

A vibrant street scene in a European town, likely Ajaccio, Corsica, where numerous colorful umbrellas (red, yellow, green, blue) are strung across the street against a clear blue sky. The umbrellas are suspended from wires, creating a canopy effect over the buildings below. The buildings are multi-story with light-colored facades and red-tiled roofs. A red awning with the text 'Raj-M' is visible on the right side of the street.

# Responsible Investment Report 2019

Creating vibrant places

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# Message from the CEO

Dear reader,

2019 was an exciting year for us, as we celebrated our 20th anniversary. Our company has constantly been reinventing itself and we will continue to do so in response to strategic choices and ongoing developments in the markets we operate in. Urban areas are changing rapidly and, in parallel, also the demands on the use of real estate space. Anticipating this, we started investing in the residential sector and putting more focus on developing mixed-use projects. The end of last year also marked the beginning of a new phase, a reinvention if you will, as we decided to expand our horizon even further and broaden our investment scope beyond retail and residential. To confirm our new strategic direction a new mission statement was created: **Your trusted partner in urban real estate.** I am excited to see our strategy unfold and become a reality with the first acquisitions in this new direction.



Before looking back at 2019, I want to address the unprecedented times our world is going through currently. By the time this report comes out, COVID-19 will already have had a severe impact on our lives, our business and society at large for six months. The measures taken by Redevco during this challenging period have been targeted first and foremost towards protecting the health and well-being of our employees, our tenants, investor clients and other stakeholders we work with as well as towards safeguarding our business continuity. To what extent COVID-19 will have an impact on the mid and long term remains to be seen, but we can be clear about one thing: there is no getting back to normal once the situation is under control. For me personally, these times make even more evident that it's people who make our companies, our urban spaces and our economies vibrant. In such unprecedented times, we must come together as people above all.

## Stakeholder engagement

In our changing world, what remains constant throughout and continues to be very relevant to us, is our firm belief that you do business in a responsible manner. Fighting climate change has united people, governments and organisations around the world to act. Our biennial materiality and maturity assessment confirmed that climate is the most important issue for the stakeholders we consulted, as the top three material topics are: 1. climate-resilient portfolio, 2. emissions and 3. encouraging responsible investment. Furthermore, our internal Pulse survey, which we use to ask our employees ↓

**'What remains constant throughout and continues to be very relevant to us, is our firm belief that you do business in a responsible manner.'**

**Andrew Vaughan**  
– CEO

for feedback and input, clearly showed that sustainability is an important topic to our employees, who voted carbon neutrality as one of Redevco's top priorities, together with health & well-being and circular economy.

### **Mission 2040**

In October 2019, we announced our commitment to making our entire portfolio Net Zero Carbon by 2040 and step up our part in the fight against climate change. This is what we call Mission 2040. We aim to have at least 50% of investment value BREEAM certified with a 'Very Good' or better rating by 2022. At the end of 2019, this was 45% compared to 34% the year before. Our asset management team has done a great job overachieving the target of improving the BREEAM ratings of 22 properties. In 2019 a total of 35 assets have improved BREEAM ratings, following on from 47 improvements in 2018. We are also well on the way to reducing the CO<sub>2</sub> emissions per employee to 2,700 kg by 2020 which represents a 50% reduction from the baseline established in 2009. Despite a deliberate choice to fly our entire team to Lisbon for our 20th anniversary celebrations and to fully offset those flights, we managed to bring down the CO<sub>2</sub> emissions per employee to 3,074 kg, a decrease of 4% compared to 2018. We are confident that this year we will be able to reduce the remaining 374 kg of CO<sub>2</sub> per employee -or even more- to reach our target.

### **Our employees as a driving force**

Our employees play a key role in driving our sustainability and corporate responsibility programme. I was proud to see such an engaged crowd when I called for a Travel Awareness Month in February. The goal: reducing our CO<sub>2</sub> emissions by trying alternatives for travelling: from virtual meetings instead of physical ones or using public transport versus driving or flying to choosing an electric car. I had my share of experiences in the trains replacing flying from Düsseldorf to my hometown and Zürich to Paris. I also enjoyed the eScooter in Düsseldorf as an alternative to taking a taxi. By organising my travel this way, I managed to decrease my flights substantially.

Health & well-being is another top priority for our employees. Some colleagues organised a vitality week to introduce ways to keep body and mind healthy: from yoga sessions and sports activities in our gym downstairs to healthy eating and presentations about mindfulness and reducing stress. What I truly like is that our teams are very supportive, and the fact that they initiate many activities to contribute shows that the topics above matter to us. This is also evident when we look at the impact in the communities where we are active through our annual volunteering day and the projects supported by the Redevco Foundation. With so much internal involvement, drive and passion I am convinced that we will be able to realise our Mission 2040, making a lasting positive impact in our industry and the communities we serve.

I'd like to thank our colleagues, partners, occupiers and other stakeholders for their trust and commitment so far. I am fully aware that we are faced with the enormous challenge to recover from the impact the COVID-19 measures have left us with. Hopefully, whilst re-building our economies and society, we will use this as an opportunity to make some structural changes in our behaviour that will contribute to making our business more sustainable. The time to act responsibly and collectively is now! ■

**Andrew Vaughan**

Chief Executive Officer

Redevco has made a commitment to make its entire portfolio Net Zero Carbon by 2040, an ambition encapsulated in the campaign 'Mission 2040'. For more information on Mission 2040 please go to: <https://sustainability.redevco.com>





# Highlights 2019

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# BREEAM improvements

When under our care we aim to improve the condition of a building and make it future-proof. The improvement of the sustainability performance of an asset is a big part of that. This is why we set ourselves the target of improving the BREEAM ratings of 22 properties in 2019, which stimulates our teams to build on our successful track record and keep a holistic view to pursuing positive environmental, social and financial impact. The BREEAM methodology helps us measure the environmental performance of our buildings, set targets for improvement and ultimately make them better and more future-proof.

Over the years we have learnt that building and maintaining a strong relationship with our tenants is key. We therefore focus on successful collaboration with our tenants during the planning and execution of our improvement projects. Early engagement has proven to not only lead to better environmental outcomes, but also better tenant relationships.



## Outstanding energy performance

**Bahnhofstraße 23, Bielefeld, Germany**

**Tenants:** Woolworth, Hans im Glück, Müller, New Yorker, Decathlon, easyFitness

**BREEAM In-Use:** Good > Very Good

- Outstanding energy performance
- Low energy lifts & escalators
- Low impact building materials
- LED lighting (by tenants)



## BREEAM In-Use Excellent

**Chaussée d'Ixelles 63/65, Brussels, Belgium**

**Tenant:** Primark

**BREEAM In-Use:** Good > Excellent

- Highly insulated roofs and glazing and new, state of the art HVAC installations
- LED lighting with automatic controls and movement detection sensors
- Asset contains green roofs
- New water efficient equipment and appliances
- Improved waste management



## Renovation of existing asset

**Vredenburg 17, Utrecht, The Netherlands**

**Tenants:** Decathlon & Zalencentrum Vredenburg

**BREEAM In-Use:** Good > Very good

- Low energy lifts & escalators
- Increased percentage of insulated glass
- Highly insulated
- LED lighting (by tenants)

Photography: Kees Hummel

Overall percentage BREEAM certified

88%

Overall BREEAM Very Good or better

45%

Improvements in 2019

35

# Business summary

## 20 years celebration

In 2019 Redevco celebrated 20 years in business. We have reinvented ourselves in one way or another throughout the company's existence in response to strategic choices and developments in the world around us. The latest reinvention was expanding our horizon and broadening our investment scope beyond retail and residential. For Redevco, known in the market for its retail real estate expertise, with assets under management located in city centres, this is a perfectly logical step.

## Mission 2040

In October 2019 we committed to making our entire portfolio Net Zero Carbon by 2040 as part of our ongoing efforts to act responsibly and reduce our impact on the environment. The new 'Mission 2040' campaign is aligned with the World Green Building Council's definition of Net Zero Carbon (NZC), which states that buildings should be highly energy efficient and fully powered from on-site and/or off-site renewable energy sources.

## One Tower Bridge

In September 2019, Redevco acquired the predominantly food and beverage (F&B) commercial units of the new mixed-use One Tower Bridge property for £70 million (€78 million) from the Berkeley Group. The asset is topped by super-prime residential apartments and faces the iconic London UNESCO landmark that spans the River Thames. The property comprises 7,720 m<sup>2</sup> of retail, restaurant and cultural space, with 11 F&B and two retail units, as well as the Bridge Theatre – the largest commercial theatre built in London in the last 80 years.

## Le 31 Lille

The property, which was acquired in 2017 as part of our joint venture between Hermes Investment Management, is currently being transformed into a mixed project with a total lettable area of 25,000 m<sup>2</sup>, including 2,400 m<sup>2</sup> of retail, 1,700 m<sup>2</sup> of food and drink outlets, 5,200 m<sup>2</sup> of leisure activities, 8,000 m<sup>2</sup> of office and co-working space, a 120-room OKKO hotel and 600 parking spaces. The aim is to unite a special mix of tenants that jointly offer a unique combination of products and services, which surpasses regular mixed-use projects.

## BREEAM Excellent for Bielefeld

Redevco received a BREEAM DE New Construction sustainability 'Excellent' rating for its retail property at Bahnhofstrasse 23/Arndtstrasse 2b in Bielefeld, Germany. One part of the building ensemble was modernised in 2017 and 2018 (Bahnhofstrasse) and the other part completely demolished and newly constructed (Arndtstrasse). The Bielefeld property is an excellent example of transforming an outdated 'Big Box' department store into a fully let multi-use asset.

Acquisitions

47

Disposals

272

Total traded

319

In million EUR

# KPIs and results 2019

	Target 2019	Result 2019	Result 2018
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## How we do it

### Business integrity

**Maintain a high business integrity awareness**

KPI: % of staff who signed BIP

100%	100%	100%
(annually)		

**Comply with BIP, regulations and legislation**

KPI: Total number of incidents, breaches and sanctions as a result of non-compliance

0	3	0
(annually)		

### Employee engagement and enablement

**Get the best out of our people by giving clear feedback and guidance on performance**

KPI: % of employees having received regular performance feedback

90%	99%	91%
(annually)		

**Improve engagement and enablement of our employees and define improvement plans**

KPI: Average engagement index score Redevco Pulse

85%	86%	84%
(annually)		

**Professional development of our employees**

KPI: % of employees participating in training courses or development programmes

75%	85%	84%
(annually)		

## What we do

### Energy use

**Reduce CO<sub>2</sub> emissions of our business operations**

KPI: kgCO<sub>2</sub> emissions per employee (headcount)

2,700	3,074	3,187
(in 2020)		kg CO <sub>2</sub>

**Working towards a Net Zero Carbon portfolio and business operations by 2040\***

KPI: Define the long-term road map with corresponding short- to medium-term actions

Finalised in 2019	'Mission 2040' approved and communicated	in progress
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### Future-proofing the portfolio

**Improve environmental performance of assets under management**

KPI: Number of improved BREEAM In-Use ratings

22	35	47
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**Reduce environmental risk and deliver sustainable risk-adjusted returns to clients**

KPI: % of investment value allocated to BREEAM In-Use Very Good or better

50%	45%	34%
(in 2022)		

\* This target was adjusted from 2030 to 2040, for an explanation please see comment on page 18





Chapter 1

# Business activities

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# Company profile

Redevco is a pan-European real estate investment management company specialised in retail property yet diversifying into a broader range of sectors in attractive urban environments.



Our aim is to contribute to making urban centres more interesting places in which to live, work and play, by providing the best real estate possible that meets the needs of the different occupier groups and also delivers attractive returns to our investor clients. We currently manage a portfolio of 297 (year-end 2018: 306) assets across 12 countries. Worth a combined €7.4 billion (year-end 2018: €7.5 billion), these properties comprise 2.5 million m<sup>2</sup> of space and represent more than 2,000 tenancies. We are part of COFRA Holding AG.

## What we do

Our team of 197 professionals provide clients with the full range of real estate investment management services: strategy creation, acquisitions, rent and lease management, maintenance and development and divestments. We create value by finding and effectively managing the best properties in the most attractive urban locations. We use our thorough understanding of the retail sector as well as research into the most attractive urban locations to build solid investment strategies for our investor clients and retail customers, but also to diversify into other real estate asset classes in those urban environments that are best suited to deliver lasting value.

