Sustainability Related Disclosure

Sustainable Finance Disclosure Regulation

Bouwinvest Dutch Institutional Office Fund N.V.

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 Office 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	Het fonds (d.w.z. het financieel product) bevordert per ESG-doelstelling de volgende elementen: I. Milieu - Verminder CO2-uitstoot en pas aan het veranderende klimaat aan. II. Sociaal – Draag bij aan de uitkeringen aan pensioendeelnemers en andere wensen van beleggers. III. Bestuur - Doe geen schade aan anderen en doe niet aan greenwashing
d. Beleggingsstrategie	Het Fonds heeft drie strategische pijlers, namelijk Kwaliteit, Diversificatie 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	Het due diligence-proces van het Fonds is gebaseerd op de OESO-richtlijnen en bestaat uit het volgende: 1. Verantwoord ondernemen verankeren in beleid en beheersystemen 2. Identificeer en beoordeel negatieve ESG-uitkomsten van beleggingen in de portefeuille 3. Beëindigen, voorkomen of beperken van (potentiële) negatieve ESG-uitkomsten 4. Monitoren van uitvoering en resultaten 5. Communiceren hoe negatieve uitkomsten worden aangepakt Voorzien in, of meewerken aan herstel
k. Engagementbeleid	Voor alle investeringen richt het Fonds zijn betrokkenheid (engagement) op de volgende algemene doelstellingen: 1. Het ESG-risicobeheer verbeteren 2. Beïnvloeden van ESG-uitkomsten a. Positieve resultaten verbeteren b. Negatieve resultaten beperken Bovenstaande is opgenomen in een stewardship- en engagementbeleid dat van toepassing is op het Fonds.
l. Aangewezen referentiebenchmark	Niet van toepassing

a. Summary English	
This section summarises all the information contained in the different sections below about the financial product that promote environmental and social characteristics	
Name financial product	Bouwinvest Dutch Institutional Office 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	The Fund (i.e. financial product) promotes the following elements per ESG objective: I. Environment - Reduce carbon & adapt to changing climate II. Social - Fund the benefits of pension participants and other investors' beneficiaries III. Governance - Do no harm & do not greenwash
d. Investment strategy	The Fund has three strategic pillars, namely Quality, Diversification 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 E/S characteristics promoted by the Fund.
f. Monitoring of environmental and social characteristics	The Fund uses one or more sustainability indicators per promote 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 how to measure the performance.
h. Data sources and processing	The Fund uses both internal as external data sources and the annual reported sustainability indicators will be assured by a third party.
i. Limitations to methodologies and data	Availability of environmental tenant consumption data.
j. Due diligence	The due diligence process of the Fund is based on the OECD guidelines and consists of the following: 1. Embed responsible business conduct into policies and management systems 2. Identify and assess negative ESG outcomes of investments in the portfolio 3. Cease, prevent or mitigate (potential) negative ESG outcomes 4. Monitor implementation and results 5. Communicate how negative outcomes are addressed 6. Provide for or cooperate in remediation
k. Engagement policies	For all investments the Fund focuses its engagement efforts along the following overall objectives: 1. Improve ESG risk management 2. Influence ESG outcomes: a. Enhance positive outcomes b. Mitigate negative outcomes. The above is included in a stewardship and engagement policy which is applicable to the Fund.
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 as its objective a sustainable investment.

c. Environmental and social characteristics of the financial product

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

Promoted characteristics	
I. Environment	Reduce carbon & adapt to changing climate
II. Social	Fund the benefits of pension participants and other investors' beneficiaries
III. Governance	Do no harm & do not greenwash

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
I.	% of portfolio at high or very high physical climate risk (net risk) (% of GAV)
	Average CO2 emission portfolio below CRREM Pathway within fund plan period (in m2)
	Average Energy Usage Intensity portfolio below CRREM Pathway within fund plan period (in m2)
II.	Tenant satisfaction weighted average of building and its surroundings, real estate and on property management
III	GRESB star rating
	Average BREEAM In Use part 1 (asset) label score of standing investments
	% Construction sites with Considerate Constructors scheme
	Percentage of EU Taxonomy alignment

d. Investment strategy

The Fund's strategic focal point is on office real estate that generates predictable and stable returns and will continue to do so in the future, taking into account the trends and development in the office real estate market. In addition to this, the Fund's strategy is focused on active asset management to optimise the portfolio and keep it as future proof as possible.

