

Website Product Disclosure for financial products that promote environmental or social characteristics

further to article 10(1) of the 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 (hereinafter “SFDR”)

Product Name: ECE Better Living Europe Fund A, SCSp RAIF
ECE Better Living Europe Fund B, SCSp RAIF

Legal Entity Identifier: 984500BCA5D37CE66F39
984500CF1CAD6QDBG914

Summary

The ECE Better Living Europe Fund A, SCSp RAIF and ECE Better Living Europe Fund B, SCSp RAIF (collectively the “Financial Product”) are established as closed-ended funds exclusively focused on the acquisition of properties designed and built to be let as multifamily housing properties in selected European markets where ECE’s long-standing market expertise can be leveraged.

The Financial Product promotes environmental characteristics according to article 8 of SFDR through the incorporation of environmental, social and governance (**ESG**) considerations in its investment process. Specifically, the Financial Product promotes the following characteristics:

Environmental characteristics:

- Energy Performance Certificate (EPC) Rating
- Renewable Energy Generation
- Eco-Friendly Building Certification

Social characteristics:

- Accessibility
- Subsidized Housing

Furthermore, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

It should be noted that the Financial Product is managed by an alternative investment fund manager (**AIFM**), with the AIFM applying the processes and the whole procedure regarding the fulfilment of the SFDR requirements. To this end, the AIFM has policies and procedures - which are available on the AIFM website that explain how the ESG criteria are taken into account, pursued and fulfilled in accordance with the fund documentation of the Financial Product.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

It will however have a minimum proportion of 30% of sustainable investments.

The Financial Product intends to make sustainable investments according to the Regulation (EU) 2020/852 (“**EU Taxonomy**”) Art. 3. The Financial Product targets a minimum proportion of 30% of sustainable investments based on the capital invested. The sustainable investments of the Financial Product support at least one environmental objective of the EU Taxonomy Article 9.

Environmental or social characteristics of the Financial Product

This Financial Product promotes the following characteristics:

- Energy Performance Certificate (EPC) Rating
- Renewable Energy Generation

- Eco-Friendly Building Certification
- Accessibility
- Subsidized Housing

For details, please refer to section “Methodologies” below.

Investment strategy

100% of assets in the acquisition processes are checked as part of the legal, technical and environmental due diligence regarding e. g. certificates, environmental issues and energy issues.

During the screening and sourcing phase, ECE Living as advisor of the Financial Product will prepare a concise deal fact sheet for potential investment opportunities including an overview of micro and macro location, a property/project description, and a compliance check with respect to the Financial Product’s investment strategy and investment restrictions, including ESG considerations.