## How we do it

Our business is built on three pillars. Firstly, we have deep-rooted local capabilities that allow our country teams to buy, develop, let and manage properties that are ideally suited to the needs of our tenants. Secondly, we design and manage our specialist fund strategies to anticipate and respond to the ever-changing occupier markets, which helps us focus on those locations with the most relevant, sustainable and inspiring real estate. For our investors, this approach translates into solid returns. Lastly, Redevco's scale and international footprint mean we can leverage the collective knowledge of our local country-based, fund management and specialist teams. ↓

## Redevco Board

as of October 2019

### Andrew Vaughan

Chief Executive Officer (CEO)

### Manolito van Ardenne

Chief Financial Officer (CFO)

### Ton van de Grampel

Chief Human Resources Officer (CHRO)

# Key figures\*

## Amsterdam

- 55 employees \*\*
- €0.46 bil. portfolio value
- 42 AuM
- 72% of total value BREEAM certified
- 91 # of leases
- 0.11 mil. total lease area (m<sup>2</sup>)

## Brussels

- 35 employees
- €1.85 bil. portfolio value
- 102 AuM
- 90% of total value BREEAM certified
- 901 # of leases
- 1.4 mil. total lease area (m<sup>2</sup>)

## Düsseldorf

- 30 employees
- €1.3 bil. portfolio value
- 46 AuM
- 100% of total value BREEAM certified
- 248 # of leases
- 0.45 mil. total lease area (m<sup>2</sup>)

## London

- 22 employees
- €0.82 bil. portfolio value
- 27 AuM
- 78% of total value BREEAM certified
- 280 # of leases
- 0.13 mil. total lease area (m<sup>2</sup>)

## Madrid

- 20 employees
- €0.85 bil. portfolio value
- 29 AuM
- 69% of total value BREEAM certified
- 283 # of leases
- 0.19 mil. total lease area (m<sup>2</sup>)

## Paris

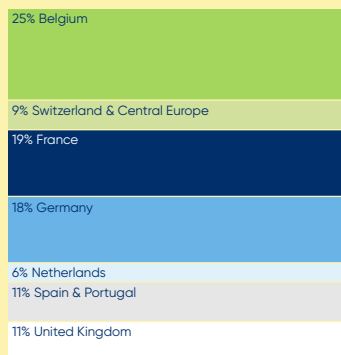
- 26 employees
- €1.44 bil. portfolio value
- 35 AuM
- 96% of total value BREEAM certified
- 226 # of leases
- 0.17 mil. total lease area (m<sup>2</sup>)

## Zurich

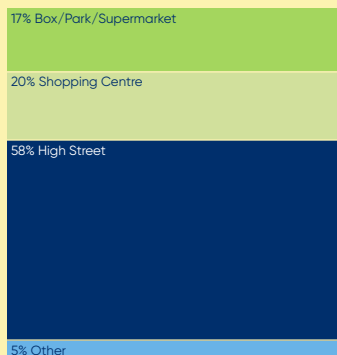
- 8 employees
- €0.68 bil. portfolio value
- 16 AuM
- 93% of total value BREEAM certified
- 99 # of leases
- 0.1 mil. total lease area (m<sup>2</sup>)

\* on February 29th, 2020

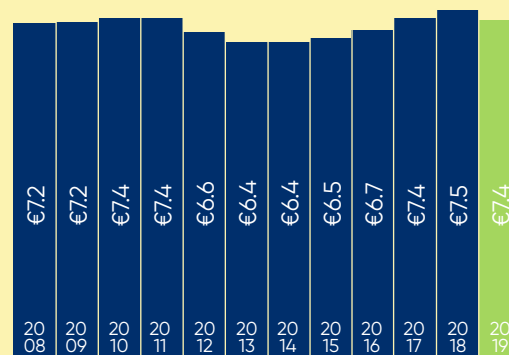
\*\* Redevco Netherlands and Redevco Corporate Services



**Figure 1.1.** Geographical spread in value (on February 29th, 2020)



**Figure 1.2.** Sector spread per asset class (on February 29th, 2020)



**Figure 1.3.** Portfolio development (on February 29th, 2020)

## How we govern

Redevco's Board has delegated the day-to-day management of the business to our Executive Committee (ExCo) to ensure more integrated decision-making and appropriate accountability for both Fund Management as well as our operations as an investment manager. The ExCo reaches decisions collectively so that they are properly and speedily implemented across all of Redevco's activities. The ExCo has ten members and they convene every month.

Redevco organises its collaboration across countries and teams in three groups: the Deal Team, the Portfolio Platform and the Finance Platform. Each focuses on a particular part of the business, preparing and implementing ExCo decisions in their respective area of expertise.

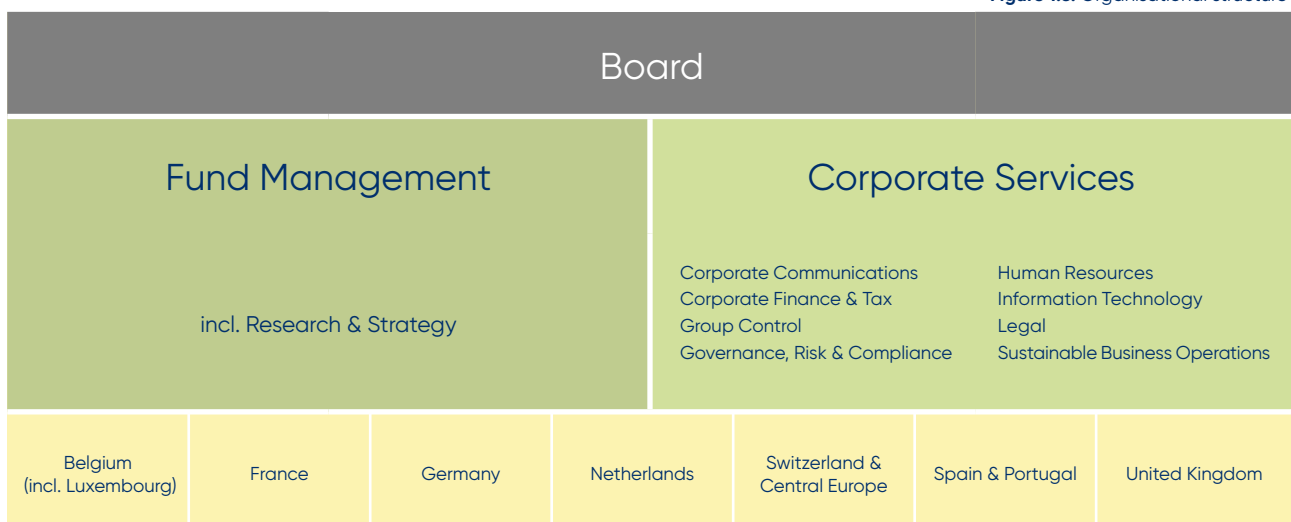
The Investment Committee, chaired by our CEO, makes all investment and divestment decisions. Its members include the CFO and all of the Managing Directors of Fund Management. When an investment or divestment has an important residential component, the Investment Committee will have two additional members: the Managing Director Residential and an external residential advisor.

The purpose of the Information Security Committee (ISC) is to advise the Management Board in fulfilling its oversight responsibilities with regard to Redevco's information security programs and risks. The ISC consists of the CFO, General Counsel, Head of Governance, Risk and Compliance, Head of Information Technology and Manager IT Infrastructure & Support. ■

Figure 1.4. Governance structure



Figure 1.5. Organisational structure



# Responsible governance

Redevco applies a responsible governance approach, focused on business ethics, integrity, compliance and clear accountabilities, thereby ensuring business continuity and stakeholders' trust.



Redevco's responsible governance approach is embedded in the company's values – Integrity, Excellence, Balance and Team Spirit. These determine how we work and interact with one another (people), how we ensure sustainability (planet) and how we conduct business (profit). Commitment to these values is considered fundamental to deliver on our mission of being 'your trusted partner in urban real estate'. Redevco's core values determine how we:

- Do business fairly and honestly at all times and in all matters – Integrity
- Strive to always improve our work by finding better and more efficient solutions – Excellence
- Think and act as a partner to our stakeholders to ensure continuity – Balance
- Share knowledge and exchange ideas across the group to enable us to act as one – Team Spirit

Together with our stakeholders we are keen to further build a culture of integrity, respect and compliance.

## Maintaining standards

To maintain Redevco's high standards, we invite new employees to an onboarding programme explaining our values and business integrity principles. During annual workshops with our employees we discuss our values, the business integrity principles and the dilemmas we face when applying these values and principles in our day-to-day work.

A Governance, Risk & Compliance (GRC) framework is in place. A keystone of the framework is 'Integrity'. In addition there are four other pillars to the framework, which gives a coherent and integrated structure to our day-to-day work through guidance, risk management and controls. The framework supports a corporate culture where behaviour and decision-making at all levels are aligned. It outlines 'the way we work' principles, demonstrating our commitment to conducting business in a manner that respects the interests of our stakeholders, fair competition, data privacy and applicable law. ↓

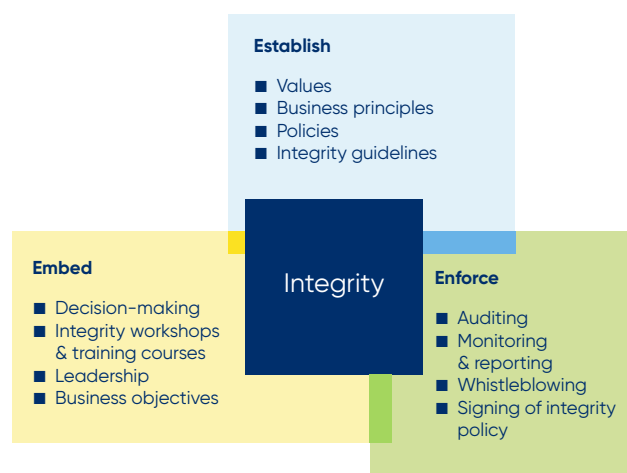


Figure 1.6. Elements of Redevco's integrity principles

The framework is regarded as essential to achieve Redevco's mission and ensure responsible governance. The practical applications of the framework are detailed below.

### Reporting violations

Redevco's Business Integrity Principles and the Whistleblowing Policy encourage employees to seek advice and report concerns about potential incidents of bribery, fraud or other violations of our values and business integrity principles.

The Whistleblowing Policy is discussed during the annual integrity workshops to ensure that all employees know the reporting procedure in case of any concern. In 2019 three cases were reported under the policy. One case was related to a fatality during refurbishment executed by a subcontractor, one case has been reported to the Data Privacy Authorities in the Netherlands (Autoriteit Persoonsgegevens) and one case was related to non-compliance to our Business Integrity Principles. Two cases resulted in a dismissal.

### Continuing commitment

All Redevco employees are required to observe Redevco's values and business integrity principles. In 2019, 100% of employees signed a commitment to observe the values and business integrity principles (100% in 2018) and 81% participated in the annual integrity workshops (83% in 2018). The topic of this year's integrity workshop was 'Live up to our values' to discuss any dilemmas we face during our day-to-day business life. ■

Figure 1.7. GRC Framework



	Target 2019	Results 2019	New target
<b>Maintain a high business integrity awareness</b> KPI: % of employees who signed BIP	100%	100%	100%
<b>Comply with business integrity principles</b> KPI: Total number of incidents, breaches and sanctions as a result of non-compliance	0 (annually)	3 (annually)	0 (annually)

Framework's architecture	Practical application			
Integrity: The way we work	The core values, business principles and integrity guidelines that underpin and establish boundaries for conducting business	Guidance on 'the way we work'	Interactive workshops to discuss dilemmas	Obtain commitment for adherence to integrity principles
Decision Matrix (DDO)	Governance structure with clear mandates and roles & responsibilities	Appoint accountability	Ensure efficiency in decision-making	Basis for job profiles, system access & roles
Risk & Control	Prevent or mitigate material surprises which could affect the business objectives being achieved	Strategic risks workshops, risk dashboards and follow-up	Risk-based controls	Insurance
Risk-Based Policies (RBP)	Clear process flow, procedures and policies for material management processes	Efficient and adequate processes	Uniform policy house	Link to the decision Matrix (DDO)
Compliance & laws	Compliance with laws & regulations and the GRC framework	GDPR compliance	Whistleblowing Policy	Business reviews

Figure 1.8. Putting the framework into practice

Chapter 2

# Responsible investing

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# Stakeholder engagement and materiality

We strive to integrate sustainability and responsible investment principles into our day-to-day operations. This is in line with the expectations of our many stakeholders: employees, shareholders, investor clients, tenants, suppliers, advisors and representatives of municipalities. To keep track of what is important to them, we regularly monitor their opinions and perceptions by means of awareness and brand value surveys and materiality assessments.

Every year, we participate in the annual Real Estate Brand Value Study. This study, conducted by the European Real Estate Brand Institute, allows us to benchmark our brand and its position relative to seven other market players. The approx. 2,900 respondents represent stakeholders in the real estate sector across Europe. The findings of the 2019 study confirmed that perceptions around asset management and portfolio management have improved, and identified digitisation and innovation as areas where we can significantly improve our brand's strength.

In line with GRI guidelines, we update our materiality matrix every two years. This year we repeated the materiality assessment. It has helped us to focus on the highest priorities relevant to our stakeholders and us. Independent advisor Sustainalize carried out the assessment, in compliance with the GRI Sustainability Reporting Standards. This year we decided to go for a different, more qualitative approach. We invited a group of key stakeholders (shareholders, client investors, tenants and employees) to complete an online questionnaire to rank 15 topics of key importance to them and take part in an interview with Sustainalize to further discuss the outcome of the survey.

This resulted in seven material topics: Climate-resilient portfolio, Emissions, Encouraging responsible investment, Social and environmental influence of portfolio, Responsible rent and lease management, Responsible governance and Employer of choice / Employee development.

