



Communication on Progress UN Global Compact April 2022

CEO statement of continued support for the UN Global Compact and its ten principles

To our stakeholders:

I am pleased to confirm that Altera Vastgoed reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In our second annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. J.E.W. van der Bijl,
CEO Altera Vastgoed

Description of actions or relevant policies related to Human Rights, Labour, Environment and Anti-Corruption

As of May 2020, Altera Vastgoed has joined the UN Global Compact as first Dutch institutional real estate investor. This is in line with the company's commitment to socially responsible investment. The company regards sustainable and socially responsible policy by also giving due consideration to issues like human rights, labour, the environment and anti-corruption. In this second Communication on Progress, the company states which steps it took to implement the Ten Principles into the company policies and measures its outcomes. We have divided our Communication on Progress along the lines of our most important stakeholders: investors, tenants, business partners, management organisation (our employees) and the planet.

Investors

- First and foremost, we are compliant with current laws and regulations, including the EU and UN sanction lists. When we implement the Know Your Customer (KYC) and Anti-Money Laundering-screens (AML), we focus on Ultimate Beneficial Owners (UBO).
- Furthermore, we mitigate country risks by following the JLL Transparency Index. We do not collaborate with investors that are listed in the bottom half of this list. When we engage in capital raising, we look for investors that are likeminded with the existing investor group.
- Being a sustainable real estate investor is a central part of our business proposition. Investors choose for Altera, because they know we have incorporated Environmental, Social and Governance (ESG)-criteria into all our business processes. This includes the company code of conduct, CDD/KYC/AML policy, incidents regulations, integrity policy, privacy policy and screening and whistle blower regulations.
- Our sustainability efforts are well recognised by international benchmarks, such as GRESB and UNPRI, which provides external assurance on our sustainability claims. We strive to maintain high ranks in these benchmarks; with our Residential portfolio, we have been awarded the GRESB global sector leader status for the second year in a row and received double A+ rating in UNPRI 2020.
- We align ourselves with the ambitions of our investors. Several of our investors exclude companies in which they invest, based on the UN Global Compact. A yearly screen by a service party shows that we do not deal with companies based on these kinds of exclusion lists. We actively participate in questionnaires and due diligences conducted by current and prospective investors with respect to sustainability and good business practices.

Tenants

- We screen our residential tenants as part of the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act schemes and we closely collaborate with governmental authorities in case of criminal misconduct, for example in the case of hemp cultivation.
- With respect to our retail tenants, we exclude doing business with them when the law prohibits it. When doing business with a company imposes a potential reputational risk for Altera Vastgoed, we deal with this on a case-by-case basis.
- Since the majority of the GHG emissions are Scope 3 emissions, we engage with our tenants on their energy and water consumption and their waste production. Yearly, we enquire their performance data and work together with them to reduce their emissions. Examples of activities are: inclusion of a green lease section in the leasing agreement, development and distribution of a 'tips & tricks'-brochure to seduce them to act more sustainably and renovation works to make the buildings more sustainable and resilient.

Business partners

- Our most important business partners are property managers, valuers, real estate agents, developers and other types of service providers. When above a certain threshold, they are being screened according to the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act. Furthermore, we adhere to the IVBN (Association of Institutional Property Investors in the Netherlands) Integrity code.
- We are investigating the option to include a sustainability clause or annex in the agreements with our business partners. Here our business partners can state that they work in line with the Ten Principles of UN Global Compact, work to achieve the UN SDG's and/or other sustainability principles. Furthermore, they will be expected to explain which activities they undertake to act in line with our sustainability principles. Here, we work together with peers from other real estate investors and the IVBN.

Management organisation

We have joined forces with the UN Global Compact to have a principle-based approach towards sustainability and align ourselves further to the UN SDG's. We have communicated this internally and externally to create the possibility for our stakeholders to join us in this initiative.

Besides making our assets more sustainable, we also behave as a responsible corporate citizen:













- We have developed a value creation model in which we explain our business model, identify our most important stakeholders, and calculate how we have created value for them. This we link to the UN SDG's. The Value Creation Model is published on page 8 of Annual Report 2021.
- For our management organisation we have implemented an ISO 14001-certified Environmental Management System (EMS), which we update annually.
- We prohibit discrimination and we aim to have a pluriform workforce. This has been included in our HR policy and a diversity and inclusion program is being set up.
- We furthermore screen our employees prior and during employment, amongst others on anti-corruption.

By doing so we step by step narrow the gap and become an increasingly responsible and impactful responsible corporate citizen.

Measurement of outcomes

AlterA is a strong proponent of the UN Sustainable Development Goals and has published about the company's impact on the goals for three years. This year, we have updated our UN Sustainable Development Goals (UN SDG) Impact Assessment, which can be found on page 44 of the Annual Report 2021 and displayed below.

AlterA

Sustainable Development Goal																
SDG target(s)																
	3.4 Reduce mortality from non-communicable diseases and promote mental health		6.4: Increase water-use efficiency and ensure freshwater supplies		7.2: By 2030, increase substantially the share of renewable energy in the global energy mix		7.3: By 2030, double the global rate of improvement in energy efficiency		11.6: Reduce the environmental impact of cities		12.5: Substantially reduce waste generation		12.6: Encourage companies to adopt sustainable practices and sustainability reporting		13.2: Integrate climate change measures into policy and planning	
Relevant SDG indicators	3.4.1: Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease		6.4.1 Change in water-use efficiency over time 6.4.2: Level of water stress		7.2.1: Renewable energy share in the total final energy consumption		7.3.1: Energy intensity measured in terms of primary energy and GDP		11.6.1: Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated, by cities		12.5.1: National recycling rate, tons of material recycle		12.6.1: Number of companies publishing sustainability reports		13.2.2: Total greenhouse gas emissions per year	
Potential contribution	Placement of AEDs at our assets		Low-flow toilets, taps showers, rain barrels, tenant engagement to reduce water		Install solar panels, improve energy index and energy labels		Recycling waste bins, tenant engagement to reduce waste		Recycling waste bins, tenant engagement to reduce waste Publish sustainable report		Reduce energy usage buildings (common areas and tenant spaces)/ increase resilience buildings					
Establish KPIs for our contributions	% assets covered by AED		Volume of water used		Energy index, % A-label, Number of solar panels		Volume of waste produced, percentage waste recycled				GHG emissions (Scope 1, 2 & 3: kg/ m²); Energy usage (kWh/m²)					
	Residential	Retail	Residential	Retail	Residential	Retail	Residential	Retail	Residential	Retail	Residential	Retail				
Current status	73%	78%	918 litres (per m²)	52 litres (per m²)	A-label: 67% Number of solar panels: 14,490	A-label: 88% Number of solar panels: 0	10.1 kg (per m²)	8.9 kg (per m²)	10.1 kg (per m²) Sustainability report published	8.9 kg (per m²) Sustainability report published	GHG: 24 kg/m² kWh: 105 kWh/ m²	GHG: 61 kg/m² kWh: 180 kWh/ m²				
MT Target	100%	100%	<800 litres (per m²)	<42 litres (per m²)	A-label: >75% Number of solar panels: >16,000	A-label: >90% Number of solar panels: 3,000	<10 kg (per m²)	<8 kg (per m²)	<10 kg (per m²)	<8 kg (per m²)	GHG: <20 kg/m² kWh: <88 kWh/ m²	GHG: <52 kg/m² kWh: <152 kWh/ m²				