

# ACHMEA DUTCH RESIDENTIAL FUND

2023 ESG Annual Review



# Foreword

Achmea Real Estate focuses on sustainable investments with a high social value and an appropriate financial return. An ambitious ESG (environmental, social and governance) policy is essential. Clear decisions with concrete goals, that's what it's all about.

The Fund focuses mainly on the mid-priced rental segment between €880 and €1,150 per month in good locations in strong residential areas and wishes to offer a suitable product for each tenant group. The Fund is working towards a sustainable portfolio, aligning with the UN's Sustainable Development Goals and the ESG strategy that Achmea Real Estate has established for itself and for this Fund.



**Onno Hoff**, Fund Manager

**Casper Hesp**, Director Investment Management

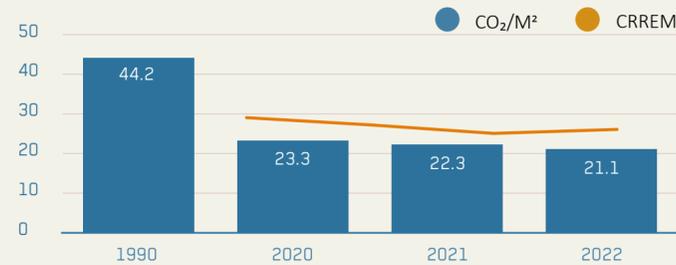


De Bakermat, Eindhoven

# 2023 highlights

## CO<sub>2</sub> REDUCTION (KG CO<sub>2</sub>/M<sup>2</sup>/YEAR)

-5.5% compared to the previous year.



Note: new CRREM thresholds apply from 1/1/2023

## RESIDENT MEETINGS

Several social meetings were organised to stimulate tenant contact within apartment buildings, over 200 tenants participated



## GRESB 2023

5 stars, 93 points. Number 4 position in Dutch peer group, number 4 in Europe and worldwide



## SUSTAINABILITY UPGRADES

Completed the planned sustainability upgrades of 145 homes in Kaatsheuvel, Den Bosch, Uden and Boxtel to energy label A.



## ENERGY CONSUMPTION (KWH/M<sup>2</sup>/YEAR)

**-1.3%**

TARGET: -55% IN 2030 (VS. 1990)

**-52%**

## DATA COVERAGE 2022

**97%**

TARGET: -100% IN 2050 (VS. 1990)

**-52%**

## LETTING TO TENANTS IN KEY OCCUPATIONS

20 rental apartments in New Brooklyn let out to tenants in key occupations (education, health-care, police) and 29 to keyworkers and starters in De Wielewaal, Rotterdam



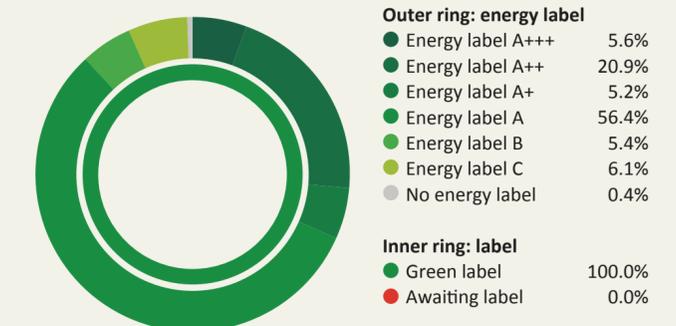
## TENANT SATISFACTION

7.5 in the 'housing' section and 7.2 in the 'living environment' section.



## ENERGY LABELS

100% green labels, 88.1% A labels.



# ESG strategy

## VISION

Our asset management contributes towards a sustainable future.

## MISSION

We choose to make sustainable investments that offer both financial and social returns. This means helping our clients (and their clients) build a solid financial foundation and an attractive living environment. Now, in the near future and in the longer term.

## MEANINGFUL INVESTING

Achmea Real Estate opts for sustainable investments with high social value and appropriate financial return. An ambitious policy in the field of ESG (Environmental, Social and Governance) is indispensable. Clear choices with concrete objectives, that's what it's all about. The ESG strategy of Achmea Real Estate has four pillars: physical sustainability, social impact, sustainable results and responsible organisation.

In 2022, the Fund refined its ESG strategy in consultation with its participants and Advisory Board. We placed a higher purpose on it: impact. We did not create a new impact fund, but are building a residential fund with impact. The ADRF's strategy is to achieve stable returns through housing investment and simultaneously create a measurable social and environmental impact.

The ESG objectives stem from opportunities the Fund sees to help solve or mitigate several social problems through its residential portfolio. The ADRF has chosen three key impact goals for this purpose:

1. Taking action against climate change (SDG 13)
2. Paying attention to the well-being of tenants (SDG 3)
3. Increasing inclusiveness in the real-estate market (SDG 11)

## THE ACHMEA DUTCH RESIDENTIAL FUND SUPPORTS THE FOLLOWING UN SDGS



[CO<sub>2</sub> reduction](#) [Climate adaptation](#) [Affordability](#) [Tenant satisfaction](#) [Inclusiveness](#)

# CO<sub>2</sub> reduction

Implementation of the CO<sub>2</sub> Roadmap started in 2020. ADRF has a CO<sub>2</sub> Roadmap in place to reduce its carbon footprint. The Roadmap provides insight into how the Fund can achieve a climate-neutral portfolio in line with the Climate Agreement and was developed by Achmea Real Estate together with consultancy firm W/E advisors.