In the maturity exercise with our Executive Committee, the top 3: Climate-resilient portfolio, Emissions, Encouraging responsible investment were deemed to be the most urgent, i.e. that these topics were not as mature within the Redevco organisation as one might expect, given their importance to our stakeholders. ↓

**'The outcome of our latest materiality assessment shows us there is a clear shift visible in what our stakeholders, both internally and externally, deem important: reducing our carbon footprint and encouraging our client investors to invest responsibly.'**

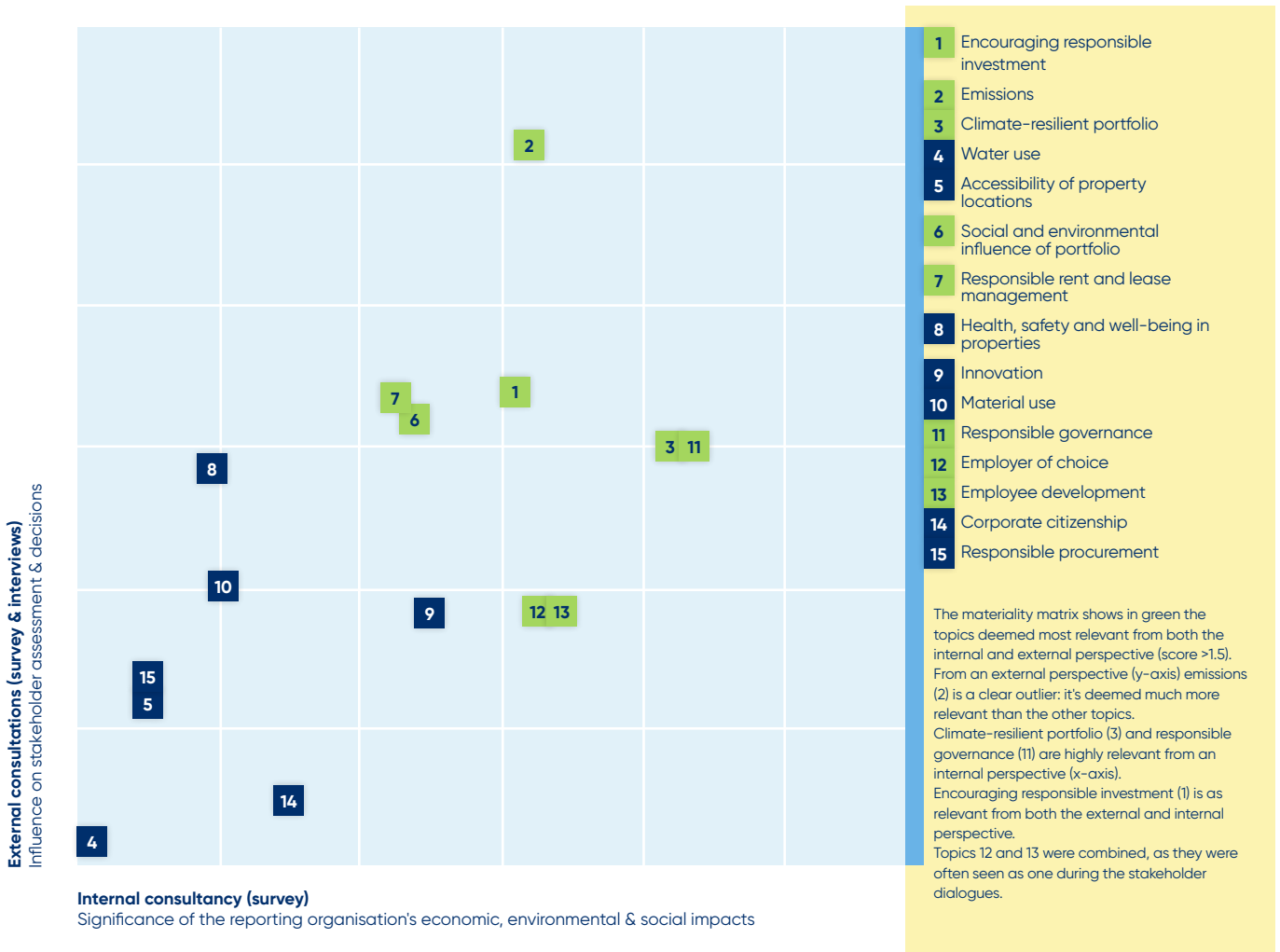
**Clemens Brenninkmeijer**  
– Head of Sustainable Business Operations



A number of recommendations have been formulated regarding these three topics in the area of Fund & Transaction Management, Asset Management and Corporate Communications and will be picked up in the new business year.

The outcome of our latest materiality assessment shows us there is a clear shift visible in what our stakeholders, both internally and externally, deem important: reducing our carbon footprint and encouraging our client investors to invest responsibly. ■

Figure 2.1. Materiality matrix 2019



Our previous materiality matrix showed Business Integrity, Future-proofing the portfolio, Energy use and Employee engagement & enablement as the four high material topics. Compared to our last materiality matrix, we see a shift in the top 4 where environmental topics have become more material. New typology: Responsible Governance can be compared to Business Integrity, Emissions is related to Energy Use, Future-proofing the portfolio can be compared to Climate-resilient portfolio. Encouraging responsible investment was a new topic in our latest materiality assessment. Employer of choice & Employee development can be compared to a combination of Employee engagement & enablement and Employee development, this topic is still material, but no longer in the top 4.

# Investing responsibly in a global context: Mission 2040

Having celebrated our 20th anniversary and being part of a group that has existed for six generations, we are very proud of our heritage and strong values. We are committed to contributing in a consistent way to the mission of our [holding company](#) by staying true to our 'Business in Balance' principle: a holistic approach to corporate responsibility, encompassing people, planet and profit.



'Business in Balance' guides us in how we do business: aiming to strike the right balance between social impact, eco-friendliness and profitability. We invest in buildings that are sustainable in every sense of the word. This means investing in urban environments that are both inspiring and appealing now and for future generations. Properties that are energy efficient which will endure as places where people want to live, work and play.

We believe that our approach to asset selection and the conscious effort to 'future-proof' individual assets by making them economically, functionally, socially and environmentally attractive to businesses and consumers contribute positively to the intent of several UN Sustainable Development Goals (SDGs). We see the above as a contribution to SDG 11: 'Sustainable Cities and Communities.' Following a dramatic increase in media coverage of the climate emergency, and in concern among society broadly about climate change. This, and the outcome of our recent materiality assessment, has encouraged us to focus on emissions, responsible investment and a climate-resilient portfolio, to raise our ambition level by implementing measures to contribute positively to SDG 13 on 'Climate Action'.

Our response to the above is to commit to making our entire portfolio Net Zero Carbon by 2040. Our new 'Mission 2040' campaign is aligned with the World Green Building Council's definition of Net Zero Carbon (NZC), which states that buildings should be highly energy efficient and fully powered from on-site and/or off-site renewable energy sources by 2050. While reflecting on this framework and looking at our portfolio the ambition we had tentatively formulated last year to reach NZC by 2030 was not realistic. However, we feel that the 2050 target is too far away and not ambitious enough, so we have adopted 2040 as our goal. This encourages us to take deliberate action and to engage with our investor clients, tenants, employees and other partners as we seek to continuously improve the environmental performance of our assets as well as our business operations. More details on how we do this can be found in subsequent chapters. ↓



To demonstrate what Mission 2040 looks like, we have selected four signature projects to learn but also demonstrate what actions are needed to make buildings Net Zero Carbon and that our ambition is achievable.

Our four signature projects comprise a retail transformation project, a residential development, an inner-city shopping centre project and on-site renewable energy generation efforts. The energy efficiency of our buildings will be improved as much as possible through a combination of building material-related measures and collaboration with tenants. In addition, we will start investing in on-site renewable energy generation where that makes sense. ■



# Targets & KPIs

Target 2020

## Environmental

### Emissions

The impact Redevco has on climate change and biodiversity through the emissions from its own operations and the use of its assets under management.

#### Working towards a Net Zero Carbon portfolio by 2040

KPI: Ensure reliable reporting on energy intensity and carbon emissions

implement online energy data management system

#### Reduce CO<sub>2</sub> emissions of our business operations

KPI: kgCO<sub>2</sub> emissions per employee (headcount)

2,700

### Climate-resilient portfolio

The impact Redevco has on the adaptability of its portfolio against the potential effects of climate change through its new investments and design concepts.

#### Improve environmental performance of assets under management

KPI: Number of improved BREEAM In-Use ratings

26

## Social

### Employer of choice:

The impact Redevco has on employee engagement and retention by implementing good working conditions (incl. health, safety and well-being).

#### Improve engagement and enablement of our employees

KPI: Average engagement index score Redevco Pulse

85%  
(annually)

### Employee development

The impact Redevco has on employee engagement, retention and their employability by offering employees personal and professional development opportunities.

#### Professional development of our employees

KPI: % of employees participating in training courses or development programmes

75%  
(annually)

#### Get the best out of our people by giving clear feedback and guidance on performance

KPI: % of employees having received regular performance feedback

90%  
(annually)

## Governance

### Encouraging responsible investment

The impact Redevco has on its investors through advocating its responsible investment philosophy and offering responsible investment products.

#### Reduce environmental risk and deliver sustainable risk-adjusted returns to clients

KPI: % of investment value allocated to BREEAM In-Use Very Good or better

50%  
(in 2022)

### Responsible governance

The impact Redevco has on its business continuity and stakeholders' trust by applying responsible governance (business ethics, integrity, regulatory compliance, etc.)

#### Maintain a high business integrity awareness

KPI: % of staff who signed BIP

100%  
(annually)

#### Comply with BIP, regulations and legislation

KPI: Total number of incidents, breaches and sanctions as a result of non-compliance

0  
(annually)

Chapter 3

# Future-proofing the assets we manage

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# Investment approach

We fundamentally believe in cities. Throughout our history we have always operated in and continue to focus on the urban environment.

The complex challenges cities are facing today and in the future offer business opportunities, for instance:

- Changing consumer behaviour requires transformation of retail real estate. This will become even truer in light of COVID-19
- Rapid urbanisation and lifestyle changes require (new) affordable living concepts to meet increased housing demand
- Climate change and the demand to make cities future-proof drives the need for solving sustainability and mobility issues

We are expanding our horizon beyond retail; we have therefore significantly restructured the share of different retail segments within our portfolio. The majority of our acquisitions in the past five years have been outside fashion retail. We will continue to strengthen our position in locations and segments that are most resilient.

To us, this means investing in urban environments, creating vibrant places and making cities better locations to live, work and play. Future investments will largely be concentrated in mixed-use urban locations, as the blurring of boundaries between real estate asset classes accelerates.

We also believe in future-proofing our assets and making these more sustainable, both economically, socially and environmentally. We aim to create vibrant places that will retain their appeal for future generations and aim to improve both the environmental and social impact on local communities and businesses where each asset is located.

To mitigate location risk, we believe that an in-depth view on a city's attractiveness for real estate investment is crucial for our continued success as a business. The right mix of qualities that inspire and appeal to future generations will determine which cities and locations succeed or risk failure in the long term. Our ability to identify future-proof locations is at the core of a successful real estate investment strategy, since it drives performance. We created our City Attractiveness Tool back in 2012 and have been refining and updating it annually to keep our view on cities as up to date as possible. Going forward we will also expand the tooling beyond retail real estate. In addition, we use our Asset Attractiveness Tool to assess the perceived quality of an asset, its micro-location and its current and future risks and opportunities. For more details on these tools, please visit our website. ■

**'We fundamentally believe in cities. Throughout our history we have always operated in and continue to focus on the urban environment.'**

**Bart Vink**  
– Head of Research & Strategy

# Continuous improvement

Reducing harmful emissions from human activity is a key environmental issue at a global level, especially for real estate. Buildings account for more than 30% of global energy consumption and associated carbon emissions. The importance of reducing emissions is reflected in our new materiality assessment, where our stakeholders identified emissions as a number one priority. It is also at the core of our Mission 2040: our commitment to making our assets under management Net Zero Carbon by 2040.



As a responsible real estate investor, we believe that we should pay extra attention to the environmental impact of our assets. Resilience to climate risks is of growing concern for our investor clients (see our materiality matrix), hence we must contribute to this resilience by reducing energy use and emissions. Our Mission 2040 guides us to focus on key actions when improving our assets in order to reduce energy consumption, generate on-site renewable energy wherever possible and encourage our tenants to procure green energy, thereby minimising carbon emissions from the operation of our assets. However, this specific focus does not detract from a holistic approach to continuous improvement, where all key environmental impacts, as determined by BREEAM, are addressed.

We use the BREEAM In-Use methodology (see our website for more details on BREEAM In-Use and our portfolio approach) to determine which actions to undertake as well as to measure and monitor our progress. The intent is to set achievable and realistic targets without jeopardising the financial and commercial objectives at asset level. By doing so, we demonstrate our ambition to continuously improve the environmental performance of our portfolio. ↓

**'The importance of reducing emissions is reflected in our new materiality assessment, where our stakeholders identified emissions as a number one priority.'**

**Guido den Teuling**  
– Sustainability Manager

	Target 2019	Results 2019	New target
<b>Improve environmental performance of assets under management</b> KPI: Number of improved BREEAM In-Use ratings	22	35	26
<b>Reduce environmental risk and deliver sustainable risk-adjusted returns to clients</b> KPI: % of investment value allocated to BREEAM In-Use Very Good or better	50% (in 2022)	45%	50% (in 2022)

Since 2015, Redevco's individual Asset Business Plans include a specific section on sustainability with corresponding actions. The rolling annual Asset Business Plan preparation and review cycle allows asset managers to identify and communicate which buildings will undergo improvements. Combined with the annual, rolling process of certification, it allows us to track year-on-year improvements and clarifies to our investors when these improvements will be achieved, in line with our medium-term target of certifying at least 50% of our Assets under Management (by value) at BREEAM In-Use 'Very Good' or better by 2022. At the end of 2019, 45% of our AuM met this target, up from 34% at the end of 2018.

