

Responsible Investment Policy



World Trade Center Rotterdam



World Trade Center Rotterdam is equipped with solar panels, is rated A for energy efficiency and certified as 'good' by the BREEAM-NL In Use scheme.

Office Fund - Rotterdam - The Netherlands

Responsible Investing

Bouwinvest Real Estate Investors has specialised in managing real estate portfolios for pension funds and third parties since 1952 and is now one of the biggest real estate investors in the Netherlands. Our mission is to enhance pension benefits in a responsible way by investing in sustainable real estate.

We believe that long-term financial success is intertwined with our social responsibilities. And we never forget the responsibility of investing for pensioners, so they can enjoy a decent and secure income during their retirement years.

So how do we make this a reality? At Bouwinvest, corporate responsibility goes further than the minimum standards set down in law. It plays a part in every decision we take. The challenge we face is to meet the financial expectations of our clients through creating added value for society as a whole. We believe financial and societal returns go hand in hand and are therefore crucial for long-term success.

As a company that invests in real estate worldwide, it is our duty to play a part in finding solutions to environmental and societal issues. Working toward this is central to every investment decision we take and we actively motivate all our employees to be actively involved in meeting our objectives.

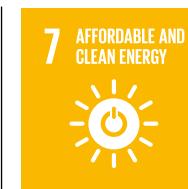
We support the United Nation's sustainable development goals, we are making efforts to combat climate change in line with the Paris agreement, and are affiliated with organisations such as UN PRI, GRESB, DGBC and MVO NL to learn from best practices.



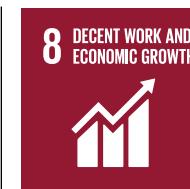
Bouwinvest actively supports four United Nation Sustainable Development Goals



We invest in health-care real estate, healthy buildings and life-cycle-proof homes



We are working to reduce energy usage of buildings and we invest in onsite renewable energy solutions

