

Sustainability Related Disclosure Sustainable Finance Disclosure Regulation (art. 10 SFDR)

Bouwinvest Dutch Institutional Retail Fund N.V.

Disclosure

a. Summary

a. Summary Dutch Samenvatting Nederlands	In deze samenvatting vindt u beknopte weergave van het document Duurzaamheidsinformatie rondom het financiële product dat milieu- en sociale kenmerken bevordert.
Naam financieel product	Bouwinvest Dutch Institutional Retail Fund N.V.
Classificatie van het product	Artikel 8 SFDR
b. Geen duurzame beleggingsdoelstelling	Geen duurzame belegging als doelstelling
c. Ecologische- en sociale kenmerken van het financieel product	<p>Het Fonds (d.w.z. het financieel product) bevordert per ESG-doelstelling de volgende elementen:</p> <p>ESG-doelstelling I: Bouwen aan een toekomstbestendige en duurzame portefeuille</p> <ul style="list-style-type: none">• I-a. Bovengemiddeld duurzaam Fonds• I-b. Bovengemiddeld duurzame gebouwen <p>ESG-doelstelling II: De milieu-impact verminderen</p> <ul style="list-style-type: none">• II-a. Bestrijding van klimaatverandering: Decarbonisatie• II-b. Bestrijding van klimaatverandering: energie-efficiëntie van gebouwen <p>ESG-doelstelling III: Leefbare, betaalbare, bereikbare en inclusieve plaatsen waar mensen willen wonen – nu en in de toekomst</p> <ul style="list-style-type: none">• III-a. Gezonde en veilige gebieden• III-b. Productverantwoordelijkheid en huurdertevredenheid <p>ESG-doelstelling IV: Bijdragen aan een gezonde, veilige en verantwoorde bedrijfsvoering</p> <ul style="list-style-type: none">• IVa. Programma Bewuste Bouwers (bouwplaatsen)• IVb. Verantwoordelijk asset management: kwaliteit van property management
d. Beleggingsstrategie	Het Fonds heeft drie strategische pijlers, namelijk Kwaliteit, Toekomstgericht en Verantwoordelijkheid. De vier ESG-doelstellingen zijn opgenomen in de pijler Verantwoordelijkheid van het Fonds.
e. Aandeel beleggingen	De geplande asset allocatie van het Fonds is 100% in direct vastgoed en 100% afgestemd op de E/S-kenmerken die het Fonds voorstaat.
f. Monitoring van ecologische- en sociale kenmerken	Het Fonds gebruikt één of meer duurzaamheidsindicatoren per gepromoot item om het bereiken van de door het Fonds bevorderde E/S-kenmerken te meten.
g. Methodologieën	Voor elke duurzaamheidsindicator beschikt het Fonds over een methodologie om de prestatie te meten.
h. Databronnen en -verwerking	Het Fonds gebruikt zowel interne als externe gegevensbronnen en de jaarlijks gerapporteerde duurzaamheidsindicatoren worden door een derde partij gecontroleerd
i. Beperkingen van methodologieën en data	Beschikbaarheid van milieugegevens (energieverbruik) van huurders
j. Due diligence	<p>Het due diligence-proces van het Fonds is gebaseerd op de OESO-richtlijnen en bestaat uit het volgende:</p> <ol style="list-style-type: none">1. Verantwoord ondernemen verankeren in beleid en beheersystemen2. Identificeer en beoordeel negatieve ESG-uitkomsten van beleggingen in de portefeuille3. Beëindigen, voorkomen of beperken van (potentiële) negatieve ESG-uitkomsten4. Monitoren van uitvoering en resultaten5. Communiceren hoe negatieve uitkomsten worden aangepakt6. Voorzien in, of meewerken aan herstel
k. Engagementbeleid	<p>Voor alle investeringen richt het Fonds zijn betrokkenheid (engagement) op de volgende algemene doelstellingen:</p> <ol style="list-style-type: none">1. Het ESG-risicobeheer verbeteren2. Beïnvloeden van ESG-uitkomsten<ol style="list-style-type: none">a. Positieve resultaten verbeterenb. Negatieve resultaten beperken <p>Bovenstaande is opgenomen in een stewardship- en engagementbeleid dat van toepassing is op het Fonds.</p>
l. Aangewezen referentiebenchmark	Niet van toepassing