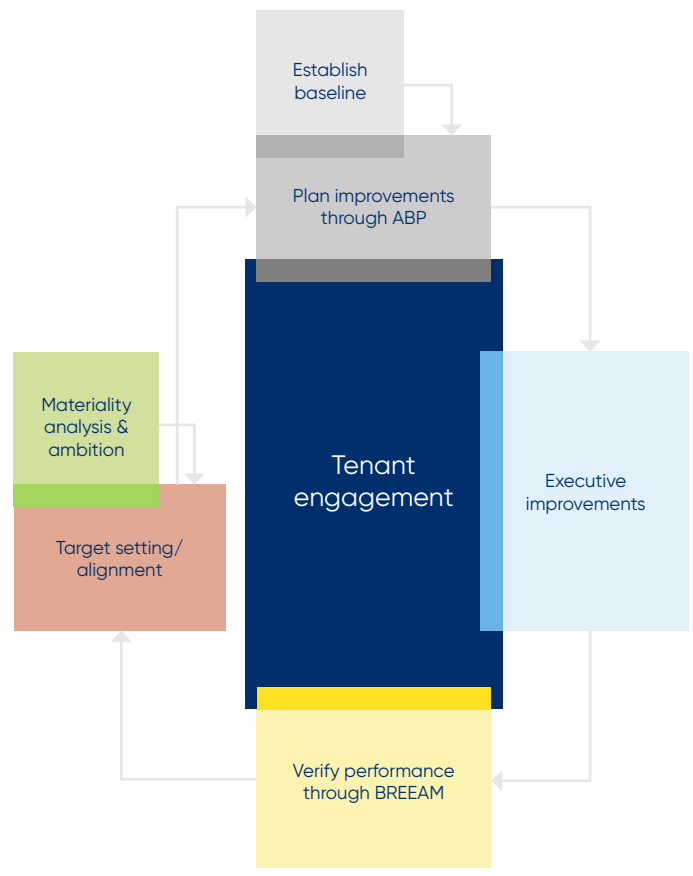
The adoption of this methodology marks an important step towards using BREEAM In-Use as a portfolio management tool, helping us to maintain our holistic approach to sustainability and guiding us in making environmental improvements to our assets (figure 3.1). We improved the BREEAM In-Use rating of 35 assets in 2019. However we did not manage to maintain the rating of two other assets at the same level. In 2020, we plan to improve 26 assets.

Our tenants play an important role in improving the environmental performance of our assets. Whereas Redevco has control over the shell of the building, retail tenants often control and have ownership of services such as heating, cooling and lighting. We therefore focus on successful collaboration with our tenants during the planning and execution of our improvement projects. Early engagement with our tenants has proven to not only lead to better environmental outcomes, but also better tenant relationships. In 2019 we created a Retail toolkit in collaboration with Innovation Lighthouse, aimed at starting a dialogue with our tenants on how to improve assets together. In line with our sustainability ambitions and materiality analysis, focus areas for which active collaboration is sought are:

1. Energy use and Emissions: metering, managing and reducing energy consumption and emissions.
2. Health and Well-being: providing a safe and healthy work environment and shopping experience.
3. Resources: reducing resource use (such as water and materials) and waste generation.

Through tenant engagement and the implementation of green leases, the overall environmental impact of our assets is minimised. Our green lease requests tenants to exchange data that allows us to monitor the overall energy, carbon and water usage of a significant portion of our assets under management. We encourage tenants to be proactive in seeking our recommendations on improving their space, which in turn assists in future-proofing the assets. ■

**Figure 3.1.** Rolling improvements process







Chapter 4

# Sustainable platform

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# Governance regarding corporate responsibility

Redevco's Board sponsors our responsible investment approach, which is proposed and promoted by our Sustainable Business Operations department.



Located in Amsterdam, the Sustainable Business Operations team is primarily responsible for developing, implementing and overseeing the execution of our long-term sustainability ambition: Mission 2040, working towards a Net Zero Carbon portfolio by 2040. On a daily basis this entails driving the execution of the sustainability initiatives for the assets under management. The team works in close cooperation with the Fund Management team, which represents our investor clients, as well as the Portfolio Platform – and hence the country Portfolio Directors – to have regular engagement with those who are ultimately responsible for executing the sustainability initiatives at asset level.

While the Portfolio Directors oversee the delivery of asset improvement initiatives, our Asset Managers are responsible and accountable for executing relevant initiatives (e.g. BREEAM improvements) at property level. They receive support from colleagues who have become sustainability specialists (there is at least one in each Redevco country team), and from members of the central Sustainable Business Operations team. To signal the importance of sustainability at Redevco, we include a BREEAM improvement target in the objectives of all Redevco colleagues eligible for our Short-term Incentive scheme.

The Sustainable Business Operations team also sets the corporate sustainability targets for Redevco's office operations, namely for energy use, air travel and company cars and drives initiatives to decrease our organisational carbon footprint. Furthermore, it collaborates with the Corporate Communications team to produce this annual responsible investment report. ■

Figure 4.1. Sustainability Business Operations Process & Responsibilities



## Responsibilities

- Support Fund Directors with setting CR objectives per fund

---

- Process ownership for maintenance & development of policies and procedures

---

- Plan and execute 'sustainability initiatives' of Redevco Foundation

---

- Assist Fund Controllers with quarterly monitoring

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- Coordinate annual responsible investment report production

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- High-level review of proposed activities in annual asset business plan cycle

# Employee engagement

2019 was a particularly festive year for Redevco, with a wide variety of activities around our 20-year anniversary culminating in a trip to Lisbon in September. Bringing together 200 employees to celebrate our achievements collectively, build relationships and reinvent together was greatly enjoyed and appreciated.



When we interview potential new colleagues across Europe there are a number of recurring themes that they mention, such as our professional reputation in the market and the integrity with which we do business.

Once on board, we pay particular attention to welcoming our new colleagues to the organisation and making them feel at home as quickly as possible. Starting with a personal letter and book from our CEO before their first day with us, and a thorough meet & greet schedule upon arrival, to a yearly collective 'Welcome on Board Day' in Amsterdam for all new colleagues.

## Health and well-being

The health and well-being of our colleagues is important to us at Redevco and expressed through various initiatives and benefits organised both locally and centrally. In 2019 for example, 90 employees signed up for a voluntary 'biking & hiking' trip to Majorca where various athletic challenges were combined with ample opportunity for socialising and fun.

There are many different initiatives and benefits offered locally to stimulate health and well-being that vary from office to office. In terms of office fit-out this includes ergonomic chairs, flexible/standing desks, double screens and headsets, phone booths, quiet areas and plants/living walls. Health benefits in some of our countries also include regular health checks, gym subscriptions, first-aid training, free fruit, filtered water and offering yoga or massage in the office. This year, a particular highlight on the topic of health and well-being in the Amsterdam office this year was the first edition of the 'Vitality Week' which saw 45 employees being offered daily activities and information on how to create a healthy and balanced lifestyle at home and in the office.

To further promote a healthy lifestyle we also offer vitality learning tracks in our online learning platform: the Redevco Skills Builder. Our people can access various learning journeys 24/7 at their own convenience on such topics as Mindfulness, Vitality & Energy, Empathy and Stress. ↓

**'In the Redevco Pulse of May 2019 we asked which sustainability topics were closest to our employees hearts, both personally and professionally. The input we received subsequently shaped our Mission 2040.'**

**Ton van de Grampel**  
– Chief Human Resources Officer

## Personal and professional development opportunities

Of course the Redevco Skills Builder offers much more. This year 34 colleagues participated in our four to six month blended learning programmes. These interactive 'competency tracks' are designed to meet our needs at various levels in the organisation. 'Myself & Others' focuses on creating greater personal impact within a network organisation such as Redevco, and 'My team and I' is geared towards improving leadership skills and style flexibility. With a mixture of various on- and offline learning activities, a two-day classroom session and coaching, the feedback from the programmes remains very positive.

Our CEO continued to encourage personal development this year, by inviting everyone to spend time on individual learning by reserving time in the schedules of all our colleagues for example.

We stimulate continuous professional development through global and local initiatives, and create development opportunities for our people. In 2019 we promoted twelve employees into new roles.

## Redevco Pulse

Every six months we ask our people to share their feedback on 10-15 questions about Redevco through a short and focused anonymous survey; it is their opportunity to voice thoughts and ideas to help shape and influence their own work environment/experience. The survey contains three blocks; the Engagement Index, questions about our strategic priorities from the ExCo, and Country- or Function specific questions from each local Management Team. The Engagement Index contains questions on pride and motivation and provides us with a single overall score that we can track over time, providing us with an engagement 'pulse'.

In 2019, our Redevco Pulse was beating strong, with a consistent 86% score on our Engagement Index. We are particularly pleased with the continued high response rates which average 90%. ↓

	Target 2019	Results 2019	New target
<b>Get the best out of our people by giving clear feedback and guidance on performance</b> KPI: % of employees having received regular performance feedback	90%	99%	90%
<b>Maintain high engagement of our employees</b> KPI: Average engagement index score from Redevco Pulse	85%	86%	85%
<b>Professional development of our employees</b> KPI: % of employees participating in training courses or development programmes	75%	85%	75%

The results of our pulse survey show that our people feel that sharing their thoughts and opinions is worthwhile. In fact, 84% of our people indicated that their Management Team provides the opportunity to discuss and take action on the results of Redevco Pulse.

A great example of how we work with the results is on the topic of sustainability; as one of our strategic priorities, we asked our people in the May 2019 Redevco Pulse which sustainability topics were closest to their hearts, both personally and professionally. The input we received subsequently shaped our Mission 2040. ■

#### Active thought leadership and knowledge sharing

Redevco and its employees are active in a large number of industry related organisations across Europe. We believe in sharing our knowledge and do so through active participation and membership. In 2019 we were members of a number of Green Building Councils (e.g. UKGBC, DGBC), National Scheme Operators for BREEAM in Europe (e.g. DGBC, BREEAM ES), National Councils of Shopping Centres (e.g. NRW, REVO, BLSC, CNCC, GCSC), as well as the International Council of Shopping Centers (ICSC), Royal Institution of Chartered Surveyors (RICS) and many other local organisations (e.g. BPF, IVBN, SSM). We are active members of the board or committees of a number of these organisations. We support those employees who seek to fulfil a wider role in society by taking on external roles. This benefits society and enhances their network and professional skills. In addition to these formal positions, Redevco employees are also regularly invited to speak at conferences and participate in panel discussions. In this way we also provide a positive contribution to the sector through knowledge sharing.



# Office operations

While the footprint of our assets under management has a significantly larger impact on the environment, we also consider the footprint of our own internal operations, which offers opportunities for further emissions reductions. These CO<sub>2</sub> emissions come primarily from the energy use of our seven offices, air travel and the emissions from company cars. If we want to inspire our client investors and our tenants to invest in sustainability and green stores, we need to lead by example on our own operations and show colleagues that every bit counts.



## 4% reduction in 2019

Our current emissions target is set at 2,700 kgCO<sub>2</sub> per employee by the end of 2020. This represents a 50% reduction compared to the 2009 baseline (see previous reports). Our performance in 2019 was 3,074 kgCO<sub>2</sub> per employee. With one business year remaining to achieve this, we continue working towards the target through measures such as an ever stricter company car policy and continuously improving the environmental performance of our offices. In addition we will repeat initiatives like the Travel Awareness Month (see the case study on the next page).

## Net Zero Carbon office operations

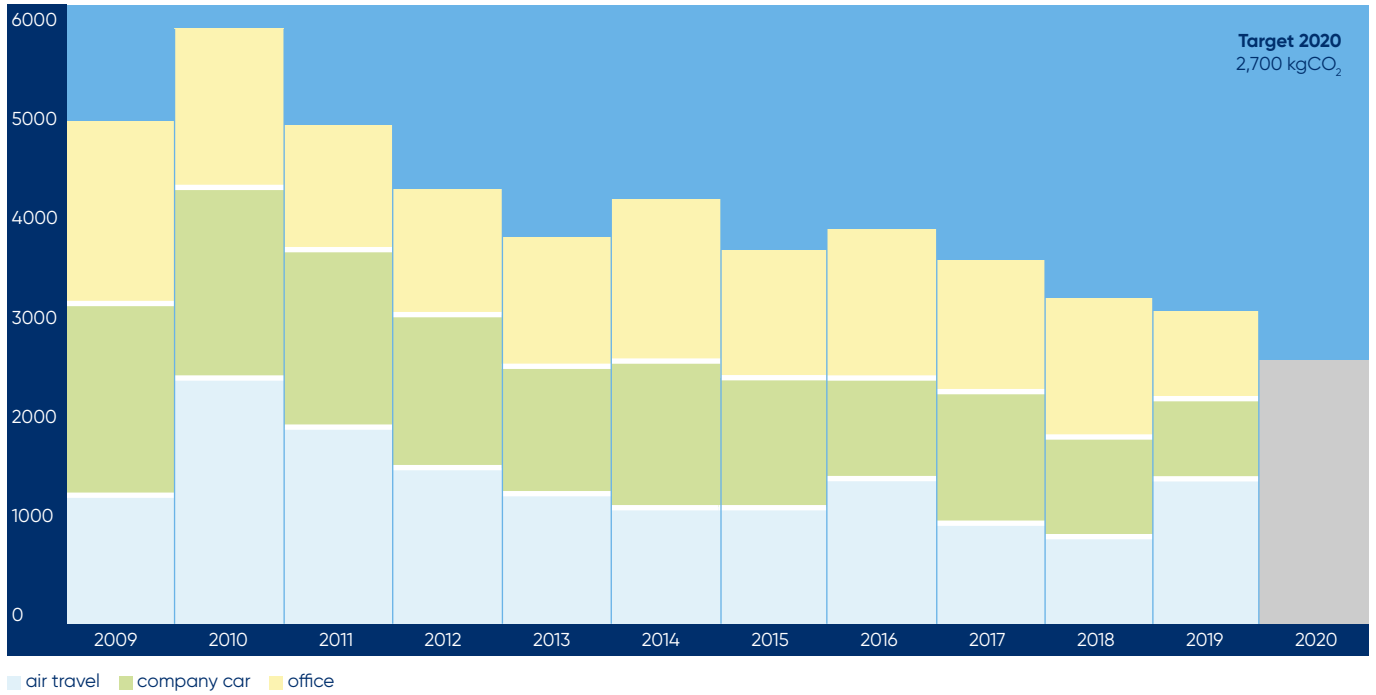
Consistent with our Mission 2040 we are working towards Net Zero Carbon office operations as well. In principle we already achieved this in 2019 as we chose to compensate our 2018 footprint of 646 tonnes CO<sub>2</sub> by buying offset certificates from Gold Standard. We have furthermore committed to continue offsetting the CO<sub>2</sub> emissions from our office operations (office emissions, air travel and company cars) going forward. The 2019 emissions of 574 tonnes CO<sub>2</sub> will be offset during the summer of 2020. However, as we see offsetting as a last resort and our focus should be on reducing our footprint further, we have set ourselves a new ambitious target: 2,000 kgCO<sub>2</sub> per employee by 2025. ↓