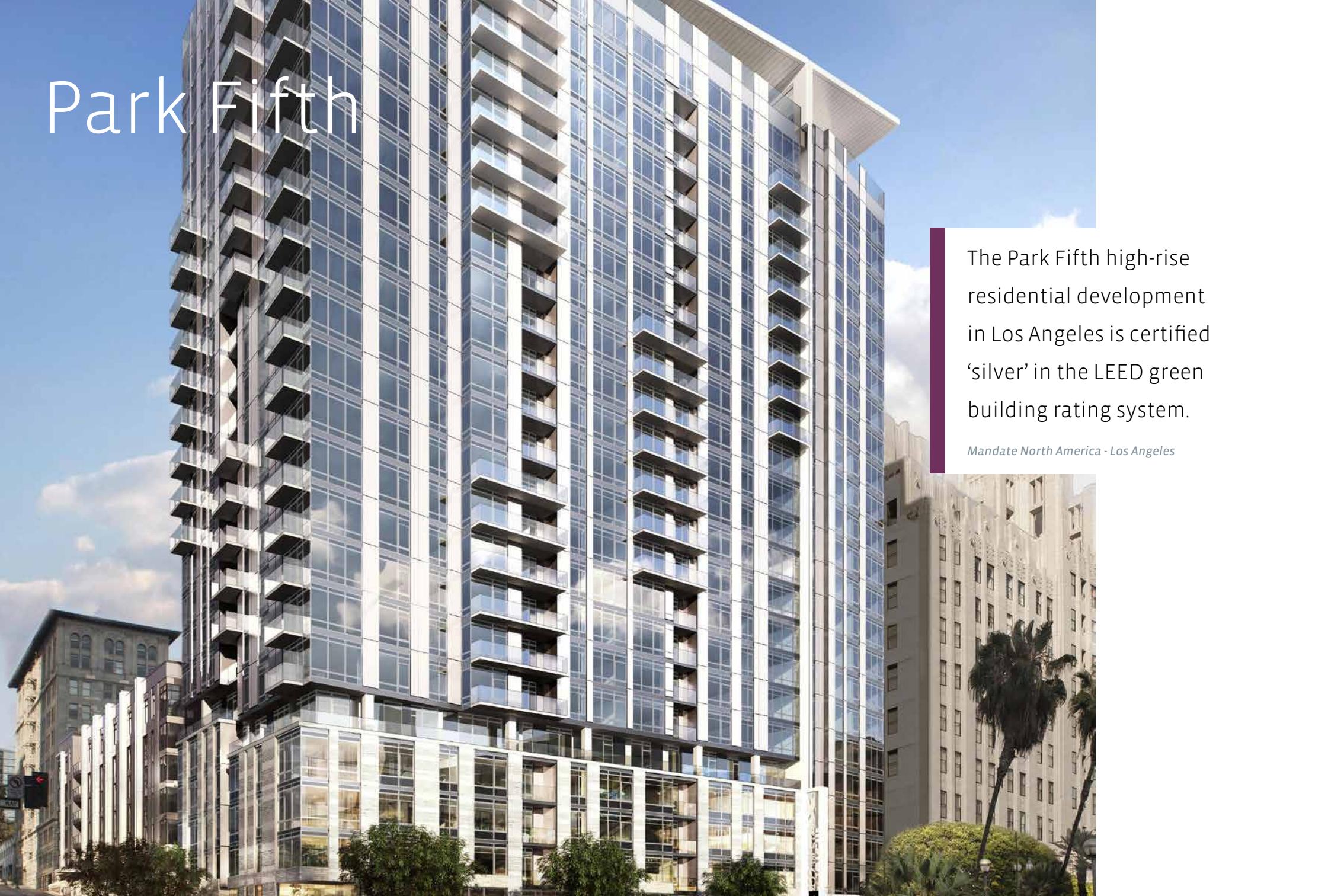


We engage partners on health, safety and working conditions at construction sites



We invest in certified sustainable real estate and affordable housing

Park Fifth



The Park Fifth high-rise residential development in Los Angeles is certified 'silver' in the LEED green building rating system.

Mandate North America - Los Angeles

The Bouwinvest approach

At Bouwinvest, we believe that you cannot ensure long-term successful investment without taking the needs of society into account. We incorporate environmental, social and governance (ESG) factors into our investment decisions, to better manage risk and generate sustainable, long-term returns. We also monitor our investment and operational performance closely. Our main objective is to ensure at least 75% of our invested capital has an above-average sustainability rating by 2021.

We focus on three key areas:



Investing in sustainable real estate

Sustainable real estate funds and buildings help to alleviate climate change and provide broader social, economic, environmental and health benefits. We believe that by focusing on these societal returns in the locality of our investments, they will keep their value in the future and that, in turn, will guarantee our strong long-term financial performance.



Enhancing stakeholder value

From investor to tenant, shareholder to local and national government official; from suppliers to local operators and regulators to communities, Bouwinvest endeavours to have long-term alliances with our stakeholders because we believe collaboration is essential for future success. We listen to our partners and take the issues they find important to heart.



Being a responsible organisation

We recognise that dedicated and hard-working employees are crucial to ensuring we meet our goals and we do our best to create a pleasant and encouraging atmosphere at work. Our strict corporate governance, plus risk, integrity and control programmes and frameworks, guide our responsible business practices.

By concentrating on these three areas, we are challenging ourselves across our entire operation. Together, they ensure that we meet our financial targets and take our responsibilities to society seriously.

We believe in the long-term view, and that means working together with our partners, our tenants and our clients. Industry benchmarks allow us to follow our progress and highlight areas that still need improvement.

By 2021, at least 75% of our invested capital should have an above-average sustainable rating (GRESB 4 or 5 stars), and should actively contribute to meeting the UN sustainable development goals.

Investing in sustainable real estate



Our buildings have a significant impact on the environment and climate change through natural resource consumption, carbon emissions and waste generation. Our challenge is to strengthen our resilience against climate change, reduce our environmental impact and invest in renewable energy.

Our sustainable real estate strategy is built on two pillars: invest in sustainable buildings and portfolios, and reduce environmental impact. As an international real estate investor, we have a responsibility to the environment. Sustainable real estate helps to combat climate change and generates broader social, economic, environmental and health benefits. We are convinced that our approach reduces risks, raises client returns and increases the attractiveness of our real estate assets and portfolios.

Invest in sustainable buildings and portfolios

Green building ratings and certifications demonstrate the quality of our buildings and allow us to show where our investments are in terms of sustainability and how far we still have to go. We use internationally-accepted sustainability certificates to measure and assess the overall sustainability of our buildings and portfolios.

