Sustainable Finance Disclosure Regulation

SFDR Statement Rockfield Real Estate

As a real estate developer and investment manager, Rockfield Real Estate (Rockfield) acknowledges its responsibility in sustainability commitment. We believe this is a critical prerequisite for achieving long-term value.

In this statement we explain our approach to sustainability and how we have embedded this in our strategy and our investment decision making and thus adhere to the EU Sustainable Finance Disclosure Regulation (SFDR).

Rockfield is manages the following funds:

- Dutch Student and Young Professional Housing Fund (DSYPH)
- Dutch Urban Living Venture (DULV)

Sustainability risk policy (Article 3)

By integrating sustainability analysis into our investment decision-making process, Rockfield aims to mitigate risks, protect value and to identify opportunities to further increase value for our investors. We have investment criteria in place by which we strive for sustainable investing, whilst balancing our financial aims.

Enterprise risk management in investment decision making

Rockfield has implemented a risk approval process to ensure that investment decisions on behalf of the funds are carried out in compliance with the objectives, the investment strategy and the risk limits of the applicable fund. For new investments it has drawn up a due diligence procedure.

In this procedure potential investments are selected based on the investment policies of the various funds and subsequently passed through the due diligence process. In the due diligence process, Rockfield works with a checklist of selection criteria per fund, governed by the fund's objectives, strategy and risk limits. This checklist outlines the criteria that are aimed for and the extent to which the criteria are met. If necessary and possible, adjustments to the investment are made. Guided by the results of the checklist, the selection of investments is discussed and a well-founded advice on investments is provided.

Sustainability risks in investment decision making

Rockfield maintains a number of sustainability investment criteria into its decision-making process. We have developed an overarching sustainability policy, which is applicable to all funds we manage and to the investment decisions we make. Sustainability criteria are embedded in the due diligence process for new investments. Each investment is evaluated against these sustainability criteria. Examples of these criteria are:

- Green energy rating

- Green building certification
- Requirements to enable Rockfield's community building objectives

Furthermore sustainability-related requirements are included in Rockfield's List of Requirements. We aim to develop our projects in line with this List of Requirements and projects developed by others that Rockfield considers on behalf of one of the funds are assessed based on these requirements.

Reporting and Monitoring

Rockfield's internal control is based on COSO principles. The COSO framework includes a subdivision of organisational objectives into the following categories:

- Strategic goals;
- Reporting reliability;
- Operational effectiveness and efficiency, and;
- Compliance to applicable laws and regulations.

Rockfield manages the most important risks to these organisational objectives via identified key processes and determined risk management measures.

In order to achieve continuous improvement, PDCA-cycles ("plan-do-check-act") have been implemented in the business processes.

Adverse impacts of investment decisions (Article 4)

Pursuant to Article 4(1)(b) of the SFDR, Rockfield is not required by the SFDR to disclose the Principal Adverse Impacts (PAI) of its investments. We hereby state that - at present - we do not consider and disclose the PAI on sustainability factors as set forth in Article 4(1)(a) of the SFDR. Because Rockfield is at this stage of the implementation of legislation insufficiently able to assess which information requirements need to be met and/or whether the required information is sufficiently available to make a proper and reliable assessment. Rockfield intends to investigate how it can take the principle adverse impacts into account when this becomes clearer in due course and further interpretation is given by the legislator.

Integration of sustainability risk into Rockfield's remuneration policy (Article 5)

The remuneration policy represents an integral part of Rockfield's corporate strategy and risk profile. It promotes sound and effective risk management and discourages risk-taking that exceeds the level of tolerated risk of the particular fund. The primary objective is to align the personal objectives of staff members with the long-term interest and objectives of Rockfield, retain and recruit highly qualified employees and to maintain a sustainable balance between short- and long-term value creation for all stakeholders. The policy is based on the ESMA Guidelines on sound remuneration policies under the AIFMD, and stipulates that:

- Fixed and variable components are appropriately balanced, whereas the total variable remuneration does not limit the ability of the fund to strengthen the capital base;

- Staff engaged in control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.
- Targets are set by management and employees together. They relate to e.g. specific objectives, sustainability-related targets and the employees' respective roles;
- Performance, among others based on these targets, is assessed in a multi-year framework to account for the underlying business cycle of the particular fund and associated business risk, possibly resulting in a variable remuneration, and;
- Targets are re-examined and adjusted if necessary, in agreement with the employee.

Based on our strategy, in order to manage sustainability risks and opportunities, sustainability targets are set for Rockfield and the funds. They are translated to targets for the applicable employee function groups. As such they get included in the employee targets on which, among others, performance is assessed and remunerated.

The remuneration policy is reviewed at least on an annual basis by the board of directors, and possibly by market consultation. The aim is to determine that the policy is still competitive and meets the business' objectives, including the sustainability objectives as outlined in our sustainability policy, and to establish whether it is still compliant with national and international regulation, principles, and standards.