# Article 10 (SFDR)
# Website Disclosures

## The Good Life Development Fund II Comm.V

## SFDR product category: Article 9

This document constitutes the website product disclosure for financial products that have sustainable investments as their objective. Under the EU Sustainable Finance Disclosure Regulation (SFDR), all article 9 SFDR funds are required to publish sustainability-related information document on their website.

**May 2023**

## A. Summary

The given text outlines the sustainable investment objectives and strategies of The Good Life Development Fund II Comm.V, a real estate investment fund ("Fund") managed by GLDF II Partners NV, a company fully owned by Re-Vive NV ("Revive" or "Revive Group"). The Fund aims to make investments that have a positive impact on the environment and society while generating financial returns.

**No significant harm to the sustainable investment objective:** The Fund ensures its investments do not cause significant harm to environmental or social sustainable objectives by assessing each investment against Principal Adverse Impacts (PAIs) listed in Annex I of the SFDR RTS. Investments must meet minimum standards and best practices under GRESB to prevent significant harm. If the investments do not meet these thresholds, they will not be considered further. The Fund also reserves the right to increase alignment with the general DNSH principle and EU taxonomy over time. The Fund considers PAIs and does not take into account the UN Guiding Principles on business and Human Rights due to the nature of the investments not involving Multinationals.

**Sustainable investment objective of the financial product:** The sustainable investment objectives of the fund are to ("Core Sustainability Indicators"):
- Energy Efficiency: Amount of renewable energy generation on-site;
- Water Conservation: Area of catchment surfaces utilised for rainwater collection / Percentage of total water demand met through rainwater harvesting;
- Social Equity: Provision of community spaces and amenities available to all residents;
- Biodiversity: Percentage of green preserved or created within the development.

**Investment strategy:** The Fund's strategy involves investing in redevelopment projects through portfolio companies, and it aims to create a positive impact through transition plans integrated into the investment process. A roadmap is established to mitigate risks associated with the implementation of the transition plan throughout the investment lifecycle. The Fund ensures that the transition plan is central to each stage of the investment process, including deal sourcing and initial screening, notification of interest and due diligence, investment proposal, and the holding period. Impact indicators and targets are defined, and monitoring is conducted to track progress and address any discrepancies.

**Proportion of investments:** The Fund commits to having 100% of its investments aligned with environmental objectives but currently does not have a minimum percentage for investments aligned with social objectives. While there is no specific commitment to invest a minimum percentage in EU Taxonomy-aligned environmental objectives, it is the aim of the Fund to maximise the alignment of its investments with those objectives. The Fund ensures that all investments are either transitional or enabling activities, with the majority expected to be transitional. Cash and cash equivalents held for liquidity purposes are not considered when calculating the percentage of sustainable investments. The Fund generally avoids investing in derivatives unless necessary for hedging currency or interest rate risks.

**Monitoring of sustainable investment objective:** GLDF II Partners regularly monitors and reports on the progress of achieving the sustainable investment objective to the Board of Directors. This assessment includes both quantitative and qualitative analysis of sustainability indicators. The findings are used to learn and adapt the Fund's approach, particularly as it invests in transitional activities that involve redeveloping brownfield assets into sustainable projects.

**Methodology:** GLDF II Partners focuses on generating social and environmental impact alongside financial returns, integrating impact management throughout the investment cycle. It incorporates

positive change stewardship into decision-making at all stages, asking critical questions to maximize impact performance. The evaluation process includes deal sourcing, notification of interest, investment proposal, holding period, and exit stages. Some sustainable objectives may require a subjective approach, considering factors such as the scale, materiality, and efficiency of the impact created compared to the Fund's investment.

**Data sources and processing:** We aim to collect a standardized set of information, considering variations in data quality for each project. This includes ensuring reliability, precision, and the potential for valuable insights from impact data. Our approach involves disclosing individual metrics using consistent categories, calculations, units, time periods, and assumptions. We also utilize the Dimensions of Impact framework, which covers Who, What, How Much, Risk, and Contribution, to provide a common and comparable language for defining and communicating impact.

