

Syntrus Achmea Real Estate & Finance

# Statement on Adverse Effects on Sustainability

March 2021

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**As investment manager, we take into account the adverse effects of our investments on the planet. That way, we can make a difference for future generations. Based on our long-term ESG strategy, we provide information about the adverse effects of our real estate and mortgage investments on sustainability factors. Sustainability factors include environmental, social and employment issues, respect for human rights, and combating corruption and bribery. We take these insights into account when considering investments. Based on the ESG strategy, for example, our portfolio and fund managers apply various ESG targets to the portfolios they manage and include them in the portfolio plans. The measures we take to mitigate the principal adverse effects are discussed in more detail below.**

## **Description of main adverse effects and measures**

We invest in minimising the impact of the built-up environment on climate change and are dedicated to creating a liveable environment. Ecological and social aspects are the most important sustainability factors for the type of investments made by Syntrus Achmea.

We use various measuring methods such as [GPR Gebouw](#), [BREEAM](#), [GRESB](#), our own climate impact scan and energy labels to ascertain the sustainability of our investments. We apply minimum requirements to the scores on these points before taking an investment decision. We also continue to critically monitor scores throughout the investment process. Various aspects such as energy, water, use of materials, land use and pollution are considered when working out the scores. We do not invest if a building does not meet our minimum requirements. More information about the measurement methods can be found in the document '[Incorporation Sustainability Risks in Investments](#)'.

We measure aspects including the energy and water consumption and carbon emissions of our real estate portfolios. In cooperation with INNAX, this data is monitored using equipment such as smart meters. We analyse this data with a view to making improvements in the property's environmental impact.

We aim to reduce the adverse impact on sustainability by making our properties more sustainable. With this aim in mind we have established the real estate's direct carbon emissions and the necessary mitigating measures, and we periodically measure the carbon reduction via our [CO<sub>2</sub> dashboard](#). To limit the demand for energy, we operate the Trias Energetica design strategy: a 3-step strategy for using energy sources as cleanly and economically as possible.



We use this method to ultimately achieve energy-neutral portfolios, in which we first focus on reducing energy demand. We reduce the property's carbon emissions impact by investing in circularity, green roofs, insulation and efficient systems. We also focus on sustainable energy, e.g. by installing solar panels and using residual heat.

**Social factors** also play a role in the real estate investment process. We believe it is important to also have a positive indirect impact on society. That is why we are committed to creating a pleasant living environment. We do this by offering affordable housing, for example. The affordability of housing is an urgent social issue, especially for starters on the housing market and households with an income that excludes them from the social rental sector. In cooperation with the larger cities and housing corporations, we therefore invest in affordable housing (in the mid-market rental category). We also support initiatives for the tenants of our properties such as the provision of electric and Smart Solar car sharing and various City Partner (*Stadspartner*) initiatives. We offer services and facilities at building level to stimulate the quality of life both for residents and the neighbourhood as a whole.

We also invest in housing for **specific target groups** (students and/or starters) and we take opportunities for greening and meeting places through roof and

courtyard gardens. And we seek to boost local amenities such as shops and care organisations by renting out commercial space in the ground floors of our residential buildings. With a specially developed Schedule of Requirements we strive to create connections between residents, to give residents and other stakeholders influence, but above all to stimulate health in our projects. We are well aware that loneliness is a major social challenge and that we can contribute to combating it through our investments.

For the mortgage investments, we measure and report **energy labels**. Our aim is to increase the number of green energy labels in the portfolio and thereby contribute to reducing carbon emissions. Syntrus Achmea encourages consumers to make their homes more sustainable by providing an insight into sustainability options and offering a discount for financing a home with a green label or for making certain improvements to the home that result in a greener energy label.

### **Commitment policy**

Syntrus Achmea has an [ESG strategy](#) setting out our vision, requirements and ambitions regarding sustainability for the real estate and mortgage investments. We work with various parties to develop and manage real estate and issue mortgages.



We undertake various activities to integrate the sustainability aspect in this cooperation.

For example, we make sustainability a topic for discussion among property developers, property managers and mortgage brokers in order to take maximum account of the adverse effects of property and mortgages. The products and services of our partners are expected to comply with the purchasing conditions relating to sustainability set by Syntrus Achmea. Syntrus Achmea's sustainability requirements form the basis when developing new real estate. Mortgage brokers advise consumers on their mortgages and can also provide information on making homes more sustainable. Space is also created for a dialogue with the tenants on energy and water consumption and satisfaction surveys are conducted among tenants.

### **Codes of conduct and internationally recognised standards of corporate responsibility**

In 2011, Syntrus Achmea signed and reported on 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.

In addition, the objectives of the ESG strategy of Syntrus Achmea are linked to 5 of the 17 **Sustainable Development Goals** of the United Nations. Examples of our ESG objectives include reducing our carbon footprint, introducing climate adaptation measures, improving the quality of life in neighbourhoods, paying attention to the welfare of our tenants and focusing on affordable housing for specific target groups.

Achmea signed the **Climate Agreement** in 2019. By signing this agreement, we express our commitment to its goals. It was agreed that the organisation would report on the climate impact of financing and investments and that plans of action to reduce carbon emissions would be in place by 2022. Contributing to slowing down climate change has been high on Achmea's strategic agenda for many years and it is one of the three focus areas (UN SDGs) within the strategy.

