DISCLOSURES UNDER ARTICLE 3 OF THE REGULATION (EU) 2019/2088

Schroder Real Estate Kapitalverwaltungsgesellschaft mbH

In its role as Alternative Investment Fund Manager, Schroder Real Estate Kapitalverwaltungsgesellschaft mbH (**“SREK”**) discloses the following information in accordance with Art. 3 of the Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (the **"SFDR"**).

Schroders capital

This statement is a summary of the internal policies and procedures applied by SREK, as a member of the Schroders Group and Schroder Real Estate in relation to the integration of sustainability risks in investment decision making for financial products within the scope of the SFDR.

The manner in which Sustainability Risks are integrated into investment decisions

SREK's overall risk management processes include the consideration of Sustainability Risks (as defined below) alongside other factors. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of a fund (a "Sustainability Risk"). Sustainability Risks could arise at any stage of the real estate investment lifecycle including acquisition, ownership, renovation and construction. Sustainability Risks[1] that could negatively affect the financial position of the funds, the results of operations, the return on the funds, the reputation of SREK, the value of a particular real estate asset or portfolio of real estate investments might include:

- Environmental: extreme weather events and physical climate risks such as flooding, production of waste and greenhouse gas emissions, pollution incidents, damage to biodiversity;
- Social: materials and construction safety issues, health and safety incidents such as injuries or fatalities;
- Governance: failure to identify and understand new regulations, taxes or industry standards, including related transition risks, to protect or encourage sustainable real estate lifecycle activities and practices such as minimum energy efficiency and energy reduction requirements which may be introduced.

SREK is required to consider such potential Sustainability Risks as part of its mandatory pre-acquisition due diligence review process. As part of the Sustainability Due Diligence ("DD"), both the physical risks and the transition risks are assessed and evaluated in a structured manner (in particular in the technical DD). Sustainability Risks continue to be considered through the real estate investment lifecycle with support from external property manager(s) and sustainability adviser(s) as appropriate.

In addition, Schroder Real Estate operates an Environmental Management System ("EMS"), externally certified to ISO14001[2], which provides the framework for managing its environmental responsibilities in the asset management of direct real estate in the UK and Europe. Independent oversight of Sustainability Risks is also provided by the Schroders Group Investment Risk function across the Schroders Group investment range more generally, with reporting and escalation to Real Estate Risk and Performance Committee and Investment Manager boards as appropriate.

Within the framework of risk management, however, SREK has not introduced a separate type of risk into risk management, but rather integrated various sustainability risks into the existing risk management structure. Sustainability risks in the areas of climate and environment are subdivided into physical risks and transition risks. The topic of sustainability and the associated risk drivers from the ESG criteria can affect all known types of risk and contribute as a factor to the materiality of these types of risks. As part of the regular risk assessment, the general market, liquidity, operational risks and counterparty risks in particular are always considered with regard to the ESG criteria. This monitoring of sustainability risks is an integral part of the risk management of SREK.

The risk analysis is regularly reviewed and evaluated, including with regard to sustainability risks, and adjusted if necessary.

Any references to the integration of sustainability considerations therein are made in relation to the processes of SREK, Schroder Real Estate or the Schroders Group and are not specific to any Fund.

Further information on our "Sustainability Policy: Real Estate with Impact" which sets our sustainability commitments and ambitions is available here.

[1] Based on the definition in accordance with the BaFin guidance notice on dealing with sustainability risks

[2] ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system.

Governance of sustainability risks, roles and responsibilities

The responsibility for the business and risk strategy, also with regard to sustainability risks, lies with the **management of SREK.** The management is supported professionally on the topic of sustainability risks by the independent **risk management function** and in the context of the investment process, by the **fund management**.

This ensures compliance with the requirements associated with the management of sustainability risks.

Definitions

We recognise that all activities, including our investments, result in impacts on the planet or on people. These can be deemed positive or negative.

Sustainability risk[3] means an environmental, social or governance event or conditions that, if it occurs, could cause an actual or a potential material negative impact on the value of investments.

Physical risks[4], such as extreme weather events and their consequences (such as floods, forest fires, storms) as well as long-term changes in climatic and environmental conditions (such as weather volatility, rainfall frequency and quantity, increase in average temperatures with regional extremes) may cause property damage or even destruction.

Transition risks[5] are in connection with the transition to a low-carbon economy. For example, policies and restrictions may lead to changes in value or investment costs due to the need to renovate real estate. New technologies may displace known ones, changes in the preferences of contractors (tenants, buyers of a property) and societal expectations can also lead to a decline in demand for properties that do not meet (current or future) market standards, for example in terms of primary energy demand or CO2 emissions.

Integration of Sustainability Risk Considerations explicitly and systematically includes analysis of a range of risks and opportunities related to environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. In principle, this leads to a broader assessment of the environment in which companies operate and their performance in managing different stakeholders, giving a fuller understanding of future opportunities and risks than traditional financial analysis alone.

Sustainable Investments as defined under SFDR means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, In particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;

[3] Based on the definition in accordance with the BaFin guidance notice on dealing with sustainability risks

[4] Based on the definition in accordance with the BaFin guidance notice on dealing with sustainability risks

[5] Based on the definition in accordance with the BaFin guidance notice on dealing with sustainability risks