

Disclosure pursuant to article 10 of Regulation (EU) 2019/2088 – Transparency of the promotion of environmental or social characteristics on websites.

**“DeAREIF I SICAV-RAIF”**

**A) Summary**

<b>Name of the Fund</b>	“DeAREIF I SICAV-RAIF” Luxembourg closed-end reserved real estate alternative investment fund (the <b>“Fund”</b> or the <b>“AIF”</b> ).
<b>Management Company</b>	DeA Capital Real Estate SGR S.p.A. (the <b>“AIFM”</b> or the <b>“Management Company”</b> ).
<b>No sustainable investment objective</b>	It does not have as its objective a sustainable investment.
<b>Environmental or social characteristics of the financial product</b>	Environmental: (a) climate change mitigation; (b) energy efficiency improvement; (c) reduction of emissions and pollution. Social: (a) ensuring the health and safety of the relevant population; (b) improving the habitability and the quality of the internal spaces; (c) granting a high comfort standard for the users.
<b>Investment strategy</b>	The Fund makes investments in the build to core sector, mostly in office properties, and residually, in hotels, retail properties and other asset classes, in strategic Pan-European primary cities.
<b>Share of the investments</b>	Investments promoting environmental and social characteristics at least equal to 65%.
<b>Monitoring of the environmental or social characteristics</b>	Periodic monitoring and independent evaluation by the AIFM through the annual adhesion to the <i>Global Real Estate Sustainability Benchmark</i> (GRESB).
<b>Methodologies</b>	Adoption of a framework based on qualitative and quantitative indicators to measure the attainment of each environmental and social characteristic promoted by the Fund.
<b>Sources and data processing</b>	Data are sourced and processed by the AIFM, also with the support of third parties, including non-specialized subjects. The use of public sources/database is limited.
<b>Limitations of methodologies and data</b>	In the current context of the real estate and financial market, established and standard methodologies for the evaluation of properties' environmental and social performances do not exist.
<b>Due diligence</b>	The <i>due diligence</i> and risks management policies adopted by the AIFM progressively incorporate the assessment of sustainability risks related to ESG factors of the AIFs under management.
<b>Engagement policies</b>	A list of excluded types of investments and tenants.

## **B) No sustainable investment objective**

This financial product promotes environmental and social characteristics, but it does not have a sustainable investment as objective.

## **C) Environmental or social characteristics of the financial product**

The Fund promotes the following characteristics:

- (a) **environmental**: climate change mitigation, energy efficiency improvement and the consequent reduction of emissions and pollution, through the redeveloping/repositioning and upgrading of properties.
- (b) **social**: high safety standards in the asset building and management activity, to ensure the health and safety of the relevant population, as well as to improve the habitability and the quality of the internal spaces, together with a high comfort standard for future users.

## **D) Investment strategy**

The Fund's main focus will be to make investments in the build to core sector, mostly in office properties and residually in hotels, retail properties and in other asset classes, in strategic Pan-European primary cities with strong fundamentals (e.g. take up, rental growth accelerating, transactions volume), in order to have a combination benefitting from different market cycles.

Finally, the Fund will residually invest in renewable energy plants, already existing or to be built, in order to compensate the energy consumption of the assets held by the Fund and deriving from non-renewable sources.

The Fund will promote the creation and development of real estate initiatives, through the implementation of investment policies with environmental or social objectives, in line with the United Nations Sustainable Development Goals ("**SDGs**"), to which it intends to contribute significantly through its strategy.

Good governance practices are assessed exclusively in relation to the Fund's real estate investments made indirectly through real estate companies or other corporate vehicles related to such companies. In particular, the good governance practices of such vehicles (as referred to in point 17 of Article 2 of the SFDR) are assessed on the basis of: sound management structures, staff relations, remuneration of staff and compliance with tax obligations, also with a view to substantially reducing active and passive corruption in all their forms, as well as for tax, legal and anti-money laundering compliance purposes.

## **E) Share of the investments**

The Fund makes investments in real estate projects capable of promoting environmental and social characteristics, without making sustainable investments.

The Fund's assets are invested, directly or indirectly, for a percentage of at least 65%, in real estate assets already existing and that may require renovation, refurbishment, reconversion or restoration, with main destination of use office, and residually hotel, retail and other asset classes, and/or to be reconverted to these uses through their redevelopment or their refurbishment, thus foreseeing a change of use. The former must take into account

constraints, if any, arising from the Fund's investment strategy, which aims at making investments in Pan-European primary cities, including historical locations, and therefore in historic assets potentially subject to artistic constraints.

The Fund will residually invest in renewable energy plants, already existed or to be built, in order to compensate the energy consumption of the real estate properties held in the Fund's portfolio and deriving from non-renewable sources.

The Fund's assets are invested, either directly or indirectly, or through real estate companies, alternative investment funds or other vehicles established for this purpose, in real estate properties which fall under the investment strategy of the Fund.

The Fund may perform, within the limits of the remaining portion and in accordance with the Fund's private placement memorandum, investments that qualify as being ancillary or complementary to those aligned with the environmental and social characteristics.

## F) Monitoring of the environmental or social characteristics

During the various management phases (*ex ante*, namely under investment, redevelopment, management/lease), the attainment of the environmental and social characteristics promoted by the Fund is regularly measured, monitored and evaluated, on an ongoing basis and at least at yearly intervals, by the competent departments of the AIFM through some sustainability drivers/benchmarks, defined in accordance with Fund's adopted methodology and strategy.

Moreover, the Fund will adhere to the *Global Real Estate Sustainability Benchmark* (GRESB) in order to obtain a rating that annually assesses and maps the degree of integration and management of the ESG factors in the Fund's assets through an independent third-party evaluation based on international standards and on comparison with other participants.