a. Summary English	This section summarises all the information contained in the different sections below related to the financial product that promotes environmental and social characteristics
Name financial product	Bouwinvest Dutch Institutional Retail Fund N.V.
Classification product	Article 8 SFDR
b. No sustainable investment objective	No sustainable investment as objective
c. Environmental and social characteristics of the financial product	<p>The Fund (i.e. financial product) promotes the following elements per ESG objective:</p> <p>ESG objective I: Building a future-proof and sustainable portfolio</p> <ul style="list-style-type: none"> • Ia. GRESB rating and score • Ib. Above-average sustainable buildings <p>ESG objective II: Reducing environmental impact</p> <ul style="list-style-type: none"> • IIa. Combatting Climate Change: Decarbonisation • IIb. Combatting Climate Change: Energy efficiency of buildings <p>ESG objective III: Liveable, affordable, attainable & inclusive places where people want to reside - now and in the future</p> <ul style="list-style-type: none"> • IIIa. Healthy and safe areas: heart safe • IIIb. Product accountability; tenant satisfaction <p>ESG objective IV: Contributing to healthy, safe and responsible operations</p> <ul style="list-style-type: none"> • IVa. Considerate constructors scheme (construction sites) • IVb. Responsible asset management: quality of property management
d. Investment strategy	The Fund has three strategic pillars, namely Quality, Future-driven and Responsibility. The four ESG objectives are included in the Responsibility pillar of the Fund.
e. Proportion of investments	The Fund's planned asset allocation is 100% in direct real estate assets and 100% aligned with the E/S characteristics promoted by the Fund.
f. Monitoring of environmental and social characteristics	The Fund uses one or more sustainability indicators per promoted item to measure the attainment of E/S characteristics promoted by the Fund.
g. Methodologies	For every sustainability indicator, the Fund has a methodology in place to measure the performance.
h. Data sources and processing	The Fund uses both internal and external data sources and a third party will provide assurance for the annually reported sustainability indicators.
i. Limitations to methodologies and data	Availability of environmental tenant consumption data.
j. Due diligence	<p>The Fund's due diligence process is based on the OECD guidelines and consists of the following:</p> <ol style="list-style-type: none"> 1. Embed responsible business conduct into policies and management systems 2. Identify and assess adverse ESG-related impacts of investments in the portfolio 3. Cease, prevent or mitigate (potential) adverse ESG-related impacts 4. Monitor implementation and results 5. Communicate how adverse impacts are addressed 6. Provide for or cooperate in remedial action
k. Engagement policies	<p>For all investments the Fund focuses its engagement efforts along the following overall objectives:</p> <ol style="list-style-type: none"> 1. Improve ESG risk management 2. Influence ESG outcomes: <ol style="list-style-type: none"> a. Enhance positive impacts b. Mitigate adverse impacts. <p>The above is included in a stewardship and engagement policy that is applicable to the Fund.</p>
l. Designated reference benchmark	Not applicable

b. No significant harm to the sustainable investment objective

This Fund (i.e. financial product) promotes environmental and social (E/S) characteristics but does not have sustainable investment as its objective.

c. Environmental and social characteristics of the financial product

The Fund promotes the following environmental and social characteristics as part of the four ESG objectives:

ESG objective	Promoted environmental and social characteristics
I. Building a future proof and sustainable portfolio	Ia. Above-average sustainable fund Ib. Above-average sustainable buildings
II. Reducing environmental impact	IIa. Combatting Climate Change: Decarbonisation IIb. Combatting Climate Change: Energy efficiency of buildings
III. Liveable, affordable, attainable & inclusive places where people want to reside - now and in the future	IIIa. Healthy and safe areas IIIb. Product accountability: tenant satisfaction
IV. Contributing to healthy, safe and responsible operations	IVa. Considerate constructors scheme (construction sites) IVb. Responsible asset management: quality of property management

The Fund uses one or more sustainability indicators to measure the attainment of each E/S characteristic promoted. The table below shows the indicators per promoted E/S characteristic.

