

ESG POLICY

1. PURPOSE AND GOALS

DeA Capital Real Estate SGR S.p.A. (hereinafter “DeA Capital Real Estate” or “the Company”) has always promoted and encouraged the adoption of ethical and legality principles, as well as the respect for human rights in the context of current legislation, considering these to be the base of its strategy.

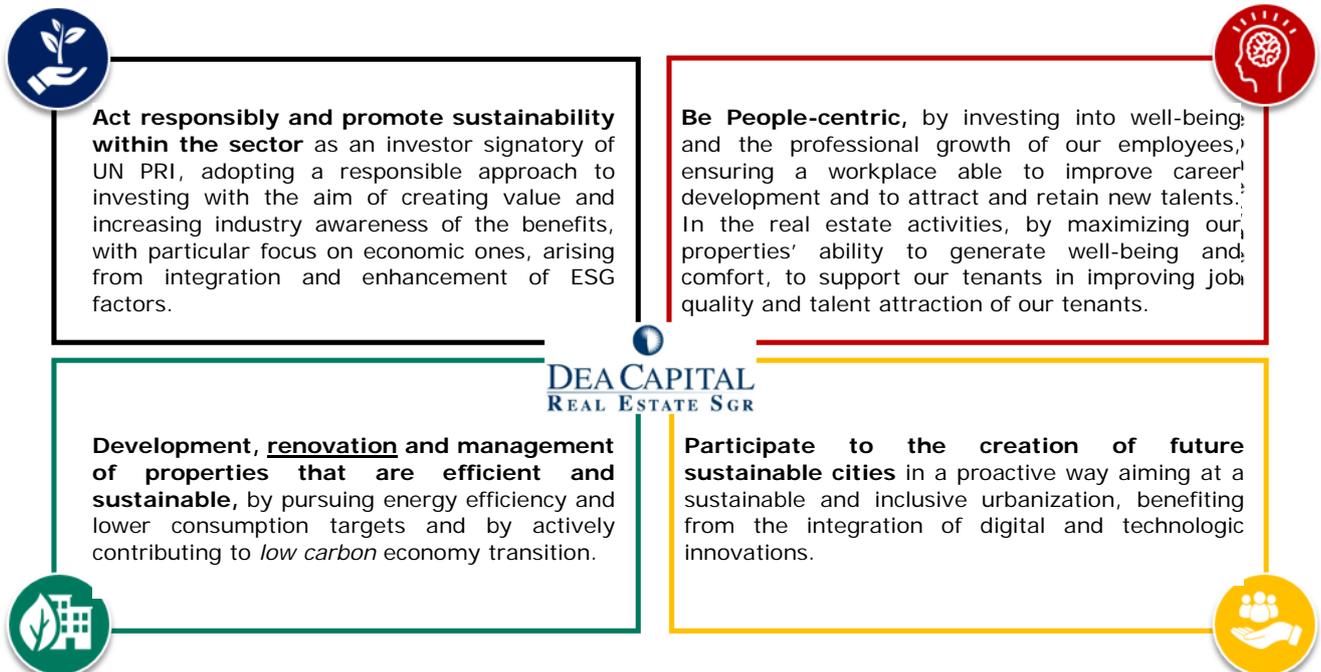
The Company is aware that Environmental, Social and Governance (“ESG”) risk management and the integration of related drivers into its investment procedures improve value creation and business growth in the mid-long term.

As such, DeA Capital Real Estate intends to formalize its commitment to act as a responsible investor by adopting the following ESG policy (hereinafter the “Policy”), whose objective is to describe how the Company will integrate ESG factors into its own processes and products. This Policy applies to all employees of the Company and to its alternative investment funds (“AIF”), excluding those in liquidation, on the basis of each individual fund strategy the implementation of which is preliminarily agreed with the limited partners.

