

ESG Policy Redevco

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1. Introduction

1.1. Background

Redevco is a real estate investment management company with a clear focus and track record on managing assets in the most vibrant places across Europe. Driven by our mission to be a trusted partner in urban real estate, we invest in properties with a view to developing future-proof buildings in dynamic urban locations where people want to live, work and play. Our specialist investment strategies, local real estate knowledge and the scale of our pan-European platform enable us to create value for both our investor clients as well as our tenants. Our highly experienced professionals purchase, develop, let and manage properties, ensuring that the portfolios optimally reflect the needs of our clients. We believe in long-term investments where quality and sustainability are key.

Our motto '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. This includes improving the environmental performance and social impact of the properties that we manage as best as we can – both in terms of construction and operation – so that we can pass them on in a better state than when we acquired them. It also entails minimising the carbon footprint of our own operations, namely our offices and travel impact.

1.2. Purpose of this policy

In today's ever increasingly transparent investment world, businesses are called to lead the way on major – even global – topics that potentially have huge economic, societal and environmental consequences. Redevco wants to be a responsible investment manager and has an intrinsic motivation to be a “force for better”: to do what we can in the portfolios we manage, but also to actively contribute to changing the real estate investment and management sector to become low carbon, circular and resource-efficient in the context of internationally accepted goals such as the UN Sustainable Development Goals (SDG's) and the targets set out in the Paris Agreement of 2015. To that end, Redevco has set itself a '[Mission 2040](#)': a target to have a Net Zero Carbon portfolio by 2040.



European and national legislation is becoming ever more stringent and setting ambitious policy frameworks for, amongst others, the financial services industry, to facilitate the transition to a greener, fairer and just global economy. The regulated real estate investment, development and management sector is rightly included in these policy frameworks. Redevco is committed to ensuring that any of its subsidiaries (but especially its regulated entities) adopt and comply with all EU and/or national legislation or directives on ESG topics where applicable.

Redevco's purpose is ultimately to steward real estate investment portfolios – and hence large sums of capital – for our investor clients. We feel it is our duty to remain abreast of all developments that impact how we deliver on that purpose and engage regularly with our investor clients to continually adapt and improve our service offering in line with – and preferably ahead of – market trends.

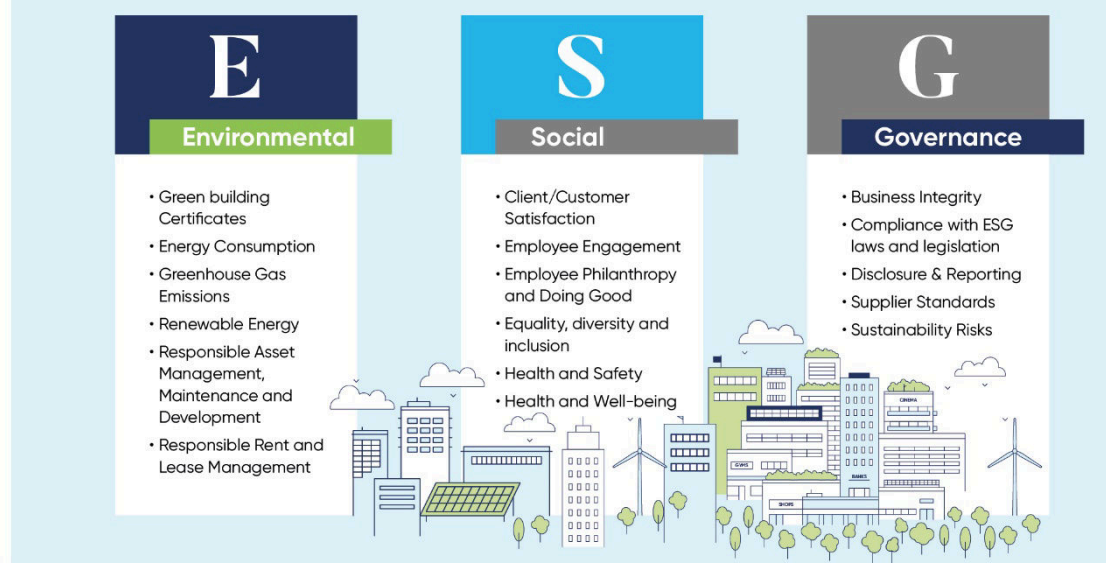
Therefore, to frame our approach to sustainability in internationally recognised terminology and to enable transparency to all our stakeholders, we have adopted this ESG Policy as our overarching framework coupled with several specific underlying policies. Furthermore, this ESG Policy is embedded in Redevco's overall governance, risk and compliance framework. All policies are interconnected and shape how we want to work as an investment manager and how we wish to interact with our stakeholders: our investor clients, our tenants, our service providers and suppliers, as well as our employees and our shareholders.

1.3. ESG topics and materiality

Environmental, Social and Governance (ESG) topics are fully incorporated in our investment and management approach.

