

Draft additional SFDR periodic disclosures

1. Fund's classification under SFDR

The Fund has been classified as an Article 8 SFDR financial product which means that it promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

However, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities set out by the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation").

Further details on the investment strategy of the Fund are available in the Fund's SFDR Disclosures Annex attached in Schedule 1 below.

2. Sustainability Risks

As part of its risk management process, the AIFM identifies and analyses "Sustainability Risks" (*i.e.* an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment).

Sustainability Risks analysis is an integral part of the investment process formalised in investment procedures and decisions, although it is not the sole criterion in the investment decision-making process.

The AIFM, [with the help of the Asset Manager] has assessed the impact of Sustainability Risks on the Fund's returns and presents in this section a summary of these risks.

The assessment of Sustainability Risks is complex and sometimes requires subjective judgements, which may be based on data that is difficult to obtain and incomplete, estimated, outdated or otherwise inaccurate. Even when identified, there is no guarantee that the AIFM will correctly assess the impact of Sustainability Risks on the Fund's investments.

To the extent that a Sustainability Risk only occurs in a manner that may not be foreseen by the AIFM, there may be a sudden and significant negative impact on the value of an investment, and therefore on the returns of the Fund. Such a negative impact may result in a total loss of value of the investment or investments concerned and may therefore have a negative impact on the Fund's performance.

Sustainability Risks may materialise and impact on a specific investment or may have a wider impact on an economic sector, geographical regions and/or jurisdictions and political regions.

Consequent impacts to the occurrence of Sustainability Risks can be numerous and various according to a specific risk, region or asset class. Generally, when a Sustainability Risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the Net Asset Value of the Fund. A number of Sustainability Risks have been identified: climate change, environmental pollution, regulatory changes, supply chain disruptions, social unrest, etc. This list is not exhaustive and there can be other risks that have not been identified. However, it is not possible to quantify the impact of Sustainability Risks on the returns of the Fund at this time.

3. No considerations of adverse impacts of investment decisions on sustainability factors

Finally, as the legal framework regarding sustainability adverse impacts is still in formation and the methodologies for considerations of principal adverse impacts on sustainability factors are in full development, the Fund does not currently consider principal adverse impacts of investment decisions on sustainability factors.

Principal adverse impacts on sustainability factors are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

The Fund expects this will be a work in progress until the sustainable finance industry is more evolved in the methodology of measuring and reporting sustainability adverse impact in a way that is useful for investors and will review its approach in that respect as the relevant legal framework and technical methodologies are developed further.

Product name: JP Residential 16 AIF S.A. (the “Fund”)
Legal entity identifier: 391200FWN6ZN09J9478

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective? <i>[tick and fill in as relevant, the percentage figure represents sustainable investments]</i>	
☒ ☐ ☐ Yes	☒ ☐ ☒ No
☐ It made sustainable investments with an environmental objective : ____%	☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It made sustainable investments with a social objective : ____%	☐ with a social objective
	☒ It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes the following environmental and social characteristics:

- Ensuring the quality of the building under management and addresses issues related to energy efficiency.
- Striving to improve [tenants] comfort and convenience [through energy-efficient systems, modern amenities and sustainable building practices]

In 2022 the environmental and social characteristics promoted by the Fund were met as follows:



Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- in relation to goal a) and b) above: Defined energy-saving measures comprehend insulation of exterior walls, replacement of old windows/doors, insulation of roofs and terraces, insulation of basement walls and replacement of components of the central heating. The implementation of these measures is expected to lead to significant reductions in energy consumption and CO2 emissions. Specifically, the total CO2 emissions are expected to be reduced by 67,305 kg per year.