2. OUR APPROACH TO SUSTAINABILITY

DeA Capital Real Estate aims at consolidating its leadership in the real estate sector also through ESG risk management, becoming signatory of the *Principles for Responsible Investment* (“UN PRI”) and identifying four key pillars underlying its sustainability strategy.

The main goal of the Company is to take a responsible approach to social and environmental issues, creating value for all the stakeholders: AIF limited partners, the whole Group, tenants and users of managed assets, as well as communities in which these are located.



By implementing this strategy, DeA Capital Real Estate contributes to the achievement of nine of the *Sustainable Development Goals of United Nations* (UN SDGs or Agenda 2030), selected according to the impact the Company may have.



3. ROLES AND RESPONSIBILITIES

DeA Capital Real Estate wants to extend sustainability and corporate responsibility risk governance to all levels of management, administration and control.

<p>Board of Directors defines management strategy of ESG risk factors and approves the Policy</p>	<p>Remuneration, Risk and Control Committees are tasked to evaluate and monitor ESG issues within their competences and they directly report to the Board of Directors</p>
<p>The Chief Executive Officer is responsible for ensuring, supervising and promoting the ESG strategy implementation within the organization and guarantees decision-making process on related topics</p>	
<p>The ESG Manager:</p> <ul style="list-style-type: none"> Acts as a reference point for ESG topics and maintains relations with internal and external stakeholders; Initiates activities for the improvement of ESG performance and adoption of sustainability principles; Proposes and coordinates operational implementation to be carried out on the basis of internal regulations; Collects requests and questionnaires from external stakeholders. It coordinates data collection, alongside with specifically appointed advisors; Draws up periodic reporting to be submitted to governance bodies and it collaborates with company functions concerned with the preparation of non-financial disclosure. 	
<p>The Chief of Communication and Press Office elaborates the communication framework regarding activities and progress of ESG principles application, in accordance with the ESGM and involved units</p>	
<p>Top Tier Function Managers guarantee ESG principles adoption within their functions, as well as the communication of activities and progress related to ESG, in accordance with the ESG Manager and the Chief of Communication and Press</p>	
<p>Second Tier Function Managers are responsible for the valuation and monitoring ESG factors, as well as for data collection, required for reporting deliveries</p>	
<p>Control Functions extend their activities on ESG strategy and contribute to data collection, necessary for the preparation of reporting documentation</p>	

4. ESG INTEGRATION INTO OUR ACTIVITY

By becoming a signatory of *UN PRI* and defining a sustainability strategy, DeA Capital Real Estate commits to integrate ESG topics at all operational levels, on behalf of both the Company and its AIFs.

4.1 ESG INTEGRATION AT COMPANY LEVEL



DeA Capital Real Estate is committed to the integration the following responsibility principles:

- **Human Resources management**

The Company is aware that its sustainability and growth are guaranteed by the value of the people who are part of it. It firmly believes that human capital must be protected and enhanced, in respect of gender equality and inclusion principles. As such, the Company is committed to attract and retain the most talented people and to create the best conditions for their personal and professional growth, guaranteeing an inclusive, dynamic and inspiring workplace, which also protect the well-being of the individual and the group.

- **Governance and business ethics**

DeA Capital Real Estate respects business ethics and transparency principles and complies with domestic legislation and the Code of Ethics, ensuring a proper management of conflicts of interests and corruption, money laundering and terrorism risks. The Company selects partners and outsourcers in line with current legislation, as well as on the basis of their commitment to sustainability, verifying that their principles and values are aligned with those of the Company.

- **Mitigation of environmental impacts**

The Company is committed to define goals and to promote initiatives to reduce environmental impacts of its offices and activities, as well as to encourage an efficient management of resources. In this context, the Company undertakes to distribute an environmental culture to its internal stakeholders aimed at energy efficiency, waste and emission reduction (and where possible, reductions related to business trips and private transportation of the employees).

