

Partners Group Real Estate Secondary V (EUR) S.C.A., SICAV-RAIF

Type of Fund: *société en commandite par actions - société d'investissement à capital variable – fonds d'investissement alternatif réservé*

Registered office: 35D, Avenue John F. Kennedy, L-1855 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B288838

(the "**Fund**")

October 2024

Sustainability related disclosures required for Article 8 funds under the Disclosure Regulation

I. Summary

Partners Group Real Estate Secondary V (EUR) S.C.A., SICAV-RAIF (the "**Fund**") is a partnership limited by shares (*société en commandite par actions*) qualifying as an investment company with variable share capital – reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement alternatif reserve*) and has been incorporated on 21 August 2024. The Fund invests in the private real estate market. Capitalized terms not otherwise defined herein have the meaning given to them in the articles of association and/or the prospectus of the Fund.

The Manager will select Investments in its sole discretion, based on its analysis of the relevant investment opportunity.

Monies held by the Fund in reserve or prior to distribution to Shareholders may be held in bank accounts or invested in Temporary Investments.

Partners Group (Luxembourg) S.A., in its function as the Fund's alternative investment fund manager (the "**Manager**"), has categorised the Fund pursuant to article 8 of the Regulation (EU) 2019/2088 of the European Parliament of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector, as amended (the "**Disclosure Regulation**").

As a financial product disclosing under article 8 of the Disclosure Regulation, the Fund promotes the following environmental characteristics: (a) a reduction in investments in fossil fuels, (b) a reduction in the energy consumption intensity of "**Controlled Investments**" (i.e., Direct Investments in which the Fund, alone or in combination with any other fund, partnership, entity or vehicle managed and/or advised by Partners Group holds a controlling interest, directly or indirectly, of more than 50%) and (c) an avoidance of investments in the deforestation or burning of natural ecosystems for the purposes of land clearance.

The Fund's attainment of these characteristics will be regularly monitored, based on the following indicators: (a) the Fund's exposure to fossil fuels through real estate assets; (b) each Controlled Investment's KWh/GWh per square meter per year; and (c) the Fund's exposure to assets that are directly related to the deforestation or burning of natural ecosystems for the purposes of land clearance.

In order to attain the characteristics listed above, the Manager implements the Fund's investment strategy on a continuous basis. During the sourcing phase, in respect of potential Direct Investments, for the purposes of the Fund's promotion of: (a) a reduction in fossil fuels; (b) the reduction in the energy consumption intensity of Controlled Investments; and (c) an avoidance of investments in assets that are directly related to the deforestation or burning of natural ecosystems for the purposes of land clearance, the Fund applies exclusion criteria, which prohibit the Fund from entering into certain types of investment (as set out in further detail in the description of the binding elements of the Fund's investment strategy). Throughout the Fund's holding of a Controlled Investment, the Fund will monitor the energy consumption intensity of each Controlled Investment based on the GWh of such Controlled Investment per square meter in order to promote a reduction in energy consumption intensity.

Where the Fund makes Direct Investments in real estate assets, governance practices are not applicable to such Direct Investments during ownership.

The expected allocation of the Fund's assets invested in Investments used to attain the environmental characteristics set out above is a minimum of 80%, whereas the remaining portion of the assets invested by the Fund are in hedging and liquid assets which are used for efficient liquidity, portfolio management and/or cost management purposes and which do not form part of the Fund's investment portfolio.

The disclosure maturity received by the Fund from its Investments is assessed annually by the Manager. Depending on the type of Investment and the level of control that the Fund has in relation to such Investment, the Manager will take appropriate steps to engage with Investments in order to continue to improve the disclosure maturity of the Fund in the short and medium term.

For the avoidance of doubt, the Fund does not invest by reference to an index and does not intend to do so.

The Fund does not commit to making "sustainable investments" as defined in the Disclosure Regulation and expects to be 0% aligned with the EU Taxonomy.

II. No sustainable investment objective

This financial product promotes environmental characteristics, but does not have as its objective sustainable investment.

III. Environmental or social characteristics of the financial product

The environmental characteristics promoted by this Fund are:

- 1) a reduction in investments in fossil fuels;
- 2) a reduction in the energy consumption intensity of "**Controlled Investments**" (i.e., Direct Investments in which the Fund, alone or in combination with any other fund, partnership, entity or vehicle managed and/or advised by Partners Group holds a controlling interest, directly or indirectly, of more than 50%); and
- 3) an avoidance of investments in the deforestation or burning of natural ecosystems for the purposes of land clearance.

IV. Investment strategy

(a) the investment strategy used to meet the environmental or social characteristics promoted by the financial product

The investment strategy of the Fund is to (i) directly and indirectly via Access Vehicles make (x) Portfolio Fund Investments and (y) Direct Investments via the secondary market (the "**Investments**"), (ii) acquire, hold and dispose of Securities in connection therewith, and (iii) engage in such activities as the Manager deems necessary, advisable, convenient or incidental thereto, in all cases subject to the 2016 Law and to the terms of this Prospectus and the Articles. Any Investment may be held directly or indirectly by the Fund as deemed appropriate by the Manager.

