



CBRE GLOBAL INVESTORS NETHERLANDS
RESPONSIBLE INVESTMENT REPORT 2018

CBRE
GLOBAL
INVESTORS

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PREFACE

DEAR STAKEHOLDER,

We are pleased to present you the tenth CBRE Global Investors Netherlands ("CBRE GI NL") responsible investment report. This report is to inform you on CBRE Global investors' continuous efforts to improve responsible investment performance at all levels in its company.

CBRE Global Investors ("CBRE GI") seeks to deliver world-class investment results and exceptional client service. We do so in a context of environmental pressures from climatic change, resource constraints and social transitions, including the growing importance of gateway cities, migration into and throughout the region, and lengthening life expectancy. We foresee significant disruption from smart technologies and increasing connectivity as well as from changes in geopolitical structures and the global economic order.

These factors present both risks and opportunities to our business, and are increasing areas of competition across the investment management industry. To respond effectively, we must identify and consider material Environmental and Social issues in all investment decisions. We must also deploy Governance structures across our investment platform to ensure material issues are managed ethically and sustainably. This is Responsible Investment Management; it is essential to delivering world-class investment results and exceptional service for our clients in combination with responsibility for Environmental, Social and Governance issues. This approach is part of CBRE's Shared Advantage with our communities.

Our responsible investments efforts contribute to our overall goal, which is being the leading provider of sustainable real estate products in the Netherlands. A commitment CBRE GI NL has been working on for years. Over the past year, our entire organization have worked hard to further implement responsible investment practices in our processes and the daily operations of our business.

At CBRE GI we want to make the right decisions not only for our investors but for all our stakeholders. By implementing this in our daily operations we have the possibility to mitigate the effect of the built environment on climate change.

Yours sincerely,

On behalf of CBRE Global Investors Netherlands

Paul Oremus, *Managing Director*
CBRE Global Investors Netherlands

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IMPORTANT INFORMATION

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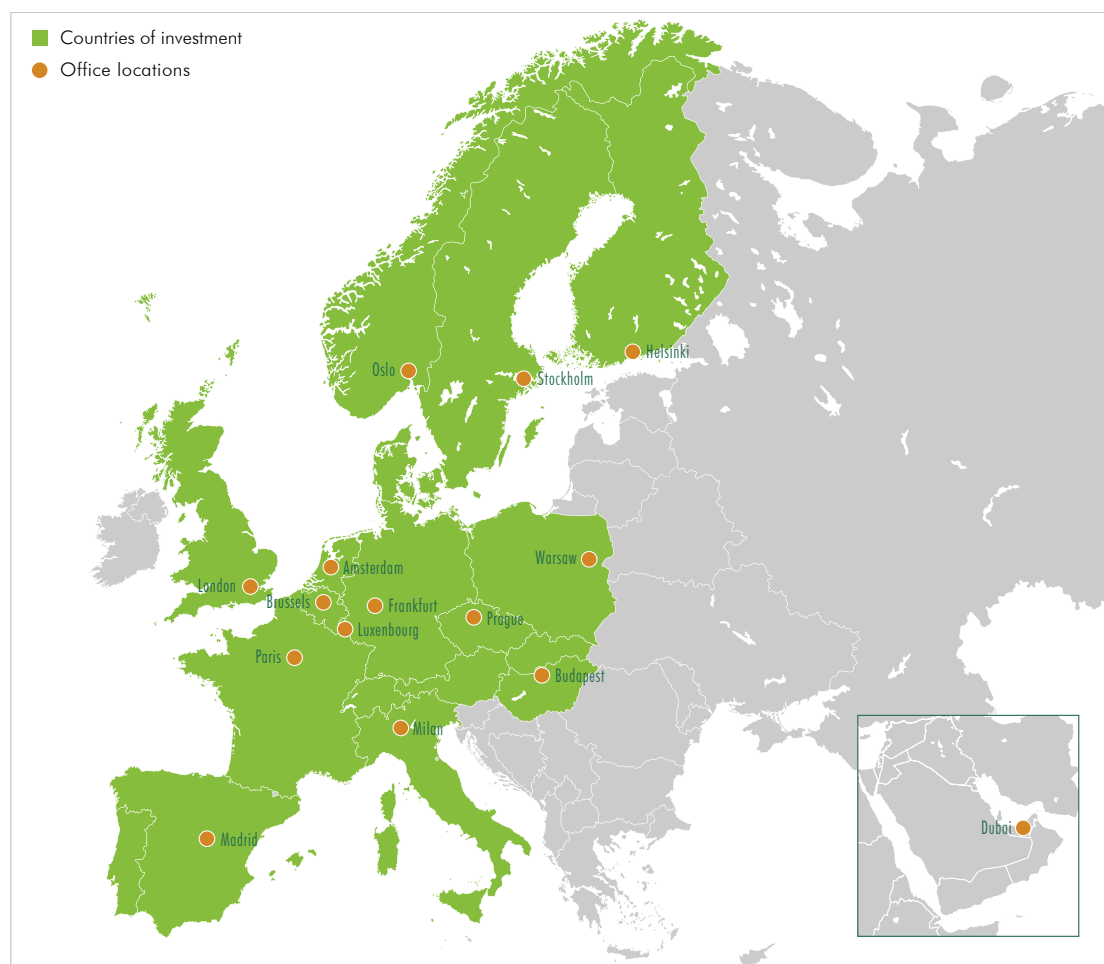
ABOUT CBRE GLOBAL INVESTORS

CBRE GI is one of the world's largest real estate investment management firms. As of 31st December 2018, CBRE GI had \$105.5 billion in assets under management ¹⁾ ('AUM'). It is an independently operated affiliate of CBRE Group, Inc. (NYSE: 'CBRE'), the world's largest, full-service commercial real estate services firm ²⁾.

The firm sponsors real estate investment programmes across the risk/return spectrum in the Americas, Europe and Asia for investors worldwide including public and private pension funds, insurance companies, sovereign wealth funds, foundations, endowments and private individuals. Programmes include a complete range of investment solutions including equity and debt, direct and indirect, and listed and unlisted strategies delivered through separate accounts and commingled funds.

Our Mission is to be the global leader in the real estate investment management industry by offering a broad and deep investment platform that consistently delivers world-class investment results and an exceptional client service. CBRE GI draws substantial competitive advantage from its ability to harness the research, market intelligence, investment sourcing, financing, leasing, property management and real estate sustainability expertise of CBRE for the benefit of our investors.

Figure 1 Overview CBRE Global Investors EMEA



1) Assets under management (AUM) refers to the fair market value of real asset-related investments with respect to which CBRE GI provides, on a global basis, oversight, investment management services and other advice and which generally consist of investments in real assets; equity in funds and joint ventures; securities portfolios; operating companies and real asset-related loans. This AUM is intended principally to reflect the extent of CBRE GI's presence in the global real asset market, and its calculation of AUM may differ from the calculations of other asset managers.

2) Based on 2018 revenue.

CBRE GLOBAL INVESTORS - EMEA

The CBRE Global Investors EMEA platform, with USD 56.5 billion AUM, is one of the largest and most diversified real estate investment management businesses. The platform has 15 offices in 15 countries and manages investments in 18 countries across the region. Our programmes include Core, Core+ and Value-Added strategies through separate accounts and commingled equity funds in the UK, Western and Southern Europe, Central Eastern Europe and the Nordics for investors worldwide.

Table 1 Key Information CBRE Global Investors EMEA

AUM	\$ 56.5 billion
Staff	450+
Countries of Investment	18
Strategies	Equity/debt investments
Programmes	Private and Listed Real Estate and Private Equity

Our business capitalises on the CBRE knowledge advantage in executing investment strategies. This knowledge advantage is driven by CBRE's transaction volume, market presence and relationships, which results in real-time information on investment sourcing, capital markets, leasing, property management, building consultancy, sustainability and overall market trends. The intelligence and execution capabilities provided by CBRE's 30,000 EMEA real estate professionals facilitate investment identification, high-quality underwriting, efficient transaction processing and rapid operating strategy implementation.

CBRE GLOBAL INVESTORS - NETHERLANDS

The CBRE GI NL platform, with EUR 7.1 billion AUM, is a diversified real estate investment management businesses focused on logistics, office, residential and retail investments. The platform has investments throughout the Netherlands both through commingled equity funds and separate accounts. CBRE GI NL employs 50 professionals.

CBRE GI NL has strong commitment to sustainability and enhancing awareness and performance. This report encompasses the 10th annual sustainability report of the CBRE GI NL and discloses the activities initiated and achievements over 2018 by both the organization as well as the four main Dutch investment programs.

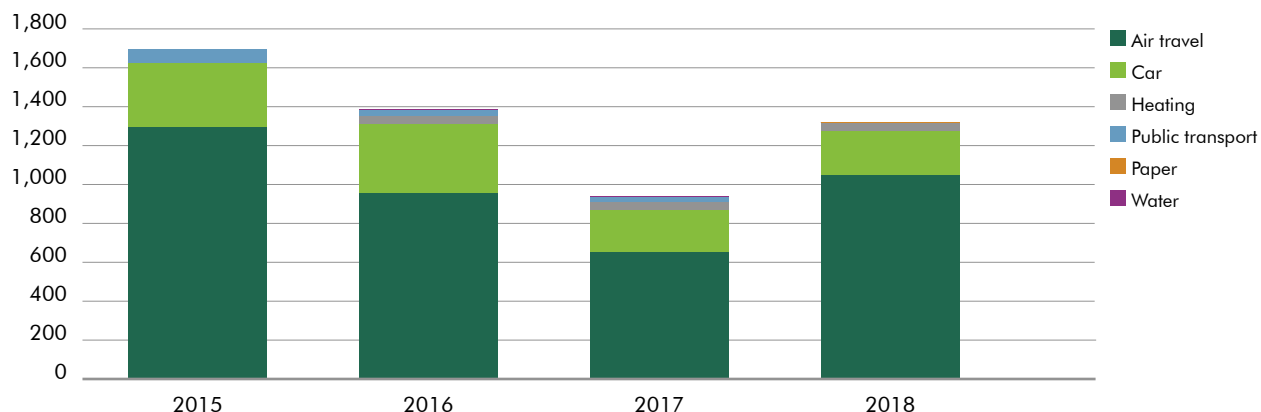
Over the past year the Dutch organization has employed several initiatives to support the Dutch office of CBRE GI in our goal to be the most sustainable investment manager in the Netherlands. We are offering the most sustainable services to our clients and execute our daily operations in the most sustainable way. All new initiatives, details and results are outlined in this report.

CARBON FOOTPRINT EMEA AND NETHERLANDS HEADQUARTERS, WTC SCHIPHOL

As part of CBRE GI ongoing commitment to be the most sustainable investment manager, CBRE GI NL, calculate the companies carbon footprint in accordance with the Green House Protocol. By doing so, the effects of our activities are measured on an objective method providing insight in our carbon footprint.

We started to calculate our carbon footprint in 2012, this year reflects the base year on which CBRE GI NL will implement measures to reduce emissions both on organizational level as well as Fund level. In 2018 our footprint (incl. air travel) increased with 383 tonnes (+41%) CO₂ emission compared to the year 2017. The footprint without air travel decreased with 14 tonnes (-5%).

The CBRE GI office at WTC Schiphol is used as base location for most of our EMEA international client teams, staff departments and EMEA executive board. Since the EMEA business is growing and various new initiatives have been employed to strengthen the CBRE GI EMEA platform, the amount of air travel has increased.

Figure 2 CO₂ emissions (including air travel)

RESPONSIBLE AWARENESS WEEK 2018

In October 2018 CBRE GI had the third Green Week, after a successful editions in 2016 en 2017. In this week responsible investment is the main subject and for a period of a week activities are organized to involve the entire company in environmental, social and governance awareness.

One of the highlights included a presentation by Anneke de Vries, Senior Vice President of Real Estate, Construction and Franchise at Ahold Delhaize, who gave a presentation on improving the sustainability performance of their retail real estate.

Throughout the week staff were able to donate clothes to Dress for Success. Their mission is to enable women and men to achieve economic independence, with a supportive network, professional clothing and the development of skills to function better in their work and personal life.

Staff also had the opportunity to take part in a property tour to one of our new office assets in the Netherlands, WTC Utrecht. The building will be certified BREEAM Excellent and includes solar panels on the roof, CO₂ regulation control, LED lighting, daylight and presence detection lighting, regenerative elevator drives, heat recycling, environment-friendly refrigerants in the air conditioning system and nesting boxes for swifts and bats.

The week culminated in a workshop focusing on boosting energy, focus and mood.

INVESTMENT PHILOSOPHY

Our Investment Philosophy guides all our strategies and is founded on the following principles:

RISK MUST BE UNDERSTOOD BEFORE IT CAN BE MANAGED

We formulate a rigorous risk framework for each mandate and then carefully construct portfolios that will meet our clients' risk / return requirements.

MARKET CONDITIONS CHANGE

By combining a global view of capital markets with an in-depth insight into local asset fundamentals, we invest in the markets and strategies that offer the best relative value at different stages of the cycle.

EVERY ASSET IS UNIQUE

We utilise our local information networks to understand the drivers and risks of the future cash flow of an asset, enabling us to see opportunity where others do not and to be a disciplined seller.

ASSET MANAGEMENT CREATES VALUE

A deeper understanding of occupier requirements enables us to maximise each asset's potential through innovative and sustainable management.

CONSISTENCY COUNTS IN THE LONG RUN

A superior investment track record is built through consistent outperformance across cycles.

AWARDS AND ACCOLADES

CBRE and CBRE GI received several awards and accolades during 2018:

- Included in Fortune's Most Admired Companies for five consecutive years
- Listed on FTSE4Good for four consecutive years
- Included in Corporate Responsibility Magazine's 2018 100 Best Corporate Citizens List
- Named a World's Most Ethical Company by Ethisphere Institute for five straight years
- Awarded a perfect score on the Human Rights Campaign's Corporate Equality Index for five straight years
- Named in the Companies That Care Honor Roll for ten consecutive years



MEMBERSHIP ORGANISATIONS

Alongside our commitments to the United Nations Global Compact, the United Nations Sustainable Development Goals, and PRI, CBRE GI is also a signatory, member or participant in a number of other global and regional Environmental Social Governance ("ESG") related networks and initiatives. These include the Asian association for Investors in Non-listed Real Estate Vehicles ('ANREV'), Building Owners and Managers Association ('BOMA') International, Global Real Estate Sustainability Benchmark ('GRESB'), Green Rating Alliance, European Association for Investors in Non-Listed Real Estate ('INREV'), Institutional Investors Group On Climate Change ('IIGCC'), International Sustainability Alliance, Sustainability Accounting Standards Board ('SASB'), Sustainable Building Alliance ('SBA'), and Urban Land Institute Sustainability Council ('ULI'). Our involvement in these organisations reinforces our commitment to ESG practices.

Signatory of:



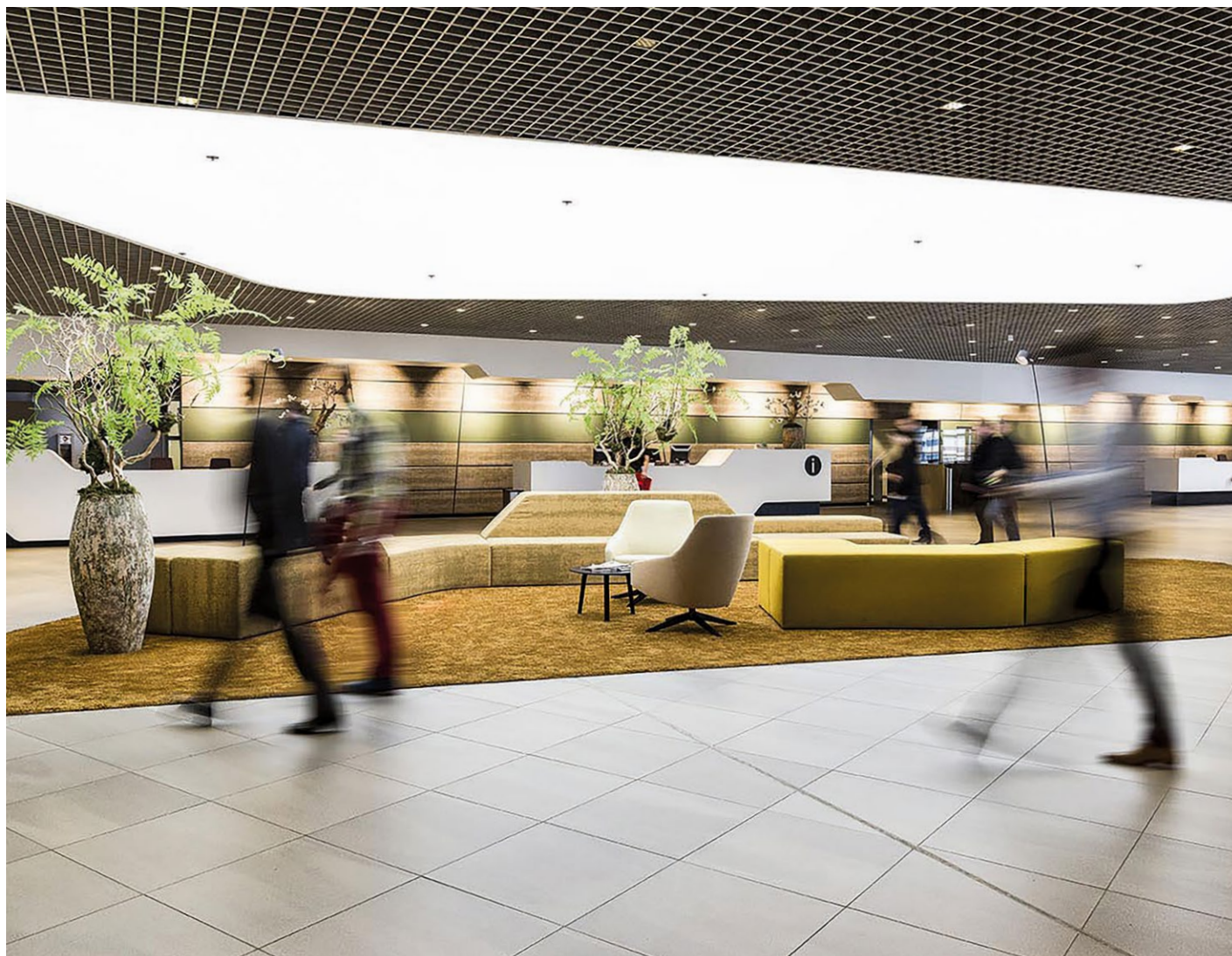
United Nations
Global Compact

OUR SUSTAINABILITY CONTEXT

Our business is presented with risks and opportunities by a series of megatrends, the interconnections and feedback loops associated with them, and the way in which we and the rest of the world respond to them. Just as we consider the macro-economic outlook, property market developments and sector trends relevant to each of our funds when making investment decisions, we also consider the relevant political, economic, social, technological, legal and environmental factors at global, regional, national and local levels when developing ESG strategies. The underlying drivers of these considerations are six global megatrends.

