EUROPEAN STUDENT ACCOMMODATION CORE FUND

TCFD REPORT 2024

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ESACF´s climate-related disclosures on MiCampus assets portfolio

European Student Accommodation Core Fund SCA SICAV-RAIF

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About this report

The Financial Stability Board (FSB), which makes recommendations on the global financial system, established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 at the request of G20 leaders. This Working Group recognizes the significant threat of climate change in the global economy. The recommendations encourage consistent, reliable, and clear climate-related financial disclosures by allowing investors to take climate-related risks into account.

These recommendations seek to improve the quality and reliability of disclosed information on climate-related risks and opportunities, equipping investors, lenders, insurers and other stakeholders with the metrics and data necessary to conduct comprehensive and consistent analyses of the potential financial impacts of climate change.

It is a tool that allows both financial and non-financial institutions to be aligned with the following points:

- ✓ Determine the real price of financial assets by adjusting the effect that the consequences of climate change may potentially have on it.
- ✓ Increase measures taken in response to climate-related financial risks.
- ✓ Promote annual disclosure of climate-related financial risks by businesses to help create a strong and prepared economy.
- ✓ Anticipate imminent legislation.
- ✓ Provide a competitive advantage.
- ✓ Prepare towards Net Zero, knowing better what the risks and opportunities for business on the road to a net zero emissions economy are.

European Student Accommodation Core Fund SCA SICAV-RAIF, hereinafter “the Fund” or “ESACF”, is a differentiated investment vehicle with a focus in real estate assets, with a distinct focus in student accommodation, and specifically Iberia. The Fund considers responsible ownership a key priority of the Firm. As a medium to long-term investor, the Fund is optimally positioned to make an impact on corporate behaviour.

ESACF has a current portfolio of 41 student accommodations in different locations across Spain and Portugal leased to a third party, hereinafter “MiCampus Living”, which has committed, as lessee, to the Fund’s ESG strategy throughout the inclusion of relevant green clauses in the underlying lease agreements (i.e accomplishment of Net Zero Carbon Targets, reduce the exposure to fossil fuels, etc).

SPI General Partner S.a r.l. (hereinafter “The General Partner” or the “GP”), TMF Management Company S.A (the “AIFM”) and Stoneshield Investment Fund Ltd (the “Investment Adviser”) believe that material environmental, social and governance (“ESG”) factors are an important driver of long-term investment returns from both an

opportunity and a risk-mitigation perspective. As such, the AIFM and the Investment Adviser consider sustainability risks and opportunities in their assessment of each investment of the Fund. The AIFM and the Investment Adviser consider such analysis as crucial given that the Fund promotes ESG and is classified as Article 8 under the SFDR.

In line with the Fund's sustainability strategy, as well as with the Paris Agreement with the objective of limiting the increase in temperature to below 2°C, this report has been developed that reflects the Fund's management in relation to with climate change, following the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) and reflects the systematic process to identify and assess the climate related risks that could have a material financial impact on the Fund.

The report is structured into four thematic areas that represent the core elements of how organizations operate: governance, strategy, risk management, and metrics and objectives.

Through this structure, the Fund´s discloses the risks and opportunities of climate change, its process to identify and assess them, and its integration into the organization's business and activities.

Key Points in Response to TCFD Recommendations

The following list shows the 11 recommendations proposed by the Working Group of the Task Force on Climate-related Financial Disclosures and that are described in this report, reflecting the Fund's commitment to its role in achieving sustainable development.

TCFD Recommendations		**ESACF's TCFD**
Governance	Board oversight	1.1
	Management structure	1.2-1.3
Strategy	Climate Risks & Opportunities	2.1-2.2
	Climate-related impacts	2.3
	Climate Scenario Analysis	2.4-2.5
Risk management	Climate risks' impact assessment	3.1-3.2
	The Fund's risk management	3.3
	Integration of climate risks	3.4
Metrics and targets	Climate-related metrics	4.1-4.2-4.3
	Greenhouse gas emissions	4.4
	Climate-related targets	4.5

1. Governance

Disclose the organization’s governance around climate-related risks and opportunities.

For the General Partner and any other stakeholders to the Fund such as the Investment Advisor or AIFM a strong governance is key to sustainable business operations. They strive to conduct the business according to the highest ethical and legal standards. Corporate governance starts at the Board level and with senior executive leadership.

Its commitment to conducting the business ethically and responsibly across the Fund’s main stakeholders, as well as within the businesses and assets that it manages, is reflected and documented in the GP, the Investment Advisor’s values, Code of Conduct, policies and processes and ultimately the AIFM’s commitments. The Fund´s Code of Conduct and related policies are intended to ensure that either the GP or the Investment Advisor honours its commitment to conducting business in a responsible and ethical manner.

The efficacy of the governance program is monitored through ongoing reviews, a whistle-blower hotline, and annual audit conducted by external independent auditors.

The GP acting on behalf of the Fund is committed to providing a mechanism for Employees to report suspected wrongdoing or dangers in relation to Fund's activities and have those concerns addressed in a timely and confidential manner.

All portfolio companies and key business partners of the Fund are required to comply with its supplier code of conduct, which must align with the Fund’s core principles.

At ESACF, executive compensation is designed to align management’s goals with the Fund’s long-term objectives. This forward-looking strategy encourages executives to implement sustainable and effective initiatives that benefit all stakeholder.

Building on this approach, the Fund places high value on its people and their long-term development. Its human capital strategy is focused on empowering individuals to reach their full potential. Core elements of this strategy include attracting and retaining talented, motivated individuals; aligning their goals with those of shareholders and investors through thoughtfully structured compensation plans; offering growth opportunities that accelerate development when appropriate; and fostering a positive, diverse, and inclusive work environment that encourages taking initiative and supports strong interpersonal connections..

Climate-related commitment

The Fund is committed to the global transition toward a net zero-carbon economy. Through its General Partner, it actively supports this shift by integrating climate change considerations into its investment decisions, prioritizing assets that are vital to the economies it invests in—both now and in a low-carbon future—and promoting operational and other efficiencies that help minimize environmental impact

1.1 Board Oversight

1.1.1 Status

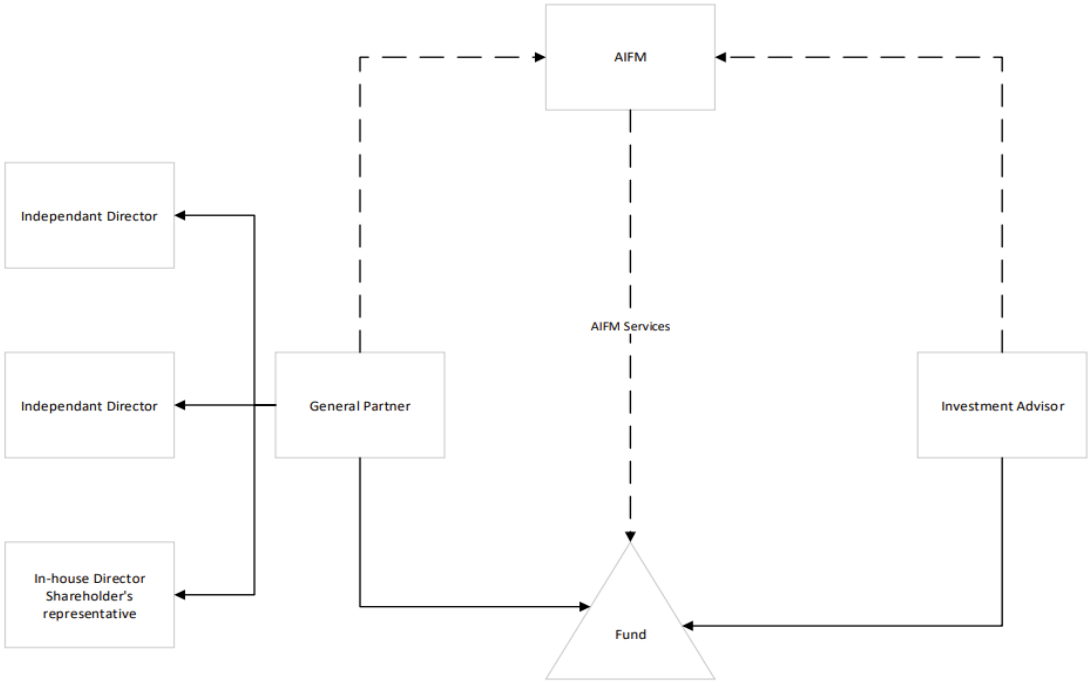
Beyond traditional governance issues, including, remuneration and board composition, the Board focuses on other matters that have a meaningful impact on its investments. Environmental matters and social issues are becoming increasingly important aspects of assessing an investment, and its approach is to incorporate environmental, social and governance (hereinafter "ESG") factors and issues into its investment decision-making process and/or its investment advice.

1.1.2 Composition

Board of managers: The roles, responsibilities, and procedures of the board of Managers (the "Board" or "the Managers") of the General Partner are set out in the Board's Charter. This Charter of Expectations for Managers supplements the Board's Charter by specifying the expectations on its non-management Managers in terms of personal and professional criteria, share ownership, meeting attendance and identifying possible conflicts of interest and resignation events.

In order to ensure that good governance is carried out, the GP's Board is composed of 2 independent directors and one inhouse director, providing a higher level of independence and in all decisions taken. The role of the Board is to oversee, the business and affairs of the Fund, its underlying subsidiaries, which are conducted by the relevant officers and employees under the direction of the Investment Advisor.

AIFM and Investment Advisor: Therefore, the Board, in consultation with the Investment Advisor and under the supervision of the AIFM, meets, reviews, reports and takes the relevant decisions in the best interest of investors.



1.1.3 Oversight

The GP believes that ESG can have a material impact on long-term investment outcomes. Hence, it has adopted its own approach to ESG based on the following principles:

- It is committed to minimizing the environmental impact of its operations by reducing reliance on fossil fuels and energy-inefficient buildings. Recognizing that its activities both affect and are affected by environmental factors—including climate change—it supports the global transition to a net zero-carbon economy. In alignment with this goal, the Fund is actively transforming its investment portfolio to reflect this priority, with the ambition of becoming a Net Zero Carbon Emissions Student Housing Accommodation Platform by 2040
- It is dedicated to promoting the development, well-being, and health and safety of both its residents and employees, recognizing that their success is essential to its own. It prioritizes the creation of safe, inclusive living and working environments that foster personal growth and the realization of individual potential. This commitment is embedded in its processes and extends to the health and safety standards upheld across its portfolio companies.

Of course, the above is only possible if the Funds operates with high standards of integrity, particularly given the breadth of its operations, relationships and impact to society. This is reflected in its governance practices and our compliance protocols.

The Investment Adviser's mission is to generate returns with responsibility by:

- Integrating ESG criteria within the investment process

- Considering ESG as a value drive
- Demonstrating operational excellence and transparency
- Transition investing to a low carbon emissions economy
- Proposing industry-leading solutions to today's problems.
- Delivering long-term risk adjusted returns

1.1.4 Accountability

The AIFM (under the oversight of the GP) has collective responsibility for the management, direction and performance of the Fund, and is accountable for its business strategy. In this respect and following Annex II of the Fund's Private Placement Memorandum, it embeds climate-related risks and opportunities into its strategy and as such the Fund's Investment Advisor works under such premise.

As part of its pledge to create a positive impact across all activities, the Fund integrates ESG considerations into every stage of its investment process—from the initial due diligence of potential opportunities through to the exit phase.

For additional details on the board's approach to risk oversight, please see Section 3: Risk Management.
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1.2 Management Structure

1.2.1 Climate responsibilities and reporting lines

The Board and managers have specific responsibilities, some of which include climate-related topics. Nevertheless, all the Fund´s employees are responsible for ensuring the delivery of the policies.

The Board responsibilities:

- **Strategic planning** : overseeing the long-term strategic-planning process within the Fund and, at least annually, reviewing, approving and monitoring the strategic plan, including fundamental financial and business strategies and objectives.
- **Risk assessment** : assessing the major risks facing the Fund and reviewing, approving and monitoring the manner of managing those risks. This task includes climate-related risks.
- **Officers and senior management** : overseeing the selection of corporate officers and the evaluation and compensation of senior management.
- Succession planning – monitoring the succession of key members of senior management.
- **Communications and disclosure policy** : adopting a communications and disclosure policy for the Fund that ensures the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive stakeholder views.
- **Environmental, social, governance** : reviewing the Fund's approach to environmental, social, governance ("ESG") and climate change matters within its corporate and asset management activities.
- **Corporate governance :** developing and promoting a set of effective corporate governance principles and guidelines.
- **Internal controls** : reviewing and monitoring the controls and procedures within the Fund to maintain its integrity, including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance.
- **Culture:** on an ongoing basis, satisfy itself that the Principals and other executive officers create a culture of compliance throughout the Fund, including compliance with the Code of Business Conduct and its related policies and procedures
- **Whistleblowers:** in conjunction with the Audit Committee of the Board, establish whistleblower policies for the Fund providing employees, officers, Managers and other stakeholders, including the public, with the opportunity to raise, anonymously or not, questions, complaints or concerns regarding the GP's practices, including fraud, policy violations, any illegal or unethical conduct, and any accounting, auditing or internal control matters. The Board or a committee thereof will provide oversight over the whistleblower policies and practices to ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

The management responsibilities:

- Managers are expected to identify in advance any conflict of interest regarding a matter coming before the Board or its committees and to refrain from voting on such matters. If a Manager is uncertain of the nature or extent of a potential conflict, he or she should seek a ruling on the matter, in advance or at the time of the meeting, from the Chair of the meeting.

- The Managers are responsible for informing the Chair of the Board of any change in their personal or professional circumstances that may impact their continued ability to serve the Fund effectively, or if they have been determined by the Board to be independent, that may impact their continued standing as independent Managers.

- The Fund has an established governance and risk framework enabling it to identify and review climate-related risks and opportunities, with clear accountabilities. Its Head of Responsible Investments has overall responsibility and reports to the Board of Managers on at least a quarterly basis.

- Within the Investment Advisor's duties, reporting, oversight and active management are part of its day-to-day duties when reporting to the Board. At the Investment Advisory level there is an Executive Leadership Team that consists of the most senior executives in the company, with relevant domain and geographical expertise. Several executive members within the Investment Advisor have governance responsibility for climate-related issues including its Chief Operating Officer, Chief Investment Officer and the Managing Directors.

Committees Functions:

- Investment Committee:
    - Weekly review of Pipeline and sourcing strategies
    - Investment strategies decisions and UW oversight
    - Investment information packages review, analysis and approval
    - Recurrent market update and competitors' analysis
    - Multi-disciplinary team covering whole range of investment related detail plus operational risk management approaches (e.g. underwriting, legal, compliance, tax and operations)
    - Ad-hoc meetings to approve executions

- Operations & Development Committee
    - Weekly review of Operational & Development Updates on the student housing portfolio
    - Monthly update on trading: On a monthly basis update on P&L comparison BP vs Actuals, Monthly financial closings, Budget Approvals, Verification of product standards compliance (e.g., ESG, GRESB, etc.)
    - Detailed & monitoring of each development in progress ensuring compliance with the product definition approved and developed in house

Throughout 2024 there were various climate change discussions at both the Board and executive meetings to help guide its ambition in this area. These agenda items covered setting and approving the Fund's ESG Strategy and action plan.

1.2.2 Decision-making

The GP's and Investment Advisor's senior management oversee progress towards the Fund's strategic objectives, including climate and sustainability-related objectives. Its ESG policy provides an overview of the management committees that share responsibility for management of various climate and other sustainability-related risks and opportunities.

The Manager is an individual of the highest personal and business integrity and brings outstanding and relevant business or other valuable experience, such as:

- holds or has recently held a position of high-level responsibility.
- has experience managing a major public investment/management company.
- has experience in multi-industry environment similar to the Fund.
- has a significant ownership interest in his or her company.
- has a broad exposure to or understanding as to policymaking at multi-industry organizations; and/or
- possesses a high level of expertise in areas that are relevant to the Fund.

The Manager contributes to the development of the Fund's strategic alliances, operating businesses and/or investment activities. He is also willing to participate in stakeholder engagement in a way that strengthens the interests of the Fund and enhances trust and reputation among stakeholders.