**Limitations to methodology and data:** GLDF II Partners establishes quantitative impact Key Performance Indicators (KPIs) for investee companies, ensuring they are easily evaluated. These KPIs and targets are approved by the Board of Directors, which, while maintaining a link with the Fund Manager, includes independent members to align everyone towards maximizing positive change. Complementary impact analysis, performed by the Fund Manager, involves subjective evaluation to understand the impact's scale, depth, and efficiency without affecting the Fund's carried interest. Estimating certain indicators, such as scope 3 carbon emissions, may be necessary due to limited resources, presenting a limitation in the methodology used.

**Due diligence:** The due diligence process for underlying assets involves an initial screening and negative impact assessment, as described in the 'Investment strategy'. This process is designed to ensure that thorough due diligence is conducted before making an investment decision. However, the current due diligence process is flawed in that it primarily focuses on transitioning assets towards sustainability at the time of investment. The belief is that the majority of the data gathering and related work occurs during the holding period, which follows the due diligence stage after the acquisition phase.

**Engagement policies:** The Fund focuses on impact by selecting and supporting projects to maximize positive outcomes and minimize negative effects. This involves engaging with projects, requesting information, investigating concerns, and tracking performance. The aim is to create long-term value for society and the environment while enhancing the fund's value creation potential. Revive, the fund's sponsor, participates in internationally recognized initiatives such as B Corp accreditation. Revive engages on relevant environmental, social, governance, and business strategy topics for each project, fund, or sector context.

**Attainment of the sustainable investment objectives:** The Fund does not rely on a benchmark for performance evaluation. Instead, it collaborates with project management to establish one to five impact Key Performance Indicators (KPIs) and corresponding targets. These KPIs are in line with the Fund's social and environmental objectives. It's important to note that the attainment of these targets does not affect the annual remuneration of the management of investee companies.

## B. No significant harm to the sustainable investment objective

To ensure that the investments made by the Fund will not cause significant harm ("DNSH") to any environmental or social sustainable investment objective, every (new) investment and every asset must at minimum take into account the Principal Adverse Impacts ("PAIs") as referred to in Annex I of the SFDR RTS. As part of the investment process, it will be assessed for each investment against the PAIs whether the investment creates a negative impact or thus a significant harm to any of the sustainable investment objectives. At least, the minimum standard to qualify as a sustainable investment in the sense of article 2(17) SFDR must be met. In addition, the investment must also meet, in order to prevent significant harm, the best practice requirement under GRESB, in terms of sustainability. Finally, it will also be generally assessed whether the investment does not cause any other significant harm to the sustainable investment objectives of the Fund not exhaustively listed in Annex I of the SFDR RTS or covered by best practices under GRESB. If these minimum thresholds are not met, the potential investment will no longer be considered further by the investment committee and the board of directors. During the holding period, all assets will undergo regular monitoring, to ensure at all time, that the DNSH criteria, as set out in this paragraph, are not breached. In case the DNSH criteria are not able to be maintained, the Fund will divest such as asset at the first possible moment that takes into account the interest of all stakeholders in the process.

The general DNSH principle should be assessed in terms of a multi-stage process, to make sure the full transition process is taken into account and as such the assessment may not be limited to solely the state of an asset at the moment of e.g. the acquisition of an asset which is not yet considered sustainable at the time of such acquisition.

The Fund reserves the right to increase the benchmark alignment considering the general DNSH principle during the lifetime of the Fund towards EU taxonomy alignment and to ensure that at any time, the assets of the Fund meet the requirements in respect of the general DNSH principle to qualify the assets as a sustainable investment under article 2(17) of the SFDR.

*Principal Adverse Impacts indicators ("PAI")*

All PAIs are taken into account during the investment process (see above).

*Alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on business and Human Rights*

The Fund scrutinizes the alignment of the potential investments with the ESG Policy of Revive Fund Management and doesn't take into account the UN Guiding Principles as the nature of the investments are not in Multinationals.

## C. Sustainable investment objective of the financial product

The sustainable investment objectives of the fund are to ("Core Sustainability Indicators"):
- Energy Efficiency: Amount of renewable energy generation on-site;
- Water Conservation: Area of catchment surfaces utilised for rainwater collection / Percentage of total water demand met through rainwater harvesting;
- Social Equity: Provision of community spaces and amenities available to all residents;
- Biodiversity: Percentage of green preserved or created within the development.

In order to realise these objectives, the fund invests in redevelopment projects, through special purpose vehicles, that actively contribute to these investment objectives. Through these investments that contribute to sustainable housing and infrastructure, the fund contributes to the following environmental objectives as set out in article 9 of the EU Taxonomy:

- Climate change mitigation; and
- Climate change adaptation.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives

### D. Investment strategy

As the strategy of the Fund is to invest into redevelopment projects (renovation and construction) through Portfolio Companies, the way the Fund aims to create the positive impact is through transition plans which will be part of the investment process, and which will include the environmental and social aspects listed here above. In order to limit and mitigate the risks linked to the implementation of the transition plan, a roadmap is laid out and is to be followed through the investment process and furthermore serves as a basis for the risk mitigation during all stages of the investment lifecycle.

During the whole investment lifecycle of the Fund which is listed below, it will ensure that the transition plan is at the centre of the investment process and taken into account during each of the following steps:


<u>Deal Sourcing and Initial Screening:</u>
Considering the specific nature of the Fund’s impact objectives which is to acquire assets in order to redevelop them in such a way as to create a positive impact, the Fund (through GLDF II Partners) will make sure to only invest where impact is core to the potential Portfolio Company’s model and an integral part of the underlying asset. Specifically, the investment team of GLDF II Partners shall focus on selecting assets whose core interest is to achieve the Fund’s objective of delivering measurable impact generating and enhancing the positive social and environmental impact and attractive financial returns. The investment team conducts a high level impact analysis at the screening stage of potential investment opportunities. Preliminary impact indicators (including those based on the Core Sustainability Indicators which will be used to track the sustainability of the investment are also defined and discussed. In this process, the investment team consults on a regular basis with experts in their field and management whether the sustainability-linked objectives could be fulfilled with the sourced deal.

<u>Notification of Interest and Due Diligence:</u>
The investment team of GLDF II Partners conducts an in-depth analysis, including in respect of direct and indirect impacts, both positive and negative, with the aim of maximizing the overall positive impact of the aggregated portfolio and avoid significant negative externalities. Specifically, the investment team assesses whether the target project offers a solution to the needs identified in the sustainable investment objectives of the Fund and alignment between the business and impact objectives.

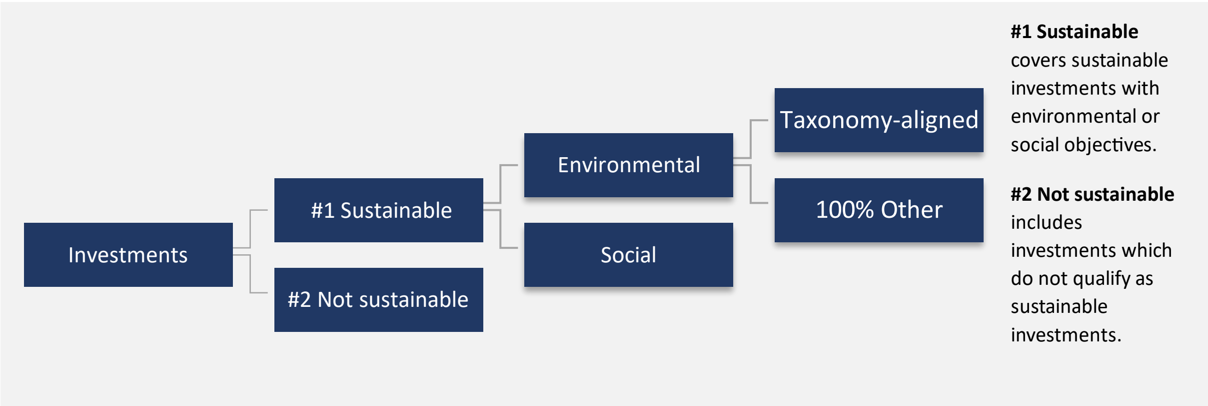
At the end of this stage, the investment team defines a set of impact indicators (“KPIs”) and targets, which minimally include the Core Sustainability Indicators as described above.