E/S char.	Indicator
Ia.	GRESB star rating
Ib.	% of standing investments per m ² with asset score GOOD or better % of standing investments per m ² with asset score VERY GOOD or better
IIa.	Free of natural gas (% m ²) Portfolio performance against the CRREM 1.5 degree aligned decarbonisation pathway in a percentage stranded
IIb.	Average energy intensity (kWh/m ² /yr) Portfolio performance against the CRREM 1.5 degree aligned energy-reduction pathway in percentage stranded
IIIa.	BREEAM in-use asset 'health' score BREEAM in-use asset 'transport' score % invested in Convenience retail
IIIb.	Tenant satisfaction score on building and its surroundings
IVa.	construction sites with Considerate Constructors scheme Average Considerate Constructors score
IVb.	Tenant score on property management (HTO score)

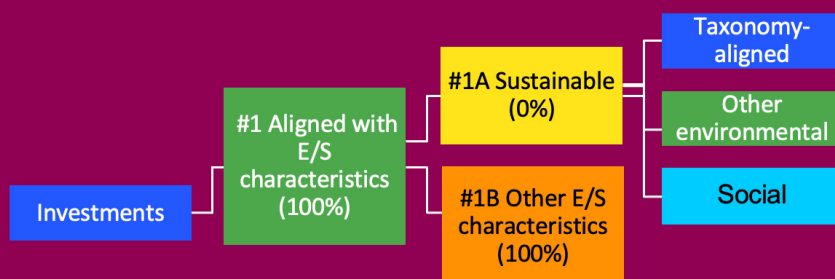
d. Investment strategy

The Fund has three strategic pillars, namely Quality, Future-driven and Responsibility. The four ESG objectives mentioned above are included in the Responsibility pillar. Each of the ESG objectives is mapped to one of the three strategic pillars. This structure enables the Fund to focus on achieving its objectives related to the environmental and social characteristics in alignment with its strategic objectives.

As the Fund invests in real estate assets, the assessment of good governance practices in relation to investee companies is not directly applicable.

e. Proportion of investments

The Fund's planned asset allocation is 100% in direct real estate assets. The Fund is committed to making the entire portfolio subject to one or more promoted items and therefore 100% aligned with E/S characteristics. The Fund does not target a minimum proportion of sustainable investments but could have sustainable investments with environmental and social objectives in its portfolio (Taxonomy aligned, Other environmental and/or Social).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

f. Monitoring of environmental and social characteristics

On a quarterly and yearly basis, the Fund monitors the performance on the above-mentioned indicators related to the promoted environmental and social characteristics as presented in part d. The results are discussed both internally and externally with various stakeholders.

Furthermore, the Fund has a Responsible investment & Corporate Responsibility Policy in place to assure responsible investment across all activities, plus the Fund also has an ESG risk management framework to be able to focus on the relevant risks linked to those activities.

g. Methodology

In order to measure the performance of the above E/S characteristics, the Fund applies the following methodologies.

- **GRESB**
The results used to measure the indicators GRESB score and GRESB star rating are based on a GRESB assessment report, which is prepared on the basis of the Fund's annual participation in the GRESB benchmark. The GRESB reports, including the scores, are prepared by a third party.
- **BREEAM NL building certificate label and assets score**
The BREEAM NL building certificate label and assets score is based on the weighted average (m2) building sustainability certificate score. The BREEAM score of a particular asset is determined by a third party.
- **Free of natural gas (% m2)**
Considers the percentage of assets that is free from natural gas based on m2.
- **Average energy intensity (kwh/m2/yr)**
Considers the average energy intensity per m2 per year for assets with 100% data coverage.
- **Portfolio performance against the CRREM 1.5 degree aligned energy reduction pathway and decarbonisation**
Considers the performance using all available reliable data on energy intensity and sustainability investments of assets against both the CRREM assessments against energy reduction pathways and decarbonisation pathways.
- **Percentage invested in 'Convenience' retail**
Considers the percentage of invested capital in convenience retail.
- **Tenant satisfaction**
Considers the tenant satisfaction score based on a tenant satisfaction survey performed by an external third party.
- **Considerate Constructors scheme (construction sites)**
Considers the % of the Fund's construction sites (weighted by purchase price) registered with the Considerate Constructors scheme (Bewuste Bouwers), which is an external scheme.

