

Product Name: ECE Haid Center Linz SCSp

Legal Entity Identifier: 9845008EF9B991EFA472

Summary

The ECE Haid Center Linz SCSp (the “Financial Product”) is established as a closed-ended fund exclusively focused on the acquisition, holding and management (including the disposal of) an indirect interest in the shopping center Haid (“Haid Center”) located in Linz in Austria.

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:

- Eco-friendly building certifications
- Use of emission-free electricity
- E-charging points
- Lease agreements with Green Lease Standard

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.

Environmental or social characteristics of the Financial Product

This Financial Product promotes the following environmental characteristics:

- Eco-friendly building certifications
- Use of emission-free electricity
- E-charging points
- Lease agreements with Green Lease Standard

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

Investment strategy

The Financial Product is a single asset fund and holds the Haid Center located in Linz, Austria. The AIFM regularly engages during the due diligence process an external service provider or advisor to perform a detailed technical and environmental due diligence for investment 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. As the Financial Product as a closed-ended fund will not acquire further assets the aforementioned due diligence process will not apply anymore.

Nevertheless, it should be noted that the AIFM also incorporated sustainability risks in its investment decisions relating to the Financial Product, whereas “sustainability risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

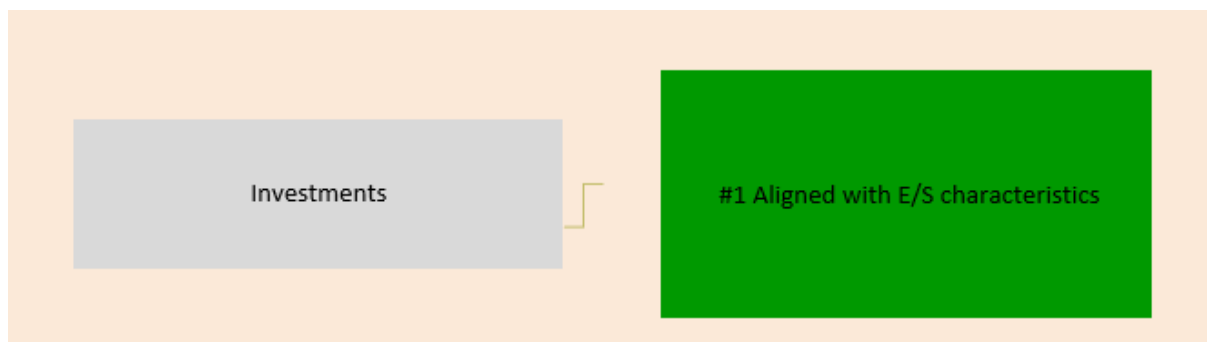
Goals/measures to address ESG issues, if any, will be integrated in the Financial Product’s life cycle business plan.

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

For details, please refer to section “Due Diligence” below.

Proportion of investments

The Financial Product promotes Environmental/Social (E/S) characteristics but will not make any sustainable investments.



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 characteristic it promotes (the “Sustainability Indicator”).

Where none of the following Sustainability Indicators can be applied to an individual E 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.

- Eco-friendly building certification

The quality of a shopping center is outlined by 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 Financial Product measures the quality of the Haid Center by the presence of one of the above-mentioned eco-friendly building certificates. The data basis refers to the previously available reporting period.

- Use of emission-free electricity

The aim is using emission-free electricity. Therefore, the Financial Product calculates the share of supplied emission-free electricity in kWh. The share is determined by dividing the consumed emission-free electricity by the total electricity consumed in percent per year. Using emission-free electricity can include own generated and used emission-free electricity on-site as well as purchased emission-free electricity. The data basis refers to the previously available reporting period.

- E-charging points

The aim is to provide E-charging points to customers. An E-charging point is a power supply device for recharging electric vehicles. The total number of E-charging points per year will be reported.

- Lease agreements with Green Lease Standard

Green Lease Standards provide a mandatory framework for tenants to comply with defined ESG measures. The green lease standard developed by ECE REP outlines guidelines and requirements to use resources and energy carefully. Among other things, the Green Lease Standard contains agreements on the following subjects: sustainable use and management; collection, storage, use and provision of sustainability-related data; cleaning; waste collection; tenant fit-out; use of energy-saving light sources. In addition, the standard enables a more comprehensive ESG data collection for the Financial Product. The Financial Product monitors the share of tenants with green lease agreements. The share is calculated by dividing the number of tenants with a green lease agreement by the total number of tenants per year in percent.

Data sources and processing

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

Data captured by the facility manager of the shopping center 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 shopping center), 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 via, among other measures, introducing Green Lease clauses in the new agreements with tenants, which will enable a more comprehensive ESG data collection for the Financial Product.

Due diligence

Since the Financial Product is a closed-ended vehicle, the due diligence mechanisms are not applicable since no further acquisitions are envisaged. Nevertheless, it should be noted that the acquisition of the shopping center is based, among other things, on a technical due diligence, which included sustainability aspects and environmental aspects. The legal requirement for presentation of energy performance certificates has been met. Moreover, the shopping center has been certified on 12/2020 with the DGNB certification system, rating "gold". An overall achievement rate of 75,6% (gold) was reached.

In addition, the technical due diligence has taken reference, inter alia, to air emission, micro and macro climate, water supply / waste water, waste disposal, soil and groundwater / contaminations, with all the above features having a low risk. These low-level risks reflect favorable environmental factors for the shopping centre and, in this sense, are in favor of a more sustainable investment approach.

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 shopping center 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.