GLOBAL MEGATRENDS

- 1. Rapid urbanisation** – United Nations statistics show that more people now live in cities than in rural areas with a projection that by 2050, 68% of the world's population will be urban. Moreover, CBRE research shows that across major European cities, population growth is expected to outstrip population growth in their respective countries. This is particularly the case in major North West European cities and is a major component of long-term demand for residential buildings and other facilities and infrastructure.
- 2. Climate Change** – The overwhelming global scientific consensus is that the warming of the climate system is unequivocal and underway. Many of the climate changes observed since mid-20th century are unprecedented on scales ranging from decades to millennia. Many major European cities are at increased risk of extreme weather, such as heatwaves and flooding, and the projected increase in temperatures will likely continue to hinder economic growth and increase both insurance premiums and building lifecycle costs. Climate change is the most prominent sustainability concern for governments, companies and individuals alike, often transcending political or geographical differences. However, the current policy trajectory suggests that global temperatures will rise by up to 3.7°C by the end of the century which is significantly above the 2°C level targeted in the Paris Agreement. As buildings contribute approximately 36% of carbon emissions in the European Union, both occupiers and real estate owners feel responsibility to achieve the carbon emissions reduction targets.
- 3. Shifts in economic and political power** – In the decade since the financial crisis of 2008, globalisation has significantly slowed down, bringing about political approaches seeking, above all, to protect national interests. Major shifts such as the UK's vote to leave the European Union have far reaching economic, regulatory and even sustainability consequences. Renegotiations of various global trade agreements increase uncertainty and dampen investor appetite for risk. For real estate, consequences can range from impact on investment performance, to change in demand for certain asset types.
- 4. Resource depletion and environmental degradation** – Europeans are consuming natural resources at more than 2.5 times the rate at which they can be generated. Pollution, and its impact on human health and well-being, has become one of the most urgent sustainability issues, highlighting the need for action from governments and business alike. The calls to ameliorate air quality in cities and reduce plastic contamination of the world's oceans have been driven by an overwhelming public interest. Further, the European Commission has adopted a Circular Economy Action plan, which focuses on reduction of waste in all aspects of economic activity. These drivers are likely to bring about further tightening of existing regulations and the introduction of new regulations which require the retrofit and upgrade of existing building construction approaches and more efficient management practices in order to eliminate or reduce construction, manufacturing and operational pollution.
- 5. Demographic changes** – While the global population continues its rapid growth to a projected 9.7bn by 2050, Europe's fertility rate has dropped below replacement rate. Nevertheless, its population is still growing due to net inward migration and the lengthening of life expectancy in the region. Furthermore, net migration of the young from southern and eastern states to the more economically developed north-western countries is compounding these effects. This means that, even though Europe lacks the demographic dividend seen in many of the world's emerging economies, it is avoiding population-driven economic stagnation through inward and internal migration. With the population both growing and ageing, the real estate industry must respond to the ever-increasing demand for space in the more economically developed north-western states, and a greater diversity of occupant needs such as adaptability, affordability and accessibility.



Delftse Poort, Rotterdam

6. Increasing connectivity and automation – The wave of innovation brought about by the rapid advent of digital technology since the early 2000s continues to impact the built environment. These forces are driving changes in occupier expectations and preferred locations. Smart building control and monitoring technology offers ample opportunities for efficiency improvements, while increased connectivity drastically changes how buildings are used as workplaces and homes alike. Adaptation of existing buildings and urban fabric to the host of new requirements driven by this and other megatrends, is an unprecedented challenge requiring innovative approaches and their careful implementation. This is particularly the case for historic buildings, prevalent in European cities, which are often subject to restrictions preventing adaptations due to their value as cultural heritage.

REGIONAL FACTORS

In 2018, all our funds operated within the European Economic Area, and the majority of our assets were in the European Union Member States. This makes the EU Directives and Regulations a critical factor for our business. Their varied transposition and implementation in national legislative systems poses a challenge for the funds investing in more than one jurisdiction. For instance, the current Energy Efficiency Directive ('EED') and Energy Performance of Buildings Directive ('EPBD') provide the legislative basis which drives energy efficiency improvements for existing buildings and low-carbon building requirements for new construction and refurbishment. The implementation of these Directives varies from an enactment of stringent energy performance requirements (for assets in Netherlands), to a basic requirement for informative energy performance rating (for buildings in Czechia).

In addition to the legislative environment, industry standards, cultural expectations and economic status also differ widely across EU nation states. Each of our fund managers and country teams addresses this variance in the manner appropriate for their portfolios. An example of this is the BREEAM International

standard which has been identified as the best indicator of asset sustainability for commercial assets in the Netherlands that is currently available. In contrast, the national GPR standard has been selected as the most appropriate indicator of Dutch residential asset sustainability, and the French HQE certification was assessed to be most suitable for the refurbishment of the Marengo building in Paris.

ESG DEVELOPMENTS

The widest, all-encompassing international accord which addresses the global sustainability challenge is the Sustainable Development Goals ('SDGs'), adopted in 2015. These cover 17 topics and propose appropriate targets for 2030. CBRE has identified the SDGs below as relevant for our business impacts and will proceed to include these in our fund specific ESG strategies.



The business community is also seeking to address the complexities of global challenges, driving a trend towards greater transparency in assessment of performance across non-financial or ESG metrics and linking it with the financial bottom line. There is also growing sophistication in the tools and frameworks available to enable this, such as the development of the Natural Capital Protocol, the development of the SASB and the continual development and growth of GRESB. Particularly significant is the publication of the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD'). This initiative by the Financial Stability Board focuses not on the mitigation of climate change, but on its consequences and mitigation approaches by companies across financial and non-financial sectors. The intention is to develop a consistent disclosure approach, enabling financial markets to fully understand the impacts of climate change. Frameworks such as the Carbon Disclosure Project ('CDP') and PRI have also integrated aspects of TCFD recommendations in their reporting requirements. CBRE Global Investors Responsible Investment Committee ('RIMCo') has embraced this development and is already undertaking a review of the Firm's ESG policies and practices in light of the real estate sector specific guidance.

On the European level, the same need for unified definitions, standards and approaches in ESG has been recognised by the European Commission. The High-Level Expert Group on Sustainable Finance ('HLEG') has been tasked with setting strategic recommendations for a financial system that supports sustainable investments and achieving the 2030 Energy and Climate Framework targets. Together with the implementation of actions to deliver Nationally Determined Contributions to reduction of carbon emissions, identified by countries in line with the Paris Agreement, this development is expected to tighten existing built environment regulations and introduce new requirements. However, variations in cultural expectations and prioritisation of sustainability in different countries will remain.

The ongoing negotiations between the United Kingdom and EU 27 will likely necessitate a hiatus in sustainability policy making in the United Kingdom until the BREXIT process is completed and the Parliament of the United Kingdom and devolved governments are able to formalise their independent policy and legislation pipeline. This could mean that the policies of the German, French and progressive Central European and Nordic states, as well as the four-year strategies of the key Directorate Generals, will have a greater significance in progressing sustainable development across the region.

Beyond this, the growing focus on circular economy, wellbeing and impact investment is bringing more social sustainability measures to the forefront, as occupiers seek a greater sense of community and place from their locations and demand a greater contribution to health and productivity from the buildings they occupy.

SHARED ADVANTAGE

CBRE is implementing a win-win approach to responsible business called Shared Advantage. Through the purposeful integration of corporate responsibility principles into our business practices, CBRE focuses on building healthy communities, which not only serve our key stakeholders but also contributes to growing our bottom line.

In this complex landscape of interconnected, competing, and sometimes even opposing, sustainability issues, compounded by regional and national variations, the prioritisation of issues and implementation of appropriate actions is a challenging task for any organisation. Nevertheless, whilst the sweeping shifts brought about by global megatrends have varying manifestations, the underlying sustainability drivers remain familiar. We have termed them 'push' and 'pull' drivers; the former focusing on risk management, regulatory compliance and reputational damage, and the latter propelling the ambition to increase value for all stakeholders and lead by exemplary performance.

CBRE GI not only continually monitors ESG developments, but actively participates in international associations that provide opportunities for collaboration, knowledge sharing and outreach on non-financial performance matters. These include ULI and INREV, which also provide useful non-financial reporting frameworks. Further, industry-specific initiatives such as the PRI and GRESB give us a valuable insight into our non-financial performance as compared to our peers. This motivates innovation to continually improve performance in our activities and to show leadership. Membership organisations such as the IIGCC provide opportunities for independent research, collaboration and lobbying to protect and promote the interests of all our stakeholders.

Alongside our engagement with global institutions, we also benefit from our affiliation with the world's largest property management company, CBRE. This gives us a significant competitive advantage in research, market intelligence and property management expertise. We are able to draw on analysis of the specific impacts of urbanisation, environmental change, connectivity and demographic changes in the countries and cities in which we invest and can also identify opportunities outside of the industry.

CBRE GI endorse the ESG 'pull' proactive outlook, in line with CBRE's Shared Advantage approach. Our ESG programmes have thus been developed to ensure each of our funds contributes to the building of healthy communities, whilst increasing the portfolio worth, promoting responsible investment and creating shared stakeholder value.

RESPONSIBLE INVESTMENT POLICY

Responsible investment practices are fundamental to our business. We have updated and broadened our responsible investment management policy to ensure this belief is properly integrated within our investment management practices and corporate operations.

Responsible ESG practices are more than trends. They are fundamental to our business strategy, our investors, the key stakeholders in the communities we invest in, the tenants of the assets we manage, and the underlying investments and property companies in which we invest. The long-term value of commercial real estate is enhanced by the application of ESG principles and practices. At CBRE GI, we believe that taking ESG considerations into account during an investment decision can enhance returns and preserve value for our investors. Consequently, we actively seek to invest in assets, companies or funds that deliver long-term financial value while producing direct and meaningful benefits for the users of the real estate.

Our parent company, CBRE, has been at the forefront of this movement. In 2007, CBRE became the first commercial real estate services company to join the United Nations Global Compact. That same year, CBRE introduced policies to better define and improve its practices in the six areas of deepest concern to its stakeholders: governance; ethics and compliance; environmental stewardship; employee relations and diversity; health and safety; and community involvement and philanthropy. CBRE GI has adopted these policies.

We believe that businesses must play an active role in global sustainable development efforts. As such, we became a signatory to the UN PRI in 2009. We believed then, as we do now, that these principles provide a useful framework to promote a closer alignment between the objectives of institutional investors and those of society at large. CBRE GI and all its business units contribute to promoting these principles, which is reflected throughout our updated and broadened Responsible investment policy. Through the implementation of this Policy, CBRE GI seeks to be a leader in ESG in our industry.

We first adopted a Global Sustainability Policy in 2013. This was then updated and broadened in July 2017. Our Policy addresses all aspects of ESG at all stages of the investment lifecycle in our direct and indirect investments, as well as in our own corporate operations. Through our Global Responsible Real Estate Investment Management Policy, CBRE GI makes a commitment to:

- Promote transparency and disclosure on material ESG issues
- Seek alignment of CBRE GI goals with CBRE's corporate environmental goals
- Commit CBRE GI to responsible investment throughout its operations
- Outperform and be a leader in ESG performance as evaluated by industry benchmarking initiatives such as GRESB and PRI

By delivering on our commitments, CBRE GI hopes to create value for our investors via:

- Higher returns from our assets under management or increased shareholder value resulting from responsible business practices and governance
- Risk management, creating shared advantage with tenants, and capitalisation on government and regional incentives for ESG related activities

STRATEGY DEVELOPMENT

The implementation of our Responsible investment policy is led by our Global RIMCo. In 2017, we were developing or implementing ESG strategies for each fund and selected non-discretionary mandates to include Key Performance Indicators ("KPI's"), targets and an implementation plan for meeting the objectives.

SENIOR LEADERSHIP TO DRIVE RESPONSIBLE INVESTMENT ACTIVITIES

Along with the adoption of our broadened Responsible Real Estate Investment Policy in 2017, CBRE GI established the Global RIMCo to replace and expand the role of the previously in-place Green Team. The Global RIMCo is comprised of senior leadership and other selected company professionals with demonstrated expertise and/or current responsibility for ESG-related activities. The Global RIMCo is accountable for implementing, governing and further developing ESG initiatives. Regional and indirect RIMCos, along with representatives from investment teams, implement and manage ESG activities on the regional and local level and provide bottom-up input to the Global RIMCo. Members of the global, regional and business line RIMCos are embedded throughout the organisation and provide guidance and resource to portfolio managers, acquisitions professionals and asset managers on ESG best practices.

ROLL-OUT OF ESG STRATEGIES

ESG concepts are closely linked to the principles of responsible investment. To ensure that they are integrated within the management of our funds, we have developed or will be completing, specific ESG strategies for discretionary funds and selected non-discretionary mandates. These include targets, KPIs and an implementation plan for meeting the objectives of the strategies.

A well-designed ESG strategy enables our funds to align their sustainability efforts with their key stakeholders' interests, highlighting where they can have the greatest impact, meet their targets and demonstrate their achievements in a transparent manner. This is a demanding task. There are a wide range of frameworks available, and each fund and asset type has different drivers and need-specific ESG strategies and interventions. To ensure a consistent approach, each fund's ESG strategy was developed with assistance and oversight from Global RIMCo and its advisors. The ESG topics listed below were identified as most applicable to our business and our stakeholders and were considered in each fund's ESG strategy.

Table 2 The ESG issues we considered

Environmental	Social	Governance
<ul style="list-style-type: none">• Carbon emissions• Pollution• Energy• Water• Transport• Waste• Materials• Biodiversity• Building certification	<ul style="list-style-type: none">• Charity and volunteering• Health and safety• Wellbeing• Stakeholder engagement:<ul style="list-style-type: none">- Community- Tenants- Clients- Supply Chain- Employees	<ul style="list-style-type: none">• Board structure• Compliance• Procurement• Transparency• Rights:<ul style="list-style-type: none">- Human- Employee- Consumer

Our approach to ESG strategies has two phases: Development and Delivery. The Development of an ESG strategy involves Benchmarking and Strategising, whereby the current and desired future position of each fund's ESG performance are defined. The Benchmarking process involves research into the internal and external context of each fund, as well as the review and analysis of main competitors' activities and performance, and analysis of global ESG best practice examples.

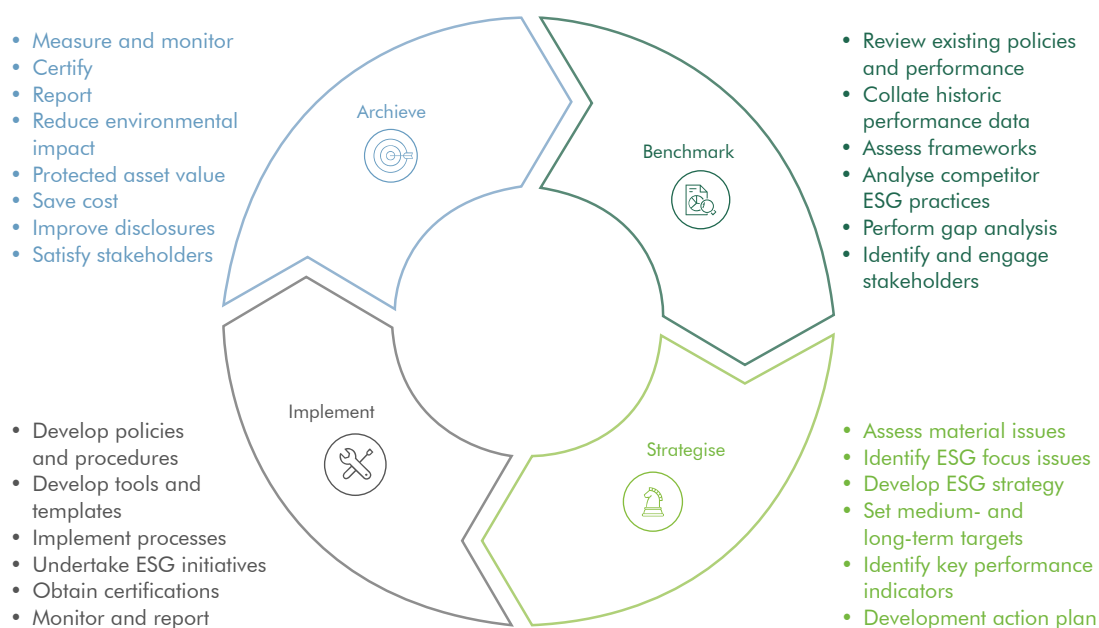
The Strategising step begins with a materiality assessment. Following the Global Reporting Initiative ("GRI") materiality framework, we engage with our key stakeholders (investors, tenants, fund and asset managers) to prioritise the ESG issues above according to how concerned stakeholders are about them, and the potential



Hema, Utrecht

operational, financial or reputational impact on our business. We also consult with key stakeholders to determine a medium and long-term ambition level appropriate to each fund, which are set in relation to the market and the fund's direct competitors. The outcomes of this research and stakeholder engagement are used to develop appropriate targets, KPI and an annualised implementation plan. These ensure that fund ESG performance can be measured and reported in line with the INREV standard and GRESB assessment expectations.

