

**mnk**

PARTNERS —

**ESG CHARTER**

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## I. Context :

ESG criteria (Environment, Social and Governance) allow us to evaluate financial entities on environmental, social and governance criteria in addition to financial criteria (turnover, profitability, growth, debt, etc.). Since our creation, we have shown a particular interest in ethical and responsible investment and ESG criteria.

MNK Partners Group and all its subsidiaries and funds under management ("MNK Partners") are therefore committed to integrating its environmental, social and governance (ESG) principles. We value the highest standards both in our funds, assets and services, and through the CSR vision we are building to support our growth as a committed company. Trust and transparency are core values at MNK Partners. The selection of our portfolio assets is the result of well thought-out financial and real estate strategies incorporating our sensitivity to the education, healthcare, sustainability, industrial innovation and infrastructure sectors.

In order to define an ESG charter that best responds to the current issues and requirements, needs and expectations of the company, its partners and employees, we proceeded with an internal consultation method, soliciting the opinion and sensitivity of our managers and employees.

Thus, this document details our commitments and their integration into the strategy, analysis and management and investment processes. In addition, this document proposes possible improvements and future steps to be taken, in the short and medium term.

We have aligned our ESG commitments and actions with the 17 UN Sustainable Development Goals (SDGs) and the World Bank's Environmental and Social Standards (ESS).

## II. Our ESG objectives

Our ESG commitment is based on six major objectives:

1. Work ethically, consciously, transparently and to strengthen confidentiality internally and externally.
2. Reduce our carbon footprint and consume responsibly and consciously.
3. Promote social inclusion and fight against inequalities.
4. Create employment and a quality working environment for our employees that is conducive to their productivity and well-being.
5. Strengthen our governance.
6. Favouring tenants committed to an approach that respects environmental and social criteria

## III. Our ESG commitments :

Since its inception in 2017, MNK Partners has been committed to the 10 principles relating to human rights (see Appendix 1), international labor standards, environmental protection and anti-corruption.

MNK Partners has set up an "ESG team", made up of engineers and environmental experts. This team is headed by an "ESG Director" who reports directly to the Group's President. To date, our ESG Director, an engineer by training, has experience in real estate and infrastructure development. He has also been recognized as an "EDGE Expert<sup>1</sup>" by the International Finance Corporation, a member of the World Bank Group.

We are committed to integrating the ESG performance of our funds as well as that of our group in the annual reports we provide to our shareholders, investors and stakeholders.

In addition, we commit to establishing an ESG analysis for each investment opportunity, using an internal "ESG Due Diligence" file, with the same importance as the technical, financial and economic study. This matrix will allow us to monitor the evolution of the ESG performance of the asset in the event of its acquisition.

## 1. Environment :

- MNK Partners is committed to reducing its energy consumption by 20% by December 2023 through energy saving actions.
- MNK Partners is committed to reducing its water consumption by 20% by December 2023 through the installation of water-saving taps and flushes.
- MNK Partners commits itself not to receive any claim of incorrect waste sorting.
- MNK Partners is committed to reducing its plastic consumption by 50% by the end of 2023.
- MNK Partners is committed to reducing its paper consumption by 75% by the end of 2023.
- MNK Partners refuses to invest or advise on investing in assets with tenants that are harmful to the environment.

## 2. Social :

- MNK Partners does not invest in sectors of activity that do not respect human rights or that undermine the integrity of individuals and society.
- MNK Partners is committed to investing in assets accessible to people with reduced mobility
- MNK Partners is committed to ensuring well-being at work and eliminating micro-management that deteriorates the working environment.
- MNK Partners is committed to implementing and pursuing its social mission of inclusion through sport. Through the sponsorship set up with the French Para Teqball team since 2022, MNK Partners has established a sports

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<sup>1</sup> Accredited by the IFC (International Finance Corporation), EDGE experts use their skills, knowledge and in-depth understanding of EDGE software to build confidence in the green nature of a project. Their persuasiveness enables the client to imagine and realise a fully green portfolio.

partnership in order to make a significant contribution to the handisport branch of French Teqball, a sport recognized for its inclusive values.

### **3. Governance :**

- MNK Partners respects the decisions of the investment committee regarding investments and acquisitions.
- MNK Partners ensures compliance with laws and regulations relating to the fight against money laundering, corruption and the financing of terrorism.
- The management company, MNK Partners, is committed to respecting the respective strategies of each of its funds.
- MNK Partners is committed to integrating ESG clauses with fund (and management company) service providers, particularly with property managers. We are committed to choosing our service providers on the basis of financial and extra-financial criteria, and therefore on their ESG approach. In addition, service providers will be audited on their compliance with the management company's ESG charter.
- MNK Partners is committed to implementing an ESG awareness program for the occupants of the assets held by each fund.
- MNK Partners is committed to conducting ESG satisfaction surveys with other tenants of assets held by the funds.
- MNK Partners is committed to implementing a monitoring and evaluation system aimed at controlling the risks related to the consequences of climate change that may impact stakeholders.

