

# Our pathway towards sustainability

DeA Capital Real Estate SGR

An aerial photograph of a road and water, framed by several overlapping, semi-transparent blue shapes of various shades. The road is a two-lane highway with a white center line, flanked by lush green trees. The water is dark and reflects the sky. The overall composition is modern and clean, emphasizing nature and infrastructure.

ESG REPORT 2021



## HIGHLIGHTS

- Letter from the CEO
- Letter from the Head of ESG Management
- ESG Highlights
- The De Agostini Group
- The DeA Capital Platform
- DeA Capital Real Estate: a summary
- Our investors



## RESPONSIBLE COMPANY

- Governance Bodies 11
- Board Committees 12
- Organizational Structure 13
- ESG Roles and Responsibilities 14
- The environmental and social impact 16
- People, welfare and training 18
- A responsible group 21

## OUR ESG FRAMEWORK

- ESG Principles 24
- ESG Strategies and Objectives 25
- Exclusions 26
- Contribution to SDGs 27
- The pathway on ESG topics 28
- The methodological approach 29
- The ESGM Tool 30



## THE SUSTAINABILITY OF OUR PRODUCTS

- Highlights of Funds 34
- GRESB Rating 35
- Real estate certifications 36
- A few examples 40



## NEXT STEPS

# Letter from the CEO

## Dear stakeholders, dear readers,

It is with satisfaction and pride that we present this document to you. It is more than a technical report: it aims to tell you about us, who we are, what we do

and the passion we put into our work every single day. We have just put two years behind us in which the lives of people all over the world were changed and our plans were disrupted by the spread of a virus, while we grew accustomed to seeing our cities deserted and we learned to work from home.

## Nevertheless, we successfully reorganized, managed our work and developed an orderly response.

With commendable maturity and professionalism the company has achieved truly remarkable results. One example in particular occurred in 2021, when we completed acquisitions totaling €970 million and sold assets worth over €400 million, for total transactions of nearly €1.5 billion.

Over the past three years we have invested over €800 million in renovations throughout our property portfolio, resulting in the redevelopment of entire city areas, a veritable driver for the construction industry and jobs.

Today DeA Capital Real Estate SGR is an asset manager with Europe as its market. Over half of the capital invested in our operations comes from abroad. We are already operating in Europe with four DeA Capital Real Estate companies, in France, the Iberian Peninsula, Poland and Germany.

To us, this is the challenge of the future, always striving for innovation with a tireless commitment to sustainability. We immediately adhered to the Principles for Responsible Investment (PRI) in 2019, and in 2020 we participated in the Global Real Estate Sustainability Benchmark (GRESB) assessment, because we wanted to be assessed by an independent entity that measures, globally, the ESG policies of real estate companies and the products they manage. In 2021 we submitted 14 of our investment funds for rating, receiving strong scores and improved scores for the previously rated funds.

Years ago I developed my own personal interpretation of ESG topics: **many people concentrate on the letter E (Environment), others prioritize the G (Governance), while just a few, especially in the real estate sector, focus on the S (Social)** and on the impact we generate in the neighborhoods where we operate, in the cities where we implement our property development projects. To me, Social refers to the real economy.

I strongly believe that **ESG topics** are not just a fleeting trend or marketing ploy, but that **they will be the true guidelines on which to base portfolio investment management and development policies.**

I am convinced that it is becoming increasingly necessary to combine real estate finance with local development and the sustainable growth of the real economy.

We are all forced to address energy consumption and reducing our environmental impact. And I'm not talking about our future, I'm talking about our present.



Emanuele Caniggia  
CEO



# Letter from the Head of ESG Management

Like the entire real estate sector, our company has always made sustainability and the transparency of its business top priorities, and 2019 we decided to step up the pace and clarify precisely how we intend to positively contribute to the main challenges we face in the new millennium.

**DeA Capital Real Estate SGR**, together with its entire group, **has decided to directly commit to making epic changes in its business**, aligning with the targets set by our country, Europe and the world to achieve economic stability with a positive impact on the environment and people.

Therefore, it is with immense pride that we present the market with our first sustainability report, the result of an assessment and implementation process that began three years ago.

These first few years have been demanding and the challenge has only just begun, but with this first document we aim to show the entire market the results we have achieved through analysis and the goals in our ESG action plan.

