

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant	Amvest REIM B.V.
Summary	<p>Amvest REIM B.V. (hereinafter: REIM) considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is REIM's consolidated statement on principal adverse impacts on sustainability factors.</p> <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 alternative investment funds (AIFs) managed by REIM, namely Amvest Residential Core Fund, De Utrechtse Fondsen Vastgoed C.V. and Amvest Living & Care Fund. REIM does not have any subsidiaries. All the AIFs are residential property investment funds that invest solely and directly in residential property in the Netherlands.</p> <p>Property investments can have a negative impact on sustainability factors (environmental, social 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 property 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 property - exposure to energy-inefficient property assets - greenhouse gas emissions - energy consumption intensity <p>This statement was updated June 2023 by the inclusion of data on the adverse impacts of REIM's investments in 2022.</p>

Indicators applicable to property investments

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through property assets	Share of investments in property assets involved in the extraction, storage, transport or manufacture of fossil fuels	0,00%	0,00%	REIM has very little, if any, exposure to fossil fuels through property assets as it invests only in residential property.	The investment strategies of funds under REIM's management are formulated in such a way as to specifically target residential property. It follows that property assets involved in the fossil fuel production and supply chain are not part of the investment strategy.
Energy efficiency	18. Exposure to energy-inefficient property assets	Share of investments in energy-inefficient property assets	18,84%	14,88%	This is measured by reference to the EPC label of existing properties or whether the primary energy demand of recently built properties is below that of Nearly Zero-Energy Buildings (NZEBs). 2022 and 2021 data included.	The funds under REIM's management aim to reduce the carbon emissions of existing buildings by investing in improving their energy efficiency and taking measures defined in a "Paris-proof plan". New buildings are to comply with portfolio targets set on the basis of EPC labels and BENG regulations. For the various funds we have set targets to improve the energy labels of the buildings. In the presented impact figures, recently built properties are qualified as inefficient due to a lack of information whether they meet NZEBs criteria. For the next reference year we plan to improve insight for these buildings to be able to measure whether these buildings qualify as energy-efficient. We plan to integrate efficient building criteria in construction demands for all newly built buildings that are to be acquired. For 2023 integration is planned, so that acquired (newly built) buildings will apply in the following years.

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator	Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
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GHG	18. GHG emissions	Scope 1 GHG emissions generated by property assets	1,449,356	1,329,904	As reported in the GRESB Real Estate Assessment 2022. Location-based method; 2021 and 2020 emissions data	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. Absolute consumption increased during COVID years, partly as a result of a growing portfolio. The GHG intensity (per m2) however is on target. Refer to annual report for further details. We expect consumption to have decreased in 2022 (consumption year; 2023 reporting year) as a result of sustainability investments. Not all 2022 data is available yet.
		Scope 2 GHG emissions generated by property assets	3,662,176	2,856,847	As reported in the GRESB Real Estate Assessment 2022. Location-based method; 2021 and 2020 emissions data	
		Scope 3 GHG emissions generated by property assets	28,216,006	26,863,197	As reported in the GRESB Real Estate Assessment 2022. Location-based method; 2021 and 2020 emissions data	
		Total GHG emissions generated by property assets	33,327,539	31,049,948	As reported in the GRESB Real Estate Assessment 2022. Location-based method; 2021 and 2020 emissions data	
Energy Consumption	19. Energy consumption intensity	Energy consumption in GWh of owned property assets per square metre	114	124	As reported in the GRESB Real Estate Assessment 2022. 2021 and 2020 consumption data; 100% data coverage and owned for full reporting year	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. We expect EUI to further decrease in 2022 (consumption year; 2023 reporting year) as a result of sustainability investments and lack of COVID effects.

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

Environment Social and Governance (ESG) targets are an integral part of the portfolio plans for our funds, which are approved by investors on an annual basis. ESG is therefore embedded in our business operations. In general, the most relevant adverse impacts of real estate assets are related to environmental impact. The use of real estate assets requires natural resources. Energy usage and greenhouse gas emissions therefore are adverse impacts of real estate on the environment. An EPC label/energy label is used to indicate the efficiency buildings. These criteria are relevant in the selection of real estate assets and the monitoring of the funds' investments.

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

Achieve a energy neutral portfolio before 2045, 55% emission reduction by 2030.

Using CRREM targets for asset based Paris Proof roadmaps (scope 1, 2 and 3)

Regular reporting on energy usage and CO2 emission per m2 [amongst others in the respective annual reports]

Certification of buildings

Stimulation of energy saving measures and energy usage insight of the portfolios

In relation to acquisition of real estate assets, the acquisition policy sets out a number of ESG 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 improve the sustainability performance of the respective portfolios. In combination with the schedule of technical requirements, this ensures that negative effects on sustainability factors are taken into account when undertaking an investment decision.

An investment decision is based on an investment proposal. REIM, in its role as manager, evaluates 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 respective funds. Predefined risks categories (including 'climate risk') are also evaluated which is part of the investment proposal process and discussed in the various governance bodies. Each fund has its own framework and governance bodies.

If an existing investment may have an unfavourable effect on sustainability factors, the probability and the severity of the impact will be assessed, among other things, based on available data and a property analysis. 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 frameworks such as: GPR Gebouw, GRESB, CAS/ DGBC climate impact scan, tenant surveys and energy labels in order 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 as part of taking an investment decision. When acquiring existing buildings adequate due diligence into quality and sustainability aspects is undertaken and compliance to targets defined in portfolio plans is determined. We assess the materiality of the relevant topics through stakeholder engagement resulting in a materiality matrix.

On a portfolio basis we also closely monitor performance aspects such as energy, water, green house gas emissions, certifications and waste. Relevant data is presented and analysed in an ESG dashboard (Scaler) and used as an active management tool. In order 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 and increase use of renewable energy. We use this approach to ultimately achieve energy-neutral performance of our portfolios.

As part of the determination of eight of the most important physical climate risks which may occur in the Netherlands, we undertake a climate risk classification for every building in collaboration with Climate Adaptation Services on the basis of climate effect mapping. Per risk category the probability and possible future damage is estimated.

Multiple limitations may apply to energy data. Energy use of buildings where the data can not be obtained is estimated based on the average usage of the micro location (location method). In this case the total energy usage of the whole building is obtained from the utility company. In addition, the respective carbon emissions is based on conversion factors (based on historic estimates) and not directly determined through actual CO₂ measurements.. Also an EPC Label is used to determine theoretical usage and does not represent usage based on actual measurements.

Engagement policy

The funds under management do not invest in investee companies held by another manager but only in property 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 health care real estate in 2022. 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 real estate and construction industry across three strategic areas — climate action, health & wellbeing, and resources & circularity. The Dutch Green Building Council Foundation (DGBC) is the national social organisation that is committed to create a built environment that is 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 improve the sustainability on a national level. 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.

Historical comparison

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