

Statement on principal adverse impacts of investment decisions on sustainability factors

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| Financial market participant | Amvest REIM B.V. (hereafter REIM), considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of REIM. |
| Summary | <p>This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.</p> <p>The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the three AIF's under management of REIM, being the Amvest Residential Core Fund, De Utrechtse Fondsen Vastgoed C.V. and the Amvest Living & Care Fund. REIM does not have any subsidiaries. All AIF's are residential real estate investment fund that invest solely and directly in residential real estate in the Netherlands.</p> <p>Investments in real estate can have a negative impact on sustainability factors (environmental, societal and governance factors). For example, investments in homes that are not energy efficient can have a negative impact on the climate. REIM therefore takes such negative effects into account when making investment decisions. When selecting, managing and selling complexes, we check whether our decision has a negative impact on sustainability factors.</p> <p>REIM considers the following adverse impacts in its due diligence policy:</p> <ul style="list-style-type: none"> - Exposure to fossil fuels through real estate - Exposure to energy-inefficient real estate assets - Greenhouse gas emissions - Energy consumption intensity <p>This statement will be updated before the end of June 2023 with data on the adverse impacts of REIM's investments over 2022.</p> |

Indicators applicable to investments in real estate assets

| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|----------------------------------|--|--|-------------|-------------|---|---|
| Fossils fuels | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | n/a | n/a | REIM has very limited to no exposure to fossil fuels through real estate asset because REIM only invests in residential real estate. | The investment strategies of funds under management of REIM are formulated in such a way that specifically residential real estate is targeted. Therefore real estate assets involved in the fossil fuel production and supply chain is not part of the investment strategy. |
| Energy efficiency | 18. Exposure to energy-inefficient real estate assets | Share of investments in energy-inefficient real estate assets | - % | - % | This is measured based on EPC label of existing properties or whether the primary energy demand of recently built properties is below Nearly Zero Energy Buildings. | The funds under management of REIM plan to reduce carbon emissions of existing buildings by investing in energy efficient buildings and measures defined in a "Paris proof plan". New buildings are to comply to portfolio targets set on EPC labels and BENG regulations. For the various funds we have set targets to improve the energy labels of the buildings. |

Other indicators for principal adverse impacts on sustainability factors

| Adverse sustainability indicator | Metric | Impact 2023 | Impact 2022 | Explanation | Actions taken, and actions planned and targets set for the next reference period | |
|----------------------------------|---|--|-------------|-------------|--|--|
| GHG | 18. GHG emissions | Scope 1 GHG emissions generated by real estate assets | - | - | As reported in the GRESB Real Estate Assessment 2022. | The funds under management of REIM plan to reduce carbon emissions of existing buildings by investing in energy efficient buildings and measures defined in a "Paris proof plan". New buildings are to comply to portfolio targets set on EPC labels and BENG regulations. |
| | | Scope 2 GHG emissions generated by real estate assets | - | - | As reported in the GRESB Real Estate Assessment 2022. | The funds under management of REIM plan to reduce carbon emissions of existing buildings by investing in energy efficient buildings and measures defined in a "Paris proof plan". New buildings are to comply to portfolio targets set on EPC labels and BENG regulations. |
| | | Scope 3 GHG emissions generated by real estate assets | - | - | As reported in the GRESB Real Estate Assessment 2022. | The funds under management of REIM plan to reduce carbon emissions of existing buildings by investing in energy efficient buildings and measures defined in a "Paris proof plan". New buildings are to comply to portfolio targets set on EPC labels and BENG regulations. |
| | | Total GHG emissions generated by real estate assets | - | - | As reported in the GRESB Real Estate Assessment 2022. | The funds under management of REIM plan to reduce carbon emissions of existing buildings by investing in energy efficient buildings and measures defined in a "Paris proof plan". New buildings are to comply to portfolio targets set on EPC labels and BENG regulations. |
| | | Energy consumption intensity | - | - | Includes weighted average intensity for direct investments with 100% data coverage | The funds under management of REIM plan to reduce carbon emissions of existing buildings by investing in energy efficient buildings and measures defined in a "Paris proof plan". New buildings are to comply to portfolio targets set on EPC labels and BENG regulations. Energy consumption strongly relates to carbon emissions and therefore are addressed as part of the plan to reduce carbon emissions. |
| Energy Consumption | 19. Energy consumption intensity | Energy consumption in GWh of owned real estate assets per square meter | - | - | | |

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Our Environment Social and Governance (ESG) targets are an integral part of our portfolio plan, which is approved by our investors on an annual basis, and are therefore firmly embedded in our business operations. In general, the most relevant adverse impacts of real estate concern those impacting the environment. Real estate objects require natural resources for a comfortable use. The use of energy and greenhouse gas emissions therefore are adverse impacts of real estate on the environment. To indicate the efficiency of real estate objects, the EPC label/energy label is used. These subjects are relevant in the selection of real estate objects and the monitoring of the funds' investments.

REIM undertakes the following activities in relation to identify, address and mitigate adverse impacts:

Energy neutral portfolio before 2045, 55% reduction 2030 (compared to 1990).