- Environmental topics refer to the company's response to environmental issues such as climate change, resource depletions, waste, and pollution.
- Social topics are related to the company's care for people, workers, and local communities, including health and safety issues.
- Governance topics refer to how we run our business, from corporate policies and decision-making processes, to compliance and our stance on issues such as corruption, diversity, and remuneration.

Important ESG topics for Real Estate Investment



Whilst all ESG topics are important, Redevco believes that certain topics may be more material than others when making investment and/or management decisions relating to our assets or even to our own platform's operations. For that reason, Redevco conducts biennial 'materiality assessments' on a broad range of sustainability topics based on input from a range of stakeholders, including shareholders, investor clients, tenants, suppliers and, of course, employees. The outcome of this materiality assessment may from time to time encourage us to update the topics included in this ESG Policy coupled with relevant performance indicators to stay in tune with the expectations of our key stakeholders.

We report on our current materiality matrix in Redevco's annual Responsible Investment Report (see <https://www.redevco.com/reports-list/>).

Our ESG Policy addresses many topics under each of the three headings of Environmental, Social and Governance topics. Those topics that we consider to be most material for our own activities as an investment manager (see topics included in the graphic above) have a number of performance indicators attached that help to frame our target setting and on-going monitoring as well as reporting on an annual basis.

1.4. Principles and Guidelines

As part of Redevco's overall Responsible Investment (RI) approach, which is closely aligned to the RI policies of its investor clients, we are continuously reviewing the degree to which our investment and management processes are aligned with the following international normative standards:

- [The UN Global Compact Principles](#)
- [The OECD Guidelines for Multinational Enterprises](#)
- [The UN PRI \(Principles of Responsible Investing\)](#)

These standards define broadly supported principles for responsible business conduct on ESG matters which Redevco expects its employees, business partners and service providers to follow. This

means that we expect all parties to adhere to internationally accepted minimum standards on governance, human rights, labour practices, environment, and anti-corruption.

In addition, Redevco has identified ESG-related topics that are material to the real estate sector more generally and specifically relevant to our Mission 2040 (see paragraph 1.2.). Redevco chooses to adhere to these standards and integrates other material ESG topics in our investment and management processes. We disclose progress and learnings in our annual [Responsible Investment Report](#).

1.5. Approach to implementation

As an investment manager working on behalf of several investor clients, Redevco adapts its investment approach and fiduciary responsibility according to the wishes of its clients. However, Redevco expresses the ambition to be a “force for better” by deliberately future-proofing assets whilst under its stewardship by integrating ESG issues into the whole life cycle of real estate investment and asset management. ESG considerations should therefore flow into at least each of the following management processes:

- Acquisition
- Rent and lease management
- Maintenance and development
- Sourcing and procurement (purchase to pay)
- Divestment
- Valuations
- Human Resources

Redevco wants to be ambitious, remain ahead of legislation and implement best practices at the corporate, portfolio and single asset level. Where possible and feasible, we translate this policy document into the contracts with external parties along the supply chain, both *upstream* (responsible sourcing and procurement) and *downstream* (responsible rent and lease management). In addition, Redevco aims to leverage its influence and promote best practices in the sector (see Appendix for more detail).

In the following chapters, we will address our approach to these ESG topics under each of the 3 pillars of Environmental, Social and Governance topics.

2. Environmental Topics

Environmental topics refer to the company's response to environmental issues such as climate change, resource depletions, waste, and pollution. We will address topics in alphabetical order with the exception of the first – Green Building Certificates – as we strongly believe that these can serve as a proxy for numerous environmental topics and we use these as a guide for deliberate action for our assets under management.

2.1. Green Building Certificates

We believe that real estate can have the potential to contribute to, or in some cases even be a driver of, sustainable development. The assets directly affect many stakeholders: tenants, users, neighbours and local communities in particular. Real estate can also be of historical and architectural value. The responsibility for preserving these buildings and our cultural heritage lies with today's generation. Conservation, restoration, renovation, and redevelopment are no longer the sole duty of national and local governments, but the responsibility of everyone, including all who own and manage properties.

The impact and sustainable performance of real estate have been translated into manageable indicators, that have been incorporated into international green building certification systems like BREEAM and LEED. Redevco considers that the "degree of sustainability" or "environmental risk" is adequately reflected by these rating systems and they therefore serve as a good proxy for the sustainability performance of individual assets and of whole portfolios. The higher the rating, the more future-proof and sustainable the asset.

Given that the majority of our assets under management are existing assets (rather than new builds), Redevco has adopted the "BREEAM In-Use" rating system (rather than BREEAM New Construction for example), which focuses on ESG performance of the asset in occupation and enables consolidated performance figures and tracking of progress at portfolio level.

The BREEAM In-Use rating system encourages a holistic approach to an asset's sustainability and requires measuring, monitoring and action on the following topics, ranked by each category's weighting:

- Energy
- Health and Well-being
- Resilience
- Resources
- Water
- Pollution
- Transport
- Land Use and Ecology

To demonstrate compliance with internal policies, laws, regulations and voluntary standards like BREEAM, all relevant documents and permits are to be kept up to date.