h. Data sources and processing

For the above mentioned sustainability indicators, the Fund uses both external and internal data sources. Internal data is mostly related to square metres or financial figures related to assets. For internal sources, the Fund has a robust administrative organisation and internal control processes in place to guarantee the quality of data. Furthermore, the Fund gets a third party to provide assurance for its annually published sustainability indicators to increase the reliability of data. At the moment, the Fund makes use of estimates of the energy usage of tenants made by a third party.

i. Limitations to methodologies and data

The main limitation for the Fund is the lack of available environmental tenant consumption data, for example related to performance on energy and greenhouse gas. The Fund strives to improve in terms of gathering more data and to improve the quality of available data. The Fund strives to be open about the availability of data and to be transparent about the coverage of the reported data. The lack of available data is also due to privacy regulations. To minimise the impact of this limitation, the Fund uses estimates to be able to report on energy and greenhouse gas indicators. The estimates are based on the energy usage of a postal code area and assigned to the Fund based on square metres.

j. Due diligence

Bouwinvest's ESG due diligence process follows six steps, as described in the OECD guidelines:

1. Embed responsible business conduct into policies and management systems
 - Bouwinvest's Responsible Investment & Corporate Responsibility Policy lays down the parameters and preconditions related to environmental, social and good governance (ESG) criteria for its real estate investments.
 - In the Fund plan, which is drawn up annually, the Fund defines the ESG Framework in which the ESG objectives, KPIs and targets are defined, while also including a description of the ESG risks, mitigants and impacts that are taken into account.
 - All ESG Framework elements are taken into account in investment decisions in the acquisition, management and disposal phases. This applies to all real estate investments.
2. Identify and assess adverse ESG-related impacts of investments in the portfolio
 - Bouwinvest uses a value creation model to gain insight into which financial, social and human capital is used, how value is added and destroyed and what this subsequently means for society as a whole. This insight helps Bouwinvest to consider adverse impacts as a whole on people, society and/or the environment and to take appropriate action.
 - To gain insight into the most important material topics, Bouwinvest performs an annual materiality analysis, also taking into account the expectations of our stakeholders.
 - In addition, Bouwinvest conducts analyses of the countries in which it invests on the basis of a country risk model, which includes ESG criteria.
 - All new real estate investments are subjected to an extensive due diligence process, which identifies and prioritises the potential adverse impacts of the real estate investment in question on people, society and/or the environment. The assessment of all new investments is based on information provided by the parties with whom Bouwinvest does business, such as sellers/project developers, or obtained via public information sources, as well as information from independent external benchmarks, international standards, market research and our own data.
 - Bouwinvest draws up an investment proposal for all new real estate investments. The advice of an ESG specialist is included in this investment proposal. Investment proposals for all sector funds are discussed in the Investment Advisory Committee, which includes an ESG specialist who is entitled to vote. Any potential ESG risks and

(potential) negative ESG outcomes identified in the due diligence process, the defined ESG investment criteria and the contribution to ESG objectives are a standard part of the investment proposal.

- Bouwinvest's risk-return model (part of the investment proposal) includes an assessment of the identified ESG risks and (potential) adverse ESG-related impacts.
- Building certificates, benchmarks, audits and the actual measurement of the environmental impact of buildings are examples of tools Bouwinvest uses to identify and assess ESG risks and (potential) adverse ESG-related impacts.
- Controversies or significant ESG incidents are reported to our clients in line with our Business Risk Incidents Management policy.

