Schroders
capital

SFDR disclosure Real Estate Fund Management – sustainability risks and remuneration

April 2025

Amendments: *this website disclosure was updated in March 2025, to reflect a change in the number of board members, which currently stands at three.*

Introduction

Real Estate Fund Management B.V. (the **Fund Manager**) manages the following alternative investment funds: Real Estate Gateway Fund FGR (Gateway), In The City Fund for joint account (ITC), Senectute C.V. (Senectute) and Schans Residential Fund C.V. (Schans) together: (the **Funds**). The Fund Manager is a 100% subsidiary of Schroders Capital Real Estate Netherlands B.V. (**SCREN**). SCREN is part of the Schroders group that is headed by Schroders plc that is premium listed on the London Stock Exchange (**Schroders Group**).

The Fund Manager is subject to the disclosure requirements following from the EU Sustainable Finance Disclosure Regulation (**SFDR**). This document sets out the Fund Manager's disclosure under SFDR relating to the integration of sustainability risks (Article 3 SFDR) and the remuneration policy of the Fund Manager (Article 5 SFDR).

Sustainability risk integration policy

When assessing the value of assets and investments during the investment due diligence process, the Fund Manager must consider more than just the relationship between risk and return. A third dimension – impact– needs to be embedded into the investment process. Only by considering these three pillars together can we uncover an asset's real estate investment potential and achieve the best outcomes for our investors. The impact we have on society and the environment is central to our approach to corporate responsibility at the level of both the Schroders Group and the Fund Manager.

Sustainability risks

Sustainability risks are defined in the SFDR as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. The Fund Manager acknowledges the importance of adequately addressing ESG risks within the Funds it manages. Embedding responsible investment principles supports the Fund Manager to more adequately assess and – where possible – mitigate sustainability risks (ESG) associated with the investment. The Fund Manager has integrated sustainability risks into its investment decisions as follows.

ESG topics are included in the risk analysis which is part of investment board reports that inform and support investment decisions. For example, when considering an investment the Fund Manager may:

- for environmental risks, consult climate risk indices and/or sustainability labels of the real estate object;
- for social risks, assessing the livability of an office area, or weighing the mix of tenants; and
- for governance risks, apply local or group governance policies to assess and tackle governance issues related to potential investments.

During the acquisition process the Fund Manager measures the ESG status and sets up an ESG improvement plan for the property if applicable. This is discussed by the board of the individual Funds. After acquisition of the property, ESG factors are incorporated in long-term capex and maintenance plans (short-term and long-term) for all relevant properties to - if necessary & feasible - improve the ESG rating of the particular building, monitor ESG developments and implementation when due. For instance, the Funds have taken various energy efficiency measurements for the properties within the portfolios, such as improvement of energy labels, circular roof maintenance and installing solar panels. The Fund Manager is continuously working on a more coherent and integral ESG policy reflecting the latest updated and new regulations and guidance such as the SFDR RTS, ESG knowledge of the portfolio teams, (technical) integration of ESG measurements/reporting and ESG insights on the real estate investment market. This may lead to further updates over time.

The Fund Manager further refers to the fund documentation of the individual Funds, setting out the ESG risks applying to each Fund and how these risks are mitigated.

Remuneration

The Fund Manager has three directors and additionally sources staff from its parent company SCREN to perform certain operational fund management activities. The procedures and measures for the sound and controlled remuneration of the directors and staff members are laid down in a Remuneration Policy by the Fund Manager. The Remuneration Policy supports a careful, controlled and sustainable remuneration policy that is in line with the strategy, risk appetite, objectives, and values of the Funds. This means that remunerations are 50% based upon financial criteria, and 50% upon other non-financial criteria. The non-financial criteria include amongst others, sustainability goals, such as mitigating the sustainability risks included in the fund documentation of the respective Fund that the respective employee is involved with.

End of statement.