

STARWOOD EUROPEAN REAL ESTATE FINANCE LIMITED

Disclosures pursuant to Articles 6 and 7 of Regulation 2019/2088 on sustainability-related disclosures in the financial services sector dated 27 November 2019

As an investment company, Starwood European Real Estate Finance Limited's (SEREF) activities have minimal direct impact on the environment.

Starwood European Finance Partners Limited (SEFP) (acting in its capacity as SEREF's manager) and Starwood Capital Europe Advisers, LLP (acting in its capacity as SEFP's investment adviser) are part of the Starwood Capital Group (SCG), which is a signatory to the UN Principles for Responsible Investments (UNPRI). In assessing new loans SCG evaluates environmental risks associated with any investments as part of the underwriting process. A formal scope of work is followed which requires an environmental site assessment (where relevant) to be performed which identifies environmental conditions that may have a material adverse impact on the property being assessed or its immediate surrounding area and an assessment of a property's sustainability and marketability through the review of its environmentally friendly characteristics.

SEFP recognises that it has no direct control over a borrower's company policy towards environment and social responsibility and does not make investment decisions based on environment and social grounds. A number of the loans which SEREF makes involve refurbishment projects and these will often improve the environmental impact of the real estate concerned. Additionally, whilst it is not an investment criteria, SEREF's loan portfolio is significantly funded in sectors with positive social impact such as hospitality, education, healthcare and residential apartments.

Based on SEREF's investment objective and investment strategy, SEFP considers that sustainability risks will have a limited impact on the returns. With the support of SCG, SEFP expects to implement mechanisms to identify material ESG issues in entering into loans, and for reporting on key performance indicators from borrowers. SEFP expects to evaluate on an on-going basis whether such indicators pose any material sustainability risks on the returns of an investment and consequently affect SEFP's returns.

A copy of SEREF's ESG policy is available within its published financial statements.

Regulation (2020/852) on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 dated 18 June 2020 (Taxonomy Regulation) requires fund managers such as SEFP to confirm that SEREF is outside the scope of the EU taxonomy of environmentally sustainable activities (as defined under the terms of the Taxonomy Regulation) if SEREF does not promote, amongst others, an environmental characteristic or does not have sustainable investment as its objective. The Taxonomy Regulation obliges SEFP to include the following statement in this disclosure: "the investments underlying SEREF do not take into account the EU criteria for environmentally sustainable economic activities".

SEFP has considered, and continues to consider, ESG factors in its investment process but it does not consider adverse impacts of investment decisions on sustainability factors as specifically set out in Regulation 2019/2088 on sustainability-related disclosures in the

financial services sector dated 27 November 2019 (SFDR). SEFP has chosen not to do so for the present time as it considers that its existing ESG policies and procedures are appropriate, proportional and tailored to SEREF's investment strategy. SEFP continues to closely monitor regulatory developments with respect to the SFDR and other applicable ESG-focused laws and regulations, including the implementation of related and secondary legislation and regulatory guidance, and will, where required or otherwise appropriate, make changes to its existing policies and procedures.