

Second-Party Opinion

Amvest Residential Core Fund

Sustainable Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Amvest Residential Core Fund Sustainable Finance Framework is credible, impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds, Green Buildings and Affordable Housing, are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 9 and 11.



PROJECT EVALUATION AND SELECTION Amvest Residential Core Fund’s Sustainable Finance Committee will be responsible for the evaluation and selection of projects in line with the Framework’s eligibility criteria. The Committee consists of representatives from the Treasury, Financing, Sustainability and Investor Relations departments and other nominated subject matter experts. Amvest Residential Core Fund has an internal process in place to identify and mitigate social and environmental risks associated with the eligible projects. Sustainalytics considers the risk management process to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Amvest Residential Core Fund’s Sustainable Finance Committee will be responsible for the management of proceeds and will track their allocation using a portfolio approach. The Fund intends to allocate all proceeds within 36 months of each issuance. Pending full allocation, the Fund will temporarily hold the proceeds in cash, cash equivalents or use them for treasury business. This is in line with market practice.



REPORTING Amvest Residential Core Fund commits to report on allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation or the maturity of the issued instruments. Allocation reporting will include the total amount of proceeds allocated to eligible assets, number of eligible assets, the balance of unallocated proceeds, the amount or the share of financing and refinancing, the geographical distribution of eligible assets and the percentage of EU Taxonomy-aligned assets. Sustainalytics considers the allocation and impact reporting as aligned with market practice.

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Introduction

Amvest Residential Core Fund (“ARC Fund” or the “Fund”), a fund managed by Amvest Vastgoed B.V. (“Amvest” or the “Company”), is a Netherlands-based residential real estate developer and investment manager. Headquartered in Amsterdam, the Fund focuses on single-person homes and apartments in the medium-priced housing sector.^{1,2} As of December 2023, the Fund manages a portfolio valued at EUR 3.8 billion with 11,155 homes.³

ARC Fund has developed the Amvest Residential Core Fund Sustainable Finance Framework dated August 2024 (the “Framework”), under which it intends to issue sustainability bonds, private placements,⁴ commercial papers, loans and other green finance instruments,^{5,6} and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are intended to enhance green buildings and affordable residential housing in the Netherlands. The Framework defines eligibility criteria in two areas.

The Framework defines eligibility criteria under the following environmental category:

1. Green Buildings

The Framework defines eligibility criteria under the following social category:

2. Affordable Housing

ARC Fund engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP),⁷ Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP).⁸ The Framework will be published in a separate document.⁹

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent¹⁰ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA, and the Green Loan Principles 2023 and Social Loan Principles 2023, as administered by LMA, APLMA, and LSTA; The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

¹ Amvest, “Amvest Residential Core Fund”, at: <https://www.amvest.nl/en/investment-management/amvest-residential-core-fund/>

² Amvest, “Amvest Residential Core Fund Annual Report 2023”, at: <https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

³ Amvest, “Amvest Residential Core Fund Annual Report 2023”, at: <https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

⁴ Amvest has confirmed to Sustainalytics that the private placements are limited to debt instruments.

⁵ Amvest has confirmed to Sustainalytics that it will not issue revolving credit facilities.

⁶ Sustainalytics’s Second-Party Opinion applies only to the instruments expressly cited in the Framework.

⁷ The Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

⁸ The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

⁹ The Amvest Residential Core Fund Sustainable Finance Framework is available at: <https://www.amvest.nl/investment-management/amvest-residential-core-fund/debt/emtn/sustainable-finance-framework/>

¹⁰ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

As part of this engagement, Sustainalytics held conversations with various members of ARC Fund's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. ARC Fund representatives have confirmed that (1) they understand it is the sole responsibility of ARC Fund to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Amvest Residential Core Fund.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Amvest has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Amvest Residential Core Fund Sustainable Finance Framework