The Manager contributes to the effective functioning and decision-making of the Board and its committees. In addition, understands and contributes to the broad range of issues that the Board and its committees must consider, including climate-related ones.

Moreover, the Manager does not have a conflict of interest relating to the business and affairs of the Fund or its affiliates and is free to act in the best interests of the Fund. He can devote the time necessary to prepare for and attend meetings of the Board and its committees and to stay informed of significant corporate developments.

The Manager's background adds to the Board's diversity of perspectives.

1.3 Incentive and remuneration

The Investment Adviser has formulated the Remuneration Policy in light of its appointment as investment adviser to the Fund. The AIFM wishes to avail itself of the experience, sources of information, advice and assistance available to the Investment Adviser, and has appointed the Investment Adviser to perform various investment advisory and related services in connection with the investments and operations of the Fund. In this context, the Investment Adviser has contractually agreed to take adequate measures to comply with requirements applicable to the AIFM including those on remuneration.

The Remuneration Policy aims to ensure the payment of equitable, competitive remuneration to Key Managerial Personnel ("KMP") and certain other employees having a material impact on the risk profile of the Investment Adviser which is based on individual performance, performance of the Investment Adviser and industry practices.

The European Union has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088), the "Regulation") requiring firms that manage investment funds or provide investment advice to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage or the investment advice they provide.

The Fund´s Remuneration Policy specifically addresses Article 5 of the Regulation:

"Financial market participants and financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks and shall publish that information on their websites".

The purpose of the policy is:

- To determine remuneration based on the Investment Adviser's business outlook, financial position, growth prospects, and prevailing market practices in competitive compensation.
- To align the reward and recognition mechanism directly to the effort, performance, dedication, and achievement relating to the Investment Adviser's operations.
- To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To 'Pay for Performance' i.e. the remuneration shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the company; and
- To ensure compliance and maintain high standards to governance.

1.3.1 Integration of sustainability risk in compensation model

The Investment Adviser believes in aligning remuneration with its core principle of sustainability which itself contributes to long-term value creation and superior performance for all stakeholders. Sustainability risks are incorporated in the design and management of the Investment Adviser's compensation model in a way that discourages unnecessary risk-taking and promotes a sustainable risk management approach to investing.

As such, it has established a compensation structure for its employees comprised of fixed (salary and benefits) and variable (bonus and, for some selected employees, carried interest) components. Sustainability risks are integrated into both components as detailed below.

Fixed Remuneration: The Investment Adviser offers employees a competitive annual base salary plus benefits without consideration of any performance criteria. The base salaries are benchmarked against European industry standards and reviewed annually to adjust against inflation and market changes if necessary. This is to ensure Investment Adviser attracts and retains industry-best talent to achieve superior fund performance and long-term, sustainable value creation. This approach also avoids having too large a proportion of the compensation tied to individual performance as this often leads to high-risk tolerance in investment decision making.

Variable Remuneration: The annual bonus of each KMP and certain other employees having a material impact on the risk profile of the Investment Adviser is dependent on the performance of the individual KMP or employee, the performance of the Fund, and the performance of Investment Adviser generally. The Investment Adviser considers ESG and sustainability risks and opportunity management when setting targets and evaluating performance in our variable remuneration schemes. For fairness and transparency, performance is measured against clear key performance indicators (KPIs) considered suitable for each position, including whether the relevant individual KMP or employee has complied with the Investment Adviser's sustainability policies, including the Investment Adviser's responsible investment policy. This assessment of compliance with the responsible investment policy as well as other quantitative criteria and qualitative criteria will be carried out by senior management.

1.3.2 Employee engagement

Furthermore, investment professionals are assessed on how they incorporate sustainability risks in investment operations e.g., in the valuation model. Carried interest is also granted to select employees based on performance and tenure. Such allocation thereby also considers ESG and sustainability risk management, and performance. It rewards the performance of the employee and ties to long-term, sustainable value creation.

The following set of principles act as guiding factors when deciding the quantum of the variable remuneration in any given period:

- Align remuneration with the long-term interests of the Investment Adviser and its shareholders.
- Minimize complexity and ensure transparency.
- Link to annual business performance of the Investment Adviser.
- Promote a culture of meritocracy and is linked to key performance and business drivers.
- Reflective of market competitiveness to attract the best talent; and
- The extent to which the individual has embodied the ESG principles; and (ii) adhered to the fundamental process-based elements that are each contained in the Investment Adviser's responsible investment policy.

The Remuneration Policy ensures that the remuneration is competitive to:

- Motivate employees to perform better and develop a strong sense of belonging.
- Attract right talent from the market.
- Retain right employees in the organization; and
- Align with the Investment Adviser's core values and ESG principles.

2. Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, where such information is material.

2.1 Integration of climate considerations

The Fund is a limited liquidity, perpetual, European core+ real estate fund. The Fund is designed to purchase and manage institutional quality student accommodation assets in the EU Target Countries (as defined in the Private Placement Memorandum) over the long term.

The strategic positioning of the Fund to achieve the target return is based on the following:

- Top-down research led portfolio construction: In our approach to core+ investing, we focus on income, ensuring capital preservation and long-term growth.
- Prime and dominant position within each region: supportive institutional quality student accommodation (IQSA) market fundamentals driven by large supply-demand imbalance.
- Sustainable cashflows: The ability for an asset to always attract occupiers and to sustain cash flow is central to the Fund's strategy (countercyclical nature of income).
- Income enhancement: The Fund looks for hidden unrecognized and unrealized value in all acquisitions. The Fund will look to unlock value through the acquisition of turnkey assets (with a 2Y income guarantee) or stabilized assets with occupancies over 90% and active asset management.
- Themed approach: The Fund has a very clear strategy which is to invest in IQSA in Europe with a distinct focus in Iberia.

On an organizational level, the Investment Adviser aspires to uphold high standards on environmental and sustainability matters and acknowledges the importance of the built environment in matters of environmental sustainability and seeks to adopt good practices in assessing the energy efficiency of its investments.

2.1.1 Business model alignment – Investment strategies

In respect of the Fund, the responsible investment policy (the "Responsible Investment Policy") intends to provide a broad framework for the approach to ESG integration. The Responsible Investment Policy is a guideline for formalizing and focusing responsible investment efforts, while recognising the importance of the built environment in matters of environmental sustainability and that ESG issues have a meaningful impact on delivering investment results for investors. In managing the Fund and in providing non-discretionary investment advice with respect to the Fund,

each of the AIFM and the Investment Adviser respectively have regard to the terms of the Responsible Investment Policy when determining what investments, the Fund should make. In doing so, the AIFM and the Investment Adviser will integrate ESG factors (including but not limited to the consideration of sustainability risks) into the investment decision-making process and its investment advice, respectively.

The investment selection process for each proposed real estate asset acquisition follows a structured process through selection, review and approval:

- Pre-due diligence on each real estate asset, during which ESG factors, including sustainability risks, are assessed; and
- Post-due diligence on each real estate asset, during which the results of the initial ESG screening as well as any post-acquisition measures are considered.

Further details on the AIFM's and the Investment Adviser's approach to ESG integration and sustainability-related stewardship can be found at www.esacf.com/esg.

Within that Strategy, the Investment Adviser considers that sustainability factors can have a material positive or negative impact on the investment performance. Therefore, consideration of ESG issues is integral to the investment decision making and investment management process, which is summarized in the following strategy:

1. **Strategic Risk Framework:** The Fund's investment process and distinctive value creation strategy are designed to future-proof asset classes by balancing fiduciary responsibilities to investors with clearly defined ESG parameters. The Investment Adviser actively seeks value-enhancing opportunities through sustainable practices, aiming to set and achieve ambitious climate-related goals—such as improving carbon efficiency and securing EPC certifications—while also promoting positive social outcomes and supporting the well-being of building occupants in line with the WELL Health-Safety Rating for Facility Operations and Management. Although governance cannot be directly assessed at the real estate asset level, all external counterparties—including lessors and service providers involved in the acquisition, management, and disposal of assets—are subject to rigorous initial and ongoing due diligence to ensure strong governance practices

2. **Investment Plan:** The purpose of the investment plan is to set out the key objectives for the portfolio in the forthcoming year, based on the current portfolio composition and past performance, as well as revised forecasts for each asset in the portfolio based on the latest market forecasts and recommendations and defined milestone program.

3. **Investment Selection:** Investment selection follows a structured process through selection, review, and approval and involves the investment committee of the Investment Adviser and the investment committee of the AIFM, together the "Investment Committees". The AIFM's investment committee has the objective of delivering the Fund's target return within a pre-defined strategic risk framework and considering the environmental and social characteristics that it promotes. The Investment Adviser's investment committee may include a representative from the General Partner's and the AIFM's ESG teams,

providing insight and oversight on relevant topics. Approval for any proposed acquisition is divided into two distinct stages: (1) pre-due diligence, when initial ESG screening is undertaken, and (2) post-due diligence (final approval), when due diligence results and any post-acquisition measures/underwriting are considered. The Investment Committees consider the findings of the pre- and post-due diligence, screening and analysis during the investment selection process. The investment Committees seek to apply an asset-class specific set of criteria when evaluating assets and key counterparties. This information is presented in each deck prepared by the Investment Committees and as otherwise deemed appropriate.

4. **Asset Management:** Following acquisition, each asset is on-boarded on to an appropriate ESG data monitoring system ("DMS") including the data collected during the DMS profile which is the responsibility of the lessor(s). The Investment Advisor works in collaboration with external specialist advisors, property managers, tenants and third-party data providers and other parties. An ESG action plan is developed for each individual investment, as appropriate for the asset type considering the environmental and social characteristics promoted by the Fund. The action plan is based on an assessment of the asset's sustainability performance. The actions and targets are embedded in the asset business plan and executed.

5. **Reporting:** Yearly reporting is shared with investors where the identified environmental and social characteristics promoted by the Fund are considered in the portfolio performance (1) backward looking performance against the Fund's ESG strategy and timeline applicable for the investment strategy include of all metrics and KPIs, (2) ESG risk profile; and (3) Annual ESG action plan and implementation status.

2.1.2 Business model alignment – Exclusion Policy

The Fund aims to invest in high-quality student housing across key European markets. The purpose of its exclusion policy is to ensure that investments align with the Fund's sustainability and ethical standards. This policy excludes investments that do not meet specific environmental, social, and governance (ESG) criteria. By doing so, the Fund aims to promote sustainable development, reduce its carbon footprint, and contribute positively to the communities where it operates. This policy applies to all investments made by the Fund and covers both direct and indirect investments, irrespective of whether leasehold or freehold properties.

The Fund will exclude investments in companies or assets involved in the following activities:

- Carbon intensive power generation and nuclear power
- Severe Environmental Impact
- Investments in companies or assets involved in activities that violate the United Nations Global Compact (UNGC) principles
- Investments in companies or assets involved in activities that violate the OECD Guidelines for Multinational Enterprises
- Adult entertainment
- Alcohol
- Gambling
- Tobacco
- Weapons
- Controversial jurisdictions
- Taxation

Further information on the Fund's excluded investment strategy can be found in www.esacf.com/esg.

The exclusion of sectors outlined above reflects the Fund’s adherence to sustainability principles, particularly those aimed at reducing the Fund's exposure to activities with significant negative environmental, social, or governance impacts.

- Principal Adverse Impacts (PAI): The Fund will disclose how its exclusion criteria mitigate the principal adverse impacts of investments on sustainability factors. These impacts include, but are not limited to, greenhouse gas emissions, biodiversity loss, water pollution, and human rights violations.
- Sustainability Risks: ESG risks are assessed and integrated into the Fund’s investment process to reduce exposure to sectors that could undermine the long-term value of the portfolio or cause reputational damage.

The Fund’s exclusion policy complies with the LuxFLAG ESG label criteria and exclusion policy, demonstrating a strong commitment to responsible investing and aligning with their Environmental, Social, and Governance (ESG) framework. This policy ensures that the Fund:

- Continues to meet LuxFLAG’s ESG Eligibility Criteria, particularly regarding its exclusion policy and any updates thereto
- Engages in clear and transparent reporting of its ESG-related practices.
- Demonstrates measurable positive impact on environmental and social outcomes

2.2 Climate Risks and opportunities identification

Climate risks are the negative financial impacts stemming from environmental factors, with physical and transition risks as main drivers. However, there is also a possibility that these changes will be taken advantage of and represent an opportunity for the Fund. Below are the climate-related risks and opportunities identified for the Fund's activities.

Physical Risk identification

Physical risks arise from the physical effects of increasingly severe and frequent climate- and weather-related extreme events, such as droughts, floods or hurricanes, and from longer-term progressive changes in climate patterns, such as rising average temperatures and changes in rainfall. Such phenomena can cause direct damage to assets and infrastructure or disrupt supply chains, thereby reducing asset values and business profitability.

Physical risks from climate change can be acute (event-driven) or chronic (long-term). They tend to materialize in the medium-to-long term:

- Acute risks: event-driven exposures, including the increase severity of extreme weather events (cyclones, floods, etc.)
- Chronic risks: longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea-level rise or chronic heat.

The Fund has a diversified portfolio of operating assets locates in key education regions across Spain and in north Portugal. The following maps show those assets in distributed by region.

Below is the list of assets in operation in both Spain and Portugal:

Country	Region	Asset	City
Spain	Galicia	MiCampus Lugo	Lugo
	Asturias	MiCampus Oviedo	Oviedo
	Cantabria	MiCampus Santander	Santander
	País Vasco	MiCampus Bilbao	Bilbao
		MiCampus Bilbao- San Mamés	Bilbao
	Navarra	MiCampus Pamplona	Pamplona
	Castilla y León	MiCampus Burgos-San Agustín	Burgos
		MiCampus Burgos Centro	Burgos
		MiCampus Salamanca	Salamanca
		NH Valladolid	Valladolid
	La Rioja	MiCampus Logroño	Logroño
	Aragón	NH Zaragoza	Zaragoza
	Comunidad de Madrid	MiCampus Getafe	Madrid
		MiCampus Getafe Flats	Madrid
		MiCampus Sinesio (Madrid)	Madrid
		MiCampus Leganés	Madrid
		MiCampus Aranjuez	Madrid
		MiCampus Tovar 14 (Fuencarral 6)	Madrid
		MiCampus Xaudaró 20 (Fuencarral 3)	Madrid
		MiCampus Xaudaró 13 (Fuencarral 2)	Madrid
		MiCampus Sancha 10 (Fuencarral 5)	Madrid
		MiCampus Sancha 6 (Fuencarral 4)	Madrid
		MiCampus Getafe II	Madrid
		Micampus Salcedo 7 (Fuencarral 7)	Madrid
		Micampus Foronda 7 (Fuencarral 8)	Madrid
		Micampus Lezama 14 (Fuencarral 10)	Madrid
		Micampus Ronde de Poniente 18	Madrid
	Andalucía	MiCampus Estanislao	Sevilla
		MiCampus Málaga	Málaga
		MiCampus Armendariz	Sevilla
		MiCampus UPO	Sevilla
		MiCampus Bormujos	Sevilla
	Región de Murcia	MiCampus Cartagena	Cartagena
	Comunidad Valenciana	MiCampus Galileo Galilei	Madrid
		MiCampus Alicante	Alicante
		MiCampus Cortes Valencianas	Valencia
		MiCampus Burjassot	Valencia
		MiCampus Burjassot 2	Valencia
		MiCampus Maldonado- Mercado Centra	Valencia
		Micampus Alicante II	Alicante
	Cataluña	MiCampus Barcelona	Barcelona
Portugal	Región del norte	MiCampus Porto Tower (Porto I)	Porto
		MiCampus Asprela (Porto II)	Porto

The Fund's assets are mainly located to a greater extent in Spain, in the northern communities, the Valencian Community, Andalusia, Community of Madrid and Catalonia. In addition, there are two more assets located in Portugal, in the northern region.

Taking into consideration the climate-related risks that must be taken into account for the EU Taxonomy Regulation, as well as the TCFD recommendations, research has been carried out in reports of the Intergovernmental Panel on Climate Change (IPCC), the Ministry for the Ecological Transition and the Demographic Challenge (MITECO), the Meteorological Agency (AEMET), among others, to identify the most relevant climate risks in terms of severity and probability in these communities.