**'If we want to inspire our client investors and our tenants to invest in sustainability and green stores, we need to lead by example on our own operations and show colleagues that every little bit counts.'**

**Marijn Reijners**  
– Corporate Responsibility Manager

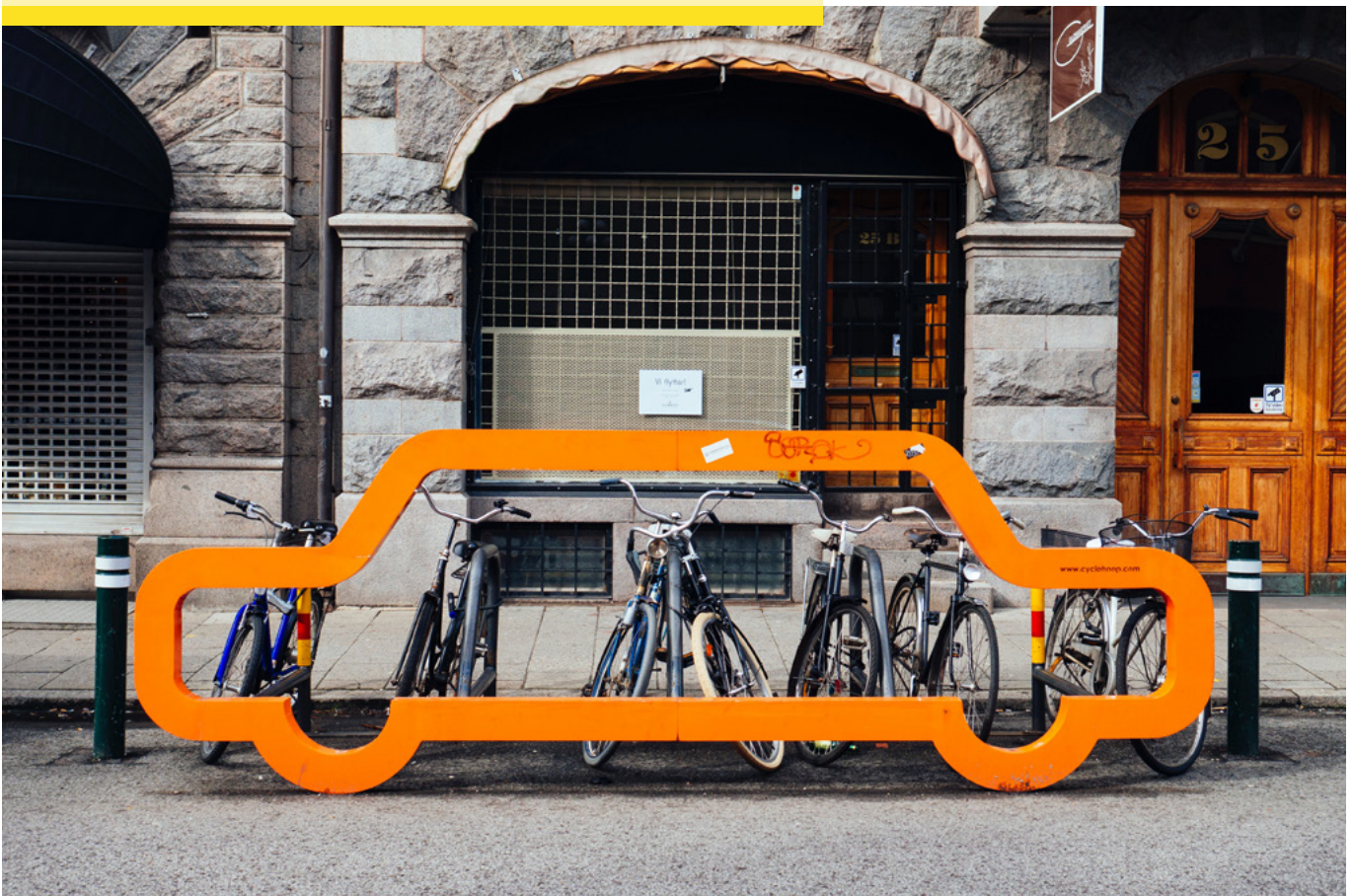
	Target 2020	Results 2019	New target
<b>Reduce CO<sub>2</sub> emissions of our business operations</b> KPI: kgCO <sub>2</sub> emissions per employee (headcount)	2,700 (in 2020)	3,074	2,000 (in 2025)

Figure 4.2. Total carbon emissions per employee (kgCO<sub>2</sub> per headcount) like-for-like



**Travel Awareness Month**

In February 2020 we organised a Travel Awareness Month to specifically raise awareness for the amount of business travel we undertake and to make a concerted effort to reduce travel emissions for the month. Colleagues were challenged to reduce their air travel / car use preferably by 20% (on average one day a week less), to experiment with other modes of transport and/or reduce travel by replacing in-person gatherings by other types of meetings, e.g. videoconferencing or Skype.



# Supporting our local communities

Redevco is convinced that businesses have a broader responsibility to the communities in which they operate. Through the Redevco Foundation and by offering our employees a volunteering day per year, we have created an opportunity to 'give back' and go beyond 'simply' maximising our operational sustainability.



## Impact on society

Our employees play an active role in proposing charities to support in the categories mentioned below with a preference for the cities in which we operate. Each of these initiatives is intended to have some degree of positive societal, environmental or cultural impact for the respective stakeholder group that is targeted.

## Redevco Foundation

Our local and central teams receive an annual budget from the Redevco Foundation to support projects or initiatives in three categories:

1. Improving the lives and living environment of the less privileged;
2. Sustainability of the environment;
3. Historic and cultural heritage.

## Volunteering day

In addition, we encourage our employees to spend one day each year as a 'volunteering day' for the charitable organisation of their choice. This can be done individually or as a team, which is a great team-building opportunity. In 2019, a total of 56% of employees used their volunteering day. Activities varied from cooking for homeless people to supporting families with a chronically sick child during a dream day.

Being involved in decisions as to where the money is spent and the opportunity to spend one day doing volunteer work is highly appreciated by our employees and a source of great pride. ■

Granted by the Redevco Foundation

€2,3mIn.

Charitable projects received support

121

Allocated by the 'vote for charity' poll

€418,000





Chapter 5

# Beyond our portfolio

34 Redevco Foundation – sustainability programme



# Redevco Foundation - sustainability programme

For over ten years we have been building a strong programme to improve the environmental performance of our assets under management as well as our own business operations. As part of our approach to corporate responsibility, we believe in leading by example and showing the industry what is possible. We aim to do this through ambitious projects in our own portfolio and communicating transparently about lessons learned. In addition we have the opportunity to support projects and industry initiatives through the Redevco Foundation.

In 2019 the Redevco Foundation dedicated about a third of its annual budget to support projects that help our industry to become more sustainable. The long-term aim has been defined as 'All commercial (retail) buildings are Net Zero Carbon by 2050.' This is clearly very ambitious, yet we are convinced that projects and initiatives working on this challenge will generate the highest positive impact for our sector.

To work towards this goal, the Redevco Foundation aims to find projects that promote and catalyse initiatives within the commercial real estate sector with high impact and which might not be able to be realised without our funding. The aim is to support initiatives that endeavour to increase the understanding of and accelerate the transition to a more sustainable, low carbon and circular built environment. In 2019 we supported successful projects with partners including UKGBC, DENEFF, BPIE and Ecomatters. ■

## **Advancing Net Zero with UK Green Building Council**

UKGBC's Advancing Net Zero programme forms part of a global campaign led by the World Green Building Council, which is calling for all buildings to be Net Zero Carbon by 2050, and all new buildings to achieve this by 2030. Globally, leading businesses and regional authorities are already committing to spearheading this transition.

A milestone as part of the UKGBC Advancing Net Zero project is a framework definition for Net Zero Carbon buildings. Developed in collaboration with organisations from across the UK construction and property industry, the framework sets out a consistent approach to achieving net zero carbon for new and existing buildings covering energy and embodied carbon. To properly highlight this important step and seek the attention it deserves, the report was launched in the British parliament. Alongside the framework, the programme has also developed guidance for real estate companies on measuring scope three carbon impacts and has produced energy performance targets for offices.



# Annex

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# Reporting principles

## Reporting standards

This Responsible Investment Report sets out our progress in the area of sustainability in 2019. The reporting period covers March 1<sup>st</sup>, 2019 to February 29<sup>th</sup>, 2020. The full report is available only as a PDF and can be downloaded on our website. We have followed the relevant best practice standards and international guidelines to compile the responsible investment performance covered in this report. The most important of these are the Global Reporting Initiative's (GRI) Sustainability Reporting Standards. The GRI SRS offer two options for an organisation to prepare its report: the core option and the comprehensive option.

This report has been compiled in accordance with the core option. Redevco reports on the Universal Standards on Management Approach for all material aspects; at least one indicator is related to each identified material aspect. In addition to the GRI guidelines, Redevco has embraced the INREV Sustainability Performance Measures; INREV core and additional indicators have been integrated in the GRI table. Previous reports and GRI tables can be downloaded on our website. Our CO<sub>2</sub> emissions data are presented according to the Greenhouse Gas Protocol (World Business Council for Sustainable Development / WRI) which has defined three levels of 'Scope' for greenhouse gas (GHG) accounting and reporting purposes.

## Material issues and focus

The materiality assessment is an ongoing process: we continue to monitor the relevance of each issue for our stakeholders and for Redevco. Therefore, to review the key material sustainability issues for our company, we conducted a new materiality assessment in late 2019, following the principles for defining report content (GRI SRS) with regard to the organisation's activities, impacts and the substantive expectations and interests of its stakeholders. We have mapped these issues in the materiality matrix in the chapter 'Responsible Investing' of this report, page 15.

When comparing the materiality matrix with existing Risk-Based Policies (RBP), we can conclude that three material issues (Responsible Governance, Employer of Choice and Employee Development) are sufficiently embedded in existing RBPs. The review of further integrating Emissions and Climate-resilient portfolio will be further developed into measurable outputs/KPIs in 2020 through the Asset Attractiveness Tool, carbon emissions and energy intensity figures.

## Issues that impact our business performance less directly still receive attention

Even with respect to topics that score lower in our materiality matrix, we can conclude that we measure performance for most of these. Our performance on environmental issues like water use, land use & ecology and circular economy – waste and materials – are indirectly covered by the BREEAM assessments. Climate (change) risks are also part of the BREEAM performance on pollution. With respect to corporate citizenship, we have concluded that we pay less attention to this specific issue in the report. However, internally we continue to report our progress on two KPIs on a yearly basis. Our activities with respect to responsible rent and lease management are included in the chapter on 'Future-proofing the assets we manage', page 21.

Redevco's view on human rights is clear. We expect our business partners to comply at all times with international and local rules and regulations, and in particular with the United Nations Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, when dealing with their employees. Redevco is keen to work with those business partners who clearly aim for regulatory excellence and act in accordance with the guidelines set out in our Business Integrity Principles.

With respect to monetisation of environmental impact, we acknowledge that economic growth at any cost is not viable, and is therefore ↓

unsustainable in the long term. We also recognise the quest for incorporating the external costs of the environmental impact that companies have. For existing properties, this is less relevant than for new developments. Within our operations, the life cycle costs of materials will become part of a BREEAM assessment, and these are reflected in the BREEAM performance on materials. Furthermore, the Redevco Foundation has become a partner of The Madaster Foundation to give materials an identity. Pilots with two Redevco assets were launched in 2018 and are ongoing.

Finally, we report on Redevco's approach and view on environmental management systems. Currently, our Madrid office has been ISO 14001 certified.

We have no formal policy to obtain a third-party audited environmental management system. Factually, our responsible investment framework, as described in the paragraph governance of our responsible investment approach, can be viewed as an environmental management system which includes more than environmental issues alone. In addition, this is an assured report.

## External assurances

All information represented in this report has been internally verified and approved by the Executive Committee and the Redevco Board. Redevco has obtained limited assurance that the information in this report is, in all material respects, a reliable and adequate representation of the policy, business operations, performance and events during the 2019 reporting year (see assurance report on page 48).

## 2019 Scope and changes

We make a distinction between portfolio data and corporate data. The portfolio data encompass data related to our assets under management, while the corporate data include our business operations including fully owned subsidiaries, if applicable.

### Reporting scope portfolio data

The reporting scope for the portfolio data includes all assets under management (AuM), excluding (re)-development projects, residential, parking, land for development and rented properties.

For the financial portfolio data, BREEAM data and number of assets Redevco uses two reporting periods, depending on the fund: January 1<sup>st</sup> 2019 until December 31<sup>st</sup> and March 1<sup>st</sup> 2019 until February 29<sup>th</sup> 2020.

For other information on the portfolio (number of leases and lease area) the reporting date is 29 February 2020. In Romania, Redevco only owns land for development, which is out of scope. Assets under management that are rented are not valued in line with our financial reporting process. Consequently, these properties are not covered by Key Performance Indicators with a value as denominator.

### Reporting scope BREEAM data

Redevco has been working with BRE to develop a BREEAM In-Use portfolio certification approach based on annual certification of our assets. The first portfolio-based recertification was executed in 2017. As part of the process, fixed certification dates have been introduced. In the transition to this new approach, the certification bodies.

With regard to the KPI: percentage of investment value allocated to BREEAM In-Use Very Good or better relates only to funds with BREEAM targets.