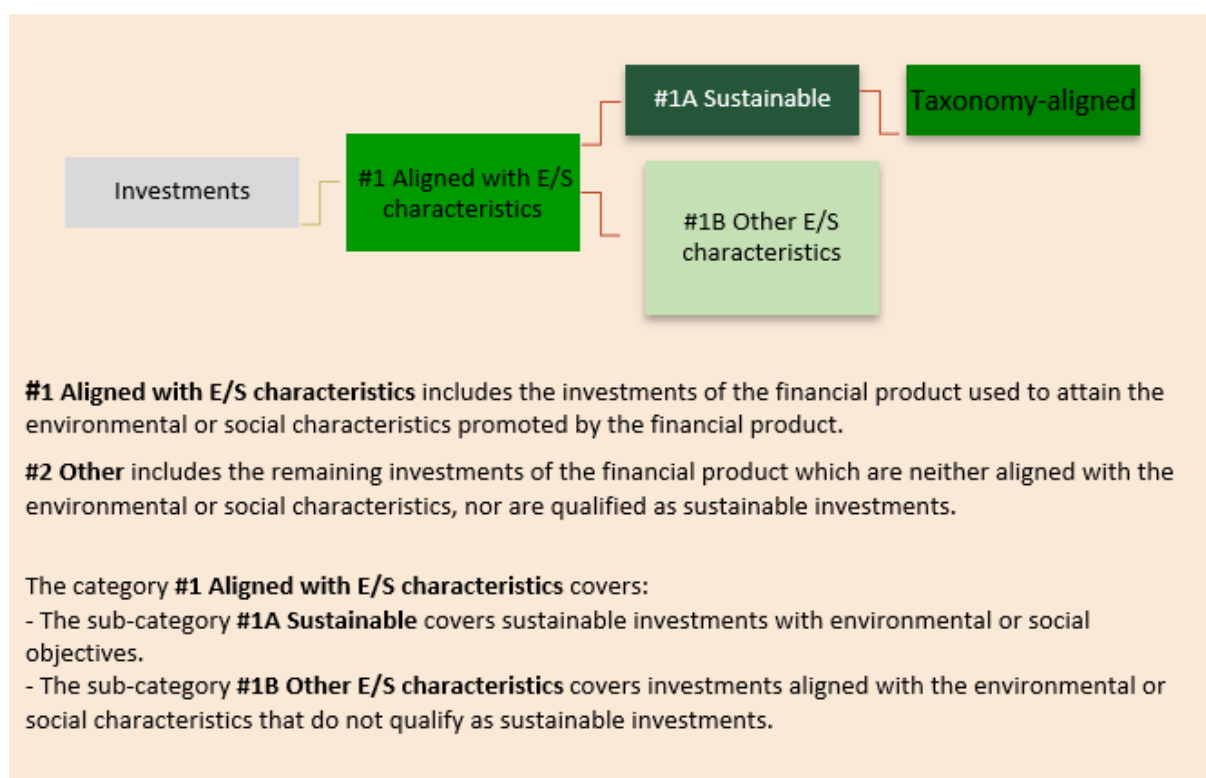
The AIFM also engages during the due diligence process an external service provider or advisor to perform a detailed technical and environmental due diligence for each investment opportunity of the Financial Product which includes at least the review of the construction conditions, the environmental impact and the sustainability, and a summary of capital expenditure required to address the backlog of overdue maintenance.

For every acquisition, an ESG-strategy is set as part of the overall business plan (strategically and financially), individual goals/measures are set for each acquisition to address ESG issues, if any. The costs are integrated in the Financial Product’s life cycle business plan.

Progress towards attaining the environmental characteristics promoted by the Financial Product is continuously monitored by the AIFM.

Proportion of investments

The Financial Product promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.



Monitoring of environmental or social characteristics

Attainment of the environmental or social characteristics promoted by the Financial Product is monitored by the AIFM on a regular basis, using selected sustainability indicators as described in the following section.

The environmental characteristics promoted by the Financial Product are monitored by the AIFM as part of regular investment restriction checks, and respective sustainability indicators reported to the investors annually via periodic reports.

Results and progress compared to the previous period will be analyzed by the AIFM, and further actions will be determined accordingly.

Methodologies

The Financial Product will choose at least one adequate sustainability indicator as set out below to measure the attainment of the environmental and social characteristics it promotes (the “Sustainability Indicator”).

Where none of the following Sustainability Indicators can be applied to an individual E or S Characteristic with a reasonable economic effort for the Financial Product and/or the respective investment, the Financial Product may review and adjust the respective Sustainability Indicator.

- Energy Performance Certificate (EPC) Rating

The Financial Product will collect the individual EPC ratings or a comparable energy performance certificate of all properties in the portfolio valid on the respective reporting date. The EPC rating classes (A to G) are used to generate a distribution of the Residential Real Estate in the portfolio. The data basis refers to the previously available reporting period.

- Renewable Energy Generation

The generated renewable energy of all Residential Real Estate in the portfolio is evaluated. Therefore, the Financial Product publishes the total kWh generated by renewable energy on-site of the portfolio. The data basis refers to the previously available reporting period.

- Eco-friendly building certifications

The quality of the Residential Real Estate is shown with internationally recognized eco-friendly building certification systems such as LEED, BREEAM or DGNB. The certification awards developments, new and existing buildings that are used or built in an eco-friendly manner. The building certificate should be available no later than three (3) years after acquisition. The Financial Product measures the share of certified Residential Real Estate based on the number of certified Residential Real Estate in the portfolio. The data basis refers to the previously available reporting period.