Figure 3 Our Approach to ESG Strategy Development



Most of our fund's ESG strategies entered the Delivery phase in 2017. Actions are being implemented and achievements are being monitored and reported. The process follows the principles of continual improvement, including an annual review of internal and external developments, targets, KPIs and progress against them. The resulting fund-level ESG strategies, environmental performance data, GRESB assessment results and other achievements are provided in the Fund Summaries section of this report.

Before the Investment Program Summaries, we include two sections that focus on the aggregated outcomes of fund ESG strategy development: the EMEA Materiality Matrix and our ESG Strategy Pillar. These inform and structure our responsible real estate investment management programme and our Shared Advantage contribution. This includes how our RIMCos govern and further develop our ESG initiatives.

MATERIAL ISSUES

Through close collaboration with key stakeholders, material ESG issues are determined for each fund using the GRI materiality process. The aggregated materiality matrix for our EMEA region helps us to prioritise RIMCo actions and highlights our Shared Advantage priorities.

Our materiality process supports us in serving our key stakeholders by prioritising our ESG issues in line with stakeholder priorities and the potential operational, financial or reputational impact on our business. Each fund has conducted its own materiality process to inform its ESG strategy. These strategies are documented in the Investment Program Summaries section of this report. The aggregated results have been weighted by Gross Asset Value ('GAV') to produce the regional ESG materiality matrix presented below.

Figure 4 CBRE Global Investors EMEA Aggregated Materiality Matrix Weighted by AUM



The matrix above shows our business’ material ESG issues within the green shaded area. These issues have therefore been integrated as KPIs within each fund’s ESG strategy. This means that the issues of concern to our stakeholders will be monitored. Further KPIs have been set for Waste and Water in recognition of the priority placed upon them by GRESB and the importance of monitoring them in order to deliver on our ESG leadership and outperformance aim.

This combination of KPIs will facilitate our understanding of the impact we have on the communities we touch and are therefore a key part of understanding of Shared Advantage. Only by monitoring them effectively will we be able to build healthy communities.

ESG STRATEGY PILLARS

Carefully selected ESG Pillars provide the core of each fund's ESG Strategy. They support a clear, measurable and focused strategy that addresses the interlinking issues material to each fund.

Through analysing the outcomes of each fund's materiality assessment, we have identified the ESG issues of the greatest strategic priority. These were Stakeholder Engagement, Transparency and Compliance. Carbon and Innovation were also selected as key strategic priorities as only a focus on these, would enable us to effectively respond to the megatrends affecting our business.

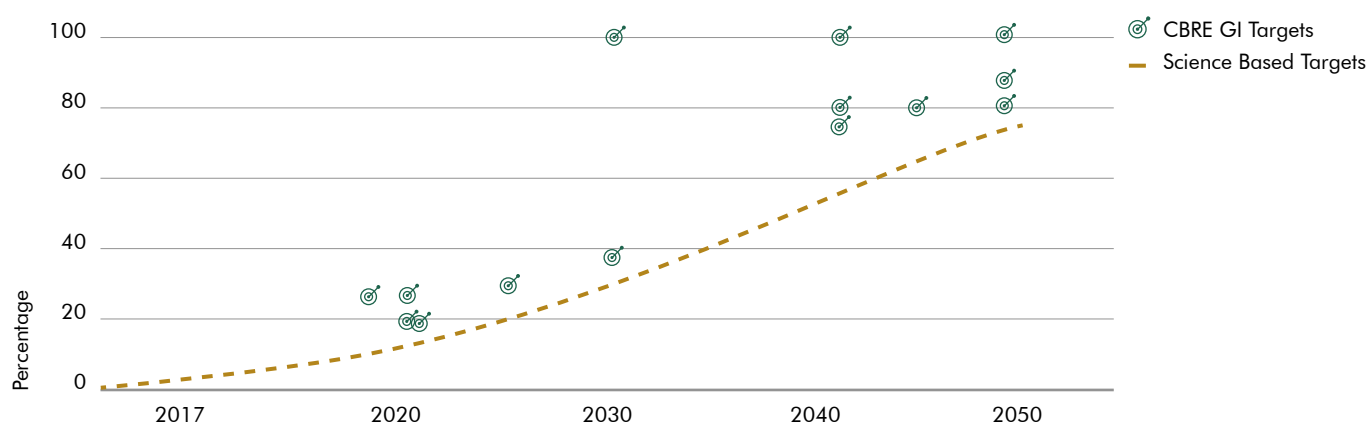
By considering each fund's context and materiality assessment outcomes, these five issues were formed into ESG Strategy Pillars for each fund. Stretch targets were then set for each Pillar, providing focus and easing communication of each fund's ESG Strategy. Nonetheless, all the other material aspects are addressed within the Strategy in the form of KPIs. This combined approach means that each of our funds benefit from a forward-looking ESG Strategy, as well as a clear prioritisation of data collection for future ESG reports. This is intended to result in a tailored ESG programme which addresses the specific stakeholder expectations, the ESG risks and opportunities of each fund, and which helps to build healthy communities.

The ESG Strategy Pillars of our funds vary with the context in which each fund operates. In this section, we review the Strategy Pillars at regional level. We consider the implications for how our EMEA ESG programme will develop over the coming years as we continue our commitment to ESG leadership and outperformance. Fund-level details are provided in the Investment Program Summaries section below.

CARBON

The first Pillar of each fund's ESG Strategy is Carbon. Carbon footprinting is a concept that has evolved into a professional and scientific discipline since the turn of the millennium. This was driven by stakeholder demand and a recognition of the importance of rapidly reducing the emissions of carbon dioxide and other greenhouse gases to mitigate the likely negative impacts of climate change.

Figure 5 CBRE Global Investors EMEA Carbon Targets



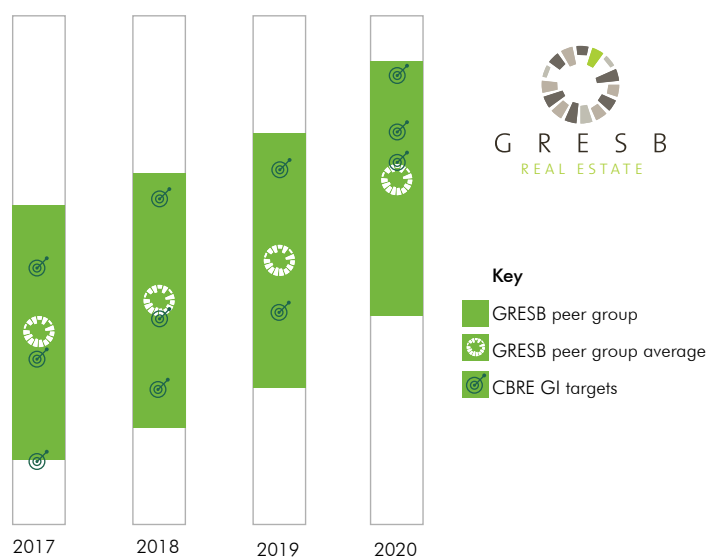
To reduce carbon emissions effectively across the EMEA region, CBRE GI has chosen to use the criteria and recommendations of the Science Based Targets initiative as our framework for setting targets in this Strategy Pillar, implementing the Sectoral Decarbonisation Approach specific for real estate. This means our targets are, at least, in line with globally recognised standards for carbon reduction and the best available scientific guidance on climate change mitigation. As the European property industry transitions toward a zero-carbon economy, alignment with Science Based Targets will help us stay ahead of future greenhouse gas emission policies and regulations, and assist us in consistently delivering world-class investment results. The figure above shows how our EMEA funds have set carbon targets that will keep them in line with, or ahead of, carbon emission reduction guidance, thereby supporting them in outperforming or leading the rest of the industry in this essential facet of ESG.

TRANSPARENCY

The clear and open disclosure of information on our ESG performance is a key commitment of our Responsible Real Estate Investment Policy. We are committed to, and report on, the PRI at a corporate level. Moreover, to fulfil our commitment to transparency at fund level, we have made it an ESG Strategy Pillar for all our funds across EMEA.

The key tool for assessing our performance on this Strategy Pillar is GRESB. In line with our responsible investment commitments, every fund has targets for outperformance or leadership amongst its appropriate GRESB peer group. Where appropriate, this is further supported by targets to increase the frequency of published updates and online availability of ESG performance information.

Figure 6 CBRE Global Investors EMEA GRESB Targets



COMPLIANCE

The rule of law is inherent in good governance. In recognition of this, CBRE GI is firmly committed to conducting business with the highest possible integrity and in compliance with the letter and spirit of the law. This is embedded within CBRE Global Investors' Investment Management Policies and Procedures, to which all employees must adhere. Responsibility for implementation, monitoring, review and enforcement of these policies is allocated to the highest level within our executive committee. In order to address marked differences in the transposition of European Directives into national legislation, funds investing across a number of countries have developed a proprietary compliance risk index, translating the local regulations to low-medium-risk categories for the purposes of efficient portfolio-level reporting and action tracking. The definitions of risk categories are updated in line with changes in relevant legislation to safeguard continued compliance. In addition, depending on the individual fund scope and investment strategy, appropriate targets and actions have been identified reaching over and above national legislation, ensuring alignment with future legislation and demonstrating leadership.

STAKEHOLDER ENGAGEMENT

Stakeholders are the individuals, organisations and groups that have relationships with an organisation. The stakeholders of CBRE GI in EMEA include:

- Our Employees
- Our Tenants
- Our Investors
- The communities around the assets we manage
- The communities in which our offices are located
- The government and regulators in the countries in which we operate
- The industry groups of which we are members or which operate in our sector
- Non-Governmental Organisation relevant to our business

By engaging with our stakeholders, we gain a deeper understanding of their needs and interests. Doing so facilitates the identification of win-win opportunities which create value for our business and our stakeholders. This is called shared value creation. We will continue to utilise tenant and investor surveys to facilitate engagement with our key stakeholders as well as hosting community events in appropriate assets such as shopping centres. These actions also support CBRE's Shared Advantage approach to corporate responsibility.

INNOVATION

Our Dutch Funds have particularly mature ESG strategies. They have embedded a focus on leading edge sustainability initiatives in their ESG strategy. This includes collaborating with local sustainability innovation entrepreneurs and researchers, developing their sustainable product offering, implementing resource efficiency and zero carbon solutions, adopting net positive approaches, investing in smart building technology, and increasing building certifications for wellbeing and sustainability.

OUTLOOK

Our funds are entering the implementation and achievement stages of their strategies. We look forward to reporting further improvements in their ESG performance in the coming years.

We take a positive stance to ESG, seeking to improve our assets at all stages of the investment process. Each fund has developed a three to five-year action plan with asset- and portfolio-level actions. Asset managers will report on their progress on the ESG action plans to the Fund Manager on a regular basis as part of their regular asset management duties. Internal or external ESG strategy managers are tasked with facilitating, monitoring, and reporting on the progress on ESG actions (e.g. audits, energy performance certification, or improvements), ESG Strategy Pillar targets and accompanying KPIs.

The funds will report this information to the Global RIMCo on a quarterly basis, on which the President/Global COO (most senior decision-maker) sits. In addition, the funds also report on ESG to investors in quarterly reports, at semi-annual investors meetings and the advisory boards at annual meetings. As part of continual improvement principle, overall strategies and action plans are reviewed annually to ensure they remain relevant and aligned with the ever-developing ESG driver.

INTEGRATION

The key focus for our Responsible Investment programme in 2018 will be utilising the framework provided by our updated and broadened Responsible Investment Policy. This will be achieved by completing and implementing each fund's ESG strategy, and supported by RIMCo and external advisors where necessary.

In line with our five ESG Strategic Pillars, we will be gathering more stakeholder insights through surveys and workshops. This will enable us to better implement the Principle of Stakeholder Inclusiveness, improve upon our fund level materiality assessments, convert them into effective asset improvement projects and build stronger relationships with our key stakeholders. We will also be ensuring that we have a complete understanding of the compliance risks in each of our countries of investment. This includes expanding our minimum energy performance standards risk management programmes as appropriate. In addition, we will be enhancing transparency and disclosure by embedding ESG reporting into fund blogs and annual reports using INREV guidelines. Improving our GRESB disclosures and developing our online presence are also amongst our plans and will further improve the transparency of our operations. Using Science Based Targets to inform our Carbon programme will drive innovation and reduce our exposure to climate-related financial risks.

Motivated by the stretch targets adopted by each fund, we will also be ensuring ESG is a standard part of Asset Management across all funds. This includes integrating environmental performance projects into capital expenditure plans, improving EPC ratings and using sustainable building certifications like BREEAM and GPR to demonstrate asset quality. This will, in turn, deliver more shared advantage projects like WTC Utrecht, EIF's solar panel partnership with Kuehne & Nagel. This focus on shared advantage ESG strategy is further emphasised by the ambitions of our Dutch funds. Their goal is to deliver both a leading contribution to sustainability in the Netherlands and improved financial returns for their investors.

SMART SYSTEMS

Utilising digital technology in support of our strategic pillars will be an increasing focus in 2018. Effective use of digital technology can help us efficiently gather accurate data on our ESG KPIs and to inform performance monitoring for our stretch targets. As such, they are particularly important for our Carbon and Transparency Pillars and many of our funds are deploying data management platforms. For instance, the CBRE Dutch High Street Club will be rolling out an energy monitoring system for landlord and part of the tenants' connections.

Another important use of digital technology will be in smart buildings. These can help reduce building energy consumption and improve occupier comfort through more accurate Building Management Systems ('BMS'). In particular, the CBRE Dutch Office Fund will be building on its experiences at WTC Utrecht to pilot smart building systems across its portfolio and the CBRE Dutch Residential Fund will be deploying smart thermostats and building controls where relevant.

INNOVATION

In order to maintain our position of outperformance and leadership in a context of increasing ESG expectations, it is essential we continue to innovate. This includes the smart technologies, described above, the rollout of green leases across all of our funds and the piloting of new schemes and approaches. The increased use of the GPR standard in our funds provide good examples of this, as does the use of geothermal energy in the Skanssi Turku Shopping Centre, the roll out of the Sustainable Refurbishment and Fit Out guide in our highly diversified UK Property PAIF, and the focus on wellbeing and WELL Building certification by our CBRE Dutch Office Fund .

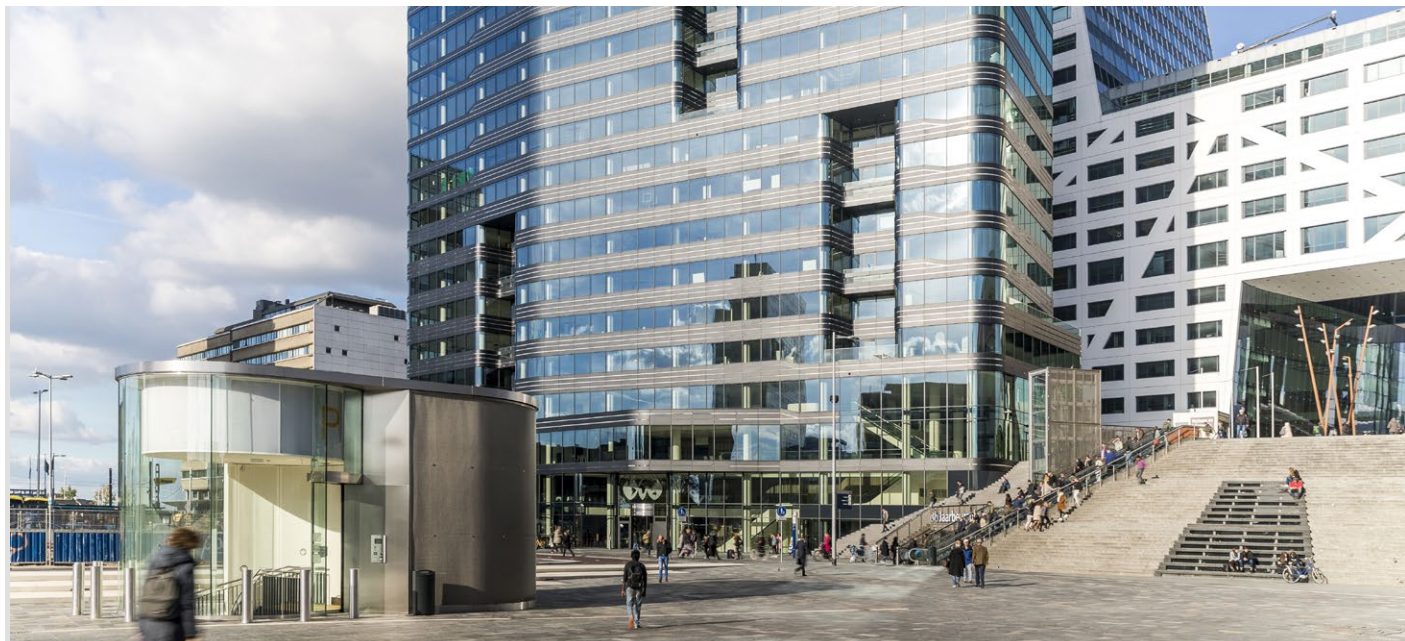
INCREASING OUTPERFORMANCE

Throughout 2019 we will be working to maintain and enhance our ESG performance, as benchmarked relative to our peers. Our key tools for assessing our leadership and outperformance commitment will be PRI and GRESB. We will, therefore, be looking to cement and improve on our strong corporate PRI results, as well as to improve the GRESB performance of our funds. This will be supported by the Transparency stretch targets set for all funds, knowledge sharing facilitated by RIMCo and the capabilities provided by our affiliation with CBRE. The integration of our ESG strategies, implementation of smart systems and continual innovation will assist us in continuing to deliver on our commitment to ESG Leadership and Outperformance.