4.2 ESG INTEGRATION IN THE ALTERNATIVE INVESTMENT FUNDS (AIFs)



As a responsible investor, DeA Capital Real Estate identified an “*exclusions list*” based on:

- compliance with legislation and international covenants on conservation of biodiversity and cultural heritage, for developing and renovating buildings;
- exclusion of tenants which are involved in controversial activities or prohibited business.

This list is not exhaustive and it can be extended towards other activities identified by the Company and/or AIF clients and potential investors.

The responsible approach of the investment activity is also reflected throughout investment and new product procedures; within *valuation/development* and *renovation, ownership* and *divestment* steps, the Company takes into account sustainability risks and opportunities of the investment and considers specific action plans, in accordance with market and external stakeholders expectations.

Consistently with sustainability pillars defined by the Company with the aim of mitigating building obsolescence risk, the focus is on the whole asset life cycle and where relevant on opportunities and risks linked to:

- energy efficiency, in line with a low carbon economy transition goal;
- responsible consumption, in harmony with circular economy principles;
- compliance with environmental, social and safety regulations;
- well-being, comfort and building users health, in line with *best practice* of the industry and in order to guarantee that “people are at the centre”;
- respect for rights and safety of workers involved into development, renovation and maintenance of buildings;
- engagement with local communities with the aim of creating buildings well integrated into the social context and capable to interact with it;
- use of the best available technologies for monitoring and improving asset performance.

Investment valuation/development and renovation

For each investment opportunity, the most relevant ESG factors emerged during due diligence are evaluated in order to: *(i)* complete the investment risk profile, *(ii)* identify opportunities for intervention and *(iii)* estimate the impact of these factors on value creation process.

For development and renovation projects, ESG factors are considered for the choice of materials, architectural and installation solutions, also in line with voluntary certification standards and sustainability protocols (i.e. LEED, BREEAM, ITACA, WELL, etc.).

Furthermore, the Company promotes creation and development of real estate initiatives and investment policies with underlying social purposes, involving local communities and contributing to their growth (social housing, co-housing and social homes for the elderly, youngster housing, etc.)

The results of due diligence exercises for new investments and from valuation and planning activities for development and renovation projects are summarised in a specific section dedicated to ESG topics within the info-memo to be submitted to the Board of Directors.

Investment ownership

Material ESG metrics, risks and opportunities are monitored and evaluated during the management and ESG objectives definition phases. Action plans defined for AIFs properties, in accordance with each AIF strategy, underline improvements that have positive environmental and social impact.

Improvement of energy efficiency and quality of spaces (comfort, well-being, healthiness, etc.) plays a key role in the definition of routine and extraordinary maintenance operations of AIFs properties. Optimization of these factors relies on a cost-benefit analysis which takes into account the economic availability of the AIF, clients and tenants requirements, as well as asset characteristics.

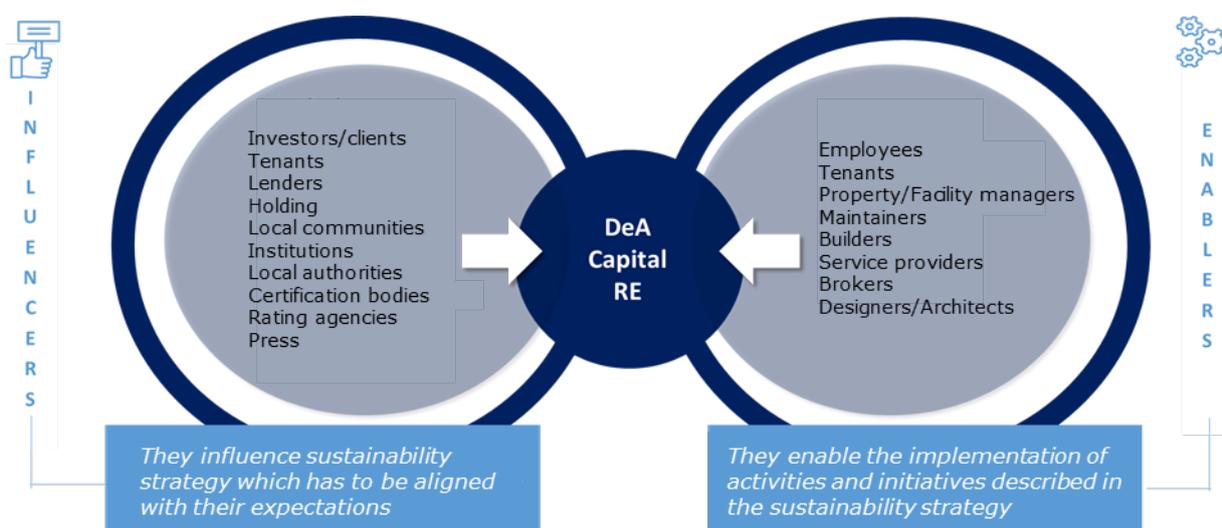
Moreover, regarding extraordinary maintenance operations, technical, economic and financial feasibility of equipping assets with proper instruments which are necessary for monitoring consumptions in order to optimize resource management of AIFs properties.

