

## NOTICE PURSUANT TO ART. 3, 4, 5 OF UE REGULATION 2088/2019 (SFDR)

### FOREWORD AND DEFINITIONS

DeA Capital Real Estate SGR SpA (hereinafter, also "DeA RE" or the "AMC") adopts and supports the global framework for sustainable development defined on 25 September 2015 by the United Nations General Assembly by directing its investment choices towards sustainable development objectives that contribute to the achievement of certain United Nations Sustainable Development Goals (UN SDGs), selected on the basis of the impact that the AMC can have through its business.

The purpose of this notice is to explain the choices made by the AMC as expressly required by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 (hereinafter, the "SFDR") on sustainability related disclosures in the financial services sector in regard to:

- information about the policies adopted by the AMC on the integration of sustainability risks in its investment decision making process and its consultancy service (Art. 3 of the SFDR);
- information regarding where the AMC considers or does not consider principal adverse impacts of investment decisions on sustainability factors (Art. 4 of the SFDR);
- information on how the AMC's remuneration policies are aligned with the management of sustainability risks (Art. 5 of the SFDR).

Certain definitions useful for understanding the Notice are provided below:

- Sustainability risk: an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.
- Sustainable Investment: an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
- ESG: *Environmental; Social; Governance*.

### ART. 3 - TRANSPARENCY OF SUSTAINABILITY RISK POLICIES

DeA RE integrates ESG aspects into all its activities by adhering to the principles of responsible finance and defining a sustainability strategy.

The AMC's responsible approach to investment is achieved by integrating ESG principles into investment activities and the creation of new products. Especially with regard to the assessment/development and redevelopment, management and investment phases, the AMC assesses the sustainability risks and opportunities of the investment and considers any specific action plans, in accordance with the demands of the market and external stakeholders.

The following elements are considered in respect of all opportunities: the context in which the building is situated, the accessibility (including sustainable mobility) as well as the existence or feasibility of obtaining voluntary environmental and user welfare certifications (i.e., LEED, WELL), based on the type of asset and its intended use.

The ESG factors considered most relevant in terms of investment due diligence are assessed so as to: *(i)* complete the risk profile of the investment, *(ii)* identify any opportunities for intervention, and *(iii)* estimate the impact of risks on the value creation process. For development and redevelopment projects, following confirmation that the project does not fall under the list of excluded activities, ESG factors are assessed in the choice of materials, plant engineering and architectural solutions, including in terms of the standards of voluntary sustainability certifications and adopted protocols (e.g., LEED, BREEAM, ITACA, WELL, etc.).

The AMC also promotes the creation and development of real estate initiatives and the implementation of investment policies with social objectives, with the involvement and development of the local communities concerned (social housing, cohousing and social residences for retirement living, student housing, etc.). Spaces are designed for collective activities and services in social development projects in order to meet the needs of the residents, as a means of ensuring inclusion and enhancing public areas.

ESG metrics, risks and opportunities deemed as material to the investment are monitored and considered when managing the asset and setting ESG objectives. In this context, the AMC has introduced ESG assessment metrics, defining frameworks and models for assessing environmental and social risks and impacts. The plans for scheduled interventions on the Funds' real estate assets, in line with the strategies of each Fund, emphasise improvements that generate positive impacts in environmental or social terms.

The improvement of the environmental efficiency of the buildings and the quality of their environments (comfort, well-being, healthfulness, etc.) are major aspects that are considered when defining all ordinary and extraordinary maintenance operations involving the assets of the Funds under management. These improvements are implemented according to an analysis of the costs/benefits generated, taking into account the Fund's economic resources, the requests of the subscribers and the Tenants and the characteristics of the assets themselves. When extraordinary maintenance is conducted, we also assess the technical, economic and financial feasibility of equipping the assets with the necessary energy consumption monitoring equipment required to optimise the energy consumption of the Funds' real estate assets.

Through its Funds and investment strategies, the AMC does not invest in any project involving: *(i)* activities that are prohibited by the biodiversity conservation legislation of the Country in which the Project takes place or by international conventions relating to the protection of biodiversity or cultural resources; *(ii)* the development of projects in protected natural areas that have a negative impact on cultural heritage sites; *(iii)* the construction of new buildings for the extraction, storage, transport or production of fossil fuels.

Further details are available in the document "ESG Policy", published and constantly updated in the ESG section of the AMC's website.

Moreover, the AMC does not accept tenants with production or marketing activities or operations related to:

- Weapons identified and banned by international treaties and conventions;
- pornography and prostitution;
- substances that are prohibited in the jurisdiction where the property is located;
- endangered or protected wildlife.

This list is not comprehensive and may be extended to include additional excluded and/or prohibited activities as defined by the AMC and/or the subscribers and potential investors.

#### **ART. 4 - TRANSPARENCY OF ADVERSE SUSTAINABILITY IMPACTS AT ENTITY LEVEL**

The SFDR Regulation provides that the AMC publish information about how it considers the potentially negative impacts of its investment decisions on ESG sustainability factors or, alternatively, the reasons why such impacts are not considered.

The AMC, in compliance with Art. 4 of the SFDR, concerning sustainability disclosures in the financial services sector, has decided to adopt an "explain" approach to the consideration of the main adverse impacts of its investment decisions on ESG sustainability factors. However, the AMC has launched internal analyses deemed appropriate in order to (i) enhance the principal adverse impacts of investment decisions on sustainability factors and (ii) define appropriate due diligence policies, which will take into account, among other things, the evolution of the applicable regulatory framework.

The AMC's commitment is reflected in its adherence to the Principles for Responsible Investment (PRI) supported by the United Nations, as well as the GRESB [Global Real Estate Sustainability Benchmark] through some of the AIFs it manages; these ratings are used as benchmarks to determine and continuously improve the compliance of the AMC and its products with the environmental and/or social characteristics.

The AMC firmly believes that incorporating ESG factors into its investments and products is the winning strategy for a sustainable future and maintains a proactive approach in defining the indicators and metrics with which to determine such adverse impacts, including in terms of changes to the reference regulatory provisions. The AMC will provide timely updates in this regard and on how principal adverse impacts are taken into account..

#### **ART. 5 - TRANSPARENCY OF REMUNERATION POLICIES IN RELATION TO THE INTEGRATION OF SUSTAINABILITY RISKS**

Under Art. 5, the SFDR requires that the AMC include in its remuneration policies information on how those policies are consistent with the integration of sustainability risks.

DeA RE's remuneration policy and corporate valuation are in line with relevant industry regulations and best practices. In particular, ESG objectives are integrated into the corporate remuneration framework and are also considered in the performance assessments within the incentive schemes.

For further details on ESG risk management, see the information on the sustainability risk policy under Art. 3 of the SFDR.