

# Sustainability Related Disclosure

Sustainable Finance Disclosure Regulation

Dutch Social Impact Real Estate Partnership

**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	Dutch Social Impact Real Estate Partnership (Impact Partnership)
Classificatie van het product	Artikel 9 SFDR
b. Geen significante schade aan de duurzame beleggingsdoelstelling	Het Partnership heeft een sociaal doel. Als voorwaarde geldt dat investeringen geen noemenswaardige schade mogen toebrengen aan het milieu en de samenleving.
c. Duurzame investeringsdoel van het financiële product	<p>Het Partnership (d.w.z. financieel product) heft de volgende doelen:</p> <p><b>Betaalbaarheid</b>  Het op de markt brengen van betaalbare en energiezuinige (zorg)woningen en vastgoed met huurniveaus die lager zijn dan de markt. Dankzij een beperkte huurgroei blijven deze woningen betaalbaar. Mensen uit achtergestelde groepen voorzien van noodzakelijke betaalbare woningen en gezondheidszorgwoningen. De belangrijkste impactintentie is om het beschikbare inkomen te verhogen naar een niveau dat beter geschikt is voor achtergestelde groepen dan het huidige marktaanbod; met als doel de financiële situatie van huurders te verbeteren door meer huishoudelijke middelen vrij te maken om andere basisbehoeften te betalen, zoals goed voedsel, gezondheidszorg, transport, kleding en onderwijs.</p> <p><b>P</b>  Bewoners voorzien van huisvesting die qua omvang, type en behoefte beter aansluit bij de omvang van het huishouden en de behoefte van een specifieke doelgroep. Het bieden van huisvesting aan specifieke aandachtsgroepen op de woningmarkt en/of preferente verhuur aan mensen in cruciale beroepen om bij te dragen aan een positieve circulatie binnen de lokale woningmarkt.</p> <p><b>Gezondheid en welzijn</b>  Mensen voorzien van woningen en zorgvastgoed met verbeterde kwaliteit en een gezond binnenklimaat, met akoestisch, visueel en thermisch comfort, met de intentie de gezondheid en het welzijn van huurders te verbeteren. Bewoners zekerheid bieden over huren is een andere manier om positieve impact te hebben.</p> <p>Het toevoegen van sociaal vastgoed dat bijdraagt aan het maatschappelijk welzijn van mensen in het algemeen, met focus op inclusiviteit, het stimuleren van participatie of educatie (bijvoorbeeld buurthuizen, openbare scholen, cultuur en/of sport).</p> <p>Bijdragen aan een beter welzijn, sociale vitaliteit en leefbaarheid door sociaal georiënteerde activiteiten, diensten en/of faciliteiten te integreren in het vastgoed van de Maatschap. Het Partnerschap doet dit om bewoners- en gemeenschapsparticipatie, sociale betrokkenheid te stimuleren en de levenskwaliteit van bewoners te verbeteren.</p> <p>Het toevoegen van sociaal vastgoed dat bijdraagt aan het maatschappelijk welzijn van mensen in het algemeen, met focus op inclusiviteit, het stimuleren van participatie of educatie (bijvoorbeeld buurthuizen, openbare scholen, cultuur en/of sport).</p> <p>Bijdragen aan een beter welzijn, sociale vitaliteit en leefbaarheid door sociaal georiënteerde activiteiten, diensten en/of faciliteiten te integreren in het vastgoed van de Maatschap. Het Partnerschap doet dit om bewoners- en gemeenschapsparticipatie, sociale betrokkenheid te stimuleren en de levenskwaliteit van bewoners te verbeteren.</p>
d. Beleggingsstrategie	<p>The Partnership zal bijdragen aan het oplossen van sociale uitdagingen door het toevoegen en behouden van betaalbare, passende en gezonde huisvesting voor achtergestelde groepen op de (zorg)woningmarkt. De sociale impact is optimaal voor mensen met lage en middeninkomens die het moeilijkst een woning vinden in het betaalbare huursegment. Het Partnerschap richt zich ook op het betrekken van specifieke aandachtsgroepen, mensen in cruciale beroepen en doelgroepen die allerlei vormen van gezondheidszorg nodig hebben of behoefte hebben aan alternatieve vormen van modern wonen, zoals tijdelijke huisvesting, betaalbare studentenhuisvesting, levenscyclusbestendige woningen en gedeelde of beschermde woonconcepten.</p> <p>Het Partnership wil een positieve impact hebben op deze doelgroepen door te investeren in vastgoed in drie verschillende segmenten:</p> <ul style="list-style-type: none"> <li>• Woningen (≥ 40%), met de focus op het midden- en sociale huursegment; dit geldt ook voor mensen in cruciale beroepen.</li> <li>• Zorgvastgoed (≥ 30%), met de focus op het midden- en sociale huursegment. Hierbij kan gedacht worden aan subsegmenten, zoals beschermd wonen, gezondheidszorg</li> </ul>

