Website Product Disclosure for financial products that promote environmental or social characteristics

*further to article 10(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 (hereinafter "**SFDR**")*

Product Name: ECE Progressive Income Growth Fund, SCA SICAV-RAIF

Legal Entity Identifier: 984500EAM41EQCE88673

Summary

The ECE Progressive Income Growth Fund SCA SICAV-RAIF (the "Financial Product") is established as an open-ended fund exclusively focused on the acquisition of existing dominant shopping centres with strong track records and high-income growth perspectives in select European markets where ECE's long-standing operational expertise can be leveraged.

The Financial Product promotes environmental characteristics according to article 8 of SFDR through the incorporation of environmental, social and governance (**ESG**) considerations in its investment process. Specifically, the Financial Product promotes the following characteristics:

- Reduction of CO2 emissions
- Use of emission-free electricity
- Central waste management monitoring and high separation rate
- Energy monitoring system for tenant data
- Eco-friendly building certifications

Furthermore, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 75% of sustainable investments.

It should be noted that the Financial Product is managed by an alternative investment fund manager (**AIFM**), with the AIFM applying the processes and the whole procedure regarding the fulfilment of the SFDR requirements. To this end, the AIFM has policies and procedures - which are available on the AIFM website that explain how the ESG criteria are taken into account, pursued and fulfilled in accordance with the fund documentation of the Financial Product.

No sustainable investment objective

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

It will however have a minimum proportion of 75% of sustainable investments.

The sustainable investment objective of the Financial Product is to support the green transformation of buildings. Therefore, the sustainable investments contribute to environmental objectives according to Art. 2 (17) SFDR. Such contribution is evidenced by a focus on the use of emission-free electricity (environmental objectives greenhouse gas emissions and renewable energy) and eco-friendly building certifications (a mix of several environmental and social objectives based on the type of eco-friendly certification). An investment counts as a sustainable investment, when both criteria for the Sustainability Indicators are fulfilled:

- Use of emission-free electricity

  100% of all common areas in the shopping centres held by the Financial Product should use green electricity. No later than one (1) year after the purchase of a shopping centre, only emission-free electricity should be used for the common areas.

- Eco-friendly building certifications

  Furthermore, the Financial Product is aiming that 100% of its shopping centres will be certified from an internationally recognized certification system (DGNB, BREEAM or LEED). The certification should be available no later than three (3) years after the purchase of an asset.

Additionally, the sustainable investments will not significantly harm any environmental or social sustainable investment objective and will meet the 'good governance practices' requirement.

As part of the due diligence process for potential investments and regular checks during the operation phase, it is ensured that the investment does not cause significant harm to any environmental or social sustainable investment objective. The due diligence takes into account relevant environmental, social and governance criteria and evaluates the respective impact on sustainability factors. These criteria are analyzed and evaluated based on a market comparison to ensure that the do significantly harm-principle is observed.

When making sustainable investments, the Financial Product observes the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. The abovementioned principles are applied both at the organizational level of ECE REP and also within engagements of third parties.

The Financial Product takes into account the principal adverse impacts on sustainability factors in investment decisions from Table 1 of Annex I of the Delegated Regulation (EU) 2022/1288 (the "RTS").

These include (Mandatory PAIs for real estate investments as of Table 1 of Annex I RTS):

- Fossil fuels: Exposure to fossil fuels through real estate assets
- Energy efficiency: Exposure to energy-inefficient real estate assets

It cannot be ruled out that some investments are made that also meet the criteria of the sustainability indicators for adverse impacts on investments for fossil fuels as outlined in Table 1 of Annex I RTS. The exposure to fossil fuels is kept to a minimum. There are currently some petrol stations in the shopping center areas, but the total area share of petrol stations for the Financial Product is less than 0.1% This applies also for new investments.

It cannot be ruled out that some investments are made that also meet the criteria of the sustainability indicators for adverse impacts on investments for energy efficiency as outlined in Table 1 of Annex I RTS. The evaluation of the exposure to shopping centres with low energy efficiency is implicitly taken into account in the acquisition process and in the management phase by taking into account energy efficiency through analyzing the energy performance certificate.

Environmental or social characteristics of the Financial Product

This Financial Product promotes the following environmental characteristics:

- Reduction of CO_2 emissions
- Use of emission-free electricity
- Central waste management monitoring and high separation rate
- Energy monitoring system for tenant data
- Eco-friendly building certifications

For details, please refer to section "Methodologies" below.

Investment strategy

100% of assets in the acquisition processes are checked as part of the legal, technical and environmental due diligence regarding e. g. certificates, environmental issues, green leases/loans and energy issues.