The following time horizons are considered:

• 0-5 years: short-term

• 5-10 years: medium-term

• 10+ years: long term

As a conclusion of the conducted analysis, the identified physical climate risks that could potentially impact the asset portfolio are:

Physical Risks		
Climate Drivers	Risk	Main affected- Time Horizon
Chronic	Sea-level raise	Long term
	Higher temperatures	
	Higher concentration of GHG in the air	Short – Medium Term
Acute	Droughts	Short – Medium Term
	Floods	
	Increased frequency of strong winds and hail	

Transition Risk identification

The effects of climate change are increasingly being felt around the world, and social and economic pressure for a low-carbon transition is building. Transition risks arise from policymaking, technology, market sentiment changes and reputation in response to climate change.

For the real estate sector, much attention has been paid to extreme weather events and other climate-driven consequences (physical risks), but transition risks must also be considered. Potential transition risks include rising costs due to the pricing-in of carbon emissions (through carbon taxes and pricing schemes), market effects,

technological disruptions, legal liabilities, energy efficiency and other regulations and reputational risks, all of which can impact property values.

Proactive management of real estate transition risks is essential in the face of rising regulatory expectations around emissions and energy efficiency and growing concerns about climate change from real estate market participants.

Below are transition risks in the categories recommended by the TCFD; technological, market, reputational and legal, identified applicable to the Fund's's activity.

Transition Risks		
Climate Drivers	Risk	Main affected Time Horizon
Policy and legal	• Legislation focused on climate change that can lead to higher operating costs. For example, climate risk disclosure obligations or alignment with the EU Taxonomy, CO2 prices, carbon credits, among others	Short - Medium -Long Term
Technological risks	• Unsuccessful investments in technological advances in renewable energy, energy storage, energy efficiency and carbon capture and storage to aid in the transition to a low-carbon economy could render the Fund's current systems obsolete.	Medium Term
Market risks	• Uncertainty in market signals. Market decisions can affect demand as investors preferences, energy prices, and asset revaluation change. • Uncertainty in investors' appetite towards investing in the Fund	Short - Medium Term
Reputation risks	• Increased stakeholder concern or negative feedback. The Fund's, Investment Adviser's and GP reputation can be affected due to failure to comply with the Private Placement Memorandum, new regulations (SFDR, EU taxonomy) or poor environmental performance (for example, having a high carbon footprint).	Short - Medium -Long Term

Climate-related opportunities

As the economy decarbonizes, real estate actors can use their locations, connections to utility systems, local operational footprints, and climate intelligence to create new revenue streams, improve asset value, or launch entirely new businesses.

In the same way that climate change can generate risks and negative impacts for the Fund, there is a possibility that these changes will be taken advantage of and represent an opportunity for the Fund. Below are the climate-related opportunities identified for the Fund's activities:

Climate-related opportunities			
Type	Opportunity	Description	Time Horizon
Market	Change in investor behaviour	• Take into consideration investor expectations and ESG commitments (e.g., energy efficiency and sustainability criteria)	Short term
	Improvement of the environmental performance	• There is an opportunity to improve the ROI through environmental performance investment	Short term
Resilience	ESG Integration & Insights	• Incorporating material climate considerations into active investment decisions & ESG. Research could mitigate identified risks, reducing vulnerability, and provide reputational benefits by demonstrating commitment to sustainable development.	Short term
Technology	Digitalization	• Implement digital platforms to help collecting data and monitoring. It can identify where improvement can be made in more cost efficient and climate friendly ways or inform investors and users about their climate footprints, to achieve energy efficiency goals and improve people's well-being.	Medium term

2.3 Climate-related impacts

In line with the real estate industry best practices and regulatory expectations the Fund considers climate risks through the lens of physical risks and transition risks.

Physical risks reflect the risks associated with long-term changes in the climate and with more extreme weather events which may impact future business activities. The impacts on the value of investments, held on behalf of clients, caused by direct or indirect physical climate changes and events; risk to its businesses and property assets and those of its suppliers and other partners caused by climate events.

Transition risks reflect the risks stemming from changes in the economy that will be required to limit long-run temperature rises, including higher or lower rates of demand growth, costs or risk profiles to companies, sectors, or asset classes. These may include new or enhanced corporate climate change laws and regulations, changes in investor demand for climate-focused products, and more volatility in financial markets as asset prices adjust to reflect the increasing regulation of carbon emissions.

Climate-related financial impacts

Real estate owners and investors will need to improve their climate intelligence to understand the potential financial impact on their operations.

It’s important for the Fund to consider how our vulnerability to physical climate-related hazards translates into financial risk. The following financial analysis is qualitative with a focus on their people, their business operations, and the indirect effects on the communities. The financial impact of the risks and opportunities listed will be taken forward in future strategic and financial plans.

To this end, depending on the impact that the risk may have on the Fund's operations, the following has been assigned:

- **€:** Risk with a low financial impact. This is because either the economic impact of adapting to the risk is low, or the risk affects a very low portion of the portfolio. In practice, the occurrence of risk would mean an internal reorganization.
- **€€:** Risk with a medium financial impact. This may be due to the adapting costs to the risk are higher than in the previous case, or because the risk affects a significant proportion of assets in the portfolio. In practice, the occurrence of the risk would put the fund's operations at risk.
- **€€€**: Risk with a high financial impact. Risk affects most of the fund's asset portfolio, and therefore the associated adapting costs to the risk rise exponentially. In practice, it poses the fund's operations at risk, a material risk in the assets, and would have a high impact on the entire ESACF value chain.

The following table illustrates the relationship between the previously identified physical and transition risks, their potential impact and financial implications on the Fund, as well as the mitigation measures that MiCampus is currently implementing to reduce climate risk exposure on the assets.

Physical Risks

Risk		**Chronic Risks** Sea-level raise, Higher temperatures, Higher concentration of GHG in the air	**Acute Risks** Droughts, Floods, Increased frequency of strong winds and hail
Scope		High Impact: Galicia, Asturias, Cantabria, Basque Country, Andalusia, Region of Murcia, Valencia Community, Catalonia and Community of Madrid	High Impact: Community of Castilla y León, Catalonia, Andalusia, Region of Murcia and Valencia Community.
Potential impact	Direct impacts	• Increased capital cost • Increased maintenance costs as physical risks increase	• Disruption in business operations in assets due to extreme weather events
	Indirect impacts	• Increased operating costs • Reduction of rental income due to tenant's appetite in "out to date" student housing. • Reduced rental income or other incomes from lower rents on commercial areas, food and beverage, etc. • Write-offs and early disposal of existing assets	• Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations • Lower valuations appraisals
Financial Impact (Negative)		€€€	€€
Time horizon		Short-Medium-Long term	Short-Medium term
Mitigation *More information in the following "3.2.1 Building adaptation solutions for each material physical risk detected:" section.		1) Implementation of the strategic decarbonization plan aligned with SBTi to reduce the carbon footprint. 2) Promotion of preventive maintenance of asset installations, improving energy efficiency 3) Installation of photovoltaic panels on roofs, promoting self-consumption 4) Digitalization of portfolio through Building Management system (BMS)	1) Promotion of energy self-consumption through the installation of photovoltaic panels on the roof, allowing the electricity supply to be maintained if the grid fails due to serious flooding 2) Promotion of water consumption measures such as reuse of rainwater and backup systems for water supply 3) Integration of biodiversity among the assets, including xerophytic species that can withstand drought episodes 4) Reorganize the building's uses to mitigate potential damage caused by flooding
Post mitigation risk			
Low-emission scenario		Low	Medium
High-emission scenario		Medium	High

Transition Risks

Risk	Increased stakeholder concern or negative feedback	Uncertainty in market and investors demands	Unsuccessful investments in new technology	Increased climate policy and legislation
Climate driver	**Reputation**	**Market**	**Technology**	**Policy & Legal**
Scope	Micampus and the Fund	Micampus and the Fund	Micampus	Micampus and the Fund
Potential Impact	• Incapability of successfully fund raising. • Reduction of investor appetite for such for the marketed Funds • Reduction of management fee income as a consequence of the above	• Reduced demand for real estate assets due to shift in investor preferences • Abrupt and unexpected shifts in energy costs • Re-pricing of assets and portfolio • Lower valuations appraisals	• Research and development (R&D) expenditures in new and alternative technologies (i.e digitalization) • Capital investments in technology development (i.e digitalization) • Costs to adopt/deploy new practices and processes.	• Increasing operating costs (i.e gas, electricity, etc) • Write-offs, asset impairment and early disposal of existing assets as not compliant with the Private Placement Memorandum, local regulations, etc. • Reduction of investor returns for “out to date” real estate assets • Reduction of investor appetite in art.6 funds. • Reduction of rental income due to tenant’s appetite in “out to date” student housing.
Financial Impact (Negative)	€€	€€€	€€	€€
Time horizon	Short-Medium-Long term	Short-Medium term	Medium term	Short-Medium-Long term
Mitigation *More information in “3.2.2 Solutions for each transition risks detected” section	1) Collaborate with external sustainability teams specialized in the sector to achieve objectives. 2) Maintain an active commitment to staying updated on new regulations and emerging initiatives that can enhance sustainability	1) Seek alliances with partners and suppliers with a medium-long term scope, which allows maintaining the current standards and performance of the portfolio for a longer period. 2) Maintain close contact	1) Prioritize technological updates. Continue investing in new technologies and enhancing skills to transform building and operational practices 2) Digitalization of portfolio 3) Establish regulatory	1) Continue to support the development of industry legislation, complete horizon scanning to stay ahead of future policy changes and ensure contracts and insurance policies reduce our exposure to risk. 2) Implementation of the

	performance. 3) Integrate sustainability as a cross-cutting factor for all employees of Micampus and the fund, ensuring that all team decisions consider sustainability. 4) Risk mitigation and insurance cost reduction	with suppliers to stay ahead of any changing trends 3) Expand the mechanisms for listening to stakeholders, through materiality assessment and surveys, to learn about the new demands of stakeholders, and to be able to work on improvement strategies that meet the new needs of the market.	prospecting programs to anticipate, to the extent possible, new requirements.	strategic decarbonization plan aligned with SBTi to reduce the carbon footprint with the committed to become NET ZERO by 2040.
Post mitigation risk				
Low-emission scenario	Low	Medium	Low	Medium
High-emission scenario	Medium	Medium	Medium	Medium

Opportunities

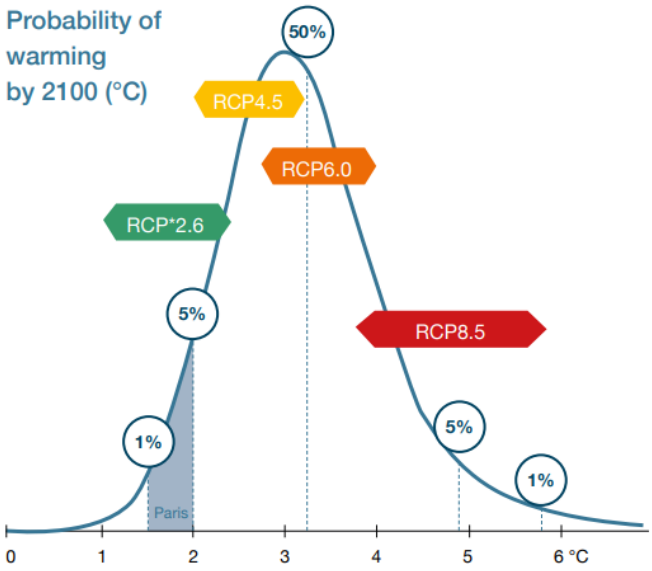
Opportunity	Change in investors behaviour	Improvement of the environmental performance	Enhanced reputation as a climate leader	Adoption of new technology
Type	**Market**	**Market**	**Resilience**	**Technology**
Scope	The Fund	Micampus and The Fund	Micampus and The Fund	Micampus
Potential Impact	• Increased revenues due to new investors, from meeting higher expectations	• Increased revenues thanks to access to new markets and emerging markets (e.g. partnerships with governments, banks in development)	• Increase in market value thanks to resilience planning integrated in the business strategy • Decreased operational costs when implementing resilience strategies to be prepared to extreme weather events. (e.g. renewable energy, water efficiency measures)	• Implemented digitalization can reduce expenses and operational costs as processes become more efficient and improves response to any unexpected change anomaly (e.g. leaks, accurate energy and water consumption, GHG emission)
Financial Impact (Positive)	~~€€€~~	~~€~~	~~€€~~	~~€€~~
Time horizon	Short Term	Short Term	Short Term	Medium Term
Response	1) Publicly communicate the ESG performance the progress and performance in sustainability of the portfolio. (ESG rating, reports, etc) 2) Keep up to date with ESG regulations to maintain a robust and solid compliance system	1) Maintain 100% of the asset portfolio certified with certifications such as BREEAM and WELL H&S. 2) Keep up to date to ESG regulations to stay ahead of any of any changing trends in the market	1) Ensure sustainability remains integrated in the business strategy through the resilience planning. 2) Continuously implement resilience measures at management and asset level to reduce risks and increase the Fund's positive impact	1) Ensure investing in R&D and work with supply chain to successfully develop and trial new technologies. 2) Promote the digitization of fund processes, focusing on the smart management of energy and asset consumption. 3) Collaborate with partners and platforms that provide digital solutions to current challenges, improving the reporting system
Low-emission scenario	Medium	Low	Medium	Low
High-emission scenario	High	Low	Medium	Medium

2.4 Climate Scenario Analysis

Climate scenario analysis is a method of assessing the exposure of the Fund and its portfolio, to climate related risks to interpret their potential financial impact. It employs scenario analysis to help understand the potential impacts of its investments, to support its risk and opportunity identification, and to inform its associated strategic response. By assessing the exposure of its holdings to both physical and transition risks, the Fund can understand the most at-risk areas and prioritize these for its active ownership efforts. It views the results of the scenario analysis through a variety of lenses, examining risk exposure by sector and geography.

Two scenarios have been taken into consideration:

- Low-emission scenario: 1.5°C- Orderly- Net Zero 2050: is an ambitious scenario that limits global warming to 1.5 °C through stringent climate policies, reaching net zero CO_2 emissions in 2050. This scenario can be associated with the IPCC RCP2.6 scenario.
- High-emission scenario: 2.6°C – Nationally Determined Contributions (NDCs): which implies a long-run temperature rise of 2.6°C by 2050, and close to 4°C by 2100. This scenario can be associated with the IPCC RCP4.5 scenario.



Probabilidad del cambio climático a 2100
Fuente: CRO Forum, 2019

Considering that the Fund is already implementing policies consistent with the Paris Agreement, the 1.5°C Orderly Net Zero 2050 scenario, which can be associated with the IPCC RCP2.6, is the scenario that is currently consistent with the Fund's strategy. This scenario has the following assumptions:

- In policy terms, it is the closest to the Paris Agreement to contain warming to "well below 2°C" with the goal of reaching 1.5°C.
- Based on a rapid stabilization and eventual reduction in the level of GHG in the atmosphere after 2050.
- Increase in the expected median temperature for 2100 of 1.6°C, with a range

of 1.0-2.8°C that allows for uncertainties in the climate system.
- Sea level rise of 0.45 m, with a range of n 0.3m and 0.8m.

The Fund is aware that, although it is currently focusing its efforts on the low-emission scenario, its strategy may need to adapt over time depending on which scenario eventually unfolds. The strategy would need to adapt based on:

- Most optimistic scenario such as 1.5°C- Orderly- Net Zero 2050 or RCP2.6: the Fund could continue applying the roadmap planned within its business model, paying greater attention to the transition aspect, since it will this scenario assumes that climate policies are very stringent and are introduced immediately.

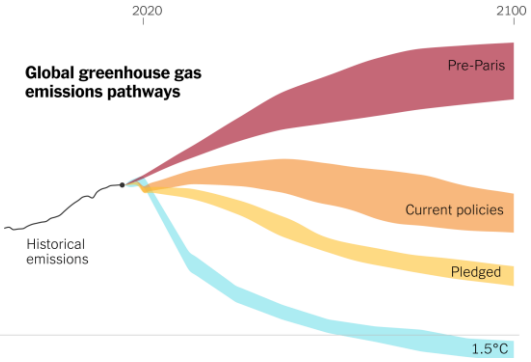
- However, a more pessimistic scenario such as 2.6°C – Nationally Determined Contributions (NDCs) or RCP4.5 would assume that transition risks are relatively low, and the Fund would have to pay greater attention to physical risks and implement measures against possible impacts as the risks are higher.

