matrix' with the assistance of stakeholders, complying with the GRI guidelines. The AL&C Fund strives for a focused and balanced realisation of economic, social and environmental aspects in the field of sustainability, as expected by its stakeholders. Considerable attention was paid in 2017 to the policy on sustainability.

As a Green Star, the AL&C Fund was heralded worldwide in 2017 as the most sustainable institutional investment fund in the Healthcare field in the Global Real Estate Sustainability Benchmark (the 'GRESB'). The Fund attained the maximum five stars in the benchmark, with an absolute score of 79 (on a scale from 0-100).

MATERIALITY MATRIX IN LINE WITH GRI STANDARDS

The AL&C Fund aims to report on sustainability in line with the Global Reporting Initiative (the 'GRI'). These GRI guidelines are accepted throughout the world when it comes to reporting on sustainability matters. The aim is to be reporting entirely in accordance with the guidelines from 2019. With support from Royal Haskoning DHV, the Fund determined its six leading themes with this aim in mind. These are:

- living comfort
- economic aspects
- social aspects
- internal commercial operations
- environment
- neighbourhood value and living environment

A longlist was compiled of Fund-specific topics within these themes, based in part on a media scan, a peer

analysis and expectations from benchmarks and guidelines. The aspects on the long list were put to employees and the important stakeholders via a survey, in order to determine which of them were material to the Fund. The stakeholder groups that were approached were tenants, investors, project developers, contractors/maintenance firms, advisers and sector associations. The number of stakeholders was limited due to the limited size of the Fund. Input from a total of nine stakeholders was incorporated.

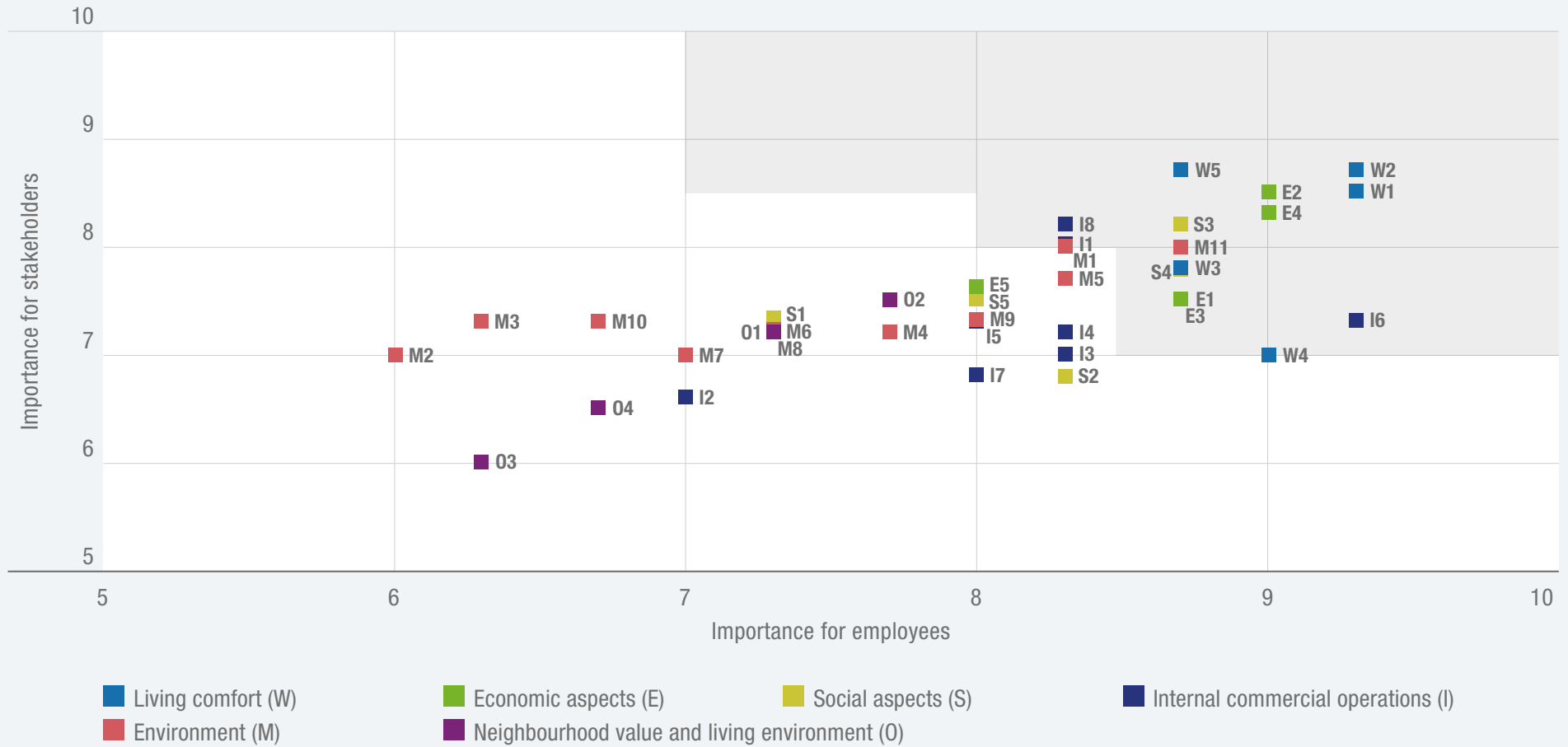
The stakeholders were asked to award a score to each of 38 aspects on the long list, on scale from 1 to 10 (with 1 being not relevant, 10 being most relevant). If an aspect had a score of 6 or more, the stakeholder was asked for its views on how the AL&C Fund was performing as regards that aspect. The aim was to be able to investigate which aspects were material and where performance was lagging behind. The Stakeholders were also asked whether there were any other relevant aspects, with a view to gaining to fullest possible picture.