	<p>voor kwetsbare mensen, intramurale zorgvoorzieningen of preventieve gezondheidszorg.</p> <ul style="list-style-type: none"> <li>• Overig maatschappelijk georiënteerd vastgoed (<math>\leq 20\%</math>), met de focus op inclusiviteit, het stimuleren van participatie, het tegengaan van eenzaamheid, het stimuleren van onderwijs (bijvoorbeeld buurthuizen, openbare scholen, cultuur en/of sport).</li> </ul>
e. Aandeel beleggingen	<ul style="list-style-type: none"> <li>• 100% direct vastgoed</li> <li>• 100% duurzame investeringen</li> <li>• Het Partnership richt zich op het aankopen en beheren van gebouwen voor woningbouw, gezondheidszorg en gemeenschapsgerelateerd sociaal vastgoed</li> </ul>
f. Monitoring van het duurzame investeringsdoel	Het Partnership gebruikt een of meer duurzaamheidsindicatoren per doelstelling om de verwezenlijking van de sociale impactdoelstellingen van het Partnership te meten.
g. Methodologieën	Voor elke duurzaamheidsindicator beschikt het Fonds over een methodologie om de prestatie te meten.
h. Databronnen en -verwerking	Het Partnership 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 en huurdersgegevens gerelateerd aan veranderingen in inkomensniveaus na initiële selectie.
j. Due diligence	<p>Het due diligence-proces van het Partnership is gebaseerd op de OESO-richtlijnen en bestaat uit het volgende: Embed responsible business conduct into policies and management systems</p> <ol style="list-style-type: none"> <li>1. Verantwoord ondernemen verankeren in beleid en beheersystemen</li> <li>2. Identificeer en beoordeel negatieve ESG-uitkomsten van beleggingen in de portefeuille</li> <li>3. Beëindigen, voorkomen of beperken van (potentiële) negatieve ESG-uitkomsten</li> <li>4. Monitoren van uitvoering en resultaten</li> <li>5. Communiceren hoe negatieve uitkomsten worden aangepakt</li> <li>6. Voorzien in, of meewerken aan herstel</li> </ol>
k. Engagementbeleid	<p>Voor alle investeringen richt het Partnership zijn betrokkenheid (engagement) op de volgende algemene doelstellingen:</p> <ol style="list-style-type: none"> <li>1. Het ESG-risicobeheer verbeteren</li> <li>2. Beïnvloeden van ESG-uitkomsten: <ul style="list-style-type: none"> <li>○ Positieve resultaten verbeteren</li> <li>○ Negatieve resultaten beperken.</li> </ul> </li> </ol> <p>Bovenstaande is opgenomen in een stewardship- en engagementbeleid dat van toepassing is op het Partnership.</p>
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 has a sustainable objective. promote environmental and social characteristics	
Name financial product	Dutch Social Impact Real Estate Partnership (Impact Partnership)
Classification product	Article 9 SFDR
b. No significant harm to the sustainable investment objective	The Partnership has social objective. As a prerequisite, investments should do no significant harm to the environment and society.
c. Sustainable investment objective of the financial product	<p>The Partnership (i.e. financial product) has the following objectives:</p> <p><b>Affordable</b> Adding affordable and energy-efficient (healthcare) housing and real estate properties to the market with lower-than-market reference-based rent levels. Thanks to modest rental growth, these homes will remain affordable. Providing people from underserved groups with much-needed affordable homes and healthcare housing. The main impact intention is to increase disposable income to a level more appropriate for underserved groups versus the current market offering; with the intention of improving tenants' financial situation in terms of releasing more household resources to pay for other basic needs, such as good food, health, transport, clothing and education.</p> <p><b>Appropriate</b> Providing residents with housing that is better suited in terms of the size, type and needs according to the size of the household and needs of a specific target group. Providing housing to specific attention groups on the housing market and/or preferential rental to people in crucial professions to contribute to positive circulation within the local housing market.</p> <p><b>Health &amp; well-being</b> Providing people with housing and healthcare properties with improved quality and healthy indoor climate, with acoustic, visual and thermal comfort, with the intention to improve the health and well-being of tenants. Providing residents with certainty about renting is another way to have a positive impact.</p> <p>Adding social real estate that contributes to the social well-being of people in general, with a focus on inclusivity, stimulating participation or education (e.g. community centres, public schools, culture and/or sports).</p> <p>Contributing to improved well-being, social vitality and liveability by incorporating social-oriented activities, services and/or facilities in the Partnership's real estate. The Partnership does this in order to stimulate resident and community participation, social involvement and improve residents' quality of life.</p>
d. Investment strategy	<p>The Partnership will contribute to solving social challenges by adding and preserving affordable, appropriate and healthy housing for underserved groups on the (health care) housing market. The social impact is optimal for people with low and middle-income levels who are finding it the most difficult to find housing in the affordable rental segment. The Partnership also focuses on the inclusion of specific attention groups, people in crucial professions, and target groups in need of all sorts of healthcare or in need of alternative forms of modern living, such as temporary housing, affordable student accommodation, lifecycle-proof homes and shared or protected living concepts.</p> <p>The Partnership aims to have a positive impact on these target groups by investing in properties in three different segments:</p> <ul style="list-style-type: none"> <li>• Residential properties (≥ 40%) , with the focus on the mid and social rental segments; this includes people in crucial professions.</li> <li>• Healthcare properties (≥ 30%), with the focus on the mid and social rental segments. This may include sub-segments, such as protected living, healthcare for vulnerable people, intramural care facilities or preventative healthcare.</li> <li>• Other social-oriented real estate (≤ 20%), with the focus on inclusivity, stimulating participation, combatting loneliness, stimulating education (e.g. community centres, public schools, culture and/or sports).</li> </ul>
e. Proportion of investments	<ul style="list-style-type: none"> <li>• 100% direct real estate properties</li> <li>• 100% sustainable investments</li> <li>• The Partnership focuses on acquiring and managing buildings for housing, healthcare and community related social real estate</li> </ul>
f. Monitoring of the sustainable investment objective	The Partnership uses one or more sustainability indicators per objective to measure the attainment of the social impact objectives set by the Partnership.
g. Methodologies	For every social impact sustainability indicator the Partnership has a methodology in place how to measure the performance.