Sustainalytics considers the Amvest Residential Core Fund Sustainable Finance Framework to be credible, impactful and aligned with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories, Green Buildings and Affordable Housing, are aligned with those recognized by the GBP, SBP, GLP and SLP.
 - Sustainalytics notes that ARC Fund has not defined a look-back period as the financing under the Framework will be limited to asset values.
 - Under the Green Buildings category, ARC Fund may finance or refinance the acquisition and ownership of residential buildings in the Netherlands that meet one of the following criteria:
 - Buildings built before 31 December 2020 with an energy performance certificate (EPC) A or in the top 15% of the Dutch building stock based on primary energy demand (PED).
 - Buildings built after 31 December 2020 with PED at least 10% lower than the threshold set in the Dutch nearly zero-energy buildings (NZEB) requirements.
 - Sustainalytics considers expenditures under this category to be in line with market practice.
 - Under the Affordable Housing category, ARC Fund may finance or refinance the provision of affordable housing units in the Netherlands according to the following criteria:
 - Housing units that comply with the statutory definition of social housing and relevant eligibility criteria set out in the applicable Dutch regulation.¹¹
 - Housing units that follow the eligibility criteria set out in the Dutch Affordable Rent Act for mid-rental houses.¹²

¹¹ Government of the Netherlands, "Rented housing – Social housing", at: <https://www.government.nl/topics/housing/rented-housing>

¹² Government of the Netherlands, Ministry of Housing and Spatial Planning, "Affordable Rent Act", at: <https://www.volkshuisvestingnederland.nl/onderwerpen/wet-betalbare-huur>

- Sustainalytics notes that under the Dutch social housing scheme, eligible social housing has a maximum rent of EUR 879.66 in 2024 and under the Affordable Rent Act eligible mid-rental housing has a maximum rent of EUR 1,157.95 in 2024.¹³ Sustainalytics further notes that under the Dutch social housing scheme and Affordable Rent Act¹⁴ a range of 7.5% to 15% of the provision of vacant social housing is available for allocation to tenants with an income higher than the threshold.¹⁵ ARC Fund has communicated to Sustainalytics that it will prioritize: i) lower-income groups for social housing; ii) lower middle-income groups for affordable housing;¹⁶ and iii) candidate tenants working in healthcare, education and safety sectors through its rental policy and assignment protocol.¹⁷ Sustainalytics notes that the criteria in this category include the provision of social and affordable housing for middle-income households, which goes beyond focusing only on low-income households. Sustainalytics considers it good practice to prioritize financing the provision of housing to low-income households. Nonetheless, Sustainalytics notes that the criteria are consistent with the national housing regulations and schemes, and that financing specifically directed towards low-income households will generate positive social impacts, and encourages ARC Fund to report on the housing units allocated to low-income populations to the extent possible.
- Project Evaluation and Selection:
 - The Fund's Sustainable Finance Committee will be responsible for the evaluation and selection of projects in line with the Framework's eligibility criteria. The committee consists of representatives from the Treasury, Financing, Sustainability, Investor Relations and other nominated subject matter experts.
 - ARC Fund has an internal process in place to identify and mitigate social and environmental risks associated with the eligible assets under the Framework. The process is overseen by the Sustainable Finance Committee. The Fund also implements processes and policies to ensure that eligible projects adhere to applicable laws, regulations and national and international environmental and social standards. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the requirements of the GBP, GLP SBP and SLP. For additional details, please refer to section 2.
 - Based on the established process for project evaluation and selection and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Sustainable Finance Committee will be responsible for the management of proceeds and will track their allocation through a portfolio approach.
 - ARC Fund intends to allocate all proceeds within 36 months of each issuance. Pending full allocation, the Fund will temporarily hold the proceeds in cash, cash equivalents or use them for treasury business. The Fund has confirmed that it will not invest unallocated proceeds in carbon-intensive activities or businesses that have negative environmental or social impacts.
 - ARC Fund has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. The Fund intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
 - Based on the use of a tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:

¹³ Government of the Netherlands, "Huurcontract voor zelfstandige woningen: sociale huurwoning, middenhuurwoning of vrijesectorwoning (Rental contract for independent housing: social housing, mid-market rental home or private sector housing)", at: <https://www.rijksoverheid.nl/onderwerpen/huurwoning-zoeken/vraag-en-antwoord/hoeveel-huur-betaal-ik-maximaal-voor-mijn-woning>

¹⁴ Sustainalytics notes that the income thresholds for access to social housing are above the income of the median Dutch household, opening the sector to large parts of the population. Geis, A (IMF), "Housing Supply in the Netherlands: The Road to More Affordable Living: NETHERLANDS", (2023), at: <https://www.imf.org/en/Publications/selected-issues-papers/Issues/2023/03/15/Housing-Supply-in-the-Netherlands-The-Road-to-More-Affordable%20Living-NETHERLANDS-530859#:~:text=Selected%20Issues%20Papers-%20Housing%20Supply%20in%20the%20Netherlands%3A%20The,to%20More%20Affordable%20Living%3A%20NETHERLANDS&text=Summary%3A,of%20af%20fordable%20housing%20has%20risen>