RESPONSIBLE INVESTMENT REPORT 2018

INVESTMENT PROGRAM SUMMARIES

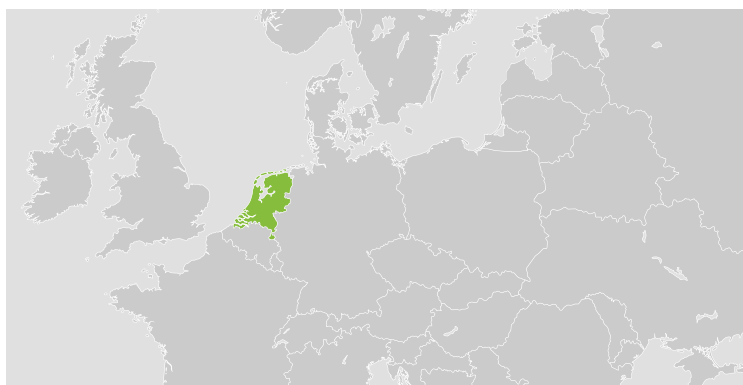


WTC Utrecht, Utrecht

CBRE DUTCH OFFICE FUND

KEY INFORMATION

Fund Manager	Ronald van der Waals
Investment Strategy	Semi open-ended, Core
Countries of Investment	The Netherlands
Property Types	Office
Fund inception date	2014
Fund maturity date	Indefinite
Structure	Fund for joint account
GRESB	Green Star, Fifth quintile
AUM	€1.9 billion
Area (m²)	336,498



CBRE DUTCH OFFICE FUND – COUNTRIES OF INVESTMENT

The CBRE Dutch Office Fund (“the Fund”) is the prime institutional non-listed office investment vehicle in the Netherlands. The fund is predominantly invested in high quality multi-tenant, multi-service office buildings in the best mix-use locations within the four major cities in the Netherlands. The Fund outperformed the MSCI Dutch Office Benchmark on a three, five, and ten year average and was awarded with the MSCI European Property Investment Award for best performing specialist fund in the Netherlands market four years in a row (2014, 2015, 2016 and 2017).

The Fund has in place a long term strategy for responsible investment. The Fund sets both long term and short term targets relating to responsible investment and monitors and reports regularly against targets set, at both asset and portfolio level. Good governance is in place to identify key material aspects for Fund, review policies and processes, set targets and monitor performance against targets.

AMBITION AND PERFORMANCE TARGETS

The Fund's ambition is to be the frontrunner and initiator of creating a sustainable society with our stakeholders providing healthy and vibrant environments for our tenants, occupiers and communities while delivering stable long-term investment product to our investors.

The overall target is to achieve science based net zero carbon emissions by 2035. This is an accelerated target compared to sustainable development goals of the United Nations as agreed in the Paris Agreement on climate change and the objectives of the Dutch government.







The overall performance target is supported by seven objectives that contribute to the overall target. The seven objectives have medium term targets to be achieved by 2022 and a long term target by 2035.

Table 3 Performance targets

Category	2022	2035
CO ₂	Reduced by 25%	Reduced by 100%
Energy	Reduced by 25%	Reduced by 75%
Water	Reduced by 20%	Reduced by 40%
Waste	Reduced by 5% (75% recycled)	Reduced by 10% (100% recycled)
Building Certification	Avg. BREEAM score: Excellent (coverage: 100%)	Avg. BREEAM score: Excellent (coverage: 100%)
Stakeholder management	Tenant satisfaction score: 8.0 or higher	Tenant satisfaction score: 8.5 or higher
Health and Well-being Certification	Avg. WELL score: Silver (coverage: 100%)	Avg. WELL score: Platinum (coverage: 100%)

STRATEGY

The underlying strategy to achieve those targets is based on upon six key principles described below.

					
Responsible investment	Reporting performance	Reduce natural resource consumption	Lead in building innovation and technology	Engage with stakeholders	Foster health & well being
<ul style="list-style-type: none"> Investment decision making with a long term view Consider ESG in every investment decisions Prudent use of debt and derivatives 	<ul style="list-style-type: none"> Best in class reporting Quarterly reporting on carbon emissions Act as a industry leader 	<ul style="list-style-type: none"> Deliver on additional savings on energy, water and waste Implement zero carbon power solutions Minimize waste and disposal routes via durable methods 	<ul style="list-style-type: none"> Implement experience and action based innovations Invest in disrupting sector innovations such as smart data solutions Integrate innovative technological solutions 	<ul style="list-style-type: none"> Execute surveys to identify and innovate our product offering Have positive impact on society Collaborate with start-ups for sustainability innovations 	<ul style="list-style-type: none"> Improve quality of indoor building environment Implement health & well-being services Appreciate natural environment via sustainable design

At asset level, the Fund executes sustainability due diligence during all Fund acquisitions and dispositions. During the holding period sustainability improvements are part of both the asset business plans and the long term maintenance planning.

For all core+ projects (refurbishments and (re)developments) high level requirements on sustainability are set to be able to meet future sustainable performance of the core+ developments. The Fund requires all core+ projects to have a minimum of energy label A and BREEAM level very good after completion.

LEGISLATION

The Fund complies with national and European legislation including legislation on responsible investment. In addition the Fund actively monitors proposed future legislation to mitigate future risks.

The Fund is well positioned for the new regulation of the Dutch government that as of 2023 all office properties held for leasing should have an energy label C or better. Currently all properties comply with this regulation except for Herengracht, which is exempted because of its monumental status, and Sypesteijn. The Fund aims to redevelop Sypesteijn before 2023.

The Fund has complied with the national and European legislation on responsible investment to date and currently sees no further legislative risks besides the minimal energy label at the moment.

ANNUAL OBJECTIVES 2019

The Fund has set its annual objectives on portfolio and on asset level as described below.

PORTFOLIO INITIATIVES

1. **CO₂ reduction:** Install telemetric meters on all energy sources (electricity, water, city heating, gas) to optimize data input
2. **CO₂ reduction:** Implement Energy Monitoring System (EMS) to monitor and report CO₂ footprint on quarterly basis aligned with INREV standards
3. **CO₂ reduction:** Perform CO₂ scan for each asset to identify opportunities to reduce CO₂ footprint
4. **Waste:** Consider retendering waste management with property managers to obtain 100% recycling rate and sustainable collection
5. **Stakeholder engagement:** Publish fit-out guide for tenants and occupiers to support in reducing their housing carbon footprint
6. **Stakeholder engagement:** Execute renewed customer survey in collaboration with Kingsley and CBRE to assess performance and benchmark against comparable properties
7. **Health & Wellbeing:** Engage with catering companies to improve the healthy product offer in accordance with WTC Utrecht

ASSET SPECIFIC ACTIONS

1. **Innovation:** Further implementation of intelligent building system Winguard in asset UP Office Building and asset WTC Amsterdam
2. **Innovation:** Execute solar panel scan for WTC Amsterdam, WTC Schiphol and WTC Utrecht
3. **Health & Wellbeing:** Implement retention (green) roof on Delfse Poort
4. **CO₂ reduction:** Replace gas fueled installation of WTC Amsterdam with electric installation
5. **CO₂ reduction:** Develop strategy to phase out the gas fueled installation in WTC Schiphol, Herengracht and Nieuw Amsterdam before 2022
6. **Health & Wellbeing:** Certify WTC Amsterdam and WTC Schiphol
7. **Certification:** Certify Herengracht with BREEAM in use asset rating

2018 ACHIEVEMENTS

Below an evaluation of the 2018 objectives is presented.



Responsible investment

- Energy optimization included for development of WTC Amsterdam Tower Ten
- Annual reporting aligned with latest INREV sustainability guidelines
- Refinancing approach well within Fund covenants with LTV target of 20% and maximum of 25%



Reporting performance

- DMS system implemented with Sweco based on 100% telemetric meters on all energy sources
- Not yet implemented, expected H1 2019
- Involved in various industry initiatives to improve data quality and transparency



Reduce natural resource consumption

- Continuous monitoring through Sweco system with smart algorithms to identify anomalies. First improvements for NoMa house identified
- Not yet implemented
- Best opportunity for WTC Schiphol. Solar panels and cold and heat storage for WTC Schiphol to be further investigated



Lead in building innovation and technology

- Winguard implementation well underway with 22.7% of the portfolio in operations or currently installed
- Currently 8 different pilots at the moment, both on building management, data management and leasing
- Discussion with the various property management teams how innovation can be further supported



Engage with stakeholders

- Social club in the UP building active involvement of users, social club to be implemented in WTC Utrecht
- Fit-out guide to be developed in 2019
- Different pilots on sustainability currently in progress.



Foster health & well being

- Feasibility study on health- and wellbeing and WELL certifications executed
- First discussions with ao caterers initiated
- Awareness created among the asset management team, followed by discussion with property manager

2018 MILESTONES AND ACHIEVEMENTS

Key performance indicators

Table 4 and 5 display the GRI performance indicators in line with the INREV sustainability recommendations corrected for co-ownership. WTC Utrecht and NoMA House are only reported in the absolute performance measures and not in the like-for-like measures as they became standing investments during the year.

The data includes the data for tenant leased space, no individual tenants have other energy and/or utility connections to the properties and thus the table below provide the total energy consumption for all the properties.

Table 4 Sustainability performance measures - absolute measures

Broad issue type/Performance measures	2018 Total portfolio	2017 Total portfolio	2018 Like-for-like	2017 Like-for-like
KEY FIGURES				
Average EPC label	A	A	A	A
Energy coefficient	0.96	1.05	0.96	1.04
Portfolio's green electricity (in %)	100%	100%	100%	100%
Portfolio's green gas (in %)	100%	100%	100%	100%
ENERGY CONSUMPTION				
Consumption from electricity (in kWh)	42,579,279	41,909,988	40,826,599	41,909,988
Coverage electricity (by sqm)	100%	100%	100%	100%
Consumption from district heating and cooling (in GJ)	120,135	137,028	103,856	137,028
Coverage district heating and cooling (by sqm)	100%	100%	100%	100%
Consumption from gas (in kWh)	4,544,258	5,255,528	4,544,258	5,255,528
Coverage gas (by sqm)	100%	100%	100%	100%
GREENHOUSE GAS EMISSIONS				
Total direct emissions (in metric tonnes CO ₂)	928	1,073	928	1,073
Total indirect emissions (in metric tonnes CO ₂)	34,167	34,924	31,979	34,924
WATER				
Total water usage (m3)	170,412	162,543	168,285	162,543
Coverage water (by sqm)	100%	100%	100%	100%
WASTE				
Total weight of waste (in metric tonnes)	1,417	1,359	1,255	1,359
Proportion of waste by disposal route (in %)	100%	100%	100%	100%
Coverage waste (by sqm)	98%	98%	98%	98%

The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

Table 5 Sustainability performance measures - intensity measures

Performance measures	2018 Total portfolio	2017 Total portfolio	2018 Like-for-like	2017 Like-for-like
INTENSITY FROM BUILDINGS PER SQM.				
Energy intensity (kWh/sqm/year)	248.8	300.0	289.6	334.6
Green House Gas emissions intensity (kg CO ₂ /sqm/year)	104.5	122.4	124.4	136.9
Water intensity (m3/sqm/year) ¹⁾	0.5	0.5	0.6	0.6
INTENSITY FROM BUILDINGS PER CONSUMER				
Energy intensity (kWh/sqm/year)	4,105.0	4,949.4	4,778.3	5,521.2
Green House Gas emissions (kg CO ₂ /sqm/year)	1,724.2	2,019.0	2,053.3	2,258.4
Water intensity (m3/sqm/year) ¹⁾	8.0	8.7	10.1	9.8

The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

1) Assumption on the intensity per consumer (office user) is an average user occupancy is 1 user per 15 sqm LFA. After adjustment for vacancy a ratio of 1:16.5 is applied, in line with previous years.

Table 6 Break down of waste in portfolio

Performance measures	2018 Total portfolio	In %
Waste Management system		
General / Residual waste	955,060	60.7%
Paper / Cardboard	350,763	22.3%
Swill	137,447	8.7%
Glass waste	48,406	3.1%
Other	40,480	2.6%
Plastics	34,162	2.2%
Deleterious waste	6,986	0.4%
Total	1,573,304	100%

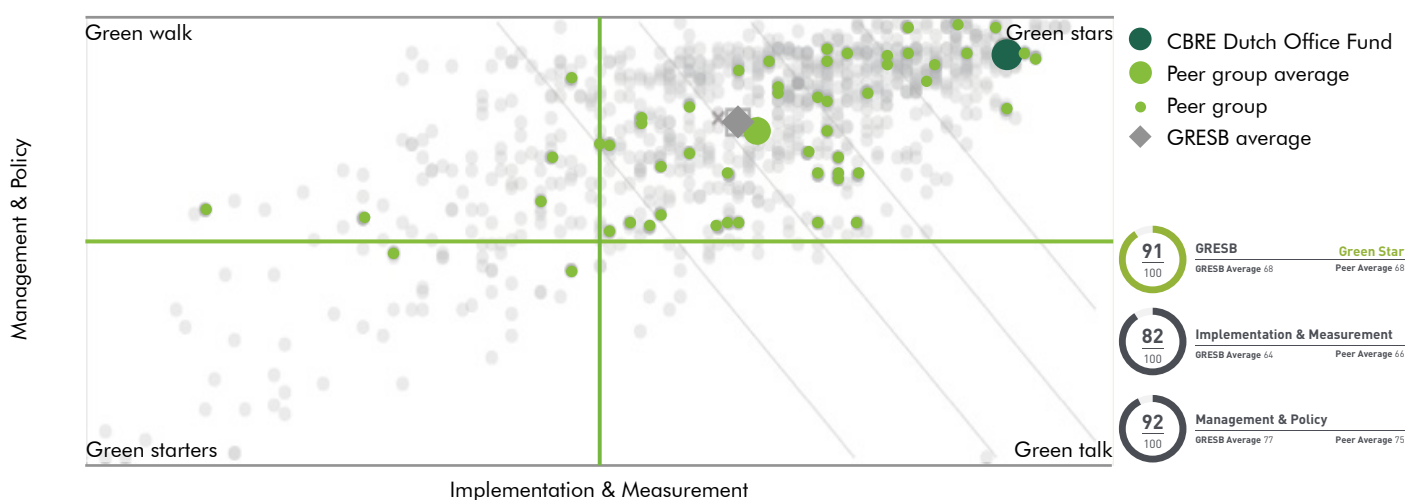
Table 7 Asset level detail

Assets	Emissions Intensity (kg.CO ₂ /sqm)	Change since FY17	Electricity Intensity (kWh/sqm)	Gas Intensity (MJ/sqm)	Water Intensity (MJ/sqm)	Energy label (EPBD)	Sustainability Certification BREEAM
Amsterdam, Herengracht	0.06	0.00	68.1	10.5	226.6	F	n.a.
Amsterdam, nieuwAmsterdam	0.09	0.00	74.4	1.0	796.5	A	Very Good
Amsterdam, NoMa House ¹⁾	n.a.	n.a.	n.a.	n.a.	n.a.	A	Outstanding
Amsterdam, UP office building	0.12	(0.03)	139.7	n.a.	570.8	A	Very Good
Amsterdam, WTC Amsterdam	0.14	(0.01)	177.2	2.2	559.1	A	Very Good
Amsterdam, WTC Schiphol Airport	0.09	0.00	127.2	7.0	409.4	C	Good
Rotterdam, Delftse Poort	0.09	0.00	111.8	n.a.	492.7	B	Very Good
The Hague, De Zeven Provinciën	0.09	0.01	118.9	n.a.	378.8	B	Very Good
Utrecht, Hojel City Center Fase II	0.07	0.00	90.0	n.a.	458.5	C	n.a.
Utrecht, Sypesteyn	0.04	(0.01)	43.0	n.a.	289.4	F	n.a.
Utrecht, WTC Utrecht ¹⁾	n.a.	n.a.	n.a.	n.a.	n.a.	A	Excellent

GRESB

Participation in the annual GRESB benchmarking survey allows us to benchmark our performance and provides disclosure of the sustainability performance of the Fund. The results from GRESB provide us with valuable insight into our performance relative to our peers. In 2018 the Fund obtained a green star. The Fund was among the top-tier GRESB participants world-wide scoring position 17th out of 823 and is the most sustainable non-listed office fund in the Netherlands.

Figure 7 GRESB Quadrant model CBRE Dutch Office Fund



1) No data as property was not for the full year in the portfolio.

