

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Achmea Dutch Health Care Property Fund

Legal entity identifier: n/a

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** %

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 90% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective:** %

It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics by investing in future-proof healthcare real estate where financial and social returns go hand in hand.

The Fund specifically focuses on properties that are future-proof from an environmental perspective by:

1. aiming for as much real estate as possible in the portfolio with green energy labels (A-B-C), with the exception of listed buildings; and
2. achieving a reduction in CO₂ emissions.

From a social perspective, the Fund focuses on real estate that is attractive and contributes optimally to quality of life. The focus here is on:

3. tenant satisfaction; and
4. the healthcare theme by acquiring real estate for use as lifetime homes, residential care or primary and secondary healthcare centres.

It is also committed to high quality real estate and sustainable portfolio management. That is why efforts are made to continuously improve the sustainability policy and sustainability performance of the real estate portfolios compared to similar real estate portfolios in the market by means of the Global Real Estate Sustainability Benchmark (GRESB). This is not a reference benchmark in the sense

of European legislation, but this assessment is used to achieve and provide insight into the environmental and social characteristics promoted by the Fund.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to measure the environmental and social characteristics of the Fund:

1. The distribution of the energy labels in the portfolio
2. Carbon emissions per m² of the portfolio compared to the CRREM standard set for the portfolio
3. Tenant satisfaction (for lifetime homes)
4. The distribution of properties in the different healthcare real estate segments
5. GRESB score

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Real estate can contribute to an environmental objective by being energy efficient and having low carbon emissions. In that case limited natural resources are required and this contributes to the mitigation of climate change. This is determined for each real estate property based on the energy label. When a real estate property has energy label A or higher, it contributes to the objective to mitigate climate change.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Besides aiming to contribute to a sustainable investment objective for some of the properties in the portfolio, it must be ensured that properties do not harm other sustainability topics. Real estate can have adverse impacts on the climate, particularly through carbon emissions.

The adverse impacts of the properties on the environment determine whether a property is sustainable. This is determined using the following indicators for adverse impacts prescribed by European sustainability legislation:

- Exposure to fossil fuel activities (such as the extraction, storage, transportation or production of fossil fuels);
- Energy efficiency of real estate (for real estate built before December 2020, the property must have at least an energy label B and real estate built after December 2020, the limit is that the maximum primary energy consumption must be equal to or lower than the BENG2 (Nearly zero-energy buildings) standard), and;
- Optionally selected indicators are energy consumption and CO₂ emissions. We measure these indicators periodically and pursue a CO₂ reduction target at portfolio level.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Fossil fuel real estate activities

The properties in which the Fund invests relate to healthcare real estate. Healthcare real estate is not involved in fossil fuel activities, such as the extraction, storage, transport or manufacture of fossil fuels. Therefore, the exposure of the Fund to these activities is limited.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Energy-efficiency and carbon emissions

Energy-efficiency is one of the most important and measurable sustainability topics based on which the Fund is managed. Newly built properties should comply with the BENG2 based on current legislation. For existing properties the energy label is considered as part of the acquisition process of real estate. With regards to existing properties which the Fund invests in, it is determined how properties can be renovated to energy label A, with exception of the monuments.

In order to improve the energy efficiency, Achmea Real Estate aims to renovate the properties in the portfolio. The carbon reduction road map of the portfolio provides insight into which scenario's will reduce the carbon emissions and attain the objectives from the Dutch Climate agreement and is in measured with the CRREM norm

Carbon emissions and energy intensity

The carbon emissions and energy intensity of properties strongly relate to the energy efficiency of real estate. Our objective is that the real estate portfolio will reach the 2050 CRREM norm in 2040. We monitor the carbon emissions of the portfolio and report on this on an annual basis.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

These international norms mainly apply to the investment in companies. As the Fund solely invests in real estate, the investments are not aligned with these international standards. However, the principles of the guidelines are endorsed by the Fund. This results in the due diligence screening that is done on all parties before an agreement is concluded. Although not fully in accordance with the OECD guidelines, as the Fund is not formally obliged to do so and the real estate market is complicated with regards to this subject, in the coming years effort will be made on further elaborating policies regarding human rights in the construction chain, from which the Fund's investments arise.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, The legislation has defined the principal adverse impacts of real estate mainly in the form of environmental indicators. The two most important adverse impacts are energy inefficiency (measured based on energy labels for real estate built until 2020 and the BENG2 norm for real estate built after 2020) and the exposure to fossil fuel activities. In addition, carbon emissions and energy intensity of real estate is considered. The Fund's annual report will include information on how these adverse effects on sustainability factors have been taken into account.

No

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



What investment strategy does this financial product follow?

The investment strategy is described in the portfolio plan. The targets formulated in the investment strategy are approached through core objectives. These include reducing carbon emissions and developing initiatives that help improve tenant satisfaction. The Fund continuously pursues these core objectives.

These targets are achieved in two ways: first, by selecting properties that match the environmental and social characteristics, and second by focusing on improving the environmental and social characteristics of the existing real estate in the portfolio. With regard to ecological characteristics, this specifically means that for new and existing real estate, sustainability performance will be considered, such as the energy label to be achieved, the BENG standards, attention to limiting CO₂ emissions as a result of material choice in construction and sustainability activities, and finally participating in climate risk adaptation.

Besides these core objectives, the Fund also intends to continue developing other activities that contribute to its social and financial return.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The following binding elements apply when purchasing new properties and managing the properties in the portfolio:

1. All real estate objects in the portfolio, with the exception of monuments, must have a green energy label (A-B-C). For objects which are not a monument and which do not have a green energy label, a renovation plan will be drafted and executed.
2. The objective of the portfolio is to reach the 2050 CRREM norm in 2040.
3. For each property with a tenant satisfaction score lower than a 7 for the property, a plan is drawn up in consultation with the property manager to increase tenant satisfaction.
4. All objects in the portfolio should be classified as lifetime home, residential care, primary and secondary healthcare centre and other care.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

This question is not applicable to the Fund.