¹⁵ Government of the Netherlands, "Rented housing – Social housing", at: <https://www.government.nl/topics/housing/rented-housing>

¹⁶ In 2023, Amvest defined lower middle-income groups as those who have a maximum income of EUR 55,000 for single-person households and EUR 65,000 for multi-person households. Amvest updates income levels on a yearly basis.

¹⁷ The Amvest Rental Policy and Amvest Assignment Protocol documents have been shared with Sustainalytics confidentially.

- ARC Fund will report on the allocation of proceeds and corresponding impacts on its website on an annual basis until full allocation or the maturity of the issued instruments.
- Allocation reporting will include: i) the total amount of proceeds allocated to eligible assets; ii) number of eligible assets; iii) the balance of unallocated proceeds; iv) the amount or the share of new financing and refinancing; v) the geographical distribution of eligible assets; and vi) the percentage of EU Taxonomy-aligned assets.
- Impact reporting may include metrics such as: i) estimated annual energy consumption and energy saving (in kWh/m² per year); ii) estimated annual avoided or reduced emissions (in tCO₂e); iii) number of dwellings; and iv) number of beneficiaries.
- Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Amvest Residential Core Fund Sustainable Finance Framework aligns with the four core components of the GBP, SBP, GLP and SLP.

Section 2: Sustainability Strategy of ARC Fund

Contribution to the Fund's sustainability strategy

ARC Fund's overall business strategy prioritizes green buildings and promoting affordable housing. The Fund conducts regular materiality analyses to identify important ESG topics for its business. Those that are most relevant to the Framework include: i) investing in energy-efficient and high-quality homes; ii) carbon emissions reduction; and iii) supplying affordable or attainable homes.¹⁸

Regarding emissions reduction and energy efficiency improvement, Amvest has signed the Paris Proof Agreement of the Dutch Green Building Standard in 2022, committing to becoming carbon neutral in 2045 and providing transparency on the energy usage of its portfolio.^{19,20} Following the Company's commitment, ARC Fund aims to reduce the carbon emissions and energy intensity of its portfolio by 50% by 2030 compared to a 2020 baseline, which is also aligned with the Carbon Risk Real Estate Monitor's 1.5°C reduction pathway.^{21,22} To achieve its overarching goal and to enhance the sustainability of its portfolio and investment, ARC Fund set out yearly targets based on the identified ESG topics from its materiality assessment.²³ In 2022, ARC Fund set a 2023 target to reduce the emissions intensity of its buildings to 19.3 kgCO₂/m², in 2023 it reached an emissions intensity of 17.4 kgCO₂/m².²⁴ The Fund also set a target of reducing like-for-like energy use intensity (EUI)²⁵ every year since 2019²⁶ and as of 2023, EUI decreased to 93.1 kWh/m² from 112 kWh/m² in 2022.²⁷ These results were achieved through the Fund's investment in renovating homes, installing solar panels on homes and its investment in sustainable technologies, such as thermal energy storage in its properties.²⁸ In addition, the Fund increased the share of properties certified under GPR²⁹ (*Gemeentelijke Praktijk Richtlijn*) or BREEAM in 2023, resulting in 75.6% of buildings holding certifications compared to the 2022 baseline of

¹⁸ Amvest, "Sustainability Related Disclosures", at:

<https://www.amvest.nl/wp-content/uploads/2024/06/20240220-20221215-Residential-Core-Fund-article-10-disclosure-462024.pdf>

¹⁹ Amvest, "Amvest REIM PAI Statement", (2023), at:

<https://www.amvest.nl/wp-content/uploads/2023/06/Amvest-REIM-PAI-statement-30-June-2023.pdf>

²⁰ Amvest Paris Proof Commitment at: <https://www.dgbc.nl/upload/files/Paris%20Proof%20Commitment%20Amvest.pdf>

²¹ Amvest, "Amvest Residential Core Fund, Annual Report", (2023) at:

<https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

²² Carbon Risk Real Estate Monitor, at: <https://www.crrm.eu/about-crrm/>

²³ Amvest, "Amvest Residential Core Fund, Annual Report", (2023) at:

<https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

²⁴ Amvest, "Amvest Residential Core Fund, Annual Report", (2023) at:

<https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

²⁵ Coverage rate refers to the share of properties with data on energy, water and gas consumption, which provides insight into energy efficiency per building.