### Reporting scope corporate data

The corporate data covers Redevco activities and employees, and therefore excludes assets occupied by tenants and their employees. Redevco employees are defined as persons who have a permanent or temporary contract with Redevco or one of its fully owned entities. Contract workers are excluded. The headcount and FTE are determined on February 28<sup>th</sup> (or 29<sup>th</sup>) of each reporting period. Employees who had a contract ending on February 28<sup>th</sup> are included in the headcount, and recorded as leavers in the following year.

The reporting scope of our business operations includes all offices occupied by Redevco on February 29<sup>th</sup>, 2020. ↓

## Comparability

Data on energy, CO<sub>2</sub> emissions and water are reported in absolute values and normalised values. Absolute values represent a good measure of a company's exposure to risk (e.g. regulatory risks), while normalised values show efficiency and a comparative trend. The denominator used to calculate the normalised values varies. The GLA (gross lettable area) is used to calculate energy, carbon and water intensity. To calculate carbon emissions per employee, we used the headcount on February 29<sup>th</sup> as denominator. Corporate carbon emission data included in this year's report cover 12 months. Company car carbon emissions have been calculated based on kilometres driven, multiplied by the emission factor provided by the car manufacturers.

Redevco reports on total energy consumption including all direct energy sources (gas, fuel oil, solid fuel and on-site energy) and indirect energy sources (electricity, district heating and district cooling) for its own office operations. To calculate the CO<sub>2</sub> emissions, country- and energy-source specific EU Mayors emission factors have been applied. To calculate the carbon emissions related to business travel by air, the UK-based Defra conversion factors have been used.

When relevant like-for-like, figures relate to Redevco country offices that have been occupied for two years or more.

## Reporting tools and methodology

All necessary portfolio data used in this report are stored in Redevco's financial and property management systems (CODA and Horizon). Countries report on a quarterly basis on the performance with regard to BREEAM improvements.

The corporate data are collated using an in-house developed spreadsheet. The HR Department is in charge of the corporate data collection. The corporate data are validated at both country and corporate services level. After completion, the collated data are consolidated and aggregated in the corporate Key Performance Indicators presented in this report.

We developed a questionnaire to obtain information from Redevco countries regarding the performance with respect to business integrity and compliance in accordance with the GRI.

The questionnaire is a fact-based document and was sent by the Governance, Risk & Compliance Department to the managing director of each country to complete and return a signed version to Corporate Services.

The following business integrity and compliance issues were addressed:

- incidents of discrimination and corrective actions;
- actions taken in response to incidents of corruption;
- total value of financial and in-kind contributions to political parties, politicians and related institutions;
- total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices, and their outcomes;
- monetary value of significant fines for non-compliance with (non-environmental and environmental) laws and regulations concerning the provision and use of real estate assets;
- total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of Redevco's real estate assets during operation, refurbishment and demolition of assets;
- total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome;
- monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

At Redevco group level, the reporting requirements and the reporting and consolidation principles are outlined in the document: Corporate Responsibility Reporting Manual. [↓](#)

	Portfolio data	Corporate data (Sustainable business operations)		
	Future-proofing our portfolio	Business Integrity	Supporting local communities	Internal operations
Austria	✓	✓	✓	–
Belgium	✓	✓	✓	✓
Czech Republic	✓	✓	✓	–
France	✓	✓	✓	✓
Germany	✓	✓	✓	✓
Hungary	✓	✓	✓	–
Luxembourg	✓	✓	✓	–
Netherlands	✓	✓	✓	✓
Portugal	✓	✓	✓	–
Romania	✗	✗	✗	–
Spain	✓	✓	✓	✓
Switzerland	✓	✓	✓	✓
United Kingdom	✓	✓	✓	✓
Corporate Services	✓	✓	✓	✓

Figure 1. Reporting scope and boundaries

### Corporate Services - Data Aggregation and consolidation

In addition to the Corporate Services Office manual, the data collection principles, process, definitions, tasks and responsibilities and validation procedures at country level are described in a country manual for both portfolio and corporate data collection.

### Estimates Corporate data

The consumption of Redevco's occupied offices was measured over a period of 12 months. The following estimates were applied: for invoices that covered a reporting period (12 months) other than March 1<sup>st</sup>, 2019 to February 29<sup>th</sup>, 2020, the data were included as such. For invoices that did not cover a whole reporting period of 12 months: measurement periods of more than 9 months were extrapolated to 12 months, measurement periods longer than the reporting period but less than 14 months were interpolated to 12 months.

The emissions associated with Redevco's occupied offices which were incomplete or unknown were estimated based on the surface area of the office concerned, multiplied by the overall carbon intensity of Redevco's occupied offices with complete and accepted energy data. The data for business travel were provided by local travel agencies.

Consequently, the data do not include journeys that were not booked through travel agencies, i.e. all business travel by taxi or private car. It is assumed that the majority of the business journeys in the calculations were booked through travel agencies. For company cars, estimates have been used for kilometres driven that do not cover a lease period (within the reporting period) or reporting period. When kilometres driven were recorded over a period (in months) shorter or longer than a lease period or reporting period, the distance in kilometres was extrapolated or interpolated to cover a lease period or reporting period of 12 months. ■

# Tables and graphs

Figure 2. Like-for-like (GRI SRS 302-1, 305-1, 305-2, INREV: 3.1, 3.2, 3.3, 3.5, 3.6)

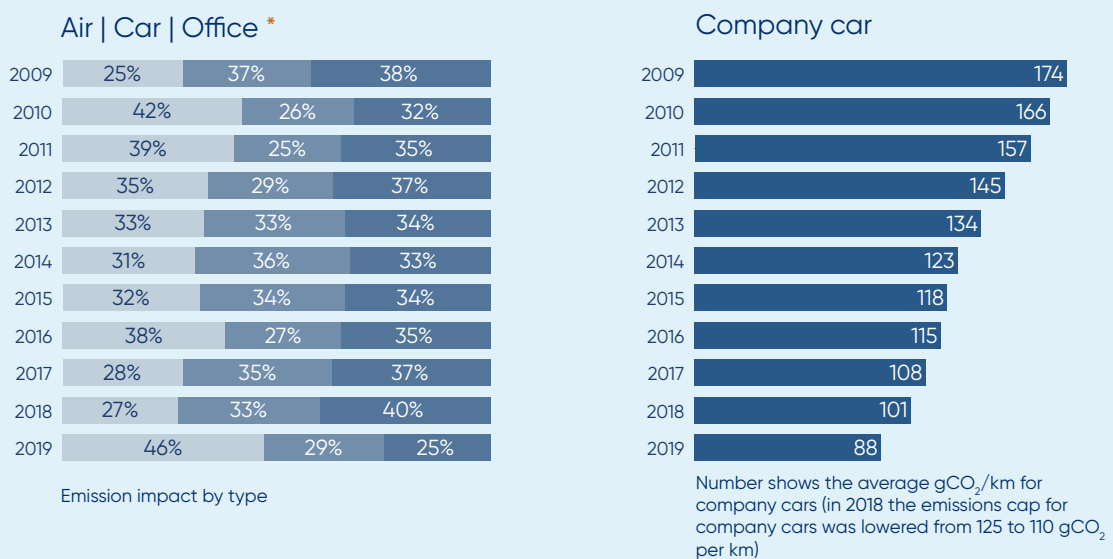
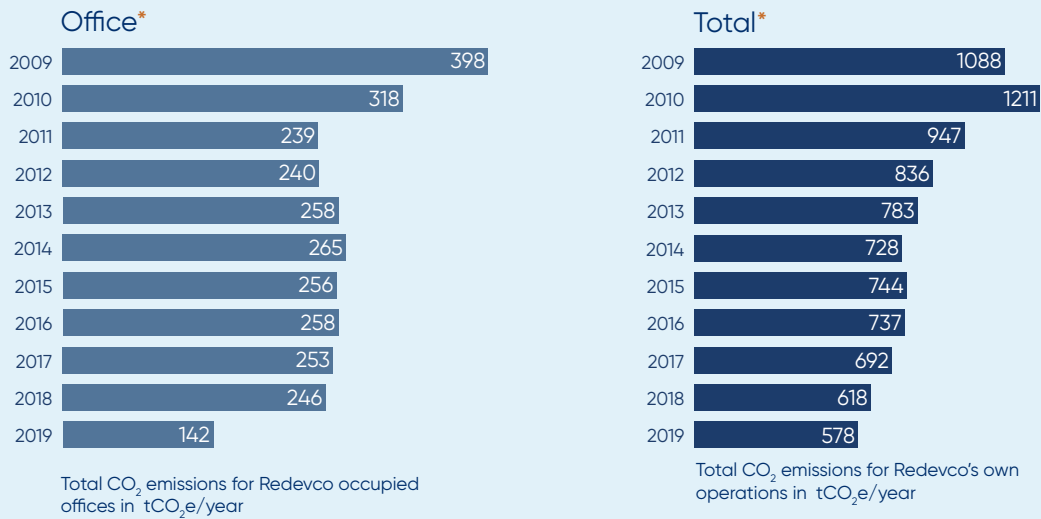
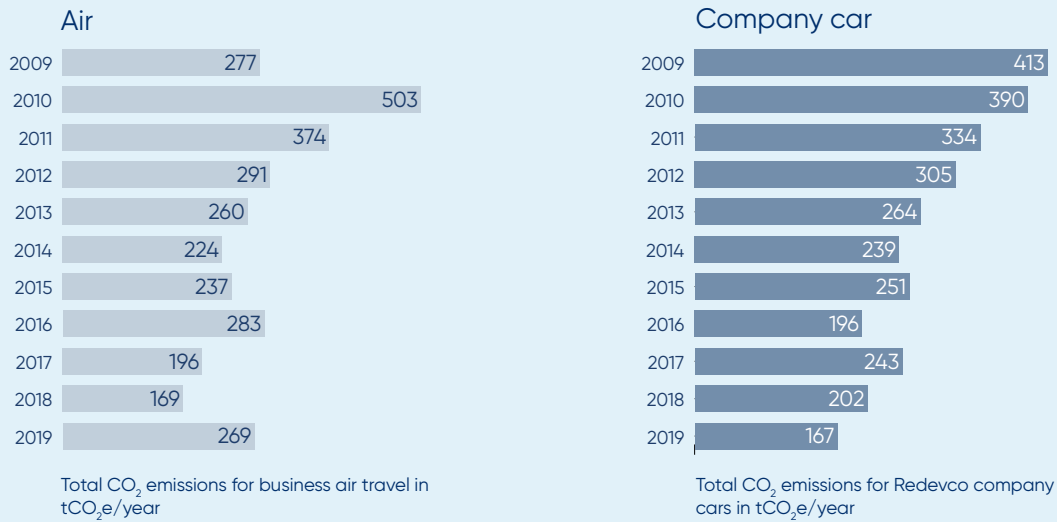
Redevco-occupied offices	unit	Amsterdam*		Brussels		Paris		Düsseldorf**		Madrid		Zürich		London		Total	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Direct Energy Use &amp; Carbon Emissions</b>																	
Gas	GJ/year	560	531	-	708	-	-	-	-	84	111	-	-	308	296	<b>951</b>	<b>1,646</b>
	t /year	28	27	-	36	-	-	-	-	4	6	-	-	16	15	<b>48</b>	<b>84</b>
Total Direct	GJ/year	560	531	-	708	-	-	-	-	84	116	-	-	308	296	<b>951</b>	<b>1,646</b>
	tCO <sub>2</sub> /year	28	27	-	36	-	-	-	-	4	6	-	-	16	15	<b>48</b>	<b>153</b>
<b>Indirect energy Use &amp; Carbon Emissions</b>																	
Electricity total (a+b)	GJ/year	287	287	65	174	230	225	-	297	116	116	32	33	254	409	<b>984</b>	<b>1,646</b>
	tCO <sub>2</sub> /year	35	35	5	10	4	4	-	39	14	10	0	0	38	54	<b>96</b>	<b>153</b>
Electricity non-renewable (a)	GJ/year	86	86	-	174	-	225	-	-	116	116	32	33	-	-	<b>233</b>	<b>460</b>
	tCO <sub>2</sub> /year	10	10	5	10	4	4	-	-	-	10	-	0	38	-	<b>57</b>	<b>25</b>
Electricity renewable (b)	GJ/year	202	202	65	-	230	-	-	297	-	-	-	-	254	409	<b>751</b>	<b>1,080</b>
	tCO <sub>2</sub> /year	24	25	5	-	4	-	-	39	-	-	-	-	38	54	<b>71</b>	<b>128</b>
District heating	GJ/year	-	-	108	-	157	217	-	253	-	-	37	28	-	-	<b>303</b>	<b>498</b>
	tCO <sub>2</sub> /year	-	-	5	-	8	10	-	12	-	-	2	1	-	-	<b>15</b>	<b>24</b>
District cooling	GJ/year	-	-	-	-	428	502	-	-	-	-	18	24	-	-	<b>446</b>	<b>526</b>
	tCO <sub>2</sub> /year	-	-	-	-	7	10	-	-	-	-	0	0	-	-	<b>7</b>	<b>10</b>
Total indirect	GJ/year	287	287	174	174	815	944	-	550	116	116	87	85	254	409	<b>1,732</b>	<b>2,565</b>
	tCO <sub>2</sub> /year	10	35	10	10	18	24	-	12	14	10	2	2	38	54	<b>118</b>	<b>187</b>
<b>Total direct and indirect</b>																	
Total Direct and indirect	GJ/year	847	818	174	882	815	944	-	550	200	227	87	85	562	705	<b>2,684</b>	<b>4,210</b>
Renewables taken into account	tCO <sub>2</sub> /year	39	37	5	46	14	24	-	12	18	15	2	2	16	15	<b>94</b>	<b>142</b>
Not taking renewables into account	tCO <sub>2</sub> /year	39	37	10	46	18	24	-	12	18	15	2	2	54	69	<b>141</b>	<b>246</b>
<b>Water</b>																	
Water use	m <sup>3</sup> /year	629	629	385	634	367	344	-	190	201	253	50	-	76	84	<b>1,708</b>	<b>2,134</b>

\* 2019 data for NL office not available, 2018 data used instead as no changes made to office space.