The process began when we **created the position of ESG Manager, demonstrating the importance of the topics and the commitment that our asset management company intends to uphold.**

We focused on the involvement and training of our employees, our primary stakeholders, while also devoting considerable attention to the market, encouraging engagement and nurturing dialogue and discussion on sustainability topics with all stakeholders: from investors in our products to tenants in our properties, to the immense chain of providers in the industry.

We defined the assessment framework for our assets, added tools and methodologies, all while sharing and measuring ourselves up against competitors. I strongly believe that only a mature and mindful market, with the same skill set, can enable us and the market to achieve increasingly ambitious goals.

We have not yet reached our final destination and the variables and methodologies are still being finetuned, but **by looking ahead and moving forward with the same commitment of these past few years, we**

**will be able to extend the perimeter of our ESG products and raise the targets we have set, striving for continuous, long-term improvement**, which will benefit our work and above all, the next generations.



Anna Maria Pacini  
Head of ESG Management



# ESG Highlights



Contracts for the supply of energy from renewable sources for the Milan and Rome offices



58% of our staff are women



DeA RE is a signatory of PRIs and a member of the Forum for Sustainable Finance



"Green" projects to reduce paper and water in plastic consumption at our offices



NEXT Project  
(New Empowerment x Talent)



DeA RE has defined a Policy and a 3-Year Action Plan on ESG topics



Participation in GRESB assessment with 14 AIFs, for an OMV of over 2 billion euros



DeA RE has launched a partnership with the MIP Graduate School of Business of Milan, with the purpose of awarding scholarships to Financial Sustainability students



100% of Governance Bodies and staff have received training on ESG topics



Managed AIFs include 21 LEED Gold -certified buildings and 8 buildings that are pre-certified Gold or more



DeA RE turns to Nomisma for an independent assessment of the social attractiveness of properties