h. Data sources and processing	The Partnership uses both internal as external data sources and the annual reported sustainability and impact indicators will be assured by a third party.
i. Limitations to methodologies and data	Availability of environmental tenant consumption data and tenant data related to changes in income levels after initial selection.
j. Due diligence	<p>The due diligence process of the Partnership is based on the OECD guidelines and consists of the following:</p> <ol style="list-style-type: none"> <li>1. Embed responsible business conduct into policies and management systems</li> <li>2. Identify and assess negative ESG outcomes of investments in the portfolio</li> <li>3. Cease, prevent or mitigate (potential) negative ESG outcomes</li> <li>4. Monitor implementation and results</li> <li>5. Communicate how negative outcomes are addressed</li> <li>6. Provide for or cooperate in remediation</li> </ol>
k. Engagement policies	<p>For all investments the Partnership focuses its engagement efforts along the following overall objectives:</p> <ol style="list-style-type: none"> <li>3. Improve ESG risk management</li> <li>4. Influence ESG outcomes: <ul style="list-style-type: none"> <li>o Enhance positive outcomes</li> <li>o Mitigate negative outcomes.</li> </ul> </li> </ol> <p>The above is included in a stewardship and engagement policy which is applicable to the Partnership.</p>
l. Attainment of the sustainable investment objective	Not applicable as there is no reference benchmark available