The Fund achieved a 52% reduction at the end of Q3 2023 compared to 1990, the base year, and is expected to reach a 70% reduction by 2030, thus ahead of the Paris Climate Agreement. With this outlook, the ambition for the Fund is to be climate-neutral as early as 2045.

Internationally, there is a lot of pressure to reduce CO<sub>2</sub> emissions. We see this reflected in European regulations. For this reason, the CO<sub>2</sub> dashboard was updated in 2022 to reflect the latest international trends. This means that Carbon Risk Real Estate Monitor (CRREM) thresholds have also been added: one is for CO<sub>2</sub> emissions (kg CO<sub>2</sub>/m<sup>2</sup>) and one for total energy consumption (kWh/m<sup>2</sup>).

Portfolio energy consumption decreased during 2022.

As a benchmark for the results, we have assumed the CRREM thresholds in the 1.5 degree scenario for homes in the Netherlands since 2022. Adapted thresholds apply as of 1 January 2023. This means that CO<sub>2</sub> emissions need to drop even more sharply to meet the annual maximum CRREM thresholds.

The current CO<sub>2</sub> Roadmap is based on a basic insulation & heat scenario. This overall approach will be updated in 2024 by an asset by asset scenario model.

From 2023 to 2025, all label C homes (excluding residential properties to be sold as individual units) will be insulated to the prevailing standard and supplied with other heat sources as from 2030. This currently concerns another five properties. The target is to reach label A for at least 95% of properties by 2026.



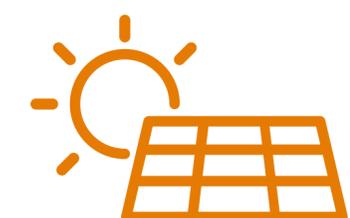
**-5.5%**  
CO<sub>2</sub> reduction

2022 compared to 2021



**-1.3%**  
energy  
consumption

2022 compared to 2021



**SOLAR  
PANELS**

4,406 solar panels placed in 2023  
Estimated reduction: 715 tons of CO<sub>2</sub>



[CO<sub>2</sub> reduction](#) [Climate adaptation](#) [Affordability](#) [Tenant satisfaction](#) [Inclusiveness](#)

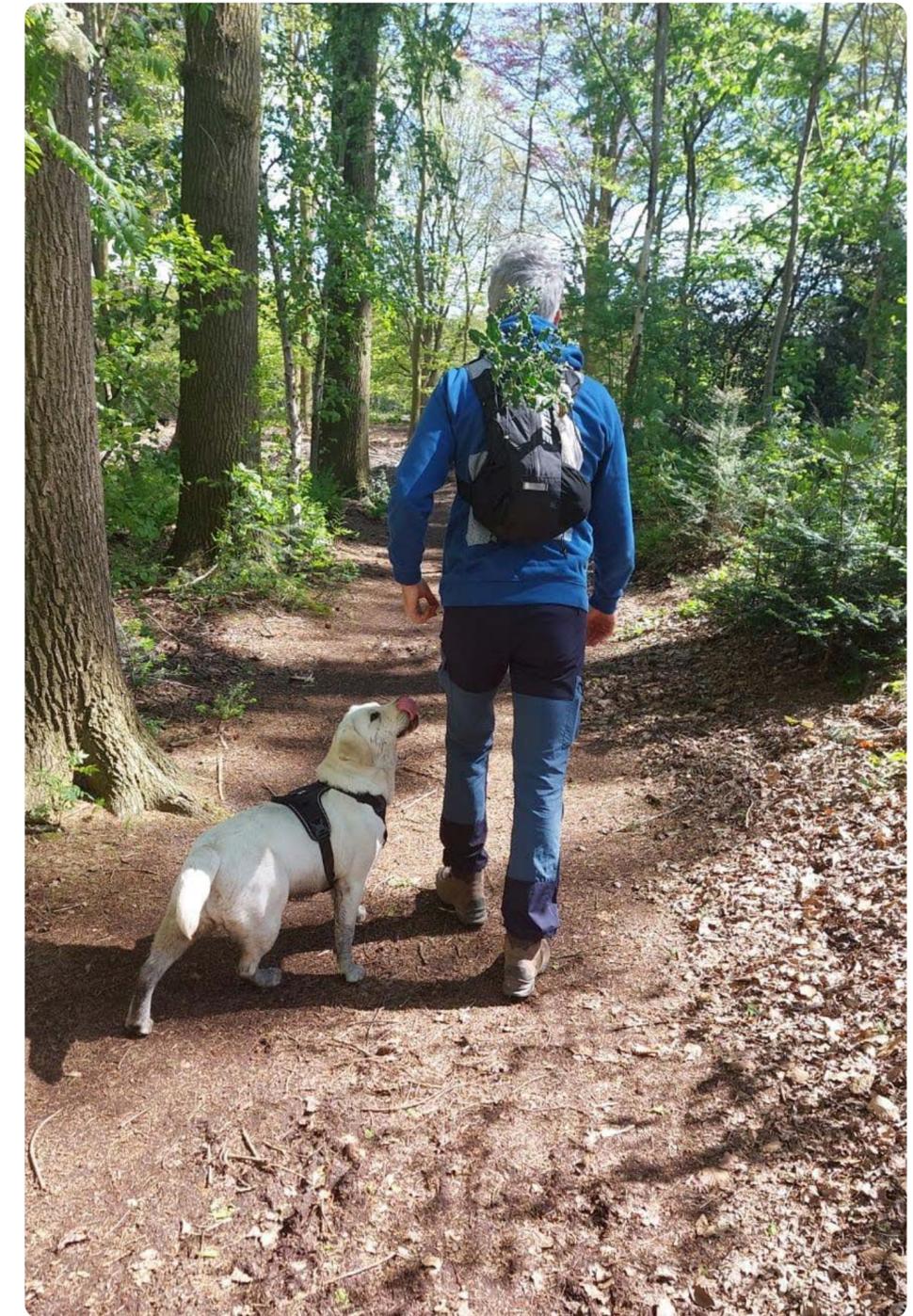
The investments lead to a CO<sub>2</sub> reduction at or below the CRREM 1.5-degree target in 2050. As mentioned, in 2024 we will replace the current CO<sub>2</sub> Roadmap for a new version. This new model will allow us to create specific scenarios for each asset and estimate the impact on CO<sub>2</sub> emissions and energy consumption relative to CRREM. The goal is to define the Fund's CO<sub>2</sub> Roadmap from 2026 onwards and thus also sharpen the investment needs for the Fund and our investors.