100% of Governance Bodies and staff have received training on ESG topics



Pilot assessment of Risk Transition methodology CRREM Project

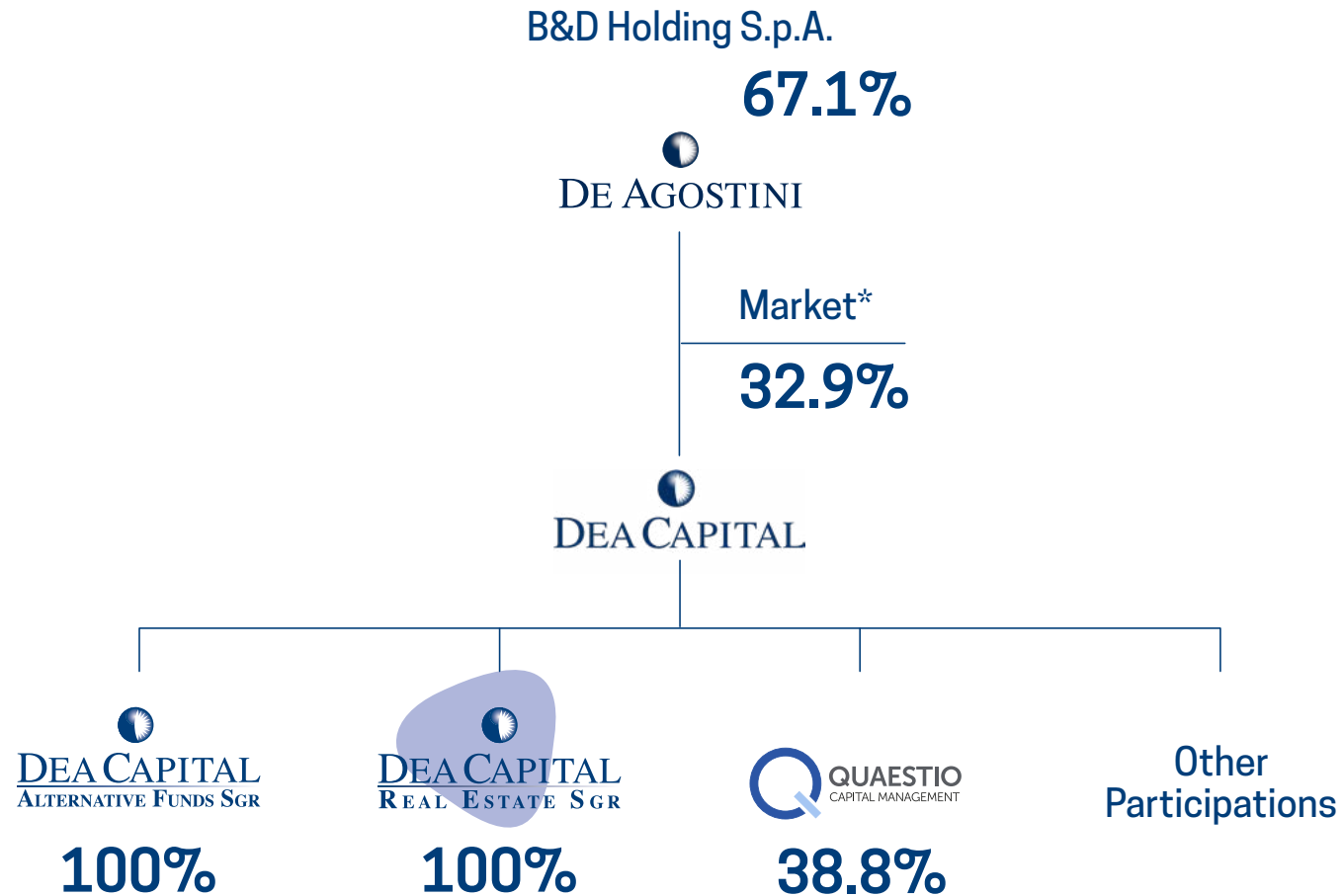


DeA RE promotes support initiatives for families affected by social hardship, with 3 Social Housing funds



34% of employees have an MBO with ESG targets (all those who directly report to the CEO)

# The De Agostini Group



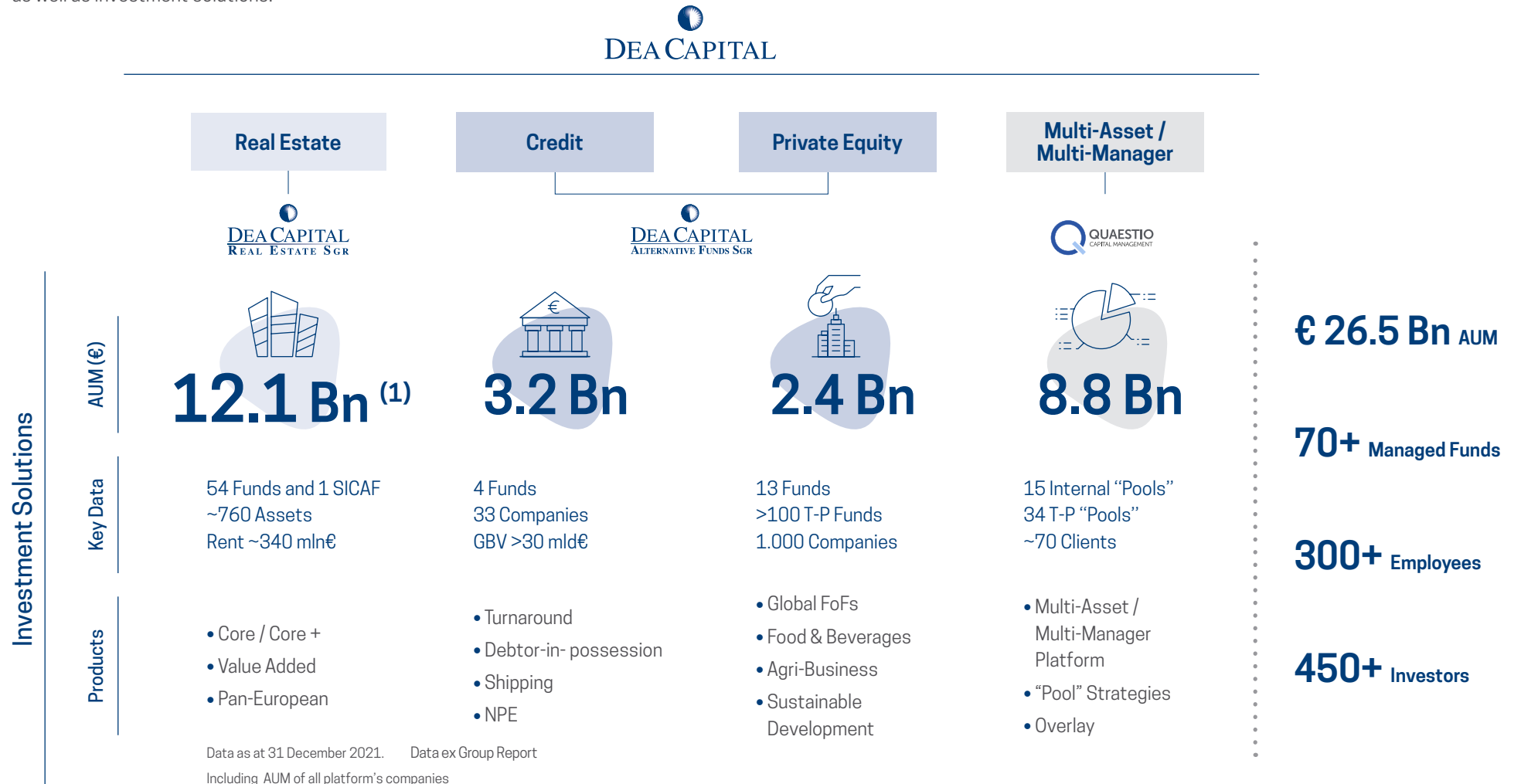
\* This includes 2.2% of the treasury shares of Dea Capital as at 31/12/21