Table 8 Overview GRESB scores

	2016	2017	2018	Peer group	Y-o-Y CHANGE
GRESB Scores					
Overall score	88%	92%	91%	(64%)	-1%
Management	96%	100%	100%	(88%)	0%
Policy & Disclosure	100%	100%	100%	(70%)	0%
Risk & Opportunities	68%	93%	99%	(69%)	6%
Monitoring & EMS	81%	92%	96%	(61%)	4%
Performance Indicators	80%	79%	72%	(51%)	-7%
Building Certifications	100%	100%	100%	(66%)	0%
Stakeholder Engagement	96%	97%	97%	(66%)	0%
GRESB Rankings					
All GRESB participants	23 of 733	17 of 823	22 of 874		↓ 5 places
Global, sector office	13 of 173	3 of 131	10 of 131		↓ 7 places
INREV Constituents	1 of 97	1 of 44	n/a		

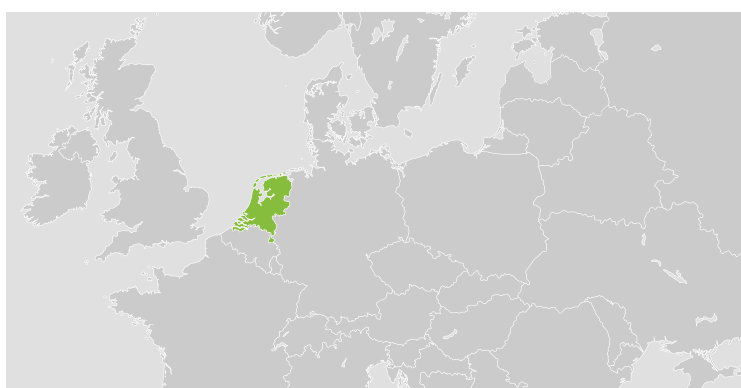


De Brouwerij, Amsterdam

CBRE DUTCH RESIDENTIAL FUND

KEY INFORMATION

Fund Manager	Paul Oremus
Investment Strategy	Semi open-ended, Core
Countries of Investment	The Netherlands
Property Types	Residential
Fund inception date	2017
Fund maturity date	Indefinite
Structure	Fund for joint account
GRESB	Green Star, Fifth quintile
AUM	€1.7 billion
Area (m²)	573,888



CBRE DUTCH RESIDENTIAL FUND – COUNTRIES OF INVESTMENT

The CBRE Dutch Residential Fund (“the Fund”) invests in high quality residential assets in prime locations across the Netherlands. It is one of the largest independent institutional non-listed residential investment vehicles in the Netherlands with a broad client base of more than 40 institutional investors. The Fund capitalised on a series of governance and management enhancements in 2017. the Fund benefits from the Netherlands strong macro-economic outlook combined with a rental housing market popular with both tenants and investors. The trend is positive and driven by strong demand supply ration resulting in both rental and value growth

The Fund actively promotes and markets the sustainability performance of the portfolio and individual properties and strives to improve the performance in a sustainable manner. It has updated its sustainability policies and has defined a long-term (target 2040) ambition. To realise these long-term target the Fund defined short-term targets for 2019 and a Green Action Plan. Main short term focus area is collecting data and visualise the data in a dashboard.

The Fund has a long term strategy for responsible investments in place. The Fund sets both long term and short term targets relating to responsible investments, and monitors and reports on a regular basis against specific targets, at both the asset and portfolio level. Good governance is in place to identify key material aspects for the Fund, review policies and processes, set targets and monitor performance against targets.

AMBITION AND PERFORMANCE TARGETS

The Fund's responsible investment ambition is to be the leading provider of sustainable, carbon neutral residential products, providing our tenants with the most sustainable and healthy housing solutions in which they feel very comfortable while delivering stable long term investment products to our investors.

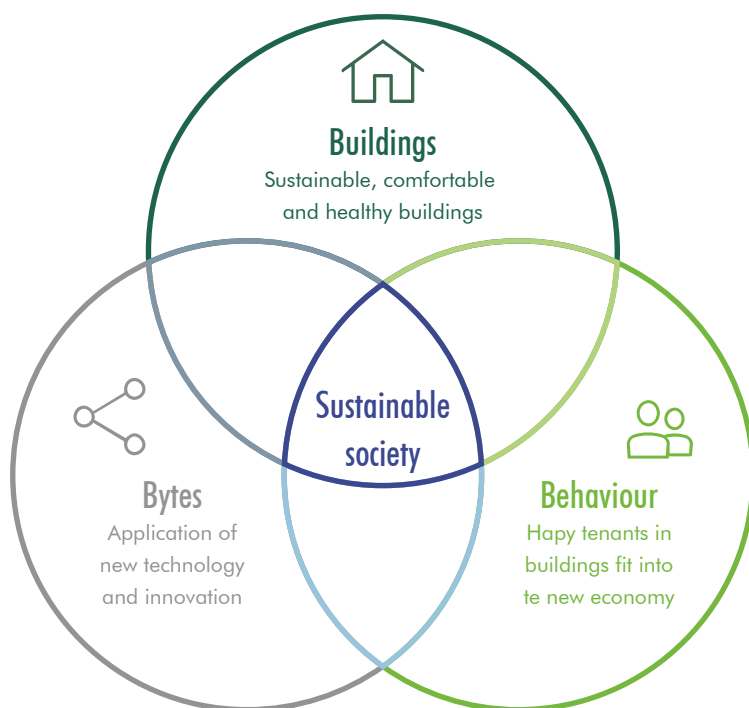
The overall target is science based net zero carbon emissions by 2040. This is an accelerated target compared with sustainable development goals of the United Nations as agreed in the Paris Agreement on climate change and the objectives of the Dutch government.

The overall performance target is supported by nine objectives that contribute to the overall target. The nine objectives have medium-term targets to be achieved by 2030 and long-term targets to be achieved by 2040.

Table 9 Performance targets




Category	2030	2040
CO ₂	Reduced by 50%	Reduced by 100%
Energy - Electra	Reduced by 25%	Reduced by 75%
Energy - Gas	Reduced by 100%	Reduced by 100%
Energy - Renewable	Producing 25% of the energy demand	Producing 100% of the energy demand
Water	Reduced by 20%	Reduced by 30%
Waste	At least 3 waste streams	Reduced by 10% and 100% recycled
Building Certification	Avg. GPR > 7 (coverage: 100%)	Avg. GPR > 7 (coverage: 100%)
El- index	0.74	0
Stakeholder management	Tenant satisfaction score: 8.0 or higher	Tenant satisfaction score: 8.5 or higher

Figure 8 Sustainable society



STRATEGY

The underlying strategy to achieve those targets is based on upon three main subjects described below.

		
Buildings	Behaviour	Governance
<ul style="list-style-type: none"> • Realize carbon neutral buildings • Sustainable generation of energy by applying solar energy • Replacing natural gas with renewable energy • Gain insight into the actual energy consumption of our assets on tenant and asset level 	<ul style="list-style-type: none"> • Create opportunities for the sharing economy in our sustainable building • Influence tenants to reduce energy by sharing data and knowledge • Create communities for a pleasant living environment 	<ul style="list-style-type: none"> • Future proof monitoring of CO₂ production of our assets: Gas, Electra, Water and Waste (common and tenant areas) • Embrace disrupting sector innovations • Invest in digitalization processes of property managers in favor of tenants

On the asset level, the Fund undertake sustainability due diligence during all its acquisitions and dispositions. During the holding period, sustainability improvements are part of the asset business plans and the long-term maintenance planning.

All new projects in the Fund should have a minimum of EI index of 0.2 or better.

LEGISLATION

The Fund complies with national and European legislation including legislation on responsible investment. In addition the Fund actively monitors proposed future legislation to mitigate future risks.

In July 2018, the Dutch government amended legislation on the supply of gas. The Fund has incorporated these requirements directly into the programme of acquisitions after that date. For the standing investments, an inventory will be made in 2019 to map the gas consumption. The Fund complies with the national and European legislation regarding responsible investment and sees no further legislative risks.

ANNUAL OBJECTIVES 2019

The Fund has set its annual objectives on portfolio and on asset level as described below.

Portfolio initiatives

Optimise measurement

- Improve measurement and reporting of gas and electricity usage for the common and tenant areas
- Implement real-time monitoring by placing smart meters to reduce energy
- Dashboard with 100% insight in data of the common areas and 25% of the tenant areas.

Apply certificates

- Analyse GRP¹⁾ score standing investments
- Create action plans on the asset level to improve GPR score
- Analyse pilot Well certificate of Rhapsody, to improve knowledge about health and well being
- 100% Coverage GPR certificates

Minimise CO₂ consumption of buildings

- Investigate intensification of solar panels for single family homes
- Investigate alternatives for natural gasless homes with partners
- Replacing natural gas if possible with renewable energy
- Replace lighting with LED in common areas
- 100% insight in asset with gas heating and cooking

1) GPR is a Dutch label-method which consists of five categories: energy, environment, health, user quality and future value. The Fund selected this measuring standard because GPR comprises more aspects of sustainability.

Influence behavior

- Create space for shared cars and bike solutions with partners
- Green Lease Clause in standard lease agreement
- Execute satisfaction surveys to identify and innovate our product offering
- Give workshops for property managers, investors and tenants about our sustainable goals
- Evaluate the E-coin pilot and implement lessons learned from the process in a follow-up

2018 ACHIEVEMENTS

Below an evaluation of the 2018 objectives is presented.



Buildings

- A GPR certificate for all standing investments (average GPR score: 6.3)
- Achieved a decrease of energy use, mainly due to energy production by solar panels for common areas
- Achieved 100% participation in sustainable investment (**Waldeck, The Hague**: 140 apartments)
- Installation of solar panels for energy use common areas (**Catsheuvel, Parnassijn, Planetenlaan, Kluzeweg and the Jonkheer**)
- Subsidy request for solar panels initiated (**Wielingen, Amsterdam**)
- Upgraded project plan to natural gas-less (**Stadhouders block 3, The Hague**)



Behaviour

- Implement e-bikes and e-cars
- Discussion initiated with property managers about how innovation can be further supported
- Implement real-time monitoring services to improve tenants' energy usage behaviour, by offering an energy-app (**Hooghe Hoed, Ede**)



Bytes

- Pilot to measure energy consumption of a whole building, a step toward obtaining adequate information about energy
- Consumption data registration harmonised with privacy legislation
- Ranked fourth in GRESB survey, with a minimum difference of one point behind the top three
- Annual reporting aligned with latest INREV sustainability guidelines
- Improved data quality
- Start up research for a Well certification (pipeline asset **Rhapsody, Amsterdam**)

KEY PERFORMANCE INDICATORS

Table 10 and 11 display the GRI performance indicators in line with the INREV sustainability recommendations.

Highlights Sustainability like-for-like performance measures

Electricity consumption reduced by 5%

- Solar panel installed at various properties
- Various properties moved to LED lighting systems in common areas, which is more sustainable and energy-efficient. More properties will follow gradually

Gas consumption reduced by 1%

- Improved social awareness of tenants as consumption is related to collective use of the heating boiler

Water consumption increased by 5%

- Tenants' usage can vary per year due to changes in households. For 2018, an increase was observed
- Incident with a leak at one of the property

Table 10 Sustainability performance measures

Broad issue type/Performance measures	2018 Like-for-like	2017 Like-for-like
Key figures		
Average EPC label	B	B
Energy coefficient	1.2	1.3
Portfolio's green electricity (in %)	78%	78%
Portfolio's green gas (in %)	20%	20%
Energy consumption		
Consumption from electricity (in kWh)	2,625,302	2,755,686
Consumption from gas (in kWh)	256,802	259,278
Greenhouse gas emissions		
Total direct emissions (in metric tonnes CO ₂)	485	490
Total indirect emissions (in metric tonnes CO ₂)	1,084	1,138
Water		
Total water usage (m ³)	32,793	31,151

The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

Table 11 Sustainability performance measures - intensity measures

Performance measures	2018 Like-for-like	2017 Like-for-like
Intensity from buildings per sqm		
Energy intensity (kWh/sqm/year)	6.68	7.01
Gas intensity (m ³ /year)	4.36	4.40
Green House Gas emissions intensity (kg CO ₂ /sqm/year)	10.99	11.21
Water intensity (m ³ /sqm/year)	0.16	0.15
Intensity from buildings per consumer ¹⁾		
Energy intensity (kWh/sqm/year)	384.07	403.15
Gas intensity (m ³ /year)	270.83	273.44
Green House Gas emissions (kg CO ₂ /sqm/year)	719.54	735.82
Water intensity (m ³ /sqm/year)	9.08	8.63

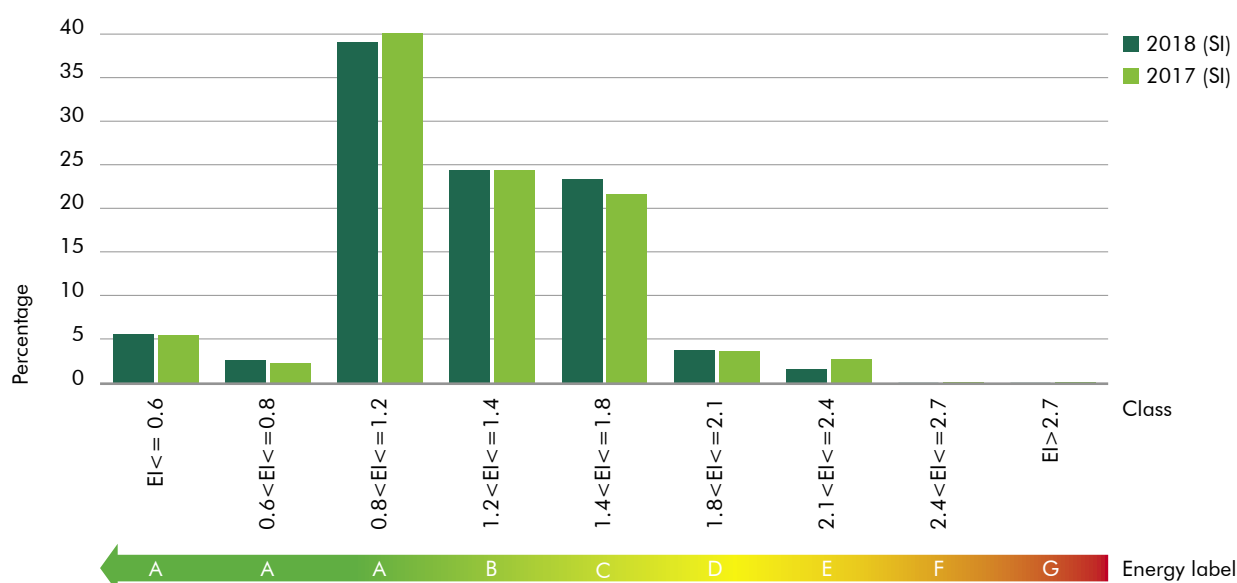
The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

The coverage ²⁾ for the consumption measurements was based on the standing investments, excluding commercial spaces and including the William portfolio. The increased number of coverage compared to 2017 was mainly a result of improved measurement data. In the coming years, the coverage on electricity and water will continue to improve because of the incorporation of tenant use and the installation of smart meters.

Table 12 Coverage

	2018	2017
Coverage - electricity	69/111	62/115
Coverage - gas	8/111	7/115
Coverage - water	37/111	31/115

Figure 9 Distribution energy index class (standing investments)



1) Total electricity known / calculated number of residents where consumption is known (2.2 is the conversion factor of unit to residents)

2) Based on connections, of which the Fund was allowed to measure (mainly multi-family households).

GRESB

Participation in the annual GRESB benchmarking survey allows us to benchmark our performance and provides disclosure of the sustainability performance of the Fund. The results from GRESB provide us with valuable insight into our performance relative to our peers. In 2018 the Fund obtained a green star. The Fund was among the top-tier GRESB participants world-wide scoring position 17th out of 823 and is the most sustainable non-listed office fund in the Netherlands.

Figure 10 GRESB Quadrant model CBRE Dutch Residential Fund

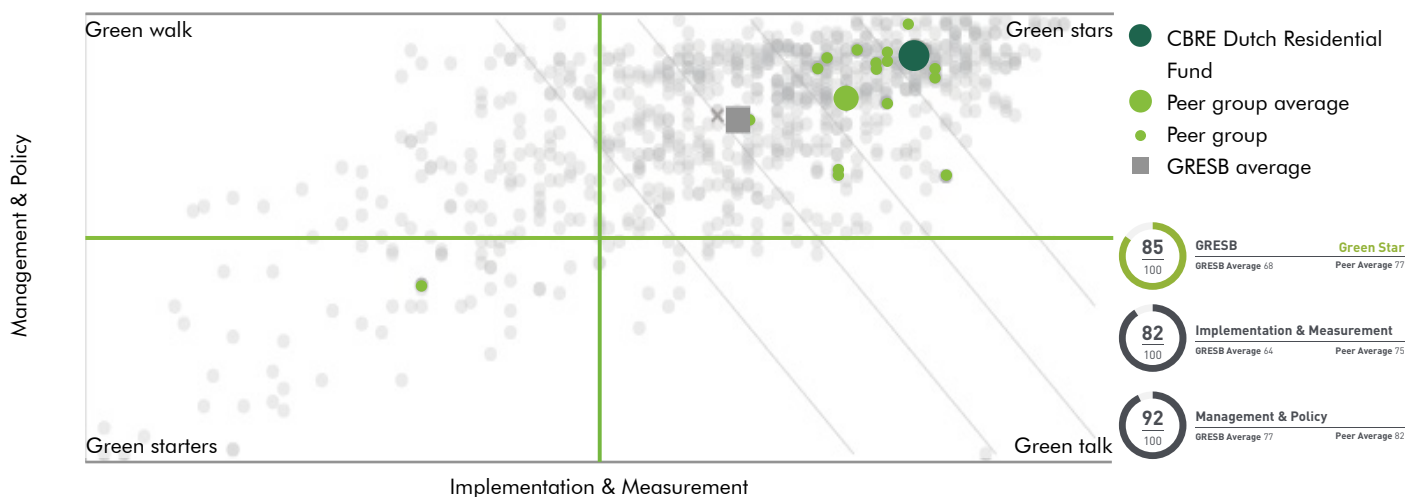


Table 13 Overview GRESB scores

	2016	2017	2018	Peer group	Y-o-Y CHANGE
GRESB Scores					
Overall score	73%	86%	85%	(77%)	-1%
Management	96%	100%	100%	(95%)	0%
Policy & Disclosure	96%	96%	97%	(93%)	1%
Risk & Opportunities	87%	83%	81%	(85%)	-2%
Monitoring & EMS	67%	77%	78%	(67%)	1%
Performance Indicators	50%	73%	69%	(58%)	-4%
Building Certifications	66%	81%	95%	(76%)	14%
Stakeholder Engagement	82%	97%	92%	(84%)	-5%
GRESB Rankings					
All GRESB participants	201 of 733	53 of 823	126 of 874		
Global, sector residential	8 of 65	2 of 80	10 of 85		
Netherlands, sector residential	3 of 10	1 of 13	4 of 13		

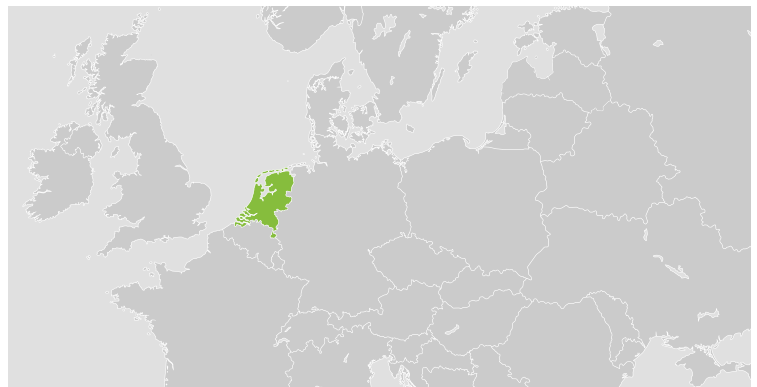


SC Koopgoot, Rotterdam

CBRE DUTCH RETAIL FUND

KEY INFORMATION

Fund Manager	Rik Eertink
Investment Strategy	Semi open-ended, Core
Countries of Investment	The Netherlands
Property Types	Retail
Fund inception date	2016
Fund maturity date	Indefinite
Structure	Fund for joint account
GRESB	Green Star, Fifth quintile
AUM	€1.5 billion
Area (m²)	519,200



The CBRE Dutch Retail Fund ("the Fund") is a leading investor in Dutch high street and shopping centres, including Koopgoot in Rotterdam and Heuvel in Eindhoven, as well as having a 33% stake in the CBRE Dutch High Street Club. Furthermore, the Fund invests in convenience centres and promising urban locations in the Randstad region with multifunctional use like Amsterdamse Poort in Amsterdam. the Fund's refocused strategy is aimed at investing in the most dominant and vibrant urban locations that offer exceptional consumer experience and provide an answer to the polarisation in the Dutch retail market.