It goes without saying that actual preparation and execution of work will involve a detailed approach, schedule and cost estimate for each property. Each sustainability proposal is also included in the Fund's budget via the portfolio plan.

As the Fund is looking at reducing CO<sub>2</sub> emissions throughout the chain, it also wants to focus on the sustainable use of materials in new buildings and operations. Timber construction and bio-based materials can play an important role in this regard. The Fund capitalised on this in 2022 by making a purchase in timber construction in SAM, Zoetermeer and exploring plans for expanding existing buildings with additional floors build in timber (study Weezenhof, Nijmegen) and the start of a trial for the integration of bio-based materials into a development project in Nieuwegein.

The use of bio-based building materials can reduce CO<sub>2</sub> emissions from new construction and ease the transition to a less polluting sector accelerated. Bio-based materials are natural products that store CO<sub>2</sub> during their lifetime. Examples include hemp, flax and wood. Many much less CO<sub>2</sub> is emitted during the natural natural production of these materials. The use of bio-based building materials has increased in the Netherlands in recent years, but is still relatively limited compared to traditional building materials. A major barrier to building with bio-based or circular materials is the higher cost.

CO<sub>2</sub> prices can offset this cost difference so that more parties in the chain might switch to cleaner cleaner materials. This can scale, leading to further normalization of prices.



# CO<sub>2</sub> pricing in Real Estate

Climate change is the major societal challenge of our time. The emission of CO<sub>2</sub> and other greenhouse gases is one of the most important factors behind global warming and reduction is necessary. The built environment plays an important role due to its large share in CO<sub>2</sub> emissions. Pricing CO<sub>2</sub> is a tool to achieve reduction. The role of carbon pricing will increase. This section discusses the impact that carbon pricing has on the choices that real estate investors, such as institutional investors, have to make.

## WHY SHOULD WE MONETIZE CO<sub>2</sub>?

Because CO<sub>2</sub> emissions play an important role in climate change, reducing emissions is necessary. By putting a price on CO<sub>2</sub>, governments, companies and households are encouraged to reduce emissions. Pricing ensures that emissions are taken into account in decision-making, it stimulates energy efficiency and the use of renewable energy, and it drives innovation. Revenues from carbon pricing are mainly used by countries for renewable energy projects, climate adaptation measures and research into clean technologies. Part of the proceeds go to the general funds. Carbon pricing is therefore an important policy tool to tackle climate change and reduce emissions.

## FORMS OF CO<sub>2</sub> PRICING: MANDATORY AND VOLUNTARY APPLICATION

### 1. Emissions trading systems

Emissions trading systems are market-based cap-and-trade systems, where emission rights are traded. Such a system sets a cap on the total emissions of a region or sector. This creates a closed system within which rights can be traded. With one right, a company is allowed to emit 1 tonne of carbon dioxide (CO<sub>2</sub>). In Europe, the EU Emissions Trading System ("EU ETS") has been in place since 2005. The price level has increased in recent years from €20 at the end of 2020 to a peak of €98 in mid-2022. Due to the relatively mild winter in Europe and low industrial activity, the ETS price started to fall again at the end of 2023 and is currently at a level of around €60.

