

Annual report 2022

Bouwinvest
Real Estate Investors B.V.

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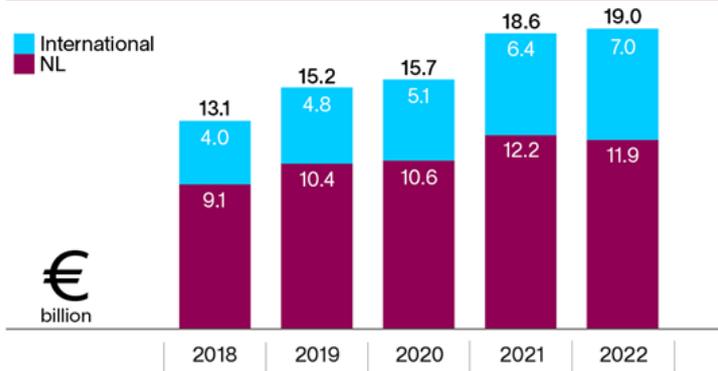
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2022 at a glance

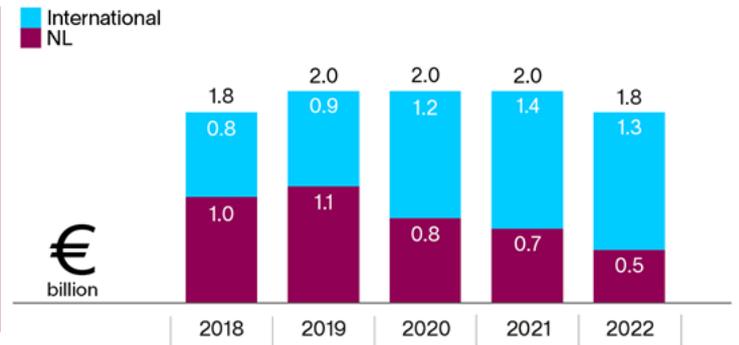
Key figures

Financial

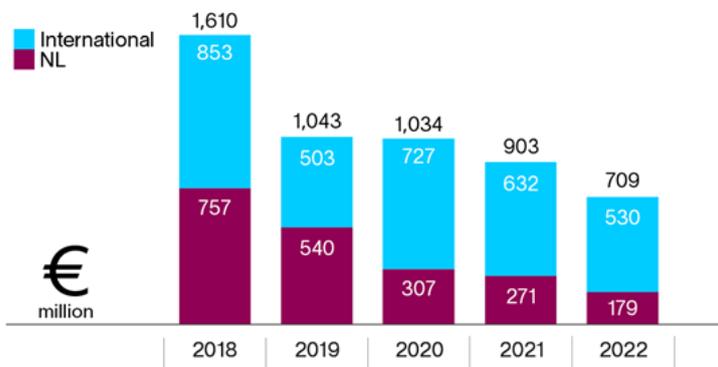
Entrusted capital NL and International



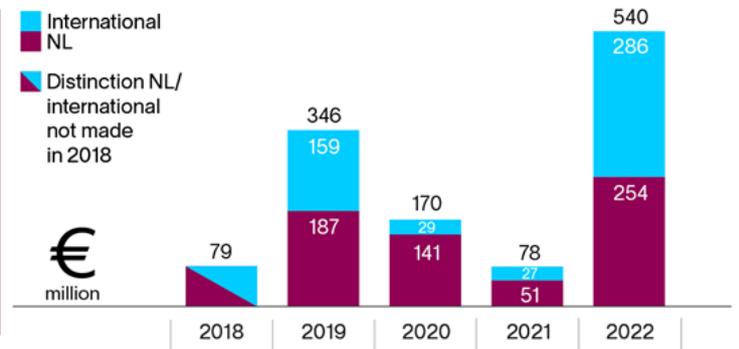
Secured pipeline



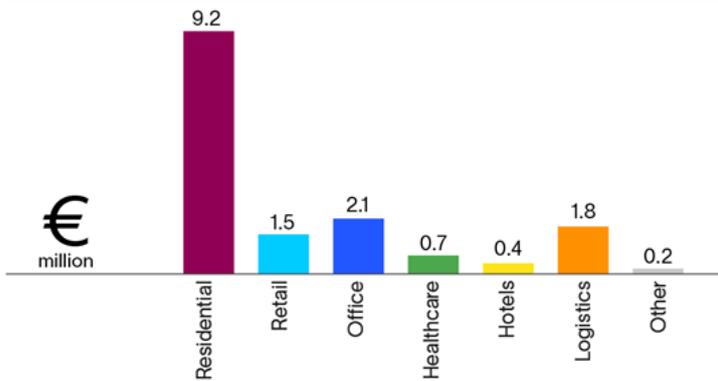
Total acquisitions



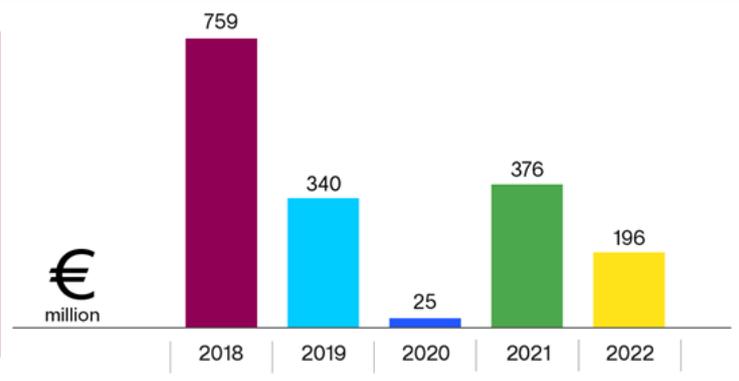
Total sales transactions



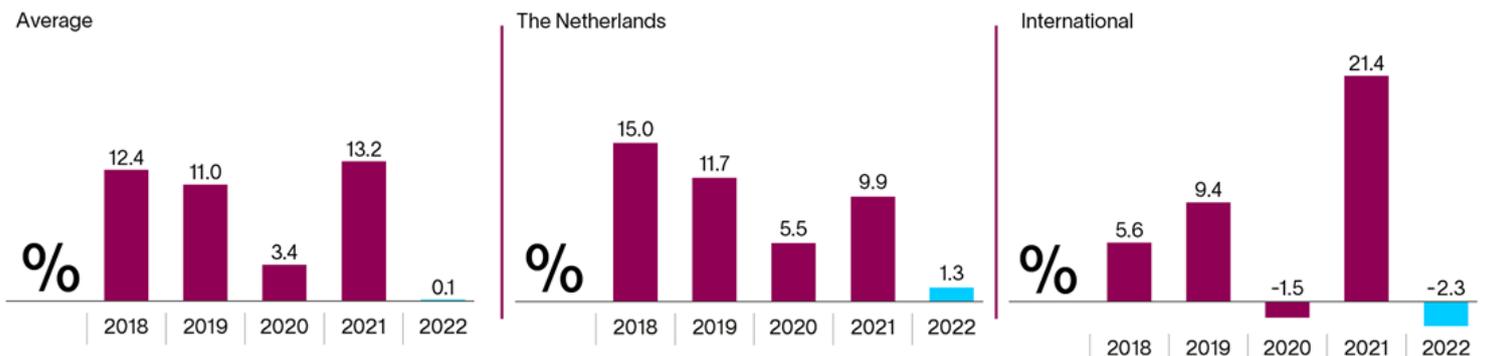
Assets under Management by sector



Attracted commitments open funds

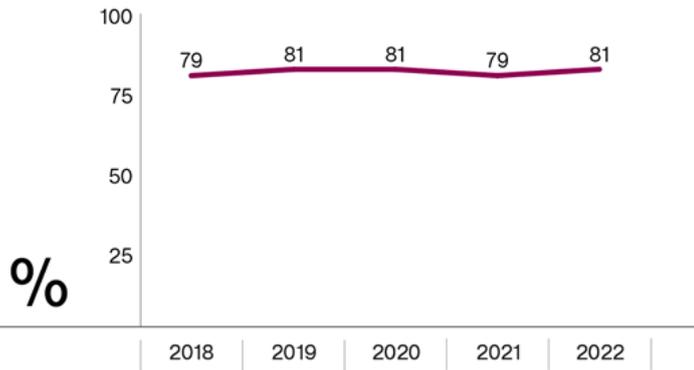


Return on invested capital

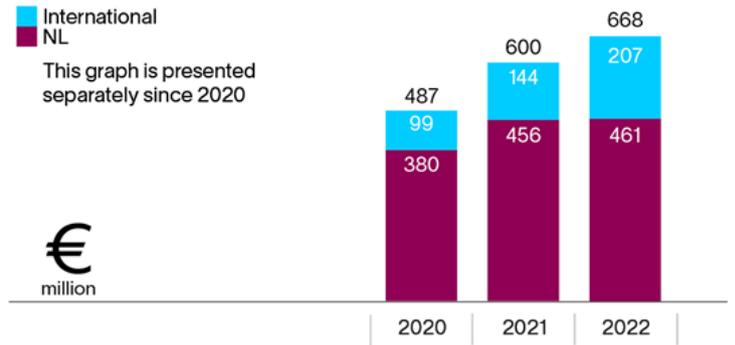


Due to rounding off, totals may differ from the figures shown

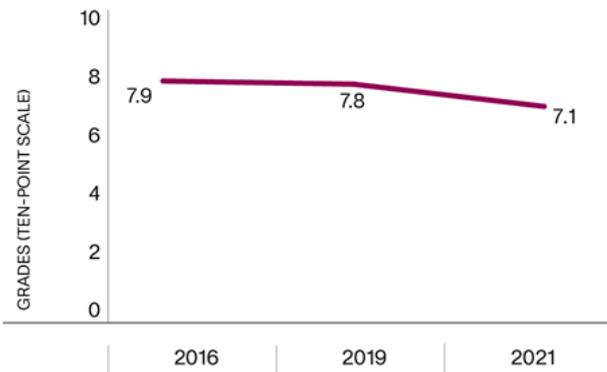
Sustainably invested capital



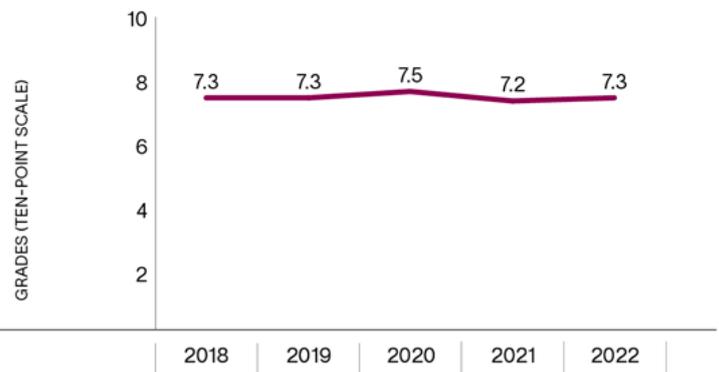
Capital invested in healthcare



Customer satisfaction*

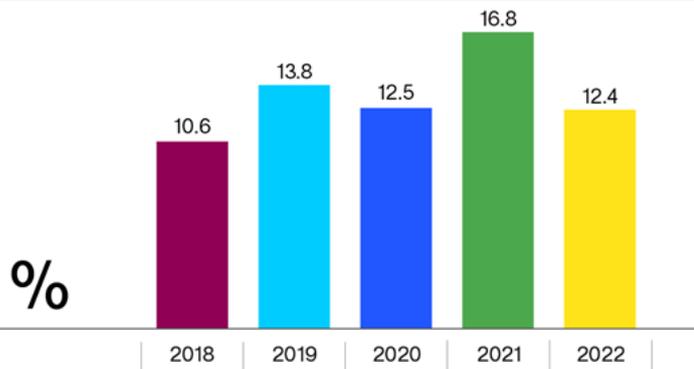


Tenant satisfaction

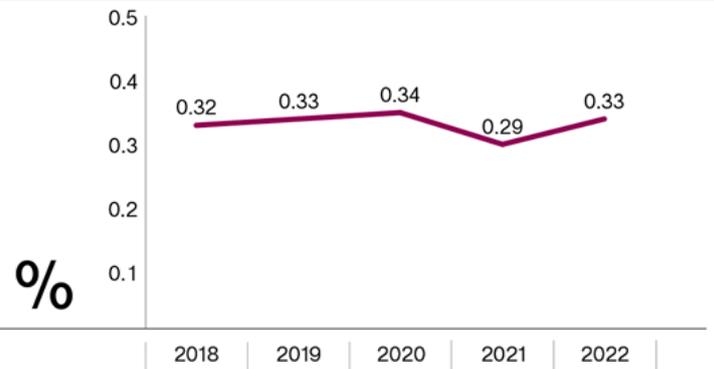


About Bouwinvest

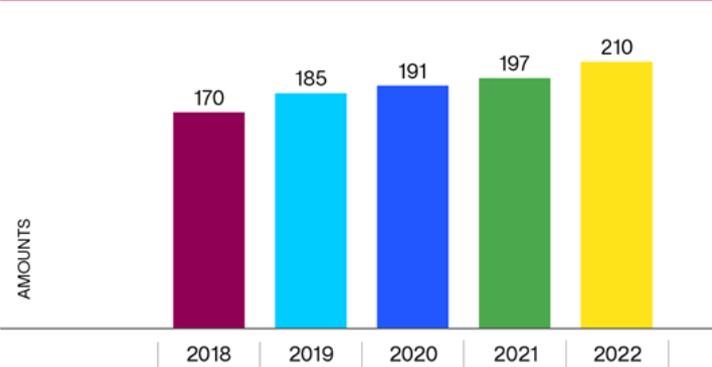
Bouwinvest's return on equity



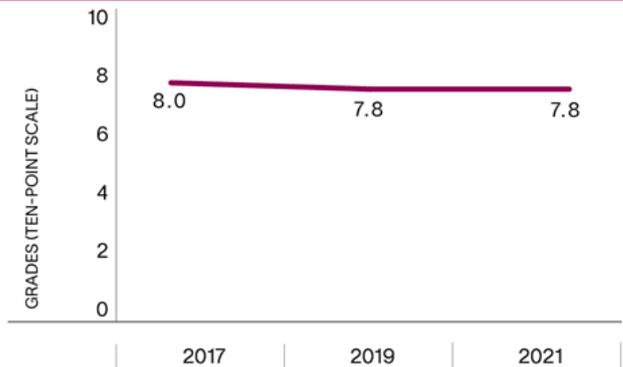
Cost ratio



Number of FTEs at year-end



Employee satisfaction*



*survey is conducted once in every two years (except for customer satisfaction survey, which was not conducted in 2017).

Key figures

Due to rounding differences, totals may differ from the sum of the individual figures.

Distribution invested capital funds and mandates

All amounts in € thousands	2022	2021
Dutch Residential Fund	7,612,690	7,681,103
Dutch Retail Fund	1,055,026	975,551
Dutch Office Fund	1,198,693	1,238,539
Dutch Hotel Fund	372,774	355,647
Dutch Healthcare Fund	460,663	455,796
Europe Mandate	1,496,363	1,480,959
North America Mandate	2,162,043	1,939,321
Asia-Pacific Mandate	1,458,397	1,358,025
Other (The Netherlands)	84,658	170,550
	15,901,308	15,655,491

Total acquisitions

All amounts in € millions	2022	2021
The Netherlands		
Dutch Residential Fund	14	140
Dutch Retail Fund	15	66
Dutch Office Fund	24	-
Dutch Hotel Fund	-	-
Dutch Healthcare Fund	126	65
	179	271
International		
Europe Mandate	109	173
North America Mandate	292	112
Asia-Pacific Mandate	129	347
	530	632
Total	709	903

Overview responsible investment and business (GRESB scores mandates & funds)

Overview Responsible Investments & Business	Europe Mandate	North America Mandate	Asia-Pacific Mandate	Residential Fund	Office Fund	Retail Fund	Hotel Fund	Healthcare Fund
GRESB participation	85%	85%	89%	yes	yes	yes	yes	yes
GRESB star rating Q4 2022	4	3	4	5	5	5	5	5
(average) GRESB score	82	74	82	91	92	88	89	88
Share of sustainable investments (GRESB 4/5 stars)	43%	32%	55%	100%	100%	100%	100%	100%

Key information over five years

All amounts in € thousands, unless stated otherwise.

	2022	2021	2020	2019	2018
Number of shares (actual)	225,000	225,000	225,000	225,000	225,000
Net result	5,428	6,503	4,310	4,264	3,175
Per share	€ 24.12	€ 28.90	€ 19.16	€ 18.95	€ 14.11
Assets under management	15,901,308	15,655,491	13,400,317	12,933,455	11,277,811
Total assets	59,863	62,742	53,922	47,952	47,301
Shareholders' equity	44,657	45,229	38,726	34,416	33,152
Per share	€ 198.48	€ 201.02	€ 172.12	€ 152.96	€ 147.34
Solvency ratio	75%	72%	72%	72%	70%
Management fee income	59,925	53,161	50,329	46,129	38,474
Personnel costs (excl. temporary staff)	28,876	27,289	24,781	21,788	19,727
Number of FTE (year-end)	209.8	196.6	191.4	184.7	169.7
Personnel costs per FTE	137.6	138.8	129.5	118.0	116.2
Fee per FTE	285.6	270.4	263.0	249.8	226.7

Message from the CEO

As this is my first annual report message as CEO, I would like to start by expressing my gratitude for the opportunity to lead this amazing company. And, of course, I would like to thank my predecessor Dick van Hal, who led Bouwinvest for no less than 14 years. We are grateful to him for his dedication, enthusiasm and engagement and personally I am thankful for the sound and smooth handover. As I moved into my new role, I was also happy to welcome Marleen Bosma as Chief Client Officer. I look forward to working with Marleen and wish her the best in this new position. On a sad note, in July we received the news that Dick Verhoeven, the co-chairman of bpfBOUW, had passed away. Dick will be remembered as a friendly, supportive and astute person, both on a personal and professional level. I am grateful to him for his continuous support over the past years and he will be sadly missed.

From a market perspective, last year was marked by significant geo-political, financial, social and environmental turbulence. As we emerged from the worst of the Covid-19 pandemic, and economies were showing clear signs of recovery, we were faced with Russia's invasion of Ukraine. Next to the human tragedy and economic problems that this created, it also led to more uncertainty and ignited inflation. The reaction of the Fed, ECB and other central banks has been a series of rapid and significant interest rate rises, aiming at bringing inflation under control. Consumer and investor confidence deteriorated rapidly, and so, subsequently, did asset pricing. In addition, the impact of climate change has never been more evident with flooding, droughts, bush fires, heat stress and storms becoming more frequent and severe.

This uncertain environment has also had an impact on our investors who are typically long-term oriented and focus on predictability, stability and reliability. The challenge we face is how to provide our investors with that stability and financial returns, in these most uncertain of market circumstances. Investors are becoming more engaged with the world we live in and have translated this into objectives around environmental performance, environmental risk, social impact and solid governance. This is reflected in increasing demands by investors of their real estate asset managers.

Bouwinvest has responded to these demands, and those of the regulators, by further strengthening its capabilities around risk management, ESG, research, data, (financial) reporting and compliance. However, we also realise that Bouwinvest needs to evolve structurally as a real estate investment and asset manager, and adapt to the changing market environment and investor demands.

With this in mind, Bouwinvest has developed a vision for the future and is now drafting an updated strategy to make this a reality, focusing on creating a high performing organisation. We have a clear path for the transformation that Bouwinvest will need to go through in the coming years. This vision is underpinned by the need for further scale and diversification in both investors and products. An operating model adapted to these objectives will enable Bouwinvest to continue to excel in delivering value to the investors in our funds and mandates. A key part of this involves making sure we attract and retain the best talents in the business.

Despite the turmoil of the past year, Bouwinvest was able to realise its main objective, namely delivering stable financial and social returns to its investors. In addition, we made progress in preparing Bouwinvest for the future, including the further implementation of the revised Customer Due Diligence (CDD) policy and new and updated regulatory requirements, such as Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy, an ESG Framework, and investor demands including the Dutch Pension Funds Agreement on Responsible Investment (IMVB). We also worked on further developing integrated business planning and reporting systems and invested in Security Operations Center services to have more real-time control over cybersecurity risks.

Following the government's announcement that Fiscal Investment Institutions (FIIs) will no longer be allowed to invest in directly held real estate from 2025, Bouwinvest also completed preparations to switch to the Fund for Mutual Account (FMA) regime. The Office Fund moved to this new regime on January 1, 2023, and the other funds will most likely follow per January 1, 2025.

Bouwinvest's financial results were sound although we would have preferred to have been able to grow our team more quickly and invest more in the organisation, at the cost of some operating margin. However, this has proved to be a challenging task, given the ongoing war for talent and tight labour market.

The market outlook for 2023 is challenging. The coming year is likely to bring further instability as the war in Ukraine and geopolitical unrest continues, the energy crisis persists, whereby consumer confidence remains under pressure. Other challenges such as rising building costs due to supply chain issues, stricter regulations for residential rents and CO2 emissions, are adding to the challenges that Bouwinvest faces. Central banks will continue to raise interest rates until inflation reaches an acceptable level and an economic slowdown across all western economies is therefore likely. We expect real estate values to be negatively impacted by these developments.

At the same time, we are positive about the long-term perspective for real estate markets in general and the ability of Bouwinvest to excel as a manager in the future dynamic environment. We will continue to develop our business and are planning to launch a new market proposition, the Dutch Community Impact Fund, and other investment vehicles, potentially including a European Living strategy and a Build-to-Rent strategy. This will enable us to expand our domestic and international investor base and it will also allow us to further strengthen our capabilities and build our team to serve existing investors across our current Dutch funds and International mandates.

There is still a considerable amount of interest in the Dutch real estate market and Bouwinvest is well positioned as a trusted real estate investment manager with a strong track record. We will leverage on our reputation, experience, network and knowledge to continue to drive our growth and deliver the right products and performance to meet our investors' evolving needs.

Looking back at 2022, I would like to thank our investors for their undiminished confidence in Bouwinvest, our staff for enabling us to deliver on our promises and our Supervisory Board, for their insights and constructive input. Despite current market and operational challenges, Bouwinvest is looking to the future with confidence. I look forward to working with you all in 2023 and in pursuing our purpose - Real Value for Life.

Mark Siezen

CEO

Report of Management Board

The world around us

Key developments

The economy and geopolitics

The macro-economic outlook has deteriorated significantly since Russia's invasion of Ukraine in February 2022 and the resultant energy crisis pushed the European economy downwards by the end of the year.

The war follows hard on the heels of the Covid-19 pandemic which has caused structural shifts and disruptions to supply chains worldwide and led to a surge in e-commerce and working from home. Inflation soared on the back of rising gas, fuel, food and construction costs. Central banks worldwide have increased their interest rates and as a result, declines in the values of stocks and bonds have triggered the 'denominator effect' of higher relative institutional allocations to real estate. Real estate capital growth remained relatively stable, thanks to lagged revaluations which strengthened the denominator effect.

Despite the worsening economic conditions, there are still several pockets of opportunity for Bouwinvest in the Dutch real estate market. Strong demographic fundamentals continue to underpin the residential rental sector as supply falls seriously short of demand, particularly in the mid-range affordable rental segment.

The same is true of the Dutch healthcare real estate market where demand is growing strongly for more modern and needs-based senior living and care complexes, due to the country's rapidly ageing population. More alliances between care institutions, investors and other stakeholders including local authorities, developers, housing corporations and insurers point to the way forward for the huge task of creating sufficient high-quality care accommodation in coming decades.

In Europe, too, the 2023-2025 period will be characterised by slower economic growth, higher interest rates and economic uncertainty. The European Central Bank, for example, raised benchmark interest rates in the Eurozone by 50 basis points (bps) in July 2022, in what was the first rate increase since 2011. This was followed by a further rate increase of 75 bps in August 2022 - the highest single hike since the launch of the euro in January 1999 - an additional 75 bps rise in October and a 50 bps rise in December 2022. The ECB rate went from -0.5% at the beginning of 2022 to 2.0% at the end of the year and further increases in 2023 are very likely to occur, whereby a 50 basis points increase in February 2023 and a 50 basis points increase in March 2023 took already place.

The tightening spread between real estate yields and 10-year government bonds – a proxy for the 'risk-free rate' - is also leading to asset repricing. Real estate is becoming more expensive for leveraged investors due to rising interest rates. The rising funding gap in the context of refinancing is also driving repricing as is the speed of interest rate hikes. All this, together with the denominator effect, is creating global challenges for the real estate market.

Economic growth forecasts

	2022	2023	2024	2025
World	(3.1)%	1.5%	2.6%	3.4%
Eurozone	(3.5)%	0.4%	1.5%	2.0%
United States	(2.1)%	0.0%	0.8%	2.3%
Asia-Pacific	(3.3)%	3.4%	4.2%	4.8%
The Netherlands	(4.5)%	1.2%	1.4%	1.6%

Source: Oxford Economics, March 2023

The UK market was also impacted during 2022 by political instability and the continuing knock-on effect of Brexit, with government finances and high interest rates proving to be particularly challenging. In North America, both the Fed and Bank of Canada are implementing monetary tightening to rein in high inflation. In 2022, the Fed raised interest rates eight times in a year by a cumulative 425bps increase, and the Bank of Canada lifted interest rates from 0.25% to 4.25% in seven steps as well. Over the last months, the Fed continued to increase interest rates to a current level of 4.75%, while the Bank of Canada increased its rate to 4.50%

The picture is similar in Asia-Pacific markets, with the exception of China and Japan. Japan is keeping a lid on interest rate growth and its benchmark 10-year government bond rate remains close to zero. Within the heterogeneous Asia-Pacific region, Australia is cementing its status as a safe haven. Singapore, meanwhile, is expected to see its relative attractiveness increase versus Hong Kong while a Covid-19 policy, a troubled property sector and geopolitical tensions have added a risk premium in China.

