Integration of sustainability risks in investment decision-making process and investment advice.

Whitewood AIFM NV ("WWAIFM") has specific governance structures in place to manage the integration of sustainability risk in its investment decision-making process dependent on the investment vehicle. The management of sustainability risk is documented within a specific portfolio management standard operating procedure and will be reflected in the AIFs decision making process (please see below).

The organisation of risk management within WWAIFM aims to protect WWAIFM's continuity now and in the future and to create awareness throughout the organisation of the potential material risks to which WWAIFM is exposed. This is to protect both WWAIFM's resources and the resources and interests of its clients.

Under the SFDR, "sustainability risk" means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. However, WWAIFM believes that sustainability risks can also present themselves as opportunities and that sustainability considerations are fundamental to value creation within its investments, which is the basis for financial returns.

WWAIFM distinguishes between the key risk and opportunity types:

- Environmental risks which are presented through the transitional and physical risks associated with climate change.
- Social risks which could impact the quality of life particularly within the neighbourhoods in which WWAIFM invests and in relation to the key stakeholders involved in our activities.
- Finally, governance risks associated with an increasingly stringent compliance landscape and in relation to how we as a business manage and respond to sustainability risks.

WWAIFM identifies its material risks through a double materiality assessment (in relation to its real estate investments). It is committed to evolving its understanding of risks by paying close attention to developments in the market (e.g. in terms of availability of data and tools) and repeating its double materiality assessment on an annual basis.

Integration of the identified sustainability risks in the AIF investment decision making process

- During the prospect phase identified risks are analysed to the extent that the information is available. Red flags are mentioned in the executive summary presented to the Board of Directors, which determines whether these risks are prohibitive for proceeding to the next phase.
- The relevant ESG risks are considered during the acquisition and due diligence phase where a due diligence assessment assesses the severity of the risk, and a feasibility assessment is undertaken to understand the resourcing required to reduce or stabilise any material risks. The Board of Directors will use this information to decide whether to proceed with the acquisition.
- In the holding "stabilised" period material risks will be monitored continuously by the portfolio management team with active engagement with the property teams. These risks will be reviewed annually and added to a sustainability plan if needed.