

# Annual report 2023

Bouwinvest  
Real Estate Investors B.V.

# Table of contents

## 3 2023 at a glance

---

4 Key figures

---

7 Key information over past five years

---

## 8 Message from the CEO

---

## 10 Report of Management Board

---

11 The world around us

---

14 How Bouwinvest creates value

---

28 Results of the Dutch funds and international mandates

---

35 Results of the management organisation

---

39 Financial results of the management organisation

---

41 Management organisation outlook

---

42 Corporate governance

---

46 Integrated risk management and compliance

---

## 49 Supervisory Board report

---

## 54 Remuneration report

---

## 57 Composition of the boards

---

## 60 Financial statements

---

61 Consolidated balance sheet at 31 December

---

62 Consolidated statement of profit or loss

---

63 Consolidated statement of cash flows

---

64 Notes to the financial statements

---

64 General

---

65 General accounting policies for the preparation of the consolidated financial statements

---

66 Accounting policies for the valuation of assets and liabilities

---

69 Notes to the consolidated balance sheet

---

74 Note to the consolidated statement of profit or loss

---

79 Company balance sheet as at 31 December

---

80 Company statement of profit or loss

---

81 Notes to the company financial statements

---

82 Notes to the company balance sheet

---

## 86 Other information

---

## 87 Independent auditor's report

---

## 93 Assurance report of the independent auditor

---

## 98 Appendices

---

99 GRI content index

---

102 Definitions of the KPI's of the material themes

---

103 ESG performance indicators

---

106 About this report

---

108 Glossary

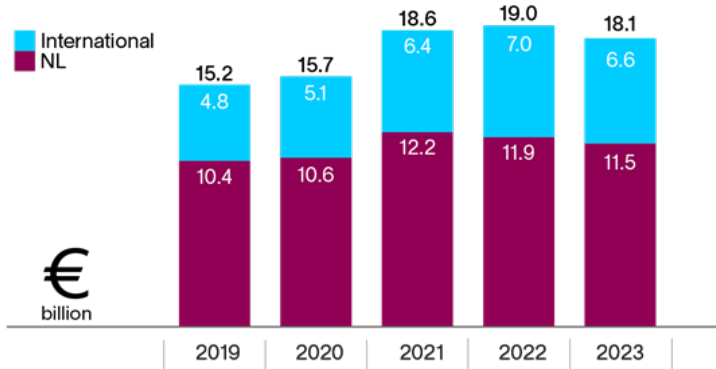
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# 2023 at a glance

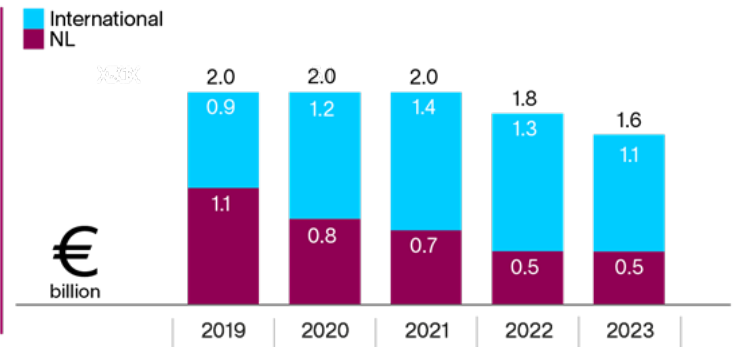
# Key figures

## Financial

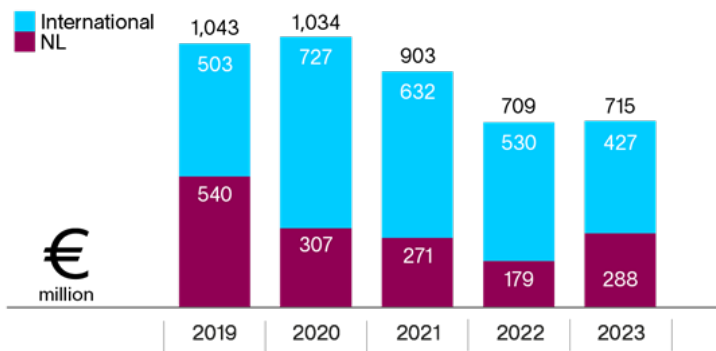
Entrusted capital NL and International



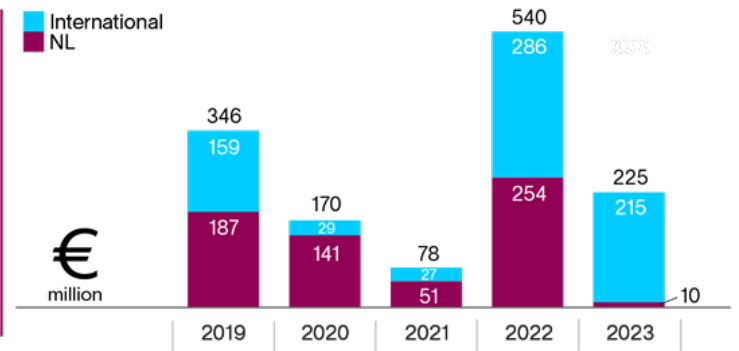
Secured pipeline



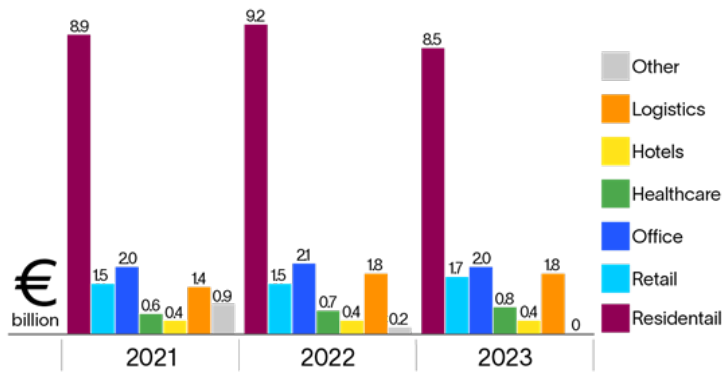
Total acquisitions



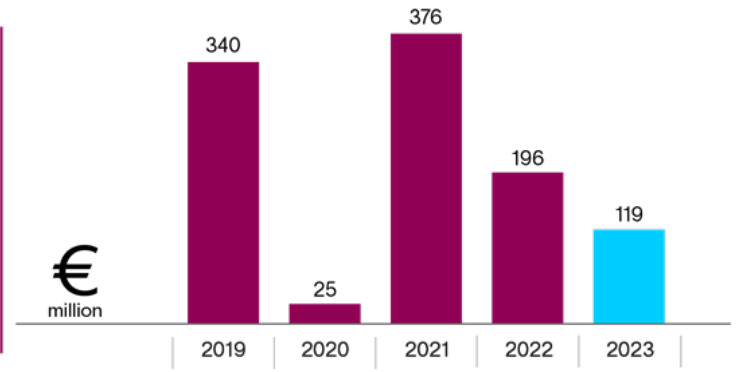
Total sales transactions



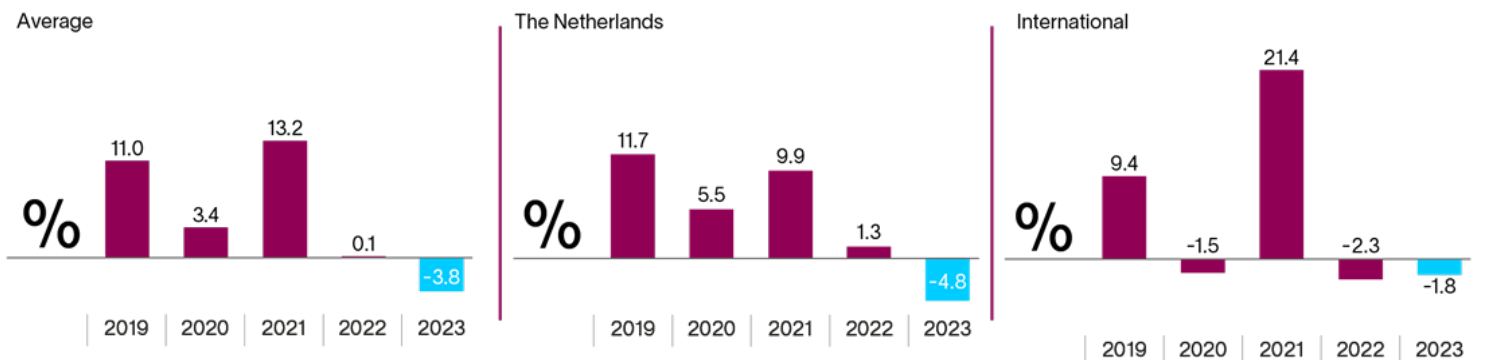
Assets under Management by sector



Attracted commitments open funds

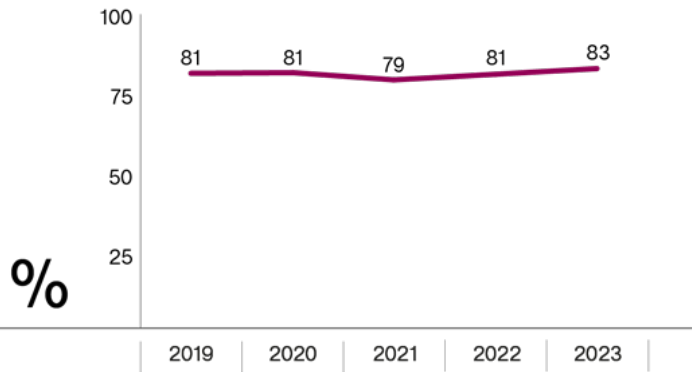


Return on invested capital

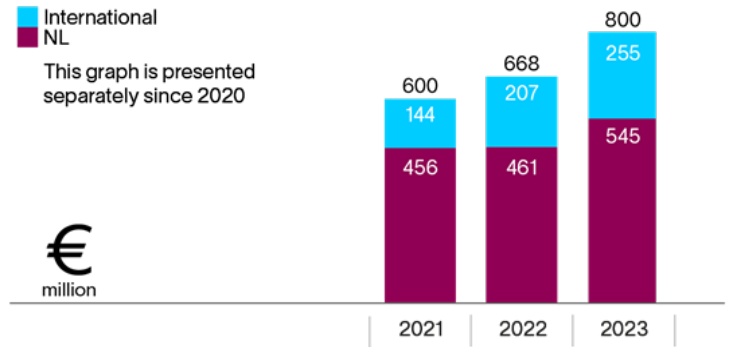


Due to rounding off, totals may differ from the figures shown

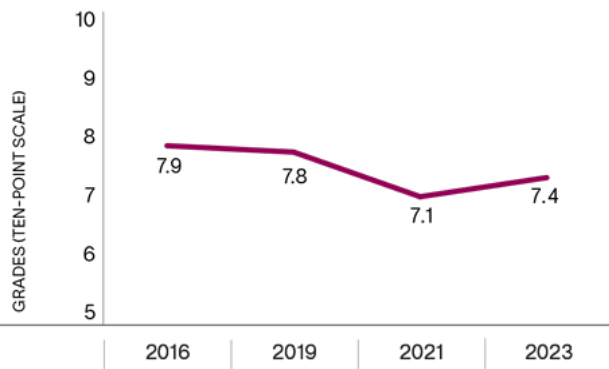
## Sustainably invested capital



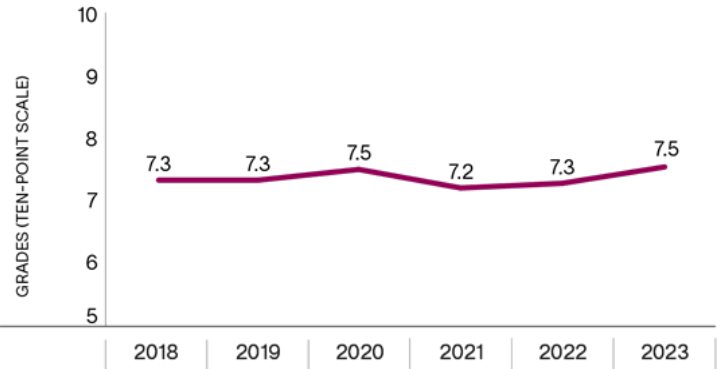
## Capital invested in healthcare



## Customer satisfaction

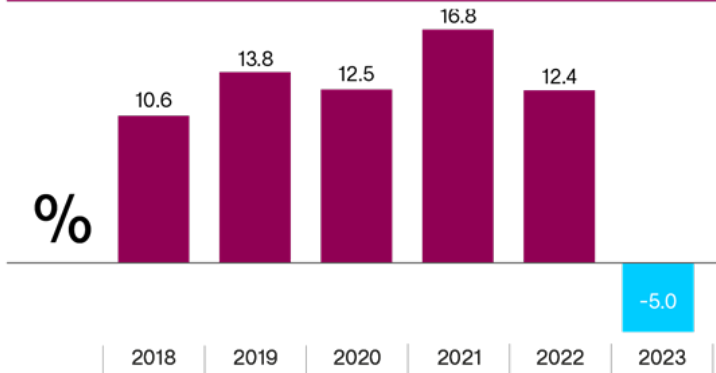


## Tenant satisfaction NL

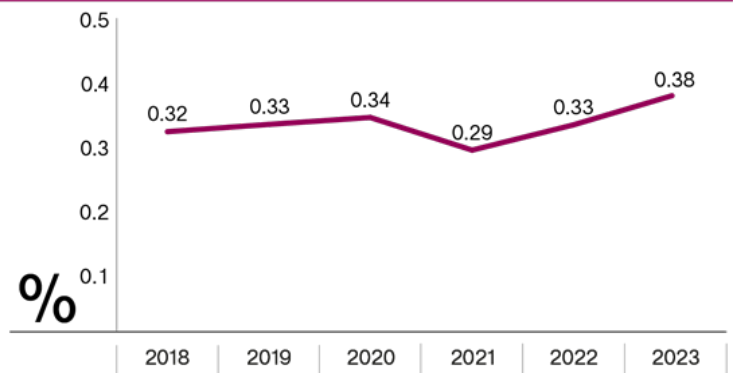


# About Bouwinvest

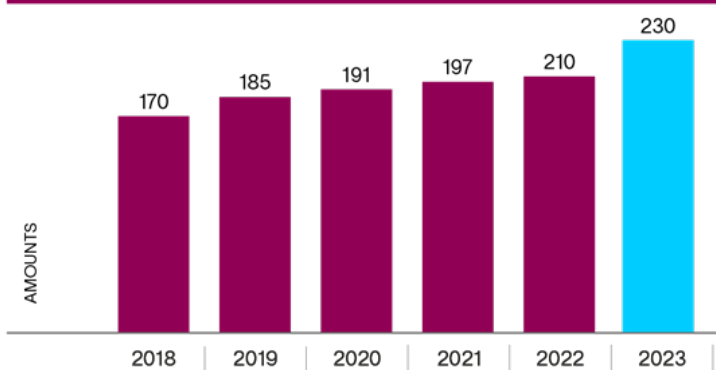
## Bouwinvest's return on equity



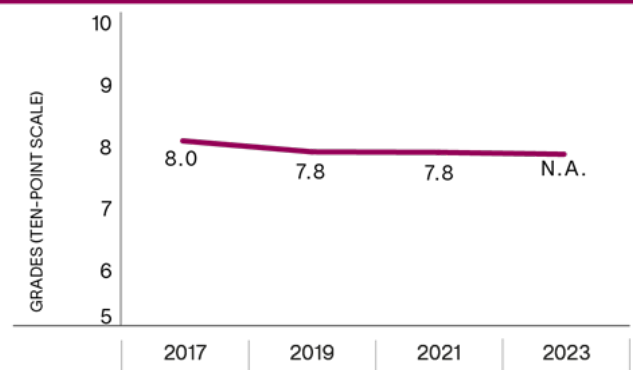
## Cost ratio



## Number of internal FTEs at year-end



## Employee satisfaction



# 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	2023	2022
Dutch Residential Fund	6,913,937	7,612,690
Dutch Retail Fund	1,051,302	1,055,026
Dutch Office Fund	1,139,590	1,198,693
Dutch Hotel Fund	368,554	372,774
Dutch Healthcare Fund	544,705	460,663
Dutch Impact Partnership	551	-
Europe Mandate	1,671,781	1,496,363
North America Mandate	1,977,116	2,162,043
Asia-Pacific Mandate	1,510,905	1,458,397
Other (The Netherlands)	960	5,895
	<b>15,179,400</b>	<b>15,822,545</b>

## Total acquisitions

All amounts in € millions	2023	2022
<b>The Netherlands</b>		
Dutch Residential Fund	-	14
Dutch Retail Fund	31	15
Dutch Office Fund	48	24
Dutch Hotel Fund	-	-
Dutch Healthcare Fund	209	126
Dutch Impact Partnership	-	-
	<b>288</b>	<b>179</b>
<b>International</b>		
Europe Mandate	193	109
North America Mandate	10	292
Asia-Pacific Mandate	224	129
	<b>427</b>	<b>530</b>
<b>Total</b>	<b>715</b>	<b>709</b>

## 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%	87%	yes	yes	yes	yes	yes
GRESB star rating Q4 2023	4	3	4	5	5	5	5	4
(average) GRESB score	84	75	80	92	93	92	90	87
Share of sustainable investments (GRESB 4/5 stars)	63%	29%	65%	100%	100%	100%	100%	100%

## Key information over past five years

All amounts in € thousands, unless stated otherwise.