It is still impossible to estimate the financial impact of the rising geopolitical tensions, the Ukraine war, higher interest rates and energy crisis, either globally or for Bouwinvest.

Demographics

Ongoing urbanisation in major cities across Europe continues apace and it is estimated that 84% of the European population will be living in metropolitan areas by 2050. Wealth tends to be concentrated in larger urban centres with better employment opportunities where the average age of the working population is lower than in regional and more remote communities. Demand for living assets remains strong in most urbanised areas due to demographic growth and the rising number of households, boosted by immigration and the expanding number of younger and older people living alone.

The world population will grow to almost 10 billion people in the coming 30 years. However, growth is declining, from some 1% to 2% a year to 0.5% a year as birth rates fall and populations age. Just nine countries will account for more than half of future population growth while India will overtake China as the most populous country in the world within just a few years.

By 2030, the Asia-Pacific region will account for 66% of the global middle-class population compared with 30% in 2009. This increase will accelerate the existing trend of urbanisation, which means that population and economic growth will be higher in large cities, including the surrounding metropolitan areas, compared with national averages. This too could lead to interesting residential and healthcare real estate opportunities for Bouwinvest.

The North American markets are also poised for further urbanisation and demographic growth, driven by strong immigration flows. The Canadian population, for example, is set to grow by 30% to 50 million over the next 30 years.

Sustainability

Sustainability is another key subject for the real estate sector and Bouwinvest, and there is an increasing body of evidence which shows it pays to be green over the long term, both in terms of finance and environmental, social and governance (ESG) returns. Sustainable buildings command higher rents and values and generate more stable financial returns, a trend which dovetails with our mission to adapt to the changing market conditions and our investors' own demands.

Impact investing is also gaining ground by prioritising sustainability in both a social and environmental sense, ahead of financial returns. The more transparent world regions are heading in the same direction: towards more energy-efficient, circular, and sustainable buildings alongside increased reporting and disclosure requirements. 'Green' laws are, moreover, becoming

more stringent over time. For example, the EU's Sustainable Finance Disclosure Regulation (SFDR) aims to create a more transparent playing field and to prevent greenwashing.

Circularity as a potential solution to materials shortages is gaining in popularity, due to increased awareness of geopolitical dependencies on countries like Russia (a major raw materials producer) and China (a key components manufacturer). However, developments in this area are still in their infancy.

Climate adaptation of the built environment is a big issue and the scanning of climate risks for buildings and the environment of the buildings is part of day-to-day business. Biodiversity, too, is increasing in importance in construction projects. For instance, in the Netherlands, several development projects (mostly those close to Natura 2000 sites) have come to a standstill due to uncertainties over their feasibility under more stringent environmental regulations.

Governments and the private sector are also coming under increased pressure from the public and environmental lobby groups to make their operations more sustainable. New technologies aimed at monitoring and implementing ESGs continue to evolve, but so far have been primarily focused on the 'E'. By focusing more on the 'S' in ESG, real estate investors aim to find solutions to social problems such as a shortage of affordable housing, a growing gap between rich and poor and increasing isolation. Social investing can be achieved via different types of real estate including affordable homes and public or community facilities for education, healthcare, infrastructure, and general welfare, and Bouwinvest is responding to this need.

Regulator and client demands

Regulators and investors are also becoming more demanding through legislation, directives and regulation. Bouwinvest has responded to these demands by further strengthening its capabilities around risk management, ESG, research, data, (financial) reporting and compliance. Bouwinvest continues to implement Regulatory Technical Standards related to the SFDR and related legislation such as the Corporate Sustainability Reporting Directive (CSRD).

How Bouwinvest creates value

About Bouwinvest

Bouwinvest Real Estate Investors B.V. invests the capital of institutional investors, primarily pension funds and insurance companies, in real estate. Bouwinvest invests for the long term and currently manages € 15.9 billion in various real estate sectors. Bouwinvest works with investors to help create resilient cities which are fit for the future. These investments contribute to creating sustainable, liveable and accessible urban environments and enhance pension benefits. This is how Bouwinvest creates social and financial returns. In short: we create Real Value for Life.

Purpose

Real Value for Life: Bouwinvest strives to create long-term value, combining social impact and stable financial returns for our investors.

Mission

Bouwinvest enhances pension benefits by investing responsibly in sustainable real estate worldwide.

Vision

Real estate is a growth market, both in terms of investments and in terms of funding. The future of the real estate sector lies in finding a balance between financial and social returns.

Strategy

Bouwinvest invests worldwide in 10 regions and six real estate sectors, primarily in metropolitan areas. This diversified strategy ensures Bouwinvest can respond to trends and developments, such as population growth, urbanisation and sustainability demands. Furthermore, this enables Bouwinvest to invest in sustainable real estate and to focus on social values, which ensures stable returns in the long term.

In addition, this diversified approach ensures that Bouwinvest can benefit from the various economic cycles in real estate markets. Given these trends, Bouwinvest expects to increase its invested capital in 2023.

In 2022, Bouwinvest made progress in executing its strategy and this will continue in 2023 by focusing on three main strategic themes:

Professionalisation: Bouwinvest will continue to professionalise in order to be able to deliver outstanding services, capabilities and results to its clients and to maintain its strong market position.

Responsible business: Bouwinvest will continue to do business in a socially responsible manner aiming to be a frontrunner in sustainable real estate investments and to comply with all legal and regulatory requirements.

Controlled growth: Bouwinvest will strengthen its investors base and diversify its products and services to generate controlled and stable long-term returns for its investors.

In 2022, Bouwinvest made the following progress:

Professionalisation

Bouwinvest executed project SPIEGEL to assess to what degree the current operating model is appropriate to the organisation's future ambitions. The report was delivered in Q3. The report recommended to further develop the organisation, including improvements in governance, strategy, processes, structure and people/culture. It was decided to address these recommendations through an organisational transformation that has since been named #invest. A Transformation Office has been set up to coordinate the organisational changes.

Work also started on developing an HR strategy to support Bouwinvest's growth and quality ambitions. The roadmap has been finalised and priorities have been identified. The programme includes defining clear job descriptions, updating strategy on working conditions and developing a uniform, transparent talent and performance management structure to improve internal mobility. The focus in 2023 will also be on labour market communications and Bouwinvest employer branding in order to attract more talent to Bouwinvest.

In addition, progress was made in 2022 on further developing an integrated business planning and reporting system, including a KPI dashboard to ensure targets are in line with value creation.

In 2022, Bouwinvest continued to focus on information security and measures to head off cyber crime. This included the implementation of Security Operations Center services to monitor suspicious cyber behaviour alongside expanded response testing, information sessions and workshops for staff. The technology ecosystem was also upgraded.

The programme to further improve the risk management maturity level was completed and validated by a Big Four firm in early 2022. The overall conclusion was that Bouwinvest complies with prevailing regulations and current market practices.

Bouwinvest continued the further implementation of the revised Customer Due Diligence (CDD) policy in 2022. This includes measures required under the Dutch Prevention of Money Laundering and the Financing of Terrorism Act (Wwft) and relates to both new and existing tenants, investors and business associates.

Responsible business

Bouwinvest continued to implement its Paris Proof programme in the Netherlands. Our objective is to be Paris Proof with all our direct real estate investments by 2045.

Bouwinvest completed the investment framework and other preparations for the 2023 launch of an Impact Fund focusing on real estate in the Netherlands focusing on social value. The name, documentation, impact framework and initial investments in IT and administration have been completed and a Fund Director Dutch Impact Investments has been appointed. The formal launch details will be finalised in the first half of 2023.

Bouwinvest completed a net risk analysis for assets susceptible to physical climate risks. In 2023, Bouwinvest will draw up and start to implement a policy specifying how to assess physical climate risks and deal with climate risks for new investments.

In mid 2022, Bouwinvest started a gap analysis to examine the impact of MiFID, the Markets in Financial Instruments Directive, a licence needed to offer potential new services to investors outside the existing fund structures.

Bouwinvest continued to implement the requirements set out in the SFDR (Sustainable Finance Disclosure Regulation), European Union taxonomy and the Dutch Pension Funds Agreement on Responsible Investment (IMVB), an agreement made between Dutch pension funds and which is key for reporting on the sustainability of financial service providers. Bouwinvest complies to all mandatory disclosure requirements for SFDR and has assessed the EU Taxonomy eligibility and alignment for

its real estate portfolio. ESG has been further integrated through the introduction of an ESG framework for Bouwinvest funds and mandates and Bouwinvest has developed tools to assess ESG in investment proposals. At a fund level, ESG targets have been translated into KPIs and an assessment process.

Controlled growth

New fund documentation (terms & conditions) came into effect on 1 January 2022 for the Dutch open funds and towards the end of the year the 2023 plans for all the funds and mandates managed by Bouwinvest were approved.

The Dutch government has decided that Fiscal Investment Institutions (FIIs) may no longer invest in directly-held real estate from January 2025. Bouwinvest continues to campaign for clarity on this shift in policy, while preparing to restructure the Residential Fund and Retail Fund into a Fund for Mutual Account (FMA).

Bouwinvest is launching a new strategy for Dutch impact investments as part of the plan to diversify its products and investor base. This new fund will be launched in Q2 2023. Other product development initiatives include researching the viability of a Pan-European Living strategy and a Dutch Build-to-Rent strategy. Bouwinvest has held several meetings with potential investors about the plans and these discussions are informing the further structuring of these initiatives into concrete strategies and plans.

Bouwinvest has updated the annual investment plan for bpfBOUW in light of the new requirements. In 2023 the plan will focus on the implementation of the bpfBOUW Strategic Real Estate investment plan 2022-2024.

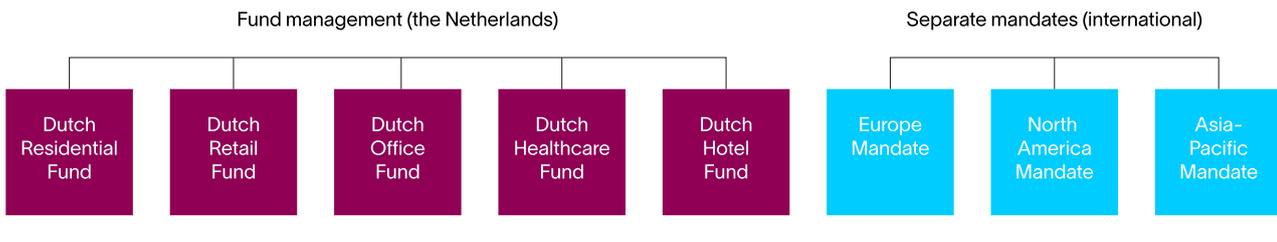
The following key objectives have been agreed for Bouwinvest for 2023 as part of its transformation to better meet the challenges in the coming years:

- Execute the fund and mandate plans for the period 2023-2025
- Actively monitor market growth opportunities and act on them where necessary or opportune
- Further develop and implement an improved ESG framework
- Develop and launch new investment strategies and diversify the investor base
- Develop new corporate strategy and obtain the required approvals
- (Re)design of the operating model
- Continue to future-proof and grow the organisation in terms of staff quantity and competencies
- Implement the HR transformation roadmap
- Continue to investigate and analyse MiFID requirements
- Implement the new data strategy

Current market proposition

Bouwinvest manages five Dutch sector funds, three of which are open for investors, and three international mandates. Currently the funds and mandates have a total of 37 investors with € 15.9 billion assets under management (AUM). Bouwinvest is working on new investment strategies for a broader group of investors as it widens its scope of products to meet client demand and exploit opportunities in the real estate market.

Bouwinvest family of funds / mandates

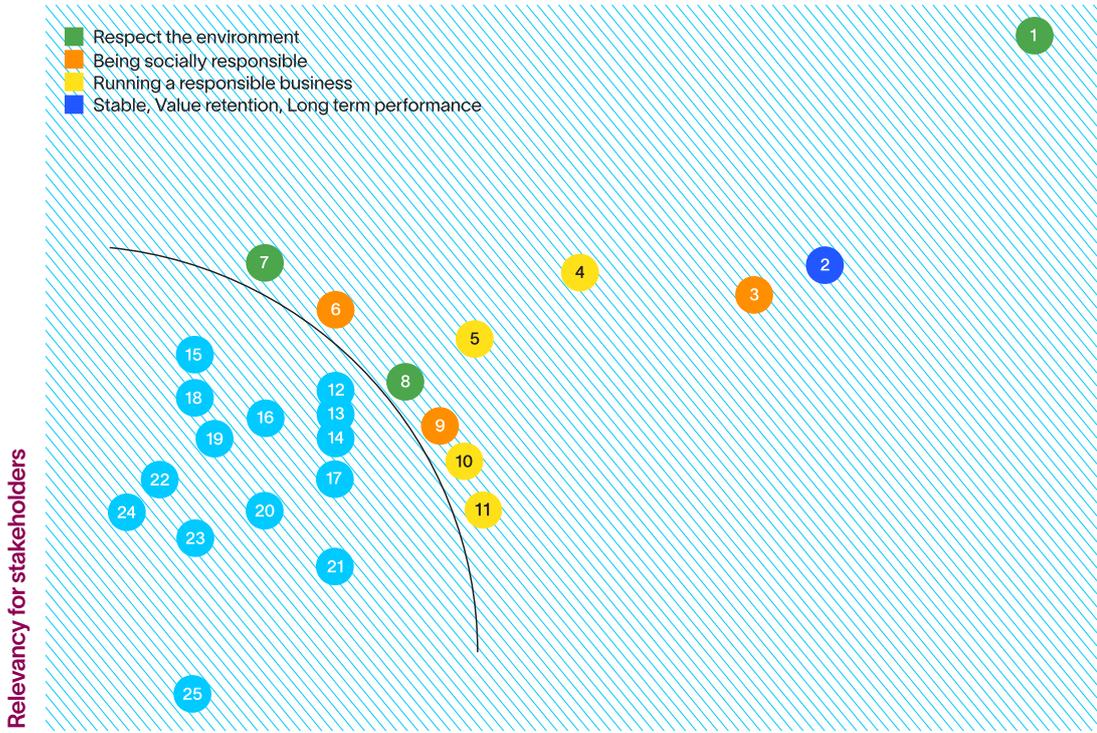


Materiality matrix

Bouwinvest Real Estate Investors takes a long-term focus and aims to generate stable, reliable returns for its investors. Bouwinvest is also placing increasing emphasis on meeting objectives on the environment, social value and good governance alongside its financial targets. A key challenge that Bouwinvest faces for the next years is how to strike a balance between achieving these stable financial returns and also creating environmental and social value and good governance, given the geopolitical and economic uncertainties.

Bouwinvest has worked with its investors and other stakeholders to define a list of 11 key material themes, mainly ESG related, which form the backbone of the strategy in the years ahead. These themes go beyond the sustainability performance of real estate investments as they are driven by making the right policy choices, having qualified employees, transparent reporting processes, and solid systems and data.

In 2021, Bouwinvest carried out a comprehensive survey with its investors and other key stakeholders. This resulted in 10 material themes. The initial longlist was established by consulting international standards, the SDG (the United Nation's Sustainable Development Goals) industry matrix and peers both in the Netherlands and abroad, as well as analysing media reports and sector trends. This longlist was then consolidated into a shortlist by clustering topics and making them specific to Bouwinvest. The clustered list consists of 25 topics and has been reviewed by those involved. Last year, the materiality matrix was recalibrated after desk research, in which Bouwinvest looked at peers and trends in the sector. This resulted in the addition of one material theme (attracting and retaining talent) to make a current total of 11 material themes.



Impact of Bouwinvest on environmental, social and economic themes

- 1 Minimising climate impact of buildings/portfolio
- 2 Generating stable absolute and relative financial performance for investors
- 3 Stimulating/contributing to affordable housing and healthcare
- 4 Living integrity and transparency
- 5 Focusing on investor interest
- 6 Providing healthy and safe portfolio / buildings
- 7 Making buildings climate resilient
- 8 Above-average sustainable buildings
- 9 Preserving livability in cities and regions
- 10 Ensuring cyber & data security and privacy
- 11 Attracting & retaining talent
- 12 Sustainable partnerships and knowledge sharing
- 13 Circularity and material use in buildings
- 14 Providing senior housing
- 15 Ensuring employee health and safety
- 16 Engaging tenants
- 17 Sustainable and responsible supply chain management
- 18 Engaging employees
- 19 Minimising climate impact of business operations
- 20 New technologies and digitalisation
- 21 Considering new building concepts
- 22 Biodiversity in built environment
- 23 Stimulating diversity & inclusion
- 24 Reducing water use of portfolio
- 25 Contributing to taxes and economy

Bouwinvest’s value creation model shows what financial, social and human capital is deployed, how value is added and what value ultimately is created for society. Gaining an understanding of how these various aspects are related helps Bouwinvest to reflect on the impact it has on society and to take appropriate action. The KPIs shown in the connectivity table on page 22 have been defined per material theme, including how to monitor and measure them.

Value creation model

Input

Financial Entrusted capital of € 19.0 billion from pension funds and insurance companies	Intellectual Knowledge and expertise in pension and real estate worlds in 10 regions and 6 sectors.	Business partner Cooperative partner through 50 active positions in knowledge and network organisations.	People 210 motivated professionals and annual training and development budget of 3% total salaries.
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Business model



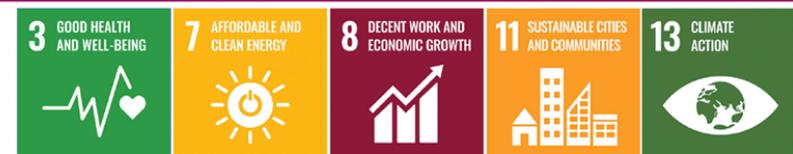
Material themes

- | | | | |
|---|---|---|---|
| 1 Minimising climate impact of buildings /portfolio | 3 Stimulating/contributing to affordable housing and healthcare | 4 Living integrity and transparency | 2 Generating stable absolute and relative financial performance for investors |
| 7 Making buildings climate resilient | 6 Providing healthy and safe portfolio /buildings | 5 Focusing on investor interest | |
| 8 Above-average sustainable buildings | 9 Preserving livability in cities and regions | 10 Ensuring cyber & data security and privacy | |
| | | 11 Attracting & retaining talent | |

Effect

Pensions We contribute to pension incomes.	Sustainable and liveable cities We contribute to healthy, safe and inspiring places where people want to live, work, shop and spend their leisure time, now and in the future. In addition, we reduce the impact of real estate on the climate by reducing the CO ₂ emissions of buildings.	Real estate sector We contribute to the professionalism and integrity of the real estate sector.
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Contribution to the United Nations' Sustainable Development Goals (SDGs)



Bouwinvest includes environmental, social and governance (ESG) criteria in all its investment decisions to ensure long-term sustainable returns, in line with the United Nations Principles of Responsible Investment (UN PRI). By endorsing the UN PRI, Bouwinvest recognises the importance of responsible investments and is committed to implementing the principles in its investment process.

Bouwinvest is also committed to achieving the targets laid down in the Paris climate agreement. Its long-term goal is to have a near energy-neutral portfolio - a Paris Proof portfolio - by 2045.

Bouwinvest aims to have above-average sustainability ratings (GRESB 4 or 5 stars) for at least 80% of its invested capital in 2023, and to make a positive contribution to the United Nation's Sustainable Development Goals (UN SDGs). Bouwinvest is explicitly committed to the five Sustainable Development Goals (SDGs) that fall within its sphere of influence:

- Health and well-being (SDG 3): invest in healthcare real estate, healthy buildings and lifecycle-proof homes.
- Affordable and clean energy (SDG 7): reduce energy use and invest in renewable energy.
- Decent work and economic growth (SDG 8): maintain an active dialogue with our partners to ensure good health, safety and working conditions at building sites.
- Sustainable cities and communities (SDG 11): invest in real estate with an above-average sustainability rating and in affordable homes.
- Take urgent action to combat climate change and its impacts (SDG 13): invest in sustainable and climate-adaptive real estate, which will result in a near energy-neutral portfolio in 2045.

Bouwinvest has devised a connectivity table to clarify the links between the material themes, the value creation model and the KPIs and has included both responsible investing and corporate responsibility in its guiding principles. This is the first step in making a concrete connection between our purpose, Real Value for Life, with measurable KPIs. Bouwinvest expects to further improve and expand both the number of KPIs and the underlying data to support these.

Connectivity table

	Social and financial returns	Material theme	KPI	Entity	Target	Realisation 2022	Realisation 2021	
Responsible investment	Respect the environment	1	Minimising climate impact of buildings/portfolio	Energy reduction NL and II	NL & II	2045	0.4%	-3%
		7	Making buildings climate resilient	% Coverage physical climate risk scan	NL & II	100%	100%	100%
		8	Above average sustainable buildings	% GRESB 4/5 stars (sustainable investments)	NL & II	> 80%	81%	79%
	Responsible investment	3	Stimulating/contributing to affordable housing and healthcare	Total Healthcare investments	NL	2024: € 800m	€ 615 million	€ 456 million
				Transactions mid rental segment residential Fund	NL	60%	80%	58%
		6	Providing healthy and safe portfolio/buildings	% Considerate construction scheme	NL	75%	87%	83%
		9	Preserving livability in cities and regions	Tenant satisfaction score	NL	7	7.4	7.3
Corporate social responsibility	Running a responsible business	4	Living integrity and transparency	Participation training (compliance)	mgt comp	>95%	99%	n.a
		5	Focusing on investor interest	Client satisfaction score	mgt comp	7.5	n.a	7.3
				Reputation score	mgt comp	7.5	7.8	n.a
		10	Ensuring cyber & data security and privacy	Participation in training (ICT cyber)	mgt comp	≥ 95%	96%	90%
		11	Attracting & Retaining talent	FTE growth	mgt comp	31	13	5
Responsible	Stable, Value retention, Long term performance	2	Generating stable absolute and relative financial performance for investors	Return on invested capital	NL & II	7.5%	0.1%	13.2%
				Outperform relevant indices		6/6	5/7	3/6

Reference is made to the appendix on page 107 for the definitions of the KPIs of the material themes.

Progress per theme

1 Minimising climate impact of buildings / portfolio

1

Bouwinvest is a signatory to the Paris Proof Commitment drawn up by the Dutch Green Building Council (DGBC). The declaration commits Bouwinvest to ensuring the buildings in its Dutch real estate portfolios are highly energy efficient, have renewable energy sources and purchase CO₂-neutral electricity by 2045.

Bouwinvest managed to relatively stabilise the energy use of its real estate portfolio based on the 2022 GRESB benchmark (0.4% compared to -3% in the previous benchmark). Bouwinvest reports on the energy data of 2021 and 2020 which is the latest available data. This number is highly impacted by Covid-19 in both years.

In 2021, Bouwinvest completed roadmaps for all its Dutch funds, outlining the measures needed to make its portfolio Paris Proof. In 2022, Bouwinvest improved its portfolio in line with the steps in the roadmaps, implementing change at an asset level. In 2023 Bouwinvest will continue this process by focusing on the use of sustainable materials, circular construction, waste management and water consumption. Bouwinvest aims to link these themes to concrete KPIs over the next years.

For its international mandates, Bouwinvest is actively involved with its local managers to minimise the climate impact of the portfolios. Bouwinvest engages with these local managers to draw up their ambitions on this theme, to be transparent about both their future plans and the related performance and Bouwinvest encourages them to reduce their environmental impact. An engagement plan was completed in 2022 and will be implemented the coming years.

2 Generating stable absolute and relative financial performance for investors

2

Investing in real estate generates attractive and relatively stable returns in the long term and makes real estate an indispensable part of investors' allocation models. Bouwinvest can ensure a balanced portfolio with an attractive risk/return profile by offering exposure across various funds and mandates with a worldwide spread in predominantly six real estate categories: residential property, retail property, offices, logistics, healthcare property and hotels.

The overall portfolio recorded a total return of 0.1% in 2022, compared with 13.2% in 2021. Between 2018 and 2022, the Funds and mandates managed by Bouwinvest Real Estate Investors had a weighted annual return between 0.1% and 13.2%, which means the total return is at the lowest point of this period. This is driven by the deteriorating economic circumstances in 2022 caused by amongst others geopolitical developments. This has also affected the real estate markets which has become visible especially in the Bouwinvest (listed) international portfolio. Bouwinvest aims for stable absolute returns and to outperform the relevant indices across the funds and mandates that it manages. See page 29 for results of the real estate portfolio and the relative performance of the funds and mandates.

3 Stimulating and contributing to affordable housing and healthcare

3

As a socially responsible investment manager, Bouwinvest strives to ensure a sufficient supply of affordable housing and healthcare-related real estate, and is actively involved in ongoing talks between the government, the Dutch Association of Institutional Real Estate Investors in the Netherlands (IVBN) and local authorities on how this can be achieved.

As a build-to-rent investor, Bouwinvest is also helping to reduce the housing shortage. Affordable rental housing accounted for 80% of new investments in the Netherlands in 2022, including projects in Rotterdam, The Hague and Veldhoven.

The invested capital of the Healthcare Fund, including secured pipeline of € 166 million, increased by € 114 million compared last year. This includes projects in The Hague, Zaandam and Hoofddorp. Bouwinvest is aware that it will require an acceleration in the build-up of its Healthcare portfolio over the coming years in order to better address these targets.