● ***How did the sustainability indicators perform?***

To measure the attainment of the environmental and social characteristics promoted by this financial product, one key sustainability indicator is the on-time completion of energy-saving measures. This is reflected in the percentage of energy-saving measures completed, with the goal of finalizing all planned actions to achieve the Efficiency House 55EE certification. These

	Environmental Characteristics (Goals)
Status / year	2024
Insulation of exterior walls	planning completed
Replacement of old windows / doors	planning completed
Insulation of roofs and terraces	planning completed
Insulation of basement walls	planning completed
Central Heating: replacement of components	planning 90% completed

The fund submitted and received a confirmation of the application for Federal Funding for Energy-Efficient Buildings/Residential Buildings Efficiency House.

● ***...and compared to previous periods?***

Not applicable for the first annual report.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable. The Fund promotes environmental and social characteristics but does not have a sustainable investment objective and does not make sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable. As the legal framework regarding sustainability adverse impacts is still in formation and the methodologies for considerations of principal adverse impacts on sustainability factors are in full development and have not yet reached maturity within the sustainable finance industry, the Fund does not currently consider principal adverse impacts of its investment decisions on sustainability factors.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: *100%*

Largest investments	Sector	% Assets	Country
Augsburg project	Real estate	100%	Germany

What was the proportion of sustainability-related investments?

Not applicable



● *What was the asset allocation?*

In 2024 100% of the investments was aligned with the environmental and/or social characteristics promoted by the Fund.

Asset allocation describes the share of investments in specific assets.

● *In which economic sectors were the investments made?*

The Fund invested in the [residential and commercial] real estate sector in Augsburg (Germany)



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Not applicable. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. As such, the investment of the financial product is 0% aligned with the EU Taxonomy.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

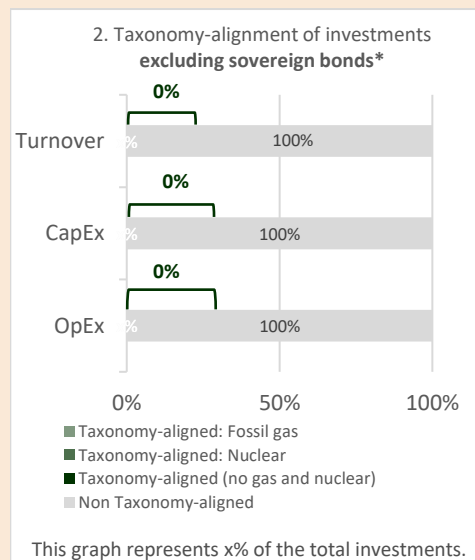
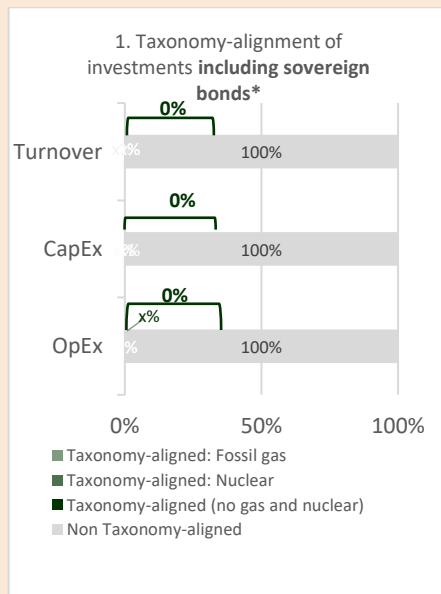
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**

Not applicable

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



What was the share of socially sustainable investments?

Not applicable

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In 2022 applying for KfW subsidies –a building physicist analysed the building and filled in the forms stating all the energy efficiency actions which are going to be implemented and which were accepted by the KfW to subsidise once the initiatives are implemented.

How did this financial product perform compared to the reference benchmark?

Not applicable. The Fund has not designated a reference benchmark.N/A. JP Residential 16 AIF does and did not designate a reference benchmark.

● *How does the reference benchmark differ from a broad market index?*

Not applicable

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

Not applicable

● *How did this financial product perform compared with the reference benchmark?*

Not applicable

● *How did this financial product perform compared with the broad market index?*

Not applicable