Information related to the sustainability risks will be collected and analysed as part of the final investment process (using the methodology described below) to evaluate the transition and physical risks related to the targeted investment. An evaluation of the governance of the company is also implemented and the Fund will only invest in companies with the appropriate level of corporate governance, including a Board of Directors which will be composed by Revive's professionals, transparency and sound financial statements (see below). The due diligence process is considered to assess the sustainability of the target company business and determine its entry valuation.

<u>Investment Proposal</u>
Once the target impact indicators proposed by the investment team, have been defined, they are described in the Investment Proposal (which includes the brief statement on the identified positive impact alongside with the potential negative impact), which the Investment Committee of GLDF II Partners receives prior to the final investment decision. The Investment Proposal shall include as well a detailed transition plan which emphasis the steps to be taken to reach a project which is considered as a sustainable investment under the regulations at the time of the investment approval. In order to proceed with the investment, the Investment Proposal as a whole will need to be approved by the Investment Committee members of GLDF II Partners. The KPIs and targets as well as the impact indicators to report on will be included in the business plan of the Portfolio Company.

<u>Holding Period</u>
The pre-defined impact targets of each Portfolio Company are tracked annually (unless specified otherwise). The monitoring team reviews the intermediary impact indicators to make sure that (i) each investment is on track to deliver the expected impact within the defined initial transition plan, and (ii) there is no significant escalation detected from initial target. In case of a discrepancy between each intermediary impact objective and the realised indicator value, the monitoring team investigates further and works with the Portfolio Company to make sure it can get back on track in an acceptable timeframe.

### E. Proportion of investments




The Fund generally does not invest in derivatives as part of its investment strategy to attain the sustainable investment objective. The use of derivatives by the Fund is limited by its contractual agreements towards its investors and will in principle be solely used for hedging purpose to cover ie. currency or interest rate risks. If, exceptionally, an investment would take place in a derivative, the underlying asset has to comply with the requirements set out in this annex.

*Minimum share of sustainable investments with an environmental objective*

The Fund commits to a 100% of its investments to be aligned with environmental objectives.

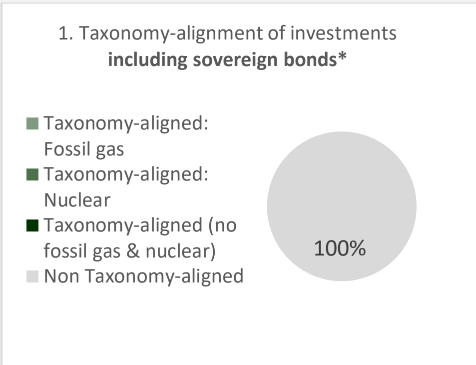
*Minimum share of sustainable investments with a social objective*

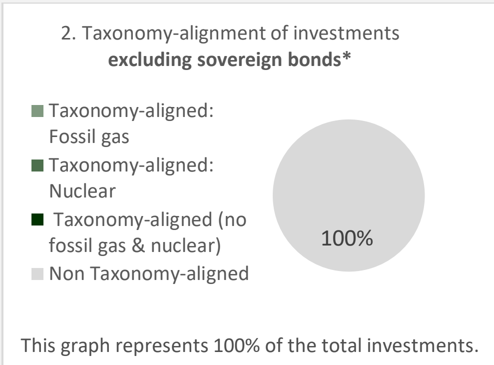
Currently, the Fund commits to 0% of its sustainable investments to be aligned with social objectives. However, we do reserve the right to ourselves to increase this percentage during the lifetime of the Fund when more evidence is ready at hand to claim this social objective alignment.