Internationally, Bouwinvest invested in affordable homes in the United Kingdom (€ 26 million) via its Europe Mandate, in the United States (€ 48 million) via its North America Mandate. Bouwinvest's Asia-Pacific mandate also invested in senior housing in Japan (€ 72 million). These investments account for 40% of Bouwinvest's international investments in 2022.

4 Promoting integrity and transparency

4

Integrity, transparency and corporate social responsibility are fundamental to the way Bouwinvest achieves well-balanced returns. The management communicates openly about its decisions and the company's financial and non-financial business performance in line with international standards, such as the Global Reporting Initiative (GRI).

An independent Compliance department identifies, assesses and monitors integrity risks and the annual report has been presented to the Management Board in the first quarter of 2023, including recommendations on how to move forward. Every year Bouwinvest organises employee workshops to boost integrity awareness. In 2022, 92.3% of the workforce took part in at least one session.

Bouwinvest also participates in a yearly UN PRI benchmark survey on this subject and scored 95 points (5 stars) on the Direct Real Estate module and 81 points (4 stars) on the Investment & Stewardship Policy module in 2022.

Last but not least, integrity, transparency and corporate social responsibility are at the core of Bouwinvest's tax policy.

5 Focusing on investor interest

5

The key to Bouwinvest's future is being able to understand the interests of our investor clients and consistently acting in line with these interests. This pertains foremost to the current investors in the funds and mandates but also to potential investors in current and future products that Bouwinvest may develop and launch. Bouwinvest is keenly aware that investor requirements and demands are increasing and becoming more complex and that we will need to expand our breadth and depth of skills and experience in order to address these and continuously act in investors interests.

Bouwinvest takes a pro-active approach to transparency and openness and includes its investors in discussions on specific topics concerning investments. In 2022 these included subjects such as the Dutch government's decision to abolish the FII and further regulation of the Dutch residential (affordable rent) market.

Every two years, Bouwinvest undertakes a survey to assess the image that stakeholders have of the company. The survey covers issues such as satisfaction with the level of service and its products as well as company leadership and performance, both financial and in terms of social impact. The only way to get results for our investors in the funds and mandates is a good reputation with our stakeholders like tenants, employees and property managers. The study consists of two parts: quantitative research via a digital questionnaire involving staff and tenants; and qualitative research focusing on investors, prospects, commercial tenants, developers and property managers.

The quantitative research (in 2022) generated a score of 8.7 from among staff, while tenants rated Bouwinvest a 7. The average score in the qualitative survey was 7.8. Areas for improvement include pro-active communication with stakeholders, communication by our property managers with our tenants and co-operation with tenants around sustainability and energy efficiency.

6 Providing healthy and safe portfolio / buildings

6

Creating safe building sites

The Dutch Considerate Construction code of conduct for building sites offers concrete guidelines for working in a conscientious manner with an eye for the local area, the environment, safety and reduced nuisance. The objective is that 75% of the construction sites Bouwinvest invests in (both new-build and redevelopment projects) should be registered as Considerate Building Sites each year. Bouwinvest actively encourages its partners to apply this code of conduct. In 2022, 87% of Bouwinvest's construction projects were registered under the scheme (2021: 83%).

Internationally, Bouwinvest strives for an above average GRESB score for 'stakeholder engagement', based on working conditions, construction site safety and impact on the surroundings. Bouwinvest works with different international partners to accomplish this.

7 Making buildings climate-resilient

7

In 2022, Bouwinvest carried out a scan of its entire portfolio (100% over 23,000 assets) to assess its climate resilience and risk profile. This resulted in a complete oversight at a region and individual asset level. In addition, in 2022, Bouwinvest completed this with a net risk analysis for assets with a (very) high risk of waterlogging and assessed the risk level of assets vulnerable to heat stress. The resultant net risk is a combination of the gross risk and asset characteristics. In the coming years these insights will be used to draw up policy and plan how to assess physical climate risks and how to deal with climate risks for new investments.

Bouwinvest contributes to various initiatives to improve knowledge related to climate risks. For example, Bouwinvest works in a broad alliance of financial institutions, knowledge institutes, consultants, and governments on a 'framework for climate adaptive buildings' to determine and address physical climate risks.

In 2022, Bouwinvest kicked-off its participation in the Red&Blue programme, a five-year transdisciplinary research project focused on the development of integrated real estate and infrastructure climate risk strategies. The aim is to define a collective approach to guide urban development and investment in delta areas, with a focus on the Dutch context.

8 Investing in above-average sustainable buildings

8

Building certification

Bouwinvest uses various independent certification methods to manage its Dutch portfolios' sustainability performance. This enables Bouwinvest to monitor whether its buildings exceed legal requirements in terms of energy efficiency, environmental quality and safety. Almost the entire Dutch portfolio (99%) had BREEAM or GPR labels in 2022 (99% in 2021).

The Residential Fund and the Healthcare Fund use GPR labels which map the sustainability of a building in terms of energy, environment, health, quality of use and future value. When purchasing new residential and healthcare properties, Bouwinvest requires an average GPR Building score of at least 8. The maximum achievable GPR score is 10.

Bouwinvest uses BREEAM certification to assess its Retail, Office and Hotel fund properties. BREEAM measures the quality of real estate based on nine criteria including noise, air quality, thermal comfort, light and visual comfort, plus the quality of use. The various funds had different goals for 2022, all of which were achieved.

- Office Fund: 100% BREEAM VERY GOOD or better
- Hotel Fund: 100% BREEAM VERY GOOD or better
- Retail Fund: 95% BREEAM GOOD or better

All five Dutch sector funds retained their GRESB five-star ratings in 2022, the highest achievable score. The position of Bouwinvest's real estate funds in the GRESB benchmark gives a clear picture of Bouwinvest's position compared with other real estate investors and highlights Bouwinvest's focus on performance (energy, GHG, water and waste) and management (risk management issues related to ESG, policy focused on the separate components of ESG and stakeholder engagement).

For its international investments, Bouwinvest focuses on increasing the GRESB scores of current investments and on encouraging investment managers to either improve their GRESB scores or to participate in the programme if they are not already doing so.

In 2022 Bouwinvest's investors were recognised for their sustainable real estate investments. Bouwinvest was granted three IPE Real Estate Awards for direct strategy, core and core plus strategy, and social impact.

9 Contributing to liveability in cities and metropolitan regions

9

In 2022, Bouwinvest invested € 709 million worldwide in real estate, focusing on metropolitan regions in developed countries. These cities offer the best investment opportunities for our investors. Investing in quality of life is essential in this respect. Liveable cities are resilient, prosperous and future-proof: they ensure the value of real estate will grow and therefore offer stable long-term returns.

Bouwinvest introduced a Health & Well-being programme based on four key issues: providing a healthy building, promoting a healthy lifestyle, healthy business environments and promoting social interaction. This programme contributes to urban liveability as whole.

Bouwinvest conducts regular tenant satisfaction surveys to assess tenant views on liveability. In 2022, tenants gave Bouwinvest a score of 7.4, up on the previous score of 7.3.

10 Ensuring cyber & data security and privacy

10

Cyber security remains a high priority and every year Bouwinvest assesses its information security with the help of Northwave, a cyber security consultancy organisation. In 2022, scores on the DNB (Dutch Central Bank) norm (Good Practice Information Security) were on or above the official target.

Bouwinvest also implemented Security Operations Center services in 2022, to have more real-time control over cybersecurity risks and tested cyber incident response capabilities by simulating a ransomware attack to improve resilience. Bouwinvest again ran an extensive security awareness programme, including phishing tests and videos for employees to help them recognise phishing attempts.

Bouwinvest further improved its processes around registering and reporting data leaks, and processing activities, by embedding the required registers in a new Governance, Risk and Compliance system. Furthermore, Bouwinvest provided its employees with training to gain understanding of ensuring data security and privacy, aiming at a minimum of 95% participation. In 2022 96.1% of the employees of Bouwinvest participated in the training.

11 Attracting & retaining talent

11

To remain an attractive employer in a tight labour market, Bouwinvest is modernising its HR processes and remuneration strategy with flexible benefits to fit the individual life cycle. A specific HR toolkit will be developed in 2023. Bouwinvest has improved its onboarding process to enable a welcoming and pleasant introduction to the company.

Both new and current staff need life-long learning for sustainable deployment and Bouwinvest has developed the Bouwinvest Academy concept – a learning management system covering company courses and general IT applications. The academy will now be expanded to include customised programmes on sustainability and CDD.

The workforce increased from 196.6 FTE at the end of 2021 to 209.8 FTE by the end of 2022. Bouwinvest did not manage to boost the workforce to 227.9 FTE as planned, and temporary staff have been making up the shortfall. Efforts to improve the recruitment process and employer branding will be further developed in 2023, with the use of marketing and technology specialists.

Results of the Dutch funds and international mandates

In addition to a social return, Bouwinvest aims for stable absolute returns and outperformance of the relevant indices. These figures are shown below. This is followed by a brief review per fund and mandate.

Funds and mandates (x € million)	2022	Plan 2023	Secured pipeline 2022	Return 2022	Relative performance
Dutch Residential Fund	7,613	7,505	332	0.6%	(1.0)%
Dutch Office Fund	1,199	1,314	5	(3.2)%	0.9%
Dutch Retail Fund	1,055	988	15	10.5%	5.0%
Dutch Healthcare Fund	461	390	166	(0.1)%	(1.5)%
Dutch Hotel Fund	373	529	0	9.0%	-
Bouwinvest Development	6	0	0	(1.7)%	-
Europe Mandate	1,496	1,715	361	(8.8)%	2.1%
North America Mandate	2,162	2,127	404	0.5%	1.1%
Asia-Pacific Mandate	1,458	1,562	510	1.5%	1.1%
Other (The Netherlands)	79				

Residential Fund



Residential Fund, Sluishuis, Amsterdam

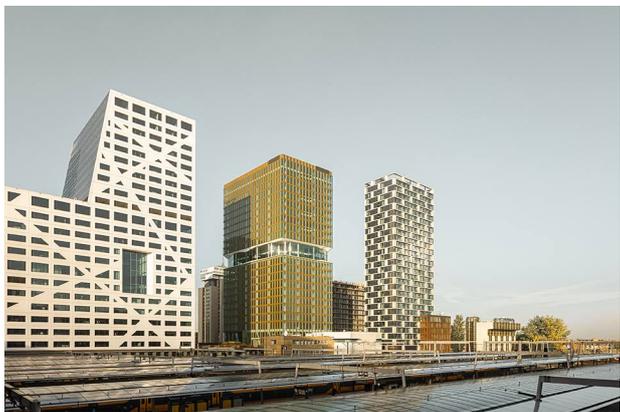
Despite the negative sentiment on the residential investment market, the Residential Fund bore up relatively well in 2022. The Residential Fund realised a total return of 0.6% in 2022 (11.1% in 2021), consisting of a 1.9% income return (2.1% in 2021) and -1.3% capital growth (8.9% in 2021). The decline in capital growth was primarily driven by uncertainties triggered by the geopolitical and subsequent economic effects mentioned in "The world around us" (page 12). The relative performance against the MSCI Netherlands Index was an underperformance of -1.0% over the five-year period of 2018-2022.

The Residential Fund's fundamental strategy was unchanged in 2022, while it put even greater focus on its main strategic pillars, quality, affordability and sustainability. The Residential Fund delivered solid performances on all three pillars in 2022, as the Fund managed to acquire high-quality newbuild projects in the Holland Metropole region and added a number of projects to the portfolio. These included the acquisition of 288 affordable mid-rental properties and the addition of 1,309 homes to its portfolio. For reasons of a strategic reallocation, the Fund's anchor investor bpfBOUW submitted a redemption request of € 340 million and also two other shareholders submitted redemption requests for a total amount of € 70.9 million. To continue to optimise the portfolio and to partially fulfil the redemption requests the so-called "Noma portfolio", containing 622 single-family homes, was sold for € 180 million in Q4.

The Residential Fund also made a start on the income-related allocation of homes in the mid-rental segment and retained its 5-star GRESB rating, and ended second in the Dutch residential funds ranking.

Office Fund

Office Fund, Central Park, Utrecht



Despite the uncertainties in the market, the Office Fund performed relatively well in 2022. The market circumstances affected the total fund return, which came in at -3.2% (7.3% in 2021), consisting of 2.8% income return (2.6% in 2021) and -5.9% in capital growth (4.6% in 2021). The relative performance against the MSCI Netherlands Index was an outperformance of 0.9% over the five-year period of 2018-2022.

The Office Fund's fundamental strategy was unchanged and the Fund continued to focus on its main strategic pillars of sustainability, the G4 cities and multi-tenant assets. The Office Fund increased its occupancy rate and secured a number of new leases and lease extensions. The Office Fund and its tenants continued to invest in upgrading and updating assets, including sustainability measures. The Office Fund retained its 5-star GRESB rating and worked hard on the Paris proof roadmaps. All of these assets now have a minimum of a BREEAM Very Good rating, except for the intended sales. The Office Fund acquired De Zeven Provinciën in The Hague.

The Office Fund converted to a fund for mutual account (FGR in Dutch) as of 1 January 2023, a full two years ahead of the abolition of the FII regime for direct real estate investments.

Retail Fund

Retail Fund, Schuytgraaf, Arnhem



The Retail Fund delivered a strong performance in 2022, with a total return of 10.5% for the full year (4.4% in 2021), despite a dip in the fourth quarter, which saw capital growth fall into slightly negative territory. The Fund's income return ended at 4.2% (3.9% in 2021), mainly due to the settlement of numerous payment arrangements. Capital growth was positive and came in at 6.1% (0.5% in 2021) due to higher-than-expected valuation movements. The relative performance against the MSCI Netherlands Index was an outperformance of 5.0% over the five-year period of 2018-2022.

While the fundamental strategy was unchanged, the Fund did make some adjustments to make its portfolio more resistant to the likely negative developments in 2023 and beyond, putting even greater focus on its main strategic pillars, quality, future-driven and sustainability. The Fund delivered solid performances on all three pillars in 2022, as the Fund and its tenants continued to invest in upgrading and updating assets, including sustainability measures. The Fund retained its 5-star GRESB rating and achieved a score of 88 points, two points less than last year.

The Retail Fund also worked hard on the Paris proof roadmaps and now have defined roadmaps for a number of assets. The Fund also devoted a lot of attention to the optimisation of its portfolio, acquiring three high street assets in the centre of Eindhoven and disposing of three non-core assets. Moreover, the Fund won the MSCI award for the best performing specialist fund in the Netherlands for the fourth consecutive year in 2022.

Healthcare Fund

Healthcare Fund, Bosparkweg, Alphen aan den Rijn



Despite the difficult market conditions, the Healthcare Fund performed well in 2022 on direct return. While the total return for the full year came in at -0.1% (10.5% in 2021), consisting of 3.2% (3.2% in 2021) income return and -3.2% (7.2% in 2021) in capital growth. The Fund improved its occupancy rate to 98.8% for the whole of 2022. The relative performance against the MSCI Netherlands Index was an underperformance of -1.5% over the five-year period of 2018-2022.

The Fund's fundamental strategy was unchanged, while the Fund did make some minor adjustments to make its portfolio more resistant to the foreseeable developments in 2023. The Fund delivered in 2022 solid performances on all three pillars (growth, social return and sustainability), as the Fund acquired three projects totalling € 126 million. The Fund retained its 5-star GRESB rating, maintained its high score and ended second in its peer group. On the social impact front, the Fund rolled out its Community Concept at a second complex and introduced the concept to residents.

Rising energy prices, plus new, stricter ESG-related regulations, has increased the premium on energy-efficient homes, for both investors and for rental tenants. This puts the Healthcare Fund at an advantage thanks to the prime locations of our homes and complexes and the measures it has taken to maximise the energy efficiency of the portfolio as part of the ambitious Paris Proof drive.

Hotel Fund

Hotel Fund, Aitana, Amsterdam



The Hotel Fund performed well in 2022, recording a total fund return of 9.0% for the full year 2022 (7.6% in 2021), consisting of 4.3% income return (3.9% in 2021) and 4.6% capital growth (3.6% in 2021). While the fundamental strategy was unchanged, the Fund did make some adjustments to make its portfolio more resistant to the likely negative developments in 2023 and beyond, putting even greater focus on its main strategic pillars, quality, diversification and sustainability. The Fund delivered solid performances on all three pillars in 2022, as the Fund and its tenants continued to invest in upgrading and updating assets, including sustainability measures. The Fund retained its 5-star GRESB rating, making it number two in the global sector ranking in the (unlisted) hotel sector. The Fund also worked hard on the Paris proof roadmaps and now have clearly defined road maps for all the assets. All of these assets now have a minimum of a BREEAM Very Good rating. The Fund also devoted a lot of attention to potential acquisitions last year but pricing challenges and the lack of quality investment product made acquisitions difficult.

Although the outlook for the hotel market remains positive, the Fund remains to focus on the optimisation of its portfolio for the foreseeable future. The future of the fund is depending on the new strategy which will be worked on by bpfBOUW and Bouwinvest in 2023.

Europe Mandate



Europe Mandate, Ardrath Celbridge, Ireland (Ardstone)

The Europe Mandate recorded a return of -8.8% in 2022 (24.8% in 2021), mainly due to higher interest rates and recession fears which continue to drive yields higher in all sectors and countries. Overall, 2022 total return for non-listed markets came in at -1.6% (23.5% in 2021). Listed markets were volatile and anticipated market sentiment quicker after a strong year 2021 with y-o-y results coming in at -30.4% (27.8% in 2021). The relative performance against the INREV/GPR index was an outperformance of 2.1% over the five-year period of 2017 Q4 – 2022 Q3. By year-end 2022, the portfolio had a value of close to € 1.5 billion and 43% of the investments in the European portfolio scored above average on sustainability (GRESB 4 or 5 stars). The core portfolio scored 46% on GRESB 4 or 5 stars. The Europe Mandate's pipeline of committed investments currently amounts to € 361 million. The mandate made new investments of € 109 million in 2022, mainly in Pan European Last Mile Logistics and rental housing in the United Kingdom. A total of € 30 million was divested in this region.

North America Mandate



North America Mandate, US Workforce Housing (Nuveen)

The North America Mandate recorded a return of 0.5% in 2022 (28.8% in 2021). North American markets were generally holding up well in light of global market turmoil. Overall, 2022 proved profitable for non-listed markets which came in at 9.1% (22.3% in 2021). Listed markets were volatile and anticipated market sentiment quicker after a strong year 2021 with y-o-y results coming in at -23.8% (48.9% in 2021). The relative performance against the NCREIF/GPR index was an outperformance of 1.1% over the five-year period of 2017 Q4 – 2022 Q3. At year-end 2022, the portfolio had a value of nearly € 2.2 billion and 32% of the investments in the North American portfolio scored above average on sustainability (GRESB 4 or 5 stars). The core portfolio scored 41% on GRESB 4 or 5 stars. The North America Mandate's pipeline of investments currently stands at € 404 million. Bouwinvest invested a total of € 282 million in this region, primarily in rental houses in the United States and Canada and last mile logistics in the United States. A total of € 186 million was divested in this region.

Asia-Pacific Mandate



Asia-Pacific Mandate, Japan Logistics (Goodman Japan Core Fund) Greater Tokyo – West Building

The Asia-Pacific Mandate delivered a return of 1.5% in 2022 (10.0% in 2021). Overall, 2022 proved profitable for non-listed markets which came in at 4.4% (10.8% in 2021). Listed markets were volatile and anticipated market sentiment quicker with y-o-y results coming in at -9.3% (7.4% in 2021). The relative performance against the ANREV/GPR index came in at an outperformance of 1.1% over the five-year period of 2017 Q4 – 2022 Q3. At year-end 2022, the portfolio had a value of nearly € 1.5 billion and 55% of the investments in this portfolio scored above average on sustainability (GRESB 4 or 5 stars). The core portfolio scored 80% on GRESB 4 or 5 stars. The Asia-Pacific Mandate's pipeline of investments currently stands at € 510 million. In 2022, this mandate committed a total of € 129 million, including investments in senior housing in Japan and logistics in Australia. A total of € 60 million was divested in this region.

Results of the management organisation

Bouwinvest's internal organisation

The year 2022 started with Covid restrictions but as the impact of the disease lessened, more normal office life resumed. Nevertheless, hybrid working is becoming increasingly embedded in society and Bouwinvest has made a priority of developing IT systems and processes to ensure cooperation between colleagues is not affected. Bouwinvest introduced a Team Manifest process which ensures that teams agree on such issues as communication means and frequency, team days at the office, the need for physical, digital and hybrid meetings and other issues that they come across. Our office is meant for working together and socialising within and across teams, so consistent working at the office is essential. Bouwinvest organised regular social events to bolster team spirit and this, plus making the best of the physical building, will remain topics in 2023.

The year 2022 was typified by an increasingly tight labour market and finding candidates for some roles became increasingly time consuming. The company's Real Value for Life purpose, its strategy, the nature of the business and the way Bouwinvest conducts business has helped to attract talented new employees. Disappointingly, this has not translated into reaching our formation (FTE) targets. For the coming years Bouwinvest will further invest in the employer branding strategy and in improving the recruitment process.

In 2022 Bouwinvest improved its onboarding processes to introduce new members of staff to the wider organisation.

Growing management organisation

Bouwinvest acquired properties worth € 709 million in 2022 and invested capital increased by € 0.3 billion to € 15.9 billion. Last year saw solid growth in the capital entrusted by investors: this increased by almost € 0.4 billion to € 19.0 billion. The management organisation is also seeing steady growth, partly driven by the increased workload deriving from compliance with legal and regulatory requirements. In 2022, the workforce increased by 36 new employees (33.7 FTEs) while 22 employees (20.7 FTEs) left the organisation, representing a turnover rate of 10.2%. This turnover rate is relatively low for an organisation in transition, and Bouwinvest sees this as a healthy development. At year-end 2022, Bouwinvest had 209.8 FTEs (2021: 196.6 FTEs), unfortunately well below the target formation (FTE).

	Employees	Senior management	Employees by age	Staff turnover	Absenteeism	Internships	Employee satisfaction
2022	Female 34% Male 66% (Total 209.9 FTE)	Female 21% Male 79%	< 30 9.2% 30 - 39 28.8% 40 - 49 32.4% 50 - 59 23.8% > 60 5.8%	10.2%	3.1%	4	*
2021	Female 35% Male 65% (Total 196.6 FTE)	Female 17% Male 83%	< 30 7.3% 30 - 40 26.7% 40 - 50 38.8% 50 - 60 21.4% > 60 5.8%	7.8%	1.7%	7	7.8

*Measured every two years

HR Strategy

Bouwinvest's Shape and Develop HR policy is aimed at strengthening the company's attractiveness as an employer while bringing in and retaining new talent. As the company grows into a fully-fledged investment manager, its HR platform is developing into a service in which leadership development, strategic workforce planning, talent management and life-long learning are increasingly at the fore.

Bouwinvest was also able to implement its talent programme and an enthusiastic group took part in the personal leadership programme and accompanying projects. In 2023 a new phase of professional growth will be managed by a dedicated Transformation Office which will also include specific expertise in building Human Resource Management (HRM) to meet future demands.

Bouwinvest has put additional effort into maintaining and improving a safe social working environment. We have again alerted staff to our code of conduct, brought in both internal and external mentoring, and Young Bouwinvest held a workshop on personal bias.

Bouwinvest's absenteeism rates have been below the benchmark for years but in 2022 the rate rose, due to several long periods of absence. The HR department has now started a partnership with OpenUp, an online support website offering psychological help, in an effort to reduce work-related mental health issues, which is a growing problem in wider Dutch society.

Controlled remuneration policy

Bouwinvest has always had a controlled and careful remuneration policy for both the Management Board and its employees, with few variable (performance-related) components, appropriate to its purpose and within the guidelines set by the regulatory bodies (DNB/AFM). Bouwinvest also follows the Dutch Corporate Governance Code.

Total staff remuneration of employees with permanent contracts at Bouwinvest, including salaries, social security charges and pension contributions, amounted to € 28.9 million in 2022 (2021: € 27.3 million).

An increase of the personnel costs was the result of indexation effective 1 July 2022, annual personnel salary increases, increased pension contributions and the relatively high salary level of newly recruited personnel. The variable remuneration amounted to € 1.2 million in 2022 (2021: € 1.2 million) and the costs of hiring temporary staff came in at € 2.6 million (2021: € 1.9 million). The decrease of the average personnel costs per FTE on page 8 is a result of a high number of new employees attracted in the last months of 2022.

In total 52% of employees qualify for variable remuneration of a maximum of 4% of their gross annual base salary, based on the organisation's collective performance targets. Individual performance targets have been agreed with the remaining 48% - the more senior positions and the management. These employees have total variable remuneration maximising at 10% of their gross annual base salary. The Management Board bears primary responsibility for the remuneration policy.

Renewal of remuneration policy

Bouwinvest decided that the Management Board would no longer receive any variable remuneration at all from 2021. To compensate, fixed salaries have been increased. This step is in line with Bouwinvest's approach to social responsibility and the

policies of other pension providers and asset managers. The renewal of the remuneration policy for Bouwinvest employees is on the agenda for 2023.

Staff remuneration based on AIFMD remuneration rules

Bouwinvest works on the basis of an AIFMD licence. Below is the total amount of remuneration Bouwinvest paid out to its staff over the whole year, divided into fixed and variable income.

