

Necron Capital SCSp SICAV-RAIF – Hospitality I

SFDR website disclosure

The following disclosure is designed in relation to the Sub-Fund **Necron Hospitality I** (the “Sub-Fund”) of the alternative investment fund **Necron Capital SCSp SICAV-RAIF** (the “Fund”) in accordance with Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”) supplemented by the requirements of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 (“SFDR-RTS”).

Capitalized terms not otherwise defined in the present document have the meaning ascribed in the Fund’s offering document.

Summary (art. 25 SFDR RTS)

The Sub-Fund’s investment objective is to generate long-term capital appreciation by investing indirectly through special purpose vehicles in newly built environmentally responsible and socially sustainable turn-key delivered hotels in the European Union and Switzerland. The Sub-Fund aims to support sustainable hotel operations, and energy efficiency while delivering competitive financial returns.

The Sub-Fund promotes environmental and social characteristics, but do not have sustainable investment as an objective, pursuant to Article 8 of the SFDR.

The Sub-Fund presently does not factor in the principle adverse impacts of investment decisions on sustainability factors at the company level (i.e. environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters). Due to poor availability, consistency, comparability, and transparency of the available data, as well as the difficulties that the onerous reporting requirements imposed by regulators poses, the Sub Fund does not consider impacts within the scope of the SFDR definition. However, it will consider how investment decisions affect sustainability parameters, as defined by the SFDR, once the quality of the ESG data is improved and meaningful conclusions can be derived from principal adverse effect reporting. Nonetheless, some principal adverse impacts of investment decisions on sustainability factors are considered at the level of the RAIF and its Sub-Fund.

The primary source of the ESG information collected is from the Fund. Where necessary, the AIFM may use data available from external sources, which can be accessed independently by the Sub-Fund.

No sustainable investment objective (art. 26 SFDR RTS)

The Sub-Fund promotes environmental and social characteristics, but do not have sustainable investment as an objective, pursuant to Article 8 of the SFDR.

Environmental or social characteristics of the financial product (art. 27 SFDR RTS)

While the Sub-Fund primary focus is on social equity and governance, it is committed to minimizing its environmental footprint. This includes:

- The Sub-Fund will focus on investing in hotel assets that prioritize energy efficiency measures and promote the use of renewable energy sources.
- Investments will be made in hotel assets that prioritize sustainable design and construction practices. This includes properties that incorporate sustainable materials, efficient layouts, optimized storage spaces, and environmentally friendly building systems.

- The Sub-Fund will seek investments in hotel assets located in areas with efficient transportation infrastructure or to potential to create such, so that travellers have the option to minimise their effect on the environment as a result of travel
- The Sub-Fund will prioritize investments in hotel assets that promote sustainable hotel operation practices.
- Investments will be made in hotel assets that prioritize waste management and recycling practices as part of the real estate structure.
- The Sub-Fund will incorporate an ESG strategy that combine environmental, social, and governance factors into its investment decision-making process. It will consider the ESG performance of hotel operators and hotel developers including their approach to risk management, stakeholder engagement, labour practices, and ethical business conduct. Investments will be made in hotel assets, which promise a strong ESG record and a commitment to long-term sustainability.
- The Sub-Fund will actively monitor and engage with its hospitality real estate portfolio to ensure ongoing adherence to sustainability principles.
- The Sub-Fund's performance will be evaluated based on both financial returns and sustainability metrics. Key performance indicators related to energy efficiency, waste reduction, green certifications, tenant satisfaction, and community impact will be monitored and reported.

Investment strategy (art. 28 SFDR RTS)

The Fund seeks to realise attractive risk-adjusted returns by investing in newly built logistic properties and related real estate assets in the European Union.

The environmental characteristics and priorities are implemented across the entire investment cycle of real estate management activities from the investment level (via ESG due diligence) to the operational level (via monitoring sustainability indicators).

Before any investment decisions, the proposed asset will be subject to in-depth due diligence process designed to identify the material risks, including Sustainability Risks, associated with such potential investment. The result of these due diligences will be taken into consideration alongside other relevant factors when making investment decisions.

