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**MIRABAUD GRAND PARIS
INVESTMENT FUND**

Sustainable Investment thesis

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1. The objective of the MIRABAUD GRAND PARIS fund is as follows:
 - Contribute to global energy efficiency efforts by contributing to the financing of new housing production with high environmental quality as well as by renovating existing buildings to bring them up to a high level of environmental performance.

The pursuit of this objective takes the form of investment in ad hoc civil companies carrying out such projects alongside major domestic real-estate developers. Investment by MIRABAUD GRAND PARIS in these projects enables the operations to be accelerated in a context where the developers see their progress and the completion of projects hampered by their limited internal resources in terms of capital. MIRABAUD GRAND PARIS thus injects its own capital into the operations and fully shares the risks of the projects with the partner developers.

2. The construction of new housing is aimed at correcting a significant imbalance in the Île-de-France housing market. The supply of new housing has not matched the growing demand, which is fuelled by a gradual reduction in household size. This has created shortages and high price levels that are incompatible with the purchasing power of the majority of households.
3. The Île-de-France tertiary market consists of more than 50 million m² of buildings, more than half of which are considered obsolete in the light of current expectations for thermal efficiency. The French *Décret Tertiaire* (tertiary decree), which came into force in October 2019, requires owners to undertake work to reduce energy consumption by at least 40% by 2030 compared to a reference year. This new obligation causes asset arbitrage within real-estate portfolios. Real-estate developers, whose job it is to undertake renovation projects on this type of building, are severely limited in their capacity to intervene by their lack of capital. The involvement of MIRABAUD GRAND PARIS alongside the developers contributes to the fruition of renovation projects for buildings with improved energy consumption.
4. Each of the investment files undertaken by MIRABAUD GRAND PARIS is subject to a building permit. This permit may be obtained before or after the injection of the fund's project capital. A file that is not subject to a building permit is simply a renovation and does not fall within the fund's scope.
5. Regulatory requirements for new or renovated buildings are strict in terms of environmental performance. They have been strengthened over the years, particularly in connection with the implementation of successive environmental policies. The current regulations, RT 2012 (*règlementation thermique 2012* — thermal regulations 2012), follow RT 2005 and set an ambitious primary energy consumption threshold for buildings at 50 kWh/m²/year. All files undertaken by the fund, subject to a building permit, are therefore in accordance with the provisions of RT 2012. The precise effective date of the next applicable regulations, RT 2020, is not yet fixed. It will bring the level of requirement to an even higher level: the BEPOS (*Bâtiment à Energie Positive* — energy-plus building).

6. The building design stages are highly structured and combine a significant number of experts and other participants. At the stage where the MIRABAUD GRAND PARIS fund becomes involved—very early on in the projects—the building permit file is not finalised. Sometimes, only an outline of the project, or "capacity study", exists at this early stage. Its purpose is to design a rough project plan and to determine the number of housing units or m² of office space. It is only at the APD (*Avant Projet Détaillé* — detailed design) stage of the project that all the technical characteristics of the buildings are specified. The building permit file has a degree of detail close to that of the APD.
7. The acquiring of building permits for the projects is closely monitored by the investment team; the number of housing units created is one of the central indicators for investment decisions.¹
8. The strategy implemented by MIRABAUD GRAND PARIS therefore contributes to the improvement of the environmental performance of the built heritage in the Île-de-France region and to the partial reduction of the imbalance of the region's housing market. The project therefore makes a positive environmental and social contribution, justifying its ranking in the sustainable investments category.