FIGURE 1: EU-ETS PRICE FOR A TON CO<sub>2</sub>



### 2. Fit for 55

In December 2019, the European Commission presented the 'European Green Deal'. The deal includes a large number of targets to combat climate change, including the increased ambition to reduce CO<sub>2</sub> emissions within Europe by 55 percent by 2030 compared to 1990. Part of this package is the tightening of the European emissions system and working towards a second emission trading system (ETS2) that will specifically target fuel suppliers to the built environment and road transport. Subject to approval by Member States, this ETS2 will have to enter into force on 1 January 2027 .

### 3. CO<sub>2</sub> tax

It seems likely that the ETS2 will lead to a CO<sub>2</sub> tax on the gas consumption of Dutch households. It is still unclear how the proposed regulations will be worked out in the Netherlands and how they will be combined with existing levies and excise duties. Such a CO<sub>2</sub> tax already exists in several European and American countries. An example of this can be found in Germany, where a levy has already been in place for CO<sub>2</sub> emissions from households since 1 January 2021.

#### 4. Social CO<sub>2</sub> price

In addition to the market price for CO<sub>2</sub>, there is also a so-called social CO<sub>2</sub> price. This award is not only based on the economic value of CO<sub>2</sub> emissions, but also takes into account the social impact of climate change. For example, the potential damage of rising sea levels or the negative impact on agriculture is taken into account, while also taking into account future generations. Because in addition to climate models, expectations about demography, technological developments and (as yet) unknown events also play a role in this, pricing models based on assumptions are used for this. The social CO<sub>2</sub> price acts as a hypothetical shadow price of a tonne of CO<sub>2</sub> emissions. Nowadays, we mainly see a social CO<sub>2</sub> price in policy documents. Companies are also increasingly applying a policy-based CO<sub>2</sub> price. With this hypothetical shadow price, companies can take their CO<sub>2</sub> emissions into account in their strategic choices.

#### CO<sub>2</sub> PRICING IN REAL ESTATE HAS MAJOR EFFECTS ON CO<sub>2</sub> PRICE RISE

CO<sub>2</sub> pricing is not yet directly applied in the construction and real estate world when it comes to individual buildings or projects. At the moment, CO<sub>2</sub> pricing of real estate is reflected in an indirect way through material and energy consumption and in the future also through transport movements.

The effect of a rising CO<sub>2</sub> price is especially noticeable during the construction phase. After all, a relatively large amount of CO<sub>2</sub> is emitted in one go. With an average CO<sub>2</sub> emission of 53 tonnes, the costs in the current scenario (zero scenario) are around 5,300 euros.

FIGURE 2: EFFECT OF CO<sub>2</sub> PRICING ON NEW CONSTRUCTION PRICE



These costs have already been included in the price of the home because, for example, the cement supplier for the concrete has already purchased CO<sub>2</sub> allowances via the EU ETS. We expect these costs to rise. The use of building materials without CO<sub>2</sub> emissions is therefore becoming more attractive.

In the operational phase, CO<sub>2</sub> emissions are determined by energy consumption. Electricity is already covered by the ETS if it comes from fossil fuels. There is currently no CO<sub>2</sub> pricing for gas, but the ETS2 wants to change that. If the CO<sub>2</sub> price rises, the costs will be significantly higher. For the user, low energy consumption is therefore becoming more and more financially interesting. At the same time, the energy costs of real estate with high CO<sub>2</sub> emissions are increasing.

#### IMPACT ON REAL ESTATE INVESTMENTS IN CONSTRUCTION AND OPERATION: A DRIVER OF SUSTAINABILITY

Developments in carbon pricing may influence real estate investments and choices made by investors in the future. Consequences of a rising CO<sub>2</sub> price can be expected both on the acquisition of new-build investments and in the existing portfolio.

Most of a home's CO<sub>2</sub> emissions are caused during the production and construction phase. The various forms of pricing are reflected in the raw materials used, whereby CO<sub>2</sub>-intensive materials such as steel and traditional concrete will become more expensive.

FIGURE 3: ANNUAL CO<sub>2</sub> COST OF ENERGY CONSUMPTION PER DWELLING



In principle, this mainly applies to the construction costs of new real estate. With a higher CO<sub>2</sub> price, real estate becomes more expensive to acquire. If CO<sub>2</sub> emissions are limited in new buildings by using circular or bio-based materials, this is financially attractive.

CO<sub>2</sub> pricing can lead to higher energy costs through taxes or levies. This plays a role in the operational phase. Buildings that consume a relatively large amount of (fossil) energy will have to deal with CO<sub>2</sub> pricing to a greater extent. Most of the energy costs are borne by the user, which increases housing costs and reduces the attractiveness of the home. This effect was reflected, for example, in the owner-occupied housing market. Due to the sharp rise in energy prices in 2022, buyers preferred energy-efficient homes. In the rental market, energy-efficient homes are also more attractive to tenants, which translates into the valuation of energy-efficient real estate. Buildings with lower CO<sub>2</sub> emissions are more attractive and less risky as a long-term investment because they are less sensitive to costs or charges during operation. Non-durable buildings face a "brown-discount" (depreciation) as efficient properties are awarded more rental points in the Affordable Rent Act.