	2023	2022	2021	2020	2019
Number of shares (actual)	225,000	225,000	225,000	225,000	225,000
<b>Net result</b>	<b>(2,247)</b>	<b>5,428</b>	<b>6,503</b>	<b>4,310</b>	<b>4,264</b>
Per share	-€ 9.99	€ 24.12	€ 28.90	€ 19.16	€ 18.95
<b>Assets under management</b>	<b>15,179,400</b>	<b>15,901,308</b>	<b>15,655,491</b>	<b>13,400,317</b>	<b>12,933,455</b>
<b>Total assets</b>	<b>51,888</b>	<b>59,863</b>	<b>62,742</b>	<b>53,922</b>	<b>47,952</b>
<b>Shareholders' equity</b>	<b>42,409</b>	<b>44,657</b>	<b>45,229</b>	<b>38,726</b>	<b>34,416</b>
Per share	€ 188.48	€ 198.48	€ 201.02	€ 172.12	€ 152.96
<b>Solvency ratio</b>	<b>82%</b>	<b>75%</b>	<b>72%</b>	<b>72%</b>	<b>72%</b>
<b>Management fee income</b>	<b>55,025</b>	<b>59,925</b>	<b>53,161</b>	<b>50,329</b>	<b>46,129</b>
<b>Personnel costs (excl. temporary staff)</b>	<b>32,726</b>	<b>28,876</b>	<b>27,289</b>	<b>24,781</b>	<b>21,788</b>
<b>Number of FTE (year-end)</b>	<b>230.2</b>	<b>209.8</b>	<b>196.6</b>	<b>191.4</b>	<b>184.7</b>
Personnel costs per FTE	142.2	137.6	138.8	129.5	118.0
Fee per FTE	239.0	285.6	270.4	263.0	249.8

# Message from the CEO

“May you live in interesting times” is an ancient proverb that has always appealed to me. Now, after my first full year as CEO at Bouwinvest I can safely say I have not been disappointed. The past year has proved to be far more interesting than I had hoped for, and initiating a transformation of the company in these turbulent circumstances has been challenging. Despite the challenging external circumstances, we have been able to remain focussed on delivering value and outperformance to our clients. Fortunately, I have been able to count on the support of my fellow executive board members, including Henk-Dirk de Haan who replaced Rianne Vedder as of October 2023. I would like to thank Rianne for her contributions during her years in office.

When I started in this role in September 2022, the global markets were significantly impacted by geo-political, financial, social and environmental turbulence. This has continued unabated since then. We are still dealing with the effects of the war between Ukraine and Russia, and in October the worrying and tragic conflict in Gaza escalated dramatically. In addition to the huge human tragedy, these conflicts have contributed to additional global instability and have had a major impact on market outlooks. In parallel over the course of the year central banks have fought inflation by raising interest rates to levels we haven't seen in developed economies for fifteen years. Global real estate markets have suffered from this as well, with declining valuations stemming from higher borrowing costs, reduced investor confidence and appetite, economic uncertainty, and more government regulation. At the same time, the year 2023 will go down as the hottest and the wettest year since records began, showing once again that climate change is part of our day-to-day lives and that urgent global action from everyone, including the real estate sector, is required.

In the Dutch residential market in particular we saw more uncertainty due to tax and rental regulation, a steady increase in construction costs, issues with regard to power grid congestion, slow building permit processes, and a lack of resources on the public sector side to progress projects. In addition this year we saw a challenge in the Dutch courts to the mechanism that Bouwinvest and other institutional owners utilise to index residential rents on an annual basis. Bouwinvest was named in several cases and the next year will see higher appeal courts review and rule on this matter.

In these challenging times it is crucial to stay in close contact with our key stakeholders, especially the investors in our funds and mandates. An open communication strategy to align and inform is key to this. We aim to deliver stable returns to our investors in balance with clear objectives on environmental performance & risk management, while creating social value and keeping solid governance intact. Both Bouwinvest and our clients face increasing regulatory requirements which have their own impact on the organisation. Increasingly more resources need to be dedicated to complying with regulatory and client expectations. It is a fine balancing act between financial & ESG performance, risk management and management costs. Despite all these challenges Bouwinvest has realised a relative financial outperformance in the Residential Fund by 0.1%, the Retail Fund by 2.9%, the Office Fund by 2.9%, the North America mandate by 3.8%, the Asia-Pacific mandate by 4.9% and a relative underperformance in the Europe mandate by -/-4.3%. This resulted in an average return on invested capital over the year of -3.8%.

Bouwinvest has responded to the cyclical and structural changes by further sharpening our corporate strategy so that we can continue to deliver the services that our investors expect. This strategy has provided Bouwinvest with a clear vision and roadmap for the future and has clarified the organisational improvements that we needed to make in order to execute on this strategy. Both the corporate strategy and the change programme were approved by the supervisory board in September in total alignment with bpfBOUW, our shareholder.

This year was thus also a year with a significant focus on the internal organisation. We have named this internal transformation programme #Invest. As an organisation we have embarked on an ambitious journey to build a future-proof company. We have assembled a dedicated team to manage this transformation and ensure that it runs smoothly. We have set out clear objectives and defined seven workstreams, with the focus in the first half of the year on developing a new organisational design. After the summer, we started the implementation process, and this is already having a positive impact on our operations.



We also worked on other projects, all of which contribute to our corporate strategy and our objective of building scale over time. We moved forward on obtaining regulatory approval for opening the Dutch Healthcare Fund to third-party investors; we applied for a MiFID permit (an AIFMD top-up) and worked on complying with a European directive so we can broaden our investment services in Europe. In November we successfully launched the Dutch Social Impact Partnership, a new product initiative developed together with bpfBOUW and ABP. This milestone marks a new phase for Bouwinvest in terms of business development and launching new products but more importantly, it is a contribution to creating social value in Dutch communities.

The combination of challenging market conditions, which caused a decline in assets under management and thus fee income, and the partly one-off costs for the organisational transformation, have resulted in a net loss for Bouwinvest REI over 2023. The loss including one-off costs totalled -/- € 2.2 million and when excluding these one-off costs a modest profit of € 0.3 million remains over 2023 for Bouwinvest REI. The decline in income is cyclical and the transformation costs are one-off, but these financial results re-emphasise the real need to execute on our new corporate strategy. We need to become more flexible and efficient in order to cope with cyclical downturns, increased regulatory requirements, and the corresponding additional resources required to address these. To develop a structural healthy cost/income ratio we need to invest in further client and product diversification, ensure continued outperformance in our funds and mandates and improve the time-to-market for launching new products and investment strategies.

We still have a challenging year ahead. The market outlook for 2024 foresees in continuing uncertainty. The global economic turbulence is set to continue, resulting in a flat to low growth of real estate markets. Interest rates are forecast to remain high for at least the first half of the year as part of the Central Banks strategy to combat inflation. Real estate markets will have to cope with other challenges and opportunities as well, including providing more affordable housing, building more housing for seniors, the decarbonisation of existing real estate portfolios, climate adaption, the changing use of office space and the adaptation of supply chains to a deglobalising world.

Despite all the challenges ahead, we remain positive about the long-term perspective for real estate markets in general, and in particular in Bouwinvest's ability to strengthen its position as a leading real estate investment manager. Turbulent markets also bring opportunities and Bouwinvest plans to actively identify and exploit any opportunities that may arise.

These are, as I said at the beginning of this message, interesting times indeed. Looking back at 2023, I would like to thank all our investors in our funds and mandates for their continuing confidence in Bouwinvest. I would also like to thank the Bouwinvest employees for their continuing delivery of outstanding results despite the current market conditions and the ongoing internal transformation.

Bouwinvest has a solid plan for the future. I look to the future with confidence and trust that we will realise our ambitions, together with our stakeholders, and continue to deliver 'Real Value for Life'.

Mark Siezen

CEO

# Report of Management Board

# The world around us

## Key developments

### The economy and geopolitics

In 2023, the global macro-economic landscape was predominantly characterised by elevated inflation rates, coupled with a rise in interest rates driven by central bank policies and escalating uncertainties surrounding the global geopolitical environment. Global inflation peaked in 2022, a consequence of the disruptive impacts of the Covid-19 pandemic on worldwide supply chains and the Russia-Ukraine conflict. Throughout 2022, central banks responded by increasing policy deposit interest rates by approximately 200 basis points, aiming to mitigate inflationary pressures. The effects of these measures became evident in the latter half of 2023, as the average price level gradually decelerated. By year-end, inflation rates appeared to stabilise, returning to historical averages. In anticipation of this, markets foresee a reduction in interest rates in 2024, prompting rallies in both stock and bond markets.

The upward trend in interest rates globally significantly contributed to the prolonged downturn in real estate capital growth initiated in 2022. Real estate markets experienced sector and country-dependent losses of up to 20%, with investment volumes more than halving. These adverse real estate performances, juxtaposed with positive returns in stocks and bonds, substantially reversed the 'denominator effect' from previous years. But while institutional real estate allocations are reverting to historical averages, unfavourable investment conditions in real estate hinder large-scale capital inflows into the sector.

A consequence of escalating interest rates is the deceleration of economic growth, with several developed countries entering (technical) recessions in 2023 or 2024. Forecasts do not indicate GDP growth scenarios resembling those during the global financial crisis. However, the geopolitical landscape is increasingly precarious, with rising uncertainties stemming from events in the Middle East, APAC and the ongoing Russia-Ukraine conflict. Tensions among other countries are also on the rise, casting doubt on global economic stability.

Despite the challenging economic conditions, opportunities persist for Bouwinvest in the Dutch real estate market. Robust demographic fundamentals continue to support the residential rental sector, particularly in the mid-range affordable rental segment where demand surpasses supply. Similar dynamics are observed in the Dutch healthcare real estate market, driven by a growing demand for modern and needs-based senior living and care complexes amid the country's rapidly aging population. Collaborations between care institutions, investors, and various stakeholders point the way forward in addressing the substantial task of providing high-quality care accommodation in the coming decades.

In Europe, the upcoming period is likely to be characterised by slower economic growth and uncertainty, coinciding with an expected decline in interest rates. Notably, the European Central Bank raised benchmark interest rates in the Eurozone by 200 basis points in 2023. The narrowing spread between real estate yields and 10-year government bonds, a proxy for the 'risk-free rate,' is prompting asset repricing. Rising interest rates have rendered real estate more expensive for leveraged investors, contributing to a funding gap during refinancing. While a decline in interest rates may positively impact real estate performance, economic uncertainty and the existing funding gap may impede a robust recovery in 2024.

### Economic growth forecasts

	2023	2024	2025	2026
World	2.7%	2.3%	2.6%	2.8%
Eurozone	0.5%	0.6%	1.8%	2.0%
United States	2.5%	2.0%	1.4%	1.9%
Asia-Pacific	4.3%	3.5%	3.7%	3.7%
The Netherlands	0.0%	0.7%	2.5%	1.7%

Source: Oxford Economics, January 2024

In North America, both the Federal Reserve (Fed) and the Bank of Canada have embarked on monetary tightening measures to curb heightened inflation. Throughout 2023, the Fed implemented a cumulative increase of 100 basis points in interest rates (compared to 425 basis points in 2022), while the Bank of Canada elevated interest rates from 4.25% to 5% (compared to 400 basis points in 2022). Since the summer of 2023, both central banks have kept their policy interest rates unchanged.

A comparable scenario unfolds in the Asia-Pacific markets, with notable exceptions being China and Japan. Japan is exercising restraint in interest rate growth, and its benchmark 10-year government bond rate remains near zero. In the diverse Asia-Pacific landscape, Australia is solidifying its position as a safe haven and Singapore is anticipated to witness an increase in relative attractiveness compared to Hong Kong. Meanwhile, a beleaguered property sector and geopolitical tensions have introduced a risk premium in China.

## 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 has overtaken China as the most populous country in the world.

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, in terms of finance and in terms of 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. Bouwinvest continues to implement Regulatory Technical Standards related to the SFDR and related legislation such as the Corporate Sustainability Reporting Directive (CSRD).

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.

Adapting the built environment to deal with climate changes is a big issue and scanning for climate risks on buildings and their environment has become 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 ESG 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

Bouwinvest believes that it is not possible to ensure long-term successful investment without taking the needs of society into account. Therefore in all decision-making attention must be devoted to ethical, social, environmental and governance issues. Governance includes the ongoing development and increase of 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.