	Fixed remuneration (x € 1,000)	Variable remuneration (x € 1,000)	Total remuneration (x € 1,000)
2022	27,723	1,153	28,876
2021	26,104	1,185	27,289

Identified staff

The aggregate amount of the remuneration at Bouwinvest, divided into the highest levels of senior management and the identified staff members whose actions have a significant impact on the risk profile of the investment entity, is given below. In 2022, 29.3 FTEs qualified as identified staff (2021: 26.5 FTEs).

	Fixed remuneration (x € 1,000)	Variable remuneration (x € 1,000)	Total remuneration (x € 1,000)
2022	6,988	409	7,397
2021	5,820	389	6,209

An explanation of the remuneration of the Management Board and the Supervisory Board is included in the Remuneration report on page 60.

Taxation

Legal changes

The Dutch government has announced that from 1 January 2025, Fiscal Investment Institutions (FIIs) may no longer invest in directly-held real estate. The draft legislation will be published in September 2023, and the measure implies that FIIs will become subject to corporate income tax at the normal rate.

Although Bouwinvest did not expect this measure to be taken within such a short time frame, the company has been anticipating a restructuring of the open funds into a closed Fund for Mutual Account (FMA) since 2020. The fiscal transparency of the FMA structure prevents double taxation for investors.

Under current law, investors holding at least one third of a fund but less than 90% (bpfBOUW) pay a substantial amount of real estate transfer tax (RETT) and taxable investors will face early taxation of capital gains upon conversion of their FII shares into FMA participations.

Following extensive advocacy by Bouwinvest, the Dutch Association of Institutional Real Estate Investors in the Netherlands (IVBN) and the Dutch Federation of Pension funds (Pensioenfederatie), the Dutch government has announced that a transitional RETT exemption will be included in the law proposal prohibiting FIIs from directly investing in real estate. The exemption will be applicable to restructurings in 2024. Bouwinvest took the lead in this approach and it was the first time both industry organisations combined forces in advocating their joint interests.

Bouwinvest's open end funds and mandates

Bouwinvest Dutch Institutional Office Fund has been restructured into a FMA as of 1 January 2023. At that date bpfBOUW held more than 90% of the shares in this fund and therefore could claim a special RETT-exemption applicable to transactions between entities that are considered as 'group' for RETT purposes. A legal entity forms a 'group' for RETT purposes with other legal entities if together they own an interest of at least 90% in the latter entities.

Bouwinvest intends to restructure the Bouwinvest Dutch Institutional Residential Fund and Bouwinvest Dutch Institutional Retail Fund into a tax transparent legal structure as soon as the conditional transfer tax exemption is implemented in law, probably 1 January, 2025. Bouwinvest expects the FMA will remain the most appropriate tax transparent legal structure.

The most appropriate legal structure for the Bouwinvest Dutch Institutional Hotel Fund and Bouwinvest Dutch Institutional Healthcare Fund depends on bpfBOUW's plans for both mandates.

Data and technology

Bouwinvest is aware that data is a strategic asset and that we need to manage our data and related skills and technology to make use of new opportunities. In 2022, Bouwinvest recruited a Data Strategy Consultant, formalised a data vision and strategy and started embedding more data analytics capabilities into our business.

Bouwinvest has also implemented a Governance, Risk and Compliance (GRC) tool to provide better support to, for example, the Risk Management and Compliance departments.

In addition, Bouwinvest has upgraded its technology ecosystem to be future proof, utilising SAP S/4HANA, Windows 11, a contract management tool and CRM. Security Operations Centre services have also been added, to have more real-time control over cybersecurity risks.

Community engagement and sponsoring

After war broke out in Ukraine, Bouwinvest decided to help provide housing for refugees. In Q2, Bouwinvest set aside 10 homes for this purpose, five in Amsterdam and five in Utrecht, which are now lived in by families cost free. The furnishings and all costs associated with the housing are carried by the management company. Bouwinvest Real Estate Investors is invoiced for this by the Dutch Residential Fund on a monthly basis.

Environmental impact management organisation

Bouwinvest aims to keep reducing the organisation's CO₂ footprint and to shift the energy consumption of the head office, in cooperation with the owner, towards the Paris Proof standard of 70 kWh/m² in the coming years. Last year, head office energy use was 129 kWh/m².

Financial results

management organisation

Income

Net income amounted to € 5.4 million in 2022 (2021: € 6.5 million). The operating result of € 7.0 million recorded in 2022 was € 0.4 million lower than in 2021. This decrease was due to higher personnel costs and operating expenses, which were not completely covered by the increased management fees.

Management fee

The management fee increased by €6.8 million year-on-year to €59.9 million in 2022 (2021: €53.2 million). This increase was due to the higher average Net Asset Value (NAV) in 2022 compared to 2021. During the first half year of 2022 an increase of the NAV's was noted, due to positive revaluations. The rising (mortgage) interest rates, high inflation, high energy prices and the geopolitical situation negatively affected the valuation of the real estate portfolio in the second half year of 2022.

Economical and geopolitical uncertainties are triggering discussions about the development of the real estate investment and user markets. Although capital is still available in the market for investments, investors often wait for a more stable and predictable situation. Going forward, this might lead to fewer comparable transactions for appraisers to determine the market value and drive fluctuations in values during the coming quarters which impact the management fee. In 2022, no material uncertainty clauses were included in the appraisal reports.

Operating expenses

Operating expenses increased by € 7.1 million (15.6%) to € 52.9 million in 2022, from € 45.7 million in 2021. This increase was mainly the result of € 2.4 million higher personnel costs and € 4.7 million higher other operating expenses.

The higher personnel costs were due to an increase in the number of employees to 209.8 FTEs (year-end 2021: 196.6 FTEs), an indexation of salaries effective 1 July 2022, annual salary increases and extra temporary staff. These extra temporary staff were primarily used to fill vacancies and in the execution of projects.

The higher other operating expenses were due to several factors described hereafter. Automation costs increased by € 1.6 million due to a combination of higher costs related to projects (priorities 2022) and higher costs for IT-applications (subscriptions and licences) and hardware. Non-deductible VAT was € 1.1 million higher than in 2021, mainly due to higher non-deductible VAT as a result of higher total costs in 2022 (impact € 0.5 million) and a release of part of the provision for the right to deduct VAT for costs resulting from the fiscal unity in 2021 (impact € 0.6 million). As a result of higher prices by suppliers and other business partners due to the inflation an increase of costs is noted in most of the categories of the other operating expenses.

Result from investments in associates

The decrease of the result in associates is driven by the deteriorating real estate market circumstances in 2022.

Corporate income tax

The total corporate income tax expense in 2022 amounted to € 1.8 million (2021: € 2.2 million). The effects of changes in the deferred tax assets and liabilities were limited.

The effective tax rate for 2022 was 25%, in line with 2021.

The deferred tax liabilities are related to the difference between the fiscal and commercial valuation of the participations in the Dutch funds (cost price versus fair value) valued at the expected tax rate. Deferred tax assets are related to the difference between the fiscal and commercial carrying amount of tangible and intangible fixed assets. For tax purposes, assets cannot be depreciated more quickly than over five years, while some assets have a shorter depreciation period for commercial purposes.

Financial position

Solvency

Bouwinvest's shareholders' equity decreased by € 0.6 million to € 44.7 million in 2022 (2021: € 45.2 million). This decrease is a result of the distribution of € 6.0 million dividend (based on the result of 2021 and paid out in 2022) and the addition of net income for 2022 (€ 5.4 million).

The solvency ratio stood at 75% in 2022 (72% in 2021). This increase is a result of a decrease of the total assets (€ 3 million) mainly driven by a decrease in the current liabilities (€ 2.3 million) and a decrease of equity (€ 0.6 million).

Cash position

At year-end 2022, Bouwinvest had € 36.0 million of current account balances available with the company's bank ABN AMRO. This is more than enough to cover all outstanding liabilities and also meets the formal requirements of the AIFM directive.

Profit distribution and dividend policy

The Management Board proposes to add € 5.4 million of the 2022 profit to its retained earnings. Bouwinvest aims to have future-proof shareholders' equity to facilitate the growth of the organisation and to achieve its strategic objectives. Bouwinvest's capital policy is geared towards achieving this and the proposed addition of the 2022 profit to its retained earnings is in line with this capital policy.

Outlook management organisation

Uncertainty around the evolvement and duration of the war in Ukraine still dominates the outlook for the coming year. The ensuing energy crisis, consequential high inflation rates and interest rate response of central banks will result in the most uncertain economic environment that we have seen over the last decades. Inevitably this will impact real estate valuations over the coming year and potentially also the volume of funds that our institutional clients allocate to real estate in the short term. The income of Bouwinvest is directly correlated to Assets under Management (AuM) and downward valuations of the AuM will result in lower income for the management organisation. In parallel costs are expected to rise given the continuing inflationary environment. In addition, with the kick-off of project #invest, Bouwinvest will be investing in the further development of the management organisation in order to prepare for further future success. Altogether this makes for a rather uncertain outlook when it comes to the profitability of the management organisation for the year 2023. Bouwinvest has developed several scenarios in order to model the potential (financial) impact of the abovementioned variables and will continue to monitor these closely over the course of the year.

The long-term outlook for the real estate sector is fortunately very much positive. Driven by demographic, economic and sustainability tailwinds, there is strong underlying demand for the development, repurposing and refurbishment of real estate assets across the globe, especially in the residential, logistics, leisure and healthcare sectors. This will require a significant amount of institutional capital to realise and is expected to provide a good basis for stable capital growth and direct returns going forward. Given its market position, organisational competencies, strong culture and focus on ESG excellence, Bouwinvest is well positioned for continued success as a global real estate asset manager.

The main priority of the management organisation in 2023 will be to execute the Fund and Mandate plans and deliver above market results to our investors. In addition, we will invest in the organisation through #invest and ensure that the management organisation is well prepared for the market environment and client expectations of the future.

Corporate governance

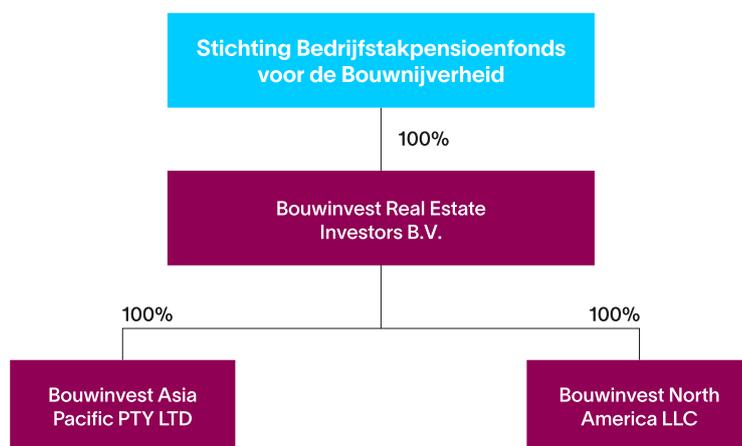
Legal structure

Bouwinvest Real Estate Investors B.V. (Bouwinvest) is a wholly owned subsidiary of 'Stichting Bedrijfstakpensioenfondsvoor de Bouwnijverheid' (bpfBOUW, the pension fund for the Dutch construction industry). Bouwinvest is a statutory two-tier board company, subject to the provisions of the mitigated two-tier regime. Bouwinvest manages the following funds:

- Bouwinvest Dutch Institutional Residential Fund N.V.
- Bouwinvest Dutch Institutional Retail Fund N.V.
- Bouwinvest Dutch Institutional Office Fund N.V.
- Bouwinvest Dutch Institutional Hotel Fund N.V.
- Bouwinvest Dutch Institutional Healthcare Fund N.V.

Bouwinvest legal structure

Bouwinvest has separate mandates from bpfBOUW for the management of international real estate investments in Europe, North America and the Asia-Pacific region. The company holds 100% of the shares in two subsidiaries: Bouwinvest Asia Pacific PTY LTD (Australia) and Bouwinvest North America LLC (USA).

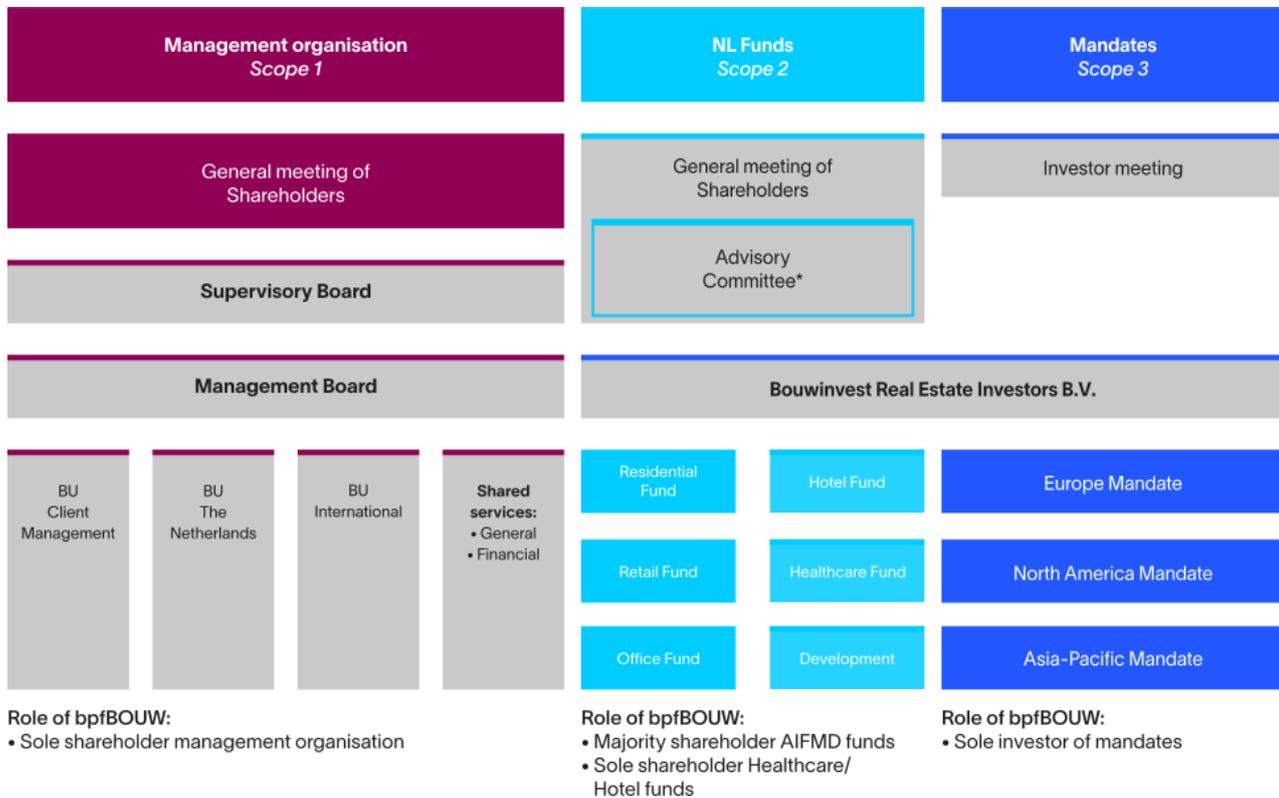


- Bouwinvest also holds limited interests in the following open funds that it manages:
- Bouwinvest Dutch Institutional Residential Fund N.V. (0.16%)
- Bouwinvest Dutch Institutional Office Fund N.V. (0.21%)
- Bouwinvest Dutch Institutional Retail Fund N.V. (0.21%)

Because Bouwinvest exerts significant influence on these funds, these interests are classified as associated companies in the financial statements, even though the interests are less than 20%.

Threefold scope

Bouwinvest operates on the basis of a threefold scope.



*until 2021: Shareholders committee

Management Board

The members of the Management Board are collectively responsible for the management of the company and the continuation and general operation of the company's business. The Bouwinvest Management Board consists of five persons: the Chief Executive Officer (and statutory director), the Chief Financial & Risk Officer (and statutory director), the Chief Client Officer, the Chief Investment Officer Dutch Investments and the Chief Investment Officer International Investments. The statutory directors are appointed by the General Meeting of Shareholders following nomination by Bouwinvest's Supervisory Board. The non-statutory directors are appointed by the Management Board, with the approval of the Supervisory Board. The Management Board is governed by a set of regulations that also outline its tasks and responsibilities. The Management Board endorses the Dutch Corporate Governance Code.

Internal Audit

The purpose of the internal audit function (IAF) is to provide independent objective assurance designed to protect and add value of the organisation. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance and insight. It helps Bouwinvest accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The IAF reports directly to the Management Board and the Audit, Risk & Compliance Committee of the Supervisory Board, with a hierarchical reporting line to the CEO. The IAF is governed by an Internal Audit Charter and an at least annually updated risk-based audit plan, approved by the Management Board and the Audit, Risk & Compliance Committee of the Supervisory Board. The

methodology applied by the IAF is based on the Institute of Internal Auditor's (IIA) International Professional Practices Framework (IPPF).

Works Council

The Works Council protects the interests of the company's employees. One of the ways the Works Council does this is to make use of its right to consultation and right of consent. The Works Council is involved in virtually everything the company and staff do to keep employees well-informed about developments. The Works Council meets the Management Board four times a year, and a member of the Supervisory Board is present at two of these meetings.

Supervision

The Supervisory Board supervises the policies of the Management Board and the general course of affairs in the company and its business. The Supervisory Board also advises the Management Company. The Supervisory Board has an Audit, Risk & Compliance Committee and a HR Committee. Both committees' tasks and responsibilities are set down in formal regulations.

The Supervisory Board currently has four members, who are appointed by the General Meeting of Shareholders. One of the members is appointed on the nomination of the Works Council. The maximum term of office is four years, with the possibility of reappointment for an additional four years. The Supervisory Board is assisted by the Corporate Secretary. The Corporate Secretary ensures that the correct procedures are followed and that the Supervisory Board acts in accordance with its legal and statutory obligations and powers and the applicable corporate governance rules.

Dutch Management and Supervision Act

Bouwinvest strives for a balanced gender ratio within the boards. The gender ratio in Bouwinvest's Management Board (five members) changed in 2022 with the appointment of the CCO and is currently 40% women and 60% men. The gender ratio in the Supervisory Board (four members) is currently 50% women and 50% men.

Bouwinvest will carry out an evaluation to determine the desired profile of any new members should members of the Management Board and/or the Supervisory Board resign. This evaluation will take diversity criteria, including a balanced ratio of male and female members, into account.

External auditor

Before being presented to the General Meeting of Shareholders for adoption, the annual financial statements prepared by the Management Board must be examined by an external auditor. The General Meeting of Shareholders has the authority to appoint the external auditor. The Supervisory Board nominates the external auditor for appointment or reappointment by the General Meeting of Shareholders, taking the Audit, Risk & Compliance (ARC) Committee's advice into account. The role and scope of the external auditor, together with the auditor's fee, are decided upon by the Supervisory Board on the recommendation of the ARC Committee. Prior to publication, the annual financial statements are discussed with the ARC Committee in the presence of the external auditor. In addition, the annual financial statements have been discussed with the Supervisory Board and the external auditor.

General Meeting of Shareholders

General Meetings of Shareholders are held at least once a year to discuss the company's business over the past year and the annual report, to adopt the financial statements, decide on the dividend proposal, discharge the members of the Management Board for their management and discharge the members of the Supervisory Board for their supervision. The meeting may also deal with the appointment of the members of the Supervisory Board and the statutory directors. Shareholder meeting approval is required for resolutions that have a material impact on Bouwinvest's strategy or risk profile.

Integrated risk management and compliance

Risk management

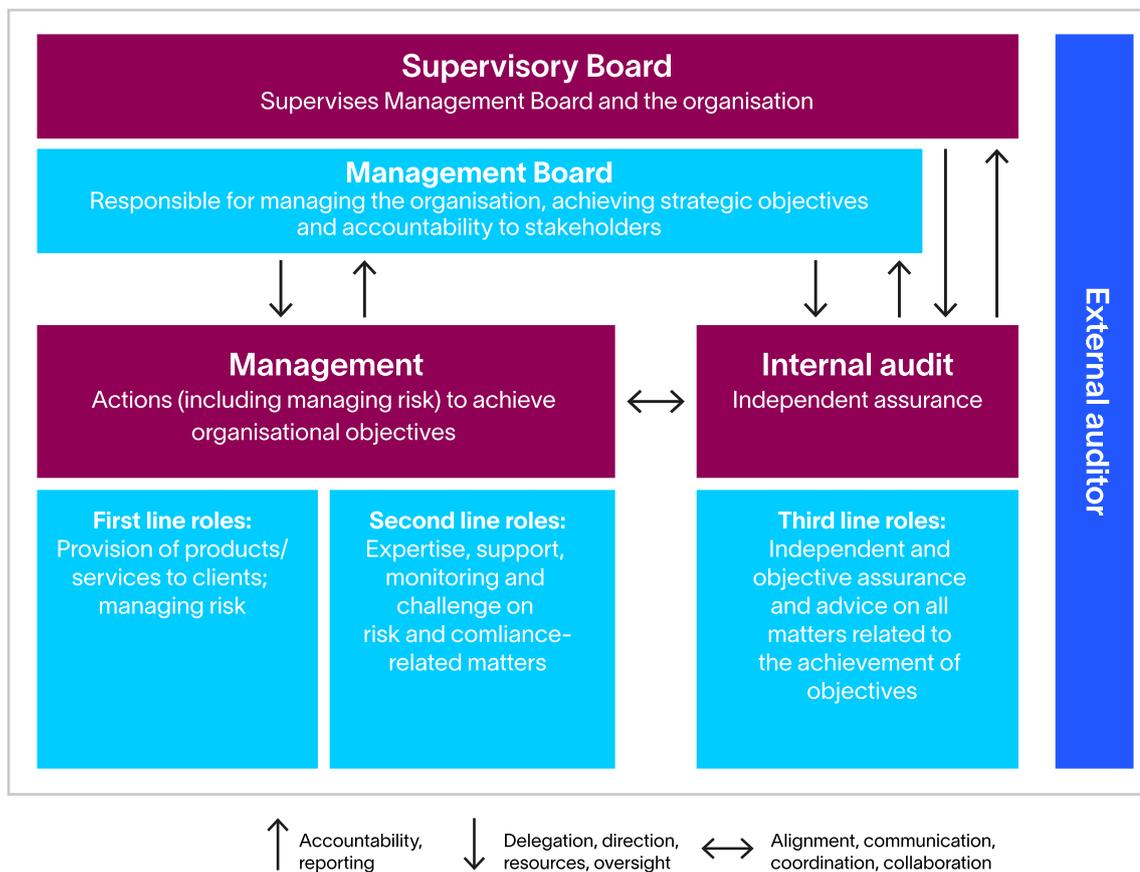
Bouwinvest aims for a healthy balance between risk and return and strives to take risks in a conscious and sustainable manner in the interests of its shareholder and investors. Integrated risk management is a key mechanism to achieve this goal. The mechanism provides for the identification, assessment and understanding of risks inherent in Bouwinvest's services, products, support activities and systems.

To apply integrated risk management properly, Bouwinvest has implemented a risk governance model, a methodology that aims to match risk appetite to the risk profile of Bouwinvest and its funds and mandates, and to make it possible to measure the applicable risk exposures. The risk appetite determines the maximum acceptable risk that Bouwinvest is willing to take and is aimed at optimising the risk/return ratio.



Risk governance

Bouwinvest has a risk governance and decision-making system based on the Three Lines Model (derived from the IIA model). This creates a clear structure for everyone, which helps raise awareness of everyone's role and responsibility on the risk management front.



The Management Board is ultimately responsible for risk management and provides the organisation with guidance on how to remain within the established risk appetite at strategic, tactical and operational levels. The Supervisory Board is responsible for supervising the Management Board.

Risk profile

Bouwinvest uses a risk management framework to manage its risk profile and that of its funds and mandates. This framework helps the organisation to identify and manage all material risks at strategic, tactical and operational levels.

Risk taxonomy

The risk taxonomy is a list of the material risks which Bouwinvest is or may be exposed to, and which arise from its business activities. The risk taxonomy ensures that Bouwinvest has insight into the relevant material risks and can manage these risks properly. Bouwinvest has product-specific risk taxonomies for the funds and mandates it manages.

Bouwinvest updates its risk taxonomy on an annual basis. If Bouwinvest is potentially exposed to a new or evolving type of risk, the risk taxonomy is updated more frequently.

The main risks Bouwinvest recognises are market risk, credit risk, liquidity risk, business risk, operational risk, ESG risk and compliance risk. These main risks are subdivided into sub-risks and Bouwinvest has defined risk indicators and (early warning) limits for these.

Risk appetite

Bouwinvest's risk appetite determines the level of risk it is willing to take at an aggregate level to achieve its strategic objectives. Bouwinvest constantly monitors its risk appetite using a risk indicator framework based on quantitative and qualitative variables.

The risk indicator framework consists of statements for each material risk as included in the risk taxonomy. Each risk indicator has a limit that is used within the current risk profile. In addition, Bouwinvest has early warning limits in place so it can intervene in a timely fashion to prevent itself from exceeding its defined risk appetite. Bouwinvest has defined product-specific risk appetites for the funds and mandates it manages.

The Management Board discusses Bouwinvest's compliance with its risk appetite and its outlook with the Supervisory Board on a quarterly basis. Each quarter, Bouwinvest briefs its investors about compliance with the risk appetite for the funds and mandates via individual fund and mandate reports.

Each year, Bouwinvest reviews and determines its risk appetite and the associated limits of its risk indicator framework. The risk appetite is recorded in a risk appetite statement. This statement is drawn up by the Management Board. Bouwinvest determines the risk appetite for the individual funds and mandates annually in the shareholders meeting and records this in the relevant fund and mandate documentation.