\*\* 2019 data for DE office incomplete. No data from previous year used as office changed in 2018.



Figure 3. CO<sub>2</sub> emissions account related to Redevco's own operations \*\* (tCO<sub>2</sub>e) Like-for-like (GRI SRS 302-1, 305-1, 305-2, INREV: 3.5, 3.6)



\* Excluding German office data

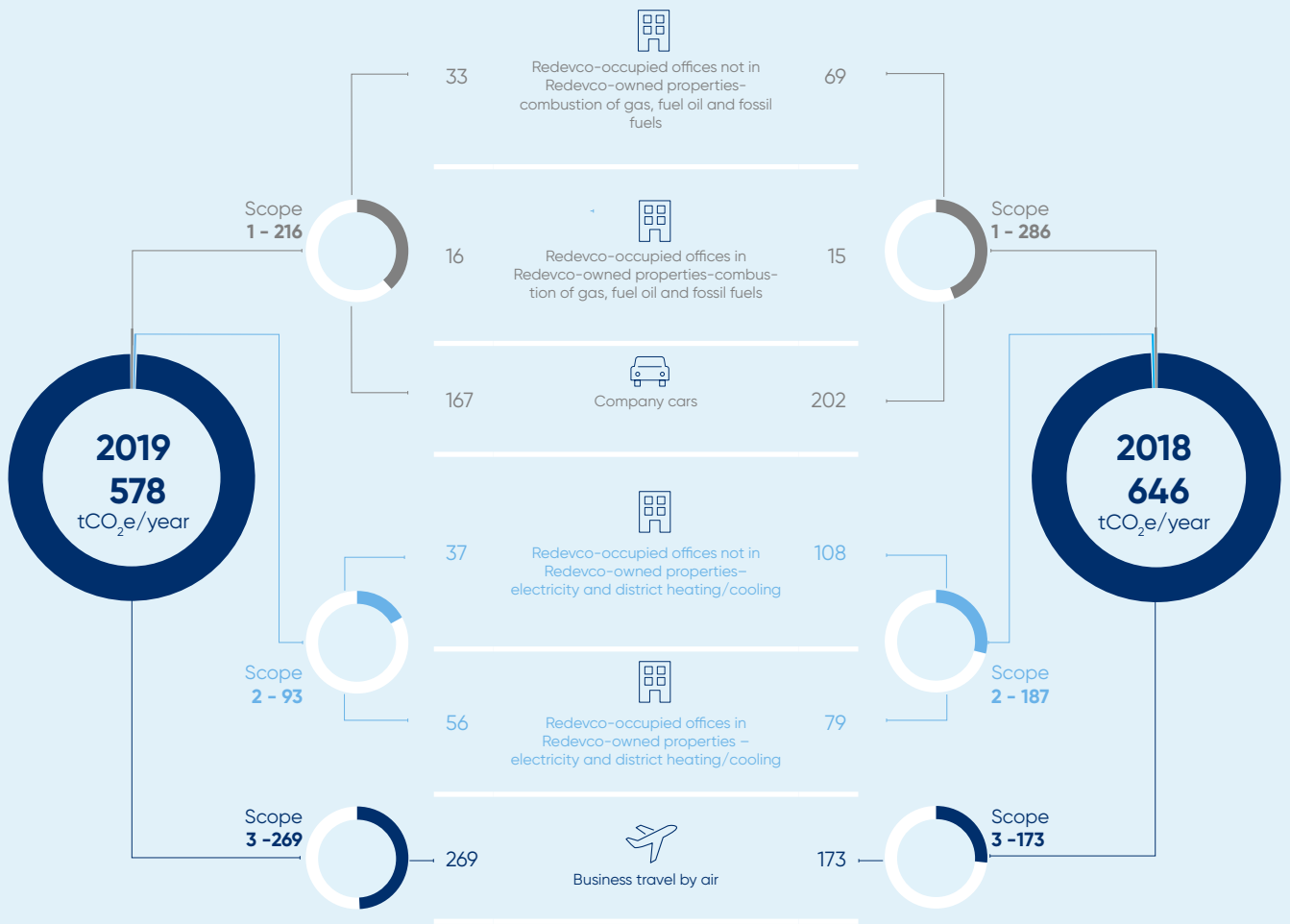
Figure 4. Intensity figures Redevco-occupied offices (GRI SRS 302-3)

Total lettable floor area							
Redevco-Occupied Offices	2019	2019			2018		
Data coverage		100%	100%	88%	100%	100%	88%
<b>Total</b>	<b>5,179</b>	<b>144</b>	<b>27</b>	<b>0.33</b>	<b>175</b>	<b>37</b>	<b>0.37</b>
Amsterdam *	1,192	197	33	0.53	191	31	0.53
Brussels	1,070	45	10	0.36	125	24	0.32
Paris	800	283	22	0.46	328	31	0.43
Düsseldorf **	670	-	-	-	119	40	0.15
Madrid	651	85		0.31	97	24	0.39
Zürich	266	91	8	0.19	87	7	0
London	369	29	102	0.14	28	131	0.16

■ Energy intensity in kWh/m<sup>2</sup>/year   
 ■ Carbon intensity\*\* KgCO<sub>2</sub>/m<sup>2</sup>/year   
 ■ Water intensity m<sup>3</sup>/m<sup>2</sup>/year

\* 2019 data for NL office not available, 2018 data used instead as no changes made to office space.  
 \*\* 2019 data for DE office incomplete. No data from previous year used as office changed in 2018

Figure 5. Total GHG emissions according to the greenhouse gas protocol (tCO<sub>2</sub>e/year) like-for-like (GRI SRS: 305-1, 305-2, 305-3, inv: 3.5, 3.6)



**Scope 1:** All direct GHG emissions

**Scope 2:** Indirect GHG emissions from the consumption of purchased electricity, heat or steam.

**Scope 3:** Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities and waste disposal. Energy consumption from assets under management is not included in Scope 3.

Figure 6. Management position broken down by gender and by age Like-For-Like (GRI SRS 405-1)

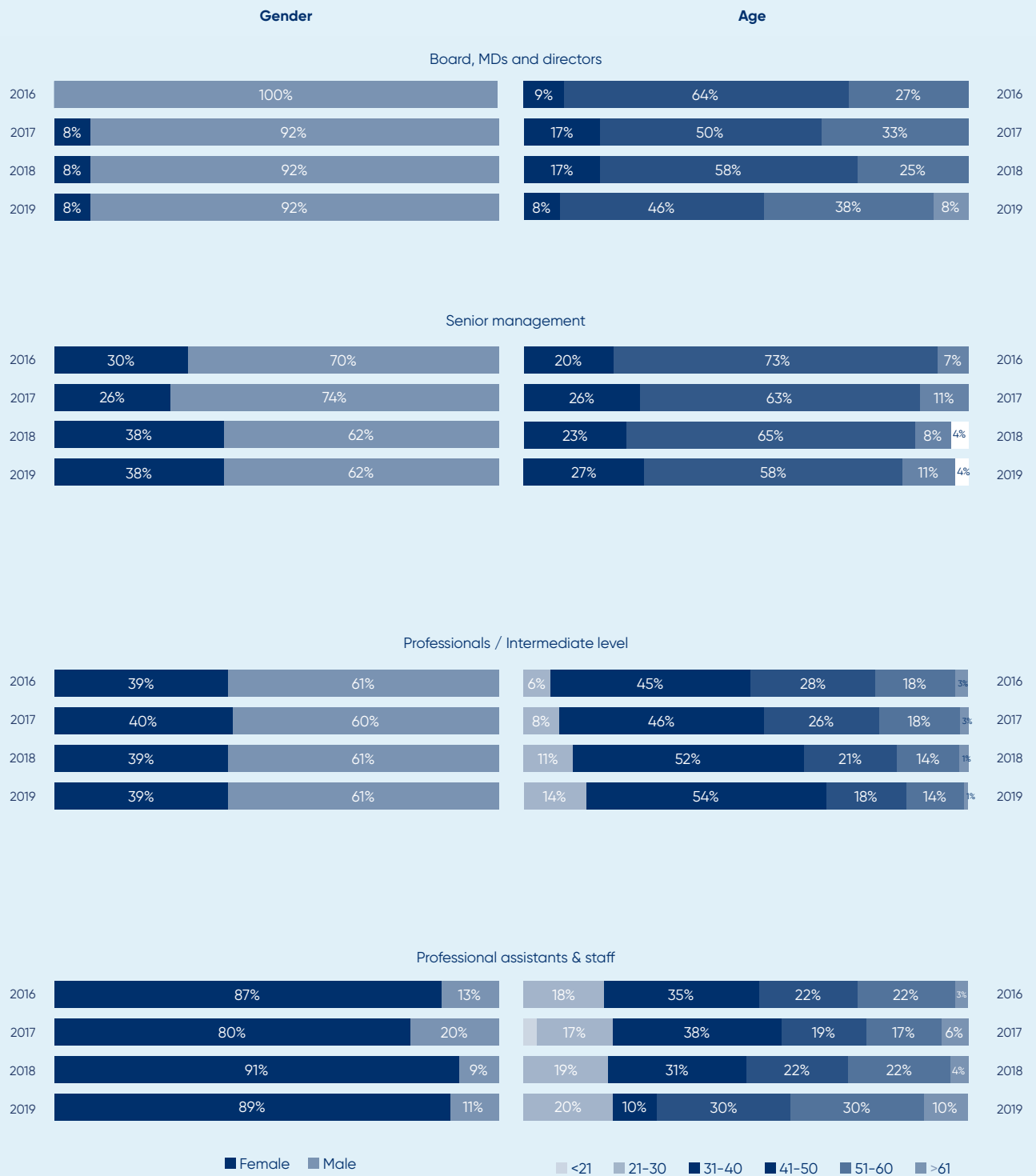
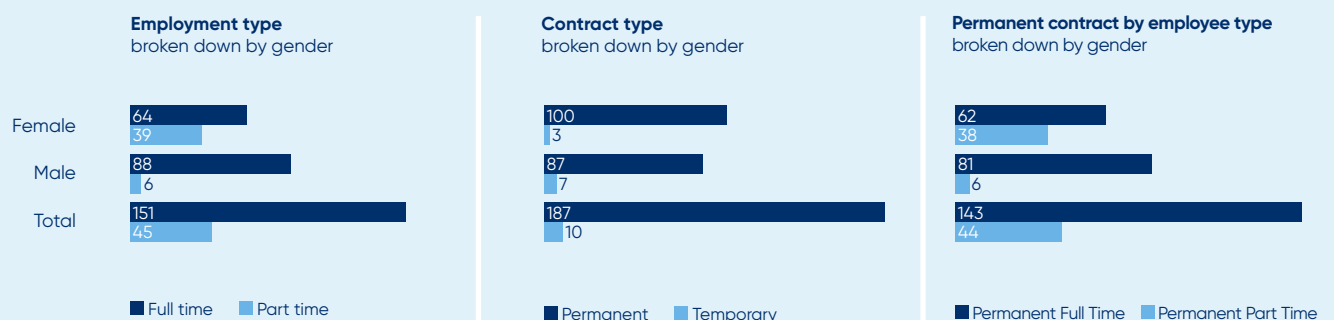
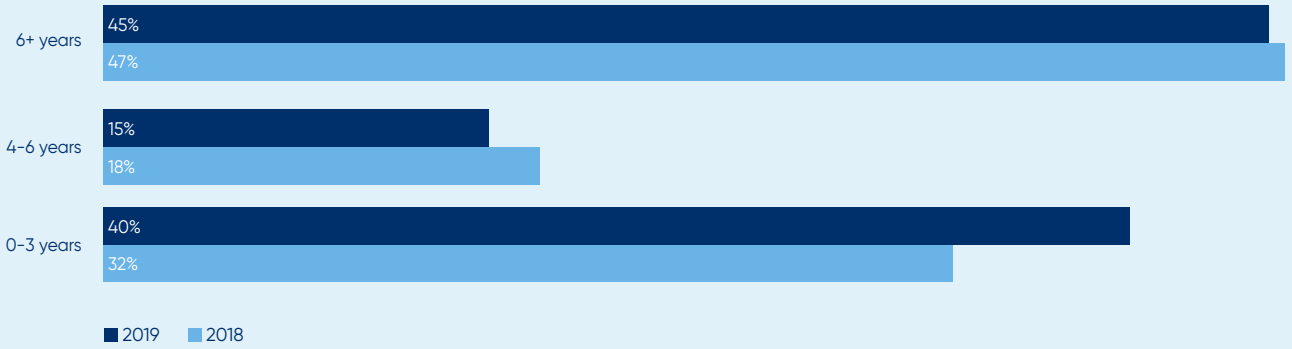


