



BOSCALT
HOSPITALITY

A member of Edmond de Rothschild
Private Equity partnership

Article 10 (SFDR) Website disclosure for an article 8 fund

Boscalt Hospitality Fund



Product name: Boscalt Hospitality Fund
Legal entity identifier: 5493006ZCDE0YQMAJR53

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of sustainable investments with an environmental objective: ___%
 in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: ___%

No

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments.

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but will not make any sustainable investments



A. Summary

At Boscalt, our mission is to revitalize existing buildings, transforming them into vibrant hospitality hubs. We are dedicated to crafting sustainable and memorable experiences in our hotels. Our ultimate goal is to transform each location into a destination our guests return to, drawn by the promise of positive impact, unmatched comfort, and exceptional hospitality.

Our Priorities: Synergy between Economic Growth and Sustainability

We firmly believe in the interconnectedness of economic growth and sustainability. Our commitment to promote responsible investment spans from rigorous pre-investment screening to proactive ESG improvement and post-deal management.

Our commitment to people

We uphold the principles of corporate transparency, accountability, and meaningful stakeholder engagement. Recognizing that hotels are integral to the communities they serve, we consistently address social challenges and opportunities to promote prosperity within our operations. We embrace diversity in every facet and nurture culture heritage and people development.

Our responsible mindset for investment

We acknowledge the profound influence of environmental, social, and governance (ESG) factors on the long-term performance of our investment portfolios. We firmly hold the belief that a responsible and sustainable mindset not only enhances project value and longevity but also fortifies resilience to risk of our investments. Our dedicated ESG committee assesses and makes ESG-related decisions for the benefit of our portfolio and organization, following best practices and systematic data management plans.

We identify as an article 8 Fund in accordance with the Sustainable Finance Disclosure Regulation. This underscores our dedication to promoting positive business practices across environmental, social, and governance matters.

We align with the UN Principles for Responsible Investing (UNPRI) framework. We have become signatories of UNPRI through our partnership with Edmond de Rothschild, and we fully embrace the commitments made by our partner in matters of responsible investment.

Our daily ESG approach

We understand and embrace the fact that data fuels ESG success. As a market practice and as pillar of our performance as Article 8, we have developed an Environmental and Social Management System (ESMS) that covers all stages of investment analysis and decision-making. This system encompasses engaging with relevant stakeholders, conducting a materiality assessment, and establishing appropriate data collection methods.

We take data collection as the basis of our strategy to make each step based on the real performance and progress of our investments. This process is facilitated through the utilization of the Greenview Portal, implemented across all assets, allowing us to monitor progress, make periodic reports and do real time assessments for improvement and reporting.



B. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The environmental and social characteristics promoted by the Fund are:

- the exclusion of activities and projects with egregious, wide-scale or irreversible adverse ESG-related impacts;
- the improvement of energy, water, carbon, and waste performance of its investments, for the environmental part; and
- the increase of social benefits to local communities and the diversity, inclusivity, and equality across the workforce of its investments, for the social part.

This is done by implementation of sustainability programs at the level of the investments where progress and performance are regularly monitored and reported upon.

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



C. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

The Fund invests in urban hotels on a European scope with a value-add strategy, meaning that assets will be acquired where the Fund identifies the possibility to add value to a property holding an ESG mindset to identify risks and improve where needed.

The Fund shall not invest in properties where such ESG evaluation does not identify any areas where the Fund can add value to the property by improving the performance of the ESG indicators either through (i) physical refurbishment or improvement of the property; or (ii) improvement of the management or governance of the property.

The Fund will annually review and improve its processes, systems and policies to ensure that they correspond to best practice in the selection of potential investments.

The Fund incorporates ESG considerations into its investment decision-making processes and ownership policies at every stage of the investments' life cycle. Post-acquisition, the Fund continually monitors the ESG-related indicators and reviews other, more qualitative sustainability issues for its real estate assets. The Investment Adviser ensures that the Fund's Environmental and Social management system (ESMS) is implemented at the different stages of the investment analysis and decision-making processes. This management system includes engagement with relevant stakeholders, execution of a materiality assessment and setting the right data collection methodology during the initial stage of the investment, the monthly tracking of data and communication of KPIs over the construction stage, and the consistent monitoring of performance and disclosure of intended and unintended positive or negative impacts during the operational stage.