Data: ex Group Report

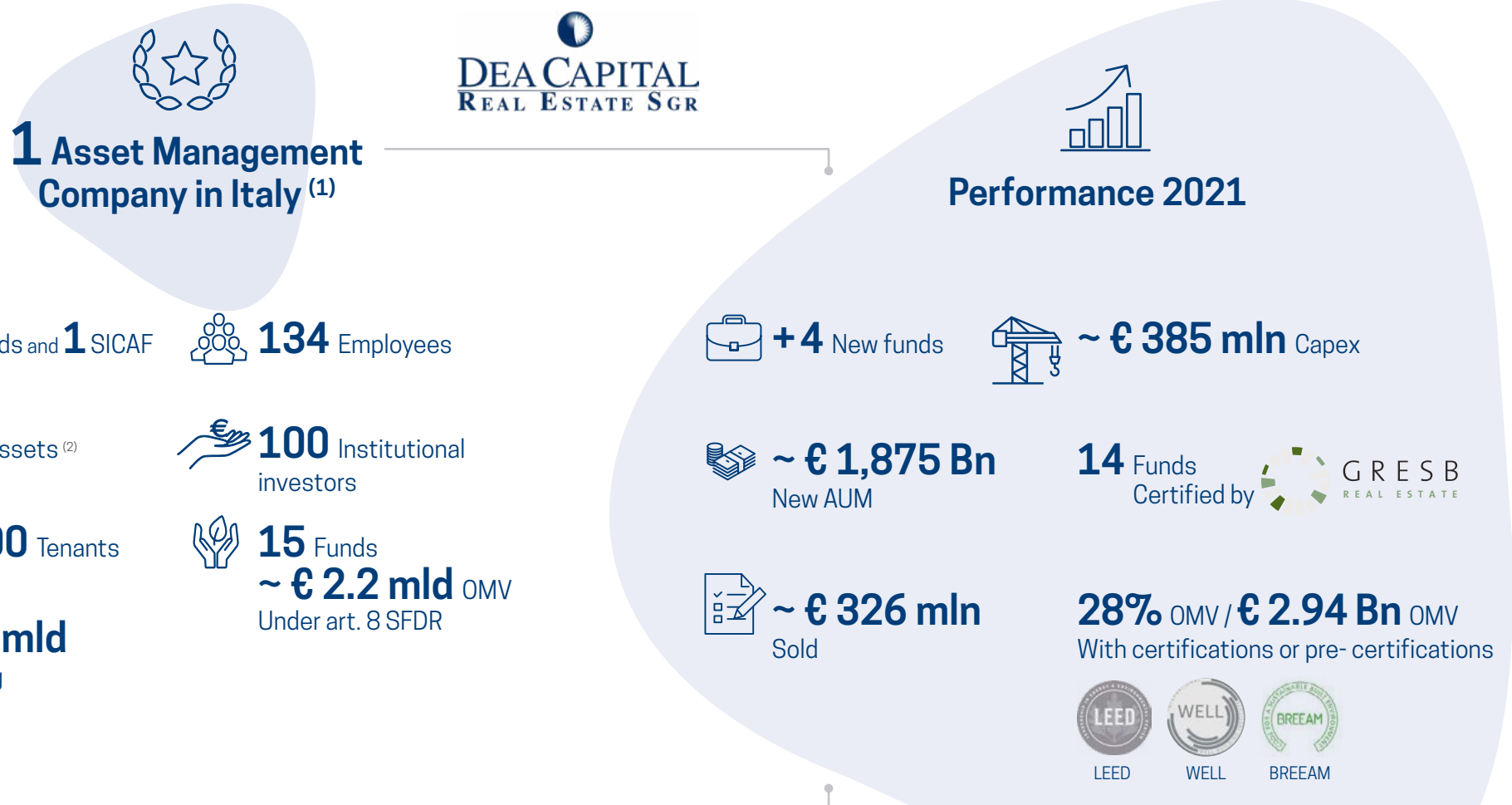


# The DeA Capital Platform

DeA Capital is Italy's leading independent manager of alternative assets, with € 26.5 billion of AUM, over 450 institutional investors and HNWI served, with an extensive offering of investment solutions. The Group is committed to the promotion, management and enhancement of investment funds in the real estate sector, in private equity and credit, as well as investment solutions.



# DeA Capital Real Estate in short



1. Capital as at 31/12/21  
2. Including entire buildings and portions



# Our investors

Historically, DeA Capital RE has mostly focused on both institutional and high-end Italian investors (e.g. foundations and professional social welfare funds), which still constitute the vast majority of AIF signatories managed by Italian investors (around 80%). In recent years, partly thanks to regulatory changes (i.e. the AIFMD Directive), it has extended its fund raising offering to international investors located in major European countries, in response to rising interest in our country and alternative investments in particular.

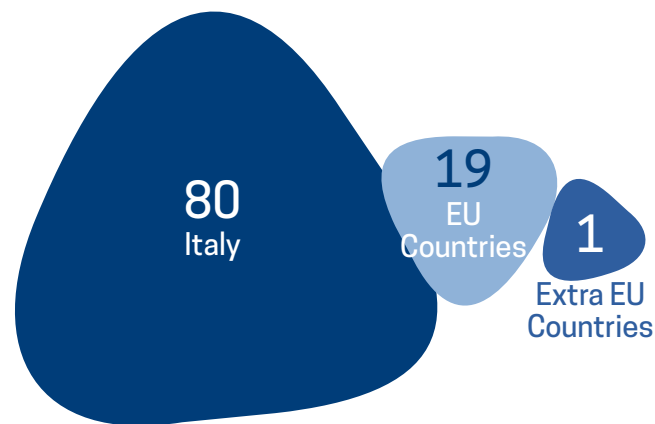
At DeA Capital RE, **the ability to understand investors' needs while also conveying the company and the DeA Capital Group's vision, has always played a central role**, leading to investment projects that create value for all stakeholders. This characteristic has become even more important given the current market context, dominated by high levels of uncertainty and volatility, in which **the ability to guide investors and steer them in the selection of investment solutions suited to their needs** has become fundamental.