During the screening and sourcing phase, the advisor of the Financial Product will prepare a concise deal fact sheet for potential investment opportunities including an overview of micro and macro location, a property/project description, and a compliance check with respect to the Financial Product's investment strategy and investment restrictions, including ESG considerations.

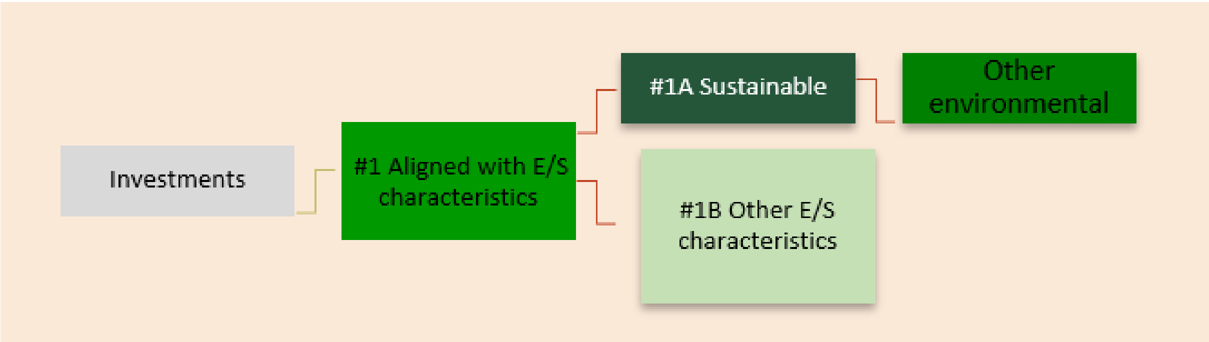
The AIFM also engages during the due diligence process an external service provider or advisor to perform a detailed technical and environmental due diligence for each investment opportunity of the Financial Product which includes at least the review of the construction conditions, the environmental impact and the sustainability, and a summary of capital expenditure required to address the backlog of overdue maintenance.

For every acquisition, an ESG-strategy is set as part of the overall business plan (strategically and financially), individual goals/measures are set for each acquisition to address ESG issues, if any. The costs are integrated in the Financial Product´s life cycle business plan.

Progress towards attaining the environmental characteristics promoted by the Financial Product is continuously monitored by the AIFM.

Proportion of investments

The Financial Product promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 75% of sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.



Monitoring of environmental or social characteristics

Attainment of the environmental or social characteristics promoted by the Financial Product is monitored by the AIFM on a regular basis, using selected sustainability indicators as described in the following section.

The environmental characteristics promoted by the Financial Product are monitored by the AIFM as part of regular investment restriction checks, and respective sustainability indicators reported to the investors annually via periodic reports.

Results and progress compared to the previous period will be analyzed by the AIFM, and further actions will be determined accordingly.

Methodologies

The Financial Product will choose at least one adequate sustainability indicator as set out below to measure the attainment of the environmental characteristic it promotes (the "Sustainability Indicator").

Where none of the following Sustainability Indicators can be applied to an individual E Characteristic with a reasonable economic effort for the Financial Product and/or the respective investment, the Financial Product may review and adjust the respective Sustainability Indicator.

- Reduction of CO2 emissions

The reduction of the CO2 emission (scope 1 and scope 2) intensity is aimed for the entire portfolio. This CO2 emission reduction potential as well as the CO2 emissions for each shopping centre are analyzed and evaluated during the acquisition phase as part of the due diligence and regularly during the management phase. The CO2 emissions are calculated based on the energy consumption for heating and electricity supply and the respective emission factors of the energy source used. While the consumption data for the heat supply mostly relates to the total area, the data coverage of the electricity consumption initially relates to the commonly used areas in the shopping centres, because usually the tenants in the shopping centres have their own supply contracts for electricity.

The basis of the data is the consumption data from the previous reporting period, available at the time of the preparation of the respective report. It cannot be ruled out that some of the data required for recording or during administration is not available. However, all available data is included in the reporting.

To monitor the attainment of CO2 emissions reduction two indicators (CO2 emissions in the common areas of the shopping centres and CO2 emissions in the tenant areas of the shopping centres) will be reported. First, the Financial Product measures the CO2 emissions in CO2 kg per m² in the common area per year of each shopping centre, which is presented as a like-for-like area-weighted average value with base year 2019. If the acquisition date is later then 2019, the baseline will be set after one year of operating. The calculation of the CO2 emissions is based on the relevant emission factors of the respective energy source.