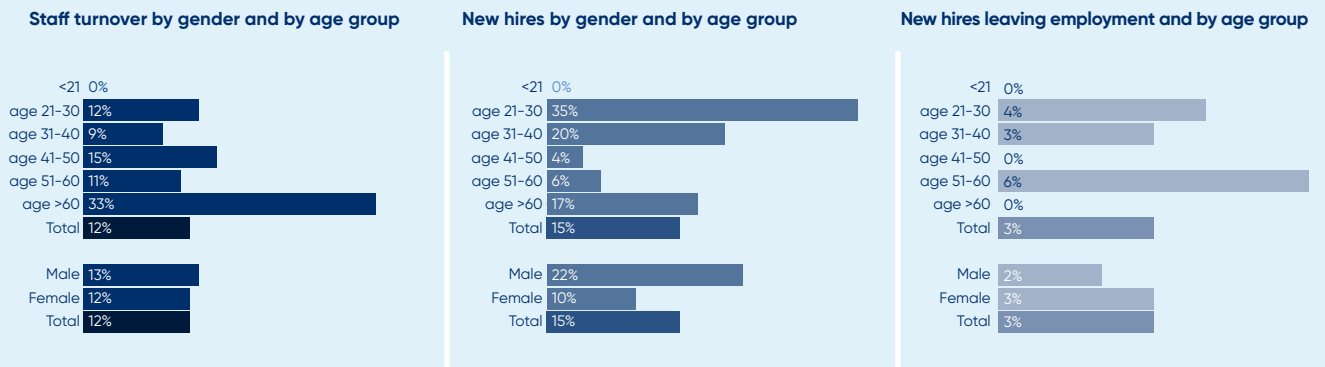
Figure 7. Employment type and contract type broken down by gender (GRI SRS 405-1)



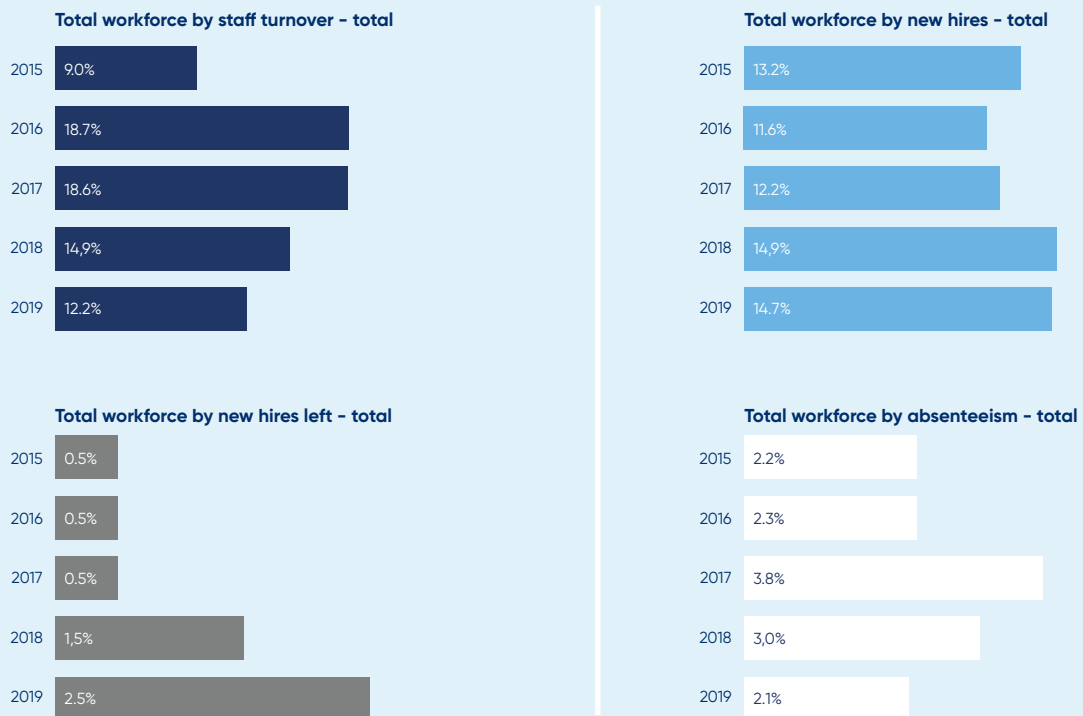
**Figure 8.** Years employed by Redevco (%) like-for-like



**Figure 9.** Staff turnover, new hires and new hires leaving employment by gender and by age group (GRI SRS 401-1)



**Figure 10.** Total workforce by staff turnover, new hires, new hires leaving employment and absenteeism (GRI SRS 401-1).



# Table material topics

GRI 103 Management Approach 2020 – material aspects of high relevance

GR 103	Management Approach	Material aspects of high relevance	
Relevance	Material Aspect	GRI-SRS	Disclosures on Management Approach
<b>Material</b>	Encouraging responsible investment	103-1	Explanation of the material topic and its Boundary The impact Redevco has on its investors through advocating its responsible investment philosophy and offering responsible investment products.
		103-2	The management approach and its components Chapter: Responsible Investing, Future proofing the assets we manage
		103-3	Evaluation of the management approach Chapter: Responsible Investing, Future proofing the assets we manage
<b>Material</b>	Emissions	103-1	Explanation of the material topic and its Boundary The impact Redevco has on climate change and biodiversity through the emissions from its own operations and the use of its assets under management.
		103-2	The management approach and its components Chapter: Future-proofing the assets we manage, Chapter: Sustainable platform (page 30)
		103-3	Evaluation of the management approach Process steps described in figure xx, asset business plan cycle (page 24), BREEAM rating (page 24)
<b>Material</b>	Climate resilient portfolio	103-1	Explanation of the material topic and its Boundary The impact Redevco has on the adaptability of its portfolio against the potential effects of climate change through its new investments and design concepts.
		103-2	The management approach and its components Chapter: Future-proofing the assets we manage (page 22,24), Responsible Investing (page 18)
		103-3	Evaluation of the management approach Process steps described in figure 3.1, asset business plan cycle (page 24), BREEAM rating (page 24)
<b>Material</b>	Social and environmental influence of portfolio	103-1	Explanation of the material topic and its Boundary The impact Redevco has on urban environments through its investments and asset management activities.
		103-2	The management approach and its components Future-proofing the assets we manage
		103-3	Evaluation of the management approach Investment approach (page 22)
<b>Material</b>	Responsible rent and lease management	103-1	Explanation of the material topic and its Boundary The impact Redevco has on its tenants by advocating responsible rent and lease management and engaging them on the topic of sustainability.
		103-2	The management approach and its components Chapter: Future-proofing the assets we manage, Responsible Investing
		103-3	Evaluation of the management approach Asset business plan cycle (page xx), BREEAM rating (page 24), materiality assessment (page 24)
<b>Material</b>	Responsible governance	103-1	Explanation of the material topic and its Boundary The impact Redevco has on its business continuity and stakeholders' trust by applying responsible governance (business ethics, integrity, regulatory compliance, etc.).
		103-2	The management approach and its components Section: Responsible governance
		103-3	Evaluation of the management approach Figure 7: Governance, risk and compliance framework
<b>Material</b>	Employer of choice/ Employee development*	103-1	Explanation of the material topic and its Boundary The impact Redevco has on employee engagement and retention by implementing good working conditions (incl. health, safety and well-being)/ The impact Redevco has on employee engagement, retention and their employability by offering employees personal and professional development opportunities.
		103-2	The management approach and its components Chapter: Sustainable platform (page 27, 28)
		103-3	Evaluation of the management approach Redevco employees participate frequently in the Redevco Pulse survey to measure employee satisfaction, enablement and engagement (page 28)

\* were combined, as they were often seen as one during the stakeholder dialogues.

# GRI Sustainability Reporting Standards 2016

## GRI 102 General Disclosures 2016

100 Universal standards	Chapter / Page
<b>Organisational profile</b>	
101	Reporting Principles
102-1	Name of the organisation Business Activities / 10
102-2	Activities, brands, products, and services Business Activities / 10
102-3	Location of headquarters Colofon / 50
102-4	Location of operations Business Activities / 10, 11, 39
102-5	Ownership and legal form Business Activities / 10
102-6	Markets served Business Activities / 10, 11, 39
102-7	Scale of the organisation Business Activities / 10, 11 and: Redevco does not disclose total capitalisation broken down in terms of debt and equity as this is proprietary information. Our shareholder does not permit this information to be disclosed.
102-8	Information on employees and other workers Annex / 43, 44
102-9	Supply chain Business Activities
102-10	Significant changes to the organisation and its supply chain No specific changes
102-11	Precautionary Principle or approach Business Integrity, and: Reference/Direct answer: Redevco's Business Integrity Policy is applicable: <a href="http://www.redevco.com/about/our-governance/">http://www.redevco.com/about/our-governance/</a>
102-12	External initiatives Responsible Investment Beliefs / 18
102-13	Membership of associations A sustainable platform / 29
102-14	Statement from senior decision-maker Message from the CEO / 3, 4
<b>Ethics and integrity</b>	
102-16	Values, principles, standards, and norms of behaviour Responsible governance / 13
<b>Governance</b>	
102-18	Governance structure Business Activities / 12 and Sustainable platform / 26
<b>Stakeholder engagement</b>	
102-40	List of stakeholder groups Responsible Investment Beliefs / 16
102-41	Collective bargaining agreements Reference/Direct answer: We have no overarching collective bargaining agreement since we are too small. Permitted and available at local country level.
102-42	Identifying and selecting stakeholders Responsible Investment Beliefs / 16, 17
102-43	Approach to stakeholder engagement Responsible Investment Beliefs / 16, 17 and Sustainable platform / 28
102-44	Key topics and concerns raised Responsible Investment Beliefs / 16, 17
<b>Reporting practice</b>	
102-45	Entities included in the consolidated financial statements n/a
102-46	Defining report content and topic Boundaries Responsible Investment Beliefs / 17, 36-39
102-47	List of material topics Responsible Investment Beliefs / 17
102-48	Restatements of information n/a
102-49	Changes in reporting Reporting principles / 36-39

102-50	Reporting period	Reporting principles / 36-39
102-51	Date of most recent report	Responsible investment 2018/2019, published in June 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Reference/Direct answer: Corporate Communications Email: info@redevco.com Phone no.: +31 20 599 62 62
105-54	Claims of reporting in accordance with the GRI Standards	Reporting principles / 36-39
102-55	GRI content index	GRI Sustainability Reporting Standards 2017/ 46, 47
102-56	External assurance	Reporting Principles, Auditor statement / 48, 49
<b>GRI 103 Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Chapters, Table material topics / 45
103-2	The management approach and its components	Chapters, Table material topics / 45
103-3	Evaluation of the management approach	Chapters, Table material topics / 45
<b>300 Environmental standards</b>		
<b>Energy</b>		
302-1 INREV	Energy consumption within the organisation	Tables and graphs / 40-42
302-3 INREV	Energy intensity	Reference / Direct answer: only reported for Redevco controlled area on page 42
302-4	Reduction of energy consumption	Reference/Direct answer: partially reported on page 40
305-1 INREV	Direct (Scope 1) GHG emissions	Tables and graphs / 42
305-2 INREV	Energy indirect (Scope 2) GHG emissions	Tables and graphs / 42
305-3 INREV	Other indirect (Scope 3) GHG emissions	Tables and graphs / 42
305-4 INREV	GHG emissions intensity	Tables and graphs / 40-42
305-5	Reduction of GHG emissions	Tables and graphs / 40-42
<b>400 Social standards</b>		
<b>Employment</b>		
401-1	New employee hires and employee turnover	Tables and graphs / 43, 44
404-3	Percentage of employees receiving regular performance and career development reviews	A sustainable platform / 28 Reference/Direct answer: Redevco reports the total percentage of employees who received regular performance feedback. There are no significant differences regarding regular performance feedback by gender or employee category.
405-1	Diversity of governance bodies and employees	Tables and graphs / 43

# Assurance report of the independent auditor

To: the managing board of Redevco B.V.

## Our Conclusion

We have reviewed the Responsible investment report 2019 (hereinafter: the Report) of Redevco B.V. at Amsterdam (hereinafter: Redevco). A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed nothing has come to our attention that causes us to believe that the Report does not present, in all material respects, a reliable and adequate view of:

- The policy and business operations with regard to sustainability
- The thereto related events and achievements for the year ended 29 February 2020

in accordance with the Sustainability Reporting Standards (Option Core) of Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in the Annex Reporting Principles of the Report.

## Basis of our Conclusion

We have performed our review of the Report in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake maatschappelijke verslagen" (Assurance engagements relating to sustainability reports), which is a specific Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Our responsibilities under this standard are further described in the section Our responsibilities for the review of the Report.

We are independent of Redevco in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Reporting criteria

The Report needs to be read and understood together with the reporting criteria. Redevco is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Report are the Sustainability Reporting Standards (option Core) of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in the Annex Reporting Principles of the Report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

## Limitations to the scope of our review

The Report includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Report.

The references to external sources or websites in the Report are not part of the Report as reviewed by us. We therefore do not provide assurance on this information.



## Responsibilities of the management board for the Report

The management board is responsible for the preparation of a reliable and adequate Report in accordance with the reporting criteria as included in the section Reporting criteria, including the identification of stakeholders and the definition of material matters. The choices made by the management board regarding the scope of the Report and the reporting policy are summarized in the Annex Reporting Principles of the Report.

The management board is also responsible for such internal control as the management board determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or errors.

## Our responsibilities for the review of the Report

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a review is therefore substantially less than the assurance obtained in an audit.

We apply the "Nadere voorschriften kwaliteitssystemen" (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch assurance standards, ethical requirements and independence requirements.

Our review included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company

- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Report. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the management board
- Obtaining an understanding of the reporting processes for the Report, including obtaining a general understanding of internal control relevant to our review
- Identifying areas of the Report with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or errors. Designing and performing further assurance procedures aimed at determining the plausibility of the Report responsive to this risk analysis. These further review procedures consisted amongst others of:
  - Interviewing management and relevant staff at corporate local level responsible for the sustainability strategy, policy and results
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Report
  - Obtaining assurance information that the Report reconciles with underlying records of the company
  - Reviewing, on a limited test basis, relevant internal and external documentation
  - Performing an analytical review of the data and trends
- Reconciling the relevant financial information with the financial statements
- Evaluating the overall presentation, structure and content of the Report
- Considering whether the Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used

We communicate with the management board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amsterdam, 29 May 2020

Ernst & Young Accountants LLP

Signed by

**R.J. Bleijs**



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