A benchmark like GRESB helps us to make informed business decisions to mitigate environmental, social and governance risks and enhance our long-term returns. Certificates such as

BREEAM, LEED and GPR Building measure criteria that go beyond legislative requirements. We are committed to reaching a near carbon-neutral built environment by 2050 and thus contribute to meeting the targets of the Paris Climate Conference (COP21).

Environmental impact

We are committed to making environmental stewardship an integral part of our daily operations and strive to decrease both our direct and indirect environmental footprint.

Energy consumption accounts for a large proportion of a building's environmental footprint. Data measurement and consistent reporting help us to cut energy use and decrease the associated costs, in dialogue with our tenants. We have adopted maintenance strategies that include modern, energy-efficient heating, cooling and lighting systems.

Energy efficiency is the most cost-effective way for Bouwinvest to reduce carbon emissions, but we also

OUR OBJECTIVES FOR 2021

Boost the percentage of our investments with a sustainability rating from 50% in 2018 to

90%

Increase the average annual energy reduction of the portfolio from 2% in 2018 to

5%

Drive up solar power generation in the Netherlands from 3MW in 2018 to

12.5mw

encourage the use of renewable energy sources. We buy certified green electricity and are boosting the use of renewable energy.

Waste management

Bouwinvest aims to manage waste at its properties responsibly and to use sustainable building materials. We encourage our tenants to minimise and recycle waste. We provide recycling bins and encourage the reuse of plastics, metal and other materials. We are also actively experimenting with different concepts which contribute to circular economy developments.

Water management

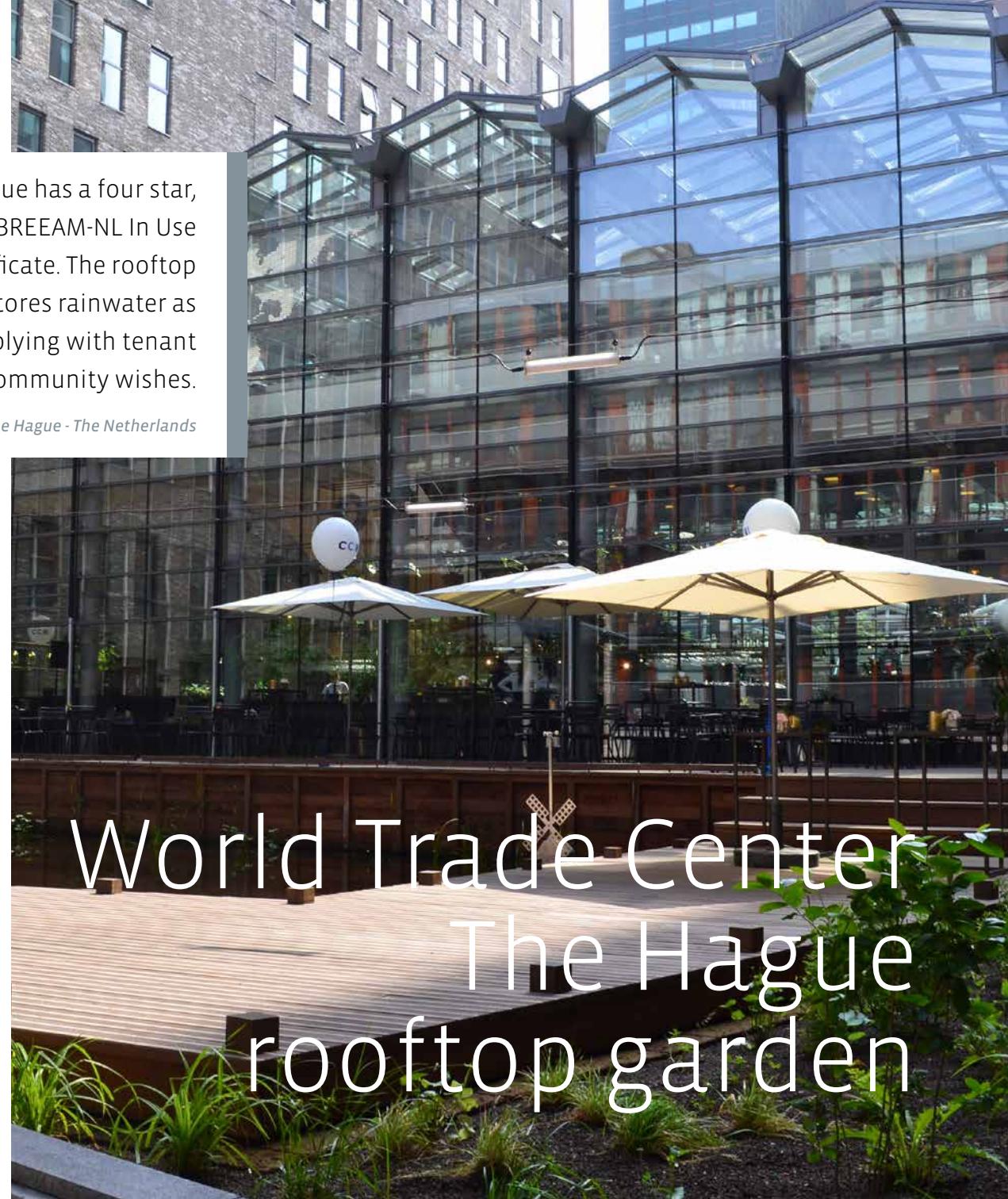
We take a strategic approach to water management because this enhances the efficiency, resilience and long-term value of our investments. At Bouwinvest, we are committed to reducing water consumption, reusing water and preventing flooding.