Paris Agreement Alignment

However, the Fund strongly supports the objectives of the Paris Agreement. It is committed to playing a constructive role in the decarbonisation of the global economy and serving the long-term interests of its clients.

The goal of the 2015 Paris Agreement is to “hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C”.

The more ambitious objective of keeping warming to 1.5°C requires emissions to reach ‘net zero’ by 2050 according to the Intergovernmental Panel on Climate Change (IPCC). The ‘net’ in net zero means any residual emissions from hard-to-abate industries need to be removed from the atmosphere through technology or nature-based solutions.



Global greenhouse gas emissions pathways 2100
Source: The New York Times

While much more needs to be done by policymakers to achieve the Paris goals, an energy transition is underway, and the Fund incorporates this into its investment decisions. The Fund also stand ready to rapidly scale up its ambitions if and when governments raise their policy ambition. In the meantime, the Fund´s calibrated approach to Paris alignment is founded on the following core principles:

• The Fund develop innovative Paris-aligned and net zero solutions for clients, setting ambitious climate-related goals.

• As responsible stewards on behalf of its clients, the Fund expects companies’ business plans to reflect the long-term climate-related risks and opportunities they face.

• The Fund advocates for more stringent regulatory frameworks so that global policy sends Paris-aligned signals to capital allocators.

• The Fund undertakes rigorous climate-related research, drawing on sophisticated tools and data. This allows us to assess the risks and opportunities related to climate change, integrate this into our investment processes and report on climate metrics to provide transparency to our clients.

Net Zero by 2040

Additionally, the Fund has already committed to investors to become NET ZERO by 2040, and it has developed a Decarbonization Policy that comprises the commitments acquired by the Fund to become NET ZERO by the year 2040, thus a scheduled decarbonization plan has been developed, aligned with the Science Bases Targets (SBTi), that must be complied and aligned with by all the Stakeholders. Being one of the main challenges that the Fund has to face in the following years, as it implies transforming and adapting the business model, enabling the reduction of the environmental impact while promoting the growth of the portfolio and operations. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.

2.5 Reporting and transparency

Consistent with our fiduciary duty to act in the best interests of our clients we are committed to integrating material Environmental, Social and Governance criteria in our investment processes and ownership practices as well as the provision of investment advice with a view to enhancing returns and/or mitigating risks over the medium to long term. We also aim to include ESG aspects in our risk management and reporting tools in order to maintain high standards of transparency and accountability.

We believe in leveraging investor power to drive positive change at issuers which enables us to make better long-term investment decisions for our clients. Indeed, our goal is to fulfil our responsibilities as investors and help shape a more sustainable, prosperous, and equitable society

3. Risk management

Disclose how the organization identifies, assesses, and manages climate-related risks.

For the Investment Adviser, sustainability means taking responsibility for our own impact on our surroundings. It encompasses the ability to be a credible and reliable partner that acts in the best interest of customers as well as ethically and responsibly towards society. Human rights, employee rights, environmental responsibility and anti-corruption are among the factors included in the decision-making processes and the provision of investment advice in order to contribute to sound financial markets.

Sustainability is at the core of the business development and way of creating value. The Investment Adviser is committed to integrating sustainability into relevant processes in all business areas. The Investment Adviser's principles for sustainability are based on The Code of Conduct and guide our behaviour, our daily work and our business decisions. We take these principles and other relevant environmental, social and governance principles into consideration when evaluating business risks and opportunities.

Risk identification enables effective categorization and control of risks. The risk profile assessment (RPA) and top and emerging risk identification are two core processes that assist the GP, AIFM and Investment Adviser identify climate-related risks with respect to the Fund's real estate portfolio.

They cover all risk types and reveal potential threats to its business plan and strategic targets, helping us monitor its risk profile consistently across subsidiaries.

Results enabled risk teams to evaluate their climate and environmental risk management, and potential gaps based on best practices. The assessment evolves as the Fund learns from experience, new data, methodologies, and regulation.

3.1 Climate risks' impact assessment

The Fund has a materiality assessment which determines the most significant climate-material items affecting the underlying real estate portfolio. It enables managing the intensity/exposure of the real estate portfolio to climate change. It is essential in determining its strategy and priorities.

The assessment covers climate-related and environmental risks to material and nonmaterial Businesses over specific time horizons (from short to long). It treats climate risk as a regular balance-sheet risk.

Risk taxonomy, heatmaps and exposures calculation form the basis for classifying portfolios and their potential impact from climate risks. They are designed to show the value chain of business activities, regardless of their original NACE classification. The internal climate change risk taxonomy recognizes sectors directly exposed to physical and transition climate risks. It classifies sectors based on guidelines issued by the

Task Force for Climate Related Financial Disclosures (TCFD) and the United Nations Environment Programme Finance Initiative (UNEP FI), enriched with credit expert knowledge and industry best practices.

Level of impact

Based on the impacts detected, an assessment of the risk posed to each region has been carried out. In this assessment process, the variables severity and probability have been used:

- In the **severity variable**, it is considered how much the impact of a certain climate risk could affect an asset by evaluating it within the extreme conditions in which the analysis is being carried out, considering the current state of each of the assets.
- In the **probability variable** it is assessed how possible it is that each of the climatic risks occurs and directly affects the asset in question.

The valuation scale used is three levels (low, medium, and high) in the two axes, the following matrix being the one that determines the importance of the physical risks identified.

Level of impact		**Probability**		
		Low	Medium	High
Severity	Low	Low	Low	Medium
	Medium	Low	Medium	High
	High	Medium	High	High

In the analysis that has been carried out it has been considered each asset in the portfolio, where the degree of **severity** and **probability** values have been assigned to each of the impacts to obtain a **level of impact**. The importance of the material risk has been established for each risk.

Vulnerability analysis

The vulnerability of a building to climate impacts is assessed by taking into consideration the level of impact previously detected and the adaptive capacity of the assets.

Vulnerability (the propensity to be affected by climate impacts) is studied by assessing two components:

- **Level of impact** (the result of the above analysis)
- **Adaptive capacity**

The assessment scale has three levels (high, medium, or low) on both axes. The final level of vulnerability to a given impact is determined by the following matrix:

Vulnerability		**Adaptive capacity**		
		Low	Medium	High
Level of impact	Low	Medium	Low	Low
	Medium	High	Medium	Low
	High	High	High	Medium

In the case of physical risks, the level of risk and vulnerability has been evaluated according to the location of the building and its characteristics. The output of the matrix for physical risks´ impacts is as follows:

Country	Region	City/Town	Climate driver	Risk	Severity	Probability	Level of impact	Adaptive capacity	Vulnerability
Spain	Galicia	Lugo	Chronic	Sea-level raise (coastal flooding)	M	L	L	M	L
				Heat waves	L	L	L	M	L
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
	Asturias	Oviedo	Chronic	Sea-level raise (coastal flooding)	M	L	L	M	L
				Heat waves	L	L	L	M	L
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
	Cantabria	Santander	Chronic	Sea-level raise (coastal flooding)	M	L	L	M	L
				Heat waves	L	L	L	M	L
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
	Vasque Country	Bilbao	Chronic	Sea-level raise (coastal flooding)	M	L	L	M	L
				Heat waves	L	M	M	M	M
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
	Navarra	Pamplona	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	L	L	L	H	L
				Raising GHG air concentration	L	M	L	M	L
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
	Castilla y León	Burgos	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	M	M	M	M
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	M	H	H	M	H
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
		Salamanca	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	L	H	M	L	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L
		Valladolid	Chronic	Sea-level raise (coastal flooding)	L	L	L	M	L
				Heat waves	M	M	M	M	M
				Raising GHG air concentration	L	M	L	M	L
			Acute	Droughts	M	H	H	M	H
				Flooding (precipitation-river flood)	M	M	M	L	M
				Strongs winds and hail	L	L	L	H	L

Country	Region	City/Town	Climate driver	Risk	Severity	Probability	Level of impact	Adaptive capacity	Vulnerability
Spain	Community of Madrid	Getafe	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
		Madrid	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
		Leganés	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
		Aranjuez	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
	Andalucía	Sevilla	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	M	M	M	M	M
				Strongs winds and hail	L	M	L	H	L
		Málaga	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
	Murcia region	Cartagena	Chronic	Sea-level raise (coastal flooding)	L	M	L	M	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
	La Rioja	Logroño	Chronic	Sea-level raise (coastal flooding)	L	L	L	H	L
				Heat waves	M	M	M	M	M
				Raising GHG air concentration	L	M	L	M	L
			Acute	Droughts	L	L	L	M	L
				Flooding (precipitation-river flood)	L	L	L	H	L
				Strongs winds and hail	L	L	L	H	L

Country	Region	City/Town	Climate driver	Risk	Severity	Probability	Level of impact	Adaptive capacity	Vulnerability
Spain	Catalonia	Barcelona	Chronic	Sea-level raise (coastal flooding)	L	M	L	M	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	M	M	M	M	M
				Strongs winds and hail	L	M	L	H	L
	Valencian community	Valencia	Chronic	Sea-level raise (coastal flooding)	L	M	L	M	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	M	M	M	M	M
				Strongs winds and hail	L	M	L	H	L
		Alicante	Chronic	Sea-level raise (coastal flooding)	L	M	L	M	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	H	H	H	L	H
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
	Aragón	Zaragoza	Chronic	Sea-level raise (coastal flooding)	L	L	L	M	L
				Heat waves	M	H	H	M	H
				Raising GHG air concentration	L	H	M	M	M
			Acute	Droughts	L	M	L	L	M
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L
Portugal	North region	Porto	Chronic	Sea-level raise (coastal flooding)	L	M	L	M	L
				Heat waves	M	M	M	H	M
				Raising GHG air concentration	M	M	M	M	M
			Acute	Droughts	M	M	M	M	M
				Flooding (precipitation-river flood)	L	L	L	M	L
				Strongs winds and hail	L	M	L	H	L

From the evaluation carried out, it has been possible to identify, by type of risk and by location, the probability of the physical climate risk happening and affecting the buildings, the severity with which this risk could affect the asset with the current characteristics and the magnitude of the impact that is the consequence of the two variables. The vulnerability could be obtained with the two variables: level of impact and adaptive capacity of the assets.

The analysis has revealed that there are four material risks for the ESACF portfolio, which have the following conclusions:

1) **Heat waves:** The Adaptecca´s 'visor de escenarios de cambio climático' tool for Spain and the 'Portal do Clima' tool for Portugal are the government official platforms that provide the most up-to-date climate projections for their respective countries. They show that, in a pessimistic scenario, higher temperatures and longer heat waves affect the central, southern, northeastern and eastern regions of the Iberian Peninsula. This affects the autonomous communities of Castilla y León, Madrid, Andalusia, Murcia, Catalonia, Valencia and Aragon.

According to the State Meteorological Agency (AEMET)[1], which reports to the Ministry for Ecological Transition and Demographic Challenge (MITECO), the average annual temperature in 2024 was 15.1 ºC across Spain, 1.1 ºC higher than the reference period 1991-2020. It was the third warmest year on record, behind 2022 and 2023, and was extremely hot. The 11 warmest years in Spain have been recorded in the 21st century. From 1961 to 2024, the average annual temperature in our country has risen by 1.69 ºC.

2) **Droughts:** To determine the magnitude of the impact on the risk of droughts for a pessimistic scenario, the water risk atlas Aqueduct tool shows that the risk of suffering periods of drought affect to the central, southern, northeastern and eastern regions of the Iberian Peninsula. This affects the autonomous communities of Castilla y León, Madrid, Andalusia, Murcia, Catalonia Valencia and Aragon.

   The Spanish Association of Public Water Supply and Sanitation Operators (AEOPAS)[2] highlights that around 100,000 inhabitants faced problems accessing drinking water, with supply cuts in areas such as the Priorat region (Catalonia), the Sevilla Sierra Sur and Malaga coast. The lack of resources, combined with overexploitation and contamination of groundwater, put local supply systems to the test, as they struggle to guarantee service.
   It also highlights the impact of climate change, with unprecedented high temperatures recorded during the summer of 2024. These thermal anomalies further exacerbate water management challenges. Despite efforts to maintain reserves, 49.5% of reservoir capacity remains insufficient to mitigate drought in critical areas, such as the eastern and southern regions.

3) **Flooding:** These risks take into account both coastal flooding and river flooding caused by precipitation, as shown in the matrix above. Taking into account the Spanish Geoportal tool, the Surging Seas Risk Zone Map and the exact location of the assets, it was found that two assets, located in the cities of Valladolid and Seville, are at risk of flooding within a 500-year period. Although the risk could be considered low, we recommend considering it as a medium-level impact. This is why these assets have been included in the proposed adaptation measures. Likewise, the asset in Barcelona has also been highlighted as being at medium risk of flooding, as it is very close to the 500-year period zone. Another asset in Valencia has also been identified as being at medium risk of flooding, as it has previously experienced minor flooding in the basement, as revealed in the Environmental Due Diligence Audit conducted in 2022. If it has not yet been implemented, we recommend following the technical prescription included in the Due Diligence.

   According to the State Meteorological Agency (AEMET), which reports to the Ministry for Ecological Transition and Demographic Challenge (MITECO)[3], Spain received 669.1 mm of rainfall in 2024. This was 105% of the average amount for the 1991–2020 period. This made it the 26th wettest year on record and the 10th wettest of the 21st century. While it was wet across most of the

[1] State Meteorological Agency (AEMET), May 2025. https://www.aemet.es/
[2] The Spanish Association of Public Water Supply and Sanitation Operators (AEOPAS). *Report on the drought situation.* 4th Quarter of the 2023-2024 hydrological year. https://www.aeopas.org
[3] Ministry for Ecological Transition and Demographic Challenge (MITECO), May 2025. https://www.miteco.gob.es

peninsula, the south-east experienced dry or very dry conditions.
During the last quarter of 2024, Spain was still experiencing a long-term drought that began in March 2023. However, it gradually lost intensity in the final months of the year.

The most adverse weather event of the year, and indeed of the last few decades, occurred at the end of October: torrential rains associated with a cold air mass caused major flooding in the province of Valencia on the 29th, affecting the regions of Andalusia and Castilla-La Mancha to a lesser extent. Other provinces on the Mediterranean coast were also affected. During this period, the Turís weather station in Valencia recorded 772 mm of rain in 24 hours, one of the highest levels ever recorded in Spain. Additionally, 185 mm accumulated in one hour, 621 mm in six hours, and 720 mm in 12 hours — the highest intensities ever measured in Spain during these time periods. The six- and 12-hour records were double the previous ones.[4]

4) **GHG air concentration**: the data published by MITECO has been collected from the Spanish System of Inventory and Projections of Emissions into the Atmosphere of greenhouse gases and atmospheric pollutants (SEI)[5]. Although projections foresee a reduction in greenhouse gases in 2030 compared to 2005, Greenhouse gases, which cause climate change, broke records at the Izaña Atmospheric Observatory in Tenerife, which is owned by AEMET. In 2024, the annual average concentration of carbon dioxide reached 424.3 parts per million (ppm), which is 3.4 ppm higher than the previous year. Since measurements began in 1984, CO_2 has increased at a rate of 2 ppm per year. For this reason, this risk has been assessed as material for all assets in the portfolio, and an adaptation measure has been proposed.[6]

In the case of transition risks, the level of risk has been evaluated at the Fund´s level.

The output of the matrix for transition risks´ impacts is as follows:

Climate driver	Risk	Severity	Probability	Level of impact	Adaptive capacity	Vulnerability
Policy and Legal	Increased climate policy and legislation	M	H	H	M	H
Technological risks	Unsuccessful investments in new technology	M	M	M	M	M
Market Risks	Uncertainty in market signals and investors demands	M	L	L	M	L
Reputation risks	Increased stakeholder concern or negative feedback	M	M	M	M	M

Markets in general, and particularly the real estate market, usually suffer significant impacts due to market fluctuations as a result of various factors such as economic crises, variations in interest rates and investors' appetite.