If the transfer of ownership, benefits and encumbrances, as part of an acquisition, takes place in the reporting period and no data is available at the time the report is prepared, the Residential Real Estate will be included in the report of the following year.

- Accessibility

The accessibility of the Residential Real Estate promotes a social characteristic of the Financial Product. To capture the accessibility, the Financial Product calculates the share of accessible apartments in the portfolio, measured by number of apartments. Accessibility must comply the requirements of the respective national law.

If the transfer of ownership, benefits and encumbrances, as part of an acquisition, takes place in the reporting period and no data is available at the time the report is prepared, the Residential Real Estate will be included in the report of the following year.

- Subsidized Housing

Subsidized apartments refer to government-supported apartments for low-income households and vulnerable groups with a rent cap below the average rent level in the area of the Residential Real Estate. Furthermore, subsidized apartments can help to promote equality in communities. Therefore, the Financial Product calculates the share of subsidized apartments in the portfolio, measured by number of apartments.

If the transfer of ownership, benefits and encumbrances, as part of an acquisition, takes place in the reporting period and no data is available at the time the report is prepared, the Residential Real Estate will be included in the report of the following year.

Data sources and processing

The Financial Product collects with a regular frequency both raw data captured by the facility manager of the respective Residential Real Estate and independent certifications, such as by LEED, BREAM or DGNB.

Data captured by the facility manager of the respective Residential Real Estate is subject to internal quality review.

Calculation of respective Sustainability indicators is done by the AIFM in collaboration with the external experts where needed.

The AIFM will continuously review its internal processes to ensure that the data is as complete and accurate as practically possible.

Limitations to methodologies and data

Since the asset class of the Financial Product is very specific (namely real estate; specifically residential real estate), only limited data and methodologies are available to achieve an even higher validity. Best efforts are made by the AIFM to work with the facility managers to ensure availability of data for respective sustainability indicators. Any market developments are also monitored, and the use of external consultants is included in the approach of the AIFM.

The AIFM is continuously working towards further improving availability of data from tenants to ensure a comprehensive ESG data collection for the Financial Product.

Due diligence

100% of assets in the acquisition processes are checked as part of the legal, technical and environmental due diligence regarding e. g. certificates, environmental issues and energy issues. For every acquisition, an ESG-strategy is set as part of the overall business plan (strategically and financially), individual goals/measures are set for each acquisition to address ESG issues, if any. The costs are integrated in the Financial Product's life cycle business plan.

In case the above-described due diligence process is not satisfying the target KPIs of the Financial Product, e. g. it is not reasonably possible to align an asset with the Financial Product's environmental characteristics, a possible investment is to be rejected or measures to remedy the defects have to be integrated in the investment planning.

For each proposed investment, an investment memorandum is drafted which contains a dedicated responsible investment section that has been completed by the investment due diligence team and reviewed by the portfolio manager. The investment memorandum will highlight any ESG risks which have been identified during the due diligence process. The content of the relevant sections of the investment memorandum will be reviewed and assessed by a dedicated responsible investment committee (RI Committee). The RI Committee will pay particular attention to investment for which the promoted ESG factors have been identified during the initial screening process and will assess whether the due diligence on the investment opportunity, including the due diligence on promoted ESG factors and ESG risks specific to that investment has been satisfactorily completed. For those investment strategies where the RI Committee reviews the investment memorandum as part of the investment process, it must approve the content of the RI section of the investment memorandum before the investment memorandum can be passed. The RI Committee will also discuss any material ESG risks which have been flagged in the investment memorandum. One of the grounds on which the RI Committee can recommend declining the investment opportunity if there are ESG risks that could potentially impact the value and the return on the investment opportunity.

Engagement policies

ECE Group engages with representatives of current or potential investees, nonprofit organizations, or industry federations on environmental, social or governance matters. Such interactions enable the ECE Group to improve and sharpen our knowledge and to share our views on important and material ESG topics.

Whilst no specific engagement policies have been designated by the Financial Product there are ongoing interactions of the AIFM and its ECE advisors with property and facility managers of each Residential Real Estate under management, with regards to collection of data, monitoring and development of ESG related matters.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental characteristic promoted.