# 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 € 15.2 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

In 2023 Bouwinvest developed a new corporate strategy towards 2030 to proactively engage with and benefit from fast changing market conditions. Bouwinvest has achieved strong growth in the past (11% annual AUM growth between 2017-2022) driven by a set of unique advantages and tailwinds. However, these do not apply to the future and we acknowledge there are key market challenges, many of which are structural in nature:

- Dutch pension market slowing down due to demographic developments resulting in a reduction of capital inflow from Dutch pension pools
- Dutch pension scheme reform potentially impacting real estate allocations and further pension fund consolidation
- Global headwinds based on the short to medium term macro-economic outlook affecting asset values
- Increasing cost of compliance driven by regulatory changes and investor requirements
- Competitive intensity from peers in the Netherlands and abroad who are seeking for scale through inorganic growth moves

Our client-oriented growth strategy is aimed to cope with these challenges and to grow into a stronger real estate investment manager with a unique profile. Our strategy focuses on three pillars leveraging our key strengths and unique DNA:

**Client:** Building scale by delivering high client satisfaction

**Performance driven:** Delivering outperformance to investors by transforming towards a world-class operating model

**Responsibility:** Becoming a leader in corporate responsibility and responsible investing by strengthening our ESG performance

## Client

Building scale is fundamental to delivering stronger fund performance for our investors and a robust financial basis for the management company to re-invest in required skills and capabilities to meet the increasing demands of our stakeholders. Building scale will enhance our ability to:

- Attract and retain talent
- Benefit from economies of scale
- Partner and integrate
- Acquire larger scale assets
- Accelerate fundraising

The primary objective is to position Bouwinvest as the universal real estate leader in direct real estate investment in the Netherlands and to grow Bouwinvest's current indirect model as a global sector generalist allocator. The core components of our growth strategy are:

1. Maintain a focus on the existing business, serve our existing clients, and continuously improve on service levels while pursuing optimising within each fund and mandates' performance
2. Develop and launch dedicated new (value add) investment products to attract new capital and build a more diversified investor base including international investors and other types of (institutional) investors. These new investment products (funds/mandates/club deals) will focus on the Dutch market and combine targeting of high growth niches with a strong ESG orientation; all supported by our developer DNA
3. Selectively pursue local M&A opportunities to increase scale effects, particularly with targets that can support delivery of prioritised niches for new funds and broad LP base
4. Open up the international indirect business platform to new clients, providing them with preferential access to joint ventures, partnerships, and co-investment opportunities.

There are synergies between the separate direct and indirect growth paths, specifically the transfer of market knowledge and General Partner trends back to the core Dutch business, as well as being an international capital sourcing vehicle for Limited Partners looking to gain exposure to the Netherlands, which helps justify this dual pronged strategic approach.

## Performance driven

A success factor critical to the execution of our growth strategy is an increased focus on delivering outperformance to continue to improve stakeholder value and client servicing. Therefore, we have started our transformation program #Invest which has progressed well this year. Examples of successes but not limited to are:

- Developed target operating model design
- New organisational structure and governance effective by 1 January 2024
- Mapped processes as a basis for improvements in 2024
- Introduced new strategy planning cycle
- Implemented project portfolio management
- Defined new core competencies
- Realised first business benefits from data transformation
- Started implementation of HR transformation including new HR management system

In 2024 #Invest will continue with Bouwinvest's transformation to set ourselves up for success. Besides continuing the already started initiatives like HR- and data transformation, we will also start addressing new areas like new ways of working, new capabilities, performance management, and leadership- and team development.

## Responsibility

Bouwinvest will further build on its reputation as impactful investor by strengthening our ESG performance through:

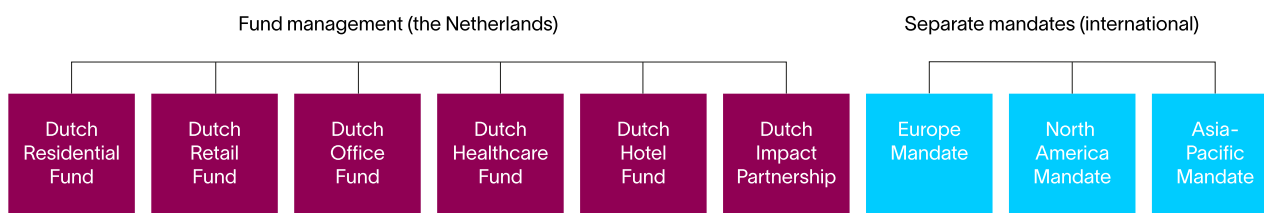
- Leveraging the core belief of impact investing in our growth strategy aligned with our purpose. We firmly believe the defining characteristic of worldclass real estate will be the impact it has on our planet and stakeholders
- Improving our responsible investing and corporate responsibility practice by making our transition fact-based and data-driven. This includes using leading industry wide standards that measure true transition progress
- Expanding our industry-first and innovative Social Impact Partnership and adopting brown to green strategies in our other funds as part of the new value-add products, particularly in residential and healthcare

Driven from our purpose we are determined to continue to invest in our proposition of Real Value for Life and as part of that deliver market leading financial and ESG performance on capital invested.

## Current market proposition

Bouwinvest manages six Dutch (sector) funds, four of which are open for investors (Healthcare Fund per 1 January 2024), and three international mandates. Currently the funds and mandates have a total of 37 investors with € 15.2 billion assets under management (AUM). In Q4 this year Bouwinvest launched the Dutch Social Impact Real Estate Partnership. In 2024 Bouwinvest will continue 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 in line with the new corporate strategy.

### 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 while creating environmental and social value and good governance, given the geopolitical and economic uncertainties.

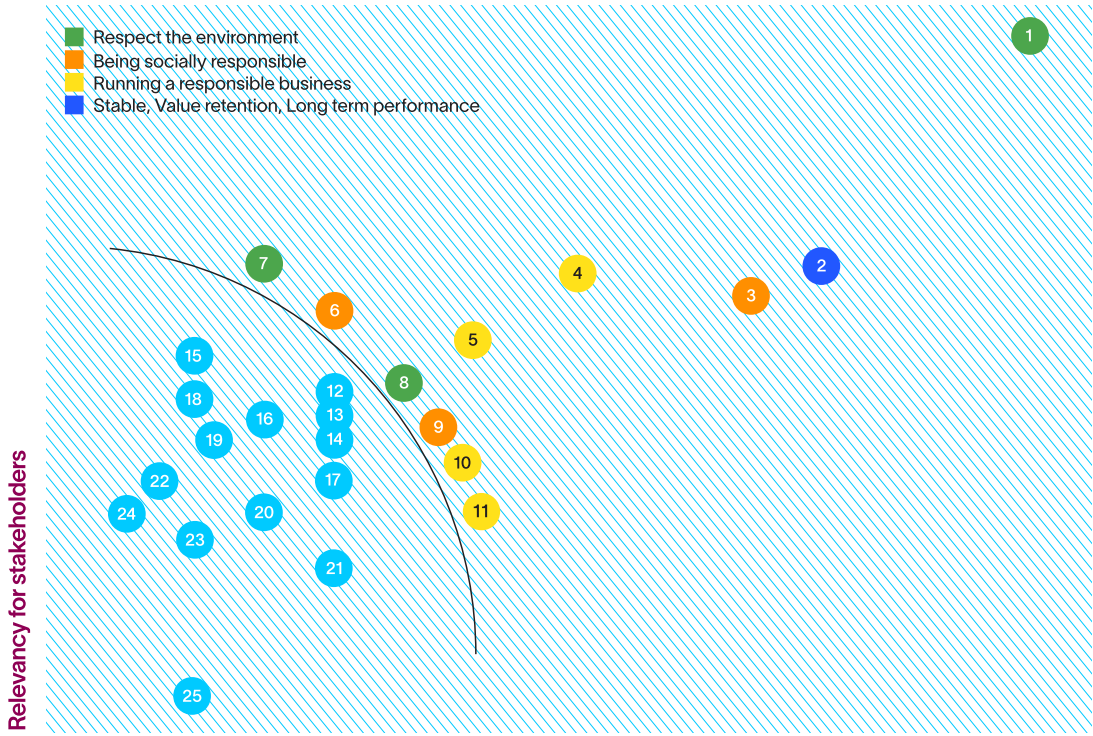
Bouwinvest has worked with its investors and other stakeholders to define a list of 11 key material themes, mainly ESG related, which form the backbone of the strategy in the years ahead. These themes go beyond the sustainability performance of real estate investments as they are driven by making the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

In 2022, 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.

In 2023, the materiality matrix was recalibrated again taking a similar approach as last year and resulted in no changes. Towards the end of 2023 we started preparing for Corporate Sustainability Reporting Directive (CSRD) and as part of that we will perform a double materiality analysis taking an inside-out and an outside-in view on sustainability. This new materiality analysis will replace our current one and will form the basis for preparing ourselves for CSRD reporting in 2026 over the year 2025.



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

<b>Financial</b> Entrusted capital of € 18.1 billion from pension funds and insurance companies	<b>Intellectual</b> Knowledge and expertise in pension and real estate worlds in 10 regions and 6 sectors.	<b>Business partner</b> Cooperative partner through 50 active positions in knowledge and network organisations.	<b>People</b> 230 motivated professionals
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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

<b>Pensions</b> We contribute to pension incomes.	<b>Sustainable and liveable cities</b> 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 <sub>2</sub> emissions of buildings.	<b>Real estate sector</b> 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 2023	Realisation 2022	
Responsible investment	Respect the environment	1	Minimising climate impact of buildings/portfolio	Energy reduction NL and II	NL & II	CO <sub>2</sub> neutral 2045	-2,0%	0,4%
		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%	83%	81%
	Responsible investment	3	Stimulating/contributing to affordable housing and healthcare	Total Healthcare investments	NL	2024: € 800m	€ 790 million	€ 615 million
				Transactions mid rental segment residential Fund	NL	60%	0%	80%
		6	Providing healthy and safe portfolio/buildings	% Considerate construction scheme	NL	75%	82%	87%
		9	Preserving livability in cities and regions	Tenant satisfaction score	NL	7	72	7,4
Corporate social responsibility	Running a responsible business	4	Living integrity and transparency	Participation training (compliance)	mgt comp	>95%	99%	99%
		5	Focusing on investor interest	Client satisfaction score	mgt comp	7,5	7,5	n.a
	Reputation score			mgt comp	7,5	n.a.	7,8	
	10	Ensuring cyber & data security and privacy	Participation in training (ICT cyber)	mgt comp	≥ 95%	97%	96%	
	11	Attracting & Retaining talent	FTE growth	mgt comp	22	20	13	
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%	-3,8%	0,1%
				Outperform relevant indices		6/6	4/6	5/7

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. Up to the end of 2023 we used the Dutch Green Building Council (DGBC) methodology to gain insights in and guide us reducing the CO<sub>2</sub> footprint of our assets on the way to becoming Paris Proof. From 2024 we will also use the Carbon Risk Real Estate Monitor (CRREM) because it is internationally more comparable. The declaration commits Bouwinvest to ensuring the buildings in its Dutch real estate portfolios are highly energy efficient, have renewable energy sources and purchase CO<sub>2</sub>-neutral electricity by 2045. To arrive at this target, no detailed yearly reduction target has been set.

Bouwinvest managed to decrease the energy use of its real estate portfolio based on the 2023 GRESB benchmark (-2% compared to 0.4% in the previous benchmark). This was based on energy data from 2022 and 2021 which is the latest and most complete information available.

In the past, Bouwinvest completed roadmaps for all its Dutch funds on fund level, outlining the measures needed to make its portfolio Paris Proof. These roadmaps are translated into asset specific roadmaps for four of the five funds. However the aim is to have roadmaps for its total portfolio where relevant. In 2023, Bouwinvest improved its portfolio in line with the steps in these roadmaps, implementing change at an asset level. The coming years, Bouwinvest will continue this process by focusing on the use of sustainable materials, circular construction, waste management and water consumption. For the progress regarding the implementation of these roadmaps, refer to the different annual reports of the Dutch funds.

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 policy and plan was completed in 2023 and actions according to this plan will be implemented.

# 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 ensures 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 -3.8% in 2023, compared with 0.1% in 2022. Between 2019 and 2023, the Funds and mandates managed by Bouwinvest Real Estate Investors had a weighted annual return between -3.8% and 13.2%, which means that in 2023 the total return is at the lowest point of this period. Although economic conditions currently seem to be stabilising, 2023 was marked by rising interest rates, high inflation, high energy prices and an unstable geopolitical situation. This has also affected the real estate markets which have corrected as of Q4 2022 running into 2023. 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 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), Holland Metropole 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 70% of new investments in the Netherlands in 2023, including projects in Alphen aan den Rijn and Pijnacker. All investments relate to Healthcare investments, no Residential investments were made.

The invested capital of the Healthcare Fund, including secured pipeline of € 280 million, increased by € 176 million compared last year to a total of € 790 million. 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.

## 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 2022 has been presented to the Management Board in the first quarter of 2023, including recommendations on how to move forward. Every year Bouwinvest organises mandatory employee workshops to boost integrity awareness. In 2023 89% of the workforce took part in at least one session, 10 % of the employees who did not take part were on long-term leave or left employment during the workshops and 1% did not attend the workshop without such a reason.

Bouwinvest also participates in a yearly UN PRI benchmark survey on this subject and scored 5 stars (96 points) on the Direct Real Estate module and 4 stars (80 points) on the Policy Governance and Strategy module in 2023.

## 5 Focusing on investor interest

5

The key to Bouwinvest's future is being able to understand the interests of our investors and consistently acting in line with these interests. This pertains foremost to the current clients in the funds and mandates and additionally 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 current and future investors interests.

Bouwinvest takes a pro-active approach to transparency and openness and includes its clients in discussions on specific topics concerning investments. In 2023 these included subjects such as the updated ESG policy and our efforts with regards to the Paris proof commitment, the updated hurdle rate methodology, court rulings regarding a provision in the residential rental contracts and further regulation of the Dutch residential (affordable rent) market. We also provided information about internal organizational changes relating to #Invest and the new operating model as of 1 January 2024.

Every year Bouwinvest undertakes a survey among clients and other stakeholders. Every two years, Bouwinvest conducts a survey to assess client satisfaction. This survey covers topics such as satisfaction with the level of client service and the strategy and performance of the respective investment fund(s), financially as well as on ESG matters. This generally is a qualitative study consisting of interviews with a selected but representative group of investors. The quantitative research (in 2023) generated a score of 7.4. Areas for improvement include more to the point reporting and providing more detailed information on concrete actions related to sustainability. The other year we conduct a reputation survey among clients and other stakeholders. This survey measures the degree of credibility and trust. The way stakeholders look at Bouwinvest is important to meet our clients' needs. In 2022 the score for the reputation survey was 7.8.

## 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 2023, 82% of Bouwinvest's construction projects were registered under the scheme (2022: 87%).

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

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 regional and individual asset level. In addition, 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. During 2023, the DGBC published its climate adaptation framework in which the DGBC elaborate how to assess physical climate risks. Bouwinvest (who laid the foundation of this model) has applied this framework on its own assessment which led to new insights. In the coming years these insights will be used to draw up a methodology and plan how to include physical climate risks in its overall ESG risk assessment 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.

Bouwinvest participates 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 2023 (99% in 2022).

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.

Four of the five Dutch sector funds retained their GRESB five-star ratings in 2023, the highest achievable score. One of the Dutch sector funds decreased from a 5 star rating to a 4 star rating, which is still in line with Bouwinvest's target that at least 80% of its investments fall within the 4/5 star range. 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. Due to the wide variety of sectors and real estate strategies, Bouwinvest applies different targets for its international investments compared to its Dutch funds. The performance of the International mandates was on average above this target.

Our goal is for at least 80 percent of invested capital to be above-average in terms of sustainability (GRESB 4 or 5 stars) by the end of 2023. At the end of 2023, Bouwinvest has 83.2% invested in above-average sustainable investments.

## 9 Contributing to liveability in cities and metropolitan regions

9

In 2023, Bouwinvest invested € 715 million in real estate worldwide, 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 a whole.

Bouwinvest conducts regular tenant satisfaction surveys to assess tenant views on liveability. In 2023, tenants gave Bouwinvest a score of 7.3, up on the previous score of 7.4.

## 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 2023, 57 out of 58 scores on the DNB (Dutch Central Bank) norm (Good Practice Information Security) were on or above the official target. An assessment of the HR succession planning was not performed in 2023 as the department is undergoing a transformation process, resulting in one lower score. This succession planning will be performed in 2024.