We also make the explicit assumption that by certifying individual assets to the latest version of BREEAM In-Use after a major intervention moment in that asset's natural lifecycle, e.g. new tenancy with full new fit-out, significant maintenance work, but especially major retrofit or redevelopment, and always striving for continuous improvement of those ratings, we are thereby giving due attention to a range of different environmental and social topics in line with best market practice without having to have an explicit policy around each topic individually.

Redevco engages with each of its investor clients to determine whether and to what extent BREEAM In-Use is applied to the management principles for their portfolio and whether explicit targets are set.

Performance indicators:

1. Percentage of assets under management certified with BREEAM In-Use.
2. Number of improved BREEAM ratings per annum.
3. Based on investor client wishes, set medium-term targets for a minimum share of invested capital to achieve a minimum desired BREEAM In-Use rating e.g. Very Good or Excellent.

2.2. Biodiversity and Habitat

The built environment of course has an impact on local biodiversity and habitat. For this topic, we rely on the BREEAM In-Use credits relating to Land Use and Ecology (LUE) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments). Specific actions might include incorporating a green roof or adding features to support local fauna.

2.3. Climate Change Adaptation

Based on on-going research and analysis of our assets under management against several key climate change related risks (see Sustainability Risks Assessment under the Governance topics), we consider relevant adaptation measures in our brief to architects, engineers and other partners when defining the program of requirements for major works to our assets. We also rely on our partners to remain abreast of more stringent building codes and encourage them to think ahead to incorporate future-proof measures in the design and specification stage.

2.4. Climate Change Mitigation

With the built environment responsible for ca. 35% of global energy consumption and 35% of global carbon emissions, the real estate sector has a clear duty to actively reduce carbon emissions to contribute to the fight against climate change and keeping global temperature increases well below 2 degrees. Redevco wants to be a responsible manager and has hence committed to working towards a Net Zero Carbon portfolio by 2040. This is encapsulated in our Mission 2040 and the key actions are outlined in more detail under Energy Consumption and Renewable Energy (see below).

2.5. Energy Consumption

Considering Redevco's commitment to being a positive force in the fight against climate change, our primary focus is on the energy efficiency of our assets under management, which is a key requirement in the roadmap towards a Net Zero Carbon portfolio by 2040 (our "Mission 2040"). We take deliberate action in those portfolios we manage on behalf of our investor clients that explicitly support our Mission 2040, and we actively engage with and encourage all other or new investor clients to endorse this ambition too.

At natural moments in the lifecycle of individual assets, Redevco engages with all its partners, especially tenants, to agree a collaborative strategy for increasing the energy efficiency of our buildings and driving down the total energy consumed. This is a crucial requirement in meeting the targets agreed by the signatories of the Paris Agreement and Redevco believes that this will have a positive long term financial impact as regulation against energy inefficient buildings will make underperforming buildings unattractive for tenants and investors, thereby putting their value at risk.

Performance indicators:

1. 100% of assets should be certified with Energy Performance Certificates in accordance with the Energy Performance of Buildings Directive (EU), or equivalent methodologies in non-EU Member States, when a National methodology is in place.
2. Medium- and long-term portfolio targets as well as minimum requirements at asset level for the BREEAM In-Use performance score, specifically on Energy.
3. Energy Intensity (EI) improvement targets for each asset at the outset of any significant intervention moment

2.6. Greenhouse Gas Emissions

The aim of the aforementioned topic of energy efficiency in combination with on-site renewable energy generation is of course to drive down the overall carbon emissions of our assets under management. Ultimately Mission 2040 is about delivering an operational Net Zero Carbon portfolio by 2040. To work towards this target, we must transparently report on the CO₂ (and any other greenhouse gas – GHG) emissions emitted through the use and occupation of our assets under management. This will allow us to track progress against our long-term goal and allow for course-correction and deliberate portfolio choices as we progress against this net zero carbon target.

Performance indicators:

1. Absolute as well as like-for-like energy consumption and carbon emissions for as much of the portfolio as possible, including at least the consumption figures for those properties where the owner pays and delivers energy to the occupiers (Scope 1 and 2). The CO₂ emissions should be compiled in accordance with the Greenhouse Gas Protocol.
2. Decoupling of individual assets from natural gas supply as a heating source at natural moments in the lifecycle of our assets (e.g. at redevelopment).
3. Carbon Intensity (CI) improvement targets for each asset at the outset of any significant intervention moment

2.7. Indoor Environmental Quality

For this topic, we rely on the BREEAM In-Use credits relating to Health and Well-Being (HEA) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments). Specific topics might include deliberate choices on lighting, ventilation, indoor comfort etc.

2.8. Material Sourcing

For this topic, we rely on the BREEAM In-Use credits relating to Resources (RSC) in combination with our [Supplier Code of Conduct](#) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments). Specific topics might include design for deconstruction (to facilitate greater recycling of building materials in the future), non-hazardous and low-carbon materials, local sourcing etc.