Finally, the Fund has created a Sustainability Charter for the Fund's business, which is adapted and implemented in each particular investment, covering key issues such as social acceptability, environmental impact, governance, procurement, social relations, health and safety at work, etc.

Step 1 Pre-investment:

Negative exclusion:



The Fund has established a list of criteria of investment exclusions which shall be considered when first analyzing a potential investment. The Fund may not invest in any asset that falls within these exclusions:

1. Assets where the following activities, or other activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, are carried out or promoted:
2. wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
3. ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides, or chemicals; or
4. cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
5. Assets where unbounded asbestos fibers are found which cannot be safely removed.
6. Significant alteration, damage and removal of critical cultural heritage
7. Pornography and/or prostitution;
8. Destruction of High Conservation Value (HCV) areas;
9. In the event that any of the following products form a substantial part of a project's primary financed business activities:
10. tobacco;
11. alcoholic beverages (except beer and wine);
12. gambling, casinos and equivalent enterprises;
13. Investments which result in limiting people's individual rights and freedom or violating of human rights.

Step 2 ESG Due Diligence.

After the approval of the Investment Committee, in the due diligence phase, the Fund seeks to identify the full extent of the property's existing activities from an ESG perspective, define targets as well as establish baseline data on energy, water, carbon and waste and benchmark current performance against a peer competitive set. Baseline data on governance policies and management performance on ESG-related indicators (when acquiring properties) are also gathered during this due diligence phase.

Step. 3 Post-investment

During the post-investment phase, continuous ESG monitoring is undertaken. We classify our approach according to the stage of the investment: under construction, and operations. During the construction stage, assets can be either under high activity levels (works) or closed awaiting the planning and design stage to finalize. The monitored elements include the energy, water, carbon, and waste performance as well as the workforce demographics (if applicable), volunteer hours (if applicable). During the operational stage, all E and S indicators apply, and a regular review is carried out during the monthly Sustainability Committee, based on which the Management System is evaluated and updated as needed for a conscious E&S decision making, and appropriate decisions are made for communications activities oriented to stakeholders. An enhanced procedure in terms of scope and frequency of assessment is in place for recently acquired investments where the ESMS is still being implemented.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements utilized by the Fund are:

- The adherence to the exclusion list set out under the "Strategy" section. As part of the pre-investment due diligence process, the Fund shall conduct an independent third-party ESG evaluation of potential investments and exclusively invest in properties where it assesses it can have a positive effect, as detailed under "Strategy".
- The commitment of the Fund to not invest in properties where such ESG evaluation does not identify any areas where the Fund can add value to the property by improving the performance of the ESG indicators either through (i) physical refurbishment or improvement of the property; or (ii) improvement of the management or governance of the property.



What is the policy to assess good governance practices of the investee companies?

Governance practices are assessed pre-acquisition as part of the due diligence exercise (proper documentation of shareholder and board resolutions, proper accounting, auditing of financial statements; employment-related information such as types of employment contracts, respect of salary and pension obligations and other commitments to workers, gender and ethnicity representation in the workforce, etc.; compliance with KYC/AML obligations and other regulatory or good practice obligations).

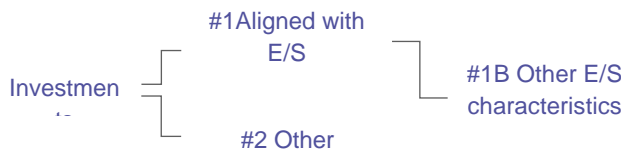
However, deficiencies detected (where they do not constitute contingencies preventing the investment) will be treated as opportunities for the future improvement of the property, as the Fund is specifically interested in improving pre-existing governance practices or replacing them altogether to align with Fund policy post-acquisition.