Bouwinvest implemented more advanced, Bouwinvest specific, use-cases within the Security Information and Event Management tooling to have more real-time control over cybersecurity risks. We also performed a red team exercise to access the Bouwinvest 'crown-jewels', disable backup systems and simulate a ransomware attack. The attackers were not able to achieve their objectives.

Bouwinvest again ran a company-wide security awareness programme, including phishing tests and videos for employees to train them to recognise phishing attempts. We hereby aim at a minimum of 95% participation and in 2023, 97.4% of Bouwinvest employees took part.

Regarding privacy, the Governance, Risk and Compliance system was enhanced with the register of processing activities and the data breach register. All data breaches are now reported from this system.

## 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. 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 has also been expanded to include customised programmes on sustainability and CDD.

The workforce increased from 210 FTE at the end of 2022 to 230 FTE by the end of 2023.

# Results of the Dutch funds and international mandates

Bouwinvest aims for stable absolute returns and to outperform the relevant indices alongside booking social returns. These figures are shown below. This is followed by a brief review per fund and mandate.

Funds and mandates (x € million)	2023	Plan 2024	Secured pipeline 2023	Return 2023	Relative performance
Dutch Residential Fund	6,914	6,516	226	(6.3)%	-1.2%
Dutch Office Fund	1,140	1,259	0	(8.3)%	1.7%
Dutch Retail Fund	1,051	1,064	13	3.6%	4.6%
Dutch Healthcare Fund	545	682	280	1.1%	-
Dutch Hotel Fund	369	395	0	4.1%	-
Dutch Social Impact Real Estate Partnership	1	70	0	0.0%	-
Bouwinvest Development	1	0	0	4.0%	-
Europe Mandate	1,672	1,870	194	(2.8)%	0.7%
North America Mandate	1,977	2,069	332	(3.8)%	2.4%
Asia-Pacific Mandate	1,511	1,773	602	3.0%	0.7%
<b>Total real estate investments</b>	<b>15,180</b>	<b>15,698</b>	<b>1,647</b>	<b>(3.8)%</b>	

## Residential Fund

*Residential Fund, De Meester, Haarlem*



Due to the negative sentiment on the residential investment market, the Residential Fund ended with a total return of -6.3% for the whole year (0.6% in 2022), consisting of a 2.4% income return (1.9% in 2022) and -8.5% capital growth (-1.3% in 2022). The decline in capital growth was primarily driven by the geopolitical and economic circumstances mentioned in "The world around us" (page 12). The relative performance against the MSCI Netherlands Index was an underperformance of -1.2% over the five-year period of 2019-2023. Over 2023 the relative performance against the MSCI Netherlands Index was an outperformance of 0.1%.

The Residential Fund's fundamental strategy was unchanged in 2023 and it delivered solid performances on its main strategic pillars, quality, affordability and sustainability. The tenant satisfaction score on the building and its surroundings increased slightly compared to the previous year. Despite the fact that the Fund made no new acquisitions, the Fund was able to add 943 homes to the portfolio, with 314 of these in the mid-rental segment. On the sustainability front, the Fund retained its five-star GRESB rating, while once again improving its score. The Fund also reviewed its ESG performance framework, and made preparations to refine its asset-level sustainability plans based on the CRREM performance. The Fund also managed to sell nine assets to meet the redemption requests of a number of investors.

In 2023 in a court case in which a landlord attempted to recover rent arrears, the court of Amsterdam ruled that, based on the rent increase clause in the lease agreement, it was unclear to the tenant which circumstances were taken in consideration for the determination of the annual rent increase. Therefore, this clause was annulled in this particular case, and the court ruled that based on European consumer protection laws the Fund should not have passed on any rent increase as of the start of the

lease. This decision could potentially have a material impact on all the other lease agreements. Several other landlords (including (most) IVBN members) are dealing with the same issue and preliminary questions will be asked to the Dutch Supreme Court to clarify the matter. The clarification from the Dutch Supreme Court is expected in the summer or autumn of 2024.

## Office Fund



*Office Fund, The Bell, Amsterdam*

Although the Office Fund showed a solid outperformance against the MSCI index in 2023, it recorded a higher than expected negative total return of -8.3% for the full year 2023 (-3.2% in 2022) consisting of 3.7% income return (2.8% in 2022) and -11.7% in capital growth (-5.9% in 2022). The decline in capital growth was primarily driven by the geopolitical and economic circumstances mentioned in "The world around us". In the Office market the lack of transactions and evidence for appraisers was also a contributing factor in the declining values. The relative performance against the MSCI Netherlands Index was an outperformance of 1.7% over the five-year period of 2019-2023.

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 acquisition of The Bell in Amsterdam increased the Fund's focus on the G4 cities and added a very promising multi-tenant asset to our portfolio in November. On the sustainability front, in 2023 the retained its GRESB five-star rating and improved its score to 93 points (92 in 2022), putting the Fund third in its group of 29 peers. In Q4 2023, following the BREEAM recertifications, the Fund once again achieved at least a Very Good label for all assets, with the exception of De Lairesse and Valeriusplein in Amsterdam, both of which are for sale. The average tenant satisfaction score for the Fund's office buildings came in at 7.3 in last year's survey, above the target of 7.0.

## Retail Fund

*Retail Fund, Winkelcentrum 't Fort, Apeldoorn*



The Retail Fund delivered a solid performance, outperforming the MSCI index with a total return of 3.6% for the full year (10.5% in 2022) consisting of 4.4% (4.2% in 2022) income return and -0.8% (6.1% in 2022) capital growth. Total return was well above the index and the funds forecasts for the year. The Retail Fund's past performance was recognised once again in 2023, as it won the MSCI European Property Investment Award for the fifth year in a row. MSCI named the Fund the best-performing specialist real estate fund in the Netherlands over the previous three years through December 2022. The relative performance against the MSCI Netherlands Index was an outperformance of 4.6% over the five-year period of 2019-2023.

While the fundamental strategy was unchanged in 2023, the Fund puts even greater focus on its main strategic pillars - quality, future-driven and sustainability and delivered solid performances. On the quality front, the Fund completed the acquisition of De Groote Wielen shopping centre in Rosmalen-Noord, while Q4 saw the completion and delivery of the Kerschoten shopping centre in Apeldoorn. The Fund also managed to sell a non-core experience asset in Maastricht to optimise its portfolio. On the future-proof front, the Fund completed two projects at Demer 48 in Eindhoven and the Goverwelle shopping centre in Gouda. The Fund also made preparations or started projects at four other assets. On the sustainability front, the Fund managed to retain its GRESB 5-star rating and increased its score to 92 points, four more than the previous year. The Fund also improved its ranking to fourth out of six in the Netherlands, from sixth the previous year. The Fund also continued its efforts to gain greater insight into the energy use (and emissions) of its portfolio on the basis of actual consumption data, custom-made (asset-level) recommendations and BREEAM improvement plans.



## Healthcare Fund

*Healthcare Fund, Woonzorgcentrum Rosengaerde, Dalfsen*



Despite the difficult market conditions, the Healthcare Fund delivered a relatively solid performance in 2023. The total return for the full year came in at 1.1% (-0.1% in 2022), consisting of 3.7% (3.2% in 2022) income return and -2.5% (-3.2% in 2022) in capital growth. The Fund improved its occupancy rate to 99.2% for the whole of 2023.

The Fund's fundamental strategy was unchanged and performed strong on its strategic pillars: growth, stable return, social return and environmental sustainability. On the growth front the Fund acquired several projects totalling more than € 200 million, well above its plan of € 100 million. The Fund also has a full acquisition pipeline of 9 assets, as a result of which it is likely to draw the remainder of its undrawn commitment of € 161 million in the first half of 2024.

The specific indexation agreements are an example of the Healthcare Fund's focus on social return. Another example is the goal of housing all types of elderly people, resulting in a well-diversified portfolio with 43% assisted living, 30% intramural care and 24% private care. Last year 70% of the acquisitions were in the mid-rental segment. Furthermore, tenants are on average satisfied with the Fund's service. 2023 tenant satisfaction survey among our assisted living tenants resulted in an average score of 7.2 from private tenants and 7.9 from commercial tenants.

In the GRESB benchmark survey 2023 the Healthcare Fund achieved a 4-star rating and scored 87 points, placing the Fund second in its peer group. The Fund has GPR labels for all assets and the average score grew to 7.2. The Fund is steady moving to a Paris Proof portfolio with gas free and energy efficient assets.

Reference is made to the court ruling described in the Residential Fund section which may have a similar impact on the residential lease agreements in the Healthcare Fund.

## Hotel Fund

*Hotel Fund, BOAT&CO, Amsterdam*



Boosted by higher-than-expected capital growth the Hotel Fund performed well above expectations, recording a total fund return of 4.1% for the full year 2023 (9.0% in 2022), consisting of 5.2% income return (4.3% in 2022) and -1.1% capital growth (4.6% in 2022). The Fund's fundamental strategy remained unchanged in 2023, focusing on its key strategic pillars, quality, diversification and sustainability.

Due to market conditions, the Fund was unable to further deliver on its diversification strategic pillar, nor expand in terms of its coverage of the top 10 hotel cities. The Fund made no investments or disposals in 2023. However, in late 2023 the Fund's sole shareholder bpfBOUW confirmed its current allocation of € 400 million to hotel real estate and signalled that there may be additional funding.

On the sustainability front, the Fund retained its GRESB 5-star rating and scored 90 points, placing the Fund second out of seven participants in the benchmark, which is referred to as 'Europe / Hotel / Core / Tenant Controlled'. In accordance with the Fund's ESG targets, all assets now have at least a BREEAM-NL Very Good certificate for the Asset component.

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 2024.

## Impact Partnership

In Q4 2023 the Dutch Social Impact Real Estate Partnership was launched. This is a joint venture partnership between bpfBOUW and ABP with an initial commitment of € 400 million. No investments have been made in 2023. The Dutch Social Impact Real Estate Partnership is a real estate and social impact strategy in the Netherlands. The Partnership will focus on assets in residential, healthcare and other social real estate. By investing in these categories according to the social impact strategy, the Partnership has a clear intention to contribute to solutions for a broad range of target groups by providing much-needed affordable, healthy, sustainable and appropriate housing. With this the Partnership intends to add more than 1.500 affordable, appropriate and healthy homes. The Partnership has an initial annual investment target of around € 130 million.



## Europe Mandate



*Europe Mandate, Ardrath Celbridge, Ireland (Ardstone)*

The Europe Mandate recorded a return of -2.8% in 2023 (-8.8% in 2022). Lower valuations were mainly caused by higher interest rates leading to elevated yields in most sectors and countries. Overall, 2023 total return for non-listed markets came in at -7.5% (-1.6% in 2022). Listed markets were more volatile and were boosted in the last quarter by anticipated first rate cuts in the first half of 2024 with y-o-y results coming in at 14.2% (-30.4% in 2022). The relative performance against the INREV/GPR index was an outperformance of 0.7% over the five-year period of 2018 Q4 – 2023 Q3. By year-end 2023, the portfolio had a value of close to € 1.7 billion and 76% of the core investments (63% of the total investments) in the European portfolio scored above average on sustainability (GRESB 4 or 5 stars). The Europe Mandate's pipeline of committed investments currently amounts to € 194 million. The mandate made new investments of € 193 million in 2023, mainly in listed real estate, German and Nordic mezzanine debt and logistics in the United Kingdom.

## North America Mandate



*North America Mandate, US Workforce Housing (Nuveen)*

The North America Mandate recorded a return of -3.8% in 2023 (0.5% in 2022). The valuations in the North American portfolio reflected market dynamics driven by high interest rates leading to elevated yields in most sectors, after the portfolio held relatively well last year. Overall, 2023 proved negative for non-listed markets which came in at -6.7% (9.1% in 2022). Listed markets were more volatile and were boosted in the last quarter by anticipated first rate cuts in the first half of 2024 with y-o-y results coming in at 15.4% (-23.8% in 2022). The relative performance against the NCREIF/GPR index was an outperformance of 2.4% over the five-year period of 2018 Q4 – 2023 Q3. At year-end 2023, the portfolio had a value of nearly € 2.0 billion and 33% of the core investments (29% of the total investments) in the North American portfolio scored above average on sustainability (GRESB 4 or 5 stars). The North America Mandate's pipeline of investments currently stands at € 332 million. Bouwinvest did not sign new commitments in this region in 2023, due to the relatively high North America exposure and the market conditions.

## Asia-Pacific Mandate



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

The Asia-Pacific Mandate delivered a return of 3.0% in 2023 (1.5% in 2022). Overall, 2023 proved profitable, the non-listed portfolio came in at 3.3% (4.4% in 2022) mainly caused by development profits. Listed markets came in at 1.4% (-9.3% in 2022). The relative performance against the ANREV/GPR index came in at an outperformance of 0.7% over the five-year period of 2018 Q4 – 2023 Q3. At year-end 2023, the portfolio had a value of around € 1.5 billion and 76% of the core investments (65% of the total investments) in this portfolio scored above average on sustainability (GRESB 4 or 5 stars). The Asia-Pacific Mandate's pipeline of investments currently stands at € 602 million. In 2023, this mandate committed a total of € 224 million, including investments in Australia built-to-rent and Asia-Pacific listed self storage and data centers.

# Results of the management organisation

## Bouwinvest's internal organisation

The year 2023 saw a more structural return of working in the office and a further shift in our hybrid working model from relatively more time working from home to more time in the office. Our Amsterdam office is designed for working together and cooperating within and across teams, so consistent working at the office is deemed essential.

Labour market conditions changed over 2023 and finding candidates for some roles became slightly less problematic than in the previous years. The company's Real Value for Life purpose, its revised corporate strategy, its ambitious leadership and the way Bouwinvest conducts business has helped to attract talented new employees. This in combination with increased focus on recruitment resulted in us reaching our formation (FTE) targets by mid-year and actually having to quickly cut back in temporary staff as income dropped in 2023 and cost focus became more critical.

## Growing management organisation

Bouwinvest acquired properties worth € 715 million in 2023 and mostly due to the negative capital growth and disposals the invested capital decreased by € 0.7 billion to € 15.2 billion. Entrusted capital decreased by almost € 0.9 billion to € 18.1 billion. Despite this decrease in invested capital the management organisation is seeing steady growth in workforce, partly driven by the increased workload deriving from compliance with legal and regulatory requirements. In 2023, the workforce increased by 40 new employees (37.6 FTEs) while 19 employees (18.2 FTEs) left the organisation, representing a turnover rate of 7.7%. This turnover rate is relatively low for an organisation in transition, and Bouwinvest sees this as a healthy development. At year-end 2023, Bouwinvest had 230.2 FTEs (2022: 209.8 FTEs), slightly below the target formation ( 231.9 FTE).