2.9. Pollution Prevention

For this topic, we rely on the BREEAM In-Use credits relating to Pollution (POL) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments or at a new lease or tenant fit-out moments).

2.10. Renewable Energy

As part of our Mission 2040 ambition to work towards an operational Net Zero Carbon portfolio by 2040, we are partnering with our investor client, COFRA Holding AG, to invest in and manage as

many rooftop solar installations as possible. The generated electricity is intended for use by the existing tenants on-site, and we therefore actively include off-take agreements as part of our Responsible Rent and Lease Management activities. Furthermore, we encourage all tenants at lease renewal moments to consider purchasing certified green electricity from the grid.

Performance indicators:

1. Share of on-site renewable energy as well as the total (purchased) renewable energy in the total energy consumption of the assets under management.
2. Absolute MWp renewable energy generated from on-site PV installations.
3. Absolute tonnes of CO2 equivalent avoided.
4. Inclusion of renewable energy technologies wherever possible when renovating or redeveloping individual assets.



Solar panels on the roof of Decathlon Kuringen, Belgium

2.11. Resilience to Catastrophe/Disaster

In the context of climate change and the increasing extreme weather events that impact the built environment (see climate change adaptation and sustainability risks), it is becoming more important to specifically design buildings for greater resilience against catastrophes or disasters. For this topic, we rely on the BREEAM In-Use credits relating to Resilience (RSL) as well as considering relevant resilience measures in our brief to architects, engineers and other partners when defining the program of requirements for major works to our assets. We also rely on our partners to remain abreast of more stringent building codes and encourage them to think ahead to incorporate future-proof measures in the design and specification stage.

2.12. Responsible Asset Management, Maintenance and Development

Redevco recognises that it can achieve the greatest improvements in an asset's sustainability credentials at natural moments in that asset's lifecycle – at lease renewal or expiry, or when significant maintenance is warranted or when proactive asset (re)development is planned. To

deliver on aforementioned targets and ambitions, it is self-evident that key requirements or minimum standards are deliberately incorporated in asset (business) plans and executed on accordingly. Holistic ESG considerations are discussed with (prospective) tenants, architects, advisers and contractors, and incorporated wherever possible at these asset improvement moments:

- Environmental site selection requirements
- Environmental site development requirements
- Resilient building design and orientation
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Sustainable construction materials
- Health and wellbeing of residents/occupiers
- Water efficiency requirements
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines

More detailed requirements are described in Redevco's Maintenance and Development Policy which is applicable to all property-related expenditure and encourages deliberate thought to contribute to our Net Zero Carbon ambition.

Performance indicators:

1. Set a target of BREEAM In-Use 'Excellent' for each (substantial) redevelopment ("comply or explain"), with 'Very Good' considered the absolute minimum rating to be achieved.
2. Set sustainability performance targets (especially on EI and CI metrics) and measure progress for individual assets as part of individual Asset Business Plans (continuous improvement at other moments outside of major redevelopments).

2.13. Responsible Rent and Lease Management

We recognise that tenant engagement is a pre-requisite to improving the sustainability rating of our portfolios in the long term. Therefore, we actively exploit the potential of green leases by agreeing on data sharing for relevant performance indicators and encourage upgrading building performance at refurbishment moments. We seek to include legally binding clauses to improve sustainability ratings when signing new lease contracts and whenever feasible, off-take agreements for on-site generated renewable energy are also incorporated in the collaboration with our tenants. As part of a responsible engagement process, Redevco communicates the sustainability credentials of individual buildings and projects to its tenants (and other stakeholders).

Further, in line with investor client wishes, Redevco takes responsible tenant selection into account when confronted by vacancy in any of its assets and will deliberately avoid tenants active in 'sin industries' (see Redevco's Rent and Lease Management Policy.)

Performance indicators:

1. Percentage of new leases signed per annum that meet minimum criteria for being classified as a green lease.
2. Share of all leases which are classified as a green lease.

2.14. Sustainable Procurement

For this topic, we rely on the BREEAM In-Use credits relating to Resources (RSC) in combination with our [Supplier Code of Conduct](#) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments). Specific topics might include design for deconstruction (to facilitate greater recycling of building materials in the future), non-hazardous and low-carbon materials, local sourcing etc.

2.15. Waste Management

For this topic, we rely on the BREEAM In-Use credits relating to Resources (RSC) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments or at a new lease or tenant fit-out moments). We collaborate closely with our tenants and property managers to facilitate and stimulate overall reduction of waste production as well as recycling of waste as much as possible.

2.16. Water Consumption

For this topic, we rely on the BREEAM In-Use credits relating to Water (WAT) and make choices to include actions on these credits at the natural moments in the asset's lifecycle (major maintenance or redevelopment moments or at a new lease or tenant fit-out moments).



