

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

MARK Paris Urban Regeneration (MPUR)

Product name / legal identifier:

This product:

- ☒ Promotes environmental or social characteristics but does not have as its objective a sustainable investment.
- ☒ It does not invest in sustainable investments
- ☐ It invests partially in sustainable investments
- ☐ In activities aligned with the EU Taxonomy
- ☐ In activities not aligned with the EU Taxonomy
- ☐ Has sustainable investment as its objective. 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.
- ☐ In activities aligned with the EU Taxonomy
- ☐ In activities not aligned with the EU Taxonomy



A. Summary

The MPUR fund is committed to an ambitious environmental approach that aims to combine resilience, environmental and social benefits.

Investments are made in mixed-use buildings in Paris city centre that are to be restructured.

Within this framework, the MPUR fund has defined its mission: to be an operator of socially responsible urban transformation, reinventing obsolete buildings into sustainable ones adapted to contemporary environmental issues.

ESG objectives of the fund:

- Energy Sobriety: 60% energy savings on renovation programmes and passive renovation favouring inertia, the quality of the envelope, and limiting consumption.
- Biodiversity: soil desartificialisation, creation of green roofs, reinforcement of open-ground planting and obtaining the BiodiverCity label for operations with sufficient external vegetation
- Low-carbon renovation: Existing materials: implementing ex-situ and/or in-situ reuse practices, demolition limited to 40% of the existing, low-carbon materials favoured.
- Mixed uses: Renovation favouring the creation of mixed uses: offices, housing, shops, crafts, services, which will revitalise the life of the neighbourhood and maintain the local economic balance.
- Social link: Emergency accommodation during periods of vacancy in the buildings, in conjunction with associations and integration of ephemeral art.

ESG performance improvement actions are identified prior to the acquisition of existing real estate assets: the MPUR team identifies opportunities to improve the asset, conducting an initial assessment of the asset's ESG performance and identifying repositioning objectives that will help achieve a set ESG threshold (best in progress strategy).

The MPUR team can demonstrate that ESG performance monitoring is carried out in a rigorous manner:

- by theme (energy, carbon, water, waste, mobility, etc.)
- with concrete and exploitable criteria
- with controlled and monitored progress plans

Each asset has an ESG rating, according to the three pillars and broken down into 29 criteria. This rating is evaluated out of 100 and takes into account a weighting adapted to the sectoral issues and the requirements of the SRI label.

The monitoring of this strategy and the rating of real estate assets is entrusted to the external ESG expert, who also has technical expertise in these types of assets.

This note presents the methods and procedures used in the ESG rating grid.



B. No sustainable investment objective

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

Does this financial product commit to making one or more sustainable investments?

☐ Yes

☒ No



C. Environmental or social characteristics of the financial product

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

MARK Paris Urban Regeneration (MPUR) promotes environmental and social characteristics based on an Urban Regeneration strategy focus and on an ambitious environmental approach by operating socially responsible urban transformation, reinventing obsolete buildings into sustainable, low-carbon buildings in the Paris region.

MPUR aims to combine resilience, environmental and social benefits.

As part of the French SRI label, the environmental and/or social characteristics promoted by the fund are :

- **Improvements on energy efficiency (estimated in kWhPE/sqm/y)**

- Across all our buildings we will reduce operational consumption (in relative or absolute terms) by 60% compared to the existing state of the buildings by 2030. MPUR targets this objective upon delivery of the building;
- Commitment to obtain the label NF Habitat HQE (très performant – high performance) for residential assets or mixed-use buildings with a residential component;
- **Low Carbon renovation**
 - Reduce the carbon footprint of real estate assets during construction and exploitation (scope 1 & 2) by 50 % during the life span of the fund (with respect to standard operating conditions);
 - Reducing the carbon impact of materials through short supply chains;
 - Demolition limited to 40% of the gross surface of the existing building across all real estate assets in the fund ;
 - Over 50% of real estate assets held by the fund will obtain the BBCA label;
- **Systematic consideration and strengthening of urban biodiversity:**
 - 100% of real estate assets are studied by an ecologist, who evaluates biodiversity preservation and promotion opportunities;
 - 50% of real estate assets (in # of unit) will involve creation of green areas (excluding residential assets);
- **Improve the confort and well being of end users :**
 - Improvement of air quality and comfort levels in 100% of the buildings, all the while incorporating resilient designs for a continually evolving regulatory environment.