The CO<sub>2</sub> pricing comes on top of the risk that future regulations on CO<sub>2</sub> emissions could become increasingly strict. Governments can strive for mandatory energy performance certificates or impose restrictions on the rental of buildings with excessive CO<sub>2</sub> emissions. Investors need to be aware of these regulatory risks and act proactively to stay compliant.

## CONCLUSION

To combat climate change, CO<sub>2</sub> reduction is necessary. Pricing CO<sub>2</sub> emissions is an important tool for this. In view of the ambitious climate goals, Achmea Real Estate is taking into account a rising price of CO<sub>2</sub>. The CO<sub>2</sub> pricing has an effect on construction costs due to higher material prices, but also on the operational phase. Building materials and energy supply, which cause relatively high CO<sub>2</sub> emissions, will become more expensive over time due to pricing mechanisms. Building with low CO<sub>2</sub> emissions with locally produced bio-based or circular materials will become more financially attractive and ultimately the only affordable option. In recent years, sustainability has become increasingly important for institutional investors, mainly due to social responsibility and regulation.

For institutional investors, carbon pricing means the following:

- Building with low CO<sub>2</sub> emissions, such as with bio-based materials, from a social point of view, but in the coming years also increasingly from a financial point of view.
- Energy-efficient and low-CO<sub>2</sub> construction to keep costs as low as possible during operation and the (use) value of real estate as high as possible in the long term.
- In addition to the social impact, making existing real estate more sustainable is also becoming increasingly financially rewarding

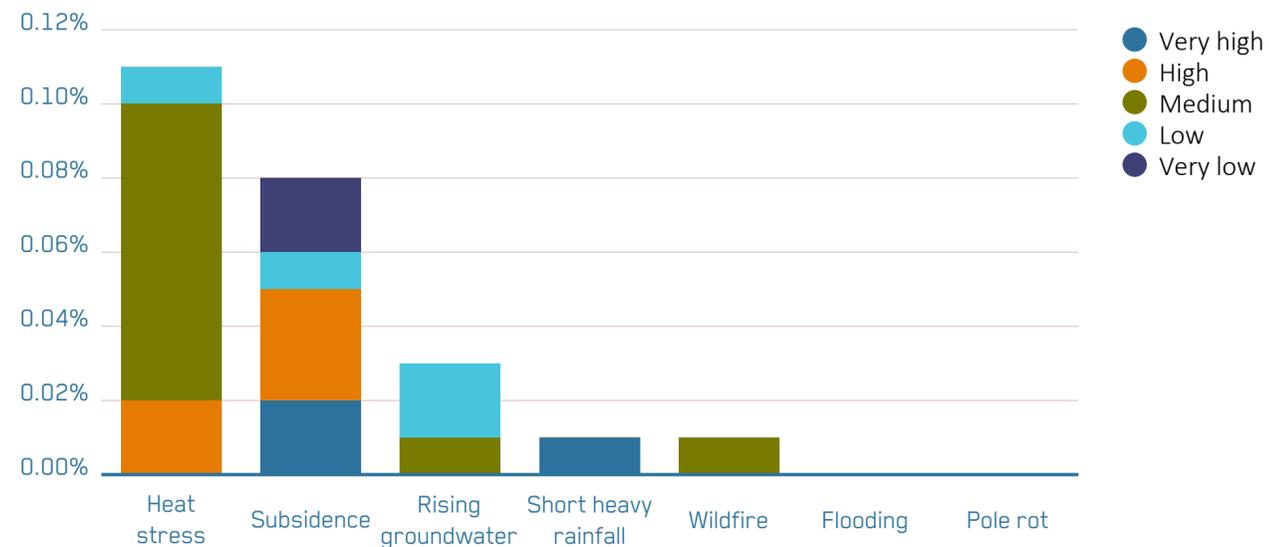
# Climate adaptation

## Portfolio specific climate risks

Climate change creates two types of risks for property portfolios: transition and physical climate risks. Transition risks are those associated with limiting the causes of climate change ('mitigating'). Physical climate risks are those of the changing climate we are already facing, and our adaptation to them. Achmea Real Estate focuses on both aspects. By developing sustainable real estate and making existing real estate more

sustainable, we help mitigate climate risks and to meet the Paris Agreement. But we have taken a further step in identifying physical climate risks and making a first determination of their extent. As a framework, we use the IPCC's Fifth Assessment Report (AR5; 2014), based on which the Royal Netherlands Meteorological Institute (KNMI) has developed climate scenarios for the Netherlands.