*Sustainable investments with an environmental objective aligned with EU Taxonomy*

The Fund does not commit to invest a minimum percentage in sustainable investments with an environmental objective aligned with EU Taxonomy. However, the Fund expects that in practice certain of its investments will be fully aligned with the EU Taxonomy. For the avoidance of doubt, the Fund does commit to invest 100% in sustainable investment with an environmental objective in the sense of article 2(17) of the SFDR, and it is the aim of the Fund to work towards aligning its investments with the EU Taxonomy's environmental objectives. The Fund reserves the right to increase the percentage of sustainable investments with an environmental objective aligned with EU Taxonomy during the lifetime of the Fund.

***The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*Minimum share of investments in transitional and enabling activities*

Each investment of the Fund will be either transitional or enabling, so in total the investment in transitional and enabling activities will be 100%. We would expect that the majority of the Fund's investments can be qualified as transitional activities.

*Minimum share of sustainable investments with an environmental that are not aligned with the EU Taxonomy*

The Fund does commit to invest 100% in sustainable investment with an environmental objective. However, as indicated above. The Fund does not commit to a minimum percentage in sustainable investment that are aligned with EU Taxonomy.

*What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?*

Although the Fund does not plan to have other investments than sustainable investments, it can hold cash and cash equivalents as ancillary liquidity. Cash and cash equivalents do not affect the delivery of the sustainable investment objectives of the Fund on a continuous basis as they are used - in limited proportion – to support the proper liquidity management of the Fund and its financial obligations towards its various third-parties. They are not taken into account when calculating the percentage of sustainable investments of the Fund.

## F. Monitoring of sustainable investment objective

GLDF II Partners continuously monitors the extent to which the sustainable investment objective has been achieved by developing on the state of the affairs on a yearly basis to our Board of Directors. Included in this assessment is the performance of the sustainability indicators in a quantitative and qualitative manner. The results of this assessment are used as input for the learning and adapting phase as the Fund does invest into transitional activities that are supported by the fundamentals of redeveloping a brownfield asset into a futureproof project.

## G. Methodology

GLDF II Partners invests to generate social and environmental impact alongside a healthy financial return. Hereby, we use our investment cycle as an overarching tool to manage its impact. As well as to embed it into the decision making process whereas approval is sought about analyses that are performed by the Fund Manager. In a second instance, we are aware that some sustainable objectives may have a more qualitative nature and thus requiring a different methodology.

<u>Included into the decision making process</u>
We look to incorporate the positive change stewardship as much as possible into our decision-making process as well as across all stages of the investment. Hereby we aim to increase the impact performance by asking a series of critical, strategic and highly relevant questions. These questions are raised following the various stages of the investment process. Below are stated the reflection questions that are asked when evaluation an investment:

| **Investment Stages** | **Key Questions** |
|---|---|
| Deal sourcing | What type of opportunities and/or projects are most likely to enable the Fund the achieve both the financial target (risk, return, size, …) as well as the Fund's impact goals. |
| Notification of Interest | Does this project yield the greatest impact taking into account the financial returns it yields for the Fund? |
| Investment Proposal | Are the indicators in line with the Fund's sustainable objective and are the targets set a realistic level? |
| Holding Period | Is this project under- or overperforming on a portfolio level? How do we ensure that the forecasted impacts can be secured? |
| Exit | Are the initial targets that have been set comprehensive enough given the time that has passed since and moreover have they been met? How does this realised impact compare to other projects and it peers? |

<u>Complementary approach:</u>

Some the abovementioned sustainable objectives are rather hard to quantify and thus require a more subjective approach by the Fund Manager. Hereby some weights are taken into account that are required to assess the impacts:

- Scale of the impact: reference the impact in order to get a grip of the scale (i.e. year-by-year);
- Materiality assessment: what is the change that actually happened due to the investment;
- Efficiency: What is the created impact compared to the invested amount by the Fund.

