

Remuneration statement in relation to sustainability

Bouwinvest Real Estate Investors B.V.

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Introduction

Bouwinvest Real Estate Investors B.V. (Bouwinvest) manages five Dutch real estate funds and three international real estate mandates. Bouwinvest aims to achieve solid returns on real estate investments for institutional investors and their participants. Bouwinvest invests for the long term and does this in a responsible manner. Sustainability criteria in the area of the environment, society, good governance and good employment practices (ESG criteria) play an important role in our business activities.

In this statement, we explain how the remuneration policy ties in with the integration of sustainability risks, and how it contributes to achieving Bouwinvest's sustainability objectives.

ESG part of the strategy

Bouwinvest is aware that the built environment is responsible for 30% of CO₂ emissions worldwide and that the construction sector is an intensive user of raw materials. In addition, Bouwinvest is aware of the impact of the built environment in relation to the quality of life.

As investor in real estate, we recognize our responsibility to participate in the search for solutions to improve the environment and society and prevent adverse impacts. Part of Bouwinvest's strategy is to generate a positive impact. We do this by contributing towards:

- responsible pension incomes;
- healthy, safe and inspiring places where people want to live and work, both now and in the future;
- reducing the impact of real estate on the climate through CO₂ reductions;
- a professional and ethical real estate sector.

In order to generate sustainable returns for the long term, we fully incorporate ESG criteria and risks in all our investment decisions. This creates added value for the stakeholders, future-proof real estate investments and a long-term, sustainable return.

In relation to its impact on society, Bouwinvest makes use of a value creation model. This gives us a clear understanding of the financial, social and human capital we use, how we add value to it and what this means for society as a whole. It is all about financial and non-financial value. Gaining an understanding of this helps Bouwinvest to consider our impact as a whole on society and then to act appropriately.

Alongside the value creation model, Bouwinvest also uses a materiality matrix which contains the themes, including ESG, that are Bouwinvest's spearheads and how these themes are prioritized in relation to stakeholders.

Remuneration policy

Bouwinvest has a restrained remuneration policy in accordance with the Restrained Remuneration Policy Regulations (*Regeling beheerst beloningsbeleid*), which covers both financial and non-financial remuneration. The latter would include such aspects as recognition and the opportunity for career development.

Bouwinvest's remuneration policy is based on a strategy, culture and organization which recognize the interests of stakeholders in the broadest sense, social impact and responsibility. One element of this concerns the underlying principles of a comprehensive risk management strategy. In addition, the emphasis rests on cooperation and connections within and outside the organization, and on achieving results in a socially acceptable and responsible way.

We believe that success is achieved through effective cooperation. For that reason, an important starting point for our remuneration policy is that team performance outweighs the interests of the individual.

The basis for remuneration at Bouwinvest is the fixed income. Bouwinvest uses a performance management cycle to make SMART agreements with our employees on the results and performance expected for the year. The organization's strategy is decisive when making these agreements. Conversations are held throughout the year on the employee's performance, leading to an evaluation at the end of the year.

Based on the evaluation, a financial or non-financial remuneration may be awarded. This could be a rise in the fixed income, education and training, and offering career prospects.

Both financial and non-financial targets are taken into consideration when evaluating the employee's performance. Non-financial targets could involve taking responsibility and behaviour shown, but also ESG performance.

For all employees, a collective variable remuneration up to a maximum of 4% of the gross annual salary applies. This variable remuneration is linked to the objectives of the company as a whole, such as client interests, comprehensive risk management or sustainability. For the more responsible positions and management (roughly 40% of the employees) an additional 6% individual variable remuneration applies, intended above all to bring focus and as a mark of appreciation. A condition for these forms of remuneration is that the evaluation result is 'good' or higher.