

Sustainability Related Disclosure

Sustainable Finance Disclosure Regulation

Stichting Bouwinvest Dutch Institutional Hotel Fund

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	Stichting Bouwinvest Dutch Institutional Hotel Fund
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 • I-c. Fysiek klimaatrisico onder drempelwaarde <p>ESG-doelstelling II: De milieu-impact verminderen</p> <ul style="list-style-type: none"> • II-a. Bestrijding van klimaatverandering: decarbonisatie door circulariteit • II-b. Bestrijding van klimaatverandering: Energiebron • II-c. 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. Productverantwoordelijkheid: huurdertevredenheid <p>ESG-doelstelling IV: Bijdragen aan een gezonde, veilige en verantwoorde bedrijfsvoering</p> <ul style="list-style-type: none"> • IV. Programma Bewuste Bouwers (bouwplaatsen)
d. Beleggingsstrategie	Het fonds heeft drie strategische pijlers, namelijk Kwaliteit, Diversificatie en Duurzaamheid. De vier ESG-doelstellingen zijn opgenomen in de pijler Duurzaamheid 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 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 <p>Voorzien in, of meewerken aan herstel</p>

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 verbeteren 2. Beïnvloeden van ESG-uitkomsten <ol style="list-style-type: none"> a. Positieve resultaten verbeteren b. 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 about the financial product that promote environmental and social characteristics	
Name financial product	Stichting Bouwinvest Dutch Institutional Hotel Fund
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. Above average sustainable fund - Ib. Above average sustainable buildings - Ic. Physical climate risk below threshold <p>ESG objective II: Reducing environmental impact</p> <ul style="list-style-type: none"> - IIa. Combatting Climate Change: Decarbonisation through circularity - IIb. Combatting Climate Change: Source of energy - IIc. Combatting Climate Change: Energy efficiency of buildings <p>ESG objective III: Livable, affordable, attainable & inclusive places where people want to reside - now and in the future</p> <ul style="list-style-type: none"> - III. Product accountability: tenant satisfaction <p>ESG objective IV: Contributing to healthy, safe and responsible operations</p> <ul style="list-style-type: none"> - IV. Considerate constructors scheme (construction sites)
d. Investment strategy	The Fund has three strategic pillars, namely Quality, Diversification and Sustainability. The four ESG objectives are included in the Sustainability 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	<p>The due diligence process of the Fund 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 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	<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 outcomes b. Mitigate negative outcomes. <p>The above is included in a stewardship and engagement policy which 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 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 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 Ic. Physical climate risk below threshold
II. Reducing environmental impact	IIa. Combatting Climate Change: Decarbonisation through circularity IIb. Combatting Climate Change: Source of energy IIc. Combatting Climate Change: Energy efficiency of buildings
III. Livable, affordable, attainable & inclusive places where people want to reside - now and in the future	III. Product accountability: tenant satisfaction
IV. Contributing to healthy, safe and responsible operations	IV. Considerate constructors scheme (construction sites)

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.	Building certificate BREEAM-NL
Ic.	% of portfolio at high or very high physical climate risk (net risk) (% of GAV)
IIa.	Number of tenders with embodied carbon determined
IIb.	Portfolio performance against the CRREM 1.5 degree aligned decarbonisation pathway in a percentage stranded
IIc.	Portfolio performance against the CRREM 1.5 degree aligned energy-reduction pathway in percentage stranded
III.	Weighted average of building and its surroundings and real estate and on property management
IV.	% Construction sites and significant renovations with Considerate Constructors scheme

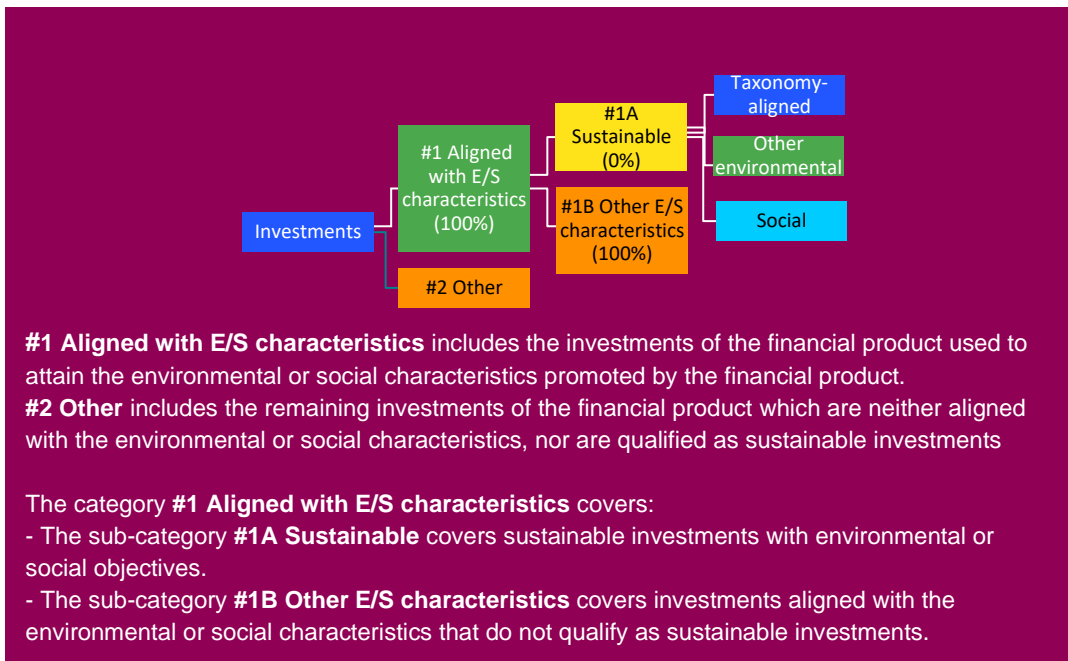
d. Investment strategy

The Fund has three strategic pillars, namely Quality, Diversification and Sustainability. Within the Sustainability pillar, the four ESG objectives as mentioned before are included. Each of the ESG objectives is mapped to one of the three strategic pillars. In this structure the Fund ensures 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).



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 d. The results are discussed both internally and externally with different stakeholders.

Furthermore, the Fund has a Responsible investment & Corporate Responsibility Policy in place to assure responsible investment across all activities and the Fund 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.

- **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.

Building certificate BREEAM-NL The building certificate BREEAM NL assets and management 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.

% 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 is free from natural gas based on m2 have a high or very high net risk on any of the identified physical climate risks. The indicator is presented as percentage of GAV.

- Number of tenders with embodied carbon determined
Considers the number of tenders in which embodied carbon determined

Portfolio performance against the CRREM 1.5 degree aligned decarbonisation pathway in a percentage stranded
Considers the performance using all available reliable data on carbon and sustainability investments of assets against the CRREM assessments of the decarbonization pathways.

- Portfolio performance against the CRREM 1.5 degree aligned energy-reduction pathway in percentage stranded
Considers the performance using all available reliable data on energy intensity and sustainability investments of assets against the CRREM assessments of energy reduction pathways
- 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
- Considerate construction scheme (construction sites)
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.

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, amongst others, 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 usage 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 usage 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 [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 beleid

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 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 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 endorses 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