**b. No significant harm to the sustainable investment objective**

The Partnership has social objective. As a prerequisite, investments should do no significant harm to the environment and society. This is why the Partnership has set minimum ESG conditions for investments. The Partnership will make a significant contribution to climate mitigation by minimising greenhouse gas emissions through the application of energy-efficiency measures above requirements set by legislation to limit energy consumption during operations. Although the Partnership does not have environmental sustainability as a primary objective in terms of the core impact contribution, standing investments will qualify as environmentally sustainable under the EU Taxonomy (substantial contribution to climate mitigation). The Partnership aims to respect labour laws and human rights, both within Bouwinvest and with regards to the companies with whom the Partnerships works. The social safeguards are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These guidelines and principles will be integrated in the Partnership's policies and procedures. The Bouwinvest whistleblower policy and the Considerate Constructors scheme are examples of these policies and procedures.

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

**Sustainable investment objective of the financial product**

The Partnership pursues the following sustainable objectives:

	Strategic objective	Performance indicator: Output building	Performance indicator: Output residents	Intended outcome
Affordable	Adding needed affordable (healthcare) housing	# affordable homes # affordable healthcare extramural homes # affordable intramural beds #% rental price lower than market rental price #/% rent increase lower than market increase	# households or residents provided with affordable housing, per target group x% of income spent on rent, service costs and average energy costs, per target group	Residents have more appropriate disposable income (vs. current market offering)
	Adding energy-efficient buildings	# energy-efficient buildings		
Appropriate	Adding housing appropriate to household	# appropriate homes in terms of area (m2)/ lay out/ outside space (categorised by group and household)	# households provided with appropriate housing suited to the size of household in terms of area and/ or other specific requirements, per target group	Residents have an improved quality of life. On a larger scale, contribution to access of households to the housing markets.
	Preferential renting to crucial professions	# homes allocated to crucial professions		
	Adding housing appropriate for underserved groups	# appropriate homes in terms of area (m2)/ lay out/ outside space (categorised by group and household)		
Health & well-being	Adding assets with a healthy and comfortable indoor climate	# BREEAM score total # BREEAM score for health	# households or residents provided with housing with healthy indoor climate, per target group	Residents have and experience better (mental) health and well-being and an improved quality of life.
	Providing access to social activities	# social activities (categorised by type)	# social activities, per target group # participants, per target group	
	Providing access to services and related amenities	€ budget for services/facilities (categorised by type) # services/ facilities (categorised by type of partner)	# services, per target group # users	
	Providing security in terms of stability and predictability		#/% open-ended contracts #/% rent increase lower than market increase	

With its social impact targets and the ESG prerequisites, the Partnership will contribute to a number of the United Nations' Sustainable Development Goals



Residents have more appropriate disposable income (vs. current market offering).



Residents have and experience better (mental) health and well-being and an improved quality of life.



The Partnership aims to make a significant contribution to combatting climate change, in line with the Paris Agreement.



Residents have an improved quality of life.

On a larger scale, the Partnership will contribute to the access of households to housing markets.



The Partnership aims to make a significant contribution to combatting climate change, in line with the Paris Agreement.

The Partnership aims to be prepared for the consequences of climate change.