The Manager will select Investments in its sole discretion, based on its analysis of the relevant investment opportunity.

Monies held by the Fund in reserve or prior to distribution to Shareholders may be held in bank accounts or invested in Temporary Investments.

The Manager implements this investment strategy on a continuous basis as further set out below and in sections "Due Diligence", "Monitoring of environmental or social characteristics" and "Engagement Policies".

Sourcing

In respect of Direct Investments, the Fund is prohibited from investing in an asset:

- 1) whose main product or service:
 - a) is the exploration, direct extraction or production of fossil fuels;
 - b) supports thermal coal extraction, transportation or use for energy generation, and which has no plans to reduce this over time;
 - c) supports: (i) crude oil exploration, production, refinement, transportation or storage; or (ii) refined oil product transportation or storage (however, this does

not prevent investments involving petrochemicals or substances refined from petroleum);

- d) which is a service provider for the oil and gas upstream industry (e.g., drilling rig operator, fracking sand supplier or oilfield service provider); or
 - e) provides treatment and logistics services for Canadian oil sands;
- 2) that is unable to make any improvement to the resource consumption and/or carbon footprint of the relevant building, unless such asset is already best in class; or
 - 3) that is engaged in deforestation or the burning of natural ecosystems for the purpose of land clearance.

(b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Where the Fund makes Direct Investments in real estate assets, governance practices are not applicable to such Direct Investments during ownership.

In respect of Non-Controlled Investments (i.e., all other Direct Investments that are not "Controlled Investments") in Portfolio Companies, the Manager will conduct due diligence based on the applicable Sustainability Accounting Standards Board governance factors. On an ongoing basis, the Manager will engage with such Non-Controlled Investments as appropriate regarding management and employee matters.

In respect of Primary Investments, during the due diligence phase, the Manager will assess the relevant Primary Investment's existing frameworks and track record (where applicable) with regards to good governance, including compliance with relevant guidelines, cybersecurity, responsible employment and contracting and incident management.

In respect of Secondary Investments, the Manager will: (1) during the due diligence phase, assess; and (2) during the holding period, monitor, the reputation of underlying assets based on relevant news reports related to such asset.

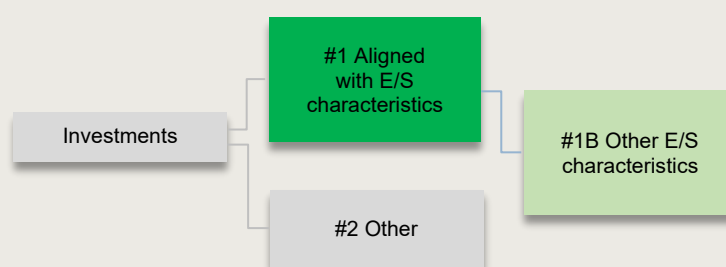
V. Proportion of investments

In accordance with the binding elements of the Fund's investment strategy set out under the section "Investment Strategy" above, a minimum of 80% of the Fund's assets will be invested in Investments used to attain the environmental characteristics promoted by the Fund.

The remaining portion of the assets invested by the Fund are in hedging and liquid assets which are used for efficient liquidity, portfolio management and/or cost management purposes and which do not form part of the Fund's investment portfolio. Such hedging and liquid assets will fluctuate during the life

of the Fund and minimum environmental and/or social safeguards are not expected to apply to such hedging and liquid assets.

For the avoidance of doubt, any cash and other balance sheet items that are not invested are not considered to be investments for these purposes.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

VI. Monitoring of environmental or social characteristics

For the purposes of the Fund's promotion of a reduction in energy consumption intensity, on an annual basis during ownership of a Controlled Investment, the Fund will monitor the energy consumption intensity of each Controlled Investment based on the GWh of such Controlled Investment per square meter. Controlled Investments will then be ranked from highest to lowest according to their KWh/GWh per square meter per year.

VII. Methodologies

In order to measure attainment of the individually listed environmental characteristics promoted by this Fund, the Manager will actively monitor the indicators set out below and will review progress on a regular basis:

- 1) the Fund's exposure to fossil fuels through real estate assets;
- 2) each Controlled Investment's KWh/GWh per square meter per year; and
- 3) the Fund's exposure to assets that are directly related to the deforestation or burning of natural ecosystems for the purposes of land clearance.

VIII. Data sources and processing

(a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product;

The data sources used to attain the environmental characteristics promoted by the Fund consist of the results provided through the regular monitoring of the indicators described in the section "Methodologies" above.

