

Sustainability Related Disclosure

Sustainable Finance Disclosure Regulation

Bouwinvest Dutch Institutional Hotel Fund N.V.

a. Summary

a. Summary English	
This section summarises all the information contained in the different sections below about the financial product that promote environmental and social characteristics	
Name financial product	Bouwinvest Dutch Institutional Hotel Fund N.V.
Classification product	Article 8 SFDR
b. No sustainable investment objective	No sustainable investment as objective
c. Environmental and social characteristics of the financial product	<p>The Fund (i.e. financial product) promotes the following elements per ESG objective:</p> <p>ESG objective I: Building a future proof and sustainable portfolio</p> <ul style="list-style-type: none"> - Ia. GRESB rating and score - Ib. Above average sustainable buildings <p>ESG objective II: Reducing environmental impact</p> <ul style="list-style-type: none"> - IIa. Combatting Climate Change: Source of energy - IIb. Combatting Climate Change: Energy efficiency of buildings <p>ESG objective III: Livable, affordable, attainable & inclusive places where people want to reside - now and in the future</p> <ul style="list-style-type: none"> - IIIa. Product accountability <p>ESG objective IV: Contributing to healthy, safe and responsible operations</p> <ul style="list-style-type: none"> - IV. Considerate constructors scheme (construction sites)
d. Investment strategy	The Fund has three strategic pillars, namely Quality, Diversification and Sustainability. The four ESG objectives are included in the Sustainability pillar of the Fund.
e. Proportion of investments	The Fund's planned asset allocation is 100% in direct real estate assets and 100% aligned with E/S characteristics promoted by the Fund.
f. Monitoring of environmental and social characteristics	The Fund uses one or more sustainability indicators per promote item to measure the attainment of E/S characteristics promoted by the Fund.
g. Methodologies	For every sustainability indicator the Fund has a methodology in place how to measure the performance.
h. Data sources and processing	The Fund uses both internal as external data sources and the annual reported sustainability indicators will be assured by a third party.
i. Limitations to methodologies and data	Availability of environmental tenant consumption data.
j. Due diligence	<p>The due diligence process of the Fund is based on the OECD guidelines and consists of the following:</p> <ol style="list-style-type: none"> 1. Embed responsible business conduct into policies and management systems 2. Identify and assess negative ESG outcomes of investments in the portfolio 3. Cease, prevent or mitigate (potential) negative ESG outcomes 4. Monitor implementation and results 5. Communicate how negative outcomes are addressed 6. Provide for or cooperate in remediation
k. Engagement policies	<p>For all investments the Fund focuses its engagement efforts along the following overall objectives:</p> <ol style="list-style-type: none"> 1. Improve ESG risk management 2. Influence ESG outcomes: <ol style="list-style-type: none"> a. Enhance positive outcomes b. Mitigate negative outcomes. <p>The above is included in a stewardship and engagement policy which is applicable to the Fund.</p>
l. Designated reference benchmark	Not applicable

b. No significant harm to the sustainable investment objective

This Fund (i.e. financial product) promotes environmental and social (E/S) characteristics but does not have as its objective a sustainable investment.

c. Environmental and social characteristics of the financial product

The Fund promotes the following environmental and social characteristics as part of the four ESG objectives:

ESG objective	Promoted environmental and social characteristics
I. Building a future proof and sustainable portfolio	Ia. GRESB rating and score Ib. Above average sustainable buildings
II. Reducing environmental impact	IIa. Combatting Climate Change: Source of energy IIb. Combatting Climate Change: Energy efficiency of buildings
III. Livable, affordable, attainable & inclusive places where people want to reside - now and in the future	IIIa. Product accountability
IV. Contributing to healthy, safe and responsible operations	IV. Considerate constructors scheme (construction sites)

The Fund uses one or more sustainability indicators to measure the attainment of each E/S characteristic promoted. The table below shows the indicators per promoted E/S characteristic.

E/S char.	Indicator
Ia.	GRESB score GRESB star rating
Ib.	Improve BREEAM-in-use score of standing investments; 1. Asset score 2. Management score
IIa.	Free of natural gas (% m2) CO2 emissions in kg CO2 m2 of purchased energy (scope 2)
IIb.	Average energy intensity (kwh/m2/yr)
IIIa.	Tenant satisfaction score
IV.	Considerate construction scheme (construction sites)