Prior to restructuring phase, MPUR will systematically consult specialists on temporary occupation opportunities.

These real estate assets are combined in a value add fund with a high return and a life span of 5 to 7 years. Investments are made in mixed-use buildings, mainly in inner Paris, which are to be restructured.

The objective of the fund is to create added value by having an experienced team working on the redevelopment of the real estate assets and collaborating with all project stakeholders.

At the end of the restructuring phase of the real estate assets, the fund targets also to transform the real estate assets as economic activities that qualify as environmentally sustainable under the EU Taxonomy. The eligible activities to EU Taxonomy targeted by the fund are :

7.2. Renovation of existing buildings (from acquisitions of the building with a restructuring plan to the end of the restructuration) and 7.7 Acquisitions and real estate property (from the end of the restructuration to the sale of the refurbished building).

The fund will implement technical screening criteria at the end of buildings restructuring phase. The technical screening criteria would be based on a substantial contribution on climate change mitigation objective (present an EPC A or feature in the top 15% of the regional market in terms of energy consumption). At the same time, the fund does no significant harm on all other objectives of the EU taxonomy. MPUR aims for 100% real estate assets eligible to the EU Taxonomy, however

constraints may prevent the fund from restructuring some real estate assets in a sufficiently efficient way, so the target of sustainable investment environmentally aligned with the EU Taxonomy during the life of the fund and after restructuring of the real estate assets will be 80%.

In terms of governance, the fund will promote ESG approach to stakeholders. ESG criteria will be integrated into the contracts of the following service providers: general contractors, project managers, tenants, PMs and maintainers. The ESG objectives of the fund have been presented (i) in the design phase to the project manager and (ii) in the execution phase to the general contractor who will be commissioned. The engagement policy is explained to affirm the will to implement our environmental charter, in conjunction with our stakeholders. This policy applies to all investments we make. More information can be found for investors in our Stakeholders policy.

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

Improvements on energy efficiency (estimated in kWhPE/sqm/y)

- Across all our buildings we will reduce operational consumption (in relative or absolute terms) by 60% compared to the existing state of the buildings by 2030. MPUR targets this objective upon delivery of the building;
- Commitment to obtain the label NF Habitat HQE (très performant – high performance) for residential assets or mixed-use buildings with a residential component;

Low Carbon renovation

- Reduce the carbon footprint of real estate assets during construction and in exploitation (scope 1 & 2) by 50 % during the life span of the fund (with respect to standard operating conditions)
- Reduce the carbon impact of materials through short supply chains
- Demolition works limited to 40% of the surface of all our real estate assets;
- Over 50% of real estate assets held by the fund will obtain the BBCA label

Systematic consideration and strengthening of urban biodiversity

- 100% of real estate assets are studied by an ecologist, who evaluates biodiversity preservation and promotion opportunities;
- 50% of assets real estate (in # of unit) will involve creation of green areas (excluding residential assets)

Improve the confort and well being of end users

- Improvement of air quality and comfort levels in 100% of buildings, while incorporating resilient designs for a continually evolving regulatory environment

Does this financial product take into account principal adverse impacts on sustainability factors?

☐ Yes

☒ No



D. Investment strategy

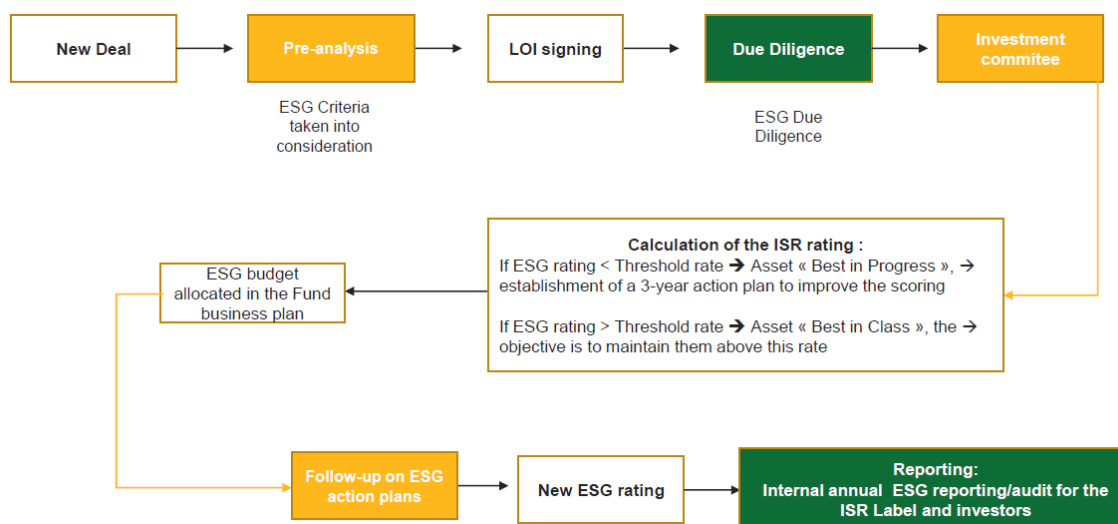
What investment strategy does this financial product follow?

