

Corporate Social Responsibility Policy

Bouwfonds Investment Management

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investment management

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1. Introduction

Corporate Social Responsibility is in the heart of our organization as reflected in our corporate vision:

“Society should fulfil the basic needs of all people now and in the future. Therefore, society cannot arise from a short-term vision, but arises from one that has sustainable value for the future. Thinking on the basis of sustainable value for the future means opting for quality over quantity, for sustainable results over quick wins, for transparency over secrecy and for long-term involvement in good and bad times for the benefit of all stakeholders within society.”

At Bouwfonds Investment Management (Bouwfonds IM), we aim to deliver sustainable value to society by investing capital raised from our clients in real assets through our investment funds and actively manage the assets our funds invest in. We aim to be the respected investor and manager of institutional and private money with the highest degree of confidence due to our socially responsible corporate behaviour which is the base for all our decisions.

Bouwfonds IM is part of the Rabobank Group which considers cooperative banking and sustainability as being intertwined following its historic roots. As such, Bouwfonds IM's corporate vision fits the group's vision on Corporate Social Responsibility.

Bouwfonds IM is signatory of the United Nations Principles for Responsible Investment (UNPRI) and embraces the principles of the United Nations Global Compact. As signatory of the UNPRI Bouwfonds IM is committed to the following:

- To incorporate Environmental, Social and Corporate Governance (ESG) issues into investment analysis and decision-making processes;
- To act as an active owner of the assets it owns or manages and to incorporate ESG issues into our ownership and asset management policies and practices;
- To seek appropriate disclosure on ESG issues regarding the assets in which we invest and which we manage or use ;
- To promote acceptance and implementation of the principles within the investment industry;
- To report on our activities and progress towards implementing the principles.

In addition, Bouwfonds IM is actively involved in various working groups and/or task forces to contribute to a more sustainable industry.

To anchor our beliefs in the day-to-day business, Bouwfonds IM has policies and activities defined amongst 4 core themes:

- Sustainable real assets;
- Ethical business practices;
- Responsible operations;
- Social commitment.

Within its various roles, as asset & acquisition manager, as fund manager, but also as employer, as tenant, etc. Bouwfonds IM is committed to improve performance within each of the 4 core themes, whilst recognising the fact that the maximum impact it can achieve will also depend on both external and internal constraints. We refer to the Corporate Social Responsibility Policy of Rabo FARM for our agricultural business activities. More information can be found on the website www.rabofarm.com.

2. Sustainable real assets

Real assets should be used for the comfort and convenience of the users and should contribute to the quality of our society, now and in the future. The guiding principle for investing and managing real estate & infrastructure in a sustainable manner lies in finding the right balance between economic, social and environmental aspects.

Bouwfonds IM is convinced that sustainability constitutes added value for investing and managing real assets. This means that we continuously look for sustainable methods in our business operations. In our funds, we acknowledge the fact that investments in improving sustainable performance have to be approved by our investors in the funds. By actively promoting sustainable methods towards our investors, Bouwfonds IM wants to lead the way in the real asset industry and act responsibly towards environment and natural resources.

Bouwfonds IM focuses on the following important topics:

Energy consumption

Recent studies indicate that construction and use of buildings is accountable for 40% of the emission of CO₂. Through our asset management activities we are committed to contribute to a reduction in energy intensity of the real estate we manage. In order to realise a reduction in energy consumption, data are needed on energy consumption which give insight in how possible reductions can be realised. The required data is not always easy accessible, especially where tenants have contracts directly with the utility companies. Bouwfonds IM has started to gather data on energy consumption and aims to increase its coverage every year. Our funds use the Global Real Estate Sustainability Benchmark as framework.

Water consumption

Compared to agriculture, which accounts for 70% of all water use, built environments are responsible for considerably less water consumption. But water waste in the sector is huge. Like energy consumption, we are committed to contribute to a reduction in water intensity of the real estate we manage.

Energy Performance Certificates

Energy Performance Certificates (EPC's) are required under the Energy Performance of Buildings Directive of the European Union for all properties in the EU. Bouwfonds IM is committed to become compliant with this directive taking into account possible constraints following the mandate Bouwfonds IM has from the investors in our funds. We are actively promote the availability of an EPC per property.

Green leases

A green lease is a lease between the landlord and the tenant that incorporates voluntarily and/or legally binding commitments for both parties to minimise the environmental impact in areas such as energy, water and waste. Although the use of green leases is still limited, Bouwfonds IM focuses on increasing the percentage of green leases, as it is considered to be an effective instrument to improve sustainable performance.

Sustainability certificates

Bouwfonds IM recognises the need and added value for properties of In-Use certificates with respect to sustainability performance. We are aware that obtaining In-Use certificates comes at a cost. In consultation with the investors in our funds we seek for opportunities where our investors directly or indirectly benefit from implementation of sustainable measures and obtaining an In-Use certificate.

Business partners

As an international-oriented real asset investment manager, working together with local partners is part of our daily business. Bouwfonds IM aims at working together with business partners who share our view on corporate social responsibility. We are decisive to increase the use of 'green covenants' in contracts with business partners to reinforce our intentions on acting responsibly.

