BPD RCF Fundmanagement
SFDR Statements (Art. 3, 4, 5 en 8)

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Introduction

This document summarizes the disclosure requirement statements applicable to financial market participant managers, such as BPD RCF Fundmanagement BV (hereafter: **BPD RCF**) according to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the ESG Information Regulation, also known as the Sustainable Finance Disclosure Regulation (SFDR)).

The aim of the SFDR is to enable the transition to a more sustainable economy in line with the United Nations Sustainable Development Goals (SDG) as well the Paris Agreement. Therefore, it seeks to improve investor disclosure by informing investors about negative sustainability impacts, sustainable investment objectives and the promotion of environmental or social characteristics on investment policies and decisions, among other things.

This statement addresses the following elements:

- Transparency of sustainability risk policies on the level of the AIFM (Article 3 of the SFDR)
- Transparency of adverse sustainability impacts at entity level (Article 4 of the SFDR)
- Transparency of remuneration policies in relation to the integration of sustainability risks at AIFM level (Article 5 of the SFDR)
- Transparency of the promotion of environmental or social characteristics (Article 8 of the SFDR)

1. Transparency of sustainability risk policies (art. 3 SFDR)

BPD RCF takes environmental, social, and governance (ESG) considerations into account in its policies. It is our belief that a solid integration of ESG into our fund strategy - and the decisions to be made in the process – can go hand in hand with aligning our return- and risk targets with our fund ambitions. BPD RCF (and its residential core fund BPD Woningfonds) aims and invests in affordable sustainable new-build rental homes intended for the middle-income households in The Netherlands.

BPD RCF would like to present below the relevant strategy in accordance with Article 3 SFDR.

The Regulation seeks greater transparency on how financial market participants, among others, integrate sustainability risks into their investment decisions. If the assessment leads to the conclusion that these risks are relevant, then the extent to which these sustainability risks may affect the results of the financial product (either in quantitative or qualitative terms) must be disclosed.

Strategy for integration of sustainability risks into the business in the investment decision making process

When making investment decisions, BPD RCF takes sustainability risks into account. If it turns out that a sustainability risk increases the change of depreciation of the investment in question, BPD RCF includes these sustainability risks in the investment decision-making process.

Process for integration of sustainability risks into the business in the investment making decision processes

Based on our risk strategy and risk appetite, BPD RCF formulated a number of sustainability risks that could have an actual or potentially significant negative impact on the value of investments.

These sustainability risks are *climate risks* (a new climate policy from the government, technical developments and/or a change in consumer preferences, may affect market value and creditworthiness) and *physical risks (insurance risks)* (property damage or depreciation due to exposure to the physical effects of climate change). BPD RCF does not rule out incorporating other risks into the risk management process in the future. ESG risks are integrated in the following investment decision processes: in the due diligence in the acquisition phase; in the annually portfolioplan, and in the management of the portfolio (including maintenance). The beforementioned internal consultation and the subsequent risk assessments will be repeated periodically to keep the ESG risk strategy up-to-date.

2. Transparency of adverse sustainability impacts at entity level (art. 4 SFDR)

Based on Article 4 SFDR, financial market parties are obliged to measure the main adverse effects of investment decisions against a range of sustainability factors and will have to communicate this to investors (whether on the website or not). However, BPD RCF cannot - yet - take into account the negative sustainability consequences of investment decisions, based on the following consideration:

BPD RCF is not able at this stage of implementation of the legislation to sufficiently assess what information requirements need to be met and/or whether the required information is sufficiently available to make a proper and reliable assessment. However, BPD RCF intends to explore how it can take into account the principle adverse effects when this becomes clearer in due course and the legislature provides further interpretation.

3. Transparency of remuneration policies in relation to the integration of sustainability risks at AIFM level (art. 5 SFDR)

BPD RCF approaches and integrates sustainability risks in the following manner, as also stated in the Risk Management and Remuneration Policy:

- BPD RCF has a risk management policy (including compliance charter and conflict of interest policy) that contributes to prevent (the appearance of) conflicts of interest, unacceptable or undesirable risks - including sustainability risks - and incurring of costs that are not in the interest of BPD RCF stakeholders. In the annual performance review with its employees, we formulate targets for this as well and – consequently - the remuneration policy is designed to achieve these results.

- Remuneration depends on portfolio performance and specific ESG targets.

- Remuneration is consistent with and promote sound and effective risk management. We include both financial and non-financial targets in performance reviews and specific targets related to mitigating ESG risks.

4. Transparency of the promotion of environmental or social characteristics (art. 8 SFDR)

BPD RCF promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics within the meaning of article 8 SFDR. BPD RCF considers principal adverse impacts of its investment decisions on sustainability factors and imbedded ESG in the following key business processes:

- **I** Acquisitions
- **II** Asset management
- **III** Property Management
- **IV** Corporate Management

BPD RCF aims to balance the interests of main stakeholders, anticipating upcoming legal requirements & alignment with governmental institutions and supervisory authorities and balancing financial returns and ESG impact, due to improvement of risk/reward and more predictable and lower capital and operational expenditures.

BPD RCF considers the insights and expectations of the world around us as important. This is why we are in constant dialogue with our stakeholders and why we incorporate current issues in our strategy, policies and operations.

Maintaining Environmental, Social and Governance (ESG) standards is an integral part of managing our fund and also within our entire investment management organisation. We maintain strong and long-term relationships with all our stakeholders. Over the past years we have established a robust network of partners to provide us with the best investment opportunities, and to give us the latest trends and insights to move forward with our responsible and ambitious investment beliefs. We promote the use of ESG metrics in reporting, thereby increasing transparency and contributing towards a more sustainable global financial system.

GRESB

BPD RCF takes part in GRESB's annual survey. GRESB is an independent benchmark that assesses sustainability policies and their implementation by property funds and portfolios worldwide. A benchmark like this helps us to make informed business decisions to mitigate environmental, social and governance risks on portfolio level and enhance our long-term financial returns.

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