MPUR follows a Value Add investment strategy, consisting of the rehabilitation of underperforming real estate assets and transforming them into ESG efficient assets.

Each real estate asset is selected because of its potential to be rehabilitated, and there is no exclusion process, except the localisation of the assets should be in Paris Region.

Real estate assets are analysed through the ESG analysis grid. The potential for improvement of the asset is estimated, in order to determine the improvement actions to be implemented to reach the target.

The process is the following:



MPUR is accompanied by ESG-aware service providers and construction companies, facilitating collaboration and the achievement of these targets.

The principal adverse impacts indicators (PAI) are integrated into the ESG grid of the real estate assets. This grid is completed during the due diligence phase of the assets, and updated after the construction phase, as well as every year outside the construction period.

The process is implemented in the ESG analysis grid: when filling the ESG grid, special chapter is dedicated to the EU taxonomy, in order to verify that there is a substantial contribution from the fund on climate change mitigation and that the fund does no significant harm on all other objectives of the taxonomy. The eligible economic activities to EU Taxonomy are:

- 7.2 Renovation of existing buildings
- 7.7 Acquisitions and real estate property

The methods used by MPUR respect the objectives of the EU taxonomy, notably because we follow demanding building certifications such as the international BREEAM or the French HQE.

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?

As detailed above, the verification and the monitoring of ESG criteria are mandatory steps of the investment strategy.

As part of French SRI Label, the verification of MPUR's investment strategy, including stakeholder commitments, managed by the management company is specifically the subject of an annual control plan, carried out by AIFM, which will serve the role of RCCI, and audited by an external provider.

On a quarterly basis, the management company will meet to monitor the proper integration of stakeholders in the life cycle of the operations. This will take the form of a summary note summarising the progress of stakeholder engagement on each project (e.g. information on the fund's SRI approach to the project management team, company and PM, signature of environmental appendix by tenant,).

All environmental or social characteristics promoted by the fund are binding elements and are fully integrated into its investments strategy. In order to further promote its environmental or social characteristics, the fund has undertaken to implement an action-oriented strategy, taking into account its main ESG principles.

MPUR is accompanied by ESG-aware service providers and construction companies, facilitating collaboration and the achievement of these targets.

How is the strategy implemented in the investment process on a continuous basis?

As part of French SRI Label, the verification of MPUR's investment strategy, including stakeholder commitments, managed by the management company, is specifically the subject of an annual control plan, carried out by AIFM, which will serve the role of RCCI, and audited by an external provider.

On a quarterly basis, the asset manager will meet to monitor the proper integration of stakeholders in the life cycle of the operations. This will take the form of a summary note summarising the progress of stakeholder engagement on each project (e.g. information on the fund's SRI approach to the project management team, company and PM, signature of environmental appendix by tenant,).

All environmental or social characteristics promoted by the fund are binding elements and are fully integrated into its investments strategy. In order to further promote its environmental or social characteristics, the fund has undertaken to implement an action-oriented strategy, taking into account its main ESG principles.

MPUR is supported by ESG consultant and construction companies, facilitating collaboration and the achievement of these targets.

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

The fund mainly invests in real estate assets. It specifies its policy of assessment with key stakeholders, in particular with the occupants of its buildings but also with its service providers (asset managers construction companies , etc.) in order to raise their awareness of the fund's environmental, social and governance dimensions. MPUR wishes to engage in a sustained stakeholder dialogue in order to guarantee the ESG performance of the fund.