**The active engagement of its investors is one of DeA Capital RE's goals** and sustainability topics and ESG factors are an increasingly integral part of our interaction with investors. ESG factors are considered on a differentiated basis by product, for all the new investment solutions we offer and for recently established products under management.

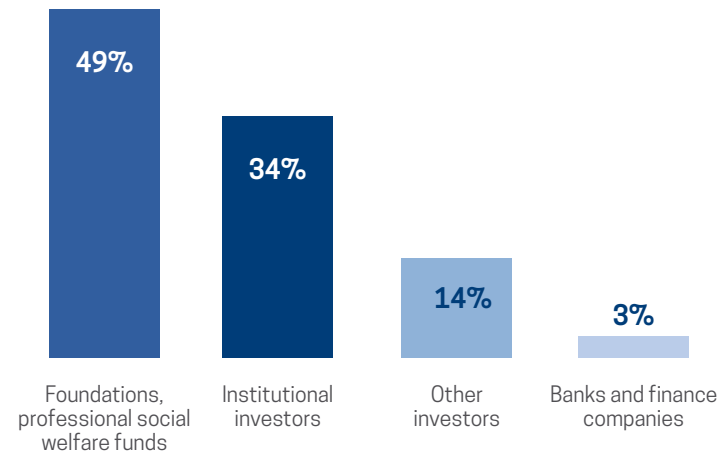
We engage with investors on several levels, including specific meetings and/or the organization of national and international roadshows, such as MIPIM, and direct meetings that specifically focus on the expansion of ESG strategies for our products.

## Distribution of investors by geographic area

Number of subscribers



## Distribution of AUM by investor profile





## A RESPONSIBLE COMPANY

- Governance bodies 11
- Board committees 12
- Organizational structure 13
- ESG roles and responsibilities 14
- Governance and business ethics 15
- The environmental and social impact 16
- People, welfare and training 18
- A responsible group 21

# Governance Bodies

## Board of Directors

The Board of Directors consists of 7 directors, 3 of which with independence requirements. The Board of Directors is vested with broad powers for the ordinary and extraordinary management of the Company.