### CLIMATE RISKS OF ADRF EXPRESSED AS % OF MARKET VALUE



**63%**  
of properties  
are safe

no significant probability of flooding  
after breach of  
primary flood defences



**73%**  
chance of  
heat stress

especially in cities and if the  
temperature rises above 41°C



**0%**  
chance of  
pole rot

no properties with  
wooden foundations



Description	Status
1. Identifying local climate risks	Completed
2. Establishing risk categories (high-low) for each climate risk	Completed
3. Determining exposure of the real estate portfolio by climate and other risk categories	Completed
4. Estimating the potential damage	Completed
5. Describe measures in asset plans	2023-2025

[CO<sub>2</sub> reduction](#) [Climate adaptation](#) **[Affordability](#)** [Tenant satisfaction](#) [Inclusiveness](#)

# Affordability

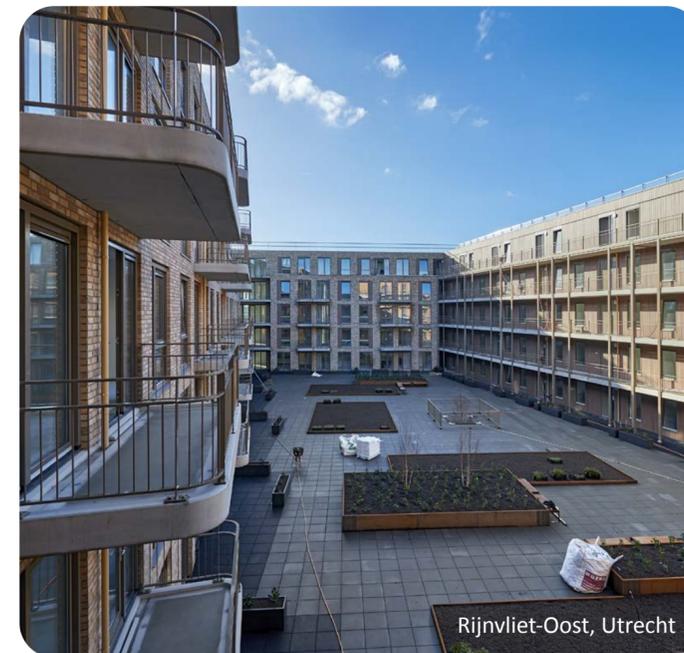
The ADRF invests in many places in the Netherlands. We offer people a quality place to live in a sustainable home with an attractive living environment.

We operate in 49 of the 342 municipalities in the Netherlands and contribute to housing affordability by investing in student housing, starter homes and mid-range nonsubsidised rental housing. Here we distinguish between midrent low (up to €1,150) and midrent high (up to €1,300).

In the regulated part of the portfolio, rent increases in 2023 were limited to wage increase (CAO-loon-index), being 3.1% and in the deregulated segment rent increases were limited to that same index + 1%. Both measures were imposed by the Dutch government.

In 2023, the average rent increase in the portfolio was 3.6%, and thus below the maximum increase of 4.1% (wage index + 1% rule). The main reason why the maximum increase was not achieved is because of the capping on market rents. The Fund considers whether a rent increase is feasible for each residential property without affecting its long-term letting potential. It is also possible that new construction has recently been completed and rents are at market levels.

In some cases, the rent index is capped by local rent ordinances in the mid-rent sector. The average rent of the Fund at the end of 2023 was €1,172 per month. Of all individual units, 58% has a monthly rent of less than €1,150.



**185**  
homes  
completed

of which 133 have a rent  
< €1,300 in Utrecht and  
Almere



**3.6%**  
average rent  
increase in 2023

compared to maximum  
allowed of 4.1%  
(inflation + 1%)



**1**  
transformation  
project completed

Oostenburg,  
Amsterdam



**> €150** million  
under construction  
in the mid-range  
rent segment

SAM in Zoetermeer (191 mid-rent  
units). Vancouver in Nieuwegein  
(88 mid-rent units)



# Tenant satisfaction

The Fund is keen to invest in initiatives that result in greater tenant satisfaction.

The annual tenant satisfaction survey was conducted in September 2023. Twelve institutional housing investors participated in the benchmark. The survey increased and was conducted among 82,861 tenants (+16,772), with a response rate of 37.7% (2022: 41.6%). With a score of 38.7%, Achmea's response rate is higher than the benchmark but lower than last year's score (42.7%).

For ADRF the annual tenant satisfaction survey yielded an average score of 7.2 for the living environment (benchmark: 7.5) and 7.5 for the housing (benchmark 7.4).

To improve future scores ARE has made scorecards which will be discussed on a quarterly basis with the property managers. In doing so, the following issues were addressed in early 2024:

## 1. Increase accessibility and expand capacity of property manager

- Introduction of WhatsApp at Customer Contact Centers and monitoring of accessibility
- Extension of telephone access times
- Extra account and technical management hours

## 2. Speed up settlement of service costs and improve explanations

- All Owner Associations meetings (VVE's) have, where possible, been brought forward to Q1
- Clarify explanation of service cost settlement
- Improve lines of communication between ARE financial department and property managers

## 3. Tighter management of complaints

- Central complaints register will be implemented
- Central point of contact at property manager for complaints received by ARE

## 4. Establishment of Focus Groups

- New construction (topics: completions and first period after completion)
- Communication (topics: customer-friendly communication, making training available from ARE, standard templates)



**+4%**  
Improvement First Time  
Fix score (77 → 80)

'Ziezodan', which works with a mobile app in which a fault report and appointment can be made quickly and precisely.