	Employees	Senior management	Employees by age	Staff turnover	Absenteeism	Internships	Employee satisfaction
2023	Female <b>35%</b>  Male <b>65%</b> (Total 230.2 FTE)	Female <b>11%</b>  Male <b>89%</b>	< 30    11.4% 30 - 39    28.8% 40 - 49    31.7% 50 - 59    22.9 % > 60    5.1%	<b>7.7%</b>	<b>4.5%</b>	<b>2</b>	<b>-</b>
2022	Female <b>34%</b>  Male <b>66%</b> (Total 209.9 FTE)	Female <b>21%</b>  Male <b>79%</b>	< 30    9.2% 30 - 39    28.8% 40 - 49    32.4% 50 - 59    23.8% > 60    5.8%	<b>10.2%</b>	<b>3.1%</b>	<b>4</b>	<b>-</b>

## HR Strategy

Bouwinvest's HR strategy is based on providing the talent and resources that are required to execute the corporate strategy, the annual business plan and especially the fund- and mandate strategies on behalf of our clients. This is achieved by creating a workplace environment in which employees can perform optimally, develop themselves and excel in their roles. We strive to develop an environment of trust, respect and open communication, and encourage employees to take responsibility for results and outcomes as opposed to simply executing tasks. The HR department works closely with the various departments across the organisation to understand what is required from a resourcing and talent perspective and to ensure that this is in place. We invest in employee development, believing that growth and career development increases ability and commitment to

achieving strategic goals and delivering top performance. We recognize and reward excellent performance with an integral and transparent performance & rewards policy and career perspective. This contributes to our shared goal and ambitions.

## Remuneration policy

Bouwinvest has a remuneration policy for its employees, with few variable (performance-related) components, appropriate to its purpose and within the guidelines set by the regulatory bodies (DNB/AFM). Bouwinvest has a separate remuneration policy for the Management Board. Bouwinvest 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 € 32.7 million in 2023 (2022: € 28.9 million). Personnel costs per FTE increased from €137.6 thousand in 2022 to €142.2 thousand in 2023 due to an indexation of salaries per 1 July 2023 and regular annual salary increases.

An increase in staff remuneration was mainly due to the increase in staff numbers from 210 FTE year-end 2022 to 230 FTE year-end 2023. The variable remuneration amounted to € 0.6 million in 2023 (2022: € 1.2 million) and the costs of hiring temporary staff came in at € 3.9 million (2022: € 2.6 million).

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. As a result of not achieving these collective targets, the collective variable remuneration was not granted. Individual performance targets have been agreed with the remaining 48% to the more senior positions and management. These employees have total variable remuneration maximised at 10% of their gross annual base salary. The Management Board bears primary responsibility for the remuneration policy.

## 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 year as a whole, divided into fixed and variable income.

	Fixed remuneration (x € 1,000)	Variable remuneration (x € 1,000)	Total remuneration (x € 1,000)
<b>2023</b>	<b>32,155</b>	<b>571</b>	<b>32,726</b>
2022	27,723	1,153	28,876

## 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 2023, 31.8 FTEs qualified as identified staff (2022: 29.3 FTEs).

	Fixed remuneration (x € 1,000)	Variable remuneration (x € 1,000)	Total remuneration (x € 1,000)
2023	7,100	417	7,517
2022	6,988	409	7,397

An explanation of the remuneration of the Management Board and the Supervisory Board is included in the Remuneration report on page 57.

## Taxation

### Legal changes

From 1 January 2025, Fiscal Investment Institutions (FIIs) may no longer invest in directly-held real estate. This measure implies that, without change, the Bouwinvest funds that still qualify as FIIs will become subject to corporate income tax at the normal rate (25,8% in 2024).

Bouwinvest has been anticipating this measure and converted the Office Fund and the Healthcare Fund into closed Funds for Mutual Account (FMA's) on 1 January 2023 and 1 January 2024 respectively. The fiscal transparency of the FMA prevents double taxation for investors. The Residential Fund, Retail Fund and Hotel Fund will be converted in FMA's on 31 December 2024.

The new law also introduced a conditional exemption from real estate transfer tax for shareholders with a so-called substantial interest ( $\geq 33\frac{1}{2}\%$ ). These investors will need this exemption upon the restructuring of the Fund that is planned for 31 December 2024.

## Data and technology

As every year, Bouwinvest continued its journey to evolve regarding the use of data and technology. In 2023, training and knowledge sharing events were organised for heavy data users. Different strategic use cases were identified and realized, i.e. the Transaction Information System, whereby a geographical representation is available for Transaction Management to help them identify possible transactions for the Dutch funds quicker and better.

A Product Owner Data Management ad interim was recruited, to help evolve our data maturity. The focus in 2023 was on our data governance (i.e. data ownership) and our data dictionary (i.e. one source of truth for our definitions). This way we can advance our different business lines, by more quickly identifying, collecting, analysing and reporting needed data and information, regarding ESG for example.

Furthermore, a policy for the use of Generative AI was implemented, new systems were implemented (HR system, digital tenant checks, new interfacing system), and one core system was upgraded (BW/4HANA). Lastly, the fit gap assessment was started to be able to comply with the Digital Operational Resilience Act (DORA) per January 2025, and a Red Team attack was performed to test our cyber resilience, whereby the attackers did not reach their set goals.

## Community engagement and sponsoring

As a real estate investor, Bouwinvest provides a roof over the heads of thousands of people by investing in inclusive and sustainable areas where people want to live now and in the future. We also want to go a step further via community engagement and sponsoring, based on the theme 'a roof over your head'.

Bouwinvest takes a conscientious approach in deciding whether or not to sponsor initiatives and engage in community projects that need an extra push. We are currently involved in two home-related charities, namely Stichting HomePlan (since 2014) and Museum Het Schip in Amsterdam (since 2018).

Bouwinvest also tries to help in a practical way when people find themselves without a home. Since the war broke out in Ukraine, for example, Bouwinvest has provided housing for refugees - five units in Amsterdam and five in Utrecht. These homes were offered from 2022 until the end of 2023 to 10 Ukrainian families. The cost of the housing and furnishings were covered by the management company and Bouwinvest Real Estate Investors was invoiced for this by the Dutch Residential Fund every month. The occupants of these homes have now moved on and are either renting on their own or have been relocated elsewhere.

## Environmental impact management organisation

Bouwinvest aims to keep reducing the organisation's CO<sub>2</sub> footprint and to shift the energy consumption of the head office, in cooperation with the owner, towards the Paris Proof standard of 70 kWh/m<sup>2</sup> in the coming years. In 2023 head office energy use was 72 kWh/m<sup>2</sup> compared to 129 kWh/m<sup>2</sup> in 2022.

# Financial results of the management organisation

## Income

Net income amounted to -/- € 2.2 million in 2023 (2022: € 5.4 million). The operating result of -/- € 3.0 million recorded in 2023 was € 10.1 million lower than in 2022 due to a combination of the challenging market conditions and higher operating expenses. The challenging market conditions caused a decline in assets under management in 2023 resulting in lower fee income (negative impact € 4.9 million). The increase of the operating expenses of € 5.2 million is amongst others driven by one-off costs for the organisational transformation. When excluding the one-off costs a modest profit of € 0.3 million remains over 2023.

## Management fee

The management fee decreased by € 4.9 million year-on-year to € 55.0 million in 2023 (2022: € 59.9 million). Redemptions, a lower amount of newly invested capital and downward valuations of the investments under management caused a decline in assets under management and thus a lower fee income. The negative valuations and their resulting downward impact on the management fees are considered to be part of "normal" cyclical movements in the real estate markets.

## Operating expenses

Operating expenses increased by € 5.2 million (9.8%) to € 58.0 million in 2023, from € 52.9 million in 2022. This increase was mainly the result of € 5.1 million higher personnel costs.

The higher personnel costs were due to an increase in the number of employees to 230.2 FTEs (year-end 2022: 209.8 FTEs), an indexation of all salaries effective 1 July 2023, additional annual merit salary increases, extra temporary staff and one-off costs. The extra temporary staff were primarily used to temporarily fill vacancies and for the execution of (change) projects. One-offs in personnel costs also include additional resources in the Transformation Office for the execution of the #invest project and these costs will gradually decline over 2024 as #invest is completed.

## Result from investments in associates

The decrease of the result in associates is driven by the deteriorating real estate market circumstances in 2023.

## Interest income and expenses

Interest income is € 0.9 million higher than in 2023 due to an increase in interest rates.

## Corporate income tax

The total corporate income tax in 2023 amounted to -/- € 0.8 million (2022: € 1.8 million). The effects of changes in the deferred tax assets and liabilities were limited.

The effective tax rate for 2023 was 25%, in line with 2022.

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 € 2.2 million to € 42.4 million in 2023 (2022: € 44.7 million). This decrease is a result of the deduction of net income for 2023 (€ 2.2 million).

The solvency ratio stood at 82% in 2023 (75% in 2022). This increase is a result of a decrease of the total assets and liabilities mainly driven by a decrease in the current liabilities (€ 5.4 million) as a result of the decrease of the payable to shareholder.

## Cash position

At year-end 2023, Bouwinvest had € 29.8 million on current accounts 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 deduct € 2.2 million of the 2023 loss 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 deduction of the 2023 loss to its retained earnings is in line with this capital policy.



# Management organisation outlook

Uncertainty around the evolvement and duration of the war in Ukraine, the violence in the Middle East, upcoming US elections and geopolitical tensions in other parts of the world dominate the outlook for coming year. Although it seems that interest rates have peaked, central banks' monetary policies have put a number of large advanced economies into a (technical) recession. A strong recovery for real estate performances is not on the cards yet for 2024 due to these effects, but the bottom in revaluations might be in sight. Bouwinvest's income is directly correlated with assets under management and downward valuations result in lower income for the management organisation. In parallel, costs have increased due to the high inflation, but inflation will revert to average levels again. The project #Invest requires Bouwinvest invest 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 2024. 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 sector is fortunately very 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 in the future. Given its market position, organisational competencies, strong culture and focus on ESG excellence, Bouwinvest is well positioned for continued success as global real estate asset manager.

The main priority of the management organisation in 2024 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

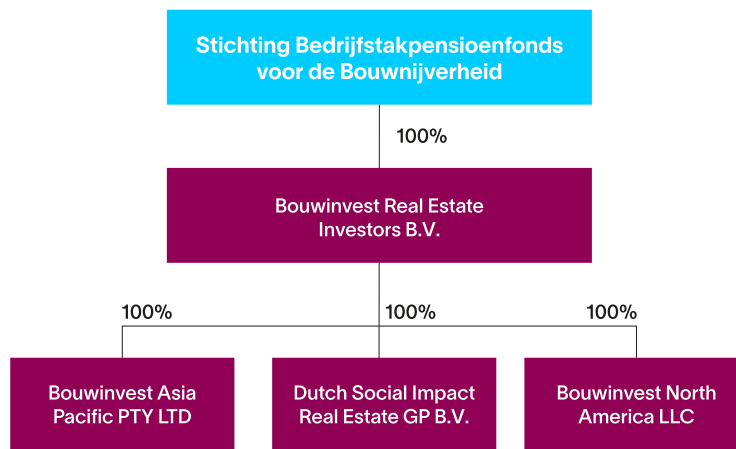
## Legal structure

Bouwinvest Real Estate Investors B.V. (Bouwinvest) is a wholly owned subsidiary of 'Stichting Bedrijfstakpensioenfonds voor 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
- Bouwinvest Dutch Institutional Hotel Fund N.V.
- Bouwinvest Dutch Institutional Healthcare Fund N.V.
- Dutch Social Impact Real Estate Partnership C.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 three subsidiaries: Bouwinvest Asia Pacific PTY LTD (Australia), Bouwinvest North America LLC (USA) and Dutch Social Impact Real Estate GP B.V.

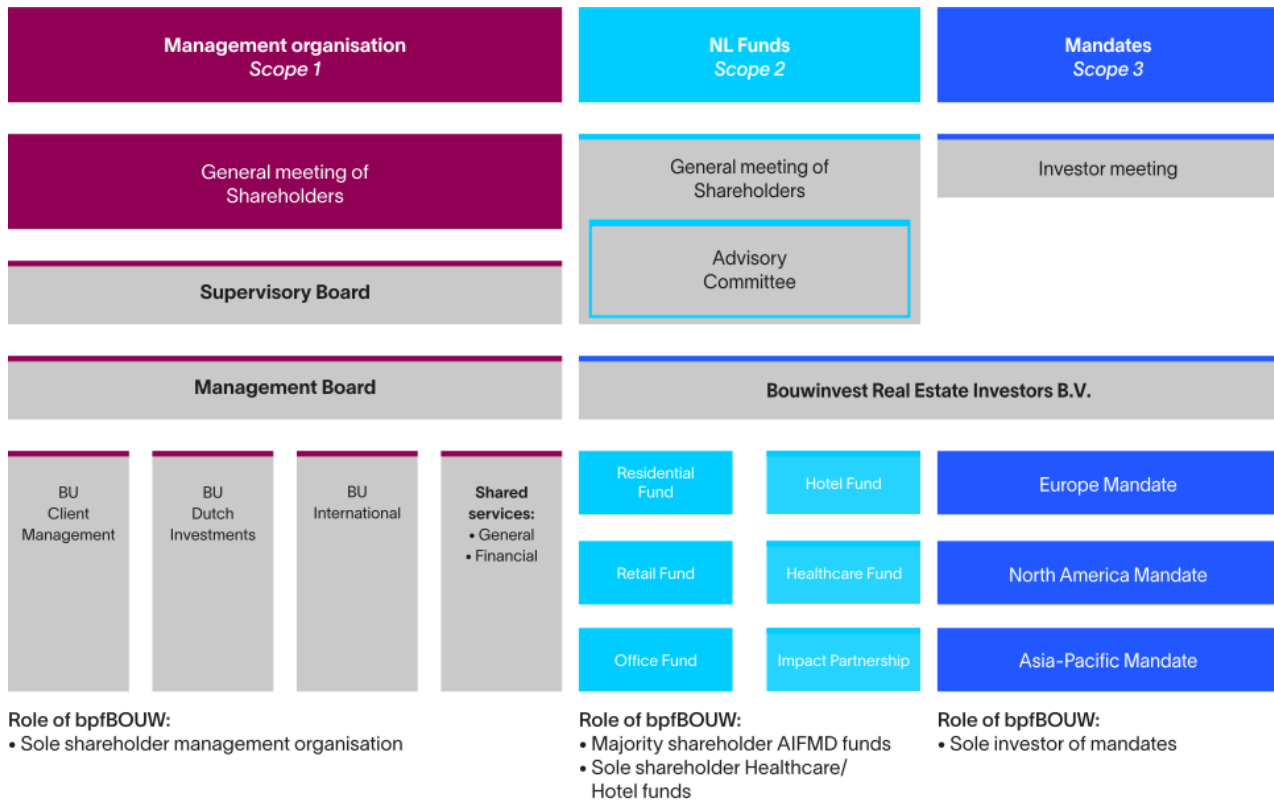


- Bouwinvest also holds limited interests in the following open funds that it manages:
- Bouwinvest Dutch Institutional Residential Fund N.V. (0.16%)
- Bouwinvest Dutch Institutional Office Fund N.V. (0.20%)
- Bouwinvest Dutch Institutional Retail Fund N.V. (0.21%)

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.



## 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 internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, recommendations and insights. The Internal Audit function (IAF) supports Bouwinvest in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control 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 a risk-based audit plan, updated at least annually and approved by the Management Board and 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, and is responsible for the employment of the statutory directors. 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 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.

## Act on the management and supervision of Dutch legal entities

Bouwinvest strives for a balanced gender ratio within the boards, targeting a 50/50 distribution as much as possible. The gender ratio in Bouwinvest's Management Board (five members) changed in 2023 with the appointment of the CFRO and is currently 20% women and 80% men. The gender ratio in Bouwinvest's Statutory Board of Directors (two members) changed in 2023 with the appointment of the CFRO and is currently 100% men. The gender ratio in the Supervisory Board (four members) is currently 50% women and 50% men. The gender ratio for senior management (identified staff 31.8 FTE) is currently 25% women and 75% 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 or new senior management staff will be hired. This evaluation will take diversity criteria, including a balanced ratio of male and female members, into account. In case of candidates with comparable profiles, the gender that is currently underrepresented will be given preference to achieve a more balanced gender ratio.