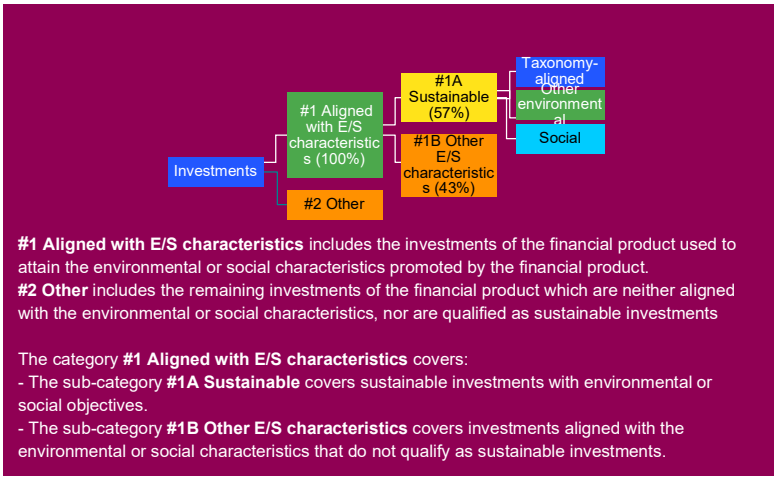
The Fund's strategy is based on the following main pillars: Quality, Diversification and Responsibility. By fulfilling the objectives related to the pillars, the Fund expects to continue to deliver above-average performance and to remain a sustainable, future-proof portfolio.

On a quarterly basis, the Fund will report to senior management and investors on the current ESG risk profiles, including actions and measures taken. Please refer to the Responsible Investment & Corporate Responsibility Policy on our website for more information.

The execution of this strategy is outlined in the annual Fund Plan.

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 promotes environmental and social characteristics and does not have a sustainable investment objective, however strives to achieve a minimum share of sustainable investments of 57% .



#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.
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

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 before mentioned indicators related to the promoted environmental and social characteristics as presented in part c. The results are discussed both internally and externally with different stakeholders.

Furthermore, the management company has an overarching ESG Policy in place to assure responsible investment across all products (i.e. also the Residential Fund) and the Management company has also 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.

- % of portfolio at high or very high physical climate risk (net risk) (% of GAV)
  Considers the percentage of the assets in the Fund's portfolio which have a high or very high net risk on any of the identified physical climate risks. The indicator is presented as percentage of GAV.

- Average CO2 emission portfolio below CRREM Pathway within fundplan period (in m2)
  Considers the performance using all available reliable data on carbon and sustainability investments of assets against the CRREM assessments of the decarbonization pathways.

- Average Energy Usage Intensity portfolio below CRREM Pathway within fundplan period (in m2)
  Considers the performance using all available reliable data on energy intensity and sustainability investments of assets against the CRREM assessments of energy reduction pathways.

- Tenant satisfaction, weighted average of building and its surroundings and real estate and on property management
  Considers the tenant satisfaction score based on a tenant satisfaction survey performed by an external third party.
- Building certificate BREEAM-NL The building certificate BREEAM NL score is based on the weighted average (sq. m.) building sustainability certificate score. The BREEAM score of a certain asset are determined by a third party.

- GRESB

The results to measure the indicators GRESB score and GRESB star rating are based on a GRESB assessment report, which has been prepared on the basis of the annual participation of the Fund in the GRESB benchmark. The GRESB reports including the scores are prepared by a third party.

- % Construction sites and significant renovations with Considerate Constructors scheme
  Considers the % construction sites of the Fund (weighted by purchase price) registered under the Considerate construction scheme of Bewuste Bouwers, which is an external scheme.

