



# Statement on principal adverse impacts of investment decisions on sustainability factors

30 June 2024

**AMVEST REIM B.V.**

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# Introduction

This document provides a summary of the statements regarding the disclosure requirements, which apply to managers of financial market participants (FMPs), such as Amvest REIM B.V. (hereafter: Amvest), according to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the ESG Information Regulation, also known as the Sustainable Finance Disclosure Regulation (SFDR)).

The aim of SFDR is to enable the transition to a low-carbon, more sustainable, resource-efficient and circular European economy, which is in line with the SDGs and which is key to ensuring long-term competitiveness of the economy of the European Union. It targets to mobilise capital through both public policies and by means of the financial services sector. Therefore, it aims to sufficiently develop disclosures to end-investors by the harmonisation on the integration of sustainability risks, on the consideration of adverse sustainability impacts, on sustainable investment objectives, and on the promotion of environmental or social characteristics, in investment decision-making and in advisory processes.

This Statement (Version for Website) considers the following elements:

- Transparency of sustainability risk policies on the level of the AIFM (article 3 of the SFDR)
- Transparency of adverse sustainability impacts at entity level (article 4 of the SFDR)

## Statement in relation to Article 3: Transparency of sustainability risk policies

Based on Article 3 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on disclosure of information related to sustainable development in the financial services sector, which states that Financial Market Participants publish on their websites information on their strategies for introducing activities of risks to sustainable development in the process of making investment decisions, Amvest presents the strategy in question below. The Regulation seeks to achieve more transparency regarding how financial market participants and financial advisers integrate sustainability risks into their investment decisions. Where the assessment leads to the conclusion that those risks are relevant, the extent to which those sustainability risks might impact the performance of the financial product should be disclosed either in qualitative or quantitative terms.

### Definitions

- "Sustainability risk" means an environmental, social or management situation or conditions which, if it occurs, could have an actual or potential significant negative effect on the value of the investment.
- "Sustainability factors" mean environmental, social and labour issues, human rights issues, and anticorruption and bribery issues.

### Strategy for integration of sustainability risks into the business in the investment decision making process

When defining the allocation of financial resources according to the investment strategy, Amvest considers the sustainability risks. Aiming to identify and avoid or eliminate environmental, social or management situation or condition that could have a potential significant negative effect on the value of the investment. When selecting, managing and selling properties, we check whether our decision has a negative impact on sustainability factors.

### Process for integration of sustainability risks into the business in the investment making decision processes

Aligned with the company risk strategy and its risk appetite, Amvest conducts a sustainability (environmental, social and management situation) risk due diligence for each significant investment (such an acquisition). The sustainability risks that are considered to have a potential significant negative effect on the value of the investment are climate related risks, i.e., transition risks and physical risks (in line with the recommendations of the Taskforce for Climate-related Financial Disclosures). Amvest does not exclude the possibility that other risks will be included in the due diligence if warranted. For the investment decisions in the standing portfolio (annually conducted hold/sell analysis of the portfolio, and in the management of the portfolio, including maintenance) the outcome of the designated risk assessment (see section above) is taken into consideration.



Statement in relation to Article 4: Transparency of adverse sustainability impacts at entity level

**Financial market participant**  
Amvest REIM B.V.

**Summary**  
Amvest considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is Amvest’s consolidated statement on principal adverse impacts on sustainability factors.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2023 to 31 December 2023.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the three alternative investment funds (AIFs) managed by Amvest, namely Amvest Residential Core Fund, De Utrechtse Fondsen Vastgoed C.V. and Amvest Living & Care Fund. Amvest does not have any subsidiaries. All the AIFs are residential property investment funds that invest predominantly and directly in residential property in the Netherlands.

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. Amvest 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.

Amvest considers the following adverse impacts in its due diligence policy:

- exposure to fossil fuels through property
- exposure to energy-inefficient property assets
- greenhouse gas emissions
- energy consumption intensity

This statement was updated June 2024 by the inclusion of data on the adverse impacts of Amvest’s investments in 2023.

