

Pre-contractual disclosure for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088

Product name: Vesteda Residential Fund

Environmental and/or social characteristics

This product: Promotes environmental or social characteristics, but does not have as its objective a sustainable investment

- It does not invest in sustainable investments
- It invests partially in sustainable investments

Has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Has a reference benchmark been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product?

Yes

No



What environmental and/or social characteristics are promoted by this financial product?

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

Climate change mitigation: Greenhouse Gas Emissions

Social: focus on affordable housing in the mid-rental market segment

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.



What investment strategy does this financial product follow?

Investment strategies guide investment decisions based on factors such as investment objectives and risk tolerance

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Environmental

Our sustainability targets are an integral part of our business plan and are therefore firmly embedded in our business operations. From a sustainability risk perspective we look at what risks are most material for Vesteda and where we have the most impact. These are for example *transition risks* (which consist of energy performance, carbon emission and circularity), *physical climate risks* (which consist among others of flooding due to levee breach, heat stress and flooding due to heavy rainfall) and *social risks* (which consist of affordability and health and wellbeing). These risks have been incorporated in an ESG Framework which forms the basis of a sustainability scorecard which, when filled out, results in a sustainability impact score. The sustainability scorecard is used to assess potential new projects. If the sustainability impact score of a project does not meet a certain threshold, it will not be up for further consideration.

In case the potential investment meets the minimum ESG criteria, this will be included in the final investment proposal which will be put up for approval by the management board of the Fund's manager, and, depending on the consideration involved, the Supervisory Committee/ participants of the Fund.

Social

Finding an affordable home is a growing problem for middle-income households, especially for starters and families, in the Netherlands, in the economical attractive and dense cities. Affordability will continue to be a matter of national concern and will remain in the (political) spotlight. The only way to countermeasure existing shortages is to build more homes. However, we are still facing a scarcity of new locations, long lead times for developments and limited capacity to scale up building processes. We expect the regulated mid-rental segment to become a growing asset class. This regulated mid-market fits our strategy: affordable housing for middle-income tenants. Going forward, Vesteda will increase its focus on the regulated mid-market rental segment, to increase the share of affordable housing with an attractive risk/return profile in the portfolio. This new regulated product may exceed 50% of the annual acquisition volume in terms of value, but will not exceed 10% of the total portfolio in terms of value.

How is that strategy implemented in the investment process on a continuous basis?

Environmental

The strategy is implemented in the “Policy on the integration of sustainability risks and factors into the investment decision making process”. Pursuant to this policy, every investment proposal is required to have a sustainability impact score.

Social

Vesteda does not apply a minimum % of regulated mid-market rental segment homes for newly acquired projects and projects will always be assessed on the basis of an attractive risk-return profile. However, Vesteda has explicitly taken up its ambition to acquire more regulated mid-market rental segment homes in its Business Plan and management is accountable towards the participants of the Fund for achieving this.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

- in 2021 $\geq 91\%$ (in 2024 $\geq 99\%$) of Vesteda’s properties have green energy labels;
- reducing carbon emissions; in 2030 Vesteda wants to have reduced its carbon footprint by 49%, and in 2050 by 95% in comparison to 1990
- maintain and/or increase Vesteda’s exposure to (regulated) mid-market homes in primary regions

What is the policy to assess good governance practices of the investee companies?

The Fund’s investments solely comprise of investments in real assets and not investee companies. This criterium is therefore not applied.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Where can I find further details on the investment strategy?

Detailed information can be found on:

www.vesteda.com/nl/zakelijk/duurzaamheid/sustainability-related-disclosures

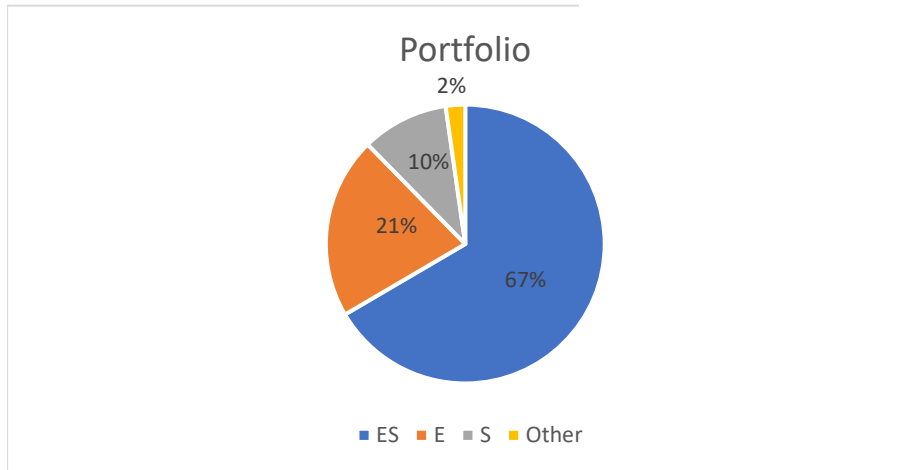


What is the asset allocation planned for this financial product?

The Fund’s asset allocation is 100% in real assets.

Asset allocation describes the share of investments in specific assets.

This overview will be updated pending the rollout of further EU regulations and technical standards.



E: % of Vesteda's portfolio with energy label A, B or C

S: % of Vesteda's portfolio with a monthly rent < EUR 1200

ES: % of Vesteda's portfolio with energy label A, B or C, which has a monthly rent < EUR 1200

What investments are included under "Other", what is their purpose and are there any minimum environmental or social safeguards?

This reflects the % of Vesteda's portfolio that has energy label D and a monthly rent > EUR 1200

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

No derivatives are used.

How will sustainable investments contribute to a sustainable investment objective and not significantly harm any sustainable investment objective?

This will be updated pending the rollout of further EU regulations and technical standards.

How are indicators for adverse impacts on sustainability factors taken into account?

Refer to the section “**What investment strategy does this financial product follow?**” above.

Principal adverse impacts are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Are sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

No; as Vesteda invests solely in real assets and not in investee entities.



Does this financial product take into account principal adverse impacts on sustainability factors?

- Yes
 No



Can I find I find more product specific information online?

More product-specific information can be found on the website:

www.vesteda.com/nl/zakelijk/duurzaamheid/sustainability-related-disclosures



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes?

The Fund's ESG performance is measured against the Global Real Estate Sustainability (GRESB) benchmark. Even though the GRESB is a worldwide accepted benchmark for sustainability performance of real assets, the GRESB assessment and benchmark are currently not compliant with the EU benchmark regulation.

How does the designated index differ from a relevant broad market index?

The GRESB benchmark is the Global ESG benchmark for Real Assets. More information can be found here: www.gresb.com

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product and with the investment strategy?

GRESB Assessments are aligned with international reporting frameworks, such as GRI, PRI, SASB, DJSI, TCFD recommendations, the Paris Climate Agreement, UN SDGs, region and country specific disclosure guidelines and regulations. The Fund's ESG characteristics are assessed against the benchmark on an annual basis.

Reference benchmarks are indexes to measure whether financial products attain the environmental or social characteristics that they promote.