## **IV. Our concrete actions: taking ESG criteria into account in our investment policy**

Our commitments represent the guideline for the actions we have undertaken and continue to undertake in the short, medium and long term.

We have integrated ESG criteria into our IOP (Investment Opportunity Profile), in order to carry out a preliminary analysis that already contains extra-financial criteria. One of the criteria taken into account is the energy performance indicator of the asset, an indicator that takes into account a multitude of energy criteria.

Our actions are divided into 3 parts: environment, social and governance.

### **1. Environment :**

We have put in place actions to reduce our carbon footprint.

- o Obligation to sort waste<sup>2</sup>.

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<sup>2</sup> MDG 14: Protection of aquatic life  
MDG 15: Protection of terrestrial fauna and flora

- Reduction of plastic consumption<sup>3</sup>.
- Reducing travel and prioritizing train travel whenever possible<sup>4</sup>. We have equipped our offices with the necessary technical means to reduce travel as much as possible.
- Provision of electric bicycles to our employees by partially financing their subscriptions.
- Company vehicles are now electric or hybrid.
- Generalization of the electronic signature using a secure tool (Universign), where possible, which guarantees authentication, encryption and data retention, thus reducing paper and ink consumption<sup>5</sup>.
- The majority of our assets have bicycle parking facilities<sup>6</sup>.
- During the due diligence phase, if an environmental risk is identified, we assess its impact. If the activities taking place within the asset and carried out by the tenants are detrimental to the environment, MNK Partners does not pursue the acquisition.
- We give preference to tenants who are committed to an environmental approach or have an environmental dimension.
- Strengthen the environmental competence and expertise of our teams, in particular through certifications such as EDGE (created by the International Finance Corporation (IFC), a subsidiary of the World Bank), which certifies ecological and green buildings. EDGE is a green building standard that meets national and international priorities, with clear priorities: A building that consumes 20% less energy, water and embodied materials than an equivalent local building.<sup>7</sup>.
- In our travel policies, we favor environmentally friendly partners<sup>8</sup>.

## 2. Social :

- MNK Partners Group directly and indirectly creates jobs in quality working environments. In 5 years, MNK Partners Group has continued to expand. The company has established itself in 5 countries (France, Luxembourg, Poland, Ivory Coast and Morocco), where it has created jobs and contributed to the local development of the countries in which it operates. At the same time, our assets are leased to tenants who create jobs, through their various fields of activity, and contribute to the economic development of their states.<sup>9</sup>
- MNK Partners does not take into account any discrimination, especially those based on age, religion, ethnic and national origin of its employees. At MNK Partners, we are an international team, of all ages and religions.
- Equal pay for men and women for jobs with similar responsibilities<sup>10</sup>.

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<sup>2</sup> SDG 14: Protection of aquatic life  
MDG 15: Protection of terrestrial fauna and flora

<sup>4</sup> MDG 13: Combating climate change

<sup>5</sup> MDG 12: Responsible consumption

<sup>6</sup> MDG 13: Combating climate change

<sup>7</sup> MDG 9: Innovation and infrastructure  
SDG 11: Sustainable cities and communities  
MDG 13: Combating climate change

<sup>8</sup> SDG 17: Partnerships for achieving goals

<sup>9</sup> SEN 2: Jobs and working conditions

<sup>10</sup> MDG 5: Gender equality

- o The workstations are designed to ensure the best working conditions for each employee<sup>11</sup>.
- o Our recent assets meet technical and environmental standards that make them ergonomic and practical spaces for its users.
- o We plan, where possible, to make all our assets accessible to people with reduced mobility.
- o We refuse to rent our assets to traders in products or services that undermine the integrity of individuals (arms industry, pornography industry, etc.) and prefer tenants with social dimensions.
- o As part of its commitment to social inclusion, MNK Partners is the official partner of the French Para Teqball team<sup>12</sup>, a recent sport discipline offering all the qualities of inclusion.

### **3. Governance :**

- o Strengthening our governance through the presence and support of our Senior Advisors.
- o Potential integration into the governance of our young managers
- o Anti-corruption: implementing controls and procedures to minimize the risk of money laundering or fraud by our investors and potential investors.
- o Ethics and transparency: launch of a platform where investors can follow in real time the evolution of their portfolio, its performance, dividends, fees, the DICI and other regulatory documents<sup>13</sup>.
- o Protection of our investors' and partners' confidential data: confidential data is only accessible to the relevant employees.