²⁶ Amvest, "Amvest Residential Core Fund, Annual Report", (2023) at:

<https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

²⁷ Ibid.

²⁸ Amvest, "Corporate Social Responsibility", at: <https://www.amvest.nl/en/about-amvest/corporate-social-responsibility/>

²⁹ GPR-gebouw is a guideline that aims to improve the sustainability of buildings through reporting on key themes, including energy, health, environment, user quality and future value.

Agentschap NL Energie en Klimaat, "GPR-gebouw", at: <https://www.rvo.nl/sites/default/files/bijlagen/GPR-gebouw.pdf>

48.1%.³⁰ The share of buildings holding EPC A or B has also increased to 97% from 91% between 2022 and 2023.^{31,32}

Regarding supplying affordable private sector homes, ARC Fund has committed to maintaining at least 75% of its residential portfolio in the mid-priced segment, defined as homes with a monthly rent from EUR 880 to EUR 1,600.³³ In 2023, the Fund also committed to ensuring no property has an average rental increase above the IVBN (Dutch Association of Institutional Real Estate Investors) recommended maximum of 4.1% per year.³⁴

Sustainalytics is of the opinion that the Amvest Residential Core Fund Sustainable Finance Framework is aligned with the Company and the Fund's overall sustainability strategy and initiatives and will further the Fund's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to generate positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include: i) occupational health and safety; and ii) business ethics and bribery and corruption.

Sustainalytics is of the opinion that ARC Fund is able to manage and mitigate potential risks through implementation of the following:

- Regarding occupational health and safety, the ARC Fund will follow the EU 1989 OSH Framework Directive, which introduced general principles for EU member states regarding worker safety and health. It also requires employers to: i) conduct periodic risk assessments of safety and health at work; ii) take protective measures and use protective equipment when necessary; iii) keep a list of occupational accidents; and iv) report on such accidents to the responsible authorities.³⁵ In the Netherlands, the legal framework governing OHS risks includes the Working Conditions Act,³⁶ the Working Conditions Decree,³⁷ the Working Conditions Regulation,³⁸ the Major Accident Risks Decree,³⁹ and the Major Accident Risks Scheme.⁴⁰
- With respect to business ethics and bribery and corruption, Amvest's Code of Conduct requires Amvest and its employees to comply with all applicable laws and regulations.⁴¹ Amvest performs customer due diligence before entering any real estate transaction to ensure the integrity of its clients, by performing a client screening followed by a risk assessment.⁴² Furthermore, the Fund is a member of the Association of Institutional Property Investors⁴³ in the Netherlands and follows the IVBN Code of Ethics,⁴⁴ committing to verify that the buyer has good faith and can fulfil its obligations as a landlord. Furthermore, through its Guidelines for purchasing and tendering⁴⁵ the Fund outlines procurement and tendering processes to be applied to various contractors, such as project developers, construction companies, advisors, property managers, real estate agents and notaries.
- Amvest has developed an Anti-Money Laundering policy which sets out procedures and commitments to: i) protect the Company from being used for money laundering; ii) adhere to internationally accepted customer due diligence (CDD) policies and procedures in day-to-day

³⁰ Ibid.

³¹ Amvest, "Amvest Residential Core Fund, Annual Report", (2023) at:

<https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

³² Amvest, "Amvest Residential Core Fund Annual Report 2022", at: <https://www.amvest.nl/wp-content/uploads/2023/10/Amvest-Residential-Core-Fund-2022-Annual-Report-v20649-final-1.pdf>

³³ Amvest, "Amvest Residential Core Fund, Annual Report", (2023), at: <https://www.amvest.nl/wp-content/uploads/2024/05/Amvest-Residential-Core-Fund-2023-Annual-Report-v29008.pdf>

³⁴ Ibid.

