

Sustainability Related Disclosure

Sustainable Finance Disclosure Regulation

Dutch Social Impact Real Estate Partnership

a. Summary

a. Summary English	
This section summarises all the information contained in the different sections below about the financial product that has a sustainable objective, promote environmental and social characteristics	
Name financial product	Dutch Social Impact Real Estate Partnership (Impact Partnership)
Classification product	Article 9 SFDR
b. No significant harm to the sustainable investment objective	The Partnership has social objective. As a prerequisite, investments should do no significant harm to the environment and society.
c. Sustainable investment objective of the financial product	<p>The Partnership (i.e. financial product) has the following objectives:</p> <p>Affordable Adding affordable and energy-efficient (healthcare) housing and real estate properties to the market with lower-than-market reference-based rent levels. Thanks to modest rental growth, these homes will remain affordable. Providing people from underserved groups with much-needed affordable homes and healthcare housing. The main impact intention is to increase disposable income to a level more appropriate for underserved groups versus the current market offering; with the intention of improving tenants' financial situation in terms of releasing more household resources to pay for other basic needs, such as good food, health, transport, clothing and education.</p> <p>Appropriate Providing residents with housing that is better suited in terms of the size, type and needs according to the size of the household and needs of a specific target group. Providing housing to specific attention groups on the housing market and/or preferential rental to people in crucial professions to contribute to positive circulation within the local housing market.</p> <p>Health & well-being Providing people with housing and healthcare properties with improved quality and healthy indoor climate, with acoustic, visual and thermal comfort, with the intention to improve the health and well-being of tenants. Providing residents with certainty about renting is another way to have a positive impact.</p> <p>Adding social real estate that contributes to the social well-being of people in general, with a focus on inclusivity, stimulating participation or education (e.g. community centres, public schools, culture and/or sports).</p> <p>Contributing to improved well-being, social vitality and liveability by incorporating social-oriented activities, services and/or facilities in the Partnership's real estate. The Partnership does this in order to stimulate resident and community participation, social involvement and improve residents' quality of life.</p>
d. Investment strategy	<p>The Partnership will contribute to solving social challenges by adding and preserving affordable, appropriate and healthy housing for underserved groups on the (health care) housing market. The social impact is optimal for people with low and middle-income levels who are finding it the most difficult to find housing in the affordable rental segment. The Partnership also focuses on the inclusion of specific attention groups, people in crucial professions, and target groups in need of all sorts of healthcare or in need of alternative forms of modern living, such as temporary housing, affordable student accommodation, lifecycle-proof homes and shared or protected living concepts.</p> <p>The Partnership aims to have a positive impact on these target groups by investing in properties in three different segments:</p> <ul style="list-style-type: none"> • Residential properties (≥ 40%) , with the focus on the mid and social rental segments; this includes people in crucial professions. • Healthcare properties (≥ 30%), with the focus on the mid and social rental segments. This may include sub-segments, such as protected living, healthcare for vulnerable people, intramural care facilities or preventative healthcare. • Other social-oriented real estate (≤ 20%), with the focus on inclusivity, stimulating participation, combatting loneliness, stimulating education (e.g. community centres, public schools, culture and/or sports).
e. Proportion of investments	<ul style="list-style-type: none"> • 100% direct real estate properties • 100% sustainable investments • The Partnership focuses on acquiring and managing buildings for housing, healthcare and community related social real estate

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

b. No significant harm to the sustainable investment objective

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

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

Sustainable investment objective of the financial product

The Partnership pursues the following sustainable objectives:

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

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



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



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



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



Residents have an improved quality of life.

