

March 10, 2021

Principal Adverse Impact Disclosure

Financial market participant: Bouwinvest Real Estate Investors B.V.

Summary

Bouwinvest Real Estate Investors B.V. (hereafter: Bouwinvest) invests directly (The Netherlands) and indirectly (international) in real estate. Bouwinvest manages five Dutch sector funds and three international mandates, namely:

- Bouwinvest Dutch Institutional Residential Fund N.V.
- Bouwinvest Dutch Institutional Retail Fund N.V.
- Bouwinvest Dutch Institutional Office Fund N.V.
- Bouwinvest Dutch Institutional Healthcare Fund N.V.
- Bouwinvest Dutch Institutional Hotel Fund N.V.
- North-America Mandate
- Europe Mandate
- Asia-Pacific Mandate

Bouwinvest considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of Bouwinvest Real Estate Investors B.V. for its activities in relation to the Dutch Funds and international mandates. In relation to our activities not all information is available on the principal adverse sustainability impacts. Therefore with every principal adverse sustainability impact the applicability is mentioned in footnotes.

This principal adverse impacts statement covers the reference period from 1 January 2019 to 31 December 2019. This statement will be updated as soon as the figures for 2020 are available.

Description of principal adverse sustainability impacts

Adverse sustainability indicator		Metric	Impact 2020	Impact 2019	Explanation
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels		n/a	Bouwinvest has very limited to no exposure to fossil fuels through real estate assets
Energy efficiency	18. Exposure to energy-inefficient real estate assets ¹	Share of investments in energy-inefficient real estate assets		28% (label C or lower)	47% energy label B or better 25% energy efficiency rating unknown

Other indicators for principal adverse impact

Indicators applicable to investments in real estate assets		Metric	Impact 2020	Impact 2019	Explanation
GHG	18. GHG emissions ¹	Scope 1 GHG emissions generated by real estate assets		6.757	As reported in GRESB 2020.
		Scope 2 GHG emissions generated by real estate assets		37.984	As reported in GRESB 2020.
		Total GHG emissions (scope 1 and 2) generated by real estate assets in tonnes CO2-eq		44.741	As reported in GRESB 2020.
Energy consumption	19. Energy consumption intensity ²	Energy intensity in kWh of owned real estate assets per square meter		154	Includes weighted average intensity for direct investments with 100% data coverage and unweighted average intensity per sector (reported in GRESB 2020) for indirect investments.

Description of policies to identify and prioritise principal adverse sustainability impacts

Bouwinvest considers the insights and expectations of the world around us as important. This is why we are in constant dialogue with our stakeholders and why we incorporate current issues in our strategy, policies and operations. In 2018, we conducted an extensive analysis to chart the material aspects (including ESG) of our clients, suppliers and sub-contractors, tenants and employees regarding our business and investments. We then initiated a dialogue with these stakeholders on our (social) role and the relevant aspects that are important to them that our organisation has an impact on. These are identified as material and are the input for impact analyses and source of priority for our business cycle. The better we perform on these identified aspects, the more value we create for society and our stakeholders. We update our materiality matrix on a regular bases. The latest version of our materiality matrix can be found in the appendix of the Bouwinvest annual report.

The Responsible Investment Policy of Bouwinvest outlines Bouwinvest's overarching ESG-framework and objectives. It is applicable to Bouwinvest Real Estate Investors and all its entities.

¹ This information contains all GHG emissions of Dutch Investments (Dutch Institutional Hotel Fund has no scope 1 or 2 GHG emissions (only scope 3)). In relation to 68% of the international investments GHG emissions data is available.

² Energy consumption intensity of Dutch Investments. In relation to 71% of the international investments energy consumption intensity data is available.

The ESG specific policy plan including ESG-program for the Fund's is part of the three-year strategic plans. It is reviewed and updated annually and looks ahead to achieving short- mid- and long-term objectives and identifies the most important ESG-topics to address. The 3-year Fund Plans contain goals related to environmental, social and governance topics. Management reports on a quarterly basis on the progress of the Plans, including the sustainability objectives and actions. The overall long-term goal for all funds is to have a near energy neutral and resilient portfolio before end of 2045. This includes lowering the direct GHG emissions to net zero and preparing for long-term change in climatic conditions (climate change adaptation).

A real estate specific ESG benchmark like GRESB helps us to make informed business decisions to mitigate environmental, social and governance risks on portfolio level and enhance our long-term financial returns. Another benchmark like UN PRI provides additional insights into integration of sustainability. Green building ratings and certifications demonstrate the quality of our buildings and allow us to show where our investments are in terms of promoting social and ecologic characteristics 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. Certificates such as BREEAM, LEED and GPR Building measure criteria that set high standards on broad green building certificates. This enables us to manage the asset sustainability performance on a wide set of topics. Topics include amongst others: biodiversity, health & safety, environmental impact of materials, water-, waste- and energy efficiency.

Engagement

We believe that being an active investor will help our real estate investments make a positive impact, and that investments' long-term financial returns are correlated to their strategic, environmental, social and governance performance. Therefore, maintaining Environmental, Social and Governance (ESG) standards is an integral part of managing our funds and also within our entire investment management organisation.

We are a global real estate investor, and have excellent knowledge of both the listed and unlisted real estate investment and direct investment markets. We maintain strong and long-term relationships with all our stakeholders. Over the years we have established a robust network of Dutch and 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 reporting, thereby increasing transparency and contributing towards a more sustainable global financial system.

We follow these objectives when engaging with our stakeholders:

- We take the needs of our stakeholders into consideration in all our activities.
- We are pro-active in anticipating future challenges and trends in the market
- We encourage partners to participate in benchmarks on ESG integration and ESG performance such as GRESB, UN PRI and BREEAM to increase ESG transparency.
- We engage with partners with substantial construction activities on health, safety and working conditions for construction work.
- We promote the increase of residential, affordable living and healthcare investments.
- We report on responsible investment to assess the performance and actively engage accordingly.

Influence

In our Dutch sector funds we directly invest in and manage real estate assets ourselves and are therefore directly in control and in contact with our stakeholders such as developers, tenants, (sub-), contractors. For these investments we have quality standards in place.