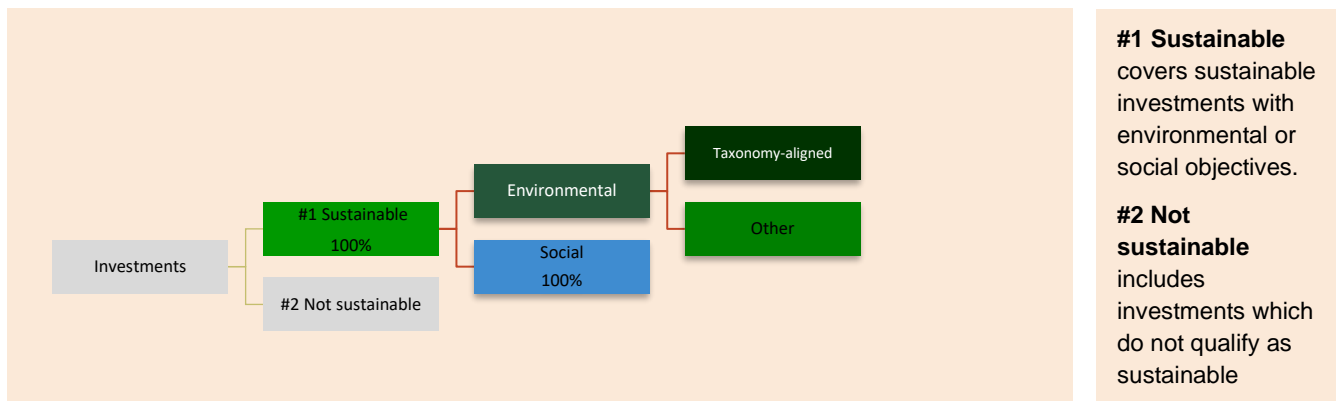
### Investment strategy

The Partnership aims to have a positive impact on these target groups by investing in properties in three different segments:

- **Residential properties (≥ 40%)**, with the focus on the mid and social rental segments; this includes people in crucial professions.
- **Healthcare properties (≥ 30%)**, with the focus on the mid and social rental segments. This may include sub-segments, such as protected living, healthcare for vulnerable people, intramural care facilities or preventative healthcare.
- **Other social-oriented real estate ≥ 20%**, with the focus on inclusivity, stimulating participation, combatting loneliness, stimulating education (e.g. community centres, public schools, culture and/or sports).

#### e. Proportion of investments

- 100% direct real estate properties
- 100% sustainable investments
- The Partnership focuses on acquiring and managing buildings for housing, healthcare and community related social real estate



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable

#### **f. Monitoring of sustainable investment objective**

Measuring and monitoring of the activities will be a key factor in the optimisation of the positive social impact and the prevention of any negative impact. The Partnership will develop an impact analysis dashboard (based on the Impact Framework), which will show the status of the Partnership's social impact and that of its real estate investments. The Partnership will report to investors quarterly, indicating potential improvements. The Partnership will evaluate the strategy and the impact framework on an annual basis and make any necessary improvements.

The Partnership uses the following methods for measuring and monitoring:

- Building or tenant-related output (available continuously)
- Target group survey (periodically)
- Impact deep dives (periodically or sample-wise).

#### **g. Methodology**

In order to measure the performance of the Partnership applies the following methodologies.

- 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 Partnership in the GRESB benchmark. The GRESB reports including the scores are prepared by a third party.
- Building certificate BREEAM  
The building certificate 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.
- Tenant satisfaction  
Considers the tenant satisfaction score based on a tenant satisfaction survey performed by an external third party
- Considerate construction scheme (construction sites)  
Considers the % construction sites of the Partnerships' (weighted by purchase price) registered under the Considerate construction scheme of Bewuste Bouwers, which is an external scheme.

#### **h. Data sources and processing**

For the above mentioned sustainability indicators, the Partnership 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 Partnership has a robust administrative organization and internal control process in place to guarantee the quality of data. Furthermore, the Partnership gets its annual published sustainability indicators assured by a third party to increase the reliability of data.

#### **i. Limitations to methodologies and data**

The main limitation for the Partnership is the lack of available environmental tenant consumption data, for example related to performance on energy and Greenhouse Gas. The Partnership strives to improve in gathering more data and to improve the quality of available data. The Partnership 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 Partnership 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 Partnership 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 [Responsible Investment & Corporate Responsibility policy](#) lays down the parameters and preconditions related to the environment, society and good governance (ESG) for real estate investments.
  - b. The Responsible Investment & Corporate Responsibility 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 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 Responsible Investment & Corporate Responsibility 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 Responsible Investment & Corporate Responsibility 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 Responsible Investment & Corporate Responsibility 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 Partnership 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 Partnership aims to further positive outcomes towards the above mentioned SDGs.

###### **b. Mitigate negative outcomes.**

The Partnership also aims to influence ESG outcomes by incorporating (potential) negative outcomes of, or through, our investments on people and/or the environment. The Partnership 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 Partnership 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>.

##### **l. Attainment of the sustainable investment objective**

Not applicable as no reference benchmark is available for the Dutch Social Impact Real Estate Partnership.