- Percentage of EU Taxonomy alignment
  Considers the percentage of EU Taxonomy aligned investments based on turnover.

h. Data sources and processing

For the above mentioned sustainability indicators, the Fund uses both external as internal data sources. Internal data is mostly related to sq. meters or financial figures related to assets. For internal sources, the Fund has a robust administrative organization and internal control process in place to guarantee the quality of data.
Furthermore, the Fund gets its annual published sustainability indicators assured by a third party to increase the reliability of data.
At the moment, the Fund makes use of estimations by a third party related to the energy usage of tenants.

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 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 regulation. To minimize the impact of this limitation, the Fund uses estimations to be able to report on energy and Greenhouse Gas indicators. The estimations are based on the energy usage of a postal code area and assigned to the Funds based on square meters.

j. Due diligence

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

1. Embed corporate responsibility in policies and management systems
   a. The ESG policy lays down the parameters and preconditions related to the environment, society and good governance (ESG) for real estate investments.
   b. The ESG policy is published on the website, to ensure visibility to stakeholders
   c. The fund, partnership and mandate plans, which are drawn up annually, include details of the responsible investment frameworks and preconditions in the form of ESG investment criteria and ESG objectives for each real estate investment product for a period of three years. The plans also identify ESG risks and opportunities and take them fully into account.
   d. ESG criteria are taken into account in investment decisions in the acquisition, management and disposal phases. This applies to all real estate investments, both in the Netherlands and internationally.
   e. The fund-, partnership- and mandate plans provide investors with transparent information on Bouwinvest's approach to corporate responsibility

2. Identify and assess the adverse impacts of investments in the portfolio
   a. Bouwinvest uses a value creation model to provide insight into which financial, social and human capital is deployed, how value is added and destroyed, and what this means for society as a whole. Insight into this helps us to think holistically about the adverse impacts on both the environment and society, and then to act accordingly.
   b. To gain insight into the most important material issues, Bouwinvest conducts an annual materiality analysis, which also takes into account the expectations of our internal and external stakeholders (clients and international managers).
   c. In addition, Bouwinvest analyses countries in which it invests on the basis of a country risk model, which includes

Met opmerkingen [TS1]: Is dit de vertaling?
Met opmerkingen [FM2R1]: Ja

ESG criteria. This is explained in the Exclusion Policy.

d. All new real estate investments, both in the Netherlands and abroad, undergo an extensive due diligence process, which identifies and prioritises potential adverse environmental and social impacts of the relevant real estate investment. The assessment of all new investments is based on the information provided by the parties with whom Bouwinvest does business, such as the external manager (international) or seller/project developer (the Netherlands), as well as on the basis of public information and information from independent external benchmarks, international standards, market research and Bouwinvest's own data.
e. Tenants undergo a due diligence process as well, to identify any potential negative reputational or financial risks.
f. Bouwinvest prepares an investment proposal for all new real estate investments in the sector funds and mandates, which is discussed in the Investment Committee. Any potential ESG risks and (potential) adverse impacts identified in the due diligence process, the established ESG investment criteria and the contribution to ESG objectives are standard parts of the investment proposal.
g. The risk-return model (part of an investment proposal) includes an assessment of the identified ESG risks and (potential) adverse impacts.
h. Building certifications, benchmarks, audits and the actual measurement of the environmental impact of buildings are examples of tools Bouwinvest uses when identifying and assessing ESG risks and (potential) adverse impacts.
i. Controversies or significant ESG incidents are reported to our clients in accordance with the Business Risk Incident Management policy.