Using CRREM targets for parisproof roadmaps (scope 1, 2 and 3)

We report energy usage and CO2 performance per m2 (amongst others in our annual report)

We certify our assets

We stimulate and measure energy usage of the portfolios

When it comes to acquiring complexes, the acquisition policy sets out a number of criteria that acquisitions are required to meet. One of these criteria is that acquisitions have to be in line with REIM's sustainability ambition as a manager and the objectives defined at fund level. The guiding principle is that acquisitions must increase the sustainability of the portfolios. Together with the schedule of requirements, this ensures that negative effects on sustainability factors are taken into account when making an investment decision.

An investment decision is based on an investment proposal. REIM, in its role as manager, discusses an investment proposal extensively in a range of bodies before taking a decision. In this decision-making process, the intended acquisition is discussed at length in relation to the predetermined criteria laid down in the fund conditions and portfolio plans of the three funds. Predefined risks (including the 'climate risk') from the risk management framework are also checked. This comparison is explicitly recorded in the investment proposal and discussed in the various bodies. Each fund has its own framework and governance bodies.

If an existing investment may have an unfavourable effect on sustainability factors, the likelihood of this unfavourable effect occurring and the severity of the impact will be examined, among other things, based on a property analysis and the available data. Based on this analysis, REIM, in its role as manager, can take the decision either to modernise this investment until it once again meets the criteria or to sell it.

To measure adverse impacts we use various measuring methods such as: GPR Gebouw, GRESB, CAS/ DGBC climate impact scan, tenant surveys and energy labels to ascertain the sustainability (such as climate and social aspects) of our investments. For new investments we apply minimum requirements on quality and sustainability (through a program of minimum requirements) in the development process and before taking an investment decision. When acquiring existing buildings extensive research into quality and sustainability aspects and compliance to targets defined in portfolio plans determine the outcome. We assess the materiality of the relevant subjects through stakeholder engagement resulting in a materiality matrix.

In the portfolios we also critically monitor performance aspects such as energy, water, green house gas emissions, certifications, waste. These are depicted and analysed in a dashboard (Scaler) to inform all involved and used as an active tool. To assess if we are on track to reach carbon neutrality in 2045 we use the CRREM 1.5 degree pathway. In our strategy to limit CO2 we use the design strategy Trias Energetica; a 3-step approach starting with reducing energy demand, then renewable energy. We use this approach to ultimately achieve energy-neutral portfolios.

As part of the determination of eight of the most important physical climate risks in the Netherlands, we have every unit in the portfolios classified in risk categories in collaboration with Climate Adaptation Services on the basis of a climate effect atlas. Per risk category possible future damage and a chance factor is added. These possible future costs, as are the estimated transition climate costs, are integrated in the valuation process of objects.

Multiple limitations apply to energy data. Energy use of buildings where the data isn't delivered, are determined based on a location method. The total energy usage of the building is then redeemed from the energy supplier. Besides that, carbon emissions aren't directly measured, but determined based on conversion factors. EPC labels are used to determine theoretical usage and do not represent actual usage.

Engagement policies

The Funds under management do not invest in investee companies held by another manager, solely in real assets. As such, no engagement policy is in place.

References to international standards

UN PRI

As of 2019 Amvest Investment Management B.V. is a signatory of the United Nations Principles for Responsible Investment (UN PRI). The PRI is the world's leading advocate of responsible investment based on international treaties aimed at institutional investors. It is a list of six voluntary, ambitious principles that offer several possible measures for incorporating ESG aspects in investment practice.

GRESB

The funds under management of REIM participate in the Global Real Estate Sustainability Benchmark (GRESB). All funds under management of Amvest have been awarded with five stars in this benchmark and are part of the top 20% worldwide. The Amvest Living and Care Fund is world sector leader in (jaartal toevoegen?) health care real estate. Data relating to greenhouse gas emissions, energy efficiency are assessed as part of GRESB.

Paris Proof Agreement

Amvest Investment Management is committed to the Paris Agreement and signed the Paris Proof Agreement of the Dutch Green Building Standard in 2022. By signing this agreement, we express our commitment to its goals. This means transparency in energy usage of the portfolios and carbon neutrality in 2045. Data relating to greenhouse gas emissions is relevant to determine the extent to which REIM's investments are aligned with this goal.

Dutch Green Building Council

Amvest Investment Management is a founding partner of the Dutch Green Building Council (DGBC). DGBC is committed to transform the building and construction sector across three strategic areas — climate action, health & wellbeing, and resources & circularity. The Dutch Green Building Council Foundation (DGBC) is the national social organization that is committed to make built environment future-proof at a rapid pace. This is necessary because climate change is happening faster than expected. The built environment is responsible for almost 40% of the energy consumption and almost a third of CO2 emissions in the Netherlands. The sector therefore holds an important key to making the Netherlands more sustainable faster and more thoroughly. As of May 2014, the forward-looking climate scenario KNMI'14 is used. KNMI'14 is part of the Representative Concentration Pathways 8.5-scenario which is used in regards to a standard concerning climate effects.

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REIM will include a historical comparison of the principal adverse impacts of its investments when it has reported on more than one reporting year.