[4] Ministry for Ecological Transition and Demographic Challenge (MITECO), May 2025. https://www.miteco.gob.es
[5] Ministry for Ecological Transition and Demographic Challenge (MITECO). *Spanish System of Inventory and Projections of Emissions into the Atmosphere of greenhouse gases and atmospheric pollutants*. April 2025. https://www.miteco.gob.es
[6] Ministry for Ecological Transition and Demographic Challenge (MITECO), May 2025. https://www.miteco.gob.es

As seen in the matrix above, that ESACF's portfolio is exposed to a greater extent to medium-high-level transition impacts (that is, high severity or/and high probability of occurrence), specifically to the Policy and Legal risks together with technological and reputation risks.

The reasoning behind this analysis is due to the scenario chosen by the 1.5º-Orderly-Net Zero 2040 Fund. It is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies, innovation, and up-to date technologies, that assumes that ambitious climate policies are introduced immediately. It is the most demanding and strict climate-risk scenario. This means that the Fund needs to secure a fast reaction and adapt to all fast-moving changes.

3.2 Adaptation solutions

The Fund is already implementing strategies to adapt to climate change and mitigate any possible impact that climate change can deliver. The Fund promotes a variety of environmental and social characteristics, through some of the direct and indirect investments it makes related with long-term carbon reduction, lower energy use and/or reduce exposure to energy inefficient assets, and social and community infrastructure.

The Fund has established a series of targets that are associated with these characteristics and has the intention of monitoring a variety of sustainability indicators, including:

- Attainment of Net Zero Carbon Emissions by 2040
- Energy performance certificates
- Energy consumption / intensity
- 'WELL Health-Safety' rating for Facility Operations and Management

The performance of the above sustainability indicators will be tracked and reported on. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Fund and will be included in the Fund's mandatory periodic report. More information regarding these indicators and targets can be found in section 5. Metrics and Targets.

In addition to the strategies that the Fund has integrated, there are some measures that must be taken into consideration to reduce the possible impacts that the effects of climate change may generate on the Fund and its portfolio. These measures are, among others, a compilation of the measures detected, some of which may be already being implemented at this time:

3.2.1 Building adaptation solutions for each material physical risk detected:

This section presents the best practice solutions for adapting buildings to the material risks identified above, which impact buildings and their users. These solutions consider the location of every asset of the portfolio:

1. **Heat wave**

A heat wave is a prolonged period of extremely high temperature for a particular region. Across Europe, periods of high temperatures and heat waves will increase in intensity and duration due to climate change. This is anticipated to be more pronounced in cities, where large volumes of heat-absorbing materials and limited green spaces generate the urban heat island effect. For residents and occupants of buildings in both urban and rural areas, higher indoor temperatures can impact human health, well-being and productivity. Therefore, the main objective of the identified solutions for heat waves is to safeguard well-being and ensure thermal comfort for building users. It is important to note that these solutions also apply to high-temperature conditions in general, so they are not exclusively for heatwave events. The tables below show each proposed solution and the identified assets where they could be implemented:

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Insulation of envelope (walls, windows and roofs)**		
Description	High-quality insulation of the building envelope is crucial to delay heat gain of the building fabric during heat waves. However, it is important to ensure that thermal bridges are avoided. Thermal bridges typically occur where there is either a break in the insulation, less insulation or the insulation is penetrated by an element with a higher thermal conductivity. Thermal bridges should be avoided particularly around windows and at the junction between floors and walls. Design elements to tackle this may include cladding attachments. Not only do these reduce thermal bridging but also improve wall assembly thermal performance.		
Element	Walls, windows, roof		
Considerations	By implementing this solution, it also reduce energy demand and operational costs.		
Financial impact	~~€€€~~		
Technical difficulty	High. The process typically involves analysing the current state of the insulation in the building's façade and roofs. This analysis informs the decision regarding the rehabilitation of the entire building envelope. The rehabilitation may involve upgrading the insulation layer or adding an external thermal insulation composite system (ETICS) layer. The rehabilitation process typically involves the replacement of windows with energy-efficient alternatives. This can have a significant financial implication and require careful planning.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Leganés
			MiCampus Aranjuez
	Andalucía	Sevilla	MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Community of Valencia	Valencia	MiCampus Burjassot
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Exterior shading for windows**		
Description	Passive cooling is a measure that uses no energy to cool buildings. It involves solar -shading installations that reduce automatically or manually the amount of heat and light entering the building. Installations can include external window shutters and brise-soleil features above glazing. Additionally, window blinds can also be used inside the building but are not as effective in reducing thermal gain as the heat energy has already entered the internal space.		
Element	Windows		
Considerations	By implementing this solution, it also reduce energy demand and operational costs.		
Financial impact	€€		
Technical difficulty	Medium. The feasibility of implementing this solution is contingent on the technical characteristics of each building's façade. A technical analysis should be conducted to assess its viability.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
	Andalucía	Sevilla	MiCampus Armendariz
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Maldonado- Mercado Central
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Low solar-gain glazing windows**		
Description	Windows are the main entry point for sunrays and heat energy in the building. The glazing ratio, or the proportion of glazing to opaque surface in a wall (also known as window-to-wall ratio), should therefore be carefully considered to limit solar gain whilst still maintaining appropriate daylighting for well-being. It is possible to use low solar-gain glazing or smart glass that darkens and brightens automatically, controlling the penetration of the solar radiation. High-performance glazing should be a priority in retrofitting buildings (with the exception of heritage buildings where the windows could hold cultural value).		
Element	Windows		
Considerations	By implementing this solution, it also reduce energy demand and operational costs.		
Financial impact	€€		
Technical difficulty	Medium. The process typically involves analysing the current state of the installed windows and the energy demands that need to be reduced. This determines the type of windows that should be installed. The cost and technical difficulty depend on the size of the intervention and the building's specific characteristics.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Light-coloured and reflective materials**		
Description	Using a coating of light and white colours on the exterior walls and roofs of the building is a simple solution that can be used to reflect incoming sunlight and thereby avoid heating the building. Lighter colours reflect more of the sunlight and reduce the heat gained by building materials. Special surface coatings or materials using nano-technologies to create minuscule mirrors for sunlight can also help to reflect the energy and help maintain lower temperatures in the building and reduce the heat island effect.		
Element	Walls, roof		
Considerations	- Reduced energy demand and costs - Risk of glaring effects to the surroundings and the visual comfort of people		
Financial impact	€€		
Technical difficulty	Low. The feasibility of implementing this solution is contingent on the technical characteristics of each building's façade and its compliance with the urban planning requirements. A technical analysis should be conducted to assess its viability.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Leganés
	Community of Valencia	Valencia	MiCampus Galileo Galilei
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Salamanca	MiCampus Salamanca
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Photovoltaic (PV) installations on roof**		
Description	The installation of photovoltaic (PV) panels on roofs not only generates renewable electricity but also keeps the building shaded and cool. This solution offers important co-benefits for the reduction of greenhouse gas (GHG) emissions.		
Element	Roof		
Considerations	- Provision of clean energy source - Acts as a shading device - Can be coupled with green roofs		
Financial impact	€€		
Technical difficulty	Medium. In order to implement this solution, the building should have adequate space in the roofs for the panels, be free form shading and be technically possible. Additionally, the roof's orientation and slope, along with local weather conditions and the age of the roof, are important factors to consider, as it may need to be reinforced before the installation.		
Applicable assets per location	Andalucía	Sevilla	MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Community of Valencia	Valencia	MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Green roof**		
Description	Green roofs help lower the indoor temperature of buildings because soil has a high capacity for heat storage and foliage acts as a shading device that absorbs thermal energy through photosynthesis. The plants used on green roofs should be carefully selected to respect local species, have a positive impact on biodiversity and lower heat gain as much as possible. Plants like salvia and stachys are found to be particularly effective at lowering buildings' temperature. Moreover, evapo-transpiration of water from plants and soil can regulate the local microclimate, thus supporting adaptation efforts on a wider scale. Green roofs can also help reduce storm water runoff generated during heavy precipitation events, therefore offering benefits against multiple climate hazards.		
Element	Roof		
Considerations	- Higher embodied carbon due to additional load for roof structure - Benefits for biodiversity - Improved the efficiency of PV installations		
Financial impact	€€		
Technical difficulty	Medium. In order to install a green roof, a building must meet specific conditions related to structural integrity, waterproofing, drainage, and plant selection. The building's structure must be able to support the additional weight of the green roof system, including soil, plants and water. Proper waterproofing and drainage are essential to prevent leaks and waterlogging.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Heat wave**		
Climate driver	**Chronic risk**		
Adaptation solution	**Vegetation on exterior sun-exposed sides of the building to provide shading**		
Description	As part of the landscape, planting trees on the sides of buildings that are most exposed to sunlight during the day supports adaptation by offering protection from direct sunlight to the facades, and providing shade around the building. This solution can result in reduced heat absorption and heat radiation of the building's fabric, as well as the potential to reduce the urban heat island effect. This solution also offers co-benefits by supporting adaptation measures to waterrelated hazards and enhancing biodiversity.		
Element	Landscape		
Considerations	- Benefits for biodiversity - Reduced energy demand and costs - Risk of vegetation being uprooted during storms - If roots are too close they expose foundations to higher risk of subsidence		
Financial impact	€		
Technical difficulty	Low. The implementation of this measure will depend on the availability of free (non-built) public or private space right next to the buildings. Should the space be deemed to be public, authorisation would be granted by the relevant public authorities.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
	Andalucía	Sevilla	MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Castilla y León	Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

2. Drought

The European Drought Observatory defines a drought as the result from a shortfall in precipitation over an extended period of time. Rising temperatures, changing precipitation patterns and the overexploitation of water resources are expected to increase the frequency and magnitude of droughts throughout.

There are three main types of droughts:

• Meteorological drought: amount of rainfall received in an area is less than the average, based on the degree of rainfall deficit and the duration of the dry period;

• Hydrological drought; the impacts of a rainfall deficit on the water supply;

• Agricultural drought: the impact of a meteorological or hydrological drought on agriculture activities. Which does not affect to the ESACF activity.

A drought can lead to soil moisture deficit, which limits water availability for natural vegetation and can accelerate soil degradation. Droughts and their associated effects post several challenges to a building's structure and to building users. Drought-induced subsidence, water supply shortages, extreme heat- induced damage to building materials and increased fire risk all threaten the safety and comfort of building users.

Drought adaptation measures for buildings focus on reducing water consumption, installing rainwater harvesting and recycling grey water. The tables below show each proposed solution and the identified assets where they could be implemented:

Type of risk	Droughts		
Climate driver	**Acute risk**		
Adaptation solution	**Air-handling unit (AHU) condensate capture and reuse system**		
Description	An air-handling unit (AHU) condensate capture and reuse system can also conserve water and its proven to be highly effective. As air passes across cold cooling coils in an AHU, it condenses on the coils. The water will collect and drop to the drain pan below, which can then be reused in the building. In a condensate capturing system, AHU condensate that is typically discarded into the sanitary sewer system is directed to a central storage tank or basin and distributed for reuse. One common use for reclaimed condensate is cooling tower make-up water. Because condensate is clean and low in mineral content (it's essentially distilled water) and cooling tower water is treated, no additional pretreatment is required. Other uses for reclaimed condensate include irrigation, ornamental fountains and ponds, industrial process makeup, and toilet and urinal flushing.		
Element	Services		
Considerations	-		
Financial impact	€€		
Technical difficulty	Medium. Prior to the installation of an Air Handling Unit (AHU) condensate capture and reuse system, a technical feasibility analysis should be conducted for each building, as there are several factors that require careful consideration to ensure the effectiveness and suitability of the system for a specific building. These include local climate, building type and usage, the size and number of cooling systems, and the intended use for the recovered water.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Burgos	MiCampus Burgos-San Agustín
			MiCampus Burgos Centro
		Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Droughts**		
Climate driver	**Acute risk**		
Adaptation solution	**Recycling grey water system**		
Description	Greywater recycling systems can be considered an alternative water supply source for irrigation. A system can be installed that collects wastewater from showers, bathtubs and wash basins for use in toilets and washing machines, which then recycles it within the building for on-site use. Can provide additional water access during a period of water scarcity.		
Element	Services		
Considerations	Recycled water should be re-used on site where possible.		
Financial impact	€€€		
Technical difficulty	High. The installation of a greywater recycling system in an existing building requires careful consideration of several factors. To achieve this, it is essential to conduct a thorough technical analysis of the building. These include the building's plumbing layout, the type of greywater to be reused, available space for a treatment and storage system, potential health and environmental impacts, and compliance with local regulations. A less ambitious strategy that could be considered is the installation of a recycling grey water system. This system would enable the water to be recirculated within the same bathroom. For instance, the grey water from the shower and sink could be recycled directly into the toilet.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Burgos	MiCampus Burgos-San Agustín
			MiCampus Burgos Centro
		Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Droughts**		
Climate driver	**Acute risk**		
Adaptation solution	**Indoor water efficiency installation (Water-efficient fixtures and fittings)**		
Description	Improving water efficiency is key to adapting buildings to periods of drought. Installing water efficient and water-saving fixtures and fittings within the building can reduce household water consumption. Examples include: flow restrictors, delayed inlet valves and low-flush toilets. Additionally, regular checking and fast remediation of leakages is crucial.		
Element	Services		
Considerations	Requires regular checking and monitoring for leakages		
Financial impact	€		
Technical difficulty	Low. The Installing water efficient and water-saving fixtures and fittings within the building will have a low technical difficulty but it will need a thorough assessment of its existing water usage, plumbing system, and potential for water conservation		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Burgos	MiCampus Burgos-San Agustín
			MiCampus Burgos Centro
		Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	Droughts		
Climate driver	**Acute risk**		
Adaptation solution	**Onsite water storage that can supply water for 4-3 days**		
Description	Onsite water sources like storage tanks can be used to provide water for 3-4 days but the specific capacity and suitability depend on various factors including the size of the storage, water demand, and potential for replenishment. It needs to be sized appropriately for the expected water usage and potential recharge rates from rainfall or other sources. These systems, along with rainwater harvesting and other alternative water sources, can increase water resilience and potentially reduce reliance on centralized water systems.		
Element	Services		
Considerations	Consider the storage location to ensure it is protected from sunlight		
Financial impact	€€		
Technical difficulty	High. Prior to the installation of onsite water storage for 3-4 days of supply in an existing building, it is essential to consider the following factors: water usage needs, available space, structural integrity, water source, tank material and size, potential contaminants, and necessary plumbing modifications.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Burgos	MiCampus Burgos-San Agustín
			MiCampus Burgos Centro
		Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Droughts**		
Climate driver	**Acute risk**		
Adaptation solution	**Rainwater harvesting**		
Description	Long periods of drought result in water scarcity. Conservation and rainwater reuse are therefore vital actions, particularly in hot and arid climatic zones that are more susceptible to water shortages. Rainwater harvesting systems can help provide a continuous supply of water. Rain barrels, or cisterns, installed on the building's roof, collect rainwater and divert rainfall water into storage tanks. The system is a process of collecting, filtering, storing, and using rainwater to provide an alternative water supply. This can be used to irrigate gardens or other landscaping features, to maximize resource use. If building users do not use the collected rainwater, it can be slowly released to recharge the groundwater. This approach will avoid runoff and reduce flood risk. When installing a rainwater harvesting system, the risk of summer droughts should be taken into account when deciding the tank's location, size and material composition.		
Element	Roof		
Considerations	Consider the storage location to ensure it is protected from sunlight		
Financial impact	€€		
Technical difficulty	High. Prior to installing a rainwater harvesting system in an existing building, there are several key factors that require careful consideration. These include evaluating the roof's suitability, assessing the building's water needs, planning for storage, and ensuring proper filtration and maintenance. Furthermore, factors such as local regulations, space availability, and potential aesthetic impact should be given due consideration.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Burgos	MiCampus Burgos-San Agustín
			MiCampus Burgos Centro
		Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	Aragón	Zaragoza	NH Zaragoza

Type of risk	**Droughts**		
Climate driver	**Acute risk**		
Adaptation solution	**Nature-based solutions**		
Description	Nature-based solutions can protect, restore and create natural features that can reduce the impact of drought on a building. For example, drought impacts on existing green areas can be reduced by improving water retention and storage. Conventional green roofs and green areas can be susceptible to droughts when additional irrigation is not available, so appropriate species must be planted, such as drought-tolerant sedums (succulent plants)and grass, (due their shallow-roots and low water use).		
Element	Vegetation		
Considerations	- Select drought-tolerant species - Including vegetation in the building will improve the wellbeing of the inhabitants		
Financial impact	€		
Technical difficulty	Low.		
Applicable assets per location	Community of Madrid	Madrid	MiCampus Sinesio (Madrid)
			MiCampus Leganés
			MiCampus Aranjuez
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Armendariz
			MiCampus UPO
			MiCampus Bormujos
		Málaga	MiCampus Málaga
	Murcia region	Cartagena	MiCampus Cartagena
	Community of Valencia	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y León	Salamanca	MiCampus Salamanca
	Aragón	Zaragoza	NH Zaragoza

3. Flooding

Flooding may occur as an overflow of water from rivers (fluvial flooding) or as an accumulation of rainwater on saturated ground (pluvial flooding). An increased severity and frequency of floods is anticipated in Europe due to climate change.