3. Cease, prevent or mitigate (potential) negative ESG outcomes

- The entire real estate portfolio is subject to an Exclusion Policy. This policy states which countries and which types of building Bouwinvest does not invest in, which types of company Bouwinvest does not rent to and which parties or persons Bouwinvest does not do business with. The basic premise of the policy is that Bouwinvest only invests in countries with transparent real estate markets.
- In the case of the Dutch real estate sector funds, Bouwinvest is able to exert direct influence to cease, prevent or mitigate adverse ESG-related impacts.
- Bouwinvest's ESG specialists have a vote in the Investment Advisory Committees of this real estate sector fund and in that capacity can provide advice on ceasing, preventing or mitigating (potential) adverse impacts of new investments on people, society and or the environment.
- All new real estate investments are submitted for approval to the Management Board, accompanied with advice from the Investment Advisory Committee.
- The ESG conditions and criteria are incorporated in contracts with selling parties . These conditions include but are not limited to: transparency on ESG performance (for instance, GRESB participation), ESG requirements for buildings and/or construction sites, regular ESG reports and reports on controversies or material ESG incidents.
- We use our Responsible Investment & Corporate Responsibility Policy in combination with all elements of the ESG Framework to prevent or minimise these adverse impacts.
- In the event of serious ESG incidents, which cannot be sufficiently mitigated, Bouwinvest can decide to exit a specific investment.

4. Monitor implementation and results

- Bouwinvest monitors progress in the implementation of its Responsible Investment & Corporate Responsibility Policy and ESG Framework elements, including the ESG targets and identified adverse impacts on people, society and/or the environment on a quarterly basis.
- To monitor progress Bouwinvest uses internal tools and/or external benchmarks, such as the Global Real Estate Sustainability Benchmark (GRESB) and the United Nations Principles for Responsible Investing (UN PRI). These are used to perform independent and regular measurements of progress.
- Bouwinvest performs annual assessments of all investments and managers with respect to financial and ESG performance, ESG risks and (potential) adverse impacts on people, society and/or the environment. On the basis of these assessments, Bouwinvest determines whether any follow-up actions are required.

5. Communicate how adverse impacts are addressed

- Bouwinvest monitors its Responsible Investment & Corporate Responsibility Policy and any ESG-related agreements included in the fund plans on a quarterly basis. Bouwinvest communicates the progress on these fronts to its clients via quarterly reports.
- Bouwinvest uses its annual reports to provide insight into its approach to the identification, mitigation and tracking of the adverse impacts of the real estate portfolio on people, society and/or the environment, both at the level of investment managers and at fund level. The annual reports are publicly available.
- Our reporting takes into account industry standards and internationally accepted guidelines, including the reporting guidelines of the European Association for Investors in Non-listed Real Estate Vehicles (INREV) and the guidelines for sustainability reporting of the Global Reporting Initiative (GRI).

6. Provide for or cooperate in remedial action

- Bouwinvest looks at which steps should be taken on a case-by-case basis.

k. Engagement Policy

For all our investments, the Fund focuses on engagement efforts related to the following overall objectives:

1. Improve ESG risk management

At the selection stage, any ESG issue that poses a significant material risk to the value of our investments will have led to a decision not to invest or a decision to start an engagement process to mitigate such risks.

2. Influence ESG-related impacts:

a. Enhance positive impacts

Bouwinvest Real Estate Investors invests in real estate worldwide. It is our duty to play a part in finding solutions to environmental and societal issues. This is core to our investment process and an important component of this Stewardship and Engagement Policy. Bouwinvest actively supports the following Sustainable Development Goals (SDGs). For our engagement activities, this means the Fund aims to foster positive impacts related to these SDGs.

- SDG 3 Ensure healthy lives and promote well-being for all at all ages
- SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all
- SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable
- SDG 13 Climate action

b. Mitigate adverse impacts

The Fund also aims to influence ESG outcomes by incorporating (potential) adverse impacts of, or through, our investments on people and/or the environment. The Fund endorses the Organisation for Economic Cooperation and Development guidelines for multinational enterprises (OECD guidelines) and the UN Guiding Principles on Business and Human Rights (UNGPs). Important themes within these frameworks include: human rights, labour rights and labour conditions, health and safety, corruption, taxation, consumer interests and environmental pollution. The Fund uses these OECD guidelines and UNGPs as a guiding framework for our focus on mitigating and preventing (further) adverse impacts on people and the environment of, or through, our investments. Engagements will be prioritised based on their salient adverse impacts. The severity of these adverse impacts is determined based on scale, scope and level of irreversibility.

The Engagement Policy is publicly available [on the website](#).

l. Designated reference benchmark

Not applicable

Contact information

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