Enterprise risk			
1.0 Financial risk		2.0 Non-Financial Risk	
Category	Risk Appetite Mgt Company	Category	Risk Appetite Mgt Company
1.1 Market Risk	Low	2.1 Business risk	Medium
1.2 Credit risk	Low	2.2 Operational risk	Low
1.3 Liquidity risk	Very low	2.3 Compliance risk	Very low

Risk culture

Bouwinvest focuses continuously on risk awareness as an integral part of its company-wide risk culture. It does this via communications, risk awareness sessions, as well as the inclusion of risk management targets in individual employee targets.

Employees are also expected to be aware of the risks inherent in the processes they perform or for which they are responsible, and the risks they may take, and are expected to act in accordance with the code of conduct applicable within Bouwinvest.

Looking back and looking ahead

Market conditions

The global economy has faced significant challenges with a slowdown in growth, higher interest rates and persistent high inflation since early 2022.

Central banks around the world are increasing interest rates to curb inflation and anchor inflation expectations in their respective economies. These rising interest rates will pose many challenges and risks, which increase financial vulnerabilities. In addition, Russia's war in Ukraine is increasing the risk of debt distress, food insecurity and geopolitical uncertainty. Debt servicing will be more expensive for companies, governments and households, who have variable rate loans, or when taking on new debt.

Energy markets remain among the significant downside risks and supply shortages could push prices higher. The situation might be even more complicated in the winter of 2023-2024, as replenishing gas reserves could prove more difficult. Volatile gas prices, or outright gas supply disruptions, could entail significantly weaker growth and higher inflation worldwide in 2023 and 2024.

The impact of this on Bouwinvest is difficult to quantify. Risks remain significant and monetary policy has a crucial role. For example, accelerating investment in the adoption and development of clean energy sources and technologies will be crucial to diversifying energy supplies and ensuring energy security.

Bouwinvest is exposed to global macro-economic market conditions which are having a negative impact on assets under management. This was highlighted by negative portfolio revaluations in Q4-2022, a decline in market liquidity, potential redemptions and the possible postponement of investments by new and existing investors.

Bouwinvest is closely monitoring the developments in the Netherlands, Europe and worldwide to ensure it can adapt and respond to developments and emerging risks in a timely fashion.

COVID-19

In 2022, COVID-19 had a more limited impact on a global scale and more specifically on the Netherlands than in 2021 and government measures were further relaxed during the first quarter.

At the beginning of the pandemic, Bouwinvest had implemented a number of measures to minimise the impact on its staff and business operations. In 2022, the popularity of working from home did not have an impact on the company meeting its operational and strategic objectives and the IT infrastructure held up well. Bouwinvest will continue to maintain business continuity related measures for any future crisis.

Risk management programme and risk culture

The programme to further improve the risk management maturity level was completed and was validated by a Big Four firm in early 2022. The overall conclusion was that Bouwinvest complies with prevailing regulations and current market practices.

Bouwinvest devoted a great deal of attention to increasing a broad awareness of risk within the organisation in 2022 and will continue the risk awareness programme in the future.

Tax

The Dutch government announced in autumn 2022 that from 1 January 2024, Fiscal Investment Institutions (FIIs) may no longer invest in directly-held real estate. This measure has since been postponed until 1 January, 2025. Although Bouwinvest did not expect this measure to be taken within such a short time frame, the company has been looking at restructuring the open funds into closed Funds for Mutual Account (FMA) since 2020.

The Bouwinvest Dutch Institutional Office Fund has been restructured into an FMA from 1 January 2023. Bouwinvest intends to restructure the Bouwinvest Dutch Institutional Residential Fund and Bouwinvest Dutch Institutional Retail Fund into a tax transparent legal structure as soon as the conditional transfer tax exemption connected to a change in the FII legislation is implemented, probably 1 January, 2025. Bouwinvest expects the FMA will remain the most appropriate tax transparent legal structure.

From 1 January 2023 the RETT rate for investors is set to go up from 8% to 10.4%. The impact of this may well be overshadowed by general market conditions.

Outsourcing

The ongoing shift towards organisations (partly) outsourcing their processes and services, and the related exposure to outsourcing risks, has prompted regulators and supervisory bodies to impose additional requirements on these organisations.

Bouwinvest is also very much aware of this risk exposure and worked hard in the past year to carefully frame and define the risks associated with outsourcing and contractual relationships with third parties. This resulted in a robust outsourcing framework, including a sound outsourcing policy, in line with applicable requirements and market practices. The internal processes that are derived from the outsourcing framework help Bouwinvest to remain in control of its outsourcing relationships and outsourced processes.

ESG

Bouwinvest is paying extra attention to changes in ESG risks in some parts of the portfolio due to the situation in Ukraine and related effects (including the energy and commodity markets). If commodity prices continue to rise, this may put pressure on the feasibility and practicability of some sustainability ambitions.

Bouwinvest continued to add structure to its ESG risks, including the development of the ESG framework and risk taxonomy, and to determine the impact on the existing risk taxonomy of the real estate portfolios and the management organisation. The formats for the fund and mandate plans, quarterly reports and investment proposals were adjusted accordingly.

GRC-tool

In the first quarter of 2022, Bouwinvest implemented a dedicated Governance, Risk and Compliance (GRC) tool to support risk & control monitoring and testing processes. The tool also provides centralised workflow and data management for handling incidents, data breaches and action management. More modules are expected to roll out in 2023, which will broaden the usage of the tool throughout the organisation.

Cybersecurity

In 2022, Bouwinvest continued to devote a great of attention to cyber security. Given the increasingly dominant role of IT in society and business, and the invention of new technologies, the likelihood and impact of cybercrime will also continue to grow. Different phishing tests were performed in 2022 as well as a cyber incident response test with the Business Continuity

Team and Incident Response Team. SOC (Security Operations Centre) services have been implemented to monitor suspicious activity in its connectivity and office automation domains. This raises the company's real-time monitoring capabilities to further strengthen its cyber defence.

Bouwinvest has developed a security awareness programme to keep employees informed of different kinds of cybersecurity risks in 2022 and this will continue in 2023.

The 58 controls which Bouwinvest has set up as part of the Dutch Central Bank's (DNB) Good Practice Information Security programme are assessed twice a year. In 2022, Bouwinvest continued to score on or above the norm set by the DNB.

Human Resource Management

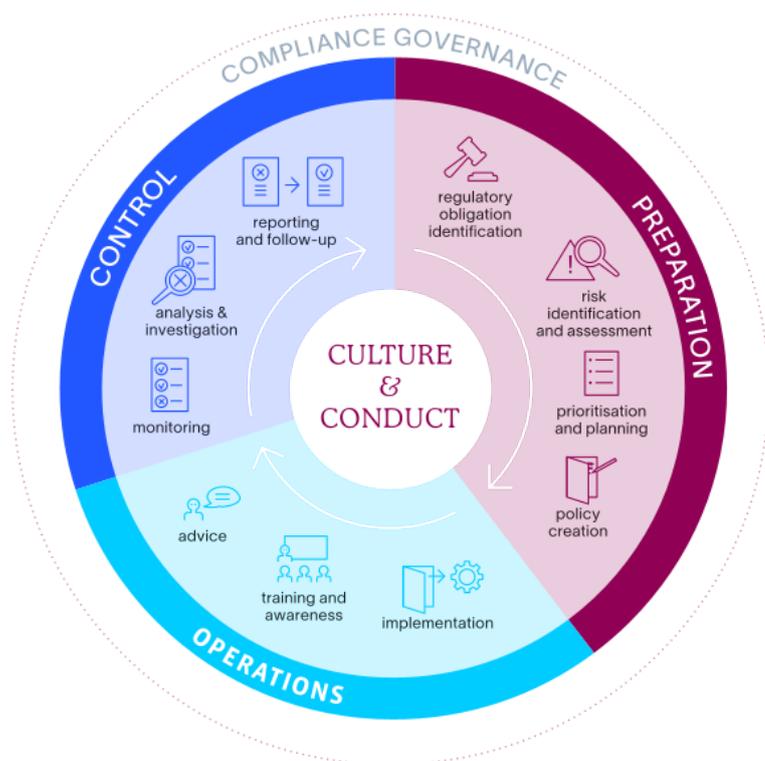
Labour market shortages and the war for talent made it challenging to attract high-quality staff in general and specifically for positions in e.g. Risk Management, Compliance and IT. Bouwinvest sees this reflected in the lead times of its vacancies and the limited numbers of candidates applying for these positions. In the above-mentioned domains Bouwinvest also sees an increase of 'detavast' agreements. This trend is expected to continue in 2023.

Compliance

Compliance function

The Compliance department supports Bouwinvest by interpreting supervisory legal and regulatory requirements, helps implement these requirements, provides advice, assists in the execution of risk analyses and monitors compliance with regulator-related legal and regulatory requirements and internal policies. Another important part of its task is to strengthen integrity awareness within Bouwinvest by providing training courses.

Compliance cycle



The head of the Compliance department reports to the CFRO. The Compliance department also reports on a quarterly and annually basis to the Management Board and the Audit, Risk & Compliance committee of the Supervisory Board.

Legal and regulatory requirements

The Compliance department actively monitors other national and European legislative developments with respect to Bouwinvest's AIFMD licence and IT, to determine the impact and implement any changes in a timely fashion.

In 2022, Bouwinvest continued work revising the further implementation of the revised Customer Due Diligence (CDD) policy. The CDD policy includes measures required under the Dutch Prevention of Money Laundering and the Financing of Terrorism Act (Wwft) and relates to both new and existing investors and business associates.

Bouwinvest regularly screens its business associates against sanctions lists and has not identified any violations of these sanctions. In 2022, Bouwinvest carried out additional sanctions screening activities as a result of the war in Ukraine. In July 2022 CDD client investigation and sanctions screening were outsourced to an external service provider and are on schedule.

Bouwinvest continues to implement Regulatory Technical Standards related to the SFDR (Sustainable Finance Disclosure Regulation) and related legislation such as the CSRD (Corporate Sustainability Reporting Directive).

Management of compliance risks

Risk management is a key part of conducting business in an ethical manner. The Compliance department supports the organisation to control any identified compliance risks by enhancing the awareness of these risks, how they can be reduced or controlled and what Bouwinvest expects of employees in this regard.

Every year Bouwinvest carries out a Systematic Integrity Risk Analysis (SIRA). The purpose of the SIRA is to identify integrity risks, assess the effectiveness of the control of the risks and to identify points of attention in relation to risk management. The Compliance department started the preparations for the SIRA 2022 in the last two months of 2022 and will report on the results in the first quarter of 2023.

The Compliance department reached several milestones with regard to the implementation of a professionalised Compliance Risk Framework in 2022. For example, the Compliance Monitoring plan has been improved and updated in line with the integral Risk Framework. In 2022 Bouwinvest started using a GRC tool to improve its control monitoring activities. This tool will also be used for incident- and action management. The system has made the reporting process both simpler and more efficient and allows Bouwinvest to demonstrate the effectiveness of its controls via automated notifications about periodic testing.

Training and awareness

Bouwinvest values an open culture in which dilemmas can be discussed and considers this to have an important role in mitigating compliance risks. The Compliance department also revised various policy documents in 2022 and organised additional awareness activities related to these policies.

Reports and advice

In 2022, Bouwinvest received no reports of incidents, including corruption or fraud. There were 21 data breaches with respect to the processing of personal information. Four of these were reported to the regulator, the Dutch Data Protection Authority. Some of the data breaches occurred at processors, such as property managers. Some of the data breaches were caused by incorrectly sent e-mails. All data breaches were investigated and, where necessary, additional control measures were taken. The data subjects were informed where necessary.

At the beginning of February 2022 Bouwinvest was informed about a cyber-attack on Aareon, a software supplier responsible for the REMS management system used by several property managers contracted by Bouwinvest. After establishing there had been a data leak, Bouwinvest reported the findings to the Dutch Data Protection Authority and contacted all tenants who may have been affected, alerting them to the potential risk and giving them tips about how to protect themselves as a precaution. Shareholders were also informed where relevant.

Aareon has since carried out an investigation into the breach and found that no data from Bouwinvest had been leaked. Bouwinvest has carried out its own evaluation and action will be taken on the results by both Bouwinvest and its property managers.

Investigations by regulators

Bouwinvest has a licence from the Dutch Financial Markets Authority (AFM) and is subject to its continuous supervision. In 2022, Bouwinvest received market surveys from the AFM relating to the Wwft and liquidity management tools and a questionnaire from the Dutch Central Bank (DNB) about liquidity management.

Supervisory Board report

The Supervisory Board hereby presents the Bouwinvest Real Estate Investors B.V. (Bouwinvest) 2022 annual report, which includes the financial statements for 2022. The Bouwinvest Management Board prepared the annual report, Deloitte Accountants B.V. has audited the financial statements and provided an unqualified auditor's report (see the auditor's report chapter).

The Supervisory Board discussed the annual report with the Management Board, in the presence of the external auditor. The Supervisory Board concluded that the annual report meets all the rules and requirements in the field of governance and transparency, partly on the basis of these discussions. The report provides an accurate and complete picture of the results, risks and events which fall under the Supervisory Board's remit.

The financial statements will be submitted to the Annual General Meeting of shareholders (AGM) for adoption on 12 April 2023, as part of the 2022 annual report. The Supervisory Board proposes that the meeting adopts the financial statements and, as proposed by the Management Board, to add € 5.4 million to Bouwinvest's shareholders' equity. The Supervisory Board proposes that the AGM discharge the Management Board for their management and the Supervisory Board for their supervision of said management, and that the AGM adopt the financial statements.

1. Supervision

The Supervisory Board supervises and advises the Management Board in the setting and realisation of its strategic targets and is responsible for the employment of the statutory directors. In this report, the Supervisory Board explains how it fulfilled its role in the year under review.

Given changes in the organisation, the Management Board has decided to extend the Strategic Plan 2020-2022 for a year, with which the Supervisory Board agrees. The strategic targets for 2023 are set down in the Bouwinvest Annual Business Plan 2023, which was approved by the Supervisory Board on November 14, 2022. A new long-term strategy plan will be developed during 2023 which will form the basis for annual business plans from then on.

The core of the strategy is the evolution of Bouwinvest from a real estate investor to a broad real estate investment manager with a broad client base. Anchor investor bpfBOUW's target allocation for real estate investments has now reached its limits. Further growth is needed to enable Bouwinvest to invest in the breadth and depth of skills, competencies and experience that are required from a real estate investment manager going forward. Expanding client and regulatory demands require an ever more flexible and high performing organisation to address these.

This will require the expansion of the client base and continued professionalisation and strengthening of the organisation. The focus is shifting to one of being 'in control' through risk management, the implementation of ESG, greater efficiency and compliance. The organisation has conducted a review of potential areas to further optimise going forward, and the Management Board has started a project to revise the operating model and to develop Bouwinvest into a High Performance Organisation. The approach and steps to achieve this have been discussed with the Supervisory Board and the Supervisory Board is involved in the continuation of the project (since renamed to #invest).

Bouwinvest has translated its strategy into strategic objectives, KPIs and milestone planning. The Management Board as a whole is responsible for the realisation of the strategy, and a member of the Management Board bears primary responsibility for the individual strategic objectives. The strategic goals are laid down in clear targets and the Management Board regularly reports to the Supervisory Board on progress.

The Supervisory Board discussed the extensive quarterly reports, enabling it to form a complete picture of the realisation of the strategic objectives, stakeholder value and the finances of the Bouwinvest management company. One area of concern which was discussed intensively was the staffing situation. Staffing levels have not increased as intended and this has added

to the pressure on the current workforce and on the strategic targets. Proper execution of the fund and mandates plans, and good client service, are key to Bouwinvest's success.

This year was characterised by a strong first half of the year followed by deteriorating real estate market conditions. The war in Ukraine, the sharp rise in interest rates and inflation all played an important role in this.

The declining markets and the denominator effect also impacted on institutional investors' real estate allocation. The dynamic changed, and for the first time Bouwinvest had to deal with fund redemption requests. The market volatility does not seem to have come to an end yet and the Supervisory Board regularly discusses the impact on the portfolios and the organisation with the Management Board. At the same time, the current market conditions also offer opportunities, and several investors are already looking at the medium-term possibilities.

The development of new real estate investment products is also important to the organisation's future growth. The Supervisory Board discussed the business plan for the Bouwinvest Dutch Community Impact Fund: a new product that gives substance to Bouwinvest's investors' sustainability ambitions. Under Sustainable Finance Disclosure Regulation article 9 it is particularly important for pension funds to be able to demonstrate the result of impact investing. At the same time, this product meets society's needs for real estate focused on lower mid-market rentals in core parts of the Netherlands.

The Supervisory Board also discussed the results of backtesting Bouwinvest's Dutch and international investments, in terms of process, methodology, performance measurement and indices.

The issues of social safety and in appropriate behaviour were also discussed extensively in the HR committee and within the Supervisory Board. The Supervisory Board is clear that an open culture and accountability are essential for a socially safe working climate.

Recruitment is another issue requiring further attention and it remains difficult to attract the right talent for the organisation in the current tight labour market.

Mark Siezen succeeded Dick van Hal as CEO as of 1 September 2022. Under the leadership of Dick van Hal Bouwinvest grew into an international asset manager with a broader customer base and the Supervisory Board would like to thank Dick van Hal for his efforts and involvement. Mark Siezen was replaced as Chief Client Officer by Marleen Bosma, who was appointed to the position on 1 November 2022. Marleen Bosma was Head of Research & Strategic Advisory until early 2022, when she was appointed as Head Business Development within the Client Management Department. The Supervisory Board wishes Mark Siezen and Marleen Bosma every success in their role.

The Supervisory Board considers the information made available to it to be sufficient.

2. Composition of the Supervisory Board and evaluation

Composition of the Supervisory Board

In 2022, the Supervisory Board consisted of two female members and two male members. With four members, the Supervisory Board is of adequate size. At year-end 2022, the Management Board consisted of two female member and three male members. More personal details on each member of the Supervisory Board are in the next section of this annual report.

Composition of the Supervisory Board and its committees

	J.A. Nijhuis	J.H.P.M. van Lange	G.E.A. Reijnen	W.B. Verschoor
Supervisory Board	• (chair)	• (vice chair)	•	•
Audit, Risk & Compliance Committee		• (chair)		•
HR Committee	•		• (chair)	

Division of the areas of expertise of the Supervisory Board

	J.A. Nijhuis	J.H.P.M. van Lange	G.E.A. Reijnen	W.B. Verschoor
Year of birth and nationality	1957, Dutch	1956, Dutch	1967, Dutch	1974, Dutch
Year of first appointment	2019	2019	2019	2019
End of appointment	2023, 2027	2023, 2026	2024, 2028	2024, 2028
Latest leaving date	2027	2026	2028	2028
Areas of expertise				
Real estate		•		•
Investment Management		•	•	•
Finance / Accountancy	•	•	•	•
Risk Management		•		•
Corporate Governance	•	•	•	•
CSR	•	•	•	•
Human Resource Management	•		•	

All the members of the Supervisory Board are independent according to the criteria laid down in the regulations of the Supervisory Board.

Evaluation

In February 2022, the Supervisory Board carried out a self-evaluation and the results were included in the 2021 annual report. Given that the composition of the Management Board changed in the second half of 2022 with the appointment of Mark Siezen as CEO and Marleen Bosma as CCO, the Supervisory Board has decided to carry out an external self evaluation in the first half of 2023.

3. Other matters

Appointments

Members of the Management Board

Two new appointments were made to the Management Board in 2022. Mark Siezen was appointed CEO from 1 September, when Dick van Hal stepped down as CEO and statutory director. Dick van Hal's contract ended on 1 November 2022. Mark Siezen has been a member of the Management Board since 2020 when he joined as Chief Client Officer. He was succeeded in that role by Marleen Bosma from 1 November 2022.

Members of the Supervisory Board

There were no appointments or reappointments of members of the Supervisory Board in 2022.

Meetings of the Supervisory Board

	<u>J.A. Nijhuis</u>	<u>J.H.P.M. van Lange</u>	<u>G.E.A. Reijnen</u>	<u>W.B. Verschoor</u>
Supervisory Board	5 of 5	5 of 5	5 of 5	5 of 5
Audit, Risk & Compliance Committee		5 of 5		5 of 5
HR Committee	4 of 4		4 of 4	

Meetings

Supervisory Board

The Supervisory Board met a total of five times in 2022. The members of the Management Board attended all of these meetings. Prior to the regular meetings, the Supervisory Board held its own consultations. Above you will find an overview of the number of meetings of the Supervisory Board and its committees, together with the attendance record of the members of the Supervisory Board. As the year progressed, more meetings of both the full Supervisory Board and its committees were held face to face.

In addition to these meetings, the chair and the other members of the Supervisory Board consulted regularly with the members of Bouwinvest's Management Board.

Last year there were regular consultations involving the chair of the Supervisory Board, the chair of Audit, Risk & Compliance committee, the CEO and CFRO of the Management Board, the chairs of the Board of Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid (bpfBOUW) and the director of the management committee of bpfBOUW, and the Bouwinvest CEO and CFRO.

As the member appointed on the nomination of the Works Council, Supervisory Board member Wendy Verschoor acts as the liaison between the Supervisory Board and the Works Council.

Audit, Risk & Compliance committee

The Audit, Risk & Compliance committee consists of Jos van Lange (chair) and Wendy Verschoor. The committee met a total of five times in 2022.

The committee discussed the budget, the annual results, the reports of the external auditor and the management letter. The committee also met the external auditor without the Management Board being present. The committee also advised the Supervisory Board on the performance of the external auditor which it considered to be good.

The committee paid particular attention to the rapidly changing market conditions and the impact of these on both the portfolios and the organisation.

The committee also discussed the Risk Management, Compliance, Internal Audit reports, ISAE reports and the SIRA 2021-2022. The committee continued to devote a great deal of attention to the development of the Bouwinvest risk management framework. The implementation of the risk management road map was completed and an external risk maturity assessment was carried out. The committee was satisfied with the results. The external auditor also carried out a deep dive into valuations and market developments, with an emphasis on regulation and eventual changes. The Audit, Risk & Compliance Committee devoted attention to IT and Cyber security. Also in 2022, an extensive cybersecurity program was executed within Bouwinvest.

The committee also discussed the reorganisation of the audit function at Bouwinvest. Checks under the auspices of the ISAE 3402 were placed with a new Quality Control department, which falls under the responsibility of the CFRO. A new head of internal audit was also appointed.

HR committee

The HR committee met a total of four times in 2022. The committee's name was changed from selection and remuneration to HR committee to better represent its wider role.

The committee discussed the theme of social safety and the way it is anchored within the organisation. An open culture in which staff feel free to speak out has a key role in this. Bouwinvest has appointed both an internal and external confidential counsellor whom staff can approach with problems. The results of the staff satisfaction survey and consequences for the Management Board were also discussed. The committee also considers it important to increase the visibility of 'real value for life' and to ensure innovation remains high on the agenda.

The transformation of Bouwinvest into a High Performance Organisation includes a concrete HR strategy to support its growth ambitions. This was also discussed by the committee and the design and implementation of a new job structure, job descriptions, working conditions, and talent and performance management, will be discussed in the coming year.

The commission also discussed the new make-up of the Management Board extensively. A CEO switch and the appointment of a new COO has brought the Management Board back up to full strength.

The committee discussed the performance of the Management Board and the targets for 2023. The HR committee conducted evaluation interviews with all members of the Management Board. The evaluation interview with the CFRO was also in the presence of the chair of the Audit, Risk & Compliance Committee. Additional details are in the remuneration report. And finally, an update of the Supervisory Board profile was discussed.

A word of thanks

The Supervisory Board would like to thank the members of the Management Board and all Bouwinvest employees for their commitment and engagement and for the results achieved last year for both the investment portfolios and the organisation.

Amsterdam, 28 March 2023

The Supervisory Board

Jos Nijhuis

Jos van Lange

Gabriëlle Reijnen

Wendy Verschoor

Remuneration report

General

The Supervisory Board is responsible for the remuneration policy for both the Management and Supervisory Boards and for its implementation. The HR committee advises the Supervisory Board on this and prepares an annual remuneration report on the structure and application of the remuneration policy and the individual remuneration of the members of the Management Board and the remuneration of the Supervisory Board over the past year. This report is submitted to the General Meeting of Shareholders for an advisory vote.

The aim of Bouwinvest's remuneration policy for the Management Board is to provide remuneration in line with the market, so Bouwinvest can continue to attract, motivate and retain expert directors who will safeguard the continuity of the company, realise the company's long-term objectives and drive high performance. The remuneration policy for the Management Board is in line with the remuneration policy for Bouwinvest employees, and based on a strategy, culture and organisation that recognises the interests of stakeholders in a broad sense as well as its social impact and responsibilities. This stems from Bouwinvest's origins as an executive organisation for a pension fund, with an emphasis is on collaboration and on achieving results in a socially acceptable and responsible manner. This requires a controlled remuneration policy in which the interests of clients are paramount for both the Management Board and staff, and in which team achievements outweigh individual interests.

The policy level for the remuneration of the members of the Management Board is around the median level of a composite reference market, consisting of Dutch companies active in asset management and real estate. The total package must fit within the median level of this composite reference market. The remuneration levels of Management Board members are compared with going rates at least once every four years, to check whether the remuneration levels are in line with market practice.

The Supervisory Board regularly assesses the fixed remuneration of Management Board members on the basis of the following: knowledge, insight and experience of the individual Management Board members; job evaluation; market comparison; indexation; social and market developments; progress made towards realising business plan targets, and the performance of the individual members of the Management Board. The Supervisory Board will also independently assess whether it is appropriate to index link the salaries of Management Board members following advice from the HR committee.

