

PRINCIPLE ADVERSE IMPACT- SFDR



**PAI Disclosure Statement
2024**

PRINCIPAL ADVERSE IMPACT STATEMENT

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PRINCIPAL ADVERSE IMPACT STATEMENT

1. Introduction

European Student Accommodation Core Fund SCA SICAV-RAIF (“ESACF”), as the fund that owns the portfolio, is committed to incorporating environmental, social, and governance criteria into all its investment decisions. Aware of its role in the transition to a more sustainable economy, ESACF aligns its strategies with the highest sustainability standards, thus driving the responsible and resilient growth of its portfolio.

Through its General Partner SPI General Partner S.a r.l, its fund manager TMF Management Company S.A and its investment advisor Stoneshield Investment Fund Ltd, ESACF, actively contributes to the decarbonisation of the economy by systematically incorporating the implications of climate change into its activities. This remains an important aspect for the Fund when assessing long term investment returns.

2. 2024 Performance

In accordance with the Sustainable Finance Disclosure Regulation (SFDR), ESACF classifies its financial products related to Micampus under Article 8, reflecting its strong commitment to promoting environmental and social characteristics in its investment and asset management decisions.

Throughout 2024, the Fund has systematically integrated ESG criteria into its analysis and decision-making processes to generate long-term sustainable value aligned with the Sustainable Development Goals (SDGs). This has been achieved through indicators such as energy efficiency, carbon footprint, and climate resilience, while also fostering a strong collaboration with Micampus to promote the well-being of both residents and employees.

Each year, ESACF reports the applicable Principal Adverse Impacts (PAIs) for its Real Estate investments, in accordance with Article 7 of Delegated Regulation 2019/2088, which sets the requirements for product-level investment disclosures. This year, the Fund has decided to include this report in its sustainability report, aiming to consolidate a unified sustainability reporting framework that brings together the requirements of various standards and initiatives.

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This report includes the table of voluntary PAIs for Real Estate investments, as well as a voluntary PAI related to GHG emissions, according to the Delegated Regulation 2022/1288.

This commitment is supported by a clear responsible investment policy and measurable metrics that allow for performance monitoring and progress toward a portfolio that is increasingly low in emissions and more resilient to climate change, in line with the goals of the European Green Deal.

3. Description of the Principal Adverse Impact on sustainability factors

By regulatory obligation, the Fund has considered all Principle Adverse Impacts, as listed in Annex I, supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council.

The European Union has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088)) 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.

SFDR requires financial market participants to describe the policies to identify and prioritize principal adverse sustainability impacts on sustainability factors.

The European Supervisory Authorities (ESAs) have identified a list of principal adverse impact indicators that financial market participants have to annually report on. The list includes 64 principal adverse impact indicators, of which 18 are mandatory and 46 are optional.

However, as depicted in the following table, ESACF, due to its investment focus exclusively within the real estate sector, discloses the necessary information regarding the following PAIs:

- **17. Exposure to fossil fuels through real estate assets**
- **18. Exposure to energy-inefficient real estate assets**

Moreover, the Fund deemed it pertinent, both as indicative of its commitment to principles of responsible and sustainable investment and for the purpose of evaluating its performance and demonstrating its strategic trajectories, to disclose data on two additional PAIs:

- **18. GHG Emissions**

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The ensuing table delineates the measurement metric employed for each PAI indicator, alongside the corresponding outcomes observed during the reference period. Additionally, it outlines any pertinent commitments endorsed by ESACF, where applicable. The document also details all actions, strategies, and objectives that the Fund fixes to itself, in order to keep developing its activities while following a more sustainable path in its investments, promoting transparency and ESG measures. The tables also present the various strategies and trajectories set by the asset operator (MiCampus Living) to comply with ESACF policies and strategies and participate to the objectives framework defined by the Fund.

Table 1: Indicators applicable to investments in real estate assets held in funds/portfolios

Ailverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Explanation	Actions taken, annual actions planned and targets set for the next reference
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	During FY23 reporting period, "negligible exposure" was reported for this PAI, meaning that the exposure was 0%. To clarify the terminology, the 2023 reported data has been updated to make it clear that there are no assets in the investment portfolio involved in the extraction, storage, transport, or manufacture of fossil fuels.	See the sustainability report, pages: - 53, 54, 55 - Comparison of absolute emissions - Towards energy efficiency Page 82, point 8.1.2 GHG Emissions table

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Table 1: Indicators applicable to investments in real estate assets held in funds/portfolios

Ailverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Explanation	Actions taken, annual actions planned and targets set for the next reference
Energy efficiency	18. Exposure to energy inefficient real estate assets	Share of investments in energy-inefficient real estate assets	4,84%	4,71%	The indicator of exposure to inefficient assets has been calculated following the methodology of ANSI/ASHRAE/IES Standard 100-2018 for Energy Efficiency in Existing Buildings, which sets specific thresholds for energy intensity that assets should remain below, depending on the climate zone in which they are located. To determine the energy intensity, audited data used for calculating Micampus's carbon footprint has been employed, considering the total surface area of the assets. Additionally, the reported percentage has been obtained based on the GAV of the identified assets that fall below the ANSI/ASHRAE/IES Standard 100-2018 threshold, compared to the total GAV of the portfolio. An increase in the percentage of investment exposed to inefficient assets is observed due to a change in the methodology compared to 2023. This adjustment was made to align the report with new sector trends and recommendations, as well as with the GRESB methodology. In this regard, the number of assets considered over this threshold has not increased compared to 2023.	See the sustainability report, pages: - Page 50, 51 Energy efficiency - Page 55 Towards energy efficiency

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Table 2: Additional climate and other environment-related indicators applicable to investments in real estate assets

Ailverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Explanation	Actions taken, annual actions planned and targets set for the next reference
Greenhouse gas emissions	18. GHG Emissions	Scope 1 GHG emissions generated by real estate assets	795,05 Tn CO2e	825,76 Tn CO2e	A reduction in emissions is observed due to the elimination of diesel fuels use, as well as a decrease in natural gas consumption across the portfolio.	See the sustainability report, pages: - 53, 54, 55 - Comparison of absolute emissions - Towards energy efficiency Page 82, point 8.1.2 GHG Emissions table
		Scope 2 GHG emissions generated by real estate assets	1.607,01 Tn CO2e	1.852,75 Tn CO2e	GHG emissions calculated following the location-based approach. A 13% reduction is observed compared to 2023 emissions, mainly due to the decrease in Spain's emission factor, resulting from a higher share of renewable energy in the national energy mix. In addition, a reduction in overall energy consumption compared to 2023 has been observed, which translates into a lower carbon footprint.	See the sustainability report, pages: - Page 53, 54, 55 - Comparison of absolute emissions - Towards energy efficiency - Page 82, point: 8.1.2 GHG Emissions table
		Scope 3 GHG emissions generated by real estate assets	1.996,30 Tn CO2e	456,98 Tn CO2e	A 337% increase is observed compared to 2023 emissions. This is due to the following reasons: - There has been an increase in data coverage regarding water consumption compared to 2023. Additionally, a new emission factor published by the Catalan Climate Change Office has been used, as it offers greater accuracy for the Spanish market. - The waste reporting methodology has been updated to align with the new	See the sustainability report, pages: - Page 53, 54, 55 - Comparison of absolute emissions - Towards energy efficiency - Page 82, point: 8.1.2 GHG Emissions table

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Ailverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Explanation	Actions taken, annual actions planned and targets set for the next reference
					emission factors, also in line with the Catalan Climate Change Office. These factors are significantly more precise for use in assets located in Spain. - It is important to note that several estimations were made in 2024 regarding the accounting of generated waste, which introduces a degree of uncertainty in these values. Micampus is taking its first steps toward improving the accuracy of data accounting and reporting as part of a continuous improvement process.	
		Total GHG emissions generated by real estate assets	4.398,35 Tn CO2e	3.135,59 Tn CO2e	Overall, emissions have increased by 40% compared to those reported in 2023, mainly due to the reasons outlined in the Scope 2 and 3 sections, as well as broader overall data coverage and an increase in the portfolio's total surface area.	See the sustainability report, pages: - Page 53, 54, 55 - Comparison of absolute emissions - Towards energy efficiency - Page 82, point: 8.1.2 GHG Emissions table

4. Engagement policies

ESACF makes use of a variety of policies and approaches to identify and prioritize principal adverse impacts. Following the requirements of SFDR, included in the SFDR PAI report for 2023 performance it can be found a whole description of each policy that the Fund has, tailored to the different investment strategies, trajectories, and objectives. Nevertheless, below it can be found a list of each policy:

- Anti-Bribery and Corruption Program
- Whistle-blower policy
- Code of Conduct & Ethics (for employees and suppliers)
- Conflict of interest
- Remuneration policy
- Responsible investment policy
- Energy Policy
- ESG Positive work of environment
- Charter of expectations for managers
- Modern slavery statement
- Paris Alignment statement
- Non-discrimination & Anti-Harassment Policy
- Policy governance

5. Web references

Below is the link to ESACF's official website, where you can find comprehensive information about the fund's ESG performance and its implementation policies: <https://esacf.com/>

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