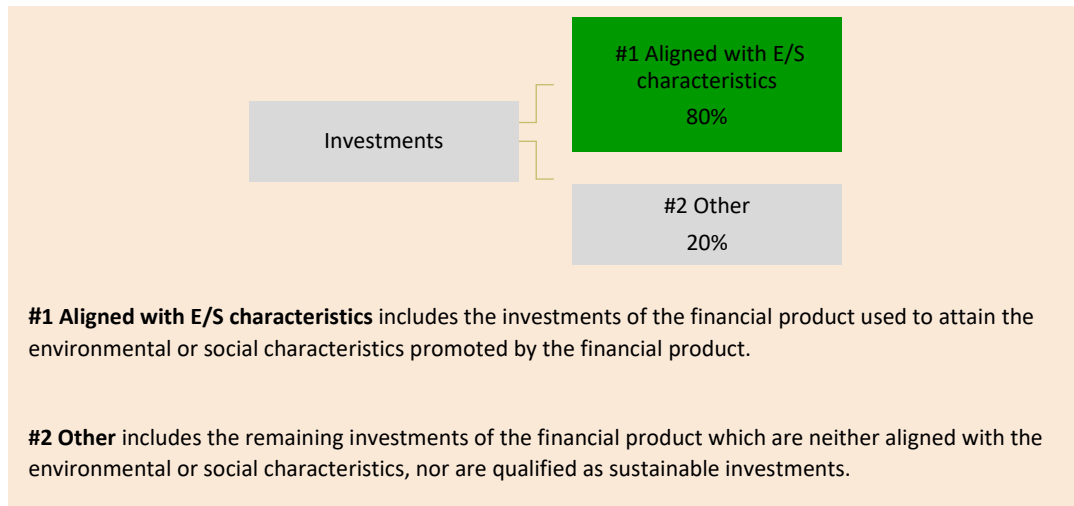
The engagement policy is explained to affirm the will to implement the environmental charter, in conjunction with our stakeholders. This policy applies to all investments made by the fund. More information can be found for investors in our Stakeholders policy.



E. Proportion of investments

What is the planned asset allocation for this financial product?

The fund's asset allocation is mainly invested in real estate assets located in Paris Region. The fund will invest into a transitional activity which is aligned with environmental or social characteristics. The investment aligned with environmental or social characteristics will at least represent 80% of the total of the assets of the fund.



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

The fund could also make investment in **#2 Other** which are liquidity. The **#2 Other** investment will represent no more than 20% of the total of the assets of the fund.

#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.



F. Monitoring of environmental or social characteristics

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 ESG audits carried out on MPUR's real estate assets include recommendations with associated budgets for all real estate assets. These recommendations are based on the analysis of each ESG criteria and aim to maximise the rating of the real estate assets.

The threshold rating for the fund allows the real estate assets to be classified between the ISR defined "Best-in-class" and "Best-in-progress" and thus determine the final action plans to be retained (Assets with an ESG rating below the threshold rating are considered best in progress and must improve their ESG performance and assets with an ESG rating above the threshold rating are considered best in class and must maintain their ESG performance).

For the "Best-in-progress" assets, MPUR will establish an action plan to improve the ESG rating of the asset grouping by 20 points or more if the rating is below the minimum, or to gain points, over a 3- or 6-year period, in order to get closer to the threshold rating.

For the "Best-in-class" assets MPUR will aim to maintain the ESG rating of this asset grouping at a minimum.

In addition, an asset studied will be considered incompatible (and therefore not eligible to investment) with the fund's SRI strategy in the following cases the following cases below:

- An asset that does not fit into either the "Best-in-class" or "Best-in-progress" category (i.e., low improvement potential)
- Assets whose improvement plan budget is not compatible with the fund's overall performance objectives, even even if it falls into the "Best-in-class" or "Best-in-progress" category "
- Assets with pollution that poses a health risk to the occupants that cannot be remediated of a decontamination in the long term,
- Third party (e.g., transferor or presumed lessee) not able to fit into the SRI strategy of the MPUR fund.



G. 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 methodology used to measure the attainment of the ESG characteristics promoted by the funds is the following:

An ESG evaluation grid was developed by MPUR in collaboration with a specialised consultancy company. The evaluation will be carried out systematically for all new acquisitions. Each sub-criteria is evaluated from 0 to 5 according to the performance levels defined in the grid. A score out of 100 is then established overall, taking into account the defined weightings. The audit results in three types of rating: a current rating for the building, a 3-year target rating and a 6-year target rating, including potential improvements, in the action plan. The overall ESG rating of the asset is used to determine its "Best-in-class" or "Best-in-progress" in ISR label classification. The average rating of the fund is calculated from the current ratings of each real estate asset, weighted by the value of the assets.