## H. Data sources and processing

We aim to collect a set of information as standard as possible. The data collection will consider possible variations in data quality of each project. Most notably the reliability and precision of data, as well as aspirations for the types of insights that impact data may be able to elevate.

Each individual metric will be disclosed using consistent categories, calculations, units, time periods, and assumptions. To ensure impact data are collected and reported in a standardised way, GLDF II Partners, intends to align its impact metrics with widely accepted reporting standards.

## I. Limitations to methodology and data

When GLDF II Partners defines the impact KPIs for its investee companies, it makes sure that these are quantitative KPIs that are relatively easy to evaluate. These Core Sustainability Indicators and their targets are validated by the Board of Directors of GLDF II Partners, which is not for a 100% objective as the link with the Fund Manager is maintained. However, we believe that the presence of independent Board members as well as the lack the link with the renumeration of the Fund Manager makes for that everyone around the Board table is aligned to maximise positive change.

Complementary impact analysis will rely on a more subjective evaluation which will be harder to proof. This represents a limitation to the methodology used, but as mentioned previously, this more subjective analysis will be performed by the Fund Manager to better understand the scale, depth and efficiency of the impact generated, without influencing the impact carried interest of the Fund. As regards to the collection of the PAIs indicators, there will be situations where the evaluation of specific indicators will need to be estimated (for e.g. scope 3 of the carbon emissions) as most of the projects in which the Fund invests will not have the resources to evaluate them. Estimating this type of indicator is a common practice, even for larger companies, but still represents a limitation of the methodology used.

## J. Due diligence

The due diligence carried out on the underlying assets consists of an initial high-level screening accompanied by negative impact assessment. This is described in the 'Investment strategy'. This Due Diligence process is in place to ensure that all the necessary stages and steps of due diligence are followed before the decision to invest is taken. Furthermore, the due diligence process has some flaws in the sense that at the moment the investment decision is taken, it takes the form of a transitional plan towards a sustainable asset. Hereby, we firmly believe that the bulk of the work in terms of data gathering and so forth, lies in the holding period, which inevitably comes after the due diligence stage during the acquisition phase.

## K. Engagement policies

A focus on impact dictates which projects the fund finances and how. This includes the careful selection of projects, as well as proactively supporting or advocating for projects to increase their positive and reduce or avoid negative impact. Types of engagement include requesting information and disclosure, investigating alleged shortcomings, sharing expertise, encouraging, and tracking projects' performance towards pre-defined goals. This is done with the aim to create long term value for the benefit of society and for the planet whilst enhancing the long-term value creation potential of the Fund.

As such, Revive frequently engages on environmental, social and governance topics that are relevant to each real estate project, fund or sector context as well as on general corporate development and business strategy issues.

The Fund nor the Fund Manager has, as of this date, an explicit engagement policy, however it is worth noting that on a group level, Revive does participate in internationally recognised initiatives. As such, Revive, the Fund's sponsor and parent company of the Fund's management company, was the first Belgian company to be awarded the B Corp accreditation. For further details about the scope and the overall B Impact Score for Revive, please refer to the following site: https://www.bcorporation.net/en-us/find-a-b-corp/company/re-vive/

### L. Attainment of the sustainable investment objectives

The Fund does not use a reference benchmark. However, within the investment cycle we define with the management of the project, between one and five impact KPIs for which sets the targets for which the project will aim to achieve during the Fund's ownership. The impact KPIs are aligned with the social and environmental objectives of the Fund. However, the level of achievement of the targets will not impact investee companies' management annual remuneration.

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