The Supervisory Board has the discretion to deviate from the remuneration policy in (very) exceptional circumstances. The Supervisory Board did not deviate from the applicable remuneration policy in 2022.

Management Board remuneration is based on fixed income and pension and there are no variable elements.

Statutory Board of Directors

Until 1 September 2022, the Statutory Board of Directors was made up of Dick van Hal, CEO and Rianne Vedder, CFRO. Mark Siezen was named CEO on 1 September 2022. Prior to this, he was Chief Client Officer and a member of the Management Board. Mark Siezen has been appointed for a four-year period. Rianne Vedder was appointed to her role on 15 October 2019, for a four-year period.

Statutory Board of Directors remuneration

The total fixed remuneration for Dick van Hal as CEO was € 531,675 up to 1 September 2022. The remuneration for Mark Siezen from that date is € 178,923. The remuneration for the CFRO for 2022 amounted to € 392,395. Dick van Hal was also given severance pay equivalent to his annual salary on the basis of his employment contract, namely € 453,890.

Pension plan

Bouwinvest offers its employees a pension plan, which is managed by Personeelspensioenfonds APG (APG staff pension fund). The basic plan is an average pay scheme with accrual of fixed and variable components, a dependant's scheme and an occupational disability pension. The basic scheme provides accrual over the pensionable income (income less franchise) with a mandatory maximum. Bouwinvest employees (including the Management Board) are compensated for any excess above this.

Other employment terms and conditions

Other employment terms and conditions include an appropriate fixed expenses allowance and a mobility allowance or lease car. Bouwinvest has taken out a Directors & Officers Liability Insurance in line with the market practices. The Management Board members are not granted any shares and/or rights to shares, nor do they receive any loans.

Severance pay

Compensation for involuntary redundancy amounts to a maximum of one year's income. For the rest, severance payments are made in line with the Dutch Work and Security Act.

Total remuneration Management Board in 2022

	Fixed remuneration	Variable remuneration	Pension costs (regular contribution)	Pension costs (additional contribution)	Other allowances	Severance payments	Total 2022
M.R. Siezen (per September 1, 2022)	146,664	-	10,856	14,675	6,727	-	178,923
M.A. Vedder	313,680	-	24,747	41,178	12,790	-	392,395
D.J. van Hal (CEO until September 1, 2022)	404,341	-	26,453	79,441	21,440	453,890	985,565
Total	864,685	-	62,056	135,294	40,957		1,556,883

	Fixed remuneration	Variable remuneration	Pension costs (regular contribution)	Pension costs (additional contribution)	Other allowances	Total 2021
D.J. van Hal	433,077	53,578	26,441	92,455	22,887	628,438
M.A. Vedder	293,318	36,288	25,961	38,585	11,190	405,342
Total	726,395	89,866	52,402	131,040	34,077	1,033,780

In 2022, Bouwinvest paid an amount of € 2.8 million in remuneration for the (statutory and titular) members of the Management Board. Of this € 1.6 million was related to the remuneration of the statutory directors (2021: € 1.0 million).

Supervisory Board remuneration

The remuneration policy for the Supervisory Board aims to attract, motivate and retain expert supervisory directors, who supervise Bouwinvest to safeguard the continuity of the company and enable it to realise its long-term objectives. The remuneration for the members of the Supervisory Board is made up of a fixed annual amount which is not dependent on

Bouwinvest's results. As of 1 January 2022, this payment was indexed by 4.7% in line with the core inflation (consumer price index corrected for energy prices).

Remuneration Supervisory Board 2022

		Remuneration 2022
J.A. Nijhuis	Chair	47,783
J.H.P.M. van Lange	Vice chair	42,474
G.E.A. Reijnen	Member	37,165
W.B. Verschoor	Member	37,165
Total		164,587

		Remuneration 2021
J.A. Nijhuis	Chair	46,686
J.H.P.M. van Lange	Member, vice chair as per June, 1, 2021	39,338
G.E.A. Reijnen	Member	36,312
W.B. Verschoor	Member	36,312
Total		158,648

Members of the Supervisory Board receive no variable remuneration and are not granted any shares and/or rights to shares, nor do they receive any loans. Nor do the members of the Supervisory Board receive any other compensation, such as travel expenses or compensation for participating in committees or attending meetings. The chair of the Supervisory Board has the discretionary authority to reimburse exceptional expenses in whole or in part. Members of the Supervisory Board also benefit from directors' and officers' liability insurance coverage. These benefits are in line with market practice.

Composition of the boards

Composition of the Management Board



Chief Executive Officer and Statutory Director

Mark Siezen

Mark Siezen was appointed Chief Executive Officer and chair of the Management Board on 1 September 2022. Mark previously worked as Chief Client Officer at Bouwinvest. Prior to that, he was Executive Director and member of the board at CBRE and held various positions at Multi Corporation, NSI and COFRA Holding (including Redevco and C&A). Mark has been a member of the Supervisory Board of Northwest Clinics (Noordwest Ziekenhuis Groep) since December 2021.



Chief Financial & Risk Officer and Statutory Director

Rianne Vedder

Rianne Vedder was appointed Chief Financial and Risk Officer on 15 October 2019. She was formerly a Partner at EY Financial Services Advisory and jointly responsible for the growth and continued development of the consultancy practice of the EY organisation. She previously held positions within EY Financial Services and Capgemini. Rianne studied Business Economics at Maastricht University and holds a postgraduate Chartered Controller degree. She is an INSEAD-certified Independent Non-Executive Director.



Chief Client Officer

Marleen Bosma

Marleen Bosma-Verhaegh was appointed Chief Client Officer on 1 November 2022. Marleen has worked at Bouwinvest since 2016. She was Head of Research & Strategic Advisory until early 2022, when she was made responsible for business development within the Client Management department. Before joining Bouwinvest, Marleen was jointly responsible for international listed and real estate investments at Blue Sky Group. Prior to that, she worked in various positions at Syntrus Achmea Real Estate & Finance, Philips Pension Fund and FGH Bank.



Chief Investment Officer Dutch Investments

Allard van Spaandonk

Allard van Spaandonk has been CIO Dutch Investments since 2013. He was formerly director Asset Management at Bouwinvest, director Retail Investments at Syntrus Achmea Vastgoed as well as Head of Residential Mortgages at Achmea Vastgoed. Allard is a member of the Advisory Board of the Amsterdam School of Real Estate (ASRE) and was member of the Management Board of NEPROM (Dutch association of project development companies) until 31 December 2021.



Chief Investment Officer International Investments

Stephen Tross

Stephen Tross has been CIO International Investments since 2010. Stephen previously worked in the real estate audit practices at KPMG Accountants NV and PricewaterhouseCoopers in the Netherlands, New York and London. He studied Business Economics at the Hogeschool Utrecht and accountancy at NivRA-Nyenrode. Stephen is a professional member of the British Institution of Chartered Surveyors and a chair of the management board of ANREV.

Composition of the Supervisory Board



The Supervisory Board consists of four members with Dutch nationality. All the members are independent.

From left to right: Gabriëlle Reijnen, Jos Nijhuis, Wendy Verschoor and Jos van Lange.

Jos Nijhuis

Supervisory Board chair Jos Nijhuis (1957) was CEO of the Royal Schiphol Group in the period 2009 to 2018. From 2009 to 2017, he held Supervisory director positions in the financial services sector at AON Group Nederland and SNS Reaal NV/Volksbank. Prior to joining Schiphol Group, Jos held various positions at PwC, for the last seven year as CEO of PwC in the Netherlands. Jos holds a number of Supervisory Board positions, including member of the Supervisory Board of Hotel Okura Amsterdam, non-executive Board member of Vision Box (Portugal), chair of the investment committee at Quadrum Capital. In 2021, he was appointed as temporary Supervisory Director at Flynth Holding by the Enterprise Chamber for a part of the year. And in 2022 he was appointed as chair of the Supervisory Board of Enexis Holding N.V.

Jos van Lange

Jos van Lange (1956)'s expertise is in the fields of finance, risk, control and compliance in combination with real estate and retail banking. Within the Supervisory Board, he is the vice chair of the Supervisory Committee and chair of the Audit Risk & Compliance committee. From 1980 to 2017, Jos held various positions at Rabobank Nederland and the Rabo Real Estate Group and was CFRO from 2006 to 2013, and CEO from 2013 to 2017. Jos holds a number of Supervisory Board positions. He is chair of the Supervisory Board at the Zuyderland Medical Centre Foundation, vice chair of the Supervisory Board of De Volksbank, a member of the Board of the Tilburg University foundation and member of the DELA Investment advice committee.

Wendy Verschoor

Wendy Verschoor (1974) is a real estate specialist and an executive with almost 25 years of experience in advising clients on real estate and asset management. Within the Supervisory Board, she is a member of the Audit, Risk & Compliance committee. Since April 2018, Wendy runs her own consultancy practice in the fields of strategy, leadership and governance. Prior to this, she was Head of Client Care at CBRE Netherlands and Buildings director at Arcadis Netherlands. Wendy is chair of the Supervisory Board of Ascort and Woonstad Rotterdam, a member of the Advisory Board of Borghese Real Estate, and a lecturer at the Amsterdam School of Real Estate and the TIAS School of Business and Society.

Gabriëlle Reijnen

Gabriëlle Reijnen (1967) has more than 25 years' experience as an executive, having held a number of senior positions in international finance, risk, and client and portfolio management. Within the Supervisory Board, she is chair of the HR committee. Gabriëlle Reijnen is currently CFO at Beter Bed Holding. In addition to this, she is a Board member of Stichting Continuïteit Merus. Prior to joining Beter Bed Holding she held various positions at ABN AMRO and Alvarez & Marsals, and was Head of Corporate Coverage and member of the Management Team with RBS in the Netherlands.

Financial statements

Consolidated balance sheet at 31 December

Before appropriation of result, all amounts in € thousands	Note	2022	2021
Assets			
Non-current assets			
Intangible fixed assets	1	812	531
Tangible fixed assets	2	3,362	4,165
Financial non-current assets	3	17,029	17,211
		21,203	21,907
Current assets			
Receivables from associates and affiliated companies	4	-	91
Tax receivables	5	2,129	2,168
Other receivables and accrued assets		501	804
Cash and cash equivalents	6	36,030	37,772
		38,660	40,835
Total assets		59,863	62,742
Equity and liabilities			
Equity			
Equity attributable to the shareholder of Bouwinvest	7	44,657	45,229
		44,657	45,229
Provisions			
	8	1,837	1,876
Long-term liabilities			
	9	224	256
Current liabilities			
Accounts payable		28	32
Taxes and social security charges	10	1,913	2,500
Pension premiums	11	346	354
Payables to shareholder and associates	12	6,064	7,475
Other current liabilities		2,659	2,668
Accrued liabilities		2,135	2,352
		13,145	15,381
Total equity and liabilities		59,863	62,742

Consolidated statement of profit or loss

All amounts in € thousands

	Note	2022	2021
Management fee	13	59,925	53,161
Operating costs			
Personnel costs	14	31,538	29,182
Depreciation costs	1-2	1,388	1,270
Other operating costs	15	19,952	15,291
Total operating costs		(52,878)	(45,743)
Operating result		7,047	7,418
Result from investments in associates	16	232	1,495
Interest income and expenses	17	(27)	(216)
Result before taxes		7,252	8,697
Corporate income tax	18	(1,825)	(2,194)
Result after taxes		5,428	6,503

Consolidated statement of cash flows

All amounts in € thousands

	2022	2021
Cash flow from operating activities		
Net result	5,428	6,503
Adjustments for:		
Depreciations	1,388	1,270
Result from investments in associates	(232)	(1,495)
Interest income and expenses	27	216
Movements in working capital and provisions and long-term liabilities:		
Movement in deferred tax assets	-	31
Movement in current assets	436	(2,059)
Movement in provisions	(39)	336
Movement in current and long-term liabilities	(2,268)	1,981
	4,740	6,783
Interest paid	(27)	(216)
Cash flow from operating activities	4,713	6,567
Cash flow from investment activities		
Investments in tangible fixed assets	(210)	(628)
Investments in intangible fixed assets	(658)	(361)
Investments in associates	-	-
Dividends received	413	390
Cash flow from investment activities	(455)	(599)
Cash flow from financing activities		
Dividends paid	(6,000)	-
Cash flow from financing activities	(6,000)	-
Net cash flow	(1,742)	5,968
Cash and cash equivalents as at 1 January	37,772	31,804
Increase/(decrease) in cash and cash equivalents	(1,742)	5,968
Cash and cash equivalents as at 31 December	36,030	37,772

Notes to the financial statements

All amounts in € thousands, unless otherwise stated

General

Activities

Bouwinvest Real Estate Investors B.V. ('Bouwinvest' or 'the company'), with its head office in Amsterdam, at La Guardiaweg 4, is a private company with limited liability incorporated on 9 October 2002. The Company is registered with the Amsterdam Chamber of Commerce under number 34180506. Bouwinvest's objective is to provide real estate investment services to the Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid (pension fund for the Dutch construction industry - bpfBOUW), to other institutional investors and to bpfBOUW group companies as defined in article 2:24b of the Dutch Civil Code.

Bouwinvest is an investment manager specialised in real estate for institutional investors. Bouwinvest manages five Dutch sector funds. Bouwinvest also manages a separate mandate for BpfBOUW for real estate investments in Europe, North America and the Asia-Pacific region. In the Netherlands, the management services cover the entire real estate chain, from acquisition, development and redevelopment to asset management and disposal. For the international investments, the management services consist primarily of defining the real estate investment strategy, fund selection and monitoring the performance of the selected fund managers and funds.

Group relationships

The company is part of a group, headed by bpfBOUW in Amsterdam, the Netherlands. All shares in the company are held by bpfBOUW. The company's financial information is included in the financial statements of bpfBOUW. Copies are available in the trade register of the Chamber of Commerce, as well as on the bpfBOUW website.

In connection with its foreign offices in Sydney and New York (opened in mid-2020), Bouwinvest has two subsidiaries: Bouwinvest Asia Pacific PTY LTD (Australia) and Bouwinvest North America LLC (USA). Bouwinvest holds 100% of the shares in these companies.

Consolidated companies:

Company name	Registered office	Share
Bouwinvest Asia Pacific Pty Ltd	Sydney	100%
Bouwinvest North America LLC	New York	100%

Non-consolidated companies:

Company name	Registered office	Share
Bouwinvest Dutch Institutional Residential Fund N.V.	Amsterdam	0.159%
Bouwinvest Dutch Institutional Retail Fund N.V.	Amsterdam	0.213%
Bouwinvest Dutch Institutional Office Fund N.V.	Amsterdam	0.211%

Although Bouwinvest holds less than 20% of the shares in Bouwinvest Dutch Institutional Residential Fund N.V., Bouwinvest Dutch Institutional Retail Fund N.V. and Bouwinvest Dutch Institutional Office Fund N.V., these interests are classified as associated companies due to the following circumstances: (1) Bouwinvest's representation in the management of the associated companies and (2) involvement of the participating legal entity in the determination of the strategy of the associated company. This means that Bouwinvest can exercise significant influence in these companies.

Fiscal unity for value added tax

Bouwinvest and bpfBOUW are a fiscal unity for the purposes of value added tax (VAT group), also including Bouwinvest Dutch Institutional Hotel Fund N.V. (and its subsidiaries), Bouwinvest Dutch Institutional Healthcare Fund N.V. (and its subsidiary) and Bouwinvest Development B.V.

The VAT group exists since 1 January 2016; the companies in this fiscal unity file their VAT returns independently.

Bouwinvest's right to deduct VAT, as part of this fiscal unity, amounted to approximately 25% in the year 2022.

Principles of consolidation

Bouwinvest's consolidated financial statements include the financial information of the companies that are part of the group and those of other legal entities over which Bouwinvest can exert decisive control and over which it has central control. The consolidated financial statements have been prepared in accordance with the accounting policies of Bouwinvest.

The financial information of Bouwinvest is included in the consolidated financial statements, so pursuant to the option offered by article 2:402 of the Dutch Civil Code, a condensed statement of profit or loss is included in the company financial statements.

The financial information of the group companies and other legal entities and companies included in the consolidation are included in full in the consolidated financial statements, while intra-group relations and transactions have been eliminated.

General accounting policies for the preparation of the consolidated financial statements

The financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. Assets and liabilities are valued and results are determined on a historical cost basis, unless otherwise stated.

Income and expenses are accounted for in the period to which they pertain. Profit is only included if this has been realised on the balance sheet date. Liabilities and potential losses originating before the end of the financial year are recognised if they are known before preparation of the financial statements.

The company's financial statements are presented in thousands of euro (€), unless otherwise stated.

Financial instruments

Financial instruments are understood to include primary financial instruments (such as receivables and payables) and derivative financial instruments. Bouwinvest has several primary financial instruments. For the valuation principles of the primary financial instruments, see the explanatory notes per balance sheet item.

Conversion of foreign currencies

Receivables, debts and obligations in foreign currencies are converted at the exchange rate at the balance sheet date.

Transactions in foreign currencies in the reporting period are included in the financial statements at the exchange rate prevailing on the date of the transaction. The translation differences resulting from the conversion on the balance sheet date are included in the statement of profit or loss.

The foreign group companies and the non-consolidated associated companies qualify as foreign business operations with a different functional currency than that of the company. For the conversion of the financial statements of these foreign business operations, the company uses the exchange rates on the balance sheet date for balance sheet items and the exchange rates on the transaction dates for the items in the statement of profit or loss. The translation differences that arise are credited or charged directly to group equity and processed in the translation reserve. This also applies to the translation differences in borrowing that are part of the net investment in foreign business operations.

Accounting policies for the valuation of assets and liabilities

Intangible fixed assets

Intangible fixed assets are stated at purchase price less straight-line depreciations, calculated taking into account the estimated economic life of the assets in question, and less any impairments if applicable. Acquisitions in the year under review are subject to depreciation according to the proportion of the year they have been held.

Depreciation is over a period of three to five years.

Property, plant and equipment

Property, plant and equipment are stated at purchase price less straight-line depreciations, calculated taking into account the estimated economic life of the assets in question, and less impairments if applicable. Any assets purchased in the year under review are subject to depreciation according to the proportion of the year they have been held.

Depreciation is over a period of three to ten years.

Financial fixed assets

When significant influence is exercised on their business and financial strategy, non-consolidated associated companies are valued at net asset value, yet never less than zero. This net asset value is calculated on the basis of the accounting policies of Bouwinvest.

When no significant influence is exercised on their business and financial strategy, associated companies are valued at purchase price less any impairment if applicable.

Any receivables from and loans to associated companies, as well as any other receivables are initially recognised at fair value and subsequently recognised at amortised cost price, less any provisions deemed necessary. These provisions are determined on the basis of individual assessments of the receivables.

The financial fixed assets include deferred tax assets, if and insofar as it is probable that Bouwinvest will be able to realise the deferred tax asset in due course. These deferred tax assets are measured at face value and are predominantly of a long-term nature.

Receivables

Receivables are initially recognised at fair value and subsequently recognised at amortised cost price, less any provisions for potential doubtful debts deemed necessary. These provisions are determined on the basis of individual assessments of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at face value. If cash equivalents are not freely disposable, this should be taken into account in the valuation of same.

Provisions

Provisions are recognised if the company has a legally enforceable or constructive obligation as a result of a past event; it is likely that an outflow of resources will be required to settle the obligation; and the amount can be estimated reliably. Provisions are taken for the cash value of the outflows that are expected to be required for the settlement of the obligation, if the impact of same is material.

Deferred tax liabilities

Deferred tax liabilities are recognised for the difference between the fiscal and commercial valuation of investments. These deferred tax liabilities are measured at face value and are predominantly of a long-term nature.

Current liabilities

Liabilities are initially recognised at fair value and subsequently measured at amortised cost price.

Management fee

The management fee is calculated on the basis of the net asset value and project revenues.

Pension expenses

The Dutch pension plan is financed through premium paid to the pension provider. The pension liabilities ensuing from the scheme are measured according to the 'liability to the pension provider approach'. According to this approach, the pension premiums to be paid to the pension provider are recognised as an expense and charged to the statement of profit or loss.

Share in the result of non-consolidated associated companies in which Bouwinvest participates

The share in the result of these participations (in which Bouwinvest exerts significant influence on the business and financial strategy) is recognised as result from participations. This result is determined according to the accounting policies and policies for the determination of results prevailing at Bouwinvest.

Taxes

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with deferred tax assets (if applicable) only recognised in so far as their realisation is likely.

Note to the statement of cash flows, general accounting policies

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents are considered to be highly liquid investments. Interest income and expenses are recognised in the cash flow from ordinary operations.

Notes to the consolidated balance sheet

All amounts in € thousands, unless otherwise stated.

1 Intangible fixed assets

	2022	2021
Carrying amount as at 1 January	531	518
Investments	658	361
Depreciations	(377)	(348)
Carrying amount as at 31 December	812	531
Purchase value	3,442	2,784
Derecognition of old software	-	-
Cumulative depreciations	(2,630)	(2,253)
Carrying amount as at 31 December	812	531

Intangible fixed assets pertain to investments in software.

2 Tangible fixed assets

	Leasehold Improvements	Equipment	Total 2022	Total 2021
Carrying amount as at 1 January	3,349	816	4,165	4,460
Investments	-	207	207	627
Divestments acquisition value	-	(173)	(173)	-
Divestments cumulative depreciations	-	173	173	-
Depreciations	(569)	(441)	(1,010)	(922)
Carrying amount as at 31 December	2,780	582	3,362	4,165
Purchase value	4,776	1,907	6,683	6,649
Derecognition of old renovations and business equipment	-	-	-	-
Cumulative depreciations	(1,996)	(1,325)	(3,321)	(2,484)
Carrying amount as at 31 December	2,780	582	3,362	4,165

3 Financial non-current assets

	2022	2021
Investments in associates	16,919	17,102
Deferred tax asset	110	109
Total	17,029	17,211

The item deferred tax asset pertains to the difference between the fiscal and commercial carrying values of property, plant and equipment and intangible fixed assets. In fiscal terms, assets cannot be depreciated more quickly than over five years, while some assets have a shorter commercial depreciation term.

The movements in the associated companies included in the financial fixed assets were as follows:

	Book value 31-12-2021	Deposit/ repayment	Dividend	Result 2022	Book value 31-12-2022
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	12,296	-	(234)	69	12,130
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	2,106	-	(85)	222	2,243
Bouwinvest Dutch Institutional Office Fund N.V. (0.2%)	2,700	-	(96)	(58)	2,546
Total	17,102	-	(415)	232	16,919

	Book value 31-12-2020	Deposit/ repayment	Dividend	Result 2021	Book value 31-12-2021
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	11,306	-	(239)	1,229	12,296
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	2,100	-	(82)	88	2,106
Bouwinvest Dutch Institutional Office Fund N.V. (0.2%)	2,591	-	(69)	178	2,700
Totaal	15,997	-	(390)	1,495	17,102

4 Receivables from associates and affiliated companies

	2022	2021
Bouwinvest Retail Fund N.V.	-	91
Bouwinvest Retail Development B.V.	-	-
Bouwinvest Office Development B.V.	-	-
Bouwinvest Hotel Development B.V.	-	-
Total	-	91

5 Tax receivables

	2022	2021
Value added tax	2,064	2,105
Dividend tax	65	63
Corporate income tax	-	-
Total	2,129	2,168

The VAT receivable consists primarily of adjustments with respect to the management fee from previous years.

6 Cash and cash equivalents

	2022	2021
Bank balances	36,030	37,772
Total	36,030	37,772

The cash and cash equivalents are freely available to the company.

7 Group equity

Below you will find an overview of the comprehensive income as part of the movements in group equity. For a more detailed explanation of the share of the legal entity in the group equity, see the note to the shareholders' equity in the company financial statements.

	2022	2021
Equity attributable to the shareholder of Bouwinvest at 1 January	45,229	38,726
Consolidated result after taxes	5,428	6,503
Other comprehensive income	-	-
Comprehensive income	5,428	6,503
Dividends paid	(6,000)	-
Equity attributable to the shareholder of Bouwinvest at 31 December	44,657	45,229

8 Provision deferred tax liabilities

	2022	2021
Balance at 1 January	1,876	1,540
Additions	-	336
Released	(39)	-
Balance at 31 December	1,837	1,876

Bouwinvest has recognised a deferred tax liability of € 1.8 million of a long-term nature for the difference between the fiscal and commercial valuation of the participations of € 7.1 million at year-end 2022 (2021: € 7.3 million). The deferred tax liability is of a long-term nature.

9 Long-term liabilities

	2022	2021
Received lease incentive headquarters Amsterdam	224	256
Total	224	256
Amount due between one and five years	128	128
Amount due after five years	96	128
Total	224	256

The short-term part of the received rental incentive amounting to € 32,000 is recognised in the other liabilities.

10 Taxes and social security charges

	2022	2021
Payroll taxes	1,604	1,522
Corporate income tax	309	978
Total	1,913	2,500

11 Pension premiums

The movement in short-term liabilities related to pensions was as follows:

	2022	2021
Balance as at 1 January	354	314
Payment relating to previous years	(354)	(314)
	-	-
Premiums due for the financial year	4,031	4,201
Payments relating to the financial year	(3,685)	(3,847)
Total	346	354

12 Payables to shareholder and associates

	2022	2021
Payable bpfBOUW	5,691	6,972
Payable Office Fund	-	-
Payable Residential Fund	-	-
Payable Bouwinvest Development	100	301
Payable Hotel Fund	204	165
Payable Healthcare Fund	69	37
Total	6,064	7,475

€ 4.0 million of the payables to bpfBOUW is related to the incentive fee with respect to bpfBOUW's participation in the Bouwinvest Dutch Residential Fund.