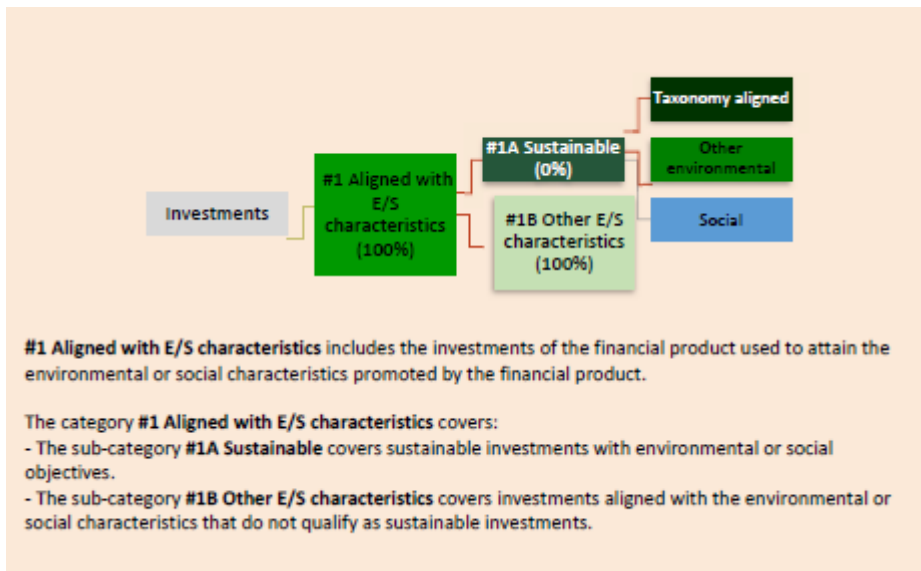
d. Investment strategy

The Fund has three strategic pillars, namely Quality, Diversification and Sustainability. Within the Sustainability pillar, the four ESG objectives as mentioned before are included. Each of the ESG objectives is mapped to one of the three strategic pillars. In this structure the Fund ensures focus on achieving its objectives related to the environmental and social characteristics in alignment with its strategic objectives.

As the Fund invests in real estate assets, the assessment of good governance practices in relation to investee companies is not directly applicable.

e. Proportion of investments

The Fund's planned asset allocation is 100% in direct real estate assets. The Fund is committed to making the entire portfolio subject to one or more promoted items and therefore 100% aligned with E/S characteristics. The Fund does not target a minimum proportion of sustainable investments but could have sustainable investments with environmental and social objectives in its portfolio (Taxonomy aligned, Other environmental and/or Social).



f. Monitoring of environmental and social characteristics

On a quarterly and yearly basis, the Fund monitors the performance on the before mentioned indicators related to the promoted environmental and social characteristics as presented in part d. The results are discussed both internally and externally with different stakeholders.

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

g. Methodology

In order to measure the performance of the above E/S characteristics, the Fund applies the following methodologies.

- **GRESB**
The results to measure the indicators GRESB score and GRESB star rating are based on a GRESB assessment report, which has been prepared on the basis of the annual participation of the Fund in the GRESB benchmark. The GRESB reports including the scores are prepared by a third party.
- **Building certificate BREEAM NL label and assets score**
The building certificate BREEAM NL assets and management score is based on the weighted average (sq. m.) building sustainability certificate score. The BREEAM score of a certain asset are determined by a third party.
- **Free of natural gas (% sq. m)**
Considers the percentage of assets which is free from natural gas based on m2
- **CO2 emissions in kg CO2 m2 of purchased energy (scope 2)**
Considers the CO2 emissions related to electricity consumption measured in kg CO2/m2. The calculation of the CO2 emissions is based on the Greenhouse Gas Protocol
- **Average energy intensity (kwh/sq. m./yr)**
Considers the average energy intensity per m2 per year for assets with 100% data coverage.
- **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 Fund (weighted by purchase price) registered under the Considerate construction scheme of Bewuste Bouwers, which is an external scheme.

h. Data sources and processing

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

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

At the moment, the Fund makes use of estimations by a third party related to the energy usage of tenants.

i. Limitations to methodologies and data

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

j. Due diligence

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

1. Embed 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 fund, which is drawn up annually, the Fund 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, 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 fund 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
- 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 (in both the Dutch real estate sector funds), 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 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, both at the level of investment managers and at fund level. The annual reports for the open Dutch funds are publicly available. 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 beleid

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

1. Improve ESG risk management

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

2. Influence ESG outcomes:

a. Enhance positive outcomes

As a company that invests in real estate worldwide, it is our duty to play a part in finding solutions to environmental and societal issues. This is core to our investment process and an important component of this Stewardship and Engagement Policy.

Bouwinvest actively supports the following Sustainable Development Goals (SDGs). For our engagement activities this means The Fund aims to further positive outcomes towards these SDGs.

- SDG 3 Ensure healthy lives and promote well-being for all at all ages
- SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all
- SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable
- SDG 13 Climate action

b. Mitigate negative outcomes.

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

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

l. Designated reference benchmark

Not applicable