Carlyle Real Estate Società di Gestione del Risparmio S.p.A.

Sustainable Finance Disclosure Regulation (2019/2088) ("SFDR")

Carlyle Real Estate Società di Gestione del Risparmio S.p.A. (the "**AIFM**") makes the following disclosures in accordance with Articles 3(1), 4(1)(b) and 5(1) of the EU Sustainable Finance Disclosure Regulation (2019/2088).

Sustainability risks

A sustainability risk means "an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment". In the context of the AIFM, sustainability risks are risks which, if they were to crystallise, would cause a material negative impact on the value of the portfolios of the AIFM's funds.

Consideration of sustainability risks is part of the investment decision-making and risk management processes of the AIFM relating to the funds it manages. Before any investment decisions are made on behalf of any fund that the AIFM manages, the AIFM, acting in its capacity as portfolio manager will identify the material risks associated with each such proposed investment; these will include any relevant and material sustainability risks. These risks form part of the overall investment proposal submitted to the AIFM for approval.. If the AIFM delegates portfolio management in relation to the relevant fund or investment proposal to a delegated portfolio manager, the delegated portfolio manager will then review the proposal and determine if it is suitable for the fund, in which case the portfolio manager will authorise the investment opportunity on behalf of the AIFM.During the process described above, sustainability risks will be identified and assessed using the same process as is applied to other relevant risks affecting the relevant fund. The assessment of sustainability risks is led by the real estate team on behalf of the AIFM with support from Carlyle's dedicated in-house ESG team, and in certain instances, third-party providers with expertise in specific sustainability risks. The AIFM's risk management function will also include sustainability risk as part of its assessment of the risk profile of each investment in accordance with the AIFM's responsibility for risk management of the relevant fund.

The investment decision-making process described in outline above is part of Carlyle's wider policies and procedures on the integration of sustainability risks in its decision-making process in relation to its funds generally. Further information on this is set out in Carlyle's ESG Policy available on Carlyle's website at: https://www.carlyle.com/esg-report-archive

No consideration of sustainability adverse impacts

The AIFM does not consider the adverse impacts of investment decisions on sustainability factors in the manner prescribed by Article 4 of the SFDR.

As a global investment firm, Carlyle's impact is rooted in building better businesses around the world – and ESG integration is one of its core tools in this work. From due diligence through exit, Carlyle's approach has always been to partner with management teams to improve all aspects of a business. Carlyle does this because it believes that building better businesses generates lasting value creation – which has been the focus of Carlyle since its founding. Carlyle's approach remains grounded in its long history of ESG integration, as it believes that strong ESG competencies are a hallmark of management excellence. In 2008, Carlyle created its Guidelines for Responsible Investment, which it retains to this day. These guidelines, which apply to its majority-owned corporate private equity investments, articulate Carlyle's core principles for responsibly stewarding investors' capital. In 2010, Carlyle became the first private equity firm to publish an annual ESG report, and in 2021 published an expanded firm-wide ESG Policy. For further information, please refer to the Carlyle ESG Policy available on Carlyle's website at: https://www.carlyle.com/esg-report-archive, which outlines Carlyle's approach to ESG integration, and resourcing, scope and investment application.

Despite this commitment, the AIFM considers that, where such adverse impact information is published, the specific aggregated firm-wide or fund-level disclosures mandated by Article 4 of the SFDR may fail to provide a meaningful insight into sustainability factors at a fund or investment level. Carlyle already collects certain sustainability data from many of its portfolio investments, which Carlyle believes will provide investment-relevant information on sustainability risks and impact, in a manner that is feasible, consistent, and at a reasonable cost to investors. However, the AIFM (through Carlyle and any delegated portfolio manager) could not reasonably gather and/or measure all of the data on which they expect to be obliged by Article 4 SFDR to report, or could not do so systematically, consistently, and at a reasonable cost to investors. This is in part because underlying issuers (which are global and may not be public interest entities) are not widely obliged to, and overwhelmingly do not currently, report by reference to the same data. The stance of the AIFM on this matter will be reviewed periodically by reference to market developments.

Remuneration policy

As described in the remuneration policy of the AIFM, the AIFM pays staff a combination of fixed remuneration (salary) and variable remuneration (including, for example, bonus). Variable remuneration allocated to staff reflects both personal and firm performance. In terms of personal performance, the AIFM will have regard to, among other things, the performance assessment criteria set out in the relevant remuneration policy, which include both quantitative and qualitative measures. Compliance with the AIFM's risk management policies and procedures and risk control measures (which relate to, among other types of risk, sustainability risks) shall be taken into account in assessing the level of an individual's variable remuneration. The performance assessment criteria also take into account quantitative measures that might, depending on the role and responsibilities of the staff member, include financial metrics which would be impacted by the crystallization of sustainability risks.