An amount of € 373,000 (2021: € 503,000) of the payables to the shareholder and associates pertains to associated companies in which the group can exert significant influence. Of this amount, € nil (2021: € nil) is of a long-term nature.

Financial instruments

The group does not possess any derivative financial instruments, only a number of primary financial instruments, such as receivables and payables. For the explanation of the primary financial instruments, see the specific explanatory note per item. Below you will find an explanation of the most significant financial risks.

- **Credit risk:** Credit risk is the risk of financial losses for the company if a client or counter party fails to meet its contractual obligations with respect to a financial instrument. The company runs credit risk on the cash and cash equivalents and the registered receivables. The credit risk on receivables is limited, as Bouwinvest provides services for creditworthy parties and the open balance of receivables is generally low. The risk related to cash and cash equivalents is mitigated by using only systemic banks.
- **Liquidity risk:** Liquidity risk is the risk that the company will find it difficult to meet its financial obligations. The company has sufficient cash and cash equivalents and other current assets available to meet its financial obligations.
- **Interest rate risk:** The company has limited exposure to interest rate risk, as it does not use borrowed capital for its financing. The company pays a floating interest rate on the balances held in its bank accounts. If permitted on the basis of minimum capital, any surplus balance is transferred and paid out as dividend to the shareholder.
- **Exchange rate risk:** The company has limited exposure to exchange rate risk, as very little of the carrying value of receivables and payables is in a foreign currency. There is no need to hedge exchange rate risks.

Off balance sheet rights and obligations

Investment management agreements

Bouwinvest has management agreements with the Dutch funds it manages. These agreements are open-ended and payment after termination is for two years. In addition, Bouwinvest has signed three investment management agreements with Stichting Bedrijfstakpensioenfondsvoor de Bouwnijverheid (bpfBOUW, the pension fund for the construction industry) for the management of its international real estate portfolio. These three investment management agreements are open-ended. These agreements can be terminated each year, with a period of notice of two years. The management fee is calculated on the basis of net asset value.

Rental and lease contracts

All amounts in € thousands	2022	2021
First year	4,260	4,203
Second to fifth year	7,205	7,526
More than five years	5,403	5,089
Total	16,868	16,818

Note to the consolidated statement of profit or loss

All amounts in € thousands, unless otherwise stated.

13 Management fee

Bouwinvest received a management fee totalling € 59.9 million (2021: € 53.2 million), consisting of € 59.7 million (2021: € 52.9 million) on the basis of the net asset value. The fee for project development activities amounted to € 0.2 million (2021: € 0.3 million) on the basis of the invoiced instalments.

Bouwinvest delivers real estate services to the following funds and entities (group companies as defined in article 2:24b of the Dutch Civil Code). The total managed capital of the company is shown below.

	2022	2021
Bouwinvest Dutch Institutional Residential Fund N.V.	7,612,690	7,681,103
Bouwinvest Dutch Institutional Retail Fund N.V.	1,055,026	975,551
Bouwinvest Dutch Institutional Office Fund N.V.	1,198,693	1,238,539
Bouwinvest Dutch Institutional Hotel Fund N.V.	372,774	355,647
Bouwinvest Dutch Institutional Healthcare Fund N.V.	460,663	455,796
Bouwinvest Development B.V.	5,895	61,452
bpfBOUW (mandates International Investments & Heritage)	5,195,566	4,887,403
Total	15,901,309	15,655,491

The management fee for the funds is calculated as 0.48% (2021: 0.50%) of the net asset value. For bpfBOUW's international investments, this amounts to 0.20% of the net asset value.

	2022	2021
Bouwinvest Dutch Institutional Residential Fund N.V.	35,740	29,760
Bouwinvest Dutch Institutional Retail Fund N.V.	4,541	4,738
Bouwinvest Dutch Institutional Office Fund N.V.	5,533	5,908
Bouwinvest Dutch Institutional Hotel Fund N.V.	1,634	1,744
Bouwinvest Dutch Institutional Healthcare Fund N.V.	2,066	2,012
Bouwinvest Development B.V.	215	278
Mandates International Investments	9,747	8,269
Other services	449	452
Total	59,925	53,161

14 Personnel costs

	2022	2021
Wages and salaries	22,647	21,068
Social security charges	2,198	2,020
Pension fund charges	4,031	4,201
Temporary staff	2,662	1,893
Total	31,538	29,182

Wages and salaries increased by € 1.6 million in 2022. This increase was the result of the indexation effective 1 July 2022, annual personnel salary increases, increased pension contributions and the relatively high salary level of newly recruited personnel.

Costs for temporary staff increased by € 0.8 million in 2022. These extra temporary staff were primarily used to fill vacancies and in the execution of projects.

The pension expenses attributed to the financial year under review can be specified as follows:

	2022	2021
Pension fund agreements chargeable to the financial year	4,639	4,769
Deductions	(608)	(568)
Total	4,031	4,201

In accordance with the Dutch pension system, this pension plan is financed through contributions (premiums) to an industry pension fund. For Bouwinvest, this is APG's Ondernemingspensioenfond (OPF).

The accrued pension entitlements are always fully funded in the calendar year in question via – at the very least – cost-effective premium payments. The pension plan is a career average plan, with a single payment scheme, for both active and inactive (sleepers and retired persons) participants. The granting of supplements (indexation) depends on the investment return. The pension premium for the basic pension plan amounted to 27.0% of the pensionable salary in 2022 (2021: 28.4%), with a maximum of € 114,866 (2021: € 112,189). The annual employee contribution is at least 1.75% (2021: 1.75%) and was capped at 4.2% (2021: 4.2%) of the gross salary. The Management Board of the industry pension fund determines the contribution each year on the basis of the coverage ratio and expected returns. In addition to this basic scheme, which is mandatory for every Bouwinvest employee, Bouwinvest also has a net pension scheme (*Netto Pensioen Regeling - NPR*), which is offered to employees with a total fixed income above the mandatory limit of € 114,866 (2021: € 112,189). Bouwinvest pays a gross amount equivalent to the maximum deposit in a net pension scheme. Participation in the net pension scheme is voluntary.

The industry pension fund in question has stated that its coverage ratio was 126.7% in 2022 (2021: 111.9%). On the basis of the agreed pension scheme, the group has no obligation to make additional contributions in the event of a deficit, other than in the form of higher future contributions.

Employees

The number of employees stood at 209.8 FTEs at year-end 2022 (2021: 196.6 FTEs). The average number of employees in 2022 was 203 FTEs (2021: 194 FTEs). The number of employees working abroad was four at the end of 2022 (2021: three).

Management Board and Supervisory Board remuneration

In 2022, Bouwinvest paid total remuneration of € 2.8 million (2021: € 2.1 million) to the members of the Management Board (statutory and titular). Of this, € 1.6 million was allocated to the statutory directors (2021: € 1.0 million).

In 2022, Bouwinvest paid total remuneration of € 164,587 (2021: € 158,648) to the members of the Supervisory Board of the legal entity.

15 Other operating expenses

	2022	2021
Office expenses	2,832	2,523
Automation expenses	6,404	4,769
Other personnel costs	4,038	2,843
Communications expenses	1,369	1,310
Consultancy costs	677	883
Research and Investor Relations costs	571	521
Non-deductible VAT	2,848	1,757
Other expenses	1,213	685
Total	19,952	15,291

Non-deductible VAT was €1.1 million higher than in 2021, mainly due to lower non-deductible VAT as a result of higher total expenses in 2022 (impact € 0.5 million) and the release of part of the provision for VAT deduction for expenses as a result of the fiscal unity in 2021 (impact €0.6 million).

The lease and sub-lease payments recognised in the statement of profit or loss can be specified as follows:

	2022	2021
Minimum lease payments leased cars	675	785
Minimum lease payments office building	1,563	1,403
Minimum lease payments office automation	-	31
Total	2,238	2,219

The minimum lease payments for lease cars also include fuel costs.

Auditor's fees:

	2022	2021
Audit of the financial statements	52	42
Other audit engagements	133	98
Other non-audit engagements	17	17
Total	202	157

16 Result from investments in associates

	2022	2021
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	69	1,229
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	222	88
Bouwinvest Dutch Institutional Office Fund N.V. (0.2%)	(58)	178
Total	232	1,495

17 Interest income and expenses

	2022	2021
Interest expenses	(27)	(202)
Exchange rate differences	-	-14
Total	(27)	(216)

18 Corporate income tax

	2022	2021
Current tax expense	(1,786)	(1,827)
Deferred tax income	16	(31)
Deferred tax liability	(55)	(336)
Total	(1,825)	(2,194)

Effective tax rate

	%	2022	%	2021
Result before taxes		7,252		8,697
Income tax expenses at statutory tax rate	25.8%	1,871	25.0%	2,174
Application of lower tax rate corporate income tax (until € 395.000)	(0.6)%	(43)	(0.3)%	(25)
Investments in associates valued at cost for tax purposes	0.7%	47	(3.2)%	(276)
Non-taxable expenses	0.0%	-	0.0%	1
Lower depreciation for tax purposes	(0.2)%	(17)	(0.4)%	(33)
Application local tax rates of foreign group companies	0.1%	5	(0.1)%	(13)
Effect deferred tax assets and liabilities	(0.5)%	(39)	4.2%	366
Income tax previous years	0.0%	-	0.0%	(1)
Corporate income tax effective tax rate	25.2%	1,825	25.2%	2,194

Subsequent events

No subsequent events occurred after the end of the reporting period.

White Pines South International Investments

Dublin
Ireland



Company balance sheet as at 31 December

Before appropriation of result, all amounts in € thousands	Note	2022	2021
Assets			
Non-current assets			
Intangible fixed assets		812	531
Tangible fixed assets		3,362	4,165
Financial non-current assets	1	17,427	17,535
		21,601	22,231
Current assets			
Trade receivables		-	-
Receivables from subsidiaries, associates and affiliated companies		-	91
Tax receivables		2,125	2,165
Other receivables and accrued assets		487	780
Cash and cash equivalents		35,761	37,464
		38,373	40,500
Total assets		59,974	62,731
Equity and liabilities			
Issued capital		225	225
Share premium		41,367	41,367
Statutory reserve participations		5,236	5,395
Other reserves		(7,600)	(8,261)
Net result for the year		5,428	6,503
Shareholders' equity	2	44,657	45,229
Provisions		1,837	1,876
Long-term liabilities		256	256
Accounts payable		29	32
Taxes and social security charges		1,892	2,486
Pension premiums		346	354
Payables to shareholder and associates		6,249	7,593
Other liabilities		2,529	2,553
Accrued liabilities		2,179	2,352
Current liabilities		13,224	15,370
Total equity and liabilities		59,974	62,731

Company statement of profit or loss

All amounts in € thousands

	Note	2022	2021
Result from investments in subsidiaries and associates	1	307	1,606
Other income and expenses after taxes		5,121	4,897
Result after taxes		5,428	6,503

Notes to the company financial statements

All amounts in € thousands, unless otherwise stated

General accounting policies for the preparation of the company financial statements

The company financial statements have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code.

For the general accounting principles for the preparation of the company financial statements, the policies for the valuation of assets and liabilities and the determination of the result, as well as for the notes to specific assets and liabilities and the results, see the notes to the consolidated financial statements, insofar as not otherwise stated hereafter.

Accounting policies for the valuation of assets and liabilities

Participations in group companies

Participations in group companies in which Bouwinvest exerts significant influence on the business and financial strategy, are valued according to the net asset value, yet never less than zero. The net asset value is calculated on the basis of Bouwinvest's accounting policies. If the net asset value is negative, the participation is valued at zero. This valuation also takes into account other long-term interests that must in fact be regarded as part of the net investment in the associated company. If Bouwinvest stands as surety for all or part of the debts of the associated company in question, or is in fact obliged to enable said associated company to pay (the company's pro rata share of) its debts, Bouwinvest will form a provision. When determining the amount of this provision, Bouwinvest takes into account provisions for doubtful debts already deducted from the receivables due from the associated company.

Statutory reserve for associated companies

The statutory reserve for associated companies is formed at the level of Bouwinvest's share in the results and direct multiples of the associated companies since the initial valuation of these associated companies at net asset value, insofar as Bouwinvest can effect payments without any limitations. The statutory reserve for associated companies is determined on an individual basis.

Notes to the company balance sheet

All amounts in € thousands, unless otherwise stated.

1 Financial non-current assets

	2022	2021
Investments in subsidiaries and associates	17,318	17,426
Deferred tax asset	109	109
Total	17,427	17,535

The deferred tax asset pertains to the difference between the fiscal and commercial carrying values of property, plant and equipment and intangible fixed assets. In fiscal terms, assets cannot be depreciated more quickly than over five years, while some assets have a shorter commercial depreciation term.

The movements in group companies and the associated companies that are part of the group included in the financial fixed assets were as follows:

	Book value 31-12-2021	Deposit/ repayment	Dividend	Result 2022	Book value 31-12-2022
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	12,296	-	(234)	69	12,130
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	2,106	-	(84)	222	2,244
Bouwinvest Dutch Institutional Office Fund N.V. (0.2%)	2,700	-	(96)	(58)	2,546
Bouwinvest Asia Pacific Pty Ltd (100%)	175	-	-	38	213
Bouwinvest North America LLC (100%)	149	-	-	36	185
Total	17,426	-	(414)	306	17,318

	Book value 31-12-2020	Deposit/ repayment	Dividend	Result 2021	Book value 31-12-2021
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	11,306	-	(239)	1,229	12,296
Bouwinvest Dutch Institutional Retail Fund N.V. (0.3%)	2,100	-	(82)	88	2,106
Bouwinvest Dutch Institutional Office Fund N.V. (0.3%)	2,591	-	(69)	178	2,700
Bouwinvest Asia Pacific Pty Ltd (100%)	131	-	-	44	175
Bouwinvest North America LLC (100%)	82	-	-	67	149
Total	16,210	-	(390)	1,606	17,426

Bouwinvest Asia Pacific Pty Ltd (Bouwinvest APAC) is a Bouwinvest subsidiary, founded on 21 December 2018. Acting as a representative office, Bouwinvest APAC advises Bouwinvest on the selection and management of real estate investments in the Asia-Pacific region on the basis of a Service Agreement with Bouwinvest. In addition, the subsidiary provides Bouwinvest with support services, such as market analyses and hold/sell analyses.

Bouwinvest North America LLC (Bouwinvest US) is a Bouwinvest subsidiary, founded on 2 January 2019. Acting as a representative office, Bouwinvest North America LLC advises Bouwinvest on the selection and management of real estate investments on the North American continent on the basis of a Service Agreement with Bouwinvest. In addition, the subsidiary provides Bouwinvest with support services, such as market analyses and hold/sell analyses.

2 Shareholders' equity

2022, before appropriation of result

	Issued capital	Share premium	Statutory reserve investments in associates	Other reserves	Retained earnings	Total equity
Balance at 1 January 2022	225	41,367	5,395	(8,261)	6,503	45,229
Net result for the year	-	-	-	-	5,428	5,428
Appropriation of result	-	-	-	6,503	(6,503)	-
Change in statutory reserve investments in associates	-	-	(159)	159	-	-
Dividends paid	-	-	-	(6,000)	-	(6,000)
Balance at 31 December 2022	225	41,367	5,236	(7,599)	5,428	44,657

2021, before appropriation of result

	Issued capital	Share premium	Statutory reserve investments in associates	Other reserves	Retained earnings	Total equity
Balance at 1 January 2021	225	41,367	4,621	(11,797)	4,310	38,726
Net result for the year	-	-	-	-	6,503	6,503
Appropriation of result	-	-	-	4,310	(4,310)	-
Change in statutory reserve investments in associates	-	-	774	(774)	-	-
Dividends paid	-	-	-	-	-	-
Balance at 31 December 2021	225	41,367	5,395	(8,261)	6,503	45,229

Share capital

The shares have a nominal value of one euro. On 31 December 2022, Bouwinvest had a total of 225,000 issued and fully paid up ordinary shares.

Statutory reserve for participations

Bouwinvest has formed a statutory reserve for its financial position in the real estate funds. The movements in the statutory reserve item were as follows:

	2022	2021
Balance at 1 January	5,395	4,621
Additions	-	774
Released	(159)	-
Balance at 31 December	5,236	5,395

Appropriation of 2021 result

On 13 April 2022, the General Meeting adopted the 2021 financial statements. The General Meeting resolved the payment of a dividend of € 6,000,000 and to add € 503,000 of the 2021 result to the retained earnings.

Proposal for the appropriation of the 2022 result

It will be proposed to the General Meeting that it approve the addition of the 2022 net result, amounting to € 5,428,000, to the retained earnings in line with the capital policy.

This proposal has not yet been included in the financial statements.

Off-balance sheet rights and liabilities

Investment management agreements

Bouwinvest has management agreements with the Dutch funds it manages. These agreements are open-ended and payment after termination is for two years. In addition, Bouwinvest has signed three investment management agreements with Stichting Bedrijfstakpensioenfondsvoor de Bouwnijverheid (the pension fund for the construction industry – bpfBOUW) for the management of its international real estate portfolio. These three investment management agreements are open-ended. These agreements can be terminated each year, with a period of notice of two years. The management fee is calculated on the basis of net asset value.

Rental and lease contracts

All amounts in € thousands	2022	2021
First year	4,535	4,159
Second to fifth year	7,205	7,526
More than five years	5,403	5,089
Total	17,143	16,774

Fiscal unity for value added tax

Bouwinvest and bpfBOUW are a fiscal unity for the purposes of value added tax (VAT group), also including Bouwinvest Dutch Institutional Hotel Fund N.V. (and its subsidiaries), Bouwinvest Dutch Institutional Healthcare Fund N.V. (and its subsidiary) and Bouwinvest Development B.V.

The VAT group exists since 1 January 2016; the companies in this fiscal unity file their VAT returns independently.

Bouwinvest's right to deduct VAT, as part of this fiscal unity, amounted to approximately 25% in the year 2022.

Signing of the financial statements

Amsterdam, 28 March 2023

The Management Board

Mark Siezen, *Chief Executive Officer and statutory director*

Rianne Vedder, *Chief Financial & Risk Officer and statutory director*

Marleen Bosma, *Chief Client Officer*

Allard van Spaandonk, *Chief Investment Officer Dutch Investments*

Stephen Tross, *Chief Investment Officer International Investments*

The Supervisory Board

Jos Nijhuis

Jos van Lange

Gabriëlle Reijnen

Wendy Verschoor

Other information

Provisions of the articles of association pertaining to the appropriation of profit

Profit is appropriated in accordance with Article 4 of the Articles of Association, which stipulates that the General Meeting of Shareholders decides which portion of the profit shall be added to the reserves. The remaining profit is at the disposal of the General Meeting of Shareholders.

Independent auditor's report

To the shareholder and the Supervisory Board of Bouwinvest Real Estate Investors B.V.

Report on the 2022 financial statements included in the annual report

Our opinion

We have audited the 2022 financial statements of Bouwinvest Real Estate Investors B.V., based in Amsterdam.

In our opinion the financial statements included in this annual report give a true and fair view of the financial position of Bouwinvest Real Estate Investors B.V. as at 31 December 2022 and of its result for 2022, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2022.
- The consolidated and company statement of profit or loss for 2022.
- The notes comprising a summary of the accounting policies for financial reporting and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including Dutch Auditing Standards. Our responsibilities under those standards are described in more detail in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Bouwinvest Real Estate Investors B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of ethics and supporting policies. This includes anti corruption, anti money laundering, gifts and entertainment and whistleblower policy. We evaluated the design of the internal controls implemented to mitigate fraud risks.

As part of our process for the identification of risks of a material misstatement in the financial statements resulting from fraud, we considered fraud risk factors relating to fraudulent financial reporting, improper appropriation of assets and bribery and

corruption. In this assessment we were supported by our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risk and performed the following specific procedures:

Fraud risk	How the fraud risk was addressed in the audit
Management override of controls	
We presume a risk of material misstatement due to fraud related to management override of controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	Our audit procedures included, among others, the following: We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or noncompliance. We considered available information and made inquiries of relevant persons on risk compliance and finance. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We evaluated whether the selection and application of accounting policies, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. For significant transactions, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. As part of our audit procedures, we verified whether the significant transactions should be considered related-party transactions. This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach to compliance with legal and regulatory requirements

We assessed the laws and regulations relevant to the Company through discussion with the Management Board, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the Bouwinvest Real Estate Investors B.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Audit approach going concern

The Financial Statements of Bouwinvest Real Estate Investors B.V. have been prepared on the basis of the going concern assumption. As indicated in the responsibilities of the Management Board below, the Management Board is responsible for assessing the Bouwinvest Real Estate Investors B.V.'s ability to continue as a going concern.

We have evaluated the Management Board assessment of the Bouwinvest Real Estate Investors B.V.'s ability to continue as a going concern and inquired the Management Board regarding any knowledge of events or conditions beyond the period of the Management Board assessment. On the basis of our audit procedures, we have not identified any indication that would give rise to uncertainty on the Bouwinvest Real Estate Investors B.V.'s ability to continue as a going concern. Bouwinvest Real Estate Investors B.V. has total off-balance sheet items for a total of € 17 million due in the upcoming years. These off-balance sheet items will be financed via, (a) the available cash position as per 31 December 2022, (b) and the cashflow from the operational result, noting sufficient headroom in the current market circumstances. Furthermore we noted that there is no indication that cash positions and cash flows will be insufficient to meet future obligations.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Management Board's Report
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we are of the opinion that the other information:

- Is consistent with the financial statements and does not contain any material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Concluding on the appropriateness of the Management Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group

entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, March 28, 2023

Deloitte Accountants B.V.

Initials for identification purposes:

Signed on the original:

R.J.M. Maarschalk RA

Assurance report of the independent auditor

To: the Shareholder and Supervisory Board of Bouwinvest Real Estate Investors B.V.

Our conclusion

We have reviewed the sustainability information in the Annual report of the year 2022 of Bouwinvest Real Estate Investors B.V., based in Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on our review nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to Sustainability; and
- the thereto related events and achievements for the year 2022

in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report.

The sustainability information consists of performance information in the chapters; 'How Bouwinvest creates value' on pages 15-28; 'Results of the Dutch funds and international mandates' on pages 29-35; Appendices on pages 102-110.

Basis for our conclusion

We have performed our review of the Sustainability Information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. This assurance engagement is aimed at obtaining limited assurance. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the Sustainability Information' section of our report.

We are independent of Bouwinvest Real Estate Investors B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in the chapter 'How Bouwinvest creates value'.

The sustainability information is prepared with reference to the GRI standards. The GRI standards used are listed in the GRI content Index as disclosed on page 104-106 of the Bouwinvest Real Estate Investors B.V. annual report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the sustainability information needs to be read and understood together with the reporting criteria used.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the sustainability information and for the sustainability information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

Limitations to the scope of our examination

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the Sustainability Information are not part of the Sustainability Information as reviewed by us. We therefore do not provide assurance on this information. Our conclusion is not modified in respect to these matters.

Responsibilities of the Management Board for the sustainability information

The Management Board is responsible for the preparation of reliable and adequate sustainability information in accordance with the reporting criteria as included in the section 'reporting criteria', including the identification of stakeholders and the definition of material matters. The Management Board is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the sustainability information and the reporting policy are summarised in the chapter 'How Bouwinvest creates value' of the Bouwinvest Real Estate Investors B.V. annual report.

Furthermore, the Management Board is responsible for such internal control as the it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of Bouwinvest Real Estate Investors B.V.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate evidence to provide a basis for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review is therefore substantially less than the assurance obtained in an audit.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of Bouwinvest Real Estate Investors B.V.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Sustainability Information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the Management Board.
- Obtaining through inquiries a general understanding of control environment, processes and information systems relevant to the preparation of the Sustainability Information, but not to obtain assurance evidence about their implementation or their operating effectiveness.
- Identifying areas of the Sustainability Information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the Sustainability Information responsive to this risk analysis. These procedures consisted amongst others of:
 - interviewing management, KPI owners and/or other relevant staff at corporate and business level responsible for the sustainability strategy, policy and results;
 - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Sustainability Information;
 - determining the nature and extent of the review procedures for KPI's. For this, the nature, extent and/or risk profile of the KPI's are decisive. Based thereon we selected the KPI owners or other relevant staff whom we have interviewed.
 - obtaining assurance information that the Sustainability Information reconciles with underlying records of Bouwinvest Real Estate Investors B.V.;
 - reviewing, on a limited test basis, relevant internal and external documentation; and
 - performing an analytical review of the data and trends.
- Evaluating the consistency of the Sustainability Information with the information in the IAR which is not included in the scope of our review.
- Evaluating the presentation, structure and content of the Sustainability Information.
- Considering whether the Sustainability Information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicated with the Management Board regarding, among other matters, the planned scope, timing and outcome of the review and significant findings that we identified during our review.

Amsterdam, March 28, 2023

Deloitte Accountants B.V.

Initials for identification purposes:

R.J.M. Maarschalk

Centrumplan Retail Fund

Rosmalen
the Netherlands



Appendices

Responsible investment results

Results responsible investment

81% of total portfolio consists of investments with above-average sustainability ratings (GRESB 4/5 Stars) (2021: 79%).

100% of the Dutch investments had GRESB 4/5-star ratings in 2021 (2021: 100%).