When investing as part of a joint-venture or consortium, the Fund will also promote responsible behaviour by partners in the consortiums to ensure respect of Fund policies as to proper governance of its portfolio companies.



D. Proportion of investments

What is the planned asset allocation for this financial product?



#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 category #1 Aligned with E/S characteristics covers:

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

The Fund is expected to invest at least 80% of its NAV in companies/assets that qualify as aligned with E&S characteristics promoted (#1). Such investment may take place either as a direct investment or acquisition of qualifying companies or assets, or as capital expenditure connected to the refurbishment or improvement of the property.

Other investments (#2) may include (i) temporary investments in liquid assets (cash) held for the purposes of servicing the day-to-day requirements of the Fund or in preparation of an investment, and (ii) transactions, agreements and investments in derivatives and other financial instruments exclusively for the purposes of hedging currency or interest rate risks related to investments existing over time. Such investments should, in principle, not exceed 20% of its NAV in any given quarter.



It should be noted that due to the real estate characteristics of the Fund, NAV is only formally calculated once a year, with unaudited, informal calculations being prepared every quarter. Factors such as the general evolution of the real estate market in each particular jurisdiction, the status of the refurbishment of each particular asset and the mark-to-market of any existing hedging associated with it may impact the NAV and disrupt the planned allocation percentages explained in this section. Due to the reduced liquidity of the real estate market, the Fund may not be able to take immediate measures to restore the planned allocation percentages.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The “#2 Other” investments may include (i) temporary investments in liquid assets (cash) held for the purposes of servicing the day-to-day requirements of the Fund; and (ii) transactions, agreements and investments in derivatives and other financial instruments, exclusively for the purposes of hedging currency or interest rate risks related to investments existing over time.

The intended use of this portion of the portfolio precludes the existence of any E/S safeguards from being in place.



E. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

In assessing, measuring and monitoring the environmental characteristics of investments the following "sustainability indicators" will be considered. The indicators are evaluated quarterly as well as annually.

The fund classifies the E and S indicators according to the stage of the financial product: (i) investment (planning and construction), and (ii) operation.

(i) Investment

- Environmental indicators

- Energy

- Energy consumption (kWh) of the property, (data updated on the monitoring system on a monthly basis according to the content of the invoices received)
 - Percentage of the property's energy coming from renewable sources (data coming from local electricity invoice)
 - Energy use intensity (kWh per SqM)
 - Annual energy costs (Euro)
 - Amount of carbon emissions (KgCO₂e)
 - Carbon intensity (kgCO₂e per SqM)

- Water

- Water consumption (L)
 - Water intensity (L per SqM)



Waste

- Amount (Kg) and type of waste generated
- Percentage of properties with incorporated waste management measures
- Waste intensity (Kg per SqM)

• Social indicators

- Employee turnover rate
- Gender ratio among employees
- Percentage of properties with supply chain ESG policies
- Percentage of properties with inclusive and local recruitment policies

(ii) Operation

• Exclusion indicator:

- % of companies in breach of exclusion list in the strategy section

• Environmental indicators

- Percentage of properties with environmental policies aimed at monitoring and improving energy, water and waste performance

Energy

- Energy consumption (kWh) of a property
- Percentage of the property's energy coming from renewable sources on a monthly basis (date coming from local electricity invoice)
- Energy use intensity (kWh per SqM) - utilizing the pre-established calculations from the operators as baseline
- Annual energy costs (Euro)
- Amount of carbon emissions (KgCO₂e)
- Carbon intensity (kgCO₂e per SqM)
- Percentage of properties implementing environmental technical improvements and performance monitoring

Water

- Water consumption (L)
- Water intensity (L per SqM)
- Water cost (Euro)

Waste

- Amount (Kg) and type of waste generated
- Percentage of properties with incorporated waste management measures
- Waste intensity (Kg per SqM)

• Social indicators

- Employee turnover rate
- Gender ratio among employees
- Percentage of properties with supply chain ESG policies
- Percentage of properties with inclusive and local recruitment policies
- Percentage of properties that carried out community development initiatives (Free use of the property's facilities for community events)
- Percentage of properties with incorporated volunteer or community assist policies (Number of volunteer hours available for employees)
- Community financial or in-kind donations
- Percentage of properties with policies with respect to work related harassment, anticorruption, anti-coercion, privacy and diversity, equity, and inclusion

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?