Sustainability Risks are integrated, directly or indirectly, into the investment decision-making and risk-monitoring to the extent they represent a potential or actual material risk and/or an opportunity to maximize the long-term risk-adjusted returns.

A best-in class approach is also conducted during the selection of the assets based on a minimum level of green certification required such as:

- BREEAM with the rating "Excellent", except for the refrigerant store assets for which the minimum rating should reach "Very good",
- or Energy Performance Certificates (EPCs) with the rating "A",
- or any other certifications if they are comparable to the standards accepted by the local market.

The environmental performance is monitored via the sustainability indicators on an on-going basis through data collection.

Proportion of investments (art. 29 SFDR RTS)

The Sub-Fund plans to allocate a minimum proportion of 80% of the investments to meet the other social characteristics promoted by the Sub-Fund in accordance with the binding elements of the investment strategy.

Monitoring of environmental or social characteristics (art. 30 SFDR RTS)

The Fund promotes environmental characteristics by investing in sustainable new built logistics real estate assets located in European Union driving energy efficiency, reducing carbon emissions and minimizing waste.

Properties with strong sustainability credentials and a commitment to responsible logistics operations will be prioritized such as properties with tenants that:

- Minimize environmental impact during construction and operation,
- Prioritize energy efficiency measures and that promote the use of renewable energy sources such as solar panels,
- Facilitate the use of multimodal transportation, and
- Manage waste processes and recycling practices.

No reference benchmark has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.

Sustainability indicators are assessed both at the due diligence phase when acquiring properties and throughout the hold period.

Environmental characteristics	Sustainability indicators	Definition
Energy efficiency	Exposure to energy-inefficient real estate assets	PAI 18: Share of investments in energy-inefficient real estate assets
	Energy consumption intensity (PAI optional)	Energy consumption in GWh of owned real estate assets per square meter
	Smart Building Management Systems	% of logistics assets with Smart Building Management system
	Green building certifications	% of logistics assets meeting green building standards
Reduction of carbon emissions	Renewable energy consumption	Renewable energy in energy mix (% total energy used)

	GHG emissions intensity (scope 1, 2 and 3?)	GHG emissions generated by real estate assets
	Exposure to fossil fuels through real estate assets	PAI 17: Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels
Reduction of waste	Total waste	by floor area in m3 or revenue in €
	Waste production in operations (PAI optional)	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract

Data sources and processing (art. 32 SFDR RTS)

The primary source of the ESG information collected is from the Sub-Fund. Where necessary, the AIFM may use data available from external sources, which can be accessed independently by the fund.

Limitations to methodologies and data (art. 33 SFDR RTS)

In certain circumstances, the AIFM analysis may be limited by the availability of certain data. The AIFM may not have sufficient data and adequate methodologies to conduct a thorough analysis of the merits of each investment.

Due diligence (art. 34 SFDR RTS)

The environmental characteristics and priorities are implemented across the entire investment cycle of real estate management activities from the investment level (via ESG due diligence) to the operational level (via monitoring sustainability indicators).

Before any investment decisions, the proposed asset will be subject to in-depth due diligence process designed to identify the material risks, including Sustainability Risks, associated with such potential investment. The result of these due diligences will be taken into consideration alongside other relevant factors when making investment decisions.

Engagement policies (art. 35 SFDR RTS)

The Sub-Fund will incorporate an ESG strategy that combine environmental, social, and governance factors into its investment decision-making process. It will consider the ESG performance of hotel operators and hotel developers including their approach to risk management, stakeholder engagement, labour practices, and ethical business conduct. Investments will be made in hotel assets, which promise a strong ESG record and a commitment to long-term sustainability.

The Sub-Fund will actively monitor and engage with its hospitality real estate portfolio to ensure ongoing adherence to sustainability principles. It will collaborate with renowned and reputable property managers, hotel operators, and tenants to identify opportunities for energy efficiency improvements, waste reduction, and community engagement initiatives. By fostering strong

partnerships, the Sub-Fund aims to drive positive changes within the hotel sector and enhance long-term value for the fund's investors.

Where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark (art. 36 SFDR RTS)

No index has been designated as a reference benchmark for this financial product.