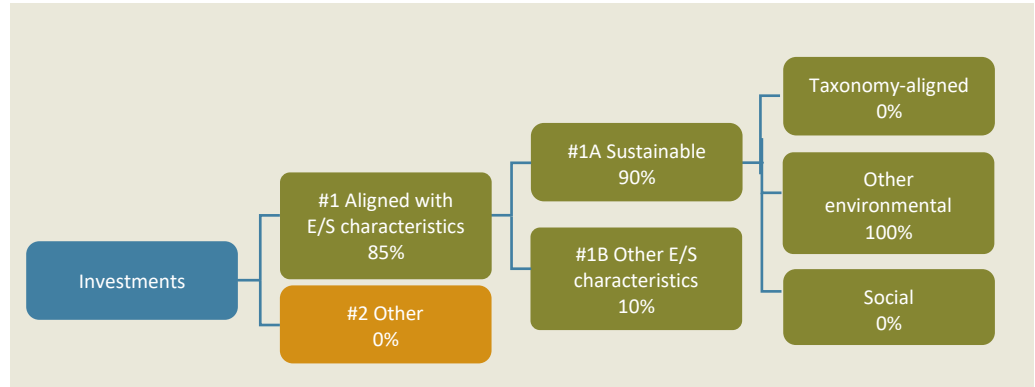
● **What is the policy to assess good governance practices of the investee companies?**

Good corporate governance is especially relevant to the investment in companies. The Fund invests in real estate. Consequently, the policy to assess good corporate governance practices of the investee companies has not been explained. From the point of view of due diligence and careful asset management, a screening process applies within the Fund / Achmea Real Estate that applies to all contracting parties (suppliers, service providers, tenants, etc.) before an agreement is entered into. Periodic interim screening takes place during the term of the agreement.

Asset allocation describes the share of investments in specific assets.



What is the asset allocation planned for this financial product?



The portfolio's investments consist of real estate, just periodically there is a small amount of cash present in the fund. This cash share is such a small amount that the classification in the image above only consists of the real estate objects in the fund, without the periodically present small cash share.

These real estate properties fall into one of the two categories below:

- **#1 Aligned with E/S characteristics** includes the investments of the financial product used to meet the ecological or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy.
- **#2 Other** includes the other investments of the financial product that are not aligned with the ecological or social characteristics and also do not qualify as a sustainable investment. 0% of the portfolio's investments fall under this category.

The category **#1 Aligned to E/S characteristics** consists of:

- **Subcategory #1A Sustainable** includes sustainable investments with environmental or social objectives. These are sustainable investments that contribute to an ecological objective and fall under the "Other Ecological" category. A more detailed description of the type of investments that fall into this category can be read under the question "What are the objectives of the sustainable investments that the financial product partially aims to do and how does the sustainable investment contribute to that objective?".
- **Subcategory #1B Other E/S characteristics** includes investments aligned with environmental or social characteristics that do not qualify as sustainable investments. The remainder of the portfolio does not qualify as sustainable.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

This question is not applicable to the Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This section does not apply to the Fund as there is no intended minimum allocation to sustainable investments with an environmental objective aligned with the EU taxonomy.

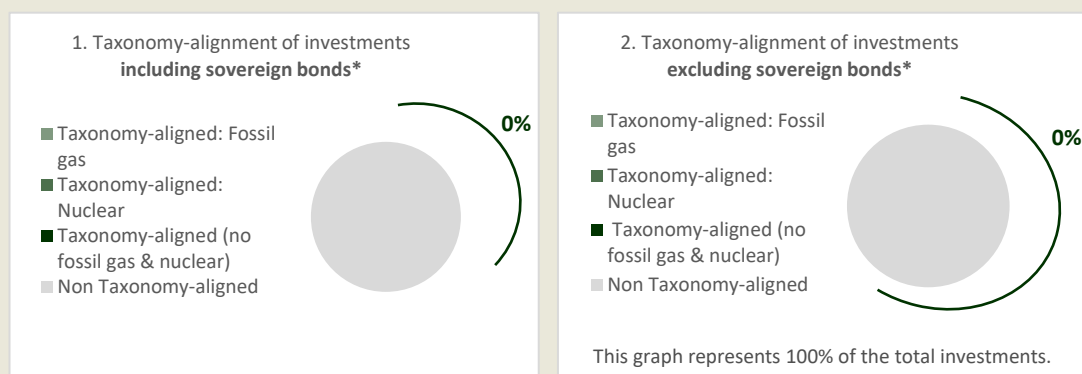
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

in fossil gas in nuclear energy

No


The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What is the minimum share of investments in transitional and enabling activities?**

This question is not applicable to the Fund.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy

Real estate properties that do not meet the Taxonomy criteria, but that do meet the criteria for sustainable investments with an environmental objective, are therefore a sustainable investment with an environmental objective in economic activities that are not aligned with the Taxonomy. The Taxonomy criteria have not yet been fully developed. In addition, there is still uncertainty about how a number of detailed requirements in the Taxonomy should be applied in concrete terms to real estate objects, so that it is not yet possible to determine definitively whether real estate objects are aligned with the EU taxonomy. For this reason, an alternative definition has been formulated for sustainable investments that contribute to mitigating climate change.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What is the minimum share of socially sustainable investments?

This question is not applicable to the Fund.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

All investments of the Fund comply with the environmental and social characteristics which have been included in this document. This means that no investments are included under other investments that do not meet environmental and social characteristics.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.achmearealestate.nl/en/investing/funds/achmea-dutch-healthcare-property-fund>