Currently, the gender ratio is not completely balanced. This is a result of the gender ratio build up in previous years.

## 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. The external auditor reports their audit findings in the management letter as well as the audit result report. 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.

## 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 which they are responsible for, as well as the risks they may take, and are expected to act in accordance with Bouwinvest's code of conduct.

# 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 basis to the Management Board and the Audit, Risk & Compliance committee of the Supervisory Board.

## Legal and regulatory requirements

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

In 2023, 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.

## 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 presented the SIRA report and its findings, based on the analysis and interviews with employees, to the Management Board. In addition, the Compliance function monitors all outstanding actions prepared as a result of SIRA.

The Compliance department reached several milestones with regard to the implementation of a professionalised Compliance Risk Framework in 2023.

## 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 2023 and organised additional awareness activities related to these policies.

## Reports and advice

In 2023, Bouwinvest received no reports of incidents, including corruption or fraud. There were 28 data breaches with respect to the processing of personal information. Five of these were reported to the regulator, the Dutch Data Protection Agency. Some of the data breaches occurred at processors, such as property managers. The data breaches were caused by, amongst others, incorrectly sent e-mails. All data breaches were investigated and, where necessary, additional control measures were taken. Bouwinvest has informed the data subjects where necessary.

## Investigations by regulators

Bouwinvest has a licence from the Dutch Financial Markets Authority (AFM) and is subject to its continuous supervision. In 2023, Bouwinvest received market surveys from the AFM relating to the Wwft and sanctions regulations and a request for information regarding the costs of investment institutions. From the Dutch Central Bank (DNB) we received a questionnaire regarding credit risk management and a questionnaire regarding the management of the risks to capital. We did not receive (individual) feedback from any of these information requests.



# Supervisory Board report

The Supervisory Board hereby presents the Bouwinvest Real Estate Investors B.V. (Bouwinvest) 2023 annual report, which includes the financial statements for 2023. 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 has discussed the annual report with the Management Board, in the presence of the external auditor. The Supervisory Board has concluded that the annual report meets all the rules and requirements in the field of governance and transparency. The annual report provides an accurate and complete picture of the results, risks and events that the Supervisory Board oversees.

The financial statements will be submitted to the Annual General Meeting of shareholders (AGM) for adoption on xx April 2024, as part of the 2023 annual report. The Supervisory Board proposes that the meeting adopts the financial statements and, as proposed by the Management Board, a loss of € 2,2 million shall be charged against Bouwinvest's shareholders' equity. The Supervisory Board proposes that the General Meeting discharge the Management Board for their management and the Supervisory Board for their supervision of said management, and that the General Meeting 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 has fulfilled its role in the year under review.

This year was characterised by declining real estate market conditions. The war in Ukraine, the Gaza conflict, increasing interest rates and uncertainty to the global economic outlook all contributed to this. The global economic turbulence is forecast to continue, resulting in a forecasted flat to low value growth in real estate markets the coming year. Interest rates are forecast to remain high for at least the first half of 2024 as part of central banks strategies to combat inflation. Due to decreasing revenues and increasing costs of the management organisation, the management board has focussed on cost control and further boosting the efficiency of the organisation. To develop a structural healthy cost/income ratio Bouwinvest needs to become a more flexible and agile organisation, demonstrate structural outperformance in its products, improve client and product diversification and decrease the time-to-market for launching new products and investment strategies. In November 2023, the Social Impact Partnership was launched, an initiative with real estate investments focusing on creating social value in Dutch communities, specifically managed for ABP and bpfBOUW.

### *Corporate Strategy*

This year, the Management Board launched a revised long-term corporate strategy for Bouwinvest. The Supervisory Board discussed this corporate strategy with the Management Board several times during the year as it was developed and finalised. The Corporate Strategy was approved by the Supervisory Board on 19 September 2023. Achieving further scale of assets under management is central to this strategy, driven by increasing costs of regulation, long-term pressure on fees and the requirement to expand both the width and depth of capabilities in order to deliver outperformance. Scale will be achieved in the Dutch markets and the international markets by further diversifying and growing the product and client base. In order to enable the organisation to deliver outperformance to investors, further investments in skills, competencies, systems, processes and people are necessary in the coming years. In addition to this, the capabilities around responsible investing and corporate responsibility will have to be enhanced. Bouwinvest will continue to deliver the right balance between financial, environmental, social, and governance objectives aligned with it investors wishes and needs. The new corporate strategy has been converted into the Bouwinvest Business Plan 2024, and this also was approved by the Supervisory Board in November 2023. The strategic objectives have been translated into clear targets and kpi's as part of this Business Plan.

### *Bouwinvest organisation ready for the future*

The Supervisory Board has been closely involved in the transformation project #Invest. To successfully execute the new corporate strategy, the Bouwinvest organisation will need to become more flexible and efficient in order to cope with cyclical downturns, increased regulatory requirements, and the corresponding additional resources required to address these. Bouwinvest needs to diversify its product portfolio and investment strategies. The implementation of a new organisational structure and a new way of working are key to achieving these goals.

The quarterly reports were discussed extensively by the Supervisory Board, enabling it to form a complete picture of the progress against the strategic objectives, the creation of stakeholder value and the financials of the Bouwinvest management company. Accurate, timely and active execution of the fund and mandates plans, in combination with outstanding client service, are key to Bouwinvest's success. The Supervisory Board also discussed the results of the performance evaluation of Bouwinvest's Dutch and international investments, in terms of process, methodology, performance measurement and indices.

This year the regulations of the Supervisory Board, the ARC committee and the HR committee were revised and updated in line with the Dutch Corporate Governance Code. The profile of the Supervisory Board was also discussed and updated.

Henk-Dirk de Haan succeeded Rianne Vedder as CFRO as of 1 October 2023. The Supervisory Board would like to thank Rianne Vedder for her efforts and involvement. The Supervisory Board wishes Henk-Dirk de Haan every success in his new 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

With four members, the Supervisory Board is deemed to be of sufficient size given the scope of responsibilities. At year-end 2023, the Supervisory Board consisted of two female members and two male members. Details on each member of the Supervisory Board are provided 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
<b>Areas of expertise</b>				
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 the first half of 2023, the Supervisory Board carried out an external self-evaluation. The results were discussed in the Supervisory Board, in attendance of the Management Board. The Supervisory Board is deemed to be experienced, professional, well prepared and in tune with market developments. The relations within the Supervisory Board are considered as open and constructive. The composition is seen as balanced and complementary, both in expertise, roles and behavioral repertoire, although there is a strong financial orientation. Knowledge of institutional investors is seen as potentially less well represented within the Supervisory Board.

## 3. Other matters

### Appointments

#### Members of the Management Board

One new appointment was made to the Management Board in 2023. Henk-Dirk de Haan was appointed CFRO and statutory director from 1 October, when Rianne Vedder stepped down as CFRO and statutory director. Rianne Vedder's contract ended on 15 October 2023.

#### Members of the Supervisory Board

Jos van Lange and Jos Nijhuis were reappointed for a second term in 2023, Jos Nijhuis for a period of 4 years, Jos van Lange for a period of 3 years. In 2024 the reappointments of Gabrielle Reijnen and Wendy Verschoor are scheduled. This schedule of resignations ensures the continuity of the Supervisory Board.

#### Meetings of the Supervisory Board

	J.A. Nijhuis	J.H.P.M. van Lange	G.E.A. Reijnen	W.B. Verschoor
Supervisory Board	9 of 9	9 of 9	8 of 9	9 of 9
Audit, Risk & Compliance Committee		5 of 5		5 of 5
HR Committee	6 of 6		6 of 6	

## Meetings

### Supervisory Board

The Supervisory Board met a total of nine times in 2023. 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.

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 Bedrijfstakpensioenfondsvoor de Bouwnijverheid (bpfBOUW) and the director of the management office of bpfBOUW.

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. She joined also the regularly meetings of the Works Council with the CEO on the general course of affairs of the company.

### 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 2023.

The committee discussed a.o. the budget for 2024, 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 changed market conditions and the increasing impact of these on both the funds and mandates as well as the management organisation.

The committee also discussed the Risk Management, Compliance, Internal Audit reports and the ISAE 3402 type 2 reports. The committee continued to devote attention to the development of the Bouwinvest risk management, compliance and audit functions. The committee monitored the implementation of CSRD and paid attention to the execution of the CDD process. Updated charters for Risk Management, Compliance and Audit were discussed. The committee was satisfied with the results. The Risk & Compliance Committee devoted attention to IT and Cyber security. The regulations of the committee were reviewed and approved by the Supervisory Board. In 2023 Bouwinvest continued to execute an extensive cybersecurity program that is applicable for all employees.

### HR committee

The HR committee met a total of six times in 2023. Main focus of the HR committee for this year was the workstream HR of the transformation project #Invest. Performance management, job functions, competencies, a new HR IT system and payroll were the main topics of this workstream. Part of the transformation is also the change of the organisational structure. The HR committee discussed the proposed changes and advised the Supervisory Board with regard to these proposed changes.

At each meeting of the HR committee a short deep dive was organized to give the committee the opportunity to discuss a subject in more detail. This year deep dives were held on HR themes that were also part of the transformation project: the HR plan and the 2023 HR planning, competency management, the selection and implementation of the new HR IT system, and the philosophy and strategy of the new performance management system. The regulations of the committee were also reviewed and approved by the Supervisory Board.

The commission discussed, in close cooperation with the chair of the Audit, Risk & Compliance committee, the search for a new CFRO and the appointment of Henk-Dirk de Haan as CFRO of Bouwinvest.

The committee discussed the performance of the Management Board and the targets for 2024. The HR committee conducted evaluation interviews with all members of the Management Board. The evaluation interview with CFRO Rianne Vedder was also in the presence of the chair of the Audit, Risk & Compliance Committee. Additional details are in the remuneration report.

## 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 in this challenging year.

Amsterdam, 27 March 2024

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 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 2023.

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

## Statutory Board of Directors

Until 1 October 2023, the Statutory Board of Directors was made up of Mark Siezen, CEO and Rianne Vedder, CFRO. Henk-Dirk de Haan was named CFRO on 1 October 2023. Henk-Dirk de Haan has been appointed for a four-year period.

## Statutory Board of Directors remuneration

The total fixed remuneration for CEO Mark Siezen in 2023 was € 437,673. Total fixed remuneration for CFRO Rianne Vedder was € 267,548. Total fixed remuneration for CFRO Henk-Dirk de Haan as from 1 October 2023 was € 69,444. The remuneration of Mark Siezen and Rianne Vedder was not indexed in 2023.

According to the Remuneration policy in 2023 an external remuneration level benchmark was carried out. Based on the results of this benchmark and the good performance in 2023, the remuneration of the CEO will be increased per 1 January 2024 to € 464,992.

## 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 2023

	Fixed remuneration	Variable remuneration	Pension costs (regular contribution)	Pension costs (additional contribution)	Other allowances	Severance payments	Total 2023
M.R. Siezen	437,673	-	18,566	66,550	16,994	-	539,783
M.A. Vedder (until October 15, 2023)	267,548	-	19,593	32,547	10,666	-	330,354
H.D de Haan (per October 1, 2023)	69,444	-	5,408	10,508	4,545	-	89,905
<b>Total</b>	<b>774,665</b>	<b>-</b>	<b>43,567</b>	<b>109,605</b>	<b>32,205</b>	<b>-</b>	<b>960,042</b>

	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
<b>Total</b>	<b>864,685</b>	<b>-</b>	<b>62,056</b>	<b>135,294</b>	<b>40,957</b>	<b>-</b>	<b>1,556,883</b>

In 2023, Bouwinvest paid an amount of € 2.1 million in remuneration for the (statutory and titular) members of the Management Board. Of this € 1.0 million was related to the remuneration of the statutory directors.

## 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. In 2023, there were no changes to the applicable fees for the Supervisory Board members.

#### Remuneration Supervisory Board 2023

		<b>Remuneration 2023</b>
J.A. Nijhuis	Chairman	48,880
J.H.P.M. van Lange	Member	43,449
G.E.A. Reijnen	Member	38,018
W.B. Verschoor	Member	38,018
<b>Total</b>		<b>168,365</b>

		<b>Remuneration 2022</b>
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
<b>Total</b>		<b>164,587</b>

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

#### **Henk-Dirk de Haan**

Henk-Dirk de Haan joined Bouwinvest as Chief Financial & Risk Officer (CFRO) on 1 October 2023. Prior to joining Bouwinvest, Henk-Dirk had been CFRO at real estate investment manager a.s.r. real estate since 2012. In this position, he was a statutory director and headed the Accounting, Reporting & Business Control, Fund Control, Tax and Risk Management departments. At Bouwinvest, Henk-Dirk's focus is on the continued expansion of the organisation in these areas, as well as on the Compliance and Business Technology fronts. Henk-Dirk has worked in various finance & control positions since 1992, including at SNS Property Finance, Bouwfonds Property Finance and Hollandsche Beton Groep. Henk-Dirk studied Business Economics at Erasmus University Rotterdam, where he also completed the postgraduate course to become a Chartered Accountant.



### 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. Marleen holds a Masters degree in Real Estate from the Eindhoven University of Technology. She completed a postgraduate Master of Science course at the University of Amsterdam and is a registered investment analyst (Vrije Universiteit Amsterdam).



## 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 was a 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 years as CEO of PwC in the Netherlands. Jos holds a number of Supervisory Board positions, including member of the Supervisory Board of GCF IV TopCo 9 B.V. (HLB Witlox van den Boomen B.V., Koenen & Co, PKF Wallast), non-executive Board member of Vision Box (Portugal) 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 Ascert, a member of the Supervisory Board of Woonstad Rotterdam, a member of the Advisory Board of Borghese Real Estate, chairman of the Advisory Board of Anders Invest's Huurwoningenfonds (since October 2023) 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 served as Managing Director at ABN AMRO and Alvarez & Marsal, and as a member of the Management Team with RBS in the Netherlands and EMEA with responsibility for Corporates leading and driving transformational change. Previously, Gabriëlle spent fifteen years in executive roles in corporate and investment banking at ABN AMRO.