H. 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?

Identification and prioritisation of ESG criteria:

The identification and prioritisation of ESG criteria relevant to the fund's activity was carried out as follows:

1) Documentary review of ESG issues according to the sector benchmarks and guides: Sector benchmarks: GRESB, OID (Observatoire de l'Immobilier Durable), EPRA, SRI label, BREEAM In-Use; General benchmarks and guidelines: GRI, European Taxonomy, SFDR; French regulations (thermal regulations, energy and climate law, eco-energy decree for the service sector, etc.); Benchmark against peers

2) ESG working meetings: review and discussion of ESG criteria, based on the consultant's proposals.

This identification and prioritisation of ESG criteria is likely to be modified annually according to regulatory changes, sector benchmarks and market practices, as well as feedback that may require the scores to be calibrated to make them more relevant. These changes will be presented to the fund's strategy committee, which is made up of the fund's reference investors, if necessary.

Data sources for filling in the ESG grids:

In order to obtain each of the environmental or social characteristics, an ESG assessment grid is completed for each investment. Several sources of data are used:

- Information provided by the MPUR project teams
- Environmental audits and assessments by external consultants
- Data from the environmental certification of buildings

Each piece of information in the grid is validated and verified by evidence, which can take the form of an ESG audit report, an energy audit, a thermal calculation, ESG clauses in the contracts of the works providers, a low environmental impact site charter or technical studies.

Measures taken to ensure data quality

In order to ensure the quality of the data, first and second level controls are carried out.

First-level controls:

These are carried out by operational staff before or at the same time as the operations they carry out as part of their duties. They also take the form of quality control of services provided by external service providers. They are the essential foundation of the internal control system.

Operational controls:

During the acquisition phase, the acquisition committee monitors compliance with the commitments made: completion of the ESG analysis during the due diligence phase, external audits to be produced (ecologist report, feasibility reports, etc.), integration of the ESG / DEET forecast Capex in the budgets.

A control sheet will be created and will contain: The ESG grid of the real estate asset filled in with the target scores, ESG action plan with cost estimates and the list of external audits and studies to be carried out. This control sheet will be signed by the ESG Committee to ensure that the SRI commitments are respected for each acquisition.

During the management phase, the ESG Committee monitors the Investment and Management Team's compliance with the ESG objectives and action plans. The Investment and Management Team

monitors the implementation of ESG improvement plans by the Redevelopment Team and requests a half-yearly progress report from them.

A half-yearly control sheet will also be signed by the team leader, the ESG Committee, the Redevelopment Team and the Investment and Management Team to ensure compliance with management and construction commitments.

Second level controls:

An external consultancy firm, specialised in ESG management and SRI labelling issues, is commissioned to regularly verify the second-level permanent controls (every 1 to 2 years).

It verifies that the fund complies with the requirements of the SRI label and the ESG strategy defined. It checks compliance and the implementation of procedures, as well as the existence, permanence and relevance of first-level controls.



I. Limitations to methodologies and data

If any - 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)

Currently, the fund does not perceive any limitations to the methodology and data sources mentioned above. The first and second level controls mentioned above ensure the robustness of the methodology and the quality of the ESG data.



J. Due diligence

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

In the pre-analysis phase, a documentary ESG assessment is carried out by the teams in relation to the exposure to the main environmental risks, in order to identify the compatibility of the asset with the fund's CSR policy.

In the due diligence phase prior to the investment committee and acquisition, if applicable, a full ESG assessment is carried out to evaluate the eligibility of the real estate asset, according to the ESG prerequisites and the minimum score set.

The Investment Committee performs a review of the ESG rating against the current and projected rating, ensuring

- Compliance with this minimum rating, current or projected
- The fund's capacity to pursue an improvement in the ESG rating
- The inclusion of Capex and Opex budgets linked to ESG improvement



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes

☐ No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

The fund mainly invests in real estate assets. It specifies its policy of assessment with key stakeholders, in particular with the occupants of its buildings but also with its service providers (organisation, real estate, works, etc.) in order to raise their awareness of the fund's environmental, social and governance dimensions. MPUR wishes to engage in a sustained stakeholder dialogue in order to guarantee the ESG performance of the fund.

The engagement policy is explained to affirm the will to implement the environmental charter, in conjunction with our stakeholders. This policy applies to all investments made by the fund. More information can be found for investors in our Stakeholders policy.



L. Reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes

☒ No