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



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

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

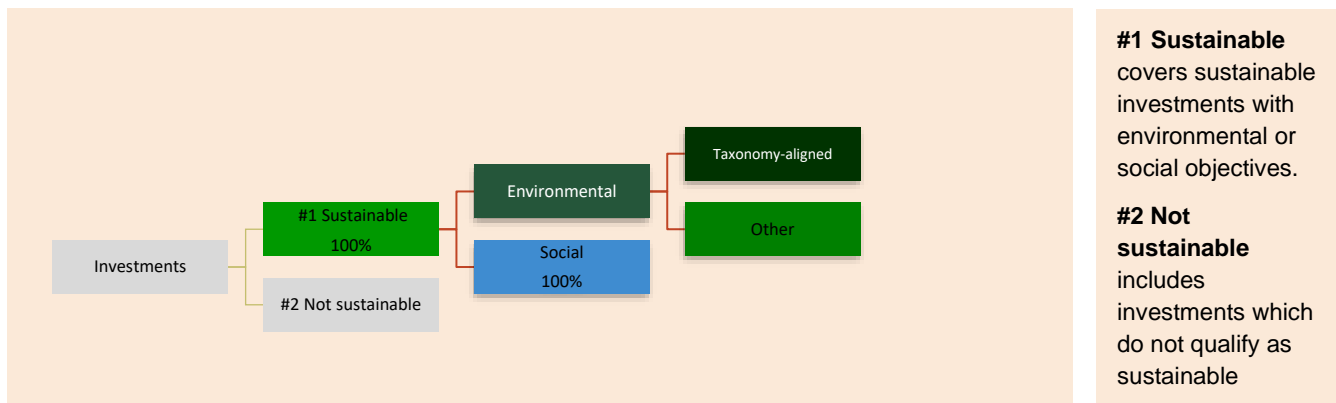
Investment strategy

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

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

e. Proportion of investments

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



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

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

f. Monitoring of sustainable investment objective

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

The Partnership uses the following methods for measuring and monitoring:

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

g. Methodology

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

- GRESB
The results to measure the indicators GRESB score and GRESB star rating are based on a GRESB assessment report, which has been prepared on the basis of the annual participation of the Partnership in the GRESB benchmark. The GRESB reports including the scores are prepared by a third party.
- Building certificate BREEAM
The building certificate score is based on the weighted average (sq. m.) building sustainability certificate score. The BREEAM score of a certain asset are determined by a third party.
- Tenant satisfaction
Considers the tenant satisfaction score based on a tenant satisfaction survey performed by an external third party
- Considerate construction scheme (construction sites)
Considers the % construction sites of the Partnerships' (weighted by purchase price) registered under the Considerate construction scheme of Bewuste Bouwers, which is an external scheme.

h. Data sources and processing

For the above mentioned sustainability indicators, the Partnership uses both external as internal data sources. Internal data is mostly related to sq. meters or financial figures related to assets. For internal sources, the Partnership has a robust administrative organization and internal control process in place to guarantee the quality of data.

Furthermore, the Partnership gets its annual published sustainability indicators assured by a third party to increase the reliability of data.

i. Limitations to methodologies and data

The main limitation for the Partnership is the lack of available environmental tenant consumption data, for example related to performance on energy and Greenhouse Gas. The Partnership strives to improve in gathering more data and to improve the quality of available data. The Partnership strives to be open about the availability of data and to be transparent about the coverage of the reported data. The lack of available data is also due to privacy regulation. To minimize the impact of this limitation, the Partnership uses estimations to be able to report on energy and Greenhouse Gas indicators. The estimations are based on the energy usage of a postal code area and assigned to the Partnership based on square meters.

j. Due diligence

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

1. Embed responsible business conduct into policies and management systems
 - Bouwinvest's Responsible Investment & Corporate Responsibility Policy lays down the parameters and preconditions related to environmental, social and good governance (ESG) criteria for its real estate investments.
 - In the Partnership, which is drawn up annually, the Partnership defines the ESG Framework in which the ESG objectives, KPI's and targets are defined as well as the ESG risks, mitigants and outcomes which are taken into account are described.
 - All ESG Framework elements are taken into account in investment decisions in the acquisition, management and disposal phases. This applies to all real estate investments.
2. Identify and assess negative ESG outcomes of investments in the portfolio
 - Bouwinvest uses a value creation model to gain insight into which financial, social and human capital is used, how value is added and destroyed and what this subsequently means for society as a whole. This insight helps Bouwinvest consider negative outcomes as a whole on people, society and/ or the environment and to take appropriate action.