The Fund has an excellent track record, was ranked first in its peer group in the annual GRESB assessment and was awarded a Green Star by GRESB 2018 which recognised a strong green policy and implementation. The fundamentals of the ESG strategy of DRET are based on investing in retail units and shopping centres with a high level of environmental sustainability, at locations that remain attractive in the long term. Taking this into consideration, the Fund commits itself to an extensive ESG-program and is confident that this will lead to more financial achievements while making a difference both locally and nationally.

The Fund has a long-term strategy for responsible investment in place. the Fund sets both long term and short-term targets relating to responsible investment and monitor and report regularly against targets, at both asset and portfolio level. Good governance is in place to identify key material aspects for fund, review policies and processes, set targets and monitor performance against these targets.

AMBITION AND PERFORMANCE TARGETS

The long-term ambition of the Fund is to: 'Take an active role in creating a sustainable society with our stakeholders, providing vibrant urban shopping destinations for our consumers, tenants and communities while delivering stable long-term investment products to our investors.'

The Fund aims to accelerate and intensify the actions and investments needed for a sustainable low carbon future. The overall goal is to reduce carbon emissions by 50% in 2030 and 95% by 2050 which is in line with the Paris Agreement on climate change.

At an asset level, we undertake sustainability due diligence during all fund acquisitions and dispositions. During the holding period sustainability improvements are part of the asset business plans and the long-term maintenance planning.

For all capex projects (refurbishments and (re)developments) high level requirements on sustainability are set to guarantee that the capex projects are in line with ambition of the Fund. Besides, all capex projects should improve the ESG performance of the asset resulting in a better energy label and improved BREEAM rating.

The overall performance target is supported by eight quantifiable objectives that contribute to the overall target. The objectives have medium term targets to be achieved by 2025 and a long-term target by 2030.

Table 14 Performance targets

Category	2025 ¹⁾	2030 ¹⁾
CO ₂	Reduced by 30%	Reduced by 50%
Energy	Reduced by 25%	Reduced by 30%
Water	Reduced by 25%	Reduced by 25%
Waste	Recycling increased by 25%	Recycling increased by 25%
Building Certification	Avg. BREEAM score: Excellent (coverage 100%)	Avg. BREEAM score: Excellent (coverage 100%)
Green lease	90% of all new contracts are 'Green Lease'	100% of all new contracts are 'Green Lease'
Roof activation (i.e. water storage, public access, solar panels and/or green vegetation)	50% of roofs is activated	90% of roofs is activated
GRESB	Top 10% European (non-listed) Retail	Top 10% European (non-listed) Retail

LEGISLATION

The Fund complies with national and European legislation including legislation on responsible investment. In addition, the Fund actively monitors proposed future legislation to mitigate future risks. Currently the Fund sees no further legislative risks in the market in which it operates.

ANNUAL OBJECTIVES 2019

The long-term ambitions and mid-term goals have been translated into annual objectives, which are part of the annual Green Action Plans. These short-term actions put emphasis on integrating the real estate value chain and its key stakeholders. The portfolio is actively managed and continuously improved by redevelopments, refurbishments, disposals or new acquisitions. Asset management initiatives are subjected to a thorough due diligence in which possible ESG outcomes are evaluated. These outcomes are integrated in every investment decision.

1) Indicated reductions in comparison to 2018 figures

Green Action Plan 2019

The main actions and targets for 2019 are:

	Energy & Emissions	<ul style="list-style-type: none"> • Paris Climate Goals • UN 7: Renewable Energy • UN 13: Climate Action 	<ul style="list-style-type: none"> • 90% of all own grid connections are smart meters • Make a CO₂- footprint measurement of the portfolio • Generate onsite energy on at least 1 shopping centre • At least 1 asset is fully electric (no gas)
	Environment	<ul style="list-style-type: none"> • Paris Climate Goals • UN 12: Responsible consumption 	<ul style="list-style-type: none"> • Certify all strategic assets within the Fund with BREEAM In Use • Make an improvement plan for BREEAM In Use for at least three assets • Recycle 10% more waste compared to 2018
	Sustainable Society	<ul style="list-style-type: none"> • UN 3: Good health & well being • UN 11: Sustainable Cities and Communities 	<ul style="list-style-type: none"> • Pilot with WELL certification for one asset • Close at least one new lease contract with a social responsible shopping concept • Develop a 'roof activation plan' addressing water storage, wind energy, solar panels and green vegetation • Activate at least 1 roof (i.e. water, storage, solar panels or green)
	Governance	<ul style="list-style-type: none"> • UN 9: Innovation and Infrastructure • UN 17: Partnerships for the goals 	<ul style="list-style-type: none"> • Make an energy management framework with all meters, including tenant connections • Organise a sustainability improvement event for the property managers • Draft a sustainable procurement plan for our property managers and contractors • More than 90% of all new lease contracts are green leases

ACHIEVEMENTS 2018

Below an evaluation of the 2018 Green Action Plan objectives is presented in the below table.

	Target 2018-2021	Achievements 2018
Energy	> 4% reduction in kWh (y-o-y)	Like-for-like (Lfl) the Fund reduced energy use (including both electricity and gas use) by 1.7% in kWh compared to 2017
CO₂	> 4% reduction in CO ₂ equivalent (y-o-y)	Lfl the Fund reduced its direct emissions from gas (in metric tonnes CO ₂) by 0.2% compared to 2017
Water	No consumption target, part of renovation/ maintenance plans Replace all equipment with water saving models at moment in accordance with life span	Water consumption increased by 2.0% (Lfl) compared to 2017. This mainly results from tenant mutations, including rental of vacant space and change of use that require more water (e.g. F&B concepts)
Waste	Facilitate separation where appropriate and improve measurements	Lfl the Fund reduced its waste consumption by 7% (in metric tonnes) and maintained its recycle rate at 23% in comparison to 2017
Building Certification	100% BREEAM coverage with minimum level of BREEAM-In-Use Very Good	Assignment has been given to certify all strategic Fund assets for BREEAM In-Use. We received 20 BREEAM-NL in-use labels for strategic DHC assets, with an average score of 'Good'
GRESB	Improve the 2017 rating of 84%	The Fund improved its GRESB score to 88%, has been awarded GRESB 'Green Star' (five star) for the eighth consecutive year. The Fund has been awarded as most sustainable non-listed retail fund within its peer group. Currently the Fund is ranked 60th out of 874 (top 7%) real estate funds globally.
Stakeholder Management	Focus on tenant engagement, investor engagement and community engagement during operation aiming for long-term value creation	Several sustainability meetings with tenants have been held (e.g. Hema, Albert Heijn and Bijenkorf). Approx. 92% (35 out of 38) green lease contracts have been signed. In addition, some lease contracts are signed with tenants that have a social component (e.g. City Dwellers in SC Heuvel)
Health and Well being	Part of stakeholder engagement, clean construction, fit-out guides, incl. action plans for certification aiming for future healthy communities	The Fund is focused to participate in several ESG initiatives in collaboration with its stakeholders (tenants, property managers and advisors). A feasibility pilot has been started on implementation of WELL certification for the strategic shopping centers of the Fund

Other highlights 2018

In addition to the above presented achievement the Fund:

- Maintained its weighted average portfolio energy-index on an A-label (EI-index 1.05), with 89% of the assets having a 'green' label (A, B & C);
- Has been granted EUR 1.4 million of SDE+ subsidies for renewable energy projects;
- Installed 1,146 solar panels on the roof of shopping center Heuvel in Eindhoven, enhancing its position as most sustainable shopping center in Europe;
- Accelerated concise improvement actions in CBRE Dutch High Street Club following its Green Action Plan 2018

KEY PERFORMANCE INDICATORS

Table 15 and 16 display the GRI performance indicators in line with the INREV sustainability recommendations.

Clarification key performance indicators

The portfolio is reported both in the absolute- and in like-for-like performance measures. The like-for-like figures show the usage data of standing investments over 2018 and exclude the acquisition of Leidsestraat 39 and sale of the five non-strategic shopping centers Mercuriuscentrum (Assen), SC Elzaspassage (Helmond), SC Stadhuispassage / De Stoep (Spijkenisse), SC De Corridor / Passage (Veenendaal) and SC Maasboulevard (Venlo). The usage data of the 33% share holdings in the CBRE Dutch High Street Club portfolio is not included in this overview. The data shown below only covers the data from connections in the investment portfolio that are monitored and controlled by the Fund and not the usage data of the tenants.

Table 15 Sustainability performance measures - absolute measures

Broad issue type/Performance measures	2018 Total portfolio	2017 Total portfolio	2018 Like-for-like	2017 Like-for-like
Key figures				
Average EPC label	A	A	A	A
Energy coefficient	1,05	1,05	1,05	1,05
Portfolio's green electricity (in %)	100%	100%	100%	100%
Portfolio's green gas (in %)	100%	100%	100%	100%
Energy consumption				
Consumption from electricity (in kWh)	8,325,599	8,666,958	8,305,001	8,561,179
Consumption from district heating and cooling (in GJ)	0	0	0	0
Consumption from gas (in m ³)	748,346	784,558	742,731	744,542
Greenhouse gas emissions				
Total direct emissions (in metric tonnes CO ₂) - Before compensation	1,414	1,478	1,404	1,407
Water				
Total water usage (cbm)	61,079	54,587	49,655	48,625
Waste				
Total weight of waste (in metric tonnes)	730	1,053	730	785
Total weight of waste - of which recycled (in metric tonnes)	166	346	166	266
Recycled waste (in %)	23%	33%	23%	34%

The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

Table 16 Sustainability performance measures - intensity measures

Performance measures	2018 Total portfolio	2017 Total portfolio	2018 Like-for-like	2017 Like-for-like
Energy intensity (kWh/year) - Electricity	301	131	301	318
Energy intensity (cbm/year) - Gas	5.9	7.3	5.9	6.8
Green House Gas emissions intensity (kg CO ₂ /year)	136	60	136	144
Water (cbm/year)	1.43	1.86	1.43	1.51
Intensity from buildings per consumer				
Energy intensity (kWh/year) - Electricity	0.175	0.114	0.175	0.182
Energy intensity (m ³ /year) - Gas	0.030	0.027	0.030	0.030
Green House Gas emissions (kg CO ₂ /year)	0.130	0.092	0.130	0.132
Water intensity (liter/year)	0.002	0.002	0.002	0.002
Coverage electricity (by number of properties)	46.5%	50.0%		
Coverage gas (by number of properties)	46.5%	50.0%		
Coverage water (by number of properties)	46.5%	50.0%		
Coverage waste (by number of properties)	46.5%	50.0%		

The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

Table 17 Asset level details

City	Address	Energy label		Asset score		Management score	
		Energy label	Energy index				
Amsterdam	Leidsestraat 39	A	0.88	-	-	-	-
Amsterdam	Leidsestraat 100	E	1.60	-	-	-	-
Amsterdam	Reguliersbreestraat 18 - 22	C	1.16	-	-	-	-
Amsterdam	SC Amsterdamse Poort	A	0.84	Cluster 7: Very Good	57.10%	Excellent	71.70%
				Cluster 8: Very Good	56.90%	Very Good	56.50%
				Very Good	63.80%	Very Good	78.90%
Amsterdam	SC Plein 40-45	A	0.80	-	-	-	-
Amsterdam	SC Sloten	A	0.98	-	-	-	-
Breda	Ginnekestraat 16	A	1.04	-	-	-	-
Den Bosch	Pensmarkt 4	B	1.11	-	-	-	-
Den Haag	Venestraat 50-52	C	1.23	-	-	-	-
Eindhoven	SC Heuvel Galerie	A	1.03	Outstanding	80.40%	Outstanding	90.80%
Groningen	SC Waagstraat	A	0.93	Good	45.40%	-	-
Haarlem	Grote Houtstraat 96	A	0.99	-	-	-	-
Hoogeveen	Tamboerpassage 1	D	1.38	-	-	-	-
Leeuwarden	Nieuwestad 150-154	C	1.28	-	-	-	-
Maastricht	SC Mosae-Forum	C	1.23	Very Good	55.9%	Excellent	71.7%
Maastricht	Wolfstraat	A	1.01	-	-	-	-
Nijmegen	Burchtstraat 3	F	1.62	-	-	-	-
Nijmegen	Molenweg 9-11	B	1.14	-	-	-	-
Rijen	SC D'Laverije	A	0.87	Very Good	56.60%	Very Good	64.2%
Rotterdam	SC Alexandrium II	B	1.10	Good	42.10%	-	-
Rotterdam	SC Beursplein	B	1.09	Excellent	76.0%	Outstanding	86.5%
Stadskanaal	Gandhiplein 12-14	A	1.02	-	-	-	-
Uden	Markt 9-19	F	1.69	-	-	-	-
Utrecht	Oude Gracht 119	G	2.06	-	-	-	-
Vaals	De Drapenier	A	0.80	-	-	-	-
Veghel	Stadhuisplein 6	A	0.83	-	-	-	-
Wassenaar	Stadhoudersplein 2-4	A	0.79	-	-	-	-
Zwolle	Diezerstraat 20	C	1.25	-	-	-	-
Zwolle	Diezerstraat 22	D	1.32	-	-	-	-
Zwolle	Diezerstraat 4	G	2.29	-	-	-	-
Zwolle	Nieuwstraat 51	F	1.66	-	-	-	-

GRESB

The Fund ranked first in the annual Global Real Estate Sustainability Benchmark (GRESB) within its peer group. The Fund ranked first among eight funds that participated in the GRESB Benchmark. The Fund outperformed both GRESB- and peer averages on the elements Management & Policy and Implementation & Measurement. This is shown in the GRESB Quadrant model below. In addition, the Fund outperformed both GRESB- and peer averages on ESG component breakdown.

Figure 11 GRESB Quadrant model CBRE Dutch Retail Fund

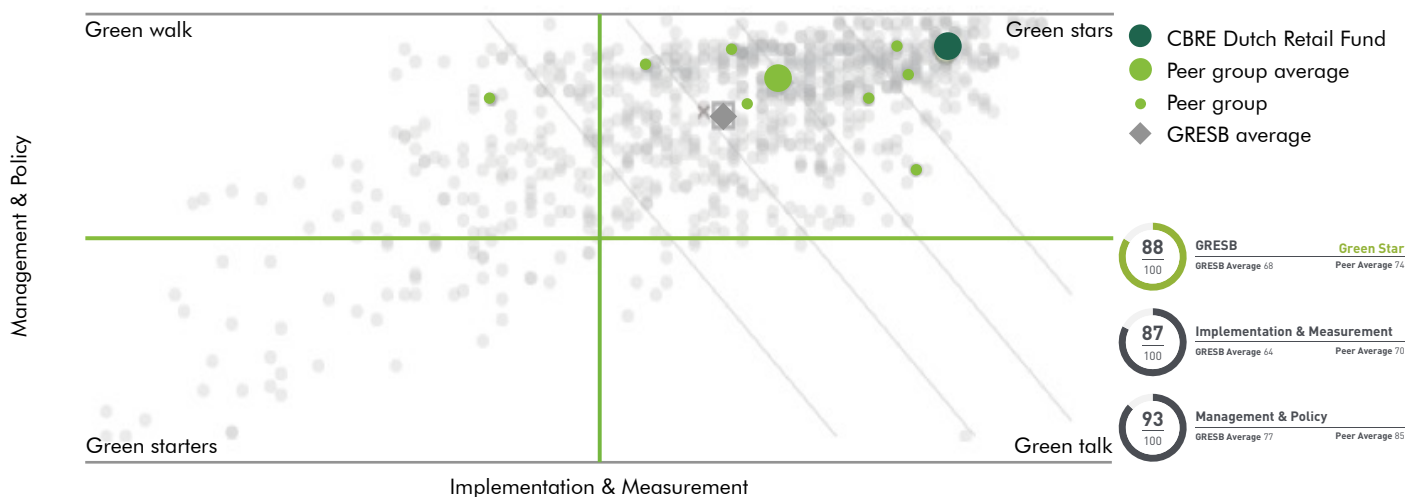


Table 18 Overview GRESB scores

	2016	2017	2018	Peer group	Y-o-Y CHANGE
GRESB Scores					
Overall score	82%	84%	88%	(74%)	5%
Management	96%	100%	100%	(97%)	0%
Policy & Disclosure	87%	100%	100%	(95%)	0%
Risk & Opportunities	93%	90%	97%	(82%)	8%
Monitoring & EMS	69%	83%	83%	(71%)	0%
Performance Indicators	63%	56%	68%	(53%)	21%
Building Certifications	73%	80%	88%	(65%)	10%
Stakeholder Engagement	100%	100%	98%	(81%)	-2%
GRESB Rankings					
All GRESB participants	65 of 733	72 of 823	60 of 874		↑ 12 places
Global, sector retail	24 of 129	25 of 132	17 of 136		↑ 8 places
INREV Constituents	4 of 84	6 of 44	n/a		

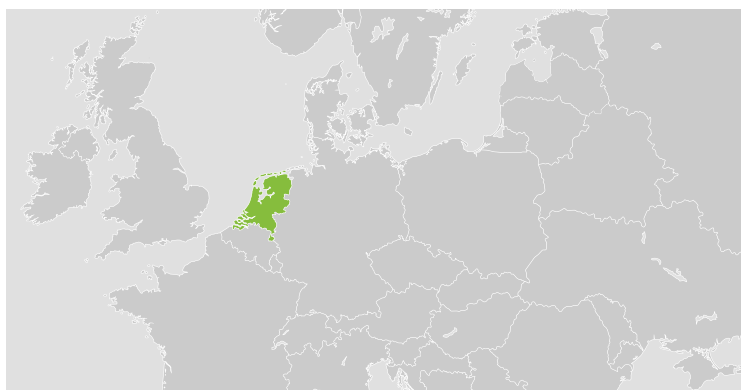


Bijenkorf, The Hague

CBRE DUTCH HIGH STREET CLUB

KEY INFORMATION

Portfolio Director	Bas Tiemstra
Investment Strategy	Semi open-ended, Core
Countries of Investment	The Netherlands
Property Types	Retail
Fund inception date	2017
Fund maturity date	Indefinite
Structure	Fund for joint account
GRESB	First report in 2018
AUM	€1.4 billion
Area (m² LFA)	280,000



CBRE Dutch High Street Club ("the Fund") has a long-term strategy for responsible investment in place. The Fund sets both long term and short-term targets relating to responsible investment and monitor and report regularly against targets, at both asset and portfolio level. Good governance is in place to identify key material aspects for fund, review policies and processes, set targets and monitor performance against these targets.