<b>Gianluca Grea</b>	Independent Chairman
<b>Emanuele Caniggia</b>	Chief Executive Officer <i>Most senior decision-maker on ESG</i>
Manolo Santilli	Director
Stefania Boroli	Director
Lidia Caldarola	Independent Director
Gianandrea Perco	Director
Severino Salvemini	Independent Director

## Board of Statutory Auditors

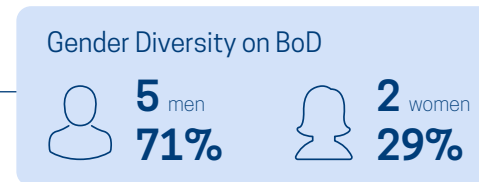
The Board of Statutory Auditors is the statutory body that monitors the Company and is made up of 3 regular and 2 alternate auditors. The Meeting is tasked with appointing the Statutory Board of Auditors unless otherwise specified by reference regulations.

<b>Gian Piero Balducci</b>	Chairman
Barbara Castelli	Statutory Auditor
Annamaria Esposito Abate	Statutory Auditor

## Supervisory Board

The Supervisory Board is appointed by the Board of Directors and is made up of 3 members that fulfill the requirements of autonomy, independence and professionalism. The Supervisory Board has autonomous powers of initiative and control and is tasked with monitoring compliance with prescriptions, Model 231, and the updating thereof.

<b>Maurizio Bortolotto</b>	Chairman
Davide Bossi	Member
Luca Voglino	Member



In order to guarantee ethical conduct, compliance with legislation and the Company's overall reliability, DeA Capital Real Estate SGR has adopted a **Code of Ethics and a Control Model pursuant to Legislative Decree 231/2001**.

Moreover, in compliance with provisions set forth in **Directive 2014/65/EU** on financial instrument markets (**MiFID II**) to guarantee and promote transparency, DeA Capital Real Estate SGR:



- Has adopted a **conflict of interests policy** for the management of operations executed with related parties and/or parties in potential conflict of interest



- Publishes an **information document** pursuant to the Regulation on intermediaries adopted by Consob with resolution no. 20307 dated 15th February 2018 et seq. as amended.



# Board Committees

## Risks and Control Committee

The Risks and Control Committee consists of 3 officers, 2 of which are independent - has consultative and propositional functions towards the Board of Directors on internal control and risk management matters for the SGR and AIFs. It also expresses itself on all operations which may potentially give rise to a conflict of interests and is subject to the exclusive jurisdiction of the Board of Directors.

<b>Gianluca Grea</b>	Independent Chairman
Lidia Caldarola	Independent Member
Gianandrea Perco	Member

## Remuneration Committee

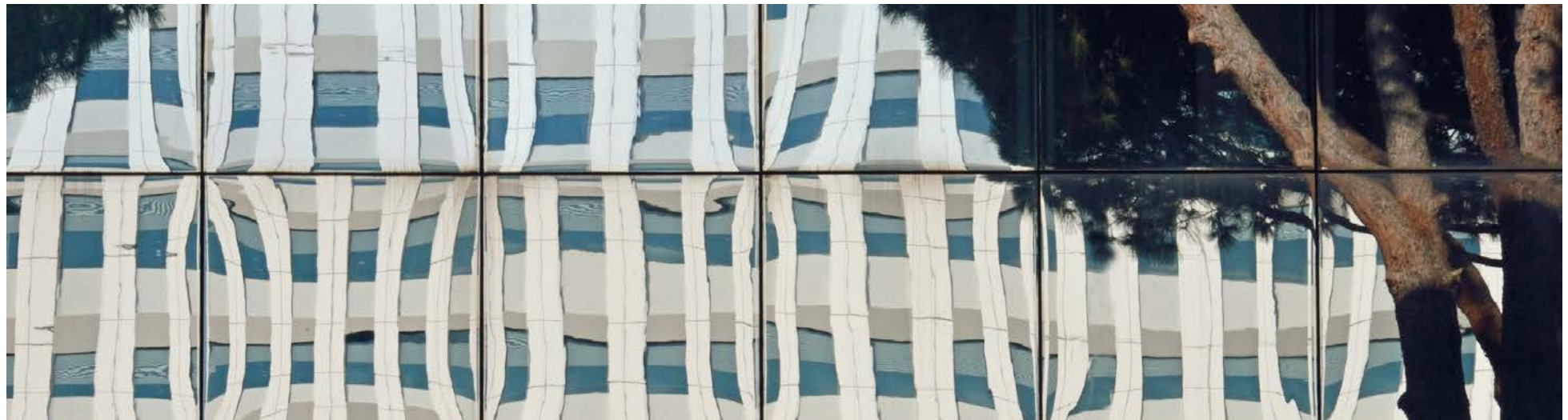
The Remuneration Committee consists of 3 officers, including 2 independent ones, and assists the Board of Directors on matters regarding remuneration and incentivization policies adopted by the Company. To this effect, it examines and formulates proposals and general recommendations regarding remuneration and incentivization systems for Directors and identified staff with strategic responsibilities and the capacity to affect the risk profile of the company and the AIFs under management.