Rising sea-level can cause coastal flooding, especially when combined with temporary events such as high tides or storm surges. About 75 % of European countries with a coastline plan for a sea-level rise, but 25 % do not. To protect against the growing risk of flooding, it is important to understand the impact and to take appropriate adaptation measures to building and their surroundings.

Buildings can be vulnerable to flooding, especially when located at the bottom of a slope or on low terrain, and in areas with low infiltration rates. Flooding impacts basements, ground floors, street level access to buildings and, in some cases even the entire structure.

As mentioned in the level of impact and vulnerability analysis, two assets, located in the cities of Valladolid and Seville, are at risk of flooding within a 500-year period. Although the risk could be considered low, we recommend considering it as a medium-level impact. This is why these assets have been included in the proposed adaptation measures. Likewise, the asset in Barcelona has also been highlighted as being at medium risk of flooding, as it is very close to the 500-year period zone. Another asset in Valencia has also been identified as being at medium risk of flooding, as it has previously experienced minor flooding in the basement, as revealed in the Environmental Due Diligence Audit conducted in 2022. If it has not yet been implemented, we recommend following the technical prescription included in the Due Diligence.

Although the level of impact detected is medium-low, it is recommended that some of the following measures be considered in order to be prepared in case of flooding. The final solution to be implemented should be the result of a thorough technical study of each building. The technical and financial implications of the solution will depend on the one selected.

The tables below show each proposed solution and the identified assets where they could be implemented:

Type of risk	Flooding		
Climate driver	**Acute risk**		
Adaptation solution	**Water resistant materials**		
Description	Flood resistant materials are materials that can withstand water for at least 72 hours, without significant damage. Examples include: • stone or concrete, for floors; • polyvinyl chloride (PVC), aluminium or steel, for interior joinery; • cold formed steel partitions; • polythene floor membranes or water-resistant floor finishes; • glass, metal, ceramic and some types of plastic, for other interior finishes; • water resistant insulation such as expanded polystyrene (EPS) and extruded polystyrene (XPS) rigid foam panels, can be used an alternative to mineral wool. If the building is designed to be resistant to short-duration flooding, for example if the basement is intended to be used for non-essential functions only (such as parking or storage), the outer walls and floors can be lined with water-resistant concrete to improve flood resilience. For the outer envelope of the building, it is recommended to waterproof the walls (from the inside for the above-ground parts and from the outside for the buried parts) using, for example, a plaster-based coating or water-repellent mortar.		
Element	Walls, materials		
Considerations	- Possible decrease in breathability - Risk of carbon emissions from intensive materials		
Financial impact	€€		
Technical difficulty	High. A previous technical analysis should be developed to determine whether the materials already on site are water resistant. The technical and financial implications will depend on the scope of the renovation.		
Applicable assets per location	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
	Community of Valencia	Valencia	MiCampus Galileo Galilei
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y león	Valladolid	NH Valladolid

Type of risk	Flooding		
Climate driver	**Acute risk**		
Adaptation solution	**Permanent flood barrier (automatic barriers, flood walls, retractable barriers)**		
Description	Flood barriers can also be installed in a permanent manner. These can be appropriate for windows and doors that are below a floodplain and are therefore the first to flood in the case of high water. These can include automatic flood defence barriers that rise up when needed, flood walls, and retractable flood barriers. Regular maintenance will be necessary to ensure the barrier is ready for deployment when a flood occurs. Within this solution it could also be consider temporary flood barriers such as flood shields, sand bags, deployable and inflatable barriers.		
Element	Windows and doors		
Considerations	-		
Financial impact	€€		
Technical difficulty	Medium. Although the level of impact detected is medium-low, it is recommended that some measures such as flood barriers be considered in order to be prepared in case of flooding. The correct solution to be implemented should be the result of a thorough technical study of each building. The technical and financial implications of the solution will depend on the one selected.		
Applicable assets per location	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
	Community of Valencia	Valencia	MiCampus Galileo Galilei
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y león	Valladolid	NH Valladolid

Type of risk	Flooding		
Climate driver	**Acute risk**		
Adaptation solution	**Water-resistant insulation:expanded polystyrene-EPS-and extruded polystyrene-XPS**		
Description	Water resistant insulation such as expanded polystyrene (EPS) and extruded polystyrene (XPS) rigid foam panels, can be used an alternative to mineral wool. If the building is designed to be resistant to short-duration flooding, for example if the basement is intended to be used for non-essential functions only (such as parking or storage), the outer walls and floors can be lined with water-resistant concrete to improve flood resilience.		
Element	Materials		
Considerations	Reduction in energy demand		
Financial impact	€€		
Technical difficulty	Medium. A previous technical analysis should be developed to determine whether the materials already on site are water resistant. The technical and financial implications will depend on the scope of the renovation.		
Applicable assets per location	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
	Community of Valencia	Valencia	MiCampus Galileo Galilei
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y león	Valladolid	NH Valladolid

Type of risk	Flooding		
Climate driver	**Acute risk**		
Adaptation solution	**Organization of uses in the building**		
Description	Given the increased risk of flooding due to climate change, it is essential to protect the building's facilities. To mitigate potential damage: - Restrict potentially polluting activities on lower floors to prevent the release of hazardous substances during flooding events. If relocation is not feasible, ensure these areas are properly sealed and insulated to contain any contaminants. - Elevate critical infrastructure and essential building systems (e.g., electrical panels, HVAC units, emergency generators) on plinths or raised platforms above projected flood levels to maintain operational continuity during flood events.		
Element	Foundations		
Considerations	-		
Financial impact	€		
Technical difficulty	High. In the case of existing buildings, a complete reorganisation of the infrastructure and essential systems is not a viable option. In order to ensure operational continuity in the event of a flood, it is essential that these areas are properly sealed, insulated to contain any contaminants and elevated from the ground. The technical and financial implications will depend on the scope of the works.		
Applicable assets per location	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
	Community of Valencia	Valencia	MiCampus Galileo Galilei
	Catalonia	Barcelona	MiCampus Barcelona
	Castilla y león	Valladolid	NH Valladolid

4. GHG air concentration

Air pollution is contamination of the indoor or outdoor environment by any chemical, physical or biological agent that modifies the natural characteristics of the atmosphere.

Household combustion devices, motor vehicles, industrial facilities and forest fires are common sources of air pollution. Pollutants of major public health concern include particulate matter, carbon monoxide, ozone, nitrogen dioxide and sulphur dioxide. Outdoor and indoor air pollution cause respiratory and other diseases and are important sources of morbidity and mortality.

WHO data show that almost all the global population (99%) breathe air that exceeds WHO guideline limits and contains high levels of pollutants, with low- and middle-income countries suffering from the highest exposures.

Air quality is closely linked to the earth's climate and ecosystems globally. Many of the drivers of air pollution (i.e. combustion of fossil fuels) are also sources of greenhouse gas emissions. Policies to reduce air pollution, therefore, offer a win-win strategy for both climate and health, lowering the burden of disease attributable to air pollution, as well as contributing to the near- and long-term mitigation of climate change.

This risk is considered material for all assets in the portfolio, and an adaptation measure has been proposed for all of them, as shown in the table below:

Type of risk	**GHG concentration in the air**		
Climate driver	**Chronic risk**		
Adaptation solution	**Air quality control**		
Description	Utilize CO (ppm) and CO2 (ppm) measurement units to monitor air quality, with deviations indicated in accordance with RITE values and INSH indoor air quality guidelines. These units should be monitored through the BMS, with the implementation of automatic primary air inlet regulation based on the monitored values. In order to ensure that polluted air does not enter the building, it is recommended that air filters be installed as part of this solution.		
Element	Services		
Considerations	-		
Financial impact	€		
Technical difficulty	Medium. The technical complexity of implementing this solution in existing buildings will depend on several factors. Firstly, if the building is equipped with a Building Management System (BMS), it will need to be assessed to determine the feasibility of incorporating air quality measurement. Additionally, the presence of air filters will need to be identified.		
Applicable assets per location	Galicia	Lugo	MiCampus Lugo
	Asturias	Oviedo	MiCampus Oviedo
	Cantabria	Santander	MiCampus Santander
	País Vasco	Bilbao	MiCampus Bilbao
			MiCampus Bilbao- San Mamés
	Navarra	Pamplona	MiCampus Pamplona
	Castilla y León	Burgos	MiCampus Burgos-San Agustín
			MiCampus Burgos Centro
		Salamanca	MiCampus Salamanca
		Valladolid	NH Valladolid
	La Rioja	Logroño	MiCampus Logroño
	Comunidad de Madrid	Getafe	MiCampus Getafe
			MiCampus Getafe Flats
			MiCampus Getafe II
		Leganés	MiCampus Leganés
		Aranjuez	MiCampus Aranjuez
		Madrid	MiCampus Sinesio (Madrid)
			MiCampus Tovar 14 (Fuencarral 6)
			MiCampus Xaudaró 20 (Fuencarral 3)
			MiCampus Xaudaró 13 (Fuencarral 2)
			MiCampus Sancha 10 (Fuencarral 5)
			MiCampus Sancha 6 (Fuencarral 4)
			MiCampus Getafe II
			Micampus Salcedo 7 (Fuencarral 7)
			Micampus Foronda 7 (Fuencarral 8)
			Micampus Lezama 14 (Fuencarral 10)
			Micampus Ronde de Poniente 18
	Andalucía	Sevilla	MiCampus Estanislao
			MiCampus Armendariz
			MiCampus Bormujos
			MiCampus UPO
		Málaga	MiCampus Málaga
	Región de Murcia	Cartagena	MiCampus Cartagena
	Comunidad Valenciana	Valencia	MiCampus Galileo Galilei
			MiCampus Cortes Valencianas
			MiCampus Burjassot
			MiCampus Burjassot 2
			MiCampus Maldonado- Mercado Central
		Alicante	MiCampus Alicante
			Micampus Alicante II
	Cataluña	Barcelona	MiCampus Barcelona
	Aragón	Zaragoza	NH Zaragoza
	North region	Porto	MiCampus Porto Tower (Porto I)
			MiCampus Asprela (Porto II)

Note that this report presents a portfolio-level climate risk assessment intended to support strategic decision-making. While it outlines potential adaptation measures applicable across the asset base, it does not include detailed technical audits of individual buildings. Therefore, prior to implementation, it is recommended that asset-specific technical evaluations be conducted to verify the feasibility and suitability of the proposed solutions, taking into account the unique characteristics of each building and its location.

3.2.2 Solutions for each transition risks detected:

The following tables show the proposed solution to the transition risks that have been identified as material for the fund:

Type of risk	**Increased climate policy and legislation**
Description	Legislation focused on climate change that can lead to higher operating costs. For example, climate risk disclosure obligations or alignment with the EU Taxonomy, CO2 prices, carbon credits, among others
Climate driver	**Policy and Legal**
Potential impacts	Increasing operating costs (i.e gas, electricity, etc)
	Write-offs, asset impairment and early disposal of existing assets as not compliant with the Private Placement Memorandum, local regulations, etc.
	Reduction of investor returns for “out to date” real estate assets
	Reduction of investor appetite in art.6 funds.
	Reduction of rental income due to tenant’s appetite in “out to date” student housing.
Solutions	Implementation of the strategic decarbonization plan aligned with SBTi to reduce the carbon footprint with the committed to become NET ZERO by 2040.
	On-site production of renewable energy
	Implementation of measures to reduce energy consumption
	Seek alliances with partners and suppliers with a medium-long term scope, which allows maintaining the current standards and performance of the portfolio for a longer period of time.
	Continuous commercial attention to tenants' needs can enable the early activation of strategies that mitigate this impact, such as building readjustments to meet new technological needs, among other approaches.
	Collaborate with external sustainability teams specialized in the sector to achieve objectives.
	Maintain an active commitment to staying updated on new regulations and emerging initiatives that can enhance sustainability performance.
	Maintain close contact with suppliers to stay ahead of any changing trends
	Expand the mechanisms for listening to stakeholders, through materiality assessment and surveys, to learn about the new demands of stakeholders, and to be able to work on improvement strategies that meet the new needs of the market.
	Focus on operational excellence techniques that protect against potential future decreases in cost-effectiveness.
	Integrate sustainability as a cross-cutting factor for all employees of Micampus and the fund, ensuring that all team decisions consider sustainability.
	Continue to support the development of industry legislation, complete horizon scanning to stay ahead of future policy changes and ensure contracts and insurance policies reduce our exposure to risk.

Type of risk	Unsuccessful investments in new technology
Description	Unsuccessful investments in technological advances in renewable energy, energy storage, energy efficiency and carbon capture and storage to aid in the transition to a low-carbon economy could render the Fund's current systems obsolete.
Climate driver	**Technology**
Potential impacts	Research and development (R&D) expenditures in new and alternative technologies (i.e digitalization)
	Capital investments in technology development (i.e digitalization)
	Costs to adopt/deploy new practices and processes
Solutions	Prioritize technological updates. Continue investing in new technologies and enhancing skills to transform building and operational practices
	Establish regulatory prospecting programs to anticipate, to the extent possible, new requirements.
	Digitalization of portfolio. Collaboration with new platforms and suppliers that allow the digitization of Micampus's internal processes.

Type of risk	Uncertainty in market signals and investors demands
Description	Uncertainty in market signals. Market decisions can affect demand as investors preferences, energy prices, and asset revaluation change. Uncertainty in investors' appetite towards investing in the Fund
Climate driver	**Market**
Potential impacts	Reduced demand for real estate assets due to shift in investor preferences
	Abrupt and unexpected shifts in energy costs
	Re-pricing of assets and portfolio
	Lower valuations appraisals
Solutions	Implementation of the strategic decarbonization plan aligned with SBTi to reduce the carbon footprint with the committed to become NET ZERO by 2040.
	On-site production of renewable energy
	Implementation of measures to reduce energy consumption
	Seek alliances with partners and suppliers with a medium-long term scope, which allows maintaining the current standards and performance of the portfolio for a longer period of time.
	Continuous commercial attention to tenants' needs can enable the early activation of strategies that mitigate this impact, such as building readjustments to meet new technological needs,
	Collaborate with external sustainability teams specialized in the sector to achieve objectives.
	Maintain an active commitment to staying updated on new regulations and emerging initiatives that can enhance sustainability performance.
	Maintain close contact with suppliers to stay ahead of any changing trends
	Expand the mechanisms for listening to stakeholders, through materiality assessment and surveys, to learn about the new demands of stakeholders, and to be able to work on improvement strategies that meet the new needs of the market.