Bordeaux Promenade Sainte Catherine, one of our Mission 2040 signature projects

3. Social Topics

Social topics are related to the company's care for people, workers, and local communities, including health and safety issues. Again, we address these topics in alphabetical order with the more material topics having performance indicators attached.

3.1. Child, Forced or Compulsory Labour

Redevco explicitly condemns any child, forced or compulsory labour relating to any employment, construction, maintenance work or service provision to our business or to any of the assets under management. We expect all our stakeholders to abide by the UN Global Compact principles.

3.2. Client/Customer Satisfaction

Redevco's mission is to be a trusted partner in urban real estate. An important component to having positive social impact through our business activities is to proactively seek feedback from a wide range of stakeholders – especially investor clients and tenants – and subsequently report back what the findings are and what actions Redevco chooses to take in response.

At least every other year, Redevco conducts extensive research and market benchmarking exercises including media analysis to assess the validity and materiality of our ESG focus areas. We engage extensively with a broad range of stakeholders involving shareholders, client investors, tenants, suppliers and employees. We report on the outcome of these materiality assessments in our annual [Responsible Investment Report](#) and how this influences our strategy or operational management choices vis-à-vis our assets under management.

We also conduct regular investor client and tenant satisfaction surveys – in addition to regular relationship management meetings or calls – to get their feedback and ensure we are adequately addressing their needs in our service provision.

Performance indicator:

1. Client or tenant satisfaction score.

3.3. Employee Engagement

Redevco recognises the importance of an engaged workforce to deliver on our strategic objectives and our investor client mandates with corresponding performance and results. We therefore regularly seek feedback from our employees via a bi-annual 'pulse survey' to monitor their engagement with Redevco's strategic direction and how the business is being led and managed. Feedback from these surveys is transparently shared with all colleagues and action items are followed up on by respective management teams.

Performance indicators:

1. Employee engagement score.
2. Staff turnover ratio.

3.4. Employee Health, Well-being and Vitality

At Redevco we believe our colleagues are best placed to contribute to the success of our company if they feel happy, healthy, and engaged. Many factors play a role in creating an optimal balance. As an employer we want to actively create a positive and productive place to work and provide our colleagues with the means to promote a healthy mental, physical, and emotional lifestyle.

Health and well-being, and how to achieve that, means different things to different people. With a diverse workforce across many cultures in Europe, there are many views on how to best support our colleagues and the extent to which employer involvement is appreciated or considered appropriate.

There are four categories where Redevco believes we can help our colleagues improve their health & well-being: in the physical space of the office, by stimulating and facilitating habits pertaining to physical health, by helping our colleagues find the right work-life balance for them and by equipping our people with the skills and competencies they need to be the best that they can be.

Performance indicators:

1. Absenteeism rate.
2. Staff turnover ratio.

More information can be found in "Happy & healthy employees: our vision on well-being".

3.5. Employee Philanthropy and Doing Good

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 one volunteering day per year for a charitable organisation of their choice, we have created an opportunity to 'give back' and go beyond simply maximising our operational sustainability.

Performance indicators:

1. Percentage of employees using their volunteering day.
2. Number of charitable projects receiving support.
3. Total Euros donated per annum.



Redevco employees during a volunteering day

3.6. Equality, diversity and inclusion

In line with Redevco's core values (Integrity, Excellence, Balance and Team Spirit) and our Business Integrity Principles (BIP), we recognise the importance of equality, diversity, and inclusion.

We operate in an increasingly diverse community, and we understand that the people who provide and use our services have diverse characteristics and different experiences, needs and aspirations. Understanding, valuing and effectively managing these differences can result in greater participation and help bring about success at an individual, team and organisational level.

Redevco is committed to creating an inclusive working environment where individual differences are valued and respected, in which each employee is able to fulfil his/her potential and maximise his/her contribution and in which equal employment opportunity to all applicants and employees is provided.

More information can be found in our Equality, Diversity and Inclusion Policy.

Performance indicators:

1. Management position broken down by gender.
2. Staff turnover ratio.

3.7. Health and Safety: Contractors

Redevco recognizes its duty of care to all people who work on our behalf at or on our assets under management. A healthy and safe environment is essential for the wellbeing and vitality of our contractors and their staff.

Our Health and Safety Policy Statement describes how we – or contractors that work on our behalf – actively seek to reduce health and safety risks, eliminate hazards and limit the number of work-related injuries or on-site accidents to an absolute minimum. Please see Redevco's Health and Safety Policy Statement for more detail.

Redevco expects our suppliers/contractors to meet the highest health and safety standards when working on projects on our behalf so that people working on them are not at risk. The buildings themselves should meet high health and safety standards as well and comply with all national or local legislation, to ensure the well-being of their users. We expect the health and safety records to be monitored and all relevant documentation and safety and maintenance certificates to be kept up to date.

We report on any health and safety incidents in our annual Responsible Investment Report.