(b) the measures taken to ensure data quality;

In an effort to improve the Fund's data relating to environmental, social and governance issues, the Manager assesses the maturity of the available data annually, and actively seeks to improve disclosure in respect of Direct Investments by highlighting and escalating a Controlled Investment's data maturity to the relevant asset operator. In respect of Non-Controlled Investments, the maturity of available data will be escalated to the relevant parties from a total investment coverage perspective. On an ongoing basis, the Manager will make use of the level of control that the Fund has in respect of a Direct Investments to highlight any concerns and/or expectations for improvement in respect of a Direct Investment's disclosures, in order to improve the disclosure maturity of the Fund in the short and medium term and to fully and accurately be able to assess the environmental, social and governance status of the Fund's Direct Investments both quantitatively and qualitatively. The Manager will use such assessment to drive transparency and to implement strategic value creation.

(c) how data are processed;

The Manager performs the data collection exercise across the coverage of the Fund's underlying investments, either through in-house solutions relying on the Manager's relationships with assets and labour (direct process), as well as external solutions where the Manager engages a service provider to carry out the data collection through the cumulative leverage of all data recipients (indirect process). Throughout the ownership of the assets, the ESG data assessment should show positive improvement, quantified in a completeness, accuracy, and overall good governance element. At all points, the Manager ensures best efforts are applied to meet regulatory obligations and to collect a maximum amount of data. Once the data collection is completed, the data is validated by the respective ESG responsible. These aim to cleanse the data of any typing or spelling mistakes, as well as assessing the clear outliers to some predetermined data fields, to ensure nothing out of the ordinary is published. After the approval from the validation angle, the data is made available in the reporting system where the aggregation checks, data disclosures, and text additions are done by the product management ESG reporting specialists which then adds these to the annual financial statement drafts which are submitted to the financial auditor and checked before issuance.

(d) the proportion of data that are estimated.

The Manager collects data for the Fund's Investments with varied levels of granularity, however, such underlying data may either be provided as estimates (based on assumptions by the

Investment or external data) or as reported data (complete data pertaining to the year and annual cyclicity defined by the data request). Due to the timeline of the financial reports, the availability of reported data is expected to be scarce, and hence data will mostly be estimated. In respect of Controlled Investments, an estimate is expected to be performed by the Investment in the absence of reported figures. In respect of Non-Controlled Investments, the Manager has the usability of ClarityAI, a tool built into BlackRock eFront which allows the creation of estimated values for underlying investments where data is not available.

IX. Limitations to methodologies and data

(a) any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h);

Limitations to the methodologies and data referred to in the sections "Methodologies" and "Data sources and processing" include, but are not limited to: limited capacity to measure or report from the Investments, fraud, human error in the provision of data, misalignment in content and timing of the reporting of the Investments, changes in relevance of certain data points over the course of time due to wider changes in society (including technological advancement) or changes in the portfolio over time (e.g., as a result of acquisitions and divestments).

(b) how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met.

The Manager expects its underlying assets and managers, when commercially sensible, to improve data quality and minimize the limitations mentioned above.

X. Due diligence

During the due diligence process, for the purposes of the Fund's promotion of: (1) a reduction in investments in fossil fuels; and (2) an avoidance of investments in the deforestation or burning of natural ecosystems for the purposes of land clearance, the exclusion criteria described above will apply and any proposed Investment that would be in contravention of such exclusion criteria will not proceed.

During the due diligence process, for the purposes of the Fund's promotion of a reduction in the energy consumption intensity of a potential Controlled Investment, the investment team will assess the energy consumption intensity of a potential Controlled Investment, by reference to such Controlled Investment's KWh/GWh per square meter.

XI. Engagement policies

For the purposes of the Fund's promotion of a reduction in energy consumption intensity of Controlled Investments, Controlled Investments which rank in the lowest quartile based on the assessment described under the heading "Monitoring" above will be assigned to the "red field" and the management committee will be actively engaged to assess and reduce the energy consumption of any such Controlled Investments.

XII. Designated reference benchmark

The Fund will pursue the investment strategy set out under "Investment Strategy" above and does not invest by reference to an index and does not intend to do so.

XIII. Consideration of principal adverse impacts on sustainability factors

In connection with the environmental characteristics promoted by the Fund, the Fund considers the following principal adverse impacts on sustainability factors:

- 1) exposure to fossil fuels through real estate assets (adverse sustainability indicator 17 of Table 1 of Annex 1 of the regulated technical standards under the Disclosure Regulation set out in the Commission Delegated Regulation 2022/1288 supplementing the Disclosure Regulation (the "**Level 2 RTS**")): the Fund will not make Direct Investments in real estate assets that are active in the fossil fuels sector, as set out in further detail in the description of the binding elements of the Fund's investment strategy; and
- 2) energy consumption intensity of real estate assets (adverse sustainability indicator 19 of Table 2 of Annex 1 of the Level 2 RTS): in respect of Controlled Investments the Fund will: (a) not make a Controlled Investment in an asset that is unable to make any improvement to the resource consumption and/or carbon footprint of the relevant building, unless such asset is already best in class; and (b) monitor the energy consumption of each Controlled Investment in KWh/GWh per square meter, as set out in the description of the sustainability indicators used to measure attainment of the environmental characteristics promoted by the Fund.