3. Cease, prevent or mitigate adverse impacts
    a. The entire real estate portfolio is subject to an Exclusion policy. This policy specifies which countries and which types of buildings Bouwinvest does not invest in, which types of companies it does not lease 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.
    b. The entire real estate portfolio is subject to a Stewardship & Engagement policy. This policy describes how Bouwinvest fulfils its stewardship role and how it uses engagement to stop, prevent or limit adverse impacts on its supply chain partners. In the Dutch sector funds and the Impact Partnership, Bouwinvest can exert direct influence to stop, prevent or limit adverse impacts. In the unlisted international investments, Bouwinvest seeks a role in the investment advisory committees of these investments to exert influence. The external managers of listed real estate investments use discussions with the management of listed companies to make clear what improvements they would like to see and exert their influence through their voting rights.
    c. Bouwinvest ESG specialists provide advice to the Investment Committees of the sector funds and international mandates on ceasing, preventing or mitigating the (potential) adverse environmental and social impacts of new investments.
    d. All direct real estate investments for the sector funds are submitted to the Dutch Investment Table or the Investment Committee. All indirect real estate investments for the mandates are submitted to the International Mandate Table or Investment Committee for approval.
    e. Bouwinvest incorporates ESG conditions and criteria in contracts with selling parties (Dutch investments) and external managers (international investments). These conditions include: transparency on ESG performance (e.g. external managers' GRESB participation), ESG requirements for buildings and/or construction sites, regular ESG reports and reports on controversies or significant ESG incidents.
    f. Contracts with tenants include ESG conditions and criteria. Through regular tenant engagement such as communication sessions and mailing apps/platforms, Bouwinvest aims to educate tenants about ESG and raise awareness.
    g. We use our ESG policy, targets and guidelines, such as those on energy and CO2 reduction, building certifications, affordable housing and safety on construction sites, to make (potential) adverse environmental and social impacts of the real estate portfolio transparent and to try to prevent or mitigate those impacts.
    h. In the event of serious ESG incidents, which cannot be sufficiently mitigated, Bouwinvest may decide to exit a specific investment, to ask an external manager to exit from it, or not to invest with that manager in the future.

4. Monitor practical implementation and results
    a. Bouwinvest monitors progress on the implementation of the ESG policy, objectives and identified adverse environmental and social impacts on a quarterly basis.
    b. 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 measure progress independently and periodically.
    c. Each year, Bouwinvest assesses all investments and managers for financial and ESG performance, ESG risks and (potential) adverse environmental and social impacts. Bouwinvest determines any follow-up actions on the basis of this assessment.
    d. Within the Business Unit Dutch Investments, Bouwinvest conducts yearly tenant satisfaction surveys

5. Communicate how adverse impacts are addressed
    a. Bouwinvest monitors the ESG policy and ESG-related commitments included in the fund, partnership and mandate plans on a quarterly basis. Bouwinvest communicates the progress to clients through quarterly reports.
    b. Annual reports provide insight into how any adverse environmental and social impacts of the real estate portfolio have been identified, mitigated and monitored, both at investment manager and fund level. These reports are published on the Bouwinvest website.
    c. Reporting takes into account industry standards and internationally accepted guidelines, including the INREV reporting guidelines and the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

6. Provide for or cooperate in remedial action
    a. Bouwinvest looks at what steps need to be taken on a case-by-case basis.

k. Engagement Policy

For all our investments the Fund focuses on engagement efforts along the following overall objectives:

1. Improve ESG risk management

At the selection stage, any ESG issue that poses a substantial 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 outcomes:

a. Enhance positive outcomes

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. 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 further positive outcomes towards these SDGs.

- SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all
- SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable
- SDG 13 Climate action

b. Mitigate negative outcomes.

The Fund also aims to influence ESG outcomes by incorporating (potential) negative outcomes of, or through, our investments on people and/or the environment. The Fund endorse the Organisation for Economic Cooperation and Development guidelines for multinational companies (“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) negative outcomes on people and the environment of, or through, our investments. Engagements will be prioritised based on their salient negative outcomes. The severity of these negative outcomes is determined based on scale, scope and level of irreversibility.

The Engagement Policy is publicly available on the website: https://www.bouwinvest.com/media/dugaacx5/bouwinvest-stewardship-engagement-policy-01.pdf.

I. Designated reference benchmark

Not applicable