**7.5**  
housing satisfaction  
rating

The annual tenant satisfaction survey score lies above benchmark level



# Inclusiveness

Inclusiveness is expressed in several places in our ESG policy. For example, when developing our projects, we strive to serve selected target groups like key occupants (health care workers, police officers, teachers)

In 2023 we completed 185 new homes in ADRF's portfolio. Whenever possible, we prioritize renting these homes to people who can be considered key workers, contributing to basic needs and occupations that are increasingly under pressure in large cities due to increased housing costs. In our completed developments in Almere and Rotterdam, 49 out of 89 homes were allocated to key workers. In a few cases in Rotterdam, priority was given to people who had left public housing to promote flow from the social rental domain.

We are working with our property managers to see where we can encourage tenant meetings and interaction with the property manager. In several locations last year, we organized tenant meetings where the property manager was also present. This makes it easy to get to know each other and share experiences.

In the De Wielewaal project, the Fund made a financial contribution at the start of construction so that young people with a distance to the labour market could be offered a work-learning place during the construction of the entire project. As a result, a classroom with practical space was created on site.



## 5 Resident meetings

social meet and greet occupants and property manager



# Biodiversity

Biodiversity contributes to the district's quality of living, making it an integral part of our ESG strategy. At district and neighbourhood level, numerous initiatives contribute to the diversity of plant and animal species and protect nature from the adverse impact of humans.

The steps we take not only focus on conservation or protection but also on adding nature. Installing over 120 green roofs in Tilburg, Groningen, Goirle and Almere has proven to have an immediate positive effect on the happiness of residents.

On a larger scale, we worked on enclosed gardens for residents. Here we add urban nature, used by birds and insects, but also for our residents to enjoy and relax in. Our projects include gardens and roof terraces at De Bakermat in Eindhoven and at several places in Oostenburg and Rijnvliet-Oost in Utrecht. When making homes more sustainable, we consider the existing flora and fauna. This means mapping existing bat or swallow populations and helping them to relocate through nesting boxes in the area. The New Brooklyn Almere district is equipped with nesting boxes for swifts, bats and house sparrows.

## ENCLOSED GARDENS IN DE BAKERMAT AND RIJNVLIET-OOST



Even before the first homes in New Brooklyn Almere were completed, we had a new resident in the project. The nesting box constructed in the gable attracted glances from a curious sparrow. Or is it a finch? Or a swallow, after all?



# Health

Promoting health in buildings is a means of contributing to a pleasant and healthy living environment. It enhances the comfort and well-being of the residents.

A specific example is the use of a CO<sub>2</sub>-controlled, balanced ventilation system, which automatically regulates the indoor climate of homes. We apply this as standard in sustainability upgrade projects combined with double glazing and ventilation grilles. One benefit of installing double glazing is less noise and a better night's sleep.

Using sustainable materials that do not emit allergenic or particulate matter also fits into this theme. Examples include timber construction in new builds or raising existing buildings and making kitchens gas-free by installing induction hobs.

In apartment buildings, we pay attention to the use of stairs, by making stairwells well-lit and attractive. On Oostenburg, for example, we painted texts in stairwells to encourage people to use the stairs to their homes or to go to the roof terrace. Exterior spaces and large, light-filled windows are also logical components of a healthy building.

Proximity to nature and greenery also helps encourage exercise and relaxation.

We continued to work on a 'Geluk & Gezondheid (Happiness & Health)' Schedule of Requirements in 2023, and we intend to test the development of the Fund's land position in Wilnis against these aspects. The Schedule of Requirements can be seen as a guiding and facilitating tool for specifically incorporating happiness and health into a building and the built environment.

## 'HAPPINESS & HEALTH' EXAMPLES IN THE FUND'S PORTFOLIO



# Security

Security is an important aspect in our ESG policy. When residents feel secure in their homes and surroundings, it contributes to their mental health.

We promote security, for example, through a resident app and the presence of a service manager in the building. The service manager knows the residents and can prevent or de-escalate unwanted situations.

In larger developments, we work with other owners in owners' associations, which also allows us to monitor and improve security around our buildings.

Naturally, we use the highest security door and window hardware in our homes, and many properties have the Veilig Wonen (Safe Living) quality mark. Good lighting in communal areas and stairwells is a matter of course.

Proximity to public transport, good cycle links or organising car-sharing are also ways of promoting safety.

In inner city areas, finding tenants for the commercial level alternates between building entrances and business functions. Mixing these flows of traffic increases the liveliness and social control during the hours of darkness.



MIX OF LIVING AND LEISURE ON OOSTENBURG



# Social cohesion

The value of real estate is determined partly by the extent to which it promotes social cohesion between neighbourhood residents. We encourage people to meet and care for each other in and around our buildings to prevent loneliness.

At Westbeat in Amsterdam, we created an award-winning example with a 3,900 m<sup>2</sup> super-space. Work, relaxation and activity come together in this space. It will soon function as a meeting place for the district, with an integrated programme of culture and hospitality.

