SLATE

European Union Regulation on Sustainable Finance Disclosures

Information Required Under the European Union Sustainable Finance Disclosure Regulation ("SFDR")

Integration of Sustainability Risks

SFDR defines "sustainability risks" as environmental, social or governance ("ESG") events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. Where appropriate for an investment, Slate Asset Management ("Slate") conducts related due diligence to take steps to understand or otherwise develop steps to mitigate such risks.

Further, Slate's ESG Policy ("ESG Policy") sets forth its approach to addressing ESG factors in its investment decisions and management of investments made. The ESG Policy applies to all of Slate's investments and Slate's own operations.

Slate's ESG Policy covers ESG related rights and obligations as may be imposed and in accordance with applicable rules, notably:

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector; and
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

No Consideration of Sustainability Adverse Impacts

Slate does not, within the meaning of Article 4(1)(b) and 4(5)(b) of the SFDR, consider the adverse impacts of its investment decisions on sustainability factors. Slate does not currently do so because, among other reasons, the Regulatory Technical Standards which set forth the final "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which is expected to limit the availability of investment-level data required for voluntary compliance with Article 4(1)(b) and 4(5)(b).

Slate intends to continually review this position and work towards developing more data over time in order to facilitate such considerations.

Slate is continuing to undertake initiatives across its investments, fund management, developments, property management and operations to improve the environmental resilience of its investments. These include enhancements to our designs, investment locations, energy options and property management activities. Slate's approach to managing climate risks will be incorporated into Slate's risk management framework and our responses will be based on long-term outcomes.

Transparency of remuneration policies in relation to the integration of sustainability risks

Slate seeks to make remuneration an effective means for attracting and retaining employees who contribute to various aspects of performance while ensuring appropriate risk management and compliance on the part of all employees.

Slate's remuneration practices are designed to promote sound and effective risk management and not to encourage risk-taking which is inconsistent with the risk appetites or profiles of the investments being overseen.

Variable compensation for employees is primarily based on a weighting of individual and firm performance against certain relevant objectives. All employees receive a rating which is a function of both behavior and performance, which ensures performance is assessed not only on what is achieved but also on how it is achieved. These factors include consideration of performance for certain employees where specific sustainability targets are present or where certain of their duties have relevant sustainability outcomes. Further, performance ratings are impacted in cases of an employee's non-compliance with policies, including Slate's ESG Policy.

Promotion of Environmental and Social Characteristics

Environmental or Social Characteristics

Slate European Essential Real Estate Income Fund (the "Fund") promotes environmental and/or social characteristics in accordance with Article 8 SFDR. The General Partner of the Fund aims to continuously improve the ESG results of the Fund with a strong focus on the following:

- Manage climate change related risks and opportunities
    - Incorporate climate change considerations in risk management, acquisitions, capital planning and developments
    - Identify, evaluate and address transition and physical climate change risks and improve resilience to market and climate events
    - Measure direct greenhouse gas emissions (scope 1[1], scope 2[2]) from each Fund property and evaluate against market benchmarks
    - Set greenhouse gas reduction targets
    - Identify and invest, where appropriate, in opportunities relating to climate change, including low-carbon equipment and materials and on-site renewable energy generation and storage, and seek targeted subsidies and financing
    - Educate property managers and tenants on climate change and collaborate with tenants on specifications and designs to identify improvement opportunities
    - Facilitate the transition to low-carbon and electric transportation by considering mass transit, electric and hydrogen transportation infrastructure in new developments

[1] Scope 1 emissions refers to direct portfolio greenhouse gas emissions (e.g. burning of natural gas for building heat directly releases greenhouse gas emissions)

[2] Scope 2 emissions refers to indirect greenhouse gas emissions from portfolio purchased energy (e.g. building electricity use, purchased steam or cooling)

- Limit the Fund's environmental impact
    - Improve resource efficiency by reducing energy and water consumption in the Fund's owned buildings, minimizing waste output and maximizing waste diversion
    - Pursue green building certifications, where appropriate
    - Enhance biodiversity and habitats around buildings, where appropriate, by considering opportunities for green spaces and green roofs and use adjacent land for conservation

- Engage the Fund's tenants and stakeholders to achieve social impact
    - Collaborate with tenants to foster strong relationships, advance ESG initiatives and improve satisfaction
    - Strengthen local economies by hiring and sourcing locally, cooperating with regional trade and labour organizations, providing apprenticeship opportunities and creating mutually beneficial partnerships with local non-profit and public sector organizations
    - Ensure the health, safety and wellbeing of stakeholders, including employees, tenants, suppliers, contractors, service providers, property managers, partners and communities by always prioritizing human health

The General Partner of the Fund will use the following methodologies to assess, measure and monitor the environmental or social characteristics selected for the Fund:

- The Fund will participate annually in the Global Real Estate Sustainability Benchmark (GRESB) Assessment to assess, monitor and benchmark performance against comparable peers. GRESB is a leading and globally accepted standard to assess the ESG characteristics of real estate funds. It includes benchmarking of both the Fund's portfolio performance (e.g. energy consumption of assets) and management practices (e.g. ESG risk management). The Fund plans to begin annual submission to GRESB in 2024.
- The Fund has developed an ESG implementation road map to identify and plan actions required to deliver on the Fund's ESG objectives over the next four years. Completion of this roadmap against the planned actions will also broadly serve to monitor progress made on ESG objectives.