



ENGAGEMENT POLICY

Introduction

Bouwinvest Real Estate Investors is one of the largest real estate investors in the Netherlands. Our mission is to enhance pension benefits in a responsible way by investing in sustainable real estate worldwide.

Internationally, we manage three integrated property mandates – Europe, North America and Asia/Pacific - on behalf of bpfBOUW, the Dutch construction industry's pension fund. These integrated mandates comprise both unlisted and listed real estate investments. The policy as laid out in this document concerns the listed real estate investments.

Principles

We believe that being an active investor will help our real estate investments produce sustainable value, and that investments' long- term financial returns are connected to their strategic, environmental, social and governance performance.

Therefore, maintaining Environmental, Social and Governance (ESG-) standards is an integral part of managing our mandates and within our entire organisation.

For the listed investments in particular, we apply and report about the following investment principles that are laid down in our [Responsible Investment Policy](#):

- A long term approach to real estate investments, driven by structural trends and developments, supporting stable returns.
- Use of best in class local operators.
- Added value for society and a sustainable planet through good governance with a focus on sustainability and socially responsible investments.
- Focus on countries that maintain high transparency standards.
- Scale in mandate size and investments in order to benefit with respect to cost, diversification and gain access to certain deal types resulting in stronger influence on ESG.

Stewardship

We represent bpfBOUW as their global real estate investor, and have excellent knowledge of both the listed and unlisted real estate investment space. We maintain strong and long-term relationships with all the stakeholders. Over the years we have established a robust network of international partners to provide us with the best investment opportunities, and to give us the latest trends and insights to move forward with our responsible investment beliefs. We promote the use of ESG metrics in company reporting, thereby increasing transparency and contributing towards a more sustainable global financial system.

Influence

ESG-criteria play a vital role in the selection process and underwriting of new listed real estate investments, as well as in monitoring our current investments. In executing the global listed portfolio, we join forces with top tier partners in each region. These partners have signed the [UN Principles for Responsible Investments](#). Such external partners represent a significant pool of institutional capital, through which we can exercise more influence on ESG related matters.

Monitoring

We actively monitor the implementation of our Responsible Property Investment Policy in house with dedicated teams and through our locally present partners.

Engagement

Through our external partners we engage with the companies in our global portfolio on specific ESG-themes. We rely on the proven expertise of these partners regarding our shared ESG-principles, we challenge them on their approach and we ensure alignment with our own principles. The external partners' portfolio managers and analysts meet frequently with the management of the companies in our portfolio, and they express their view on a continuous basis. In case of required changes and/or improvements they use the following engagement strategies: discussions with management prior to a vote, seek for adequate explanation, use voting rights or ultimately reducing exposure (holdings) or divestment.

Lastly, we use an industry based approach to support our responsible investment strategy. As such, we play an active role in several national and international real estate industry organisations such as CFA-VBA, INREV, ANREV, NEPROM, IVBN, ULI, AFIRE, DGBC and GRESB.

Implementation

To ensure that our listed real estate investments meet our ESG-targets, as well as securing stewardship for sustainable listed investments, we use three channels:

1. GRESB

GRESB, the global real estate sustainability benchmark, helps us to make informed business decisions to mitigate environmental, social and governance risks and to enhance our long-term returns. As such, GRESB ratings play an important role in our due diligence process. Our regional mandates contain ambitious targets in terms of ESG-disclosure and sustainability performance, as measured by the annual GRESB survey. Also, our risk/return requirements in investment underwriting are dependent on whether a company meets our ESG-criteria.

2. External managers

Through our partners, who collectively represent an important pool of institutional capital, our influence is leveraged by the combined votes of like-minded investors. Moreover, we monitor and challenge the external partners to ensure that our ESG-policies, on behalf of bpfBOUW, and the external partners are aligned. If ESG and stewardship intentions between external partners and Bouwinvest diverge, we will initiate a proactive dialogue.

3. Proxy voting

Assisted by delegated proxy advisors (Glass Lewis and ISS) and through our partners, we ensure ourselves of sensible and responsible use of the bpfBOUW voting rights.

Conflicts of interest

If, in our day-to-day business, we run into any conflict of interest, we have a policy in place that covers all activities of Bouwinvest. This policy enables us to effectively identify, monitor and manage conflicts of interest in order to prevent them from adversely affecting our stakeholders.

Reporting

We will report annually on the use of this engagement policy, in compliance with the Shareholders Rights Directive (EU) 2017/828 as implemented in the Netherlands.

Organisation

Responsible investing is the 1st line of business within Bouwinvest. Furthermore, we have a Responsible Investment Department that reports directly to the CEO. This department is responsible for implementing, monitoring and reporting the progress on our Responsible Investment Policy and setting the guidelines for the business units. Both the CEO and the Responsible Investment Department have an advisory seat in the Bouwinvest Investment Committee.

The Bouwinvest Management Board is responsible for the Responsible Investment Policy. The board has oversight, amongst others, through quarterly reports on responsible investing.