The Fund integrates environmental, social, and governance (ESG) considerations throughout its investment decision-making processes and ownership policies, ensuring their relevance at every stage of the investment life cycle.

Following the acquisition, the Fund diligently monitors ESG-related indicators and evaluates other qualitative sustainability factors for its real estate assets. The Investment Adviser guarantees the implementation of the Fund's Environmental and Social Management System (ESMS) during various stages of investment analysis and decision-making. This system encompasses engaging with relevant stakeholders, conducting a materiality assessment, and establishing appropriate data collection methods during the initial investment phase. Furthermore, it involves monthly data tracking and communication of key performance indicators (KPIs) throughout the construction and / or operational phase, as well as ongoing monitoring of performance and disclosure of both intended and unintended positive or negative impacts during the operational stage.

The data collection process is facilitated through the utilization of the Greenview Portal, which is implemented across all assets. The data collection is performed at asset level on a monthly basis by the hotel operator, ensuring the regular and consistent gathering of relevant data. Subsequently, periodic reports are generated and thoroughly analyzed.



F. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The Greenview portal functions as a central repository for property information and serves as a performance review platform. Operators submit environmental and social indicators into the portal on a monthly basis. Reports are generated, and analysis is conducted to monitor performance. The portal allows operators to establish targets and track improvements over time.

Monthly Asset Management meetings afford the Property Owner and the Operator an opportunity to discuss and assess the property's ESG performance, identify areas for improvement, and celebrate achievements. These actions are overseen by the Sustainability committee of the Fund, which meets every two weeks to support the asset ESG performance.



G. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

Data employed for the measurement of ESG KPIs comes from the relevant suppliers in the case of environmental indicators (e.g. utility companies), and from the operator or relevant external service provider as concerns social indicators (workforce demographics, payroll, etc.)

The Fund adheres to the IFC Performance Standards to ensure optimal environmental and social practices. An external alliance has been formed to utilize an ESG portal, which offers specialized benchmark information specifically for the hospitality industry. This benchmark allows for a comparison of the asset's performance against regional and international peers.

The third-party software processes and analyses the data under consistent conditions. The analysis involves engaging stakeholders of the project, including property managers, operators, and the fund's asset manager for future decision making. Environmental and social indicators are uploaded to the portal and audited to enhance transparency.



H. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

Data is gathered and submitted by the operator to a third-party portal hired by the Fund. This data is reviewed and refined on a monthly basis during asset management meetings, with additional supervision from the Fund's ESG manager. As a result, the Fund actively participates in the overall decision-making process related to environmental, social, and governance (ESG) matters. Nevertheless, it is important to emphasize that the operator retains ownership of the information, and transparency is highly valued.

Regarding environmental indicators, utility invoices serve as the primary measurement tool, ensuring consistency and data security during the collection process. However, the specific content, metrics, and analytical scope may vary depending on the jurisdiction. When uploading the data to the ESG portal, the Fund aims to standardize the information across all its assets, promoting harmonization.



I. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Following the approval of the Investment Committee, during the due diligence phase, the Fund undertakes a comprehensive assessment of the property's ESG aspects. This involves identifying and examining the property's existing activities from an ESG perspective. The primary objectives are to establish targets, collect baseline data on energy, water, carbon emissions, and waste, and evaluate the property's performance relative to industry peers and a Greenview hospitality benchmark.

Additionally, during this due diligence phase, the Fund gathers baseline data on governance policies, management practices (in the case of property acquisitions), and workforce demographics. Furthermore, the Fund assesses the property's performance in terms of social indicators to gain a holistic understanding of its ESG performance.