The information related to the attainment of the environmental and social characteristics will also be made available in the periodic disclosures pursuant to article 11(2) of the SFDR.

## G) Methodologies related to the environmental and social characteristics

The Management Company adopts a dedicated framework based on ESG qualitative and quantitative indicators (depending on the type of the driver) aiming at measuring the attainment of each environmental and social characteristic promoted by the Fund (the "**Framework**") in the various management phases as above identified.

The most relevant ESG benchmarks, based on the Fund's strategy and characteristics, are, from time to time, selected among those indicated, by way of example, in the below table.

Environmental		Social
Development/Regeneration	Asset management	
<ul style="list-style-type: none"> <li>Environmental remediation and decontamination</li> <li>Protection and/or restoration of historic and natural sites</li> <li>Low environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency (APE/EPC)</li> <li>Presence of renewable energy</li> <li>Energy and water consumptions</li> <li>Toxic emissions (GHG)</li> </ul>	<ul style="list-style-type: none"> <li>Social housing for households in economic hardship</li> <li>Accessibility for people</li> <li>Urbanization works and services dedicated to the community</li> <li>Redevelopment/creation of green areas and plantings</li> </ul>

Environmental		Social
Development/Regeneration	Asset management	
<ul style="list-style-type: none"> <li>• Materials and short production chain</li> <li>• Requirements for construction site waste</li> <li>• Consumptions in construction site activities (water and energy)</li> <li>• Capex ESG plans</li> <li>• Environmental and safety management at construction sites</li> </ul>	<ul style="list-style-type: none"> <li>• Green leases and/or green loans</li> <li>• Capex ESG plans</li> <li>• Green certifications (LEED, BREEAM, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Bike paths and electric charging stations</li> <li>• Areas dedicated to the psychophysical well-being of the user</li> <li>• Well-being certifications (WELL, Fitwell, etc.)</li> <li>• Buildings with connectivity and smart capabilities certifications</li> <li>• Context Score</li> </ul>

The Framework is defined and, from time to time, updated in accordance with the legislation in force, the international standards and the best practices of reference.

## H) Sources and data processing

The data and the information necessary for assessing and monitoring the attainment of the environmental and social characteristics (e.g. certifications, energy consumptions, emissions, etc.) are directly collected by the AIFM, even by using appropriate tools, or indirectly with the support of third parties, including non-specialized subjects (e.g.: *tenant*, *property* and *facility manager*, etc.). Moreover, to a limited extent and where possible, the AIFM could use public databases and sources (e.g. cadastre, Revenue Agency, etc.).

The AIFM progressively adopts policies related to the collection, the analysis and the management of ESG issues' data, guaranteeing their quality, adequacy, completeness and stability over time.

The AIFM adopts policies and control mechanisms aimed at protecting the privacy of every involved subject and the Fund's operation, in accordance with what provided for in the legislation on personal data processing.

The AIFM does not use estimates to measure the attainment of the Fund's environmental and social characteristics.

## I) Limitations of methodologies and data

In general terms, it is pointed out that, within the actual context of the real estate and financial market, established and standard methodologies for the evaluation of properties' environmental and social performances do not exist. Hence, the methodology adopted by the AIFM, as described in previous section G, is based on the analysis carried out by the AIFM in relation to the AIFs under management and to the limited internationally available benchmarks on sustainability, among which there are the above mentioned GRESB and European legislative standard (e.g. EU Taxonomy), which are still being partially defined.

The assessment of the environmental and social characteristics is carried out also on the basis of data and information (e.g. energy bills, summary prospectus, etc.) provided by non-specialized third party data holders (e.g., *tenant*, *property* and *facility manager*, etc.), who do not adopt standard procedures of control or audit.

The AIFM constantly monitors regulatory and market developments in order to ensure that its assessment methodology is up-to-date and aligned with the best market practices, as well as adequate for the purpose of evaluating the environmental and social characteristics of the AIFs under management. Moreover, the AIFM makes use of the GRESB's independent evaluation to corroborate its own analysis and to compare itself with the relevant market.

In relation to the information provided by non-specialized third parties, the AIFM adopts all the necessary cautions in order to assess the completeness of such information, as well as the existence of major potential inconsistencies or anomalies.

## **J) Due diligence**

The due diligence and risks management policies adopted by the AIFM supplement the assessment of sustainability risks connected with ESG and PAI factors. Among the profiles that the AIFM progressively integrates into the assessment of their investments' risks there are, *inter alia*, the following profiles:

- in relation to the location of the investment, the natural risks, the risks of construction sites contamination and risks related to the habitat and biodiversity loss;
- in relation to the environmental parameters of the buildings, the risk assessments include construction materials and the buildings safety, their resilience, the greenhouse gases' emissions, energy and water supply and efficient management of waste and energy and water sources;
- in relation to the social context in which the properties are located, particular attention is dedicated to transports, to socio-economic impacts on the communities and on the relevant context.

The due diligence and risks management policies adopted by the AIFM, also for its own AIFs, are subject to appropriate checks by the competent structures and responsible control functions, in accordance with applicable internal regulations.

## **K) Engagement policies**

The Fund does not make investments in any project involving the following:

- activities prohibited by the legislation on the conservation of biodiversity of the Country in which the project is carried out or by international conventions relating to the protection of biodiversity resources or cultural resources;
- the development of projects in protected natural areas or with a negative impact on cultural heritage sites;
- the construction of new buildings for the extraction, storage, transport or production of fossil fuels.

Furthermore, the AIFM also excludes among its tenants those who carry out production or marketing activities or whose activities are linked to:

- weapons identified and banned by international treaties and conventions;
- pornography and prostitution;
- substances prohibited in the jurisdiction in which the property is located;
- with negative impact on endangered or protected wildlife.