We signed the Oostenburg Manifesto on Oostenburg: a cooperation agreement between the municipality of Amsterdam, corporation Stadgenoot and the other building owners. The objective is to encourage meeting, cooperation and inclusiveness for residents, visitors and business owners.

In buildings with many single-person households, we are introducing the 'Area of People' app, where residents can meet and exchange information. As we also participate in this ourselves, we can respond quickly to requests for information or situations that need attention. For example, we saw that the shared-car concept at The David in Amsterdam spontaneously led to enthusiastic ambassadors in the building app.

We pay a lot of attention to communication in sustainability projects as we have found that this also leads to more contact between residents. The sense of community here creates a platform where we can continue to encourage sustainable use of the home.

OOSTENBURG FESTIVAL (JUNE 2022)



# Appendix: Performance indicators

Achmea Real Estate reports on its environmental and social impact in accordance with best market practices. We believe it is essential to be transparent about our impact. CO<sub>2</sub> emissions are calculated in accordance with the guidelines of the Greenhouse Gas Protocol (GHG protocol). This is the international standard for reporting greenhouse gas emissions, including CO<sub>2</sub>. We know that our data is not yet complete and will continue to improve reporting on our environmental impact in the years ahead.

## ORGANISATIONAL BOUNDARIES

Achmea Real Estate reports on environmental indicators for the Dutch real estate portfolios, both for the in-house funds and for the separate accounts.

## REPORTING YEAR

Energy consumption and the accompanying CO<sub>2</sub> emissions have been reported on for the calendar years 2021 and 2022. At the time of publishing this ESG report, the data for 2023 was not yet available. Energy labels and building certifications have been reported on for the calendar years 2022 and 2023.

## DATA COVERAGE

The enclosed tables show the data coverage for the reported data. By using smart meters and working closely with tenants, network operators and energy suppliers, we are able to achieve a high level of data coverage.

## RELIABILITY

An independent party provides insights into CO<sub>2</sub> emissions and energy consumption and the data are verified annually.

## OTHER REPORTS

Achmea's annual report deals with the impact of Achmea Real Estate's office and its employees. Achmea Real Estate also issued an overall ESG report 2023 and published a climate report in 2024.



Apartments for young adults starting out and students, Yours Leiden

## Environmental indicators

Indicator	Achmea Dutch Residential Fund Residential		
	2021	2022	
Energy (MWh)	Total electricity	18.749	20.141
	Total district heating and cooling	10.885	4.541
	Total fuels	21.530	20.156
	Total energy	51.163	44.839
	<b>Data coverage</b>	<b>92%</b>	<b>97%</b>

Indicator	Achmea Dutch Residential Fund Residential		
	2021	2022	
CO <sub>2</sub> -emissions (tonnes CO <sub>2</sub> e)	Total direct CO <sub>2</sub> emissions (Scope 1)	-	-
	Total indirect CO <sub>2</sub> emissions (Scope 2)	648	500
	Total indirect CO <sub>2</sub> emissions (Scope 3)	10.387	9.380
	Total emissions	11.035	9.880
	<b>Data coverage</b>	<b>92%</b>	<b>97%</b>

Intensity Indicator		2021	2022
Energy (kWh/m <sup>2</sup> /year)	Residential	103,1	101,8
CO <sub>2</sub> emission (kg CO <sub>2</sub> e/m <sup>2</sup> /year)	Residential	22,3	21,1

Reduction compared to base year 1990		1990	2022	% difference
Energy (kWh/m <sup>2</sup> /year)	Residential	189,6	101,8	-46%
CO <sub>2</sub> emission (kg CO <sub>2</sub> e/m <sup>2</sup> /year)	Residential	44,2	21,1	-52%

### CERTIFICATES AND ENERGY LABELS

		2022	2023
Building certificates (% of fair value)	GPR	82,46%	80,90%
	BREEAM	0,62%	0,52%
	No certificate	16,92%	18,58%
Energy labels Real Estate (% of fair value)	A	83,5%	88,1%
	B	7,2%	5,4%
	C	9,3%	6,1%
	D	0,0%	0,0%
	E	0,0%	0,0%
	F	0,0%	0,0%
	G	0,0%	0,0%
No label / unknown		0,0%	0,4%

# Achmea Real Estate supports:



## ABOUT ACHMEA REAL ESTATE

### WHO ARE WE?

- We are a specialist asset manager in real estate
- We manage €11.8 billion in residential, retail, healthcare real estate and offices
- We work for more than 30 clients, pension funds and other institutional investors
- We are part of Achmea Group
- We operate in the Netherlands, Europe, North America and Asia
- We employ 209 people

### WHAT IS OUR MISSION?

- We opt for sustainable investments. By doing so, we offer our stakeholders a healthy financial future in an attractive living environment
- Financial and social returns go hand in hand

### HOW DO WE WORK?

- We realise transparent, well-considered and substantiated business cases
- We connect from the conviction that synergy leads to the best result
- We innovate: our innovations contribute to a sustainable living environment
- We improve: reflection and self-knowledge are essential for continuous adaptation
- We maintain the highest standards in governance, compliance and risk management



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