A materiality matrix was compiled on the basis of the survey results. The horizontal axis of the matrix shows the score from the employees and the vertical axis shows the score from the external stakeholders. In line with the G4 guidelines, the Fund's focus will be on the most material aspects. To be classed as material, it was decided that the aspects had to have a score of at least 8 on the horizontal and vertical axes and at least 8.5 on one of the axes. The following diagram shows the materiality matrix, where 17 of the 38 aspects are classed as material.

The material aspects are linked to Key Performance Indicators (KPIs) for reporting purposes. Targets and policy are only being finalised for some topics in 2018, so that this annual report cannot yet report on all of them. The KPIs that were formulated in 2017 are explained in more detail in this annual report. The source data and results are shown for each KPI.



MATERIALITY MATRIX



■ Living comfort

The AL&C Fund considers the living comfort, safety and satisfaction of its tenants to be of major importance, both in relation to the ongoing operation and the acquisition of new properties. This entails close collaboration with the tenant when the property is being acquired and then operated. As well as complying with strict Dutch regulations (Buildings Decree), all of the properties meet the highest requirements in relation to fire safety. For instance, in the period 2016/2017, all fire alarm systems were adapted or replaced so as to allow for instant alerts to the fire brigade. There also has to be an inspection certificate available. The AL&C Fund's properties are re-certified each year.

■ LIVING COMFORT

Theme and aspect	Source of indicator	KPI	Value	Data required	Result for 2017
Healthy indoor climate for residents		Number of incidents of failure to meet Building Decree requirements	#	Number of incidents	0
		Inspection and maintenance of air conditioning system	#	Clarity on number of times the A/C system is inspected	100% done
Safety for residents		Wheelchair accessibility	%	Wheelchair accessibility for each property in the Fund	100%
	GRI 416-2	Number of incidents of not meeting the relevant legislation and regulations on the safety of residents	#	Number of incidents	0
Tenant satisfaction		Consultation with tenants	#	Number of consultations with tenants	monthly
Resident satisfaction		Degree of cover for number of sites on zorgkaartnederland.nl	%	Total number of sites	35/39 = 90%
			#	Number of AL&C Fund sites on zorgkaartnederland.nl	Dagelijks Leven 25 Het Gastenhuis 4 De Laren 6 Futura 0
Fire safety		Percentage of the properties meeting the requirement for group care housing and with an annually certified fire alarm system	%	Total number of sites	100%
				Number of sites meeting the requirements for groupcare housing	100%
				Number of sites with annual certificate for fire alarm system	100%



Economic aspects

The AL&C Fund is set up to generate economic value for its shareholders through attractive and stable long-term dividend returns based on an accepted degree of risk. This theme is broader than merely a financial consideration. The type and method of investment are of major importance in the property sector and particularly to institutional investors.

The economic aspects also include integrity and anti-corruption, as well as compliance with social and economic legislation. Compliance with legislation and working in an honest manner are confirmed in part by the fact that the Fund compiled extensive documentation for the AIFMD licence under which it has operated since the start of 2017. KPMG verified design, existence and operating effectiveness of the controls that are implemented and included in the ISAE 3000 report. No significant findings were reported.

ECONOMIC ASPECTS

Theme and aspect	Source of indicator	KPI	Value	Data required	Result for 2017
Economic value generated		Fund's dividend return	#		
	GRI 201-1	1 Directly generated economic value: income; 2 Distributed economic value: expanded operating costs; 3 Retained economic value: Directly generated economic value - distributed economic value.	EUR	Annual financial statements	Confidential
Integrity and anti-corruption		Implementation of ISAE 3402 type II working method		ISAE description	Implemented
	GRI 205-3	Number of findings in accountant's audit for ISAE	#	ISAE report	0 comments
Compliance with economic and social legislation	GRI 419-1	Number of breaches for non-compliance with economic and social legislation	#		0 infringements
Providing high-value and affordable care property		Assets invested in the lower and medium sectors for private residential care and limited in the top sector (<20% of invested assets)	%	Invested assets in each of the sectors (under operation)	Lower sector: 44% Medium sector: 20% Top sector: 36%
				Total invested assets (including assets under construction)	Confidential



Social aspects

The Fund's mission is to offer high-quality care accommodation for the elderly who can no longer live on their own. An important aspect here is being able to offer care accommodation to people with differing budgetary resources. Quality is expressed in part in the small-scale home format, where residents can continue living how they want to as far as possible. Currently, the Fund has partnered up with four care providers who offer care to people with State retirement pension budgets only (low segment), with an average budget (medium segment) and with an above-average budget (top segment). The main aim is to secure expansion in the number of sites mainly in the lower and medium sectors, because supply in this sector is limited, in the face of strongly rising demand.