Our approach to sustainable real estate

- Environmental and energy monitoring systems
- Energy efficiency audits
- Carbon neutral programme
- Energy, water and waste reduction programme
- Green clause in lease contracts
- Solar power expansion programme
- BREEAM, LEED and GPR certification programme

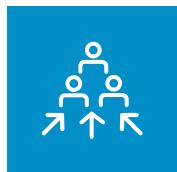
WTC The Hague has a four star, 'Excellent' BREEAM-NL In Use certificate. The rooftop garden stores rainwater as well as complying with tenant and community wishes.

Office Fund - The Hague - The Netherlands



World Trade Center The Hague rooftop garden

Enhancing stakeholder value



Bouwinvest endeavours to optimise long-term alliances with our stakeholders. We have put methods and means in place to understand, meet and respond to our stakeholders' needs and to take to heart the issues that our stakeholders find important.

We believe that integrity, honesty and corporate responsibility are essential to ensuring we do our job properly and will, in turn, enable us to optimise returns for our clients. We are committed to upholding the highest ethical standards and compliance stewardship in all our business dealings and we avoid conflicting interests. To ensure accountability and transparency, we set targets, based on international standards, which allow us to monitor our progress.

Clients

Our governance structure includes built-in checks and balances. Our support for PRI and GRESB shows our commitment to environmental, social and governance integration and transparency. We maintain close contact with both our clients and our potential clients through the dedicated investor website, satisfaction surveys, property tours, one-on-one meetings, quarterly calls and seminars.

Every two years we conduct a client survey. We ask our clients about our services, portfolio management and the way we report back to them. The results of these surveys allow us to set new targets to further improve our services.

Tenants

Our tenants are critical to future-proofing our operations. We respect our tenants' rights, employ a nondiscrimination policy and ensure that all rental agreements are fair and equitable. We also actively encourage our tenants to 'green' their own operations by reducing waste and energy usage, and include these agreements in green leases.

We talk to our tenants about our service, and quality of the properties and the living environment, through surveys and panels. We use the survey results to draw up improvement plans and keep tenants abreast of developments.

Local community

Community engagement is part of Bouwinvest's responsible investment strategy, and builds strong social capital and goodwill by boosting liveability in the communities we work in. We support various local activities in the fields of environmental sustainability, health and safety and social integration, and sponsor various local initiatives aimed at sustainable area improvement and promotion.

OUR OBJECTIVES FOR 2021

Maintain our client satisfaction score above

7.5 out of 10

Improve the average tenant satisfaction scores for the Dutch sector funds to above

7 out of 10

Increase the number of Dutch construction sites using the 'bewuste bouwers' scheme from 50% in 2018 to

75%

We engage our partners on health, safety and working conditions when it comes to construction sites. In the Netherlands we apply the ‘bewuste bouwers’ criteria to the projects we invest in.

Supply chain

Co-investors, local asset managers, developers, (local) governments, contractors, property managers and suppliers – we believe everyone involved needs to work together to make the real estate chain more sustainable.