# Financial statements

# Consolidated balance sheet at 31 December

Before appropriation of result, all amounts in € thousands	Note	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible fixed assets	1	570	812
Tangible fixed assets	2	2,557	3,362
Financial non-current assets	3	15,754	17,029
		<b>18,881</b>	<b>21,203</b>
<b>Current assets</b>			
Tax receivables	4	2,236	2,129
Other receivables and accrued assets		1,016	501
Cash and cash equivalents	5	29,755	36,030
		<b>33,007</b>	<b>38,660</b>
<b>Total assets</b>		<b>51,888</b>	<b>59,863</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to the shareholder of Bouwinvest	6	42,409	44,657
		<b>42,409</b>	<b>44,657</b>
<b>Deferred tax liability</b>	7	<b>1,482</b>	<b>1,837</b>
<b>Long-term liabilities</b>	8	<b>192</b>	<b>224</b>
<b>Current liabilities</b>			
Accounts payable		94	28
Taxes and social security charges	9	1,499	1,913
Pension premiums	10	413	346
Payables to shareholder and associates	11	1,390	6,064
Other current liabilities		1,868	2,659
Accrued liabilities		2,541	2,135
		<b>7,805</b>	<b>13,145</b>
<b>Total equity and liabilities</b>		<b>51,888</b>	<b>59,863</b>

# Consolidated statement of profit or loss

All amounts in € thousands

	Note	2023	2022
Management fee	12	55,025	59,925
<b>Operating costs</b>			
Personnel costs	13	36,616	31,538
Depreciation costs	1-2	1,549	1,388
Other operating costs	14	19,863	19,952
<b>Total operating costs</b>		<b>(58,028)</b>	<b>(52,878)</b>
<b>Operating result</b>		<b>(3,004)</b>	<b>7,047</b>
<b>Result from investments in associates</b>	15	<b>(897)</b>	<b>232</b>
<b>Interest income and expenses</b>	16	<b>880</b>	<b>(27)</b>
<b>Result before taxes</b>		<b>(3,021)</b>	<b>7,252</b>
<b>Corporate income tax</b>	17	<b>775</b>	<b>(1,825)</b>
<b>Result after taxes</b>		<b>(2,247)</b>	<b>5,428</b>

# Consolidated statement of cash flows

All amounts in € thousands

	2023	2022
<b>Cash flow from operating activities</b>		
Net result	(2,247)	5,428
Adjustments for:		
Depreciations	1,549	1,388
Result from investments in associates	897	(232)
Interest income and expenses	(880)	27
Movement in deferred tax assets and liabilities	(356)	(39)
Movement in current assets	(570)	436
Movement in liabilities	(5,372)	(2,268)
	<b>(6,979)</b>	<b>4,740</b>
Interest paid	880	(27)
<b>Cash flow from operating activities</b>	<b>(6,099)</b>	<b>4,713</b>
<b>Cash flow from investment activities</b>		
Investments in tangible fixed assets	(298)	(210)
Investments in intangible fixed assets	(255)	(658)
Investments in associates	-	-
Dividends received	377	413
<b>Cash flow from investment activities</b>	<b>(176)</b>	<b>(455)</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-	(6,000)
<b>Cash flow from financing activities</b>	<b>-</b>	<b>(6,000)</b>
<b>Net cash flow</b>	<b>(6,275)</b>	<b>(1,742)</b>
Cash and cash equivalents as at 1 January	36,030	37,772
Increase/(decrease) in cash and cash equivalents	(6,275)	(1,742)
<b>Cash and cash equivalents as at 31 December</b>	<b>29,755</b>	<b>36,030</b>

# 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, 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	0.160%
Bouwinvest Dutch Institutional Retail Fund N.V.	Amsterdam	0.212%
Bouwinvest Dutch Institutional Office Fund	Amsterdam	0.197%

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, 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, has been estimated at a percentage of 28,3% which is the actual percentage for 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

	2023	2022
<b>Carrying amount as at 1 January</b>	<b>812</b>	<b>531</b>
Investments	255	658
Depreciations	(497)	(377)
<b>Carrying amount as at 31 December</b>	<b>570</b>	<b>812</b>
Purchase value	3,697	3,442
Derecognition of old software	-	-
Cumulative depreciations	(3,127)	(2,630)
<b>Carrying amount as at 31 December</b>	<b>570</b>	<b>812</b>

Intangible fixed assets pertain to investments in software.

## 2 Tangible fixed assets

	Leasehold Improvements	Equipment	Total 2023	Total 2022
<b>Carrying amount as at 1 January</b>	<b>2,780</b>	<b>582</b>	<b>3,362</b>	<b>4,165</b>
Investments	174	73	247	207
Divestments acquisition value	-	-	-	(173)
Divestments cumulative depreciations	-	-	-	173
Depreciations	(578)	(474)	(1,052)	(1,010)
<b>Carrying amount as at 31 December</b>	<b>2,376</b>	<b>181</b>	<b>2,557</b>	<b>3,362</b>
Purchase value	4,951	1,980	6,931	6,683
Derecognition of old renovations and business equipment	-	-	-	-
Cumulative depreciations	(2,575)	(1,799)	(4,374)	(3,321)
<b>Carrying amount as at 31 December</b>	<b>2,376</b>	<b>181</b>	<b>2,557</b>	<b>3,362</b>

## 3 Financial non-current assets

	2023	2022
Investments in associates	15,592	16,919
Deferred tax asset	162	110
<b>Total</b>	<b>15,754</b>	<b>17,029</b>

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 31-12-2022	Deposit/ repayment	Dividend	Result 2023	Book value 31-12-2023
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	12,130	-	(270)	(756)	11,104
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	2,243	-	(95)	77	2,225
Bouwinvest Dutch Institutional Office Fund (0.2%)	2,546	-	(64)	(218)	2,264
<b>Total</b>	<b>16,919</b>	<b>-</b>	<b>(429)</b>	<b>(897)</b>	<b>15,592</b>

	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
<b>Total</b>	<b>17,102</b>	<b>-</b>	<b>(415)</b>	<b>232</b>	<b>16,919</b>

## 4 Tax receivables

	2023	2022
Value added tax	73	2,064
Dividend tax	-	65
Corporate income tax	2,163	-
<b>Total</b>	<b>2,236</b>	<b>2,129</b>

The CIT receivable consists of the prepaid corporate income tax which will be reclaimed from the tax authorities due to the negative result of financial year 2023.

## 5 Cash and cash equivalents

	2023	2022
Bank balances	29,755	36,030
<b>Total</b>	<b>29,755</b>	<b>36,030</b>

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

## 6 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.

	2023	2022
<b>Equity attributable to the shareholder of Bouwinvest at 1 January</b>	<b>44,657</b>	<b>45,229</b>
Consolidated result after taxes	(2,247)	5,428
Other comprehensive income	-	-
<b>Comprehensive income</b>	<b>(2,247)</b>	<b>5,428</b>
Dividends paid	-	(6,000)
<b>Equity attributable to the shareholder of Bouwinvest at 31 December</b>	<b>42,409</b>	<b>44,657</b>

## 7 Deferred tax liabilities

	2023	2022
<b>Balance at 1 January</b>	<b>1,837</b>	<b>1,876</b>
Additions	-	-
Released	(356)	(39)
<b>Balance at 31 December</b>	<b>1,482</b>	<b>1,837</b>

Bouwinvest has recognised a deferred tax liability of € 1.5 million of a long-term nature for the difference between the fiscal and commercial valuation of the participations of € 5.1 million at year-end 2023 (2022: € 7.1 million). The deferred tax liability is of a long-term nature.

## 8 Long-term liabilities

	2023	2022
Received lease incentive headquarters Amsterdam	192	224
<b>Total</b>	<b>192</b>	<b>224</b>
Amount due between one and five years	128	128
Amount due after five years	64	96
<b>Total</b>	<b>192</b>	<b>224</b>

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

## 9 Taxes and social security charges

	2023	2022
Payroll taxes	1495	1,604
Corporate income tax	4	309
<b>Total</b>	<b>1,499</b>	<b>1,913</b>

## 10 Pension premiums

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

	2023	2022
<b>Balance as at 1 January</b>	<b>346</b>	<b>354</b>
Payment relating to previous years	(346)	(354)
	-	-
Premiums due for the financial year	4,781	4,031
Payments relating to the financial year	(4,368)	(3,685)
<b>Total</b>	<b>413</b>	<b>346</b>

## 11 Payables to shareholder and associates

	2023	2022
Payable bpfBOUW	1,390	5,691
Payable Bouwinvest Development	-	100
Payable Hotel Fund	-	204
Payable Healthcare Fund	-	69
<b>Total</b>	<b>1,390</b>	<b>6,064</b>

The decrease of € 4.3 million of the payables to bpfBOUW relating to the incentive fee with respect to bpfBOUW's participation in the Bouwinvest Dutch Residential Fund is a result of the amendment of the fee-structure as of 1 January 2023.

## 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	2023	2022
First year	5,492	4,260
Second to fifth year	9,585	7,205
More than five years	2,916	5,403
<b>Total</b>	<b>17,993</b>	<b>16,868</b>

The first year rental and lease contracts increased with € 1.2 million due to rent increases in combination with an increase in lease contracts for office automation.

# Note to the consolidated statement of profit or loss

All amounts in € thousands, unless otherwise stated.

## 12 Management fee

Bouwinvest received a management fee totalling € 55.0 million (2022: € 59.9 million) on the basis of the net asset value.

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.

	2023	2022
Bouwinvest Dutch Institutional Residential Fund N.V.	6,913,937	7,612,690
Bouwinvest Dutch Institutional Retail Fund N.V.	1,051,302	1,055,026
Bouwinvest Dutch Institutional Office Fund	1,139,590	1,198,693
Bouwinvest Dutch Institutional Hotel Fund N.V.	368,554	372,774
Bouwinvest Dutch Institutional Healthcare Fund N.V.	544,705	460,663
Dutch Social Impact Real Estate Partnership C.V.	551	0
Bouwinvest Development B.V.	960	5,895
bpfBOUW (mandates International Investments & Heritage)	5,159,802	5,195,566
<b>Total</b>	<b>15,179,401</b>	<b>15,901,309</b>

The management fee for the funds is calculated as 0.45% (2022: 0.48%) of the net asset value. For bpfBOUW's international investments, this amounts to 0.20% of the net asset value.

	2023	2022
Bouwinvest Dutch Institutional Residential Fund N.V.	31,560	35,740
Bouwinvest Dutch Institutional Retail Fund N.V.	4,622	4,541
Bouwinvest Dutch Institutional Office Fund	5,104	5,533
Bouwinvest Dutch Institutional Hotel Fund N.V.	1,574	1,634
Bouwinvest Dutch Institutional Healthcare Fund N.V.	2,023	2,066
Bouwinvest Development B.V.	17	215
Mandates International Investments	9,675	9,747
Other services	450	449
<b>Total</b>	<b>55,025</b>	<b>59,925</b>

## 13 Personnel costs

	2023	2022
Wages and salaries	25,230	22,647
Social security charges	2,715	2,198
Pension fund charges	4,781	4,031
Temporary staff	3,890	2,662
<b>Total</b>	<b>36,616</b>	<b>31,538</b>

Wages and salaries increased by € 2.6 million in 2023. This increase was the result of the indexation effective 1 July 2023, annual personnel salary increases and increased number of personnel.

Costs for temporary staff increased by € 1.2 million in 2023. 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:

	2023	2022
Pension fund agreements chargeable to the financial year	5,537	4,639
Deductions	(756)	(608)
<b>Total</b>	<b>4,781</b>	<b>4,031</b>

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 25.9% of the pensionable salary in 2023 (2022: 27.0%), with a maximum of € 128,810 (2022: € 114,866). The annual employee contribution is at least 1.75% (2022: 1.75%) and was capped at 4.2% (2022: 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 € 128,810 (2022: € 114,866). 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 122.1% in 2023 (2022: 126.7%). 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 230.2 FTEs at year-end 2023 (2022: 209.8 FTEs). The average number of employees in 2023 was 228.2 FTEs (2022: 203 FTEs). The number of employees working abroad was six at the end of 2023 (2022: four).

## Management Board and Supervisory Board remuneration

In 2023, Bouwinvest paid total remuneration of € 2.1 million (2022: € 2.8 million) to the members of the Management Board (statutory and titular). Of this, € 1.0 million was allocated to the statutory directors (2022: € 1.6 million).

In 2023, Bouwinvest paid total remuneration of € 168,365 (2022: € 164,587) to the members of the Supervisory Board of the legal entity.

## 14 Other operating expenses

	2023	2022
Office expenses	3,088	2,832
Automation expenses	4,587	6,097
Other personnel costs	4,491	4,038
Communications expenses	1,012	1,369
Consultancy costs	1,646	677
Research and Investor Relations costs	581	571
Non-deductible VAT	2,708	2,848
Project costs	610	307
Other expenses	1,140	1,213
<b>Total</b>	<b>19,863</b>	<b>19,952</b>

The marginally lower other operating expenses were impacted by several factors described hereafter. Automation costs decreased by € 1.5 million due to cost savings initiated during the year, which were offset by higher consultancy and project costs.

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

	2023	2022
Minimum lease payments leased cars	900	675
Minimum lease payments office building	1,678	1,563
<b>Total</b>	<b>2,578</b>	<b>2,238</b>

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

### Auditor's fees:

	2023	2022
Audit of the financial statements	60	52
Other audit engagements	140	133
Other non-audit engagements	18	17
<b>Total</b>	<b>218</b>	<b>202</b>

## 15 Result from investments in associates

	2023	2022
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	(756)	69
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	77	222
Bouwinvest Dutch Institutional Office Fund (0.2%)	(218)	(58)
<b>Total</b>	<b>(897)</b>	<b>232</b>

## 16 Interest income and expenses

	2023	2022
Interest income and expenses	870	(27)
Exchange rate differences	10	-
<b>Total</b>	<b>880</b>	<b>(27)</b>

## 17 Corporate income tax

	2023	2022
Current tax income (expense)	1,182	(1,786)
Deferred tax income (expense)	(51)	16
Deferred tax liability	(356)	(55)
<b>Total</b>	<b>775</b>	<b>(1,825)</b>

## Effective tax rate

	%	2023	%	2022
<b>Result before taxes</b>		<b>(3,021)</b>		<b>7,252</b>
Income tax at statutory tax rate	25.8%	(779)	25.8%	1,871
Application of lower tax rate corporate income tax (until € 200.000)	(0.7)%	22	(0.6)%	(43)
Investments in associates valued at cost for tax purposes	(11.3)%	342	0.7%	47
Non-taxable expenses	0.0%	-	0.0%	-
Lower depreciation for tax purposes	(1.8)%	54	(0.2)%	(17)
Application local tax rates of foreign group companies	0.2%	(6)	0.1%	5
Effect deferred tax assets and liabilities	13.5%	(408)	(0.5)%	(39)
Income tax previous years	0.0%	-	0.0%	-
<b>Corporate income tax effective tax rate</b>	<b>25.7%</b>	<b>(775)</b>	<b>25.2%</b>	<b>1,825</b>

## Subsequent events

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



# Central Park Office Fund

Utrecht  
The Netherlands



# Company balance sheet as at 31 December

Before appropriation of result, all amounts in € thousands	Note	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible fixed assets		570	812
Tangible fixed assets		2,557	3,362
Financial non-current assets	1	16,346	17,427
		<b>19,473</b>	<b>21,601</b>
<b>Current assets</b>			
Tax receivables		2,230	2,125
Other receivables and accrued assets		1,008	487
Cash and cash equivalents		29,403	35,761
		<b>32,641</b>	<b>38,373</b>
<b>Total assets</b>		<b>52,114</b>	<b>59,974</b>
<b>Equity and liabilities</b>			
Issued capital		225	225
Share premium		41,367	41,367
Statutory reserve participations		3,776	5,236
Other reserves		(712)	(7,600)
Net result for the year		(2,247)	5,428
<b>Shareholders' equity</b>	2	<b>42,409</b>	<b>44,657</b>
<b>Deferred tax liability</b>		<b>1,479</b>	<b>1,837</b>
<b>Long-term liabilities</b>		<b>192</b>	<b>224</b>
Accounts payable		94	29
Taxes and social security charges		1,487	1,892
Pension premiums		413	346
Payables to shareholder and associates		1,617	6,249
Other liabilities		1,841	2,529
Accrued liabilities		2,581	2,211
<b>Current liabilities</b>		<b>8,034</b>	<b>13,256</b>
<b>Total equity and liabilities</b>		<b>52,114</b>	<b>59,974</b>