## **V. ESG performance analysis methodology - Fund and management company rating grid :**

### **1. Funds: ESG throughout the investment cycle**

In order to analyze the ESG performance of our funds (currently MNK ONE, Polska *by* MNK and MNK EUROPE+), the ESG rating of the funds is obtained by weighting the ESG rating of each asset (detailed in the "ESG Due Diligence"), the weighting being a function of the acquisition price of each asset in relation to the total price of the assets held by each fund.

We have determined the ESG criteria throughout the investment cycle:

1. Sourcing phase :
  - We source assets that meet at least one CSR criterion
  - We source assets that meet ESG criteria, through their quality and/or their tenants.

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<sup>11</sup> SEN 2: Jobs and working conditions

<sup>12</sup> MDG 10: Reduce inequality

<sup>13</sup> SEN 10: Stakeholder engagement and information

2. Analysis phase :

- Preliminary analysis: each investment opportunity received is analyzed in an IOP (Investment Opportunity Profile), in which we have added two main ESG criteria: one relating to the energy consumption of the asset, and the other relating to the tenants. This preliminary analysis allows us to identify the main characteristics of the asset and to proceed to an in-depth analysis if the asset is interesting.
- We have developed an ESG Due Diligence that allows us to assign an ESG rating to each asset in the due diligence stage. In this way, the financial, technical and ESG aspects are taken into account in an even respect, and have a similar importance. We first defined Environmental, Social and Governance assessment criteria. These criteria, alongside the financial criteria, should drive our investment strategy and acquisition decision-making process.

3. Acquisition and holding phase :

- An ESG action plan for the assets is put in place with the help of our EDGE expert. "Quick wins", small initiatives and changes that quickly and simply result in an ESG gain, will be implemented to improve the ESG performance of the asset. Operational monitoring will be put in place to ensure that the action plan is being implemented and that objectives are being met.
- ESG reporting will be provided, including the ESG steps taken and representing the benefits to the tenants, the asset and the fund.
- The asset will potentially be eligible for environmental and/or social certifications and labels

4. Exit phase :

At the time of exit, the asset will be valued according to its ESG performance. The ESG valuation for the asset and for the tenants will be communicated to investors.



### Sourcing

- Sourcing asset classes with a social dimension (health, education, etc.)
- Sourcing assets that already meet ESG criteria

### Acquisition and ownership

- An ESG action plan is implemented
- An operational monitoring system is set up to ensure that the action plan is applied and that ESG objectives are met
- Annual ESG reports are produced
- Potential obtaining of environmental and social labels



### Analysis

- Preliminary verification in the IOP
- ESG Due Diligence in which ESG risks and opportunities are identified and an ESG rating is assigned to the asset
- Go/no-go analysis related to the financial and non-financial results

### Exit

- Valuation of the ESG performance achieved for the asset and the tenants

## 2. The management company :

### Environmental criteria :

Criterion	Basis for rating
Energy consumption	EPC/BER and electricity bills
Water consumption	Water bills
Selective waste sorting	Flow and monitoring
Reduction of plastic consumption	Purchase invoices for water bottles
Reduction of paper consumption	Purchase invoices for reams of paper
Our suppliers are sustainable brands	List of suppliers
Our service providers (hotels, telephone packages, etc.) are environmentally friendly	Our service providers have an environmental approach
Public transport for travel	Number of train journeys

### Social criteria :

Criterion	Basis for rating
Equal pay for equal work	Skills and performance
Fighting discrimination	Origin and nationality of employees
Contribution to local development	Job creation and local investment
Ergonomic and user-friendly offices and favorable working conditions	Each person's space is arranged according to their professional needs
Working conditions	Employee well-being
Involvement in associations	Amount of annual donations

**Governance criterion :**

Criterion	Basis for Rating
Transparency towards our partners	Publication of ITBs and reports
Transparency towards our investors	Publication of ITBs and reports
Privacy	Accessibility of data to employees
Fighting corruption and money laundering	KYC
Number of men/women	Number of employees

## **VI. Future ESG actions to be implemented:**

Our ESG strategy is dynamic. As a result of our constant R&D, the actions and approaches to be implemented are the following:

- Integrate extra-financial and ESG criteria into our quarterly and annual reporting.
- Reduce our energy consumption and consume more responsibly.
- In order to improve internal communication, we are currently implementing a platform called Notion, which allows us to centralize information and make it accessible to all employees regarding our processes, rules and internal regulations.
- Our EDGE expert will assess our assets and put in place an action plan by February 2023 to reduce energy consumption.
- Undertake asset management work, which will enable us to further respect ESG criteria in assets.

⇒ **MNK One and MNK Europe+ funds to be awarded SRI label:**

SRI, Socially Responsible Investment, is an approach that applies the principles of sustainable development to investment.