42% of the investments in the international mandates had GRESB 4/5-star ratings (2021: 34%).

Transparency:

As they did the previous year, all the Dutch sector funds participated in GRESB.

86% of the international mandates (on the basis of invested capital) participated in GRESB. This was an increase of 3.0% compared with 2021.

Sustainability performance:

The Dutch funds had an average GRESB score of 91 points (2021: 91).

The average GRESB score of the international mandates in 2022 (79 points) was three points higher than in 2021.

Sustainable building certificates

99% of the Dutch fund investments (by surface area) has received a sustainable building certificate (2021: 99%).

The international mandates scored an average of 61 points (2021: 55 points) in the sustainable building certificate section of the GRESB survey.

Reducing environmental impact

Renewable energy

The buildings in the Dutch funds had been fitted with 21.5 Megawatt peak of solar panels in 2021. This was an increase of 2.4 Megawatt peak vs. 2021.

7% of the energy consumption of the international investments came from renewable sources*.

Reduction of energy consumption:

In the Dutch portfolio, we realised a 1.6% (like-for-like) increase in energy consumption and a 3.5% increase in CO₂ emissions vs. 2021.

Energy consumption in the international mandates was 2% lower than in the previous year and GHG emissions decreased by 3%*.

Energy-efficient buildings:

99.7% of the Dutch portfolio had a green energy label (83.4% A labels) and the average NZEB2 improved to 151.4.

87% of the construction projects are registered as Considerate Construction sites (2021: 83%).

Achieved: client satisfaction score of 7.5 (2021: 7.1)

Achieved: tenant satisfaction score of 7.4 (2021: 7.2)

39 Bouwinvest employees have active positions in 30 boards or working groups of sector organisations, including: IVBN, ANREV, INREV, AFIRE, VBA, ULI, DGBC and NEPROM.

* Resultaten van de meest recente GRESB benchmark 2022

GRI content index

Statement of use Bouwinvest Real Estate Investors B.V. has reported the information cited in this GRI content index for the period January 1, 2022 until December 31, 2022 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

Organisational profile

GRI Standard	Disclosure	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Notes to the financial statements - General
	2-2 Entities included in the organization's sustainability reporting	Notes to the financial statements - General
	2-3 Reporting period, frequency and contact point	About this report
	2-5 External assurance	About this report - Data collection and verification of non-financial data
	2-6 Activities, value chain and other business relationships	Notes to the financial statements - General
	2-7 Employees	Social data
	2-9 Governance structure and composition	Corporate governance
	2-10 Nomination and selection of the highest governance body	Corporate governance
	2-11 Chair of the highest governance body	Corporate governance
	2-16 Communication of critical concerns	Message from the CEO
	2-18 Evaluation of the performance of the highest governance body	Remuneration report
	2-19 Remuneration policies	Remuneration report
	2-20 Process to determine remuneration	Remuneration report
	2-22 Statement on sustainable development strategy	Message from the CEO
	2-25 Processes to remediate negative impacts	How Bouwinvest creates value
	2-26 Mechanisms for seeking advice and raising concerns	How Bouwinvest creates value
	2-28 Membership associations	Responsible investment results
	2-29 Approach to stakeholder engagement	How Bouwinvest creates value
	GRI 3: Material Topics 2021	3-1 Process to determine material topics
3-2 List of material topics		How Bouwinvest creates value
3-3 Management of material topics		Progress per material theme

**Minimalisering klimaatimpact van gebouwen/
vastgoedportefeuille**

GRI Standard	GRI disclosure	Reference or information
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Progress per theme - Minimising climate impact of buildings/ portfolio About this report - Data collection and verification of non-financial data - Reporting environmental data Definition of the KPI of the material themes

Generating stable absolute and relative financial performance for investors

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure		Financial statements Progress per theme - Generating stable financial performance and investment returns Definition of the KPI of the material themes

Stimulating and contributing to affordable housing and healthcare

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Demographic developments Progress per theme - Stimulating of/contributing to affordable housing and healthcare How Bouwinvest creates value Definition of the KPI of the material themes
	Explanation of the material topic and its Boundaries	Demographic developments Progress per theme - Stimulating of/contributing to affordable housing and healthcare How Bouwinvest creates value Definition of the KPI of the material themes
	Add residential units in mid-rental segment	Progress per theme - Stimulating of/contributing to affordable housing and healthcare How Bouwinvest creates value

Promoting integrity and transparency

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Promoting integrity and transparency
	Explanation of the material topic and its boundaries	Progress per theme - Promoting integrity and transparency
	The management approach and its components	Progress per theme - Promoting integrity and transparency Compliance Bouwinvest Code of conduct - https://www.bouwinvest.com/media/4118/bouwinvest-code-of-conduct-2018.pdf

Focusing on investor interest

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Focusing on investor interest
	Explanation of the material topic and its Boundaries	Progress per theme - Focusing on investor interest
	The management approach and its components	Directors' report Progress per theme - Focusing on investor interest
	Average client appreciation	ESG performance indicators - Social data Responsible investment results Connectivity table

Providing healthy and safe portfolio / buildings

GRI Standard	GRI disclosure	Reference or information
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Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Providing healthy and safe portfolio / buildings
	Explanation of the material topic and its Boundaries	Progress per theme - Providing healthy and safe portfolio / buildings
	The management approach and its components	Progress per theme - Providing healthy and safe portfolio / buildings

Making buildings climate-resilient

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Making buildings climate-resilient
	Explanation of the material topic and its Boundaries	Progress per theme - Making buildings climate-resilient
	The management approach and its components	Progress per theme - Making buildings climate-resilient

Investing in above-average sustainable buildings

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Investing in above-average sustainable buildings
	Explanation of the material topic and its Boundaries	Progress per theme - Investing in above-average sustainable buildings
	The management approach and its components	Progress per theme - Investing in above-average sustainable buildings

Contributing to liveability in cities and metropolitan regions

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Contributing to liveability in cities and metropolitan regions
	Explanation of the material topic and its Boundaries	Progress per theme - Contributing to liveability in cities and metropolitan regions
	The management approach and its components	Progress per theme - Contributing to liveability in cities and metropolitan regions

Ensuring cyber & data security and privacy

GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Ensuring cyber & data security and privacy
	Explanation of the material topic and its Boundaries	Progress per theme - Ensuring cyber & data security and privacy
	The management approach and its components	Progress per theme - Ensuring cyber & data security and privacy

Attracting & retaining talent

GRI Standard	GRI disclosure	
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Attracting & retaining talent
	Explanation of the material topic and its Boundaries	Progress per theme - Attracting & retaining talent
	The management approach and its components	Progress per theme - Attracting & retaining talent

Definition of the KPI of the material themes

	KPI	Definition
Responsible investment	Energy reduction NL and II	% LfL energy reduction, including tenant usage. Source: GRESB
	% Coverage physical climate risk scan	% Buildings with climate scan, NL en II
	% GRESB 4/5 stars (sustainable investments)	Weighted average NAV by "share of sustainable investments 4/5 stars"
	Tenant satisfaction score	Weighted average tenant satisfaction
	Total Healthcare investments	Total investments incl. secured pipeline invested in healthcare properties
	Transactions mid rental segment residential Fund	% Units in mid rental segment acquired in fiscal year
	% Considerate construction scheme	% Considerate construction scheme
Corporate social responsibility	Client satisfaction score	Client satisfaction score
	Reputation score	Reputation score Bouwinvest
	Participation training (compliance)	% employees participated in compliance workshop
	Participation in training (ICT cyber)	% of employees completing the Security Awareness Programme
	FTE growth	Number of FTE added in fiscal year
Responsible investment	Return on invested capital	Weighted (by NAV) average performance, excl. Currency result
	Outperform relevant indices	Number of 6 (open funds and II mandates) to outperform the relevante index

ESG performance indicators

Continuous improvement of our sustainability performance

Impact area	Indicator	Measure	Unit	2022	2021	% change
Above-average sustainable investments	GRESB	Percentage of above-average sustainable investments in total portfolio	%	81%	79%	1%-point
	GRESB	Percentage of Dutch funds with GRESB 4/5-star ratings	%	100%	100%	0%-point
	GRESB	Percentage of regional mandates with GRESB 4/5-star ratings	%	42%	34%	8%-points
	GRESB	GRESB coverage of total portfolio	%	96%	94%	2%-points
	GRESB	GRESB coverage of the Dutch funds	%	100%	100%	0%-point
	GRESB	GRESB coverage of the international mandates	%	86%	83%	3%-points

Investing in sustainable real estate

Impact area	Indicator	Measure	Unit	2022	2021	% change
Sustainable building certificates	BREEAM or GPR	Share of sustainable building certificates by m ² (BREEAM or GPR) (GRI-CRESS: CRE8)	%	99%	99%	0%

Reducing environmental impact

Impact area	Indicator	Measure	Unit	2022	2021	% change
Energy labels	EPC	Share of energy labels by m ² (GRI-CRESS: CRE8)	%	100%	100%	0%
		Share of green energy labels by m ² (A, B or C label)	%	100%	100%	0%
		Average EP2	#	151.39	169.37	-11%

Impact area	Indicator	Measure	Unit	2022 (Abs)	2021 (Abs)	% change (LFL)
Energy	Electricity	Total electricity consumption (GRI: 302-2)	MWh	30,107	28,943	0.8%
	Gas	Total gas consumption (GRI: 302-1)		6,426	7,314	3.5%
	District heating and cooling	Total consumption district heating and cooling (GRI: 302-2)		0	0	0.0%
	Total	Total energy consumption all sources (GRI: 302-2)		36,533	36,257	1.6%
	Energy intensity	Average energy intensity of the buildings (GRI-CRESS: CRE1)	kWh/m ² /year	25	25	1.3%
CO ₂ emissions	Direct	Coverage percentage data energy and CO ₂		181 of 410	180 of 393	
		Scope 1 (GRI: 305-1)	tonnes	1,520	1,730	3.5%
	Indirect	Scope 2 (GRI: 305-2)	CO ₂ e	10,146	9,754	0.8%
	Total	Total CO ₂ emissions (GRI: 305-2) Scope 1 and 2		11,666	11,483	1.4%
	CO ₂ emission intensity	Total CO ₂ emissions after offsetting		1,520	1,730	3.5%
Water	CO ₂ emission intensity	Average CO ₂ intensity of the buildings (GRI-CRESS: CRE3)	kg CO ₂ e/m ² /year	8	8	1.1%
	Total	Total water consumption (GRI:303-1)	m ³	N/A	N/A	N/A
Waste	Water intensity	Average water intensity of the buildings (GRI-CRESS: CRE2)	m ³ /m ² /year	N/A	N/A	N/A
	Total	Total Waste by weight (GRI: 306-1)	tonnes	N/A	N/A	N/A
		Recycling percentage	%	N/A	N/A	N/A

Improving stakeholder value

Impact area	Indicator	Measure	Unit	2022	2021	% change
Stakeholder engagement	Tenant satisfaction	Response percentage (GRI: 102-43)	%	61%	55%	6%-points
		Average total score (GRI: 102-43)	#	7.4	7.2	3%
Promoting sustainability in the chain	Considerate construction sites	Number of registered	#	33 (of 37)	33 (of 39)	5%
		Percentage registered building sites (by acquisition price)	%	87%	83%	4%

Responsible organisation

Impact area	Indicator	Measure	Unit	2022	2021	% change
Sustainable contracts	Rental contracts	Number of new rental contracts	#	3,848	3,226	19%
		Number of sustainable rental contracts (green leases)	#	7,968 (of 19,715)	4,827 (of 18,890)	15%

Environmental data head office

Impact area	Indicator	Measure	Unit	2022 (abs)	2021 (abs)	% change (Lfl)	
Energy	Electricity	Total electricity consumption	MWh	614	463	33%	
		Share of electricity from renewable sources		29	436	-93%	
	Gas	Total gas consumption (GRI: 302-1)		0	0		
		District heating and cooling	Total district heating and cooling (GRI: 302-2)		518	1108	-53%
			Percentage locally generated heating and cooling		0	0	
		Total	Total energy consumption all sources (GRI: 302-2)		1132	1571	-28%
Energy intensity		Energy intensity head office by gross floor surface (GRI-CRESS: CRE1)	kWh/m ² /year	129	178	-28%	
		Coverage percentage data energy and CO ₂		1 of 1	1 of 1		
Waste	Total	Total waste by weight (GRI: 306-1)	tonnes	n/a	14,931		
		Recycling percentage	%	n/a	19%		
Mobility	Distance	Lease cars	km	1,822,924	1,417,654	29%	
		Public transport		69,829	109,656	-36%	
		Air travel		1,288,603	795,166	62%	
CO ₂ emissions	Direct	Scope 1 (GRI: 305-1)	tonnes	177	171	4%	
	Indirect	Scope 2 (GRI: 305-2)	CO ₂ e	350	189	85%	
	Total	Total CO ₂ emissions (GRI: 305-2) Scope 1 and 2		527	360	46%	
		Total CO ₂ emissions after offsetting		350	189	85%	
	CO ₂ intensity head office (GRI-CRESS: CRE3)		CO ₂ -intensiteit hoofdkantoor (GRI-CRESS: CRE3)	kg CO ₂ e / FTE/jaar	1.67	0.96	74%
			CO ₂ intensity mobility (GRI-CRESS: CRE3)	kg CO ₂ e / FTE / year	0.84	0.87	-3%
CO ₂ intensity total (GRI-CRESS: CRE3)			kg CO ₂ e / FTE / year	2.51	1.83	37%	
Water	Total	Total water consumption (GRI:303-1)	m ³	n/a	538		
	Water intensity	Water intensity head office (GRI-CRESS: CRE2)	m ³ /FTE/year	n/a	3		

Social data

Impact area	Indicator	Measure	Unit	2022	2021	
Employees	Contracts (incl. proportion of women)	Number of employees (GRI: 401-1)	FTE	209.8 fte	196.6 fte	
		Full-time contract percentage (GRI: 401-1)	%	75.5% (23.5%)	73.3% (21.9%)	
		Part-time contract percentage (GRI: 401-1)	%	24.5% (72.2%)	26.7% (72.7%)	
		Temporary contract percentage (GRI: 401-1)	%	13.2% (15%)	9.7% (30%)	
		Permanent contract percentage (GRI: 401-1)	%	86.8% (85%)	90.3% (36%)	
	Health	Absenteeism (GRI: 403-3)	%	3.1%	1.7%	
	Turnover	Employee turnover percentage (GRI: 401-2)	%	10.2%	7.8%	
	Employee satisfaction	Employee engagement - survey response percentage (GRI: 103)	Employee engagement - survey response percentage (GRI: 103)	%	90.5%	90.5%
			Average satisfaction score (GRI: 103)	#	7.5	7.5
			Employee engagement score		not measured	not measured
Employee enthusiasm score				7.9	7.9	
Equality & diversity	Percentage of women (GRI: 405-2)	Percentage of women (GRI: 405-2)	%	34.0%	35.4%	
		Percentage of women in senior management (GRI: 405-2)		20.6%	17.2%	
Training & development	Age (incl. percentage of women)	Number of internships and graduate positions	#	4	7	
		<30	%	9.2% (19.3)	7.3% (26.7)	
		30-40		28.8% (60.4)	26.7% (32.7)	
		40-50		32.4% (69.0)	38.8% (37.5)	
		50-60		23.8% (49.8)	21.4% (36.4)	
	>60		5.8% (12.2)	5.8% (41.7)		
Clients	Investor satisfaction	Response percentage (GRI: 102-43)	%	na	na	
		Average total score (GRI: 102-43)	#	7.1	7.1	

About this report

The goal of this annual report is to inform our stakeholders regarding the financial and non-financial developments at our company in the 2022 calendar year. We also use this report to update our stakeholders on the progress we have made in our performance with respect to a number of material aspects, the boundaries and scope of which we have determined in consultation with our stakeholders. You will find a description of the process of determining materiality and a full list of material aspects in the section on the determination of materiality.

Scope of this report

Bouwinvest based the determination of the content and parameters of this report on the wishes of our stakeholders via the materiality analysis. In this matrix, we have set the degree of importance of aspects against the interest that our external stakeholders attach to said aspects. The annual report and the financial statements pertain to Bouwinvest Real Estate Investors B.V., its five funds (Residential, Office, Retail, Healthcare and Hotel) and the three international mandates (Europe, North America and Asia-Pacific). Unless otherwise stated, the scope of the report extends to all of Bouwinvest's activities. This means it does not include the activities of sub-contractors, unless otherwise stated.

The annual report is drawn up annually, based on a reporting period of one calendar year. The previous report dated April 1, 2022 pertained to the calendar year 2021. The 2021 annual report was prepared and published on April 1, 2022. The 2022 annual report pertains to the calendar year 2022, which ran from 1 January 2022 through 31 December 2022.

Reporting policy and guidelines

Bouwinvest strives to improve its reporting each year, in line with the nature, risks and opportunities of the organisation. Bouwinvest reports with reference to the GRI Standards of the guidelines of the Global Reporting Initiative (GRI). GRI Standards are the global standard on the reporting guidelines front. GRI is based on the principle of materiality and requires organisations to report their management approach to their most material aspects. Reporting in line with GRI adds focus on material aspects to our annual report and allows us to report solely on aspects that are important to internal and external stakeholders. You will find general information on GRI at: www.globalreporting.org.

Data collection and verification of non-financial data

Data collection

We present our non-financial KPIs in this report. The non-financial data are collected in the first quarter of the subsequent year. Whenever possible, we collect data centrally, while some data are collected locally. Once we have collected the data, we consolidate the data and subject it to a trend analysis. If there are any significant deviations in trends, we add context and verify with the relevant data provider. The data in this report have been quantified. In the absence of data, we have made estimates. We did not identify any uncertainties or inherent limitations in the data as a result of measurements, estimates or calculations.

Reporting environmental data

Bouwinvest reports environmental data of those assets where management control is possible (via the operational control approach). Data is provided for those assets where we have the power to introduce and implement operating policies and where we are responsible for purchasing energy and water and the processing of waste. Our management control differs greatly by type of real estate (e.g. residential or office real estate). These differences affect the level of influence we have over the (measurable) sustainability performance of our real estate assets.

Absolute use is the total use of the real estate assets in our funds during the period under review and provides insight into the overall environmental impact.

Like-for-like data and any changes pertain to real estate assets in our portfolio that were fully owned by Bouwinvest and operational for the full 24-month period. We have excluded assets that were acquired, sold or underwent large-scale renovations in this period. This data therefore provides insight into the movement of an indicator over time at a constant portfolio scope. Total net CO₂ emissions, after compensation, represent the total CO emissions after reduction and

compensation of carbon emissions via Guarantees of Origin (*Garanties van Oorsprong* - GVO). This is in line with Bouwinvest's commitment to reduce the impact its operations have on climate change and to promote sustainable energy generation.

Energy, emission and water intensity are reported on the basis of like-for-like usage data and lettable floor area (LFA). This pertains to collectively purchased components and usage for shared areas, as well as usage data for tenant areas that are not individually metered.

Changes

Significant changes in definitions and measurement methods compared with previous reporting periods are explained where relevant. The changes we made to our ESG strategy or our targets in 2022 are explained in the relevant sections of this report. The aspects included in this report were selected on the basis of our materiality analysis.

Verification

For the year 2022, we had the various non-financial KPIs verified by an external auditor. The CFRO was involved in the commissioning of this verification. We see this as a step towards integrated reporting according to GRI Standards. You will find an online GRI content index at: <https://www.bouwinvest-annualreports2022.com>.

Feedback

For additional information on this report, please feel free to contact our Client Management department via clientmanagement@bouwinvest.nl or Mark Siezen, Chief Client Officer: +31 (0)20 677 1600. Bouwinvest appreciates any feedback on its annual report.

Glossary

Addition of mid-rental segment homes

This is the total number of new homes added to the Dutch residential portfolio with a rental price between € 764 and € 1,060 per month in the reporting period.

Certified sustainable portfolio

Dutch sector funds

This is the relative share of real estate investments in a portfolio that have been formally assigned a sustainable building certificate (such as BREEAM-NL and GPR Building) at the end of a reporting period, as a percentage of the total portfolio (on the basis of m² LFA).

International mandates

This is the average score of the international investments on the Building Certificates aspect in the GRESB assessment, weighted against the total NAV of the international mandate investments that participate in GRESB.

Client appreciation

This is the average score clients (pension funds, insurance firms and charitable organisations) gave in satisfaction surveys in a certain reporting year.

Compliance incident

This is an act or an event that endangers the ethical performance of Bouwinvest's business operations or those of one of its affiliated companies, such to include the violation of laws or regulations, fraud, corruption and the violation of the duty of confidentiality.

Considerate Constructor sites

This is the share of the building sites related to Bouwinvest's acquisitions or renovations that are registered as Considerate Constructors sites under the Dutch Considerate Constructors (Bewuste Bouwers) scheme in the reporting period, weighted according to acquisition price.

Employee satisfaction

This is the unweighted average score in the biennial employee satisfaction survey.

Energy index of the portfolio

This is the average energy index of the Dutch real estate portfolio, weighted according to lettable floor surface. Real estate investments without an energy index are not included

in the calculation. For the residential portfolio, the average energy index is calculated per residential unit.

Energy, emission and water intensity

Energy, emission and water intensity is reported on the basis of like-for-like use data and lettable floor area. This pertains to collectively purchased components and consumption data for common areas, as well as consumption data for leased areas that are not individually metered. Both scope 1 and scope 2 emissions data are included in the measurement.

Green portfolio

This is the share of lettable floor area (LFA) with an A, B or C energy label, as a percentage of the total lettable floor area of the portfolios of the Dutch sector funds. For the residential portfolio, the green portfolio share is calculated per residential unit.

GRESB participation

The share of Bouwinvest's investments that participate in GRESB in the reporting period, weighted against the NAV at the end of said reporting period.

GRESB score and star rating

The GRESB (Global Real Estate Sustainability Benchmark) score is a measurement of the ESG performance of an entity – shown as a number between 0 and 100. The score is the result of an annual GRESB assessment of the real estate entity.

The GRESB star rating is based on the GRESB score and the relative position in the entire GRESB universe, which is determined each year on the basis of the scores. If an entity ends in the top 20% it is awarded a five-star rating. If an entity ends in the lowest 20% it is given a one-star rating, etc. Due to the fact that the GRESB star rating is calculated as a relative score vis-a-vis the worldwide scores of participating entities, the rating shows a fund's performance on a worldwide scale.

Investments with an above-average sustainability rating

These are investments with a GRESB 4- or 5-star rating. The share is shown as a percentage of the total NAV at the end of a reporting period. Investments participating in GRESB for the first time are given the option of not publishing their

performance. If the score is communicated to Bouwinvest, this is included in its overall score.

Knowledge platform aimed at innovation

A knowledge platform is an interactive online/offline environment used to facilitate knowledge exchange and networking between various parties, with the aim of reusing existing knowledge and the development of new knowledge and technologies that contribute to the improved performance of real estate. This is also referred to as PropTech.

Like-for-like reduction of emissions

Like-for-like data and changes pertain to real estate assets in our portfolio that were owned by Bouwinvest for the full 24-month period and were operational in that period. Real estate assets that were acquired, sold or underwent a major renovation in this period are not included. The total emissions figures pertain to direct CO₂ emissions (scope 1) and indirect CO₂ emissions (scope 2) generated by electricity, gas and district heating systems. Total net CO₂ emissions after compensation is the total CO₂ emissions after offsetting and compensation via Guarantees of Origin. To calculate CO₂ emissions, Bouwinvest uses country-specific and energy source-specific conversion factors that can change from year to year. Bouwinvest uses the most recent conversion factors (source: www.co2emissiefactoren.nl).

Membership of sector organisations

This is the number of employees who are active members of boards or working groups of a real estate sector organisation in the reporting period.

Personal data security incidents

This is the number of major incidents involving the failure to comply with legal provisions and standards in the field of personal data protection, or security incidents that may be deemed data breaches. An incident qualifies as major if Bouwinvest is obliged to report said incident to a regulator, if a regulator or similar official body filed a report with Bouwinvest, or if an external party files a complaint with Bouwinvest and Bouwinvest considers said complaint legitimate.

Reduction of energy consumption

Dutch sector funds

This is the percentage change in energy consumption (electricity and gas) at the end of the reporting period, compared with the previous year on a like-for-like basis for energy meters under the direct control of the funds. Like-for-like refers to the energy consumption of a portfolio with consistent activities in the comparative periods. Gas consumption is converted from m³ into kWh on the basis of the conversion factors published at the end of the period at <https://www.co2emissiefactoren.nl>. The gas consumption in the year under review is adjusted for the differences in the figures for 'degree days' (actual average day temperatures versus an agreed level) in De Bilt (the Netherlands) between the year under review and the previous year.

International mandates

This is the average like-for-like energy reduction (year-on-year), as reported by GRESB, weighted according to the NAV of international investments that participate in GRESB. Any reduction is based on the energy consumption period year one versus year two.

Share of renewable energy (international mandates)

This is the share of renewable energy in the total consumption of the international investments that participate in GRESB, as reported annually by GRESB. This consists of renewable energy that is generated and used/exported within the investments and that is generated outside the investments and used within the investments.

Solar panels installed (Dutch sector funds)

This is the amount of installed capacity (measured in kilowatt peak - kWp) from solar panels in the portfolio.

Tenant satisfaction

The total tenant satisfaction score is the unweighted average total score of the tenant satisfaction score per sector fund in the year under review. The score at fund level is also unweighted and average.

Colophon

Text: Bouwinvest

Concept: Bouwinvest

Design and production: TD Cascade

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