<b>Gianluca Grea</b>	Independent Chairman
Lidia Caldarola	Independent Member
Manolo Santilli	Member

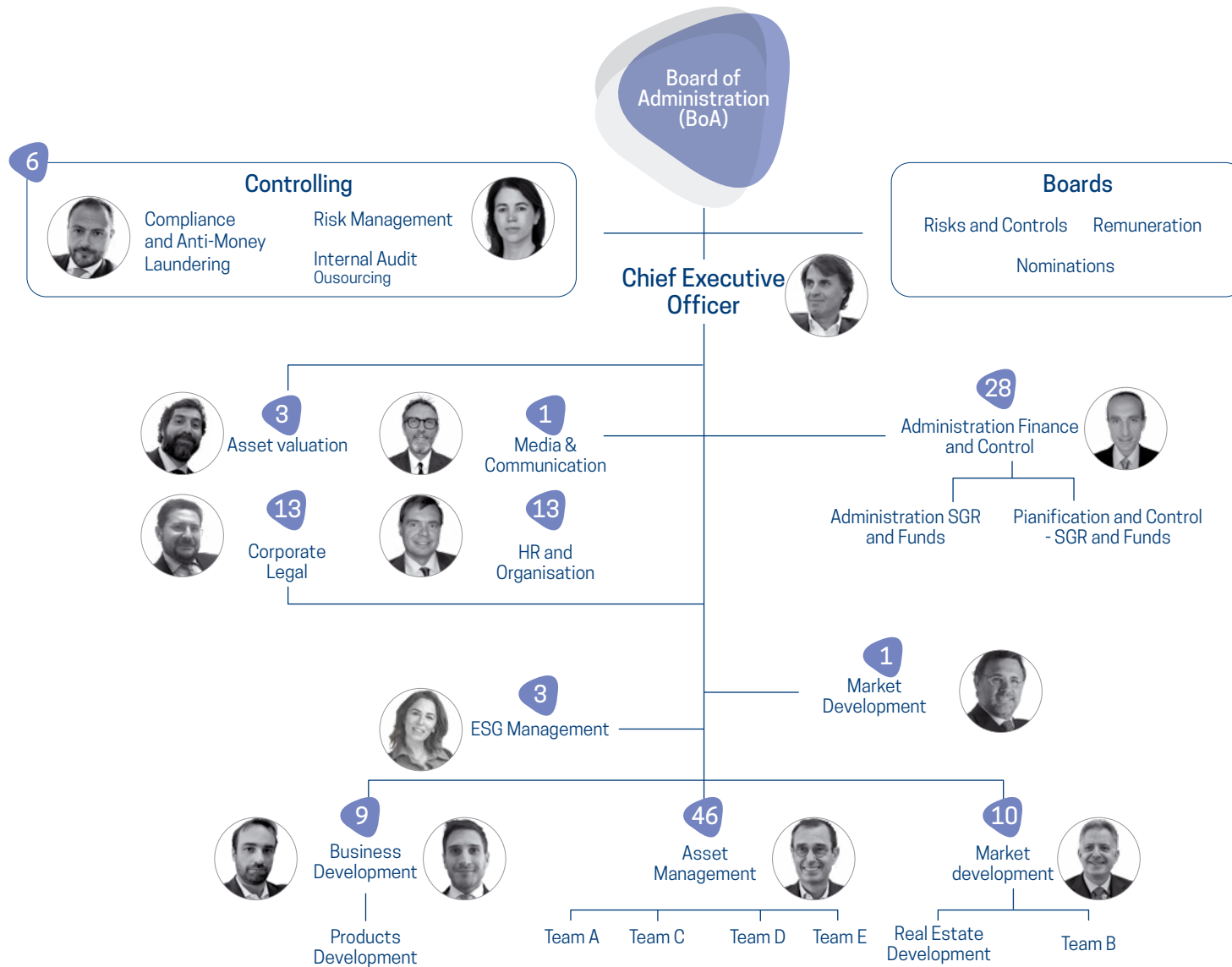
## Appointments Committee

The Appointments Committee, made up of 3 officers, including 2 independent ones, supports the Board of Directors in the appointment and co-optation of directors, in the process of self-assessment of the Body and in verifying the suitability of its members.