Performance indicators:

1. Number of accidents or injuries occurring on/at our assets under management.
2. Number of compliance breaches with regards to health and safety topics.

3.8. Health and Safety: Employees

Redevco recognizes its duty of care to its employees, whether they are working at one of our offices or at home. We recognize that a healthy and safe environment is essential for the wellbeing and vitality of our employees, which in turn contributes to the long-term sustainable success of our business.

We abide by all workplace health and safety regulations, including regular checks on office equipment (desks and chairs at the correct ergonomic height) and participate in regular fire drills and evacuation exercises. Each of our offices has dedicated and trained first aiders and fire marshals, who participate in annual training/certification courses.

Redevco also has a 'Working from Home Policy' that also addresses the need for an adequate and healthy workspace at home.

3.9. Health and Safety: Tenants/Visitors

Redevco recognizes its duty of care to all people who work, live, visit or play at any of our assets under management. A healthy and safe environment is essential for the wellbeing and vitality of our tenants, tenants' employees, their customers, contractors, or any other visitors to our properties. This is key to ensuring that all our stakeholders can thrive.

Redevco expects our tenants/occupiers and their visitors to abide by the highest health and safety standards when occupying our buildings. We have a mutual interest to ensure that the buildings themselves meet high health and safety standards as well and comply with all national or local legislation, to ensure the well-being of their users. We expect the health and safety records to be monitored and all relevant documentation and safety and maintenance certificates to be kept up to date.

3.10. Health and Well-being: Tenants/Occupiers

Building design and day-to-day operational management can have a significant impact on the health and well-being of the building's occupants. Lighting, heating, cooling, ventilation, materials use and other aspects can have both social as well as environmental impacts. As the attention for social impact of the built environment increases, Redevco understands the importance of thinking through design, materials and installations choices on building occupiers and possible impacts on their comfort and well-being.

Performance indicators:

1. Set asset-based targets specifically for the BREEAM In-use performance score on Health and Well-being.
2. Regularly execute an asbestos and legionella risk assessment where reasonably possible.

3.11. Human Rights

We expect all our stakeholders to abide by the UN Global Compact principles with regards to human rights.

3.12. Stakeholder Engagement and Relations

An important component to having positive social impact through our business activities is to proactively seek feedback from a wide range of stakeholders and subsequently report back what the findings are and what actions Redevco chooses to take in response.

At least every other year, Redevco conducts extensive research and market benchmarking exercises including media analysis to assess the validity and materiality of our ESG focus areas. We engage extensively with a broad range of stakeholders involving shareholders, client investors, tenants, suppliers and employees. We report on the outcome of these materiality assessments in our annual Responsible Investment Report and how this influences our strategy or operational management choices vis-à-vis our assets under management.

Furthermore, Redevco's employees are actively involved in national and international industry councils and associations in order to share knowledge and insights with like-minded industry professionals. It is our conviction that participating in these forums helps to have a positive impact on a multitude of ESG topics within our sector.

4. Governance Topics

Governance topics refer to how we run our business, from corporate policies and decision-making processes, to compliance and risk management. Redevco applies a responsible governance approach, focused on business ethics, integrity, compliance and clear accountabilities, thereby ensuring business continuity and stakeholders' trust.

4.1. Business integrity

We strive for sustainable, long-term value creation and subsequently expect high standards of business integrity from our employees and business partners. A well-embedded [Business Integrity Policy](#) (BIP) ensures that possible conflicts are identified, dilemmas can be openly discussed, and misconduct can be reported (via an explicit [Whistleblowing Policy](#)). It also provides grounds to walk away from an attractive deal because of e.g., ethical issues. This reduces the level of risk of misconduct in our entire business operations and ensures that the way we do business is in line with best practice ethical standards.



Redevco avoids entering a contract or a business relationship with a company or an individual without full knowledge of e.g. the ultimate beneficial owner and the origin of capital, as this may expose our reputation and/or that of our shareholders and could be in conflict with our integrity principles and result in possible non-compliance to laws and regulations.

In line with our BIP but also our investor clients' instructions, Redevco also considers certain products and services to be inconsistent with the principles of Human Dignity and we therefore choose to avoid or exclude (whenever possible) tenants/occupiers active in 'sin industries'.

Bribery and corruption are prohibited in any form, be it intentionally or unintentionally – directly or indirectly – including an offer, promise, undue payment, or undue advantage to a public official. Similarly, facilitation payments are prohibited in any form (i.e. payments made or offered to speed up or facilitate a routine action or process) regardless of current practice in a particular jurisdiction.

We report extensively on business integrity and compliance in our annual [Responsible Investment Report](#).

Performance indicators:

1. Number and nature of breaches with Redevco's Business Integrity Principles (BIP).
2. Employee participation rate in annual integrity workshops.
3. Annual employee signoff for adherence to the Redevco BIP.
4. Number of whistleblowing incidents.