3. Ethical Business Practices

Bouwfonds IM, places integrity at the heart of its daily operations. Our socially responsible corporate behaviour is the basis for all our decisions. We are transparent in our business operations towards all stakeholders. We aim to be compliant with industry guidelines (e.g. INREV) on transparency, reporting, etc. Our communication about products, cost structure, risks and opportunities is clear. The decision-making process, revenues and underlying assumptions are openly and clearly communicated. Through internal policy documents and procedures Bouwfonds IM implements its ethical business practices in its daily operations. The most important documents in that respect are:

- Code of Conduct;
- Customer Due Diligence (CDD) Policy;
- Fund Governance Principles;
- Conflict of Interest Policy.

The policies and principles can be found at www.bouwfonds.com. A brief summary is provided below.

Code of Conduct

The Code of Conduct contains all rules that are imposed on everyone who works for Bouwfonds IM, to conduct themselves in such a manner that no damage, including damage to reputation, results to society in general and to the group and/or parts of it in particular. The goal is to give employees clear guidelines as to what is and is not acceptable conduct within our company.

Customer Due Diligence (CDD) policy

The CDD policy of Rabobank, Rabo Real Estate Group and Bouwfonds IM is structured in such a way as to attempt to prevent these companies and/or their employees from collaborating and/or doing business with parties who could damage society in general or the reputation of Rabobank, Rabo Real Estate Group and/or Bouwfonds IM in particular.

Fund Governance Principles

Bouwfonds IM is a real asset investment manager. In this capacity, Bouwfonds IM also assumes a fiduciary responsibility towards its investors. The Bouwfonds IM Fund Governance Principles contain guidelines and best practices for the management of the funds initiated or managed by Bouwfonds IM.

Bouwfonds is committed to operate its fund management activities in a responsible and professional manner. This implies that much attention must be given to good governance, including alignment of interest, transparency and conflicts of interest. In all these matters Bouwfonds IM should deal in accordance with its obligation to act in the reasonable interest of the investors and its fiduciary responsibility towards them.

Bouwfonds IM has defined principles that relate to specific situations in the area of fund governance. In situations that may not be covered by these principles, Bouwfonds IM will in general seek to apply international best practices to the extent available. Bouwfonds IM pledges to resolve any situation, having due regard for the interest of the investors (and other stakeholders), after reasonable and fair consideration of all the relevant facts and circumstances.

Conflicts of Interest Policy

The conflict of interest policy provides insight into the manner in which conflicts of interests or potential conflicts of interests are handled between funds managed by Bouwfonds IM, as well as between a fund and Bouwfonds IM itself (in its role as shareholder, sponsor, financier or manager of that fund). When dealing with potential conflict of interest situations, Bouwfonds IM will act in accordance with the Bouwfonds IM Conflict of Interest Policy and will endeavour to apply reasonably and fairly the specific principles defined herein.

4. Responsible operations

Contributing to a more sustainable society starts with how we act as a company ourselves. In that perspective, we focus on our engagement towards people and office operations.

People

The success of our company is embedded in the people we employ. Bouwfonds IM aims at creating the best possible working environment and working conditions for our employees. This comprises amongst others the following:

- Modern terms of employment: Bouwfonds IM is actively working on terms of employment in line with what employees expect from a modern employer. Relevant matters here include leave for older employees, freedom of choice in days' leave, work-life balance, opportunities for working from home, mobile communications, etc.

- and employees are stimulated to work on the basis of an equitable mix of performance indicators.
- Training: Training courses is invariably part of the annual PCM cycle. Bouwfonds IM invests in education & training courses to further support employees in realising their personal ambitions.

Office operations

Limiting the environmental impact resulting from our business operations is a key objective of Bouwfonds IM. We are continuously looking for ways to implement sustainable measures to lower the environmental impact of our business operations. We focus on the following important topics:

- Energy & water consumption: Bouwfonds IM is committed to contribute to a reduction in energy & water intensity of the buildings used. Concrete measures have been taken in the field of installation of LED lighting, presence detection sensors, etc.
- Use of sustainable materials: the focus on sustainable materials is an important part of the purchasing policy and has resulted in the purchase of toners that are biodegradable, use of environmentally friendly cleaning products, , etc.
- Travelling: business travelling is an important source of CO² emission. A number of measures have been implemented to reduce the CO² emission resulting from business travel:
 - Company cars may only be ordered with labels A-C. Upon commencement of use of the car, an NS business card is provided in order to encourage use of public transport.
 - Video conferencing systems have been implemented to reduce the number of business flights.
 - Bouwfonds IM's employees have the opportunity to make use of the bicycle scheme 'Company Bicycle'. This offers an economical way of acquiring a new bicycle for commuting, and moreover it is good for health and for the environment.
- Use of paper: new technology can be used to reduce the use of paper. Bouwfonds IM is committed to minimise the use of paper by making use of new ways of working.

5. Social commitment

Bouwfonds IM considers 'social commitment' as the organisation's dedication to making a positive contribution to society as a whole. Examples of our activities are:

- Specific donations for the benefit of people, the environment and/or the local area;
- Encouraging employees to contribute to social projects for the benefit of local communities;
- Safeguarding and contributing to art and culture;
- Active participation in public debates, industry task forces;
- Sharing knowledge by educating at universities, etc.

In order to realise maximum social impact we seek cooperation with other Rabobank Group divisions in this area.