AMBITION AND PERFORMANCE TARGETS

The strategy of the Fund is based on the two leading global Environmental, Social and Governance (ESG) initiatives: the Paris Agreement on climate change and the sustainable development goals (SDG's) of the United Nations.

At an asset level, the Fund undertakes a sustainability due diligence during all fund acquisitions and dispositions. During the holding period sustainability improvements are part of the asset business plans and the long-term maintenance planning.

For all capex projects (refurbishments and (re)developments) high level requirements on sustainability are set to guarantee that the capex projects are in line with ambition of the Fund. Besides, all capex projects should improve the ESG performance of the asset resulting in a better energy label and improved BREEAM rating.

Long-term ESG-ambition

The long-term ambition of the Fund is to be: 'Take an active role in creating a sustainable society with our stakeholders, providing vibrant urban shopping destinations for our consumers, tenants and communities while delivering stable long-term investment products to our investors.'

The long-term ambitions have been translated into several mid-term goals for 2025 and the combined goals are:

Category	2025	2030
CO ₂ emissions	Reduced by 30%	Reduced by 50%
Energy consumption	Reduced by 15%	Reduced by 30%
Water consumption	Reduced by 10%	Reduced by 25%
Waste recycling	Recycling increased by 10%	Recycling increased by 25%
Building certification	Avg. BREEAM score: Very Good (coverage 100%)	Avg. BREEAM score: Very Good (coverage 100%)
Roof activation (i.e. water storage, public access, solar panels and/or green vegetation)	30% of roofs is activated	90% of roofs is activated
All electric	30% of all assets are energy neutral due to onside generation and all-electric energy systems	100% of all assets are energy neutral due to onside generation and all-electric energy systems
GRESB	Top 25% European (non-listed) Retail	Top 20% European (non-listed) Retail

LEGISLATION





The Fund complies with national and European legislation including legislation on responsible investment. In addition, the Fund actively monitors proposed future legislation to mitigate future risks. Currently the Fund sees no further legislative risks in the market in which it operates.

ANNUAL OBJECTIVES 2019

The long-term ambitions and mid-term goals have translated into annual objectives, which are part of the annual Green Action Plans. These short-term actions put emphasis on integrating the real estate value chain and its key stakeholders.







The portfolio is actively managed and continuously improved by redevelopments, refurbishments, disposals or new acquisitions. Asset management initiatives are subjected to a thorough due diligence in which possible ESG outcomes are evaluated. These outcomes are integrated in every investment decision.

The main actions and targets for 2019 are:

	Energy & Emissions	<ul style="list-style-type: none"> • Paris Climate Goals • UN 7: Renewable Energy • UN 13: Climate Action 	<ul style="list-style-type: none"> • Install smart meters for >80% shared connections • Implement an energy improvement framework • Pilot with solar panels on at least 1 location • Increase coverage of energy used by the tenants
	Environment	<ul style="list-style-type: none"> • Paris Climate Goals • UN 12: Responsible consumption 	<ul style="list-style-type: none"> • Make a BREEAM improvement plan for all strategic assets • Improve the BREEAM score for at least three assets • Consider ESG outcomes in every (CAPEX) investment decision • Explore the possibilities to increase waste recycling and reduce water consumption
	Sustainable Society	<ul style="list-style-type: none"> • UN 3: Good health & well being • UN 11: Sustainable Cities and Communities 	<ul style="list-style-type: none"> • Conduct tenant satisfaction survey • Make a roof activation plan together with the tenants addressing water, wind, solar panels and green vegetation • Pilot with a tenant to execute at least one green roof in line with the activation plan
	Governance	<ul style="list-style-type: none"> • UN 9: Innovation and Infrastructure • UN 17: Partnerships for the goals 	<ul style="list-style-type: none"> • Organize a sustainability improvement event for the property managers • Draft a sustainable procurement plan for our property managers and contractors • More than 90% of all new lease contracts is green lease • Decide which energy improvement measures will be implemented in near- and long term

ACHIEVEMENTS

The Green Action Plan of 2018 mainly focused on establishing a baseline measurement of the portfolio to be able to draft asset specific plans to reach the Fund's long-term ESG ambitions.

Investors 	<p>Report in line with the INREV requirements Done in annual sustainability report 2017</p> <hr/> <p>Participate in the GRESB index Green Star, three stars</p>
Tenants 	<p>Actively engage with tenants on sustainability Several sustainability meetings with Bijenkorf and Hema have been held</p> <hr/> <p>Close > 90% green leases for new leases 4 new leases, 100% green lease</p>
Operations 	<p>Include sustainability criteria in every maintenance decision Asset specific sustainability improvement plans are incorporated into the NEN2767 long term maintenance plans</p> <hr/> <p>Improve the sustainability level of properties under redevelopment Several improvement actions executed</p>
Labels and ratings 	<p>Energy labels for the whole portfolio Whole portfolio is labeled</p> <hr/> <p>Pilot 2 buildings with GPR All strategic assets are BREEAM certified</p>
Energy monitoring & consumption 	<p>Implement an energy monitoring system for all landlord's connections and part of the tenant's connections Measurabl implemented, data coverage energy usage 82% incl. tenant area</p> <hr/> <p>Procure 100% green energy when renewing the energy contracts 100% of the energy is Dutch Wind Energy</p>
CO₂ reduction 	<p>Make a CO₂-footprint baseline-measurement CO₂-footprint available. Total CO₂ emission reduced with 36.6%</p> <hr/> <p>Reduce the electricity, gas and water consumption of the shared connections by 3% Gas usage decreased with 36.6%, electricity usage increased with 20.7% and water usage decreased with 39.0%. Numbers are impacted by the start and expiry of several large leases.</p> <hr/> <p>Investigate the possibilities for solar panels on the roofs of the buildings For all strategic assets the possibilities for solar panels have been investigated</p>

All actions in the Funds' Green Action Plan 2018 have been accomplished. The actions have been carried out in close collaboration with the tenants, property managers and advisors.

KEY PERFORMANCE INDICATORS

Table 19 and 20 display the GRI performance indicators in line with the INREV sustainability recommendations.

Clarification key performance indicators

The Fund exists of 31 different assets throughout the Netherlands. The majority of these assets are single-tenant. In most cases the tenants have their own water, electricity and gas connections. Data in the INREV-table below only covers the multi-tenant assets for which the connections are monitored and controlled by the Fund. The data covers 100% of the landlord connections for 6 assets which equals 86,623 sqm LFA.

Table 19 Sustainability performance measures - absolute and intensity measures

Issue type/Performance measures	2018 Total portfolio	2017 Total portfolio	2018 Like-for-like	2017 Like-for-like
Key figures				
Average EPC label	A	A	A	
Energy coefficient	0.93	0.92	0.92	
Portfolio's green electricity (in %)	100%	100%	100%	100%
Portfolio's green gas (in %)	100%	100%	100%	100%
Energy consumption				
Consumption from electricity (in kWh)	10,779,911	7,797,714	9,412,452	7,797,714
Consumption from district heating and cooling (in GJ)	6,849	-	6,087	-
Consumption from gas (in m3)	261,163	411,882	261,163	411,882
Greenhouse gas emissions				
Total direct emissions (in metric tonnes CO ₂)	492	776	492	776
Water				
Total water usage (cbm)	21,070	13,198	8,046	13,198
Intensity from buildings per sqm (common area)	2018	2017	2018	2017
Energy intensity (kWh/year) - Electricity	124	107	130	107
Energy intensity (cbm/year) - Gas	5.5	8.7	5.5	8.7
Green House Gas emissions intensity (kg CO ₂ /year)	55	55	56	55
Water (cbm/year)	0.29	0.34	0.21	0.34
Coverage of asset	2018	2017	2018	2017
Coverage electricity (by number of properties)	6/6	5/6	-	-
Coverage electricity (sqm)	86,623	72,619	-	-
Coverage gas (by number of properties)	4/4	4/4	-	-
Coverage gas (sqm)	47,342	47,342	-	-
Coverage district heating (by number of properties)	2/2	1/2	-	-
Coverage district heating (sqm)	39,281	25,277	-	-
Coverage water (by number of properties)	5/5	2/5	-	-
Coverage water (sqm)	72,619	38,607	-	-

The methodology is based on the GRESB guidelines, for the estimation methodology we kindly refer to appendix 7b of GRESB

ASSET LEVEL DETAILS

In total 29 new energy labels were received in 2018 for 24 assets. This means that 100% of the Fund portfolio is certified (approximately 280,000 sqm LFA). The weighted average energy label for the Dutch High Street Club is A (Energy Index is 0.93).

In 2018, 20 assets in the Fund received their first BREEAM-NL in-use label for the 'Asset' category. The BREEAM portfolio coverage is 85% of the sqm lettable floor area (LFA). The average score for the Fund's portfolio is 'Good', which underlines the intrinsic sustainability level of the portfolio. An overview of the certificates per asset is provided in Table 20.

Table 20 Energy labels and target long term ESG target

City	Address	sqm (GLA)	Energy label		BREEAM	
			Energy label	Energy Index	Asset score	Asset score
Amersfoort	Utrechtsestraat 16	3.607	E	1,49	n.a.	n.a.
Amsterdam	Dam 1	28.382	A	1,01	Good	48,25%
Amsterdam	Nieuwendijk 174	4.378	D	1,34	Pass	35,75%
Amsterdam	Beursplein 15 (P)	359	G	2,52	n.a.	n.a.
Arnhem	Rijnstraat 38	2.666	G	2,02	Pass	33,85%
Arnhem	Ketelstraat 45	13.084	A	0,83	n.a.	n.a.
Breda	Ginnekenstraat 36 – 38	6.546	A	1,00	n.a.	n.a.
Den Bosch	Pensmarkt 36, 40-42	4.212	D	1,40	Pass	37,47%
Den Haag	Grote Marktstraat 57	4.829	A	0,68	Good	50,71%
Deventer	Korte bisschopstraat 1-5	3.367	C	1,24	n.a.	n.a.
Eindhoven	Piazza 1 – 2	19.064	A	0,74	Good	46,78%
Groningen	Herenstraat 64	4.949	D	1,39	Pass	29,30%
Leiden	Haarlemmerstraat 130-138	3.402	C	1,25	n.a.	n.a.
Maastricht	Grote staat 5-15	9.934	A	0,72	Good	45,86%
Maastricht	Grote staat 16	3.320	D	1,35	Pass	31,71%
Rotterdam	Coolsingel 103-105, 109-113	29.926	A	0,69	Good	48,76%
Rotterdam	Beurplein 2	4.686	A	0,74	Good	54,21%
Rotterdam	Aert van Nesstraat 16-24 (p)	293	C	1,21	n.a.	n.a.
Utrecht	Oudegracht 137	4.370	E	1,46	Pass	36,08%
Zwolle	Diezerstraat 11,17	3.941	C	1,21	Pass	38,29%
Den Haag	Marktstraat 48 – 50	25.277	A	0,69	Good	47,85%
Enschede	Kalanderstraat 9	3.152	A	0,65	n.a.	n.a.
Groningen	Grote Markt 21	12.027	C	1,18	Pass	30,40%
Maastricht	Grote staat 5-15 (HBC)	13.330	C	1,19	Good	43,11%
Nijmegen	Grote Markt 1-3	18.833	A	0,91	Pass	31,46%
Alkmaar	Langestraat 72-74	2.956	F	1,73	Pass	31,45%
Apeldoorn	Hoofdstraat 77	4.676	D	1,31	n.a.	n.a.
Arnhem	Velperplein 24	14.004	A	0,75	Pass	38,75%
Den Haag	Grote Marktstraat 55	27.052	A	0,63	Good	50,47%
Leeuwarden	Nieuwestad 126	2.472	E	1,58	n.a.	n.a.
Total		279.093	A	0,93	Good	43,60%

GRESB

2018 was the first year in which the Fund participated in the Global Real Estate Sustainability Benchmark (GRESB).

The Fund entered the benchmark with a score of 73% ranking. On the topics management & policy the fund scored 7percent above the peer average with a score of 92%. Overall a successful first year entry with opportunities for improvement. The fund received a green star rating (3th quintile). This is shown in the GRESB Quadrant model below.

Figure 12 GRESB Quadrant model CBRE Dutch High Street Club

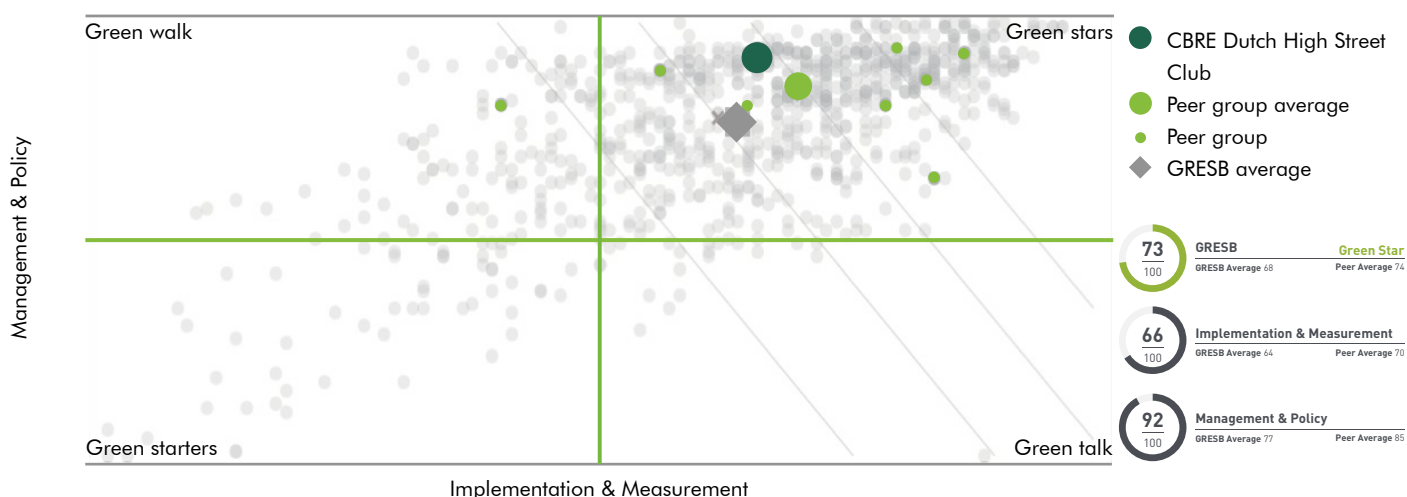


Table 21 Overview GRESB scores

	2018	Peer group
GRESB scores		
Overall score	73%	(74%)
Management	100%	(97%)
Policy & Disclosure	100%	(95%)
Risk & Opportunities	78%	(82%)
Monitoring & EMS	81%	(71%)
Performance Indicators	60%	(53%)
Building Certifications	18%	(65%)
Stakeholder Engagement	85%	(81%)
GRESB Rankings		
All GRESB participants	401 of 874	
Global, sector retail	75 of 136	
INREV Constituents	n/a	

GLOSSARY

Term	Description
Assets Under Management (AUM)	The term refers to the fair market value of real asset-related investments with respect to which CBRE GI provides, oversight, investment management services and other advice, and which generally consist of investments in real assets; equity in funds and joint ventures; securities portfolios; operating companies and real asset-related loans. This AUM is intended principally to reflect the extent of CBRE Global Investors' presence in the global real asset market, and its calculation of AUM may differ from the calculations of other asset managers.
Building Management Systems (BMS)	Building Management Systems (BMS) are complex computer-based systems used to monitor and control building services including heating, ventilation, cooling, lighting, smart meters, lighting, lifts, CCTV and fire alarms.
BREEAM	Building Research Establishment Environmental Assessment Method (BREEAM) is a sustainability benchmarking scheme providing third party certification for the built environment, including planning, new construction, refurbishment and operation. Certification is awarded by Building Research Establishment (BRE) 5 level scale from 'Pass' to 'Outstanding'.
Carbon emissions	Emissions of greenhouse gases measured in tonnes of carbon dioxide equivalent (CO ₂ e) using the global warming potential of each greenhouse gas.
Carbon Disclosure Project ('CDP')	The CDP is a global disclosure system that supports companies, cities, states and regions in managing their environmental impact through annual reporting. It also improves investors' access to environmental information for use in financial decisions. The CDP aims to make environmental reporting and risk management a business norm, and drive disclosure, insight and action towards a sustainable economy.
Carbon footprinting	A measure of the total amount of emissions caused by an individual, event, organisation, or product, calculated as carbon dioxide equivalent (CO ₂ e), using the relevant 100-year global warming potential.
Climate change	As defined by the UNFCCC: climate change is a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.
Climate change adaptation	Responses to actual or expected adverse consequences resulting from climate change. Adverse consequences of climate change include increased risk of extreme weather, such as heatwaves and flooding. The goal of climate change adaptation is to diminish the vulnerability of built, human, economic and natural systems, and enhance positive impacts from climate change.
Climate change mitigation	Climate change mitigation involves reducing the atmospheric concentration of greenhouse gases (GHGs), either by reducing GHG sources (e.g. the burning of fossil fuels for electricity) or enhancing the 'sinks' that accumulate and store GHGs (e.g. forests). The goal of mitigation is avoiding significant human damage to the climate system, and stabilising greenhouse gas levels to enable sustainable development.
DGNB Certification	The Deutsche Gesellschaft für Nachhaltiges Bauen ('DGNB') or German Sustainable Building Council is a sustainability assessment scheme for the built environment, covering planning, construction and refurbishment and operation of buildings. Certification is awarded by the DGNB Council on a 4-level scale from 'Bronze' to 'Platinum'.
Environmental, Social and Governance (ESG)	Environmental, Social and Governance (ESG) issues are assessed by investors to screen non-financial or sustainability performance and inform responsible investment. Environmental issues include how a company performs in terms of energy and water consumption, waste, carbon emissions, biodiversity and water management. Social issues include how a company manages relationships with its employees, suppliers, customers and the communities in which it operates. Governance issues include board diversity, equitable pay, internal ethical policies and controls and shareholder rights.