4.2. Compliance with EU and national ESG laws & legislation

Achieving compliance with all EU and/or national laws & legislation pertaining to ESG topics, as they evolve and become ever more stringent, will mean that investor clients can have confidence that their invested capital can be classified as being environmentally sustainable. As far as practically and reasonably possible, Redevco aims to offer sustainable products and services in the pursuit of our ambition to be a 'force for better' thereby contributing to a greener and cleaner economy.

Redevco is committed to ensuring that any of its subsidiaries (but especially its regulated entities) adopt and comply with all EU and/or national legislation or directives on ESG topics where applicable.

4.3. Cybersecurity

In our ever-increasing digital world, Redevco takes cyber security as seriously as possible. In our governance structure, we have instituted an Information Security Committee that reports to our Board on all IT, digital and cyber issues.

Performance indicator:

1. Number and nature of non-compliance with EU or national legislation on ESG topics.

4.4. Data Protection and Privacy

With the advent of the GDPR legislation, Redevco continues to actively encourage all employees and business partners to act in accordance with this legislation. We have a Redevco Privacy Statement for Employees, and a separate [Redevco Privacy Statement for Customers](#), outlining what personal data we store and how this is processed, all in accordance with the GDPR regulations.

4.5. Disclosure and Reporting

Redevco aims for maximum transparency on our ESG targets and our progress towards them. We produce an annual Responsible Investment Report in conformity with the Global Reporting Initiative's (www.globalreporting.org) Sustainability Reporting Standards, which is also subject to assurance by an external auditor.

Furthermore, in compliance with investor clients' wishes, Redevco also participates in internationally recognised benchmarking tools such as GRESB (Global Real Estate Sustainability Benchmark) and works actively to disclose and report all ESG related topics in line with best market practice.

Performance indicators:

1. Annual publication of a Responsible Investment Report.
2. Annual reporting on GRESB benchmark.

4.6. Fiduciary Duty

As an investment management company looking after the capital of our investor clients, Redevco takes our fiduciary duty extremely seriously. As our mission states that we want to be a trusted partner, we recognise the importance of exercising our duties in a manner that maintains our clients' trust. We therefore believe in the importance of confidentiality and we have a Conflicts of Interest Policy to ensure that different investor client's wishes and expectations are being fairly and transparently considered.

4.7. Fraud

In accordance with our values and our Business Integrity Principles (BIP – see above), Redevco operates a zero-tolerance policy for any fraudulent behaviour. This applies to our employees as well as any supplier or partner working on our behalf.

4.8. Political Contributions

In line with our BIP and our stance on bribery and corruption (see above), Redevco will not make any political contributions, directly or indirectly.

4.9. Supplier Standards

Redevco is convinced of the positive impact it can have through its own business activities. But we look not only at our own products and services, but also how we can influence others in our value chain, both upstream and downstream, to make a positive contribution to our ESG efforts for the benefit of a wide range of stakeholders.

Redevco prefers to work with suppliers that are also committed to ESG topics and doing business in a responsible manner. We have created a [Supplier Code of Conduct](#) which outlines the minimum standards relating to transparency, integrity, work processes, health and safety, and impact on the environment and society. We expect all suppliers that work for Redevco for a contract value greater than € 50.000 to adhere to this supplier code of conduct.

Performance indicator:

1. Share of all contractors working on our behalf for a contract value > EUR 50.000 that have acknowledged and commit to abiding by Redevco's Supplier Code of Conduct.

4.10. Sustainability Risks

Redevco executes an annual risk assessment to create a heat map showing material risks based on likelihood and impact. Given that sustainability- or climate-related risks are often perceived to be further out in time than immediate business- or economic-related risks, Redevco management commits to doing a separate risk assessment every other year on longer-term sustainability and climate risks.

Several highly material topics from our latest materiality assessment (1. GHG emissions, 2. Climate Resilience, 3. Renewable Energy) can also be seen as sustainability risks which may have material impact on the value of assets under management in the future if no deliberate action is taken on these topics. Redevco has developed a framework by which to assess sustainability risks related to our assets under management.

This framework includes an assessment of the following (physical) risks:

- flooding risk (rivers bursting their banks as well as sea-level rises) – inability to reach the asset, physical damage and danger to operation (e.g. location of generators and electrical installations), loss of stock etc.

- precipitation risk (frequency and volume) – water ingress, collapse of roof, flooding of sewers etc.
- heat stress (incl. urban heat island effect) – forest fires, heat related illnesses and mortality, loss of air quality, loss of productivity, energy consumption etc.
- drought risks – water scarcity, interruption of water supply, price increases of vital resources, impact on structural foundations, etc.

We continuously review our sustainability risks in the context of the fast-changing ESG landscape, tracking legislative changes but also our peers' commitments and approaches to ESG, and relevant actions are determined on an on-going basis.