We are aware of how we influence the behaviour of our real estate investment supply chain partners with regard to innovative solutions and social, ethical and environmental issues. We take that responsibility seriously and we challenge ourselves and our partners to do more, both in the Netherlands and worldwide, as part of our active approach to sustainability stewardship.

With the aim to further improve the industry, we are an active member of boards and committees of both branch, industry and cross-disciplinary networks like Neprom, IVBN, Holland Metropole, DGBC, INREV, ANREV and ULI.

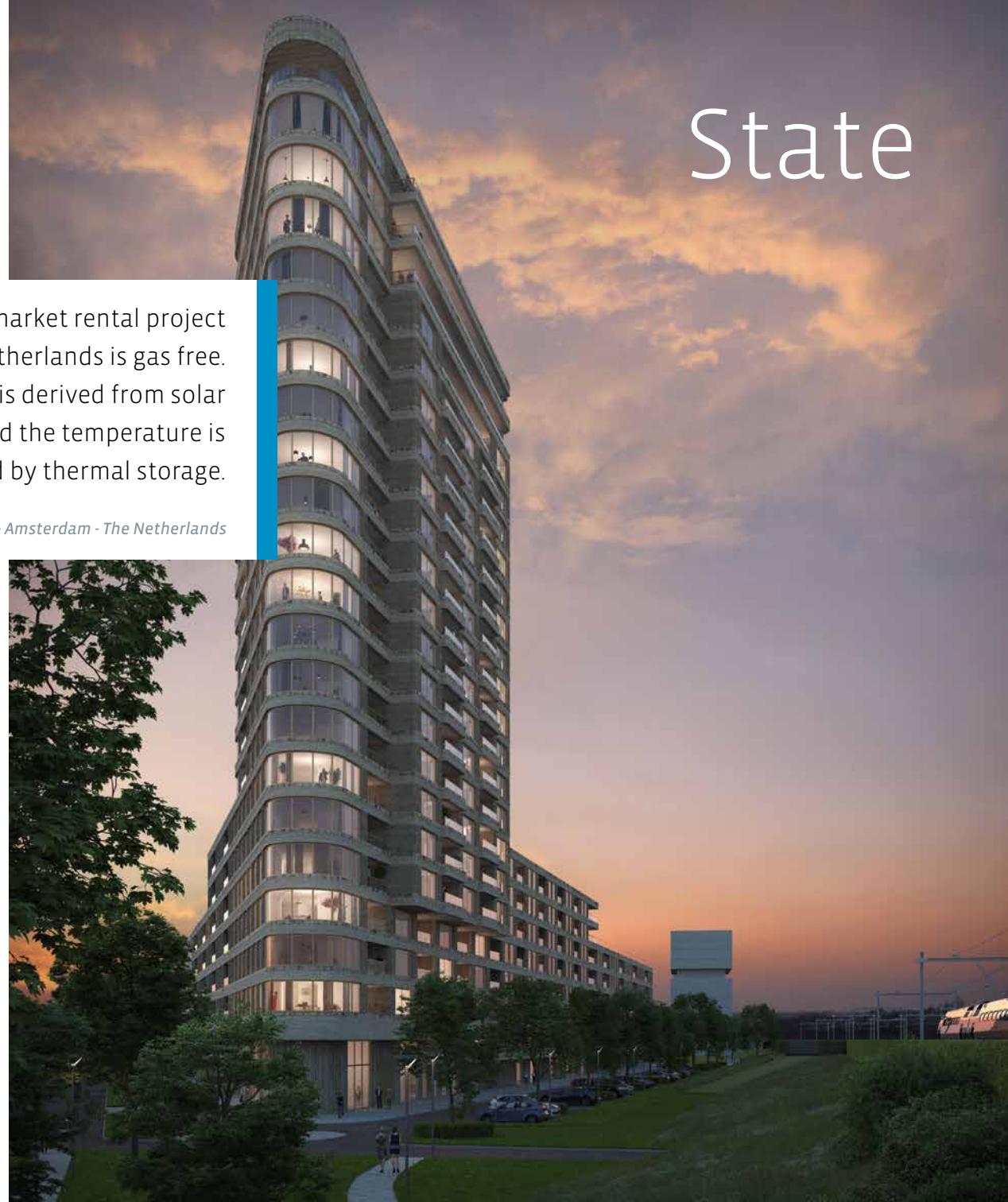
Our approach to stakeholder engagement

- Dedicated client management team
- Client portal
- Property tours and seminars for clients
- Client meetings and quarterly reports
- Client and tenant satisfaction surveys
- Materiality analysis
- Tenant panels
- Community involvement
- Committed sponsorship of a variety of organisations
- Active board and committee memberships

State

This mid-market rental project in the Netherlands is gas free. Electricity is derived from solar panels and the temperature is controlled by thermal storage.