Term	Description
Energy Efficiency Directive ('EED')	The 2012 Energy Efficiency Directive establishes a set of binding measures to help the European Union (EU) reach its 20% energy efficiency target by 2020. Under the EED, all EU countries are required to use energy more efficiently at all stages of the energy chain, from production to final consumption, by setting their own indicative national energy efficiency targets.
Energy Performance of Buildings Directive ('EPBD')	The 2002 EU Directive on the energy performance of buildings, amended in 2010, aims to improve the energy efficiency of buildings, reduce carbon emissions and diminish climate change impacts. The EPBD requires energy performance certificates (EPCs) that display the energy ratings of buildings alongside recommendations on how to improve them, to ensure transparency on building energy efficiency. All EU member states have now implemented EPC regulations.
FTSE4Good	A series of ESG investment stock market indices that act as a tool for investors wishing to align their portfolios with ESG values, or seeking to invest in companies with good ESG risk management. Companies included in the FTSE4Good Index Series have an overall ESG Rating of 3.1 out of 5, which demonstrates good practice management of ESG risks.
Greenhouse gases (GHGs)	Gases that contribute to the greenhouse effect by absorbing net heat energy and reradiating it back into Earth's atmosphere. This traps heat energy within the earth system and increases temperatures. Major GHGs include carbon dioxide, methane, water vapour, ozone, nitrous oxides, and fluorinated gases. Variations in GHG concentrations can drive climate change; GHG concentrations are particularly high during warm climatic periods and low during cold periods.
Global Warming Potential (GWP)	Global Warming Potential is a relative measure of how much heat a greenhouse gas traps in the atmosphere. It compares the amount of heat trapped by a mass of the gas in question to the amount of heat trapped by the same mass of carbon dioxide.
Gross Asset Value (GAV)	The total market value of the real estate investments under management in a fund or individual accounts, usually including the total value of all equity positions, debt positions, and joint venture ownership positions.
Global Real Estate Sustainability Benchmark (GRESB)	GRESB is an investor-driven organisation, assessing the sustainability performance of real asset sector portfolios and assets. It converts complex ESG information into clear metrics that are understood by investors. GRESB has grown year on year for nearly a decade, and as of 2018 has over 900 participating funds globally.
Global Reporting Initiative ('GRI')	The GRI is a multi-stakeholder, independent non-profit organisation that promotes economic, social and environmental sustainability. The GRI has created a widely used framework of reporting guidelines, that aim to increase the level of transparency and accountability of sustainability performance. Since 2016, the GRI also incorporates references to the Sustainable Development Goals (SDGs).
Green Leases	Leases which include provisions that promote the sustainable operation of a property. These can include measures relating to compliance, energy efficiency, waste management, water efficiency as well as social and ethical issues. Green leases are typically used in commercial or public buildings, and may include obligations and protections for both the landlord and tenant.
GRESB Green Star	GRESB Green Star is an indicator of absolute ESG performance. Entities with scores higher than 50 out of 100 on both the Implementation & Measurement and the Management & Policy dimensions are rated a 'Green Star'.
GRESB Rating and Quintiles	The GRESB Rating is an overall measure of how well ESG issues are integrated into the management and practices of companies and funds, calculated relative to the global performance of all reporting entities. The GRESB Rating is based on the GRESB Score and its quintile position relative to all GRESB participants. If the entity is placed in the top quintile, it will receive a 5-star rating; if it ranks in the bottom quintile, it will have a 1-star rating etc. As GRESB participation rises and as ESG performance improves, the cut-offs for reaching the next category will change. The GRESB Rating is thus a relative measure of ESG performance, not an absolute measure.

Term	Description
GRESB Score	The overall GRESB score is divided into two dimensions: Management & Policy (MP) and Implementation & Measurement (IM). Management & Policy is defined as ‘the means by which a company or fund deals with or controls its portfolio and its stakeholders and/or a course or principle of action adopted by the company or fund.’ Implementation & Measurement is defined as ‘the process of executing a decision or plan or of putting a decision or plan into effect and/or the action of measuring something related to the portfolio.’ The GRESB score dimensions are divided into aspects which are assessed through survey questions. Scores are then calculated using an automated system which analyses each survey response, and produces a score from 0 to 100 on each dimension by weighting each aspect.
GPR Certification	GPR is a Dutch government-sponsored assessment methodology for sustainability. The GPR measures the environmental performance of residential and commercial property. The GPR scores provide insights on the sustainability performance of the asset, based on five themes: energy, environment, health, quality of use and future value.
High-Level Expert Group on Sustainable Finance (HLEG)	The EU High-Level Expert Group on Sustainable Finance (HLEG) is composed of experts from civil society, finance sector, academia and observers. HLEG was mandated to advise the European Commission on how to steer public and private capital towards sustainable investments, identify steps to protect the financial system from environmental risk, and deploy these policies on a pan-European scale.
HQE™ Certification	HQE™ is the French certification awarded to building construction and management as well as urban planning projects. It pursues sustainable performance objectives while giving substantial importance to the life cycle analysis on a building scale and to the impacts of a project on health, personal comfort and the indoor environment.
Institutional Investors Group on Climate Change (‘IIGCC’)	The Institutional Investors Group on Climate Change (IIGCC) is a collaborative platform that amplifies the investor voice on the low carbon future amongst businesses, policymakers and investors. Members want to ensure the minimisation of stranded asset risk or other losses from climate change by encouraging the adoption of credible public policies for a low-carbon economy and enhancing long-term investment value.
Interested Parties	As defined in the ISO 14001:2015 standard, these are ‘person(s) or organisation(s) that can affect, be affected by, or perceive itself to be affected by a decision or activity’. As such, this is a broader group than an organisation or fund’s Stakeholders.
Investment Property Databank (IPD) Index	The IPD Index is a monthly property performance index that tracks retail, office and industrial properties. It includes data on actual property transactions from institutional investors and property companies and produces figures for the total property return. The IPD national indexes are the standard benchmark for investors to analyse the performance of property in many EMEA markets.
Investors in Non-Listed Real Estate (‘INREV’)	INREV is the European Association for Investors in Non-Listed Real Estate Vehicles, acting as a platform that supports the non-listed real estate industry. INREV aims to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors and increasing the sustainability and competitiveness of the industry.
Investment Property Databank (IPD) Award	The Annual Investment Property Databank (IPD) Awards recognize European property funds that outperformed in each of most European countries. The eligible funds are measured by MSCI’s Real Estate Portfolio Analysis Service, which provides investors with a measurement of returns against a relevant market or sector benchmark.
ISO14001:2015	ISO14001 is an international voluntary standard that provides a framework for organisations to follow to establish certified environmental management with continuous operational improvements. It is part of a family of ISO standards on environmental management that organisations can certify to. The current ISO 14001 revision was published in 2015 as part of ISO’s regular review programme and the roll out of its High-Level Standard for management systems.
LEED	Leadership in Energy and Environmental Design (LEED) is a sustainability assessment scheme for the built environment, covering planning, construction and refurbishment and operation of buildings. Certification is awarded by the U.S. Green Building Council on a 4-level scale from ‘Certified’ to ‘Platinum’.

Term	Description
Materiality	The threshold at which the aspects that reflect an organisation's significant economic, environmental and social impacts, or influence stakeholder decisions, become sufficiently important that they should be reported. Beyond this threshold, not all material aspects are of equal importance and the emphasis within an ESG strategy or report should reflect the relative priority of these material aspects.
Outperformance	An investment that performs better than the return generated by an index or the overall market. Since the performance of many investments is compared to a benchmark index, outperformance commonly refers to a higher return on an investment than a particular benchmark over time. CBRE GI also apply outperformance to non-financial ESG as evaluated by industry benchmarking initiatives such as GRESB and PRI.
Paris Agreement	The Paris Agreement is the outcome of the 21st UNFCCC Conference of Parties (COP21) held in Paris in 2015. It is a landmark agreement amongst all nations to combat climate change. The Paris Agreement established a strengthened global response to climatic threats by keeping global temperature rise below 1.5-2°C above pre-industrial levels, and ensuring that finance flows are consistent with low GHG emissions and a climate-resilient pathway.
Principles for Responsible Investment (PRI)	The Principles for Responsible Investment (PRI) is an international network of investors that recognise the implications of sustainability for investors, and support signatories with the incorporation of these issues into their investment decision-making and ownership practices to contribute to the development of a more sustainable global financial system. Signatories to the PRI are assessed on an annual basis.
Principle of Stakeholder Inclusiveness	Stakeholder inclusiveness is the extent to which all stakeholders are considered by the focal organisation. This serves as a tool for understanding their reasonable expectations and interests and by ensuring this inclusiveness, satisfaction and engagement rates amongst stakeholders are increased.
R - Revised Environmental Performance Data	Fund Environmental Performance Data that has been revised since submission to GRESB.
Responsible Investment Management Committee ('RIMCo')	The Global Responsible Investment Management Committee ('RIMCo') was by established CBRE GI and is comprised of senior leadership and company professionals with demonstrated expertise and/or current responsibility for ESG-related activities. The Global RIMCo is accountable for implementing, managing, and further developing ESG initiatives. Regional and indirect RIMCos, along with investment team representatives, implement and manage regional and local level ESG activities and provide a bottom-up input to the Global RIMCo. Members of the global, regional, and business line RIMCos are embedded throughout the organisation and provide guidance and resources to portfolio managers, acquisitions professionals and asset managers on ESG best practices.
Sustainable Building Alliance (SBA)	An international non-profit organisation bringing together building-rating-tool and certification operators, standard-setting organisations, national building research centres and property industry stakeholders. The aim of SBA is to accelerate the adoption of sustainable building practices by promoting shared indicators for building performance assessment and rating.
Science Based Targets (SBTs)	Carbon reduction targets are considered 'science-based' if they are in line with the level of decarbonisation required to keep global climate temperature increase below 2°C compared to pre-industrial temperatures.
Sectoral Decarbonisation Approach	A method for setting corporate emission reduction targets in line with climate science which is promoted by the SBTs initiative. The Sectoral Decarbonization Approach considers the different circumstances of each sector for companies that believe in the science and urgency of climate change.
Separate Account	A separate account is a privately managed investment account owned by an investor seeking to manage a pool of individual assets.
Shared Advantage	Shared Advantage is CBRE's branded approach for promoting shared value. It aims to identify and pursue the kind of win-win opportunities for each of their business lines that are the hallmark of shared value. For CBRE, many of the potential Shared Advantage opportunities are linked to producing benefits to places and communities. At its highest form, Shared Advantage promotes: enhanced and strengthened communities; healthy and productive places to live, work and play; and strong financial returns.

Term	Description
Stakeholders	Stakeholders are entities or individuals that can reasonably be expected to be significantly affected by the organisation activities, products, and services, and whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives. Stakeholders can be invested in the organisation (such as employees, shareholders, suppliers) or have other relationships to the organisation (e.g. civil society).
Sustainability Accounting Standards Board ('SASB')	The Sustainability Accounting Standards Board, founded in 2011, delivers sustainability accounting standards that help public corporations disclose decision-useful information to investors. SASB sets standards for reporting companies that incorporate a rigorous process of evidence-based research with sector-specific KPIs and stakeholder participation.
Sustainable Refurbishment and Fit Out ('RFO') guide	The Sustainable Refurbishment and Fit-out guide aims to ensure that projects complement the existing building shell and enhance operational performance, thereby increasing the property's value, rentability and resilience. In its RFO guide, CBRE provides a range of options for refurbishment and fit-outs across a comprehensive range of ESG ambitions and issues.
Task Force on Climate-Related Financial Disclosures ('TCFD')	The Task Force on Climate-Related Financial Disclosures seeks to develop voluntary, consistent, reliable and efficient climate-related financial disclosures for use by companies. It provides decision-useful information to lenders, insurers, investors and other stakeholders.
United Nations Global Compact	The United Nations Global Compact is a corporate sustainability initiative that aims to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.
United Nations Framework Convention on Climate Change ('UNFCCC')	The United Nations Framework Convention on Climate Change is an international treaty adopted on 9 May 1992 to promote international cooperation to address climate change. It opened for signature at the Rio de Janeiro Earth Summit in 1992.
United Nations Sustainable Development Goals (SDGs)	The Sustainable Development Goals were adopted in 2015 by all 193 Member States of the United Nations. They are the widest all-encompassing international accord addressing global sustainability challenges. The SDGs cover 17 topics related to ending extreme poverty, fighting inequality and injustice, and protecting our planet.
Urban Land Institute Sustainability Council ('ULI')	Urban Land Institute's Sustainability Council consists of investors, occupiers, developers, public officials, and academics from across Europe who gather to debate best practices in sustainable development. The council examine issues ranging from investigating new ways to measure the environmental performance or social contribution made by individual buildings, through to the longer terms plans of European cities.
WELL Building Standard	The WELL Building Standard is a tool for advancing health and well-being in buildings globally, fostering a formula for better health and wellness outcomes and leading to improvements including employee productivity, engagement and retention. It provides a defined score in seven categories: air; water; nourishment; light; fitness; comfort; and mind.

INREV SUSTAINABILITY GUIDELINES AUDIT

CONFORMANCE WITH INREV SUSTAINABILITY REPORTING GUIDELINES

The table below details how this report is in alignment with the INREV Sustainability Reporting Guidelines, as well as the omissions we have opted to make. The contents of this table have been audited in line with CBRE's Internal Audit procedures and an internal audit confirmation certificate is provided below. As this is the first year strategies have been developed for all funds, the disclosure of performance against annual objectives has not been possible. No other required disclosures are omitted from this report.

Guideline	Section(s)	Omissions
ESG-LTS 1.1 Requirement	Responsible Investment Policy p. 14 Strategy Development p. 15 Material Issues p. 17 ESG Strategy Pillars p. 18 Outlook p.21	
ESG-LTS 1.2 Requirement	ESG Strategy Pillars p. 18 Investment Program Summaries p. 23	
ESG-LTS 2.1 Best Practice	Material Issues p. 17 ESG Strategy Pillars p. 18 Investment Program Summaries p. 23	
ESG-ANN 1.1 Requirement	Outlook p. 21 Investment Program Summaries p. 23 – Annual Objectives 2019	
ESG-ANN 1.2 Requirement	Investment Program Summaries p. 23 – Annual Objectives 2019	
ESG-ANN 2.1 Best Practice	Investment Program Summaries p. 23 – Annual Objectives 2019	
ESG-POR 1.1 Requirement	Investment Program Summaries p. 23 – 2018 Achievements	
ESG-POR 1.2 Requirement	ESG Strategy Pillars p. 18 Investment Program Summaries p. 23	
ESG-POR 2.1 Best Practice	Outlook p. 21 Investment Program Summaries p. 23	Quantitative target omitted from this report
ESG-ENV 1.1 Requirement	Investment Program Summaries p. 23 – 2018 Milestones & Achievements	
ESG-ENV 2.1 Best Practice		Omitted from this report

CONFIRMATION

As conductor of the INREV Internal Audit for this Annual ESG Report I can confirm that, based on the qualitative checks undertaken, this report is conformant with the INREV Sustainability guidelines except where indicated in the table above

Name: Tim Habraken

Date: 7th March 2019

Signature:



Position: Associate Director Sustainability, CBRE B.V

PHOTOGRAPHY

CBRE Global Investors, image bank

CONCEPT AND DESIGN

Cascade - visuele communicatie bv, Amsterdam, the Netherlands

PRINT

In order to reduce our global footprint the sustainability brochure will not be printed but is solely available on the internet.