If consumption data is available for areas that are used exclusively by the tenants (e.g., through green lease clauses), these are considered accordingly. Therefore, a second indicator for the CO2 emissions of tenant used areas per shopping centre will be calculated and reported. The methodology of the calculation is analogous to the common areas.

- Use of emission-free electricity

The aim is using emission-free electricity for at least the common areas for buildings of the portfolio. Therefore, the Financial Product calculates the share of shopping centres using 100% renewable electricity for all common areas under control of the landlord per shopping centre per year in percent. Using emission-free electricity includes own generated emission-free electricity as well as purchased emission-free electricity. The data basis refers to the previously available reporting period.

- Collection of tenant`s electricity consumption data

In terms of achieving an overview, the Financial Product aims to collect the consumption data for electricity of the tenant´s areas. To compare the progress, the share of rental floor area, for which the consumption data for tenant`s electricity is collected, in the total rental floor area is recorded per year in percent. The data basis refers to the previous available reporting period.

- Eco-friendly building certifications

The quality of the shopping centres is shown with internationally recognized certification systems such as LEED, BREEAM or DGNB. The certification awards new as well as existing buildings that are used or built in an eco-friendly manner. The aim is for the building certificate to be available no later than three (3) years after acquisition. The Financial Product measures the progress with the share of certified shopping centres in all shopping centres held by the Financial Product per year in percent. The data basis refers to the previously available reporting period.

If the transfer of ownership, benefits and encumbrances takes place as part of an acquisition in the reporting period and no data is available at the time the report is prepared, the building will be included in the report of the following year.

Data sources and processing

The Financial Product collects with a regular frequency both raw data captured by the facility manager of the respective shopping centers and independent certifications, such as by LEED, BREAM or DGNB.

Data captured by the facility manager of the respective shopping centers is subject to internal quality review.

Calculation of respective Sustainability indicators is done by the AIFM in collaboration with the external experts where needed.

The AIFM will continuously review its internal processes to ensure that the data is as complete and accurate as practically possible.

Limitations to methodologies and data

Since the asset class of the Financial Product is very specific (namely real estate; specifically shopping centers), only limited data and methodologies are available to achieve an even higher validity. Best efforts are made by the AIFM to work with the facility managers to ensure availability of data for respective sustainability indicators. Any market developments are also monitored, and the use of external consultants is included in the approach of the AIFM.

The AIFM is continuously working towards further improving availability of data from tenants via, among other measures, introducing Green Lease clauses in the new agreements with tenants, which will enable a more comprehensive ESG data collection for the Financial Product.

Due diligence

100% of assets in the acquisition processes are checked as part of the legal, technical and environmental due diligence regarding e. g. certificates, environmental issues, green leases/loans and energy issues. For every acquisition, an ESG-strategy is set as part of the overall business plan (strategically and financially), individual goals/measures are set for each acquisition to address ESG issues, if any. The costs are integrated in the Financial Product´s life cycle business plan.

In case the above-described due diligence process is not satisfying the target KPIs of the Financial Product, e. g. it is not reasonably possible to align an asset with the Financial Product´s environmental characteristics, a possible investment is to be rejected or measures to remedy the defects have to be integrated in the investment planning.

For each proposed investment, an investment memorandum is drafted which contains a dedicated responsible investment section that has been completed by the investment due diligence team and reviewed by the portfolio manager. The investment memorandum will highlight any ESG risks which have been identified during the due diligence process. The content of the relevant sections of the investment memorandum will be reviewed and assessed by a dedicated responsible investment committee (RI Committee). The RI Committee will pay particular attention to investment for which the promoted ESG factors have been identified during the initial screening process and will assess whether the due diligence on the investment opportunity, including the due diligence on promoted ESG factors and ESG risks specific to that investment has been satisfactorily completed. For those investment strategies where the RI Committee reviews the investment memorandum as part of the investment process, it must approve the content of the RI section of the investment memorandum before the investment memorandum can be passed. The RI Committee will also discuss any material ESG risks which have been flagged in the investment memorandum. One of the grounds on which the RI Committee can recommend declining the investment opportunity if there are ESG risks that could potentially impact the value and the return on the investment opportunity.

Engagement policies

ECE Group engages with representatives of current or potential investees, nonprofit organizations, or industry federations on environmental, social or governances matters. Such interactions enables the ECE Group to improve and sharpen our knowledge and to share our views on important and material ESG topics.

Whilst no specific engagement policies have been designated by the Financial Product there are ongoing interactions of the AIFM and its ECE advisors with property and facility managers of each shopping center under management, with regards to collection of data, monitoring and development of ESG related matters.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental characteristic promoted.