Residential Fund - Amsterdam - The Netherlands



Being a responsible organisation



We conduct our activities based on integrity, honesty and transparency and we respect the interests of those with whom we maintain relationships. We have embedded these principles throughout our organisation and included them in our code of conduct.

Responsible business operations

We have policies in place to ensure good governance and we have a zero-tolerance approach to bribery and corruption. It goes without saying that we have a robust risk and compliance control framework, an AIFMD permit and an ISAE3402 type 2 certificate. Bouwinvest and its employees comply with all applicable laws and regulations as well as with the various laws and regulations applied to the funds and mandates we manage. New employees are thoroughly screened and all employees take part in an annual integrity workshop.

Bouwinvest's CEO oversees our responsible investment policy. Sustainability is a strategic pillar in our business strategy and is embedded fully in our business model, governance structure and operations. We have two dedicated CSR employees who drive strategy and have set up cross-departmental 'green' teams. We monitor and report our progress via quarterly reports and review our policy and tools every year to make sure they are aligned to regulatory and market requirements.

Affordable housing and healthcare

Affordable housing is high on the political agenda because the housing market, in cities in particular, is under pressure. There is also a lack of suitable healthcare-related real estate to deal with the needs of the elderly population. We work closely together with national and local government, housing corporations and project developers to solve problems and speed up mid-market rental developments and the expansion of multi-use healthcare real estate. Both sectors provide an optimal return on investment and we are contributing to societal needs at the same time.

Innovation is crucial

Innovation is essential to keep our organisation future proof. We are increasing the use of technology to improve our business and are actively involved in various innovation networks to monitor potential benefits. Our focus within all new tech opportunities is on improving our business operations, making our investments more sustainable and therefore increasing stakeholder value.

OUR OBJECTIVES FOR 2021

Maintain our staff satisfaction score at above

7.5 out of 10

Incidents and sanctions as a result of non-compliance

0

Share of invested capital in healthcare real estate

3%

Share of affordable housing in residential investments

70%

De Gijsbrecht & Zonnehof Theresia

Professional development

Bouwinvest attaches a great deal of importance to being a good employer. We care about our staff and aim to provide them with an inspiring environment and challenging work, while encouraging them to develop a healthy work-life balance. We have a fair and controlled remuneration policy, in line with the guidelines of the Dutch financial markets authority AFM and the Dutch Central Bank.

We allocate 3% of the total of wages bill to personal development and education to both maintain levels of expertise and to optimise the employability of our people so they can create a sustainable career within the company or elsewhere. Our workforce is growing steadily, allowing us to increase diversity and bring in the skilled people we need.

Our employees spend one working day a year participating in volunteer and sponsorship activities. In addition, Bouwinvest sponsors initiatives that encourage community involvement like Homeplan, a small and private foundation that builds houses with local partners for the poorest people in developing countries.

Tenants at this residential complex are at least 75 years old and live in a life cycle-resistant home. They also enjoy care services, some of which are provided by the care facility next door.

*Healthcare Fund - Ouderkerk aan de Amstel
The Netherlands*

Integrity and compliance

- Code of conduct
- Conflict of interest policy
- Bouwinvest partners review policy
- Ancillary positions policy
- Insider trading policy
- Integrity policy
- Reputation management
- Sustainable procurement policy
- Sustainable tax policy

Employee engagement

- Education policy
- Diversity policy
- Fair remuneration policy
- Learning and development programme
- Employee network groups: Young Bouwinvest
- Vitality programme
- Employee volunteering programme
- Works council





These mid-market rental homes in Amsterdam are nearly energy neutral, have a GPR score of 7.5 and are equipped with solar panels and thermal storage heating systems.

Residential Fund - Amsterdam - The Netherlands

Sluishuis

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