- To gain insight into the most important material topics, Bouwinvest performs an annual materiality analysis, also taking into account the expectations of our stakeholders.
 - In addition, Bouwinvest conducts analyses of the countries in which it invests on the basis of a country risk model, which includes ESG criteria.
 - All new real estate investments, , are subjected to an extensive due diligence process, which identifies and prioritises the potential negative outcomes of the real estate investment in question on people, society and/or the environment. The assessment of all new investments is based on information provided by the parties with whom Bouwinvest does business, such as sellers/project developers or obtained via public information sources and information from independent external benchmarks, international standards, market research and our own data.
 - Bouwinvest draws up an investment proposal for all new real estate investments. This is discussed in the Investment Advisory Committee, which includes an ESG specialist who is entitled to vote. Any potential ESG risks and (potential) negative ESG outcomes identified in the due diligence process, the defined ESG investment criteria and the contribution to ESG objectives are a standard part of the investment proposal.
 - Bouwinvest's risk-return model (part of the investment proposal) includes an assessment of the identified ESG risks and (potential) negative ESG outcomes.
 - Building certificates, benchmarks, audits and the actual measurement of the environmental impact of buildings are examples of instruments that Bouwinvest uses to identify and assess ESG risks and (potential) negative ESG outcomes.
 - Controversies or significant ESG incidents are reported to our clients in line with our Business Risk Incidents Management policy.
3. Cease, prevent or mitigate (potential) negative ESG outcomes
- The entire real estate portfolio is subject to an Exclusion Policy. This policy states which countries and which types of building Bouwinvest does not invest in, which types of company Bouwinvest does not rent to and which parties or persons Bouwinvest does not do business with. The basic premise of the policy is that Bouwinvest only invests in countries with transparent real estate markets.
 - In the case of the de Dutch real estate sector funds and partnership, Bouwinvest is able to exert direct influence to cease, prevent or mitigate negative ESG outcomes.
 - Bouwinvest's ESG specialists have a vote in the Investment Advisory Committees of this real estate sector Partnership and in that role can provide advice on ceasing, preventing or mitigating (potential) negative outcomes of new investments on people, society and or the environment.
 - All new real estate investments are submitted for approval to the Executive Board of Directors accompanied with advice from the Investment Advisory Committee.
 - The ESG conditions and criteria are incorporated in contracts with selling parties . These conditions include but are not limited to: transparency on ESG performance (for instance, GRESB participation), ESG requirements for buildings and/or construction sites, regular ESG reports and reports on controversies or material ESG incidents.
 - We use our Responsible Investment & Corporate Responsibility Policy in combination with all elements of the ESG Framework to prevent or minimize these negative impacts.
 - In the event of serious ESG incidents, which cannot be sufficiently mitigated, Bouwinvest can decide to exit a specific investment.
4. Monitor implementation and results
- The Partnership is currently developing an impact analysis dashboard (based on the Impact Framework), which will show the status of the Partnership's social impact and that of its real estate investments. The Partnership will report to investors quarterly, indication potential improvements. The Partnership will evaluate the strategy and the impact framework on an annual basis and make any necessary improvements.
 - The Partnership uses the following methods for measuring and monitoring:
 - Building or tenant-related output (available continuously)
 - Target group survey (periodically)
 - Impact deep dives (periodically or sample-wise).
 - Bouwinvest monitors progress in the implementation of its Responsible Investment & Corporate Responsibility Policy and ESG Framework elements, including the ESG targets and identified negative outcomes on people, society and/or the environment on a quarterly basis.
 - To monitor progress, Bouwinvest uses internal tools and/or external benchmarks, such as the Global Real Estate Sustainability Benchmark (GRESB) and the United Nations Principles for Responsible Investing (UN PRI). These are used to perform independent and regular measurements of progress.
 - Bouwinvest performs annual assessments of all investments and managers with respect to financial and ESG performance, ESG risks and (potential) negative outcomes on people, society and/or the environment. On the basis of these assessments, Bouwinvest determines whether any follow-up actions are required.
5. Communicate how negative outcomes are addressed
- Bouwinvest monitors its Responsible Investment & Corporate Responsibility Policy and any ESG-related agreements included in the fund & partnership plans on a quarterly basis. Bouwinvest communicates the progress on these fronts to its clients via quarterly reports.
 - Bouwinvest uses its annual reports to provide insight into its approach to the identification, mitigation and tracking of the negative outcomes of the real estate portfolio on people, society and/or the environment. This is how we account in a transparent manner for our policy, approach and choices to clients and other stakeholders.
 - Our reporting takes into account industry standards and internationally accepted guidelines, including the reporting guidelines of the European Association for Investors in Non-listed Real Estate Vehicles (INREV) and the guidelines for sustainability reporting of the Global Reporting Initiative (GRI).

6. Provide for or cooperate in remediation
 - Bouwinvest looks at which steps should be taken on a case-by-case basis.

k. Engagement policy

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

1. Improve ESG risk management

At the selection stage, any ESG issue that poses a substantial material risk to the value of our investments will have led to a decision not to invest or a decision to start an engagement process to mitigate such risks.

2. Influence ESG outcomes:

a. Enhance positive outcomes

As a company that invests in real estate worldwide, it is our duty to play a part in finding solutions to environmental and societal issues. This is core to our investment process and an important component of this Stewardship and Engagement Policy. Bouwinvest actively supports the following Sustainable Development Goals (SDGs). For our engagement activities this means The Partnership aims to further positive outcomes towards the above mentioned SDGs.

b. Mitigate negative outcomes.

The Partnership also aims to influence ESG outcomes by incorporating (potential) negative outcomes of, or through, our investments on people and/or the environment. The Partnership endorse the Organisation for Economic Cooperation and Development guidelines for multinational companies ("OECD guidelines") and the UN Guiding Principles on Business and Human Rights ("UNGPs"). Important themes within these frameworks include: human rights, labour rights and labour conditions, health and safety, corruption, taxation, consumer interests and environmental pollution. The Partnership uses these OECD guidelines and UNGPs as a guiding framework for our focus on mitigating and preventing (further) negative outcomes on people and the environment of, or through, our investments. Engagements will be prioritised based on their salient negative outcomes. The severity of these negative outcomes is determined based on scale, scope and level of irreversibility.

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

l. Attainment of the sustainable investment objective

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