

Information on the implementation of the disclosure requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

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1. Legal framework

ECE Real Estate Partners S.à.r.l. (hereinafter „ECE RE“ or „Company“) is an alternative investment fund manager authorised pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers (hereinafter "AIFM Law").

Within the scope of its regulatory authorisation, the Company manages funds that qualify as alternative investment funds ("AIF") (hereinafter "investment funds").

2. Purpose of this document

This document generally describes ECE RE's approaches related to the requirements set by the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector ("SFDR").

The SFDR sets the framework for the disclosure of information on

- the integration of sustainability risks in the investment decision-making process (Art. 3 I SFDR);
- Details on the consideration of principle adverse impacts ("PAI") of investment decisions on sustainability factors (Art. 4 I(a) SFDR); or
- Explanation for not considering PAI (Art. 4 I(b) SFDR); and
- Consistency of the remuneration policy with the integration of sustainability risks

This document will be reviewed regularly and may be subject to changes based on a reconsideration of the approach taken, any changes of the regulatory framework and/or the process implemented at ECE RE.

3. Integration of sustainability risks into the investment decision-making process

ECE RE is aware of the material impacts ESG events or conditions may cause to the funds managed and deems sustainability risks to be relevant to the identified funds managed.

A sustainability risk is every environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

ECE RE will for all relevant funds integrate the sustainability risks as deemed relevant in the investment advisory process requirements.

ECE RE identified all funds which are subject to (new) subscriptions as from 10 March 2021 as relevant. Therefore, all funds which are fully invested and closed to new subscriptions as from the application of the SFDR are deemed out of scope

The aim of including sustainability risks in the investment decision is to identify the occurrence of these risks as early as possible and to take appropriate measures to minimize the impact on the investments or the overall portfolio of a fund. The events or conditions that may be responsible for a negative impact on the return of a fund are split into environmental, social and

corporate governance aspects. While environmental aspects include energy and waste management, for example, social aspects may include the consideration of internationally recognized labour law requirements during the construction/improvement phase. Corporate governance aspects include, for example, the consideration of employee's rights and data protection. The company also considers the aspects of climate change, including physical climate events or conditions such as heat waves, storms, rising sea levels and global warming.

The selection of meaningful sustainability risks may be based on the overall investment portfolio of a specific fund, the overall availability of relevant data to assess sustainability risks as well as the characteristics of each target investment of a specific fund.

ECE RE set up the monitoring of sustainability risks by integrating them into the risk profiles of the funds managed. The risk profile reflects the level of identified relevant risks that arise from the investment strategy, as well as the interaction and concentration at portfolio level for each fund managed by ECE RE.

ECE RE defined internal risk limits in relation to sustainability risks for each fund managed. The risk limits describe the maximum risk a fund is exposed to a certain risk type. The risk limits are set in accordance with the overall risk exposure of fund. The internal Risk Management function is responsible for the monitoring of the defined sustainability risk limits set.

To effectively monitor the risks, ECE RE receives data from external data sources to calculate to overall sustainability (risk) exposure of a fund portfolio based on the defined sustainability risks. The results of the assessment are compiled and constantly monitored by the internal Risk Management function against the limits set in the (sub-)fund risk profile.

In case the overall sustainability risk exposure of the fund is above the limits for a sustainability factor of an investment, it will be directly reported to ECE RE's Conducting Officer.

ECE RE will review the approach taken on an ongoing basis and may detail the internal procedures and process for the assessment of sustainability risks based on changes in the overall market environment and the provision of meaningful data for the expansion of its efforts to assess and monitor sustainability risks as part of the overall risk exposure of the fund managed.

ECE RE established a risk-based approach for the reporting of the overall risk exposure of the funds the Management Board. The extension of the existing reporting regarding an exposure to specific sustainability risks will be implemented for all relevant funds.

4. Explanation for not considering PAIs

Due to the delayed provision of the final draft of the "Final Report on draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a (3), Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088" (the "RTS") to the European Commission and the subsequently delayed entry into force as well as the resulting uncertainty regarding the practical implementation of the SFDR requirements related to the consideration of PAIs, ECE RE decided not to consider PAIs of investment decisions on sustainability factors for the time being.

ECE RE does, however, keep this situation under constant review and aims to consider the principal adverse impacts of its investment decisions within the meaning of the SFDR, when the applicable legal and regulatory framework is finalised.

5. Consistency of the remuneration policy

ECE RE reviewed and updated its remuneration policy about the integration of sustainability risks. Please find the current version of the remuneration policy [\[here\]](#).