The quality of care is of vital importance. The Dutch Healthcare and Youth Inspectorate (Inspectie Gezondheidszorg en Jeugd or 'IGJ') has visited a number of sites. Areas for improvement have been suggested and adequately addressed. None of the sites that the IGJ visited in 2017 were placed under any enhanced supervision.

SOCIAL ASPECTS

Theme and aspect	Source of indicator	KPI	Value	Data required	Result for 2017
Offering care to people with varying budgetary resources	Fund strategy	Number of collaborations with care providers in the top / medium / lower sectors	#		Lower sector 1 Medium sector 2 Top sector 1
Quality of the care	IGJ	Number of sites under enhanced supervision of the Healthcare and Youth Inspectorate (IGJ)	#		0 sites 2 inspected



Internal commercial operations

The internal commercial operation is formulated and confirmed in the personnel policy, which lays great emphasis on training and educating the employees. The working procedures are also confirmed in an ISAE procedure (see Risk).

Sharing knowledge and innovation are important factors in a relatively new market for care. To this end, the Fund is a partner participant in the Senior Impact Lab (SIL). The SIL offers start-ups in the care sector an opportunity to introduce themselves and set up collaborations with the partners. One of the start-ups with which the Fund currently conducts scanning conversations is an innovative sustainable construction concept that may be of interest to the Dagelijks Leven concept.

“Honest marketing and communication” is one of the Fund’s spearheads. Efforts to this end in 2017 included taking part in the GRESB, and compiling a sustainability report. The structure of the Fund communication will be further refined in 2018 in a communication plan for each stakeholder.

INTERNAL COMMERCIAL OPERATIONS

Theme and aspect	Source of indicator	KPI	Value	Data required	Result for 2017
Training and education of employees	GRI 404-1	Average annual number of hours of training per employee (specification by category or gender)	# hours	Total hours of training	144*
				Total number of employees	2
Knowledge sharing and innovation	GRI 404-3	Percentage of the Fund's employees who have had an annual appraisal and progress meeting	%	Total number of employees	100%
				Number of employees who had had an appraisal and progress meeting in the past year	2
Honest marketing and communication		Number of times participated in relevant knowledge platforms dealing with care and property	#		5
Honest marketing and communication		Number of communication plans prepared per stakeholder about relevant material topics	#		2018 action

* estimate



■ Environment

The most tangible and concrete results in relation to sustainability and real estate can be achieved by reducing energy consumption. The stakeholders and employees consider that the Fund is performing well on this front, albeit that further improvement is still possible.

The environmental aspects are related to the portfolio's power consumption. The Fund has started working with INNAX to read all smart meters for electricity and gas consumption. Some meters are not suitable for this. The aim is for all suitable meters to be read automatically. This was accomplished in 2017 for all of the Dagelijks Leven properties, via an online portal.

Any savings targets that can be achieved will be determined as soon as the consumption data is 100% reliable. The starting point here is that there will be investment in these properties if the savings outweigh the costs to be incurred. The consumption input will also be used for making decisions when acquiring new properties.

The properties that were acquired by the AL&C Fund in 2017 all have A-rated energy labels. The theoretical energy label forms the basis for an energy-efficient property. However, the systems must be configured optimally and used in a way that keeps energy consumption down. A scan was performed in 2017, comparing the theoretical energy label (usually A-rating) and the actual energy label. Enolis prepared a report based on the results. This disclosed, among other matters, that the older traditionally built properties in particular had slightly poorer results and a slightly poorer label in practice. This will be a factor for consideration when acquiring new properties. Significantly, the new-build properties of Dagelijks Leven performed in line with the theoretical label.

■ ENVIRONMENT

Theme and aspect	Source of indicator	KPI	Value	Data required	Result for 2017
Power consumption and savings	GRI 302-2	Annual consumption of gas/electricity for all sites within the AL&C Fund	kWh	Total electricity consumption in kWh	100% coverage
			M3	Total gas consumption in M3	100% coverage
		Annual power generation of all sites within kWh the AL&C Fund	Total amount of electricity generated	100% coverage	
		Percentage of energy label A for properties % acquired	Total number of properties acquired	100% label A	
				Number of properties acquired with A label	11



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We always aim to further improve our sustainability activities and reporting. Therefore, we highly appreciate your feedback, questions and comments on our sustainability report. Please contact us.

AMVEST