Performance indicators:

1. Share of assets under management that are at risk of becoming 'stranded' (obsolete) as a result of climate risk.

5. Appendix – Best Practices

Identified Best Practices at corporate, portfolio and single asset level may include (partially derived from *Sustainability Metrics – translation and impact on property investment and management*, May 2014, UNEP FI):

Corporate level

- Treat sustainability as an integral part of the business along with the traditional decision-making factors and parameters, rather than as an add-on or separate category.
- Build structures for corporate sustainability management. Treat this as an overall quality assurance tool and mechanism.
- The manager should monitor the relationship between financial and ESG performance in order to assess the risks and opportunities related to ESG issues in the portfolio. To get a deeper understanding of what will make properties 'future-proof' in ESG terms, the real estate investment manager should stay abreast of latest developments and research, and apply a multi-dimensional approach to portfolio analysis, especially when performing a hold/sell analysis.
- Whenever property services are outsourced, the investment manager is expected to have a framework of requirements in place for type, extent, format and frequency of data/information exchange with third-party service providers.
- The investment manager is expected to use its influence to set and enforce industry conventions, cooperate with initiatives like UNEP FI, UN Global Compact (GC), the Principles for Responsible Investment (PRI), and endorse existing standards such as those of the Global Reporting Initiative, as well as encourage the adoption of standardised building documentation (building files, building passports) within the industry.

Portfolio level

- Integrate sustainability considerations into portfolio management and adopt a three-dimensional approach to portfolio analysis whereby financial success factors are related to quality characteristics of the buildings, as well as its location and market environment.
- Integrate sustainability considerations into existing decision-making instruments. ESG criteria are expected to be part of the valuation process in accordance with RICS Red Book.
- Set sustainability performance targets for property and facility management and monitor performance and compliance.
- Ensure that basic information and data on physical property characteristics are available for all buildings within the portfolio. It is expected that the manager measures consumption values and CO₂-emissions. Information on comfort levels and user satisfaction is also vital.

Asset level

- Exploit the full potential of green leases.
- Set sustainability performance targets and measure progress for individual assets.
- Extend facility management processes by adopting energy consumption monitoring, operating cost controlling, post-occupancy evaluation in combination with complaint management, and tenant satisfaction surveys.
- Make sustainability a requirement for new and refurbishment projects.
- Actively request building-related information and documentation. Treat its absence as a potential deal-breaker.
- Ensure that building documentation (e.g. building files and passports) are issued in project development and refurbishment projects and that these are continuously updated during the management phase.

- Actively communicate the sustainability credentials of individual buildings and projects towards stakeholders.

With respect to the UN Global Compact Principles, a sector specific reference is made to “*Advancing Responsible Business Practices in Land, Construction and Real Estate Use and Investment*”, a joint publication from UN Global Compact and RICS (June 2015). This resource identifies and explains the link between the sector’s business activities and the four issue areas of the Global Compact, covering its 10 principles.

Life cycle phase	Five key issues and main Global Compact issue areas impacted	Five action items per life cycle phase
Development	1. Land governance Human rights, anti-corruption, environment	Enter into an open dialogue with members of the community at the point of land status change and at the planning and design stage
	2. Transparency and anti-corruption Anti-corruption, environment, labour, human rights	Actively promote greater transparency and fight corruption at all levels
	3. Respecting workers’ rights Labour, human rights	Make responsible supply chain choices that respect the protection of labour and human rights
	4. Environmental stewardship Environment, human rights	Take responsibility with regard for the environment at the point of land status change at the planning and design stage
	5. Quality of planning, design and construction Human rights, environment	Deliver safe, high-quality and well-designed buildings
Real Estate Use	1. Transparency and disclosure Anti-corruption, environment, labour, human rights	Improve internal processes for identifying and addressing corrupt practices and for increasing overall corporate transparency
	2. Environmental stewardship Environment and human rights	Make environment stewardship an integral part of the daily operation of the building
	3. Treatment of tenants and communities Human rights and environment	Interact with tenants and local communities
	4. Health, safety and well-being of occupants Labour and human rights	Provide a safe and healthy work environment for employees
	5. Decent work & human rights in the value chain Human rights and labour	Ensure decent work conditions for employees and subcontracted workers
Recovery	1. Strategic site-use re-evaluation Environment and anti-corruption	Carry out a thorough economic, social and environmental building and site-use re-evaluation
	2. Refurbishment and retrofitting Human rights, labour and anti-corruption	Create conditions for carbon mitigation and resource use minimisation during refurbishment and redevelopment
	3. Waste management, resource conservation and recycling during demolition Environment, human rights and labour	Prepare an independent method statement and risk assessment for safe and efficient waste management at demolition stage
	4. Brownfield regeneration Environment, human rights and labour	Minimise impact on the environment and communities during brownfield regeneration
	5. Land recovery and rehabilitation of site Environment and human rights	Undertake an environmental impact assessment with regard to land recovery and rehabilitation

Figure 1 The 15 Real Estate issues and main UN Global Compact issue areas impacted and corresponding action per life cycle phase (source: UN Global Compact, RICS, June 2015, ‘*Advancing Responsible Business Practices in Land, Construction and Real Estate Use and Investment*’)