In this case, the investment decision is based not only on financial criteria, but also on extra-financial criteria, respect for the environment, employee well-being and good governance within the company.

In this context, MNK Partners wants to transform its funds, MNK One and MNK Europe+, into SRI funds by respecting the three ESG criteria and giving them the same degree of importance. This is part of a strategy to address environmental, social and governance challenges and to be able to provide investors with the best investment solutions while supporting the causes they value.

Therefore, MNK Partners would like to initiate a process to obtain the SRI label to guarantee a conscious and sustainable investment.

By obtaining this label, we reinforce our values of transparency towards employees and investors.

MNK One is a SCA SICAV-FIAR under Luxembourg law and MNK Europe+ is an SPF under French law, both of which are AIFs, which are eligible for the SRI label.

With this CSR Charter, we commit ourselves to take into account ESG criteria in the investment policy and to describe them in the regulatory and commercial documents intended for investors, by providing them with :

- The necessary documentation describing the ESG assessment methodology;
- How the implementation of this approach influences our investment policy;

It should be noted that the management company MNK Partners has reliable internal resources to carry out this analysis and a team with the necessary expertise to provide training, analysis and internal and external communications on ESG factors concerning MNK One and MNK Europe+.

**I. Annexes :**

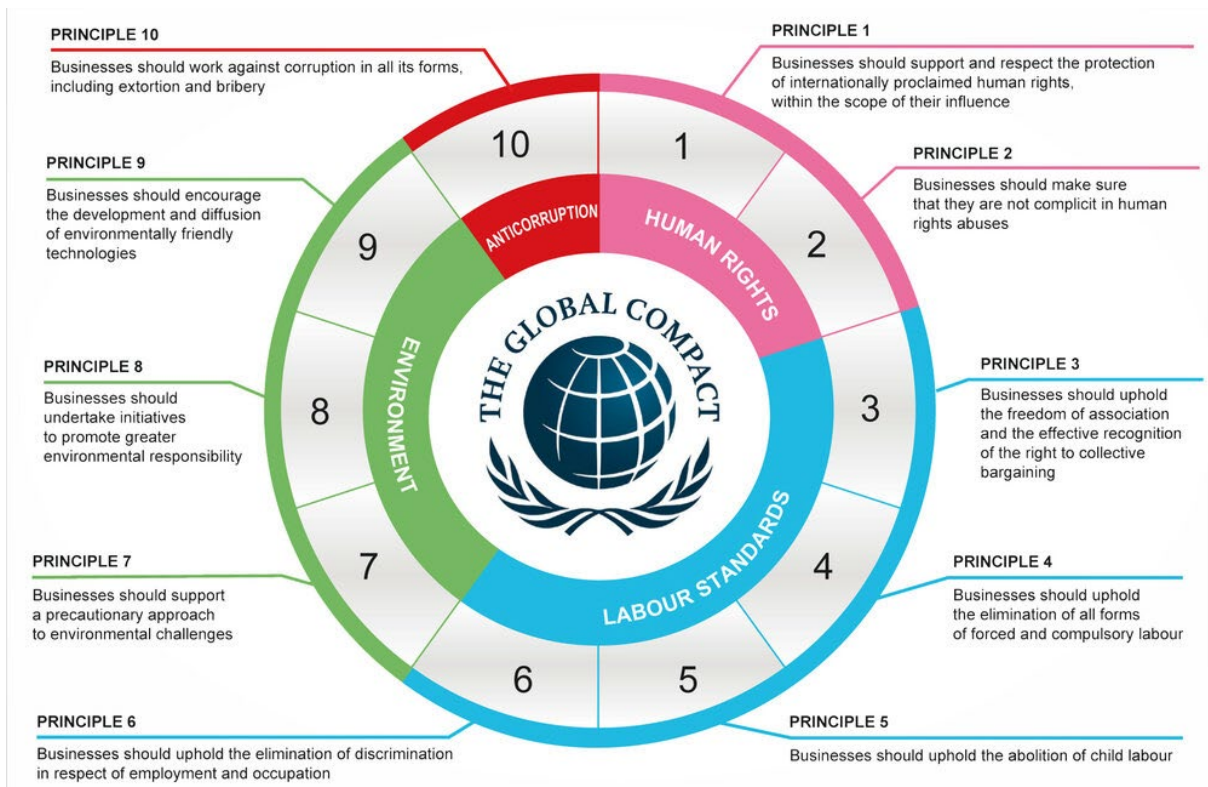


Figure 1: The ten principles of the United Nations Global Compact

 **SUSTAINABLE DEVELOPMENT GOALS**



Figure 2 : The 17 UN Sustainable Development Goals