Table 1 - Climate and Other Environmental-Related Indicators: 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
Fossil 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	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 real estate assets	Share of investments in energy- inefficient real estate assets	2.79%	7.61%	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). 2023 and 2022 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 pending data verification 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. 2.14% out of the total 2.79% (2022: 1.38% out of 7.61%) is related to pending data verification issues. The remaining 0.66% (2022: 6.23%) is related to inefficient labels. We plan to integrate efficient building criteria in construction demands for all newly built buildings that are to be acquired.

\* The comparative figures could change due to optimization of the data.

## Statement in relation to Article 4: Transparency of adverse sustainability impacts at entity level

Table 2 - Additional Climate and Other Environment-Related Indicators: 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
GHG 18. GHG emissions	Scope 1 GHG emissions generated by real estate assets (kg)	1,234,936	1,474,800	As reported in the GRESB Real Estate Assessment 2023. Location-based method; 2022 and 2021 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 with portfolio targets set on EPC labels and BENG regulations. Absolute consumption decreased due to sustainability investments and higher usage during COVID years, partly set of by 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 2023 (consumption year; 2024 reporting year) as a result of sustainability investments.
	Scope 2 GHG emissions generated by real estate assets (kg)	2,792,482	3,661,402	As reported in the GRESB Real Estate Assessment 2023. Location-based method; 2022 and 2021 emissions data	
	Scope 3 GHG emissions generated by real estate assets (kg)	24,125,438	28,096,457	As reported in the GRESB Real Estate Assessment 2023. Location-based method; 2022 and 2021 emissions data	
	Total GHG emissions generated by real estate assets (kg)	28,152,856	33,232,659	As reported in the GRESB Real Estate Assessment 2023. Location-based method; 2022 and 2021 emissions data	
Energy Consumption 19. Energy consumption intensity	Energy consumption in kWh of owned real estate assets per square meter	92.4	115.3	As reported in the GRESB Real Estate Assessment 2023. 2022 and 2021 consumption data; 100% data coverage and ownership during 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 2023 (consumption year; 2024 reporting year) as a result of sustainability investments.

\* The comparative figures could change due to optimization of the data.



## Statement in relation to Article 4: Transparency of adverse sustainability impacts at entity level

### Description of policies, international standards and historical comparison

#### **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 or its representing governance bodies 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 energy efficiency buildings. These criteria are relevant in the selection of real estate assets and the monitoring of the funds' investments.

Amvest 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
- Regular reporting on EU Taxonomy, SFDR, GRESB and UNPRI

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 Amvest's sustainability ambition as a manager and the objectives defined at fund level. The guiding principle is that acquisitions must improve the average 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. Amvest, 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, Amvest, 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/ DGBBC 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.



## Statement in relation to Article 4: Transparency of adverse sustainability impacts at entity level

### Description of policies, international standards and historical comparison

#### **Engagement policies**

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 2023. Data relating to greenhouse gas emissions and 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 a national social organisation that is committed to create a built environment that is future-proof at a rapid pace. This is necessary as 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 improving 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.

##### **EU Taxonomy**

The EU Taxonomy for sustainable activities is a classification system established to clarify which investments are environmentally sustainable. The aim of the taxonomy is to prevent greenwashing and to help investors make greener choices.

##### **Sustainable Finance Disclosure Regulation**

The European Union has set in motion a legislative program regarding environmental, social and governance (ESG) for the financial services industry. Part of this package is the Sustainable Finance Disclosure Regulation (or "SFDR"). The SFDR consists of two levels. The first level concerns high level disclosures on sustainability and has come into effect as of 10 March 2021. The second level concerns regulatory technical standards ("RTS") which underpin the SFDR and demand more detail in disclosure. The RTS have come into effect per January 2023. The funds under management of REIM qualifies as 'article 8' products under the SFDR.

#### **Historical comparison**

We have compared the reported data for 2023 with 2022. The same definitions apply to the 2023 data as for the 2022 data. See table 1 and 2 on page 4 and 5.

