

Sustainability related Disclosures
with respect to
ECE Progressive Income Growth Fund

The following section contains information regarding the sustainability related disclosure obligations of ECE Progressive Income Growth Fund (hereinafter the “**Fund**”) pursuant to Article 10(1), 8(1) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”).

The Fund promotes environmental and social characteristics (cf. Article 8 SFDR) but does not have sustainable investment as its objective (Article 9 SFDR).

ECE Real Estate Partners S.à r.l. (the “**Manager**”) incorporates sustainability risks in investment decisions relating to the Fund in accordance with the following paragraphs (Article 6(1) SFDR); whereas “sustainability risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

In the course of making investment decisions the Manager evaluates, assesses and compares possible sustainability risks with other factors (such as price and expected return of the prospective investment) as part of risk management. Sustainability risks can have a significant impact on all known types of risk and contribute as a factor to the significance of these risk types. The consideration of sustainability risks as part of the investment process is therefore intended to prevent a negative impact on the expected/estimated market price and/or the liquidity of the investment and thus on the return of the Fund.

Furthermore, the Manager and ECE Real Estate GmbH in its capacity as advisor with respect to the Fund (the “**Advisor**”) employ a checklist for sustainability characteristics to assess the compliance of an investment with the Fund’s sustainability guidelines with respect to environmental, social and governance (ESG) aspects. This checklist contains concrete guidelines for various ESG categories (such as energy efficiency, greenhouse gas emissions, resource consumption, resident wellbeing, and corporate social responsibility) and assures that sustainability is considered in the investment decision. In accordance with these guidelines, the Manager and the Advisor will in particular pursue the more sustainable investment opportunity out of several equally suitable investment opportunities.

The Manager believes benchmarking is an integral part of the management tools used to assess the potential cost savings that could reduce the utility consumption. In this regard, the Manager support benchmarking as an essential tool to reduce consumption. Nonetheless, at

this initial stage of the Fund, the Manager is still assessing the index or indexes to be designated as reference benchmark.

The Manager shall pay particular attention to the energy efficiency of the properties and their socially responsible urban development. Among other things, the aim is to obtain a DGNB, LEED or BREEAM certification for as many of the projects as possible. In connection therewith, the Manager and the Advisor will closely monitor energy consumption rates of the properties and use best efforts to take measures to increase energy efficiency.

The Manager also stresses the importance of using primarily renewable and durable (construction) materials in development projects.

The Manager will further closely monitor the waste and water consumption rates of the properties throughout the entire holding period with a target to minimise these as far as reasonably possible and thereby promoting circular economy approaches.

A further important issue with respect to projects the Fund invest in is the increase of sustainable mobility concepts. The Manager support e-mobility concepts such as taking into consideration the expansion of e-charging infrastructure of the properties as well as car sharing concepts and bicycle parking.

The level of achievement of the sustainability aspects mentioned above is monitored by the Manager and will be disclosed to the investors as part of the Fund's annual reports pursuant to Article 22 of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as may be amended and supplemented from time to time (AIFMD).