³⁵ European Agency for Safety and Health at Work, "Directive 89/391/EEC - OSH Framework Directive", (1989), at:

<https://osha.europa.eu/en/legislation/directives/the-osh-framework-directive/1>

³⁶ Government of the Netherlands, "Arbeidsomstandighedenwet", at: <https://wetten.overheid.nl/BWBR0010346/2022-05-2>

³⁷ Government of the Netherlands, "Arbeidsomstandighedenbesluit", at: <https://wetten.overheid.nl/BWBR0008498/2023-01-01>

³⁸ Government of the Netherlands, "Arbeidsomstandighedenregeling", at: <https://wetten.overheid.nl/BWBR0008587/2023-01-01>

³⁹ Government of the Netherlands, "Besluit risico's zware ongevallen", (2015), at: <https://wetten.overheid.nl/BWBR0036791/2015-07-08>

⁴⁰ Government of the Netherlands, "Regeling risico's zware ongevallen", at: <https://wetten.overheid.nl/BWBR0037692/2016-03-04>

⁴¹ Amvest, "Code of Conduct", (2023), at: https://www.amvest.nl/wp-content/uploads/2023/11/Amvest_CodeOfConduct_2023_20231106.pdf

⁴² Ibid.

⁴³ IVBN: <https://ivbn.nl/over-ivbn/>

⁴⁴ IVBN, "Code of Ethics", (2018), at: <https://ivbn.nl/wp-content/uploads/2024/05/Code-of-Ethics-versie-2018.pdf>

⁴⁵ The "Guideline for purchasing and tendering" was shared with Sustainalytics confidentially.

business operations; iii) take appropriate action when suspicious activity is identified and report it to the appropriate competent authorities in line with applicable law and established procedures. In addition, the Company has appointed an independent compliance officer whose responsibility is to oversee the compliance with the Amvest Code of Conduct and has named to be the contact point to report infringements.⁴⁶

- Furthermore, the Fund's complaint and reporting policy⁴⁷ applies to all employees and aligns with the Dutch Whistleblower Protection Act.⁴⁸ The policy outlines the process for reporting misconduct through internal and external channels and describes how the Fund provides protection to the whistleblower.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that ARC Fund has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds categories are aligned with those recognized by the GBP, SBP, GLP or SLP. Sustainalytics has focused below where the impact is specifically relevant in the local context.

Importance of affordable housing in the Netherlands

The EU is experiencing rapid increases in both rental and home prices: between 2010 and 2024 home prices increased by 48.7% and rents increased by 23.9%.⁴⁹ This is partly due to factors such as a mismatch between demand and supply of housing stock and the relative increase in housing cost compared to incomes.⁵⁰ Compounding the issue of cost, more than 76% of European Union residents lived in urban areas in 2023,⁵¹ with a projected increase to nearly 84% by 2050.⁵² Without a sufficient housing supply, increased urbanization will elevate demand, outpricing the lowest income earning segment, including lower skilled workers and young professionals.⁵³ The bottom 20% of earners in the EU spend more than 40% of their income on housing.⁵⁴ Surveys have shown that most people in the EU found it more difficult to find affordable housing in capital cities than in other cities.⁵⁵ In the current scenario, the share of affordable housing in the Amsterdam housing stock is expected to decline from 61% in 2015 to 43% in 2025, primarily affecting low- to moderate-income households.⁵⁶

In the Netherlands, there is a deficit of 401,000 homes in 2024 (4.9% of the country's housing stock) highlighting the country's shortage of affordable housing.⁵⁷ To address this issue, the Dutch government has implemented various programmes and subsidies to encourage new home construction. In 2022, the government established provincial housing agreements aimed at constructing 981,000 new homes by 2030, with approximately two-thirds of them in the affordable housing segment.⁵⁸ Additionally, the government launched the Start Building Incentive (*Startbouwimpuls*) in 2023, a EUR 300 million programme designed to fund and accelerate the construction of new homes.⁵⁹ As of 2023, the programme has supported the

⁴⁶ Amvest, "Code of Conduct", (2024), at: https://www.amvest.nl/wp-content/uploads/2023/11/20240119_Amvest_CodeOfConduct_2024-1.pdf

⁴⁷ The "Complaint and reporting policy" was shared with Sustainalytics confidentially.