Type of risk	Increased stakeholder concern or negative feedback.
Description	The Fund's, Investment Adviser's and GP reputation can be affected due to failure to comply with the Private Placement Memorandum, new regulations (SFDR, EU taxonomy) or poor environmental performance (for example, having a high carbon footprint).
Climate driver	**Reputation**
Potential impacts	Incapability of successfully fund raising.
	Reduction of investor appetite for such for the marketed Funds
	Reduction of management fee income as a consequence of the above
Solutions	Continuous commercial attention to tenants' needs can enable the early activation of strategies that mitigate this impact, such as building readjustments to meet new technological needs, among other approaches.
	Collaborate with external sustainability teams specialized in the sector to achieve objectives.
	Maintain an active commitment to staying updated on new regulations and emerging initiatives that can enhance sustainability performance.
	Maintain close contact with suppliers to stay ahead of any changing trends
	Expand the mechanisms for listening to stakeholders, through materiality assessment and surveys, to learn about the new demands of stakeholders, and to be able to work on
	Accessing incentives and subsidies. Governments and organizations frequently offer financial incentives, subsidies, or tax breaks to companies adopting climate-friendly practices.
	Enhancing brand reputation and customer loyalty. Proactively addressing climate change can improve a fund's brand reputation.
	Risk mitigation and insurance cost reduction.
	Accessing financing and green investments. Many financial institutions and investors prioritize environmentally responsible companies.
	Maintain an active commitment to staying updated on new regulations and emerging initiatives that can enhance sustainability performance.

It's important to note that the financial benefits of climate change adaptation may vary depending on factors such as location, size, and specific adaptation solution that are already being implemented by the Fund.

3.3 European Student Accommodation Core Fund risk management

With the best talent and network around the world, the Fund uses a thematic investment strategy and distinctive value creation approach to future-proof companies, "creating superior returns to our investors and making a positive impact with everything we do"

Since the incorporation of the Fund, responsible ownership has been a constant. As long-term investor, the Fund is ideally placed to influence corporate behaviour. At a time when the typical holding period of an investment can be measured in years or even months, its aim to support niche asset classes throughout the investment cycle gives it great credibility with the management of those assets, particularly in the Student Housing Accommodation Sector.

The Fund takes a long-term approach towards everything it manages, ensure an alignment of interests with its investors and foster collaboration across the Fund to optimize its performance.

The Fund´s DNA is based on: (i) a disciplined, bottom-up forensic underwriting with prudent use of leverage, (ii) a focus on supply-constrained and recession-resistant sectors, and (iii) expert management of institutional / core-like products and execution

of value-add strategies and (iv) integration of ESG factors in the entire investment cycle. Indeed, ESG is an important consideration in the investment and asset management processes as well as the in the provision of investment advice.

The Fund´s goal is to achieve the best possible risk-adjusted returns for its investors, considering all factors that go beyond the investment performance, and which affect the people and the environment. It is the Fund´s conviction that climate risk has become an investment risk, and that integrating climate and sustainability considerations into the investment decision process will enable the Fund build more resilient portfolios and achieve the before mentioned long-term, risk adjusted returns.

3.4 Integration of climate risks

The Fund´s investment approach

As previously mentioned, the GP and AIFM oversee that the Investment advisor tailors its ESG due diligence to each investment and create post-investment remediation plans for material ESG considerations. For all potential investments, internal and external experts, and a variety of ESG frameworks are used to identify material ESG factors.

This analysis includes everything from ensuring environmental, legal and regulatory compliance to the identification of opportunities to add value or mitigate risk in the Fund´s portfolio. Its investment teams ensure (among others) that an ESG due diligence guidelines has been carried out.

ESG is integrated into all aspects of investment decision-making and ongoing portfolio management, including portfolio construction, financial models and business plans, investment valuations, monitoring portfolio performance and engaging with their management teams of counterparties (e.g. the Lessees). This includes (but is not limited to) incorporating climate change into its long-term capital market assumptions (expected returns) and stress testing the impact of historic and forward-looking scenarios (including climate and other systemic risks) to help balance risk while working to meet return objectives.

The investment advisor then provides a detailed memorandum to the Investment Committee outlining the merits of the transaction and disclosures relating to risks, including material ESG issues, and potential mitigation strategies. All investments made by the GP on behalf of the Fund must be approved by the AIFM's Investment Committee and must incorporate ESG matters into their evaluation.

Upon an asset acquisition, the Fund creates a tailored integration plan to ensure that all material matters, including ESG risks and opportunities. ESG risks and opportunities are actively managed by the lessor with guidance from its in-house investment teams, primarily through representation on oversight bodies where all financial, operational, and strategic elements of the business are reported, considered, and where appropriate, approved. This allows us to draw on local expertise, which provides valuable insight given the wide range of asset types and locations in which we invest. Certain key performance indicators are reported regularly to the applicable reporting line or other oversight body.

The risk management practices implemented by its third party AIFM are actively monitored by the GP and complement its investment approach and explicitly include ESG-related matters. We ensure that active management of all material financial and operational risks, including ESG risks, are reflected in risk management programs of its portfolio of assets and are monitored as part of its overall risk management profile.

Having defined the type(s) of positive and negative impacts that may result from investments and chosen metrics to track their progress, it is important to articulate the approaches through which investment teams will manage that impact. This includes mitigating negative impacts and enhancing positive ones. The traditional responsible investing spectrum that starts with ESG exclusions and ends with impact investing.

Managing for impact is different from measuring impact. It is not the amount of impact created or avoided that is important. What matters is the way in which impact is

integrated and managed in the investment process and the degree to which impact is systematically considered alongside other fundamental drivers. For ESG integration strategies, impact may be considered only if material to investment performance and to mitigate risk, while impact investing approaches consider impact systematically alongside financial performance with the goal of maximizing both.

Policies and guidance

For the Fund, ensuring that the implications of the climate risks and opportunities are considered within the Fund's strategy is essential to achieve its goals. Among others, the Investment Adviser has established a Responsible Investment Policy for the Fund which sets long-term ESG objectives and defines clear short and medium-term milestones for achieving these long-term ESG objectives.

The Fund has approved the following policies that considers ESG factors:

- "Responsible Investment Policy" that also includes "ESG integration", "Energy policy" and "Exclusion policy".

- "Employee handbook"

- "Whistle-blower Policy"

- "Anti-Bribery and Corruption Program"

- "Conflicts of interest"

- "Code of Conduct"

- "Remuneration policy"

- "ESG Positive work environment"

- "Paris Alignment statement"

- "Modern Slavery Statement"

- "Non-discrimination Anti-Harassment Policy"

- "Affordable Housing Policy"

4. Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

4.1 Sustainability highlights and achievements

The Fund has embedded its core ESG principles in all activities directly undertaken across the business. This includes deploying its operating capabilities in ensuring that its investment and portfolio oversight activities address ESG considerations, that its governance and compliance activities are effective to the Fund, that it provides information on ESG activities to its investors and increasingly provide investment opportunities that enable its investors to achieve their own ESG investment objectives.

Each of its real estate assets have its own ESG considerations that reflect specific business requirements or is under the process of stablishing such considerations. As part of the Fund´s role as owners of businesses, it expects “MiCampus Living” to implement strong ESG practices that are aligned with its principles and strategy while being suitable and responsive to their business requirements. The Fund approach in each case reflects the nature of the asset or business, and how it owned it, although the objectives in each case reflect a responsible approach to the relevant ESG considerations.

In most cases, the Fund invests in ways that allow it to have a degree of influence or control over the asset or business, known as “control positions.” This enables it to bring its experience and influence on bear, including on ESG matters. The Fund monitors and support the efforts of its portfolio companies through board oversight, policy guidance, ongoing reporting and other mechanisms.

In summary, the Fund aims to create sustainable value and impact by acting responsibly while aligning the interest of its investors, stakeholders and employees. The Fund´s focus on stakeholder alignment, long-term horizon and fostering a collaborative culture are foundational to its achieving superior results. It believes that doing the right thing for its people, the environment and its communities lead to better results for all its stakeholders.

The Fund strives to embed environmental, social, governance and resilience (ESG) best practices throughout its real estate investment, asset management, risk management and talent management processes.

The Fund has recognized that its business activities have a wide-ranging social, environmental and economic impact. By being at the forefront of identifying and influencing the drivers of change and shaping its investment strategies accordingly, it will continue to deliver strong returns to its investors in the long term and support creation of positive environmental and social outcomes.

The Fund´s approach enables it to acquire and safeguard future-proof its assets, ensuring they have enduring appeal as homes, leisure destinations and workplaces

among others. In order to deliver back to the society part of its benefits the Fund focused on 3 different areas:

1. Environmental excellence: Driving environmental improvements at its assets reduce operating costs, carbon emissions and the use of natural resources. This helps attract and retain occupiers and ensure that it appropriately manages environmental risk.

2. Socio-economic benefit: Ensuring socio-economic outcomes by being an active participant in communities. Creating high quality places, aligned with their surroundings, driving economic growth and supporting employment opportunities and skill development.

3. Smart and connected: In today´s digitalized world, smart and digital infrastructure is crucial to the competitiveness and success of countries, cities and buildings as well positively impacting inhabitants. Understanding the changes in connectivity and new solutions to new challenges means that it will more effectively identify investment opportunities.

The GP, AIFM and Investment Advisor consider key that sustainability considerations are incorporated as an integral part of the decision making. Therefore, the Fund's strategy integrates climate-related risks and opportunities with the aim of achieving greater resilience and sustainability.

The Fund has focused its efforts in acquiring spaces that include sustainable criteria in their design (for new build) and in those cases where the assets are operational, the Fund has committed to develop measures and apply improvements to reduce the energy consumption, intensity and footprint, promoting, among others the installation of photovoltaic panels, replacement of conventional gas boilers for aerothermal systems or acquire green sourced energy among others to significantly contribute to a reduction of the Scope 2 carbon footprint of the assets leased to Micampus Living.

4.2 Disclosure of energy consumption

The energy consumption figures presented in the tables below align with the period from 1 January to 31 December for the years 2022, 2023 and 2024, for the portfolio of assets managed by MiCampus that were in operation throughout each full year. The 2022 data is regarded as the baseline year and serves as a reference point for the Fund to track emissions over time (see section 4.4).

Consumption type kWh	2022	2023	2024
Electricity consumption	10.245.176,59	10.752.014,00	15.905.285
Natural gas consumption	5.547.380,80	4.060.870,00	3.354.240,36
Diesel fuel consumption	24.920,00	28.355,00	0

Renewable energy kWh	2022	2023	2024
District Heating and Cooling		-	414.120,00
Renewable energy		1.657.961,83	1.125.591,78

Methodology and assumptions for energy consumption:

The accuracy of the electricity consumption data collected via the Deepki platform and billed by the marketing companies is assumed.

Due to the unavailability of some billing data for certain electricity and natural gas supplies, consumption values have been estimated where necessary.

For the majority of the portfolio, electricity consumption data was sourced from the Deepki platform. In many cases, the electricity bill for the final month of the year was not available at the time of calculation, so estimates were used. It is noteworthy that the assets Salcedo 7, Foronda 7, Lezama 14, Ronda de Poniente 18, and Alicante II did not record electricity consumption until August or September, as they only became operational during those months.

Regarding natural gas, 19 residences in the portfolio reported consumption, with the Deepki platform again serving as the primary data source. As with electricity, gas consumption was not registered by Alicante II and Foronda 7 until September, due to their later operational start dates.

With regard to fuel consumption, only one asset, Pamplona, used diesel in previous years. However, no fuel consumption has been recorded since 2024, as the system requiring diesel has been decommissioned.

4.3 Disclosure of water consumption

The energy consumption figures presented in the tables below align with the period from 1 January to 31 December for the years 2022, 2023 and 2024, for the portfolio of assets managed by MiCampus that were in operation throughout each full year. The 2022 data is regarded as the baseline year and serves as a reference point for the Fund to track emissions over time (see section 4.4).

Consumption type m^3	**2022**	**2023**	**2024**
Water consumption	166.470,36	139.663,00	298.382,51

Methodology and assumptions for water consumption:

The accuracy of the electricity consumption data collected via the Deepki platform and billed by the marketing companies is assumed.

Due to the unavailability of billing data for certain water supplies, consumption values have been estimated where necessary.

For residential water consumption data, the primary source was the Deepki platform, with additional information from invoices provided by Micampus. In most cases, consumption for habitable zones and ICP is recorded separately. It should be noted that Alicante II did not register water consumption until September, as it became operational that month. Due to issues such as system incidents and missing invoices, estimations were required for 16 assets, as well as for two months of data for the Madrid Head Office.

4.4 Disclosure of GHG *emissions*

Disclosure of GHG emissions is crucial to understand the exposure to climate-related risks. Disclosure of both absolute emissions across the Fund´s activity organization and relevant emissions intensity provides insight into how a given organization may be affected by policy, regulatory, market, and technology responses to limit climate change.

The period that has been considered for the carbon footprint calculations figures presented in the tables below align with the period from 1 January to 31 December for the years 2022, 2023 and 2024, for the portfolio of assets managed by MiCampus that were in operation throughout each full year. The 2022 data is regarded as the baseline year and serves as a reference point for the Fund to track emissions over time.

The total value of Micampus' emissions in fiscal year 2024 is 4.398.352,61 kgCO2e, of which 795.047,19 kgCO2e correspond to direct emissions (Scope 1), specifically due to the consumption of natural gas and the leak of refrigerant gas from one asset, and 1.607.009,52 kgCO2e correspond to indirect emissions from the generation of the electricity consumed (Scope 2). In addition, 1.996.295,90 kgCO2e correspond to

indirect emissions from the Micampus value chain (Scope 3). It should be noted that these calculations have been made using the "location-based" methodology.

For each source, in this case direct emissions, CO2, N2O and CH4 emissions have been taken into account. Taking into consideration the emission factors of natural gas, taken from the "June 2024 Report – Ministry of Ecological Transition: "Emission factors - Carbon footprint registration, compensation and carbon dioxide absorption projects", it indicates a value of 0.0182 kg CO2/kWh, 0.000016 kg CH4/kWh and 0.0 kg N2O/kWh.

Therefore, N2O emissions are 0. For methane (CH4), being such a small value (0.000016), it can be considered null. That said, it can be deduced that the emission factor for natural gas is 0.182 kg/kWh of CO2 equivalent. For the remaining categories, there are only CO2 emissions.

The following table shows the detailed breakdown of carbon footprint emissions for 2024, by type of asset or activity:

			Activity	***Unit***	**Location-based**
Direct emissions (TnCO2e)	**SCOPE 1**	**CATEGORY 1**	*Refrigerant gas*	*tCO2e*	32,26
			Natural gas	*tCO2e*	762,79
			Gasoil	*tCO2e*	0,00
		TOTAL S1		***tCO2e***	**795,05**
Indirect emissions (TnCO2e)	**SCOPE 2**	**CATEGORY 2**	*Purchased energy*	*tCO2e*	1.597,15
			District heating & cooling	*tCO2e*	9,86
		TOTAL S2		***tCO2e***	**1.607,01**
	SCOPE 3	**CATEGORY 3**	*Business travel*	*tCO2e*	72,06
		CATEGORY 4	*Water consumption*	*tCO2e*	114,88
			Waste	*tCO2e*	1.784,17
		CATEGORY 5	*Indirect energy consumption*	*tCO2e*	25,19
		TOTAL S3		***tCO2e***	**1.996,30**
SCOPE 1 + 2				***tCO2e***	**2.402,06**
TOTAL (SCOPE 1 + 2 + 3)				***tCO2e***	**4.398,35**

The tables below highlight the difference in CO2e emissions considering the previous year and the base year of 2022. The emissions compared in this chapter were calculated using the location-based methodology in order to be aligned with SBTi:

1) **Absolute values comparison**

	2022 Results (TnCO2e)	2023 Results (TnCO2e)	Evolution 22-23 (%)	2024 Results (TnCO2e)	Evolution 22-24 (%)
SCOPE 1	1.077	825	**-23%**	795	**-26%**
SCOPE 2	1.663	1.853	**11%**	1.607	**-3%**
SC 1 + 2	2.741	2.678	**-2%**	2.402	**-12%**

Despite an overall increase in Micampus' portfolio of 30%, absolute emissions (scope 1+2) decreased by 12% from the baseline year. The reduction can be attributed to a number of factors. Firstly, there has been a decrease in natural gas consumption. Secondly, gas oil use has been eliminated this year. Thirdly, the emission factor of electricity from the grid in Spain has decreased annually due to the introduction of renewable energies.