Divestment

During the divestment phase, when deemed relevant, the activities undertaken with the purpose of improving ESG performance of the asset are reported in specific documentation forwarded to potential buyers. This documentation is prepared in collaboration with brokers.

5. COMMUNICATION AND PROMOTION OF ESG TOPICS TOWARDS STAKEHOLDERS

DeA Capital Real Estate considers its stakeholders (internal and external) as key players in the achievement of sustainability goals. The Company is committed to integrate ESG topics in the engagement activity with stakeholders.



In order to have a more efficient outreach regarding ESG topics, the Company focuses its communication on every step of the value chain, thus towards both internal and external stakeholders. In particular, DeA Capital Real Estate is committed to:

- actively involve its human capital in this roadmap and provide proper tools for understanding the management of ESG topics;
- communicate ESG strategy goals and related factors to AIF clients, as well as maintain a positive dialogue with these subjects and potential investors in order to anticipate potential requests;
- involve and outreach outsourcers in charge of property and facility management;
- recognize the key role played by tenants in the implementation of the sustainability strategy: both as building users and owner of data collection necessary for improving ESG performance of the asset. With this purpose, the Company identifies proper advocacy behaviour for an appropriate use of buildings from environmental and comfort perspectives, as well as for monitoring and maintaining key factors for obtained green building certifications. Moreover, DeA Capital Real Estate recognizes in the "green lease" a useful tool for value creation which is able to align interests and objectives between tenants and landlords;
- strengthen relations with banks, considering the possibility of access to "green financing" which includes specific ESG clauses able to reduce financial expenses.

DeA Capital Real Estate guarantees a periodic and transparent communication integrating an ESG-dedicated section within the Company communication framework.

For relevant meetings with clients and potential investors, the Company ensures the presentation of its ESG strategy, sustainability goals and progress achieved. In addition, DeA Capital Real Estate is committed to prepare *ad hoc* communication material for outsourcers and tenants.

For the communication related to external subjects, DeA Capital Real Estate is involved: (i) in the UN PRI roadmap which requires answering to an annual questionnaire on ESG performance of the Company and (ii) in the ESG assessment from *Green Real Estate Sustainability Benchmarks* (GRESB), limited to AIFs which adhere to it.

Finally, the Company actively participates to sector and associations initiatives which promote awareness and outreach regarding ESG topics.

6. SIGNING AND PERIODIC REVIEW OF THE POLICY

The ESG strategies adopted by the Company are subject to annual review by the Board of Directors, in order to ensure coherence with any new guidelines taking into account additional internal experiences on the topic.

Whenever necessary, the Policy is reviewed and approved by the Board of Directors, on the proposal of the Chief Executive Officer, through the ESG Manager and the Organizational Function Manager.

DeA Capital Real Estate is committed to maintain stakeholders informed and updated on Policy reviews and updates.

The Policy has been approved by the Board of Directors of DeA Capital Real Estate on July 30, 2020.