⁴⁸ Government of the Netherlands, "Dutch Whistleblower Protection Act", at: <https://www.wetbeschermingklokkenluiders.nl/english>

⁴⁹ Eurostat, "Housing Price Statistics – house Price index", at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_price_statistics_-_house_price_index#:~:text=Long%20term%20trends%20in%20house%20prices%20and%20rents,-Figure%20%20and%20text=From%202010%20until%20the%20first,house%20prices%20increased%20by%201.3%20%25

⁵⁰ Euro Cities, "Housing affordability: A European crisis", (2020), at: <https://eurocities.eu/latest/housing-affordability-a-european-crisis/>

⁵¹ World Bank Group, "Urban Population (% of total population) – European Union", at:

<https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=EU>

⁵² European Commission, "Competence centre on foresight" at: https://knowledge4policy.ec.europa.eu/foresight/topic/continuing-urbanisation/developments-and-forecasts-on-continuing-urbanisation_en

⁵³ L. van Doorn, A. Arnold et al., "Hot Property The Housing Market in Major Cities", (2019), at:

https://link.springer.com/chapter/10.1007/978-3-030-11674-3_1

⁵⁴ World Economic Forum, "Europeans are paying up to 40% of their earnings on rent", (2021), at: <https://www.weforum.org/agenda/2021/06/rental-housing-rent-europe-covid-coronavirus-imf/>

⁵⁵ European Commission, "Competence centre on foresight", at: https://knowledge4policy.ec.europa.eu/foresight/topic/continuing-urbanisation/developments-and-forecasts-on-continuing-urbanisation_en

⁵⁶ Ibid.

⁵⁷ NOS, "Housing shortage has risen again, more than 400,000 households are looking for their own place", (2024), at: <https://nos.nl/artikel/2528531-woningtekort-weer-opgelopen-ruim-400-000-huishoudens-zoeken-eigen-plek>

⁵⁸ Government of the Netherlands, "Minister Hugo de Jonge maakt provinciale woningbouwafspraken voor 900.000 nieuwe woningen", at: <https://www.rijksoverheid.nl/actueel/nieuws/2022/10/13/minister-hugo-de-jonge-maakt-provinciale-woningbouwafspraken-voor-900.000-nieuwe-woningen>

⁵⁹ Netherlands Enterprise Agency, "Startbouwimpuls (SBI)", at: <https://www.rvo.nl/onderwerpen/expertteam-woningbouw/sbi>

construction of more than 85,000 homes.⁶⁰ The government has also introduced the Real Estate Repurposing programme which allows landlords of vacant buildings, such as schools or offices to convert them into residential spaces for a maximum period of 10 years.⁶¹ Furthermore, the Dutch Affordable Rent Act, effective from 1 July 2024, establishes rent caps on mid-priced and social rental houses, aiming to improve affordability for tenants.⁶²

Based on the above, Sustainalytics is of the opinion that ARC Fund's financing of affordable housing is expected to contribute to enhancing access to affordable housing in the Netherlands.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Amvest Residential Core Fund Sustainable Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

Conclusion

Amvest has developed the Amvest Residential Core Fund Sustainable Finance Framework under which it may issue sustainability bonds, private placements, commercial paper, loans and other green finance instruments, and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are intended to enhance green buildings and affordable residential housing in the Netherlands. Sustainalytics considers that the eligible projects are expected to provide positive environmental and social impacts.

The Amvest Residential Core Fund Sustainable Finance Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Amvest Residential Core Fund Sustainable Finance Framework is aligned with the overall sustainability strategy of Amvest and that the use of proceeds will contribute to advance the UN Sustainable Development Goals 9 and 11. Additionally, Sustainalytics is of the opinion that Amvest has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Amvest is well positioned to issue sustainability bonds and that the Amvest Residential Core Fund Sustainable Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023.

⁶⁰ Government of the Netherlands, Ministry of Housing and Spatial Planning, "Great interest in Start-up Construction Impulse: more than 800 projects registered", at: <https://www.volkshuisvestingnederland.nl/actueel/nieuws/2023/10/25/grote-belangstelling-startbouwimpuls-ruim-800-projecten-aangemeld>

⁶¹ Government of the Netherlands, "Letting Repurposing Vacant Buildings", at: <https://business.gov.nl/regulation/letting-repurposing-vacant-buildings/>

⁶² Government of the Netherlands, Ministry of Housing and Spatial Planning, "Affordable Rent Act", at: <https://www.volkshuisvestingnederland.nl/onderwerpen/wet-betalbare-huur>

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