To assess the change more accurately due to the acquisition of new assets, the focus should be on the graph below, which reflects emission intensity, showing a higher decrease of 33%.

2) **Intensity- based metrics comparison:**

	2022 Results (kgCO2e/m2)	2023 Results (kgCO2e/m2)	Evolution 22-23 (%)	2024 Results (kgCO2e/m2)	Evolution 22-24 (%)
SCOPE 1	5,54	3,67	**-34%**	3,14	**-43%**
SCOPE 2	8,55	8,23	**-4%**	6,34	**-26%**
SC 1 + 2	14,09	11,90	**-16%**	9,48	**-33%**

Methodology and assumptions for GHG emissions

1- Scope

The activities considered in the carbon footprint calculation fall within the limits of those carried out in the offices (management and administration) and in the organization's portfolio of assets. Construction and renovation activities conducted by external organizations are not included in the calculation. The organization accounts for all greenhouse gas (GHG) emissions and absorptions from facilities over which it has operational control.

“MiCampus Living” has operational control with certain restrictions on the activities mentioned above. The carbon footprint calculation is performed with the following scope:

• Scope 1: Direct GHG emissions from Natural gas and refrigerant gas leaks only.

• Scope 2: Indirect GHG emissions associated with the purchased electricity and DH/DC only.

• Scope 3: Indirect GHG emissions from the organization's value chain, which includes business trips (hotel stays and transportation by plane, train, car, and bus), water consumption, generation of waste in operation, and energy of an asset under indirect control.

2- Base line year

The fiscal year 2022 has been selected as the base year because it is the first year that Micampus counts with a complete, verifiable, and available GHG inventory, with dates corresponding to the calendar year between January and December. This base year will be reviewed and recalculated in the event of a structural change in reporting or organizational boundaries, a change in calculation methodologies, or the discovery of substantial error(s).

In subsequent years, if a new reporting category is added to any of the Scopes and any of the changes represent more than 10% of the total carbon footprint, then the base year must be recalculated.

The accuracy and representativeness of this base year will be re-evaluated each year.

3- Methodology

The calculation methodology used in the carbon footprint calculation is compatible with the international standard EN ISO 14064-1:2019 and the GHG Protocol Corporate Accounting and Reporting Standard.

4.5 Targets used by the organisation to manage climate related risks and opportunities and performance against targets

The Fund believes that climate change poses a serious threat and that addressing the climate crisis is integral to building resilient businesses. Its key areas of focus currently are:

1. Measuring GHG emissions to better manage the implications
2. Accelerating the transition to clean energy
3. Prioritizing the transformation and management of green buildings

Within its business the Fund continues to prioritize the investment in, and development of, energy and operational efficiency, which adds value to its business and tenants. It has begun to actively measure water and waste within its offices as well as several of the businesses and assets that it manages. The Fund believes that businesses that operate responsibly regarding water use and waste will be more sustainable over the long term.

The Fund through the GP recognises the importance of the identification, assessment, and management of climate-related risks, as well as its integration into the risk management processes, reflected in this document. In this respect, the Fund intends to promote environmental and social characteristics on 100% of its investments, primarily by means of three targeted aspects, being:

- Long-term carbon reduction
- Lower energy use / Reduce exposure to energy inefficient assets
- Social and community infrastructure

The Fund's pre-contractual SFDR disclosure (Annex II) outlines in more detail the sustainability indicators and ESG roadmap/ targets. These sustainability indicators will be used to measure the attainment of each of the environmental and social characteristics promoted by the Fund and will be included in the Fund's mandatory periodic report. Data are derived from multiple external sources such as energy provider, Lessor, and technical audit.

As part of the Fund's ESG strategy and in alignment with the net-zero pathway set for 2040, the Board of Directors of SPI General Partner S.a.r.l. has adopted an energy policy. This policy outlines commitments, establishes a baseline for all assets held by the Fund, and details a series of specific actions evaluated for implementation. The aim is to reduce the consumption of natural resources by the assets and improve efficiency.

As mentioned, the Fund's pre-contractual SFDR disclosure (Annex II) details a range of sustainability indicators that are used to measure the environmental and/or social characteristics it promotes. Those sustainability indicators are disclosed in the following tables, according to the definitions below:

1) **Net Zero:** A Net Zero Energy (NZE) building is a building that produces as much energy as it consumes on an annual basis. This balance is achieved through a combination of energy efficiency measures and on-site renewable energy generation.

2) **Decarbonization target:** A decarbonization target is a specific goal to significantly reduce or eliminate greenhouse gas (GHG) emissions. These targets are part of broader efforts to mitigate climate change and achieve net-zero emissions. The Fund has developed a decarbonization plan that aligned with the Science Bases Targets (SBTi).

3) **Science Based Targets initiative ("SBTi"):** This initiative helps companies set targets to reduce greenhouse gas emissions in line with climate science and the goals of the Paris Agreement. These targets aim to limit global warming to well below 2°C, ideally to 1.5°C.

4) **Carbon Emissions:**
   a. Scope 1 Emissions: direct emissions of an organization from owned and controlled sources
   b. Scope 2 Emissions: indirect emissions of an organization from the generation of purchased energy
   c. Scope 3 emissions: all indirect emissions not included in Scope 2

5) **Energy performance certificate:** is an official document that evaluates and classifies the energy consumption of a building. It provides a rating from A (very efficient) to G (inefficient)12. The EPCs are essential for promoting energy savings and reducing carbon emissions.

6) **WELL Health-Safety Rating for Facility Operations and Management:** is a roadmap for driving resilience into the centre of business policies and operational plans, focused on operational policies, maintenance protocols and emergency plans (spaces clean and sanitized, health benefits and services, communication of health and safety efforts, emergency plans and assess air and water quality).

7) **Value to Society methodology:** Through this, the Fund will measure and establish key performance indicators ("KPIs") for social issues, for assigning monetary values, to identify and evaluate the impact generated by the activity, and for the assets and the Fund to make better decisions among different stakeholders, communities and the environment.

Type E/S	Characteristics promoted	Risk / Opportunity	Metric	Target / Sustainability indicator	FY 2022 Performance	FY 2023 Performance	FY 2024 Performance	Future actions
Environmental	**Long-term carbon reduction**	**Risk:** - Long-term Chronic and Acute weather events - Risk of non-comply to future climate-related policy and legislation - Market decisions change due to investors preferences and energy prices **Opportunities:** - To improve the ROI through improvement of environmental performance - To change investor behaviour taking into consideration investor expectations and ESG commitments - Incorporating material climate considerations into active investment decisions & ESG to become more resilient	SBTi Net Zero target recognition	**By 2025:** Net Zero. A Carbon Emissions target aligned to recognized initiatives such as the Science Based Targets initiative ("SBTi") Criteria. Register of near-term target to be achieved in 2030: 42% Micampus' Scope 1&2 reduction	Start in 2023	Collection of data 2022 as baseline and collection of data 2023 to submit en SBTi	The target will be aligned with SBTi, but it won´t be submitted to SBTi until 2025 considering the growth of the Fund's portfolio. *Information in review by SBTi at the time of elaboration of this report	1) As described in *2.2* Climate-related impacts and *4.2 Mitigation & CapEx plan*, a financial planning has been designed by Micampus that represent the actions, and its estimated CapEx focused on mitigation and adaptation to climate-related risks in the short, medium and long term. 2) Manage any queries that may arise with SBTi until the process is closed. 3) Monitoring progress on the SBTi target since the 2022 baseline
			Scope 1, 2 and 3 Greenhouse Gas emissions	**By 2027:** 20% Micampus' Scope 1&2 reduction **By 2030:** 42% Micampus' Scope 1&2 reduction **By 2037:** 70% Micampus' Scope 1, 2 and 3 reductions **By 2040:** Net Zero Carbon emissions portfolio	Baseline 2022. **Scope 1+2=** 2.741 Tn CO_{2e} **Scope 1+2+3=** 3.145 Tn CO_{2e}	Evolution 22-23 % **Scope 1+2**= 2.678 Tn CO2e Reduction of 2% **Scope 1+2+3**= 3.135 Tn CO_{2e} Reduction of 0%	Evolution 22-24 % **Scope 1+2**= 2.402 Tn CO2e Reduction of 12% **Scope 1+2+3**= 4.398 Tn CO_{2e} Increase of 40%	

Type E/S	Characteristics promoted	Risk / Opportunity	Metric	Target / Sustainability indicator	FY 2022 Performance	FY 2023 Performance	FY 2024 Performance	Future actions
Environmental	**Lower energy use / Reduce exposure to energy inefficient assets**	**Risk:** - Long-term Chronic and Acute weather events - Risk of non-comply to future climate-related policy, legislation or disclosure obligations - Market decisions change due to investors preferences and energy prices - Reputation can be affected due to poor environmental performance **Opportunities:** - To improve the ROI through improvement of environmental performance - To increase energy efficiency of the assets through digitalization	EPC % certification completed per year	**By 2026,** where properties are rated C/D: an improvement to a minimum rating of: 100% B. **By 2027,** where properties are rated E/F/G: an improvement to a minimum rating of at least 80% B and 20% C. **By 2040** all properties must be rated of a minimum of 80% AA and 20% B, aligned with the NZC objective.	_EPC A: 41% of the assets _EPC C: 11% of the assets _EPC D: 33% of the assets _EPC E: 7% of the assets	_EPC A: 58% of the assets _EPC B: 28% of the assets _EPC C: 11% of the assets _EPC E: 3% of the assets	_EPC A: 59% of the assets _EPC B: 29% of the assets _EPC C: 10% of the assets _EPC C: 2% of the assets	1) As described in *4.2 Mitigation & CapEx plan,* and in line with the improvement strategy for BREEAM certifications and the Net Zero targets, Micampus has been implementing a series of recurring physical measures.

Type E/S	Characteristics promoted	Risk / Opportunity	Metric	Target / Sustainability indicator	FY 2022 Performance	FY 2023 Performance	FY 2024 Performance	Future actions
Social	**Social and community infrastructure**	**Risk** - Failure to adapt to new technology - Risk of non-comply to future climate-related policy and legislation - Market decisions change due to investors preferences **Opportunities:** - To change investor behaviour taking into consideration investor expectations and ESG commitments - Incorporating material climate considerations into active investment decisions & ESG to become more resilient - Adoption of new technology	Assets area certified under WELL H&S certification	**By 2023:** Building certification WELL Health and Safety: 50% assets certified **By 2024:** Building certification WELL Health and Safety: 75% assets certified **By 2026:** 100% assets certified with WELL H&S **By 2040:** 100% assets recertified on an annual basis until 2040.	No Data. Starting in 2023	By the end of 2023 72% of the 2023 portfolio certified with WELL H&S	By the end of 2024 88% of the 2024 portfolio certified with WELL H&S	1) Certify 100% asset portfolio with the WELL H&S standard. 2) Maintenance of certification on each new asset that is incorporated into the Fund's portfolio, maintaining the commitment to certification and recertification until 2040
			Social impact indicators follow-up through Social Impact Monitoring Form	**By 2026:** Implementation of Value to Society methodology **By 2027 to 2040:** Improvement of the "Value to Society" the impact of the Social Value related to the assets and the Fund itself	No Data. Starting in 2024	No Data. Starting in 2024	Definition of social value actions in eight key areas	1) Progress in the measurement of social impact with clear indicators 2) Development of diversity policy 3) ESG training plan 4) Develop volunteer programme 5) Manage and report assets social value through Social Value Handbook

Type E/S	Characteristics promoted	Risk / Opportunity	Metric	Target / Sustainability indicator	FY 2022 Performance	FY 2023 Performance	FY 2024 Performance	Future actions
Environmental and Social	**Building certifications (BREEAM)**	**Risk** - Failure to adapt to new technology to aid the transition to a low-carbon economy - Risk of non-comply to future climate-related policy, legislation or disclosure obligations - Market decisions change due to investors preferences - Reputation can be affected due to failure to adapt comply with new regulations **Opportunities:** - To change investor behaviour taking into consideration investor expectations and ESG commitments - Incorporating material climate considerations into	Assets surface certified under BREEAM certification	**By 2023:** Building certification BREEAM In Use: 50% m2 assets certified (Good level) Part 1/2 **By 2026:** Building certification BREEAM In Use: 50% m2 assets certified (Good level) and 50% m2 assets certified (Very Good level) in Part 1 and / or 2 **By 2030:** Building certification BREEAM: 50% m2 assets certified (Very Good) and 50% m2 assets certified (Excellent) in Part 1 and / or 2 **By 2040:** Building certification BREEAM In Use 50% m2 assets certified (Very Good) and 50% m2 assets certified (Excellent). in Part 1 and / or 2	No Data. Starting in 2023	Of the eligible assets in 2023: 3% of the portfolio certified with BREEAM in Use (Pass level) 18% of the portfolio certified with BREEAM in Use (Good level) 35% of the portfolio certified with BREEAM in Use (Very Good level)	Of the eligible assets in 2024: 3% of the portfolio certified with BREEAM in Use (Pass level) 15% of the portfolio certified with BREEAM in Use (Good level) 79% of the portfolio certified with BREEAM in Use (Very Good level) 3% of the portfolio certified with BREEAM in Use (Excellent level) *at the time of elaboration of this report	1) Maintain the commitment to certification and recertification until 2040, that will create clear guidelines to achieve the objectives and commitments made with investors. 2) BREEAM certifications are becoming increasingly well-known in the industry and among students. Having 100% of the assets certified with this standard will allow the Fund to position as a leader organization in sustainable student residences, attracting new students with this same vision. 3) Improving the sustainability performance of assets will help reduce exposure to climate risks, helping to mitigate the effects of climate change, and to adapt to future risks.

Type E/S	Characteristics promoted	Risk / Opportunity	Metric	Target / Sustainability indicator	FY 2022 Performance	FY 2023 Performance	FY 2024 Performance	Future actions
Environmental and Social	**GRESB**	active investment decisions & ESG to become more resilient	Stars	**By 2024:** GRESB portfolio performance score: 3 stars **By 2027:** 2026 assessment GRESB portfolio performance score: 4 stars **By 2030**: 2029 assessment GRESB portfolio performance score: 5 stars	No data. Starting in 2023	First year of Gresb participation: 2 stars	Still on going	1) Continue enhancing the Environmental, Social, and Governance (ESG) aspects of the GRESB indicators to improve scoring. 2) Keep implementing recurring physical measures on the assets as outlined in the ESG plan to create a more efficient and resilient portfolio. 3) Establish a waste management system.

Disclosures in this document may develop and be subject to change due to ongoing improvements in the data provided to, obtained by and analysed in respect of the Fund

5. Resources

1. General

TCFD general information: https://www.fsb-tcfd.org/

2017 Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD):

https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf

2021 Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD):

https://assets.bbhub.io/company/sites/60/2021/07/2021-TCFD-Implementing_Guidance.pdf

2. Governance and Risk Management

Responsible Investment Policy. ESACF. November 2024 : https://esacf.com

Remuneration Policy. ESACF. June 2023: https://esacf.com

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4. Metrics and targets:

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6. Disclosure

This TCFD report provides insights into ESACF and may contain certain statements that, other than historical facts, possibly involves forward-looking statements concerning ESACF's climate and other sustainability-related strategies, plans and targets. Please note that the latter outlined in this report do not constitute guarantees or assurances. The Fund advises that forward-looking statements are influenced by a multitude of assumptions, risks, and uncertainties, which are subject to change over time. Such statements reflect conditions as of their respective dates of issuance, and ESACF does not assume any obligation or commitment to update them. It's crucial to recognize that actual outcomes may substantially deviate from the expectations presented in these forward-looking statements, and future results may differ significantly from historical performance.

For an in-depth discussion of factors that can lead to divergent results, as well as additional influences on forward-looking statements, please refer to The Fund's Annual Report, accessible on The Fund's website. The inclusion of information in this TCFD report should not be construed as a characterization regarding the materiality or financial impact of that information.

This document includes non-financial metrics that are susceptible to measurement uncertainties arising from inherent limitations in both the nature of the data and the methods employed to derive it. The use of different but acceptable measurement techniques can yield significantly different results, and the precision of these techniques may also fluctuate. The information provided herein is as of December 2024, and The Fund retains the right to enhance its measurement techniques and methodologies in the future.