# Company statement of profit or loss

All amounts in € thousands

	Note	2023	2022
Result from investments in subsidiaries and associates	1	(689)	307
Other income and expenses after taxes		(1,558)	5,121
<b>Result after taxes</b>		<b>(2,247)</b>	<b>5,428</b>



# 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

	2023	2022
Investments in subsidiaries and associates	16,200	17,318
Deferred tax asset	146	109
<b>Total</b>	<b>16,346</b>	<b>17,427</b>

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 31-12-2022	Deposit/ repayment	Dividend	Result 2023	Book value 31-12-2023
Bouwinvest Dutch Institutional Residential Fund N.V. (0.2%)	12,130	-	(270)	(756)	11,104
Bouwinvest Dutch Institutional Retail Fund N.V. (0.2%)	2,244	-	(95)	77	2,226
Bouwinvest Dutch Institutional Office Fund (0.2%)	2,546	-	(64)	(218)	2,264
Bouwinvest Asia Pacific Pty Ltd (100%)	213	-	-	76	289
Bouwinvest North America LLC (100%)	185	-	-	132	317
<b>Total</b>	<b>17,318</b>	<b>-</b>	<b>(429)</b>	<b>(689)</b>	<b>16,200</b>

	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. (0.3%)	2,106	-	(84)	222	2,244
Bouwinvest Dutch Institutional Office Fund (0.3%)	2,700	-	(96)	(58)	2,546
Bouwinvest Asia Pacific Pty Ltd (100%)	175	-	-	38	213
Bouwinvest North America LLC (100%)	149	-	-	36	185
<b>Total</b>	<b>17,426</b>	<b>-</b>	<b>(414)</b>	<b>306</b>	<b>17,318</b>

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

2023, before appropriation of result

	Issued capital	Share premium	Statutory reserve investments in associates	Other reserves	Retained earnings	Total equity
<b>Balance at 1 January 2023</b>	225	41,367	5,236	(7,599)	5,428	44,657
Net result for the year	-	-	-	-	(2,247)	(2,247)
Appropriation of result	-	-	-	5,428	(5,428)	-
Change in statutory reserve investments in associates	-	-	(1,460)	1,460	-	-
Dividends paid	-	-	-	-	-	-
<b>Balance at 31 December 2023</b>	225	41,367	3,776	(711)	(2,247)	42,409

2022, before appropriation of result

	Issued capital	Share premium	Statutory reserve investments in associates	Other reserves	Retained earnings	Total equity
<b>Balance at 1 January 2022</b>	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)
<b>Balance at 31 December 2022</b>	225	41,367	5,236	(7,599)	5,428	44,657

### Share capital

The shares have a nominal value of one euro. On 31 December 2023, 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:

	2023	2022
Balance at 1 January	5,236	5,395
Additions	-	-
Released	(1,460)	(159)
<b>Balance at 31 December</b>	3,776	5,236

### Appropriation of 2022 result

On 12 April 2023, the General Meeting adopted the 2022 financial statements. The General Meeting approved the addition of the 2022 net result to the other reserves.

### Proposal for the appropriation of the 2023 result

It will be proposed to the General Meeting that it approve the withdrawal of the 2023 net loss, amounting to € -2.247.000, 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

	2023	2022
First year	5,360	4,535
Second to fifth year	9,584	7,205
More than five years	2,916	5,403
<b>Total</b>	<b>17,860</b>	<b>17,143</b>

### 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 2023.

# Signing of the financial statements

Amsterdam, 27 March 2024

## **The Management Board**

Mark Siezen, *Chief Executive Officer and statutory director*

Henk-Dirk de Haan, *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 shareholders and the Supervisory Board of Bouwinvest Real Estate Investors B.V.

### Report on the audit of the financial statements 2023 included in the annual report

#### Our opinion

We have audited the financial statements 2023 of Bouwinvest Real Estate Investors B.V., based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Bouwinvest Real Estate Investors B.V. as at December 31, 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The consolidated and company balance sheet as at December 31, 2023.
2. The consolidated and company profit and loss account for 2023.
3. The notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described 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 conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

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

## **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 non-compliance.

We considered available information and made enquiries of relevant executives, directors (including internal audit) and the Supervisory Board.

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 by the entity, 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 compliance with laws and regulations**

We assessed the laws and regulations relevant to the entity 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: (corporate) tax law and 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 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 entity 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 € 18 million due in the upcoming years. These off-balance sheet items will be financed via, (a) the available cash position as per December 31, 2023, (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 conclude that the other information:

- Is consistent with the financial statements and does not contain 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.

Management 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 regarding 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 27, 2024

Deloitte Accountants B.V.

Signed on the original: R.J.M. Maarschalk RA

## LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY INFORMATION INCLUDED IN INTEGRATED ANNUAL REPORT 2023 OF BOUWINVEST REAL ESTATE INVESTORS B.V.

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

### Our conclusion

We have performed a limited assurance engagement on the non-financial information reported in the integrated Annual Report 2023 of Bouwinvest Real Estate Investors B.V. (hereafter: Bouwinvest REI) at Amsterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the non-financial information in the accompanying annual report does not present fairly, in all material respects:

- The policy with regard to sustainability matters.
- The business operations, events and achievements in that area in 2023.

In accordance with the applicable criteria as included in the 'Criteria' section of our report.

The non-financial information is included in the following chapters:

- 'How Bouwinvest creates value' (page 14-21).
- 'Progress per theme' (page 22-27).
- Appendix 'GRI Content Index' (pages 99-101).
- Appendix 'ESG performance indicators' (pages 103-105), excluding water consumption, waste, Environmental data head office and Social data.

### Basis for our conclusion

We have performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reports). This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the 'Our responsibilities for the assurance engagement on the non-financial information' section of our report.

We are independent of Bouwinvest REI 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). 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 for Professional Accountants).

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

## **Criteria**

The reporting criteria applied for the preparation of the sustainability information are the GRI Sustainability Reporting Standards (GRI Standards) and the reporting criteria supplementally applied (Bouwinvest REI reporting manual).

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 99-101 of the annual report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

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

## **Materiality**

Based on our professional judgement we determined materiality levels for each relevant sustainability matter. When evaluating our materiality levels, we considered quantitative and qualitative aspects as well as the relevance of information for both stakeholders and Bouwinvest REI.

## **Limitations to the scope of our assurance engagement**

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations, and estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. 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 non-financial information**

The Management Board is responsible for the preparation and fair presentation of the non-financial information in accordance with the criteria as included in the 'Criteria' section, including the identification of stakeholders and the definition of material matters. The Management Board is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the non-financial information and the reporting policy are summarized in the chapter "About this report" of the annual report.

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

The Supervisory Committee is responsible for overseeing the non-financial reporting process of Bouwinvest REI.

## **Our responsibilities for the assurance engagement on the non-financial information**

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

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

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

Our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant non-financial information themes and issues, and the characteristics of Bouwinvest REI.
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures in the non-financial information. This includes the evaluation of Bouwinvest REI's materiality assessment and the reasonableness of estimates made by the Management Board.
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the sustainability information, without obtaining assurance information about the implementation or testing the operating effectiveness of controls.
- Identifying areas of the non-financial information where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the non-financial information responsive to this risk analysis. These procedures consisted among others of:
  - obtaining inquiries from management and/or relevant staff at corporate level responsible for the sustainability strategy, policy and results;
  - obtaining inquiries from relevant staff responsible for providing the information for, carrying out internal procedures on, and consolidating the data in the sustainability information;
  - obtaining assurance evidence that the non-financial information reconciles with underlying records of Bouwinvest REI;
  - reviewing, on a limited test basis, relevant internal and external documentation;
  - considering the data and trends.
- Reconciling the relevant financial information with the financial statements.
- Considering the overall presentation and balanced content of the non-financial information.
- Considering whether the non-financial information as a whole, including the non-financial matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

We communicate with the Supervisory Committee regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, March 27, 2024

Deloitte Accountants B.V.

Signed on the original: V.S. Borreman



# Project Residence - Living International Investments

Copenhagen  
Danmark





# Appendices

# 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, 2023 until December 31, 2023 with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

## Organisational profile

GRI Standard	Disclosure	LOCATION
<b>GRI 2: General Disclosures 2021</b>	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
	<b>GRI 3: Material Topics 2021</b>	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

### Minimising climate impact of buildings / portfolio

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 - <a href="https://www.bouwinvest.com/media/4118/bouwinvest-code-of-conduct-2018.pdf">https://www.bouwinvest.com/media/4118/bouwinvest-code-of-conduct-2018.pdf</a>

### 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
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
<b>Making buildings climate-resilient</b>		
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
<b>Investing in above-average sustainable buildings</b>		
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
<b>Contributing to livability in cities and metropolitan regions</b>		
GRI Standard	GRI disclosure	Reference or information
Company specific disclosure	Disclosure of Management Approach (DMA)	Progress per theme - Contributing to livability in cities and metropolitan regions
	Explanation of the material topic and its Boundaries	Progress per theme - Contributing to livability in cities and metropolitan regions
	The management approach and its components	Progress per theme - Contributing to livability in cities and metropolitan regions
<b>Ensuring cyber &amp; data security and privacy</b>		
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
<b>Attracting &amp; retaining talent</b>		
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

# Definitions of the KPI's 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	2023	2022	% change
Above-average sustainable investments	GRESB	Percentage of above-average sustainable investments in total portfolio	%	83%	81%	2%-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	%	51%	42%	9%-points
	GRESB	GRESB coverage of total portfolio	%	95%	96%	1%-point
	GRESB	GRESB coverage of the Dutch funds	%	100%	100%	0%-point
	GRESB	GRESB coverage of the international mandates	%	85%	86%	1%-point

## Investing in sustainable real estate

Impact area	Indicator	Measure	Unit	2023	2022	% change
Sustainable building certificates	BREEAM or GPR	Share of sustainable building certificates by m2 (BREEAM or GPR) (GRI-CRESS: CRE8)	%	99%	99%	0%

## Improving stakeholder value

Impact area	Indicator	Measure	Unit	2023	2022	% change
Stakeholder engagement	Tenant satisfaction	Response percentage (GRI: 102-43)	%	64%	61%	6%-points
		Average total score (GRI: 102-43)	#	7.3	7.4	-1%
Promoting sustainability in the chain	Considerate construction sites	Number of registered	#	26 (of 34)	33 (of 37)	5%
		Percentage registered building sites (by acquisition price)	%	82%	87%	9%

Environmental data head office

Impact area	Indicator	Measure	Unit	2023 (abs)	2022 (abs)	% change (LfL)	
Energy	Electricity	Total electricity consumption	MWh	410	614	(33%)	
		Share of electricity from renewable sources		100	29	242%	
	Gas	Total gas consumption (GRI: 302-1)		0	0		
		District heating and cooling	Total district heating and cooling (GRI: 302-2)		225	253	(11%)
			Percentage locally generated heating and cooling		0	0	
	Total	Total energy consumption all sources (GRI: 302-2)		635	867	(27%)	
	Energy intensity		Energy intensity head office by gross floor surface (GRI-CRESS: CRE1)	kWh/m <sup>2</sup> /year	72	98	(27%)
Coverage percentage data energy and CO <sub>2</sub>				1 of 1	1 of 1		
Waste	Total	Total waste by weight (GRI: 306-1)	tons	n/a	n/a		
		Recycling percentage	%	n/a	n/a		
Mobility	Distance	Lease cars	km	1,825,066	1,822,924	0%	
		Public transport		15,758	69,829	n/a	
		Air travel		1,141,951	1,288,603	(11%)	
CO <sub>2</sub> emissions	Direct	Scope 1 (GRI: 305-1)	tons CO <sub>2</sub> e	146	177	(18%)	
	Indirect	Scope 2 (GRI: 305-2)		218	350	(38%)	
	Total	Total CO <sub>2</sub> emissions (GRI: 305-2) Scope 1 and 2		364	527	(31%)	
		Total CO <sub>2</sub> emissions after offsetting		218	350	(38%)	
	CO <sub>2</sub> intensity head office (GRI-CRESS: CRE3)		CO <sub>2</sub> -intensiteit hoofdkantoor (GRI-CRESS: CRE3)	kg CO <sub>2</sub> e / FTE / year	1.04	1.67	(38%)
			CO <sub>2</sub> intensity mobility (GRI-CRESS: CRE3)	kg CO <sub>2</sub> e / FTE / year	0.70	0.84	(18%)
CO <sub>2</sub> intensity total (GRI-CRESS: CRE3)			kg CO <sub>2</sub> e / FTE / year	1.73	2.51	(31%)	
Water	Total	Total water consumption (GRI:303-1)	m <sup>3</sup>	n/a	n/a		
	Water intensity	Water intensity head office (GRI-CRESS: CRE2)	m <sup>3</sup> /FTE/year	n/a	n/a		



Social data

Impact area	Indicator	Measure	Unit	2023	2022	
Employees	Contracts (incl. proportion of women)	Number of employees (GRI: 401-1)	FTE	230.2 fte	209.8 fte	
		Full-time contract percentage (GRI: 401-1)	%	80.5%	75.50%	
		Part-time contract percentage (GRI: 401-1)	%	19.5%	24.50%	
		Temporary contract percentage (GRI: 401-1)	%	11.4%	13.20%	
		Permanent contract percentage (GRI: 401-1)		88.6%	86.80%	
	Health	Absenteeism (GRI: 403-3)	%	4.5%	3.1%	
	Turnover	Employee turnover percentage (GRI: 401-2)	%	7.7%	10.2%	
	Employee satisfaction	Employee engagement - survey response percentage (GRI: 103)		%	N/A	90.5%
			Average satisfaction score (GRI: 103)	#	not measured	7.5
			Employee engagement score		not measured	not measured
		Employee enthusiasm score		not measured	7.9	
Equality & diversity	Percentage of women (GRI: 405-2)		%	32.9%	34.0%	
		Percentage of women in senior management (GRI: 405-2)		20.0%	20.6%	
Training & development	Age (incl. percentage of women)	Number of internships and graduate positions	#	3	4	
		<35	%	20.3%	9.2% (19.3)	
		35-45		31.8%	28.8% (60.4)	
		45-55		32.6%	32.4% (69.0)	
		55-65		14.4%	23.8% (49.8)	
		>65		0.8%	5.8% (12.2)	
Clients	Investor satisfaction	Response percentage (GRI: 102-43)	%	na	na	
		Average total score (GRI: 102-43)	#	7.2	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 2023 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 six funds (Residential, Office, Retail, Healthcare, Hotel and Impact) 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 March 28, 2023 pertained to the calendar year 2022. The 2022 annual report was prepared and published on March 28, 2023. The 2023 annual report pertains to the calendar year 2023, which ran from 1 January 2023 through 31 December 2023.

## 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](http://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 CO<sub>2</sub> 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 2023 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 2023, 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-annualreports2023.com>.

### **Feedback**

For additional information on this report, please feel free to contact our Client Management department via [clientmanagement@bouwinvest.nl](mailto:clientmanagement@bouwinvest.nl) or Marleen Bosma, 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 m<sup>2</sup> 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 CO<sub>2</sub> emissions (scope 1) and indirect CO<sub>2</sub> emissions (scope 2) generated by electricity, gas and district heating systems. Total net CO<sub>2</sub> emissions after compensation is the total CO<sub>2</sub> emissions after offsetting and compensation via Guarantees of Origin. To calculate CO<sub>2</sub> 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](http://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 m<sup>3</sup> 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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