<b>Gianluca Grea</b>	Independent Chairman
Stefania Boroli	Director
Severino Salvemini	Independent Director



# Organizational Structure



# ESG Roles and Responsibilities

DeA Capital RE extends the **governance of sustainability and social responsibility risks to all levels of management**, administration and control.

## Board of Directors

Defines ESG Policies and approves the Policy and classification of products provided by the SFDR.

## Internal Committees

Assess and monitor ESG factors within their scope of competence and report to the Board of Directors.

## Chief Executive Officer

Responsible for the supervision and implementation of ESG strategies and guarantees the decision-making process on relative topics.

## ESG Management Function

- Acts as a reference point for ESG topics, nurtures relations with internal and external stakeholders, collecting their requests.
- Implements initiatives for the improvement of ESG performance and enhanced effectiveness in the application of sustainability principles.
- Proposes and coordinates operative implementations for the integration of ESG principles in processes and Internal Regulations.
- In coordination with Divisions/ Business functions, defines the classification of products for SFDR purposes, coordinates data collection and prepares periodic reports on ESG topics as required by internal and external Regulations.

## Communication and Media Manager

Elaborates the communication of activities and progress made in the application of ESG principles on the market, in coordination with the Head of ESG Management and Divisions/Functions involved.

## Executive Directors/ Top Tier Function Managers

Guarantee the application of ESG principles within their own Division/Function, as well as the communication of activities and progress made in the field of ESG, in coordination with the Head of ESG Management and the Communication and Press Office Manager.

The Director of Asset Management, the Director of Real Estate Development and Business Development Function Managers submit proposals for the classification of products to the Board of Directors for approval.

## Second-Tier Directors/Function Managers

Are tasked with assessing and monitoring ESG factors and the collection of information necessary for the preparation of the corresponding reports, including regulations, for activities within their scope of competence.

## Control Functions

Extend their activities on ESG strategy and contribute towards the collection of information required for the completion of the corresponding reports.



# Governance and business ethics

## Policies, procedures and codes of conduct

The company **promotes ethical, legal and transparent conduct in all areas of corporate activity** and especially in the management of relationships with customers, staff and all important stakeholders.

To this effect, the company has **implemented an internal control and risk management framework that is compliant with top international governance procedures and aligned with European supervisory regulations** (e.g. AIFMD, MiFID, AML-CFT, etc.), guaranteeing the correct management of conflicts of interest and company risks, including those related to money laundering and terrorism.

With reference to Legislative Decree 231/2001 on the company's administrative liability, the company has adopted a Model with **specific organizational safeguards to prevent criminal offenses in operations and has defined a whistleblowing procedure to collect, anonymously, any reports** of critical issues and/or potential breaches of internal and external regulations with reference to ESG aspects.

Particular focus is devoted to the selection of **counterparties with which DeA Capital RE operates** (suppliers, partners, outsourcers) **and the verification of accreditation requirements** (financial soundness, good standing with the tax and social security authorities, professional qualifications, compliance with ESG standards and requirements, the adoption of a Code of Ethics, etc.).

The company also places particular attention on **the efficiency of data management and security systems** under its management, to protect the privacy of all persons or entities involved.

### CORPORATE GOVERNANCE AND CODES OF CONDUCT

-  Corporate Body Regulations
-  Code of Ethics and Model 231
-  Remuneration Policy
-  Conflict of Interest and Related Parties Policy
-  Insider Information Management
-  Employee Regulations (Code of Conduct)
-  Relations with PA and third parties
-  Whistleblowing

### OTHER ESG POLICIES & PROCEDURES

-  ESG Strategies
-  ESG Management
-  New AIFs and investments
-  List of Approved Suppliers, Procurement and management of orders
-  Risk policy
-  Anti-Money Laundering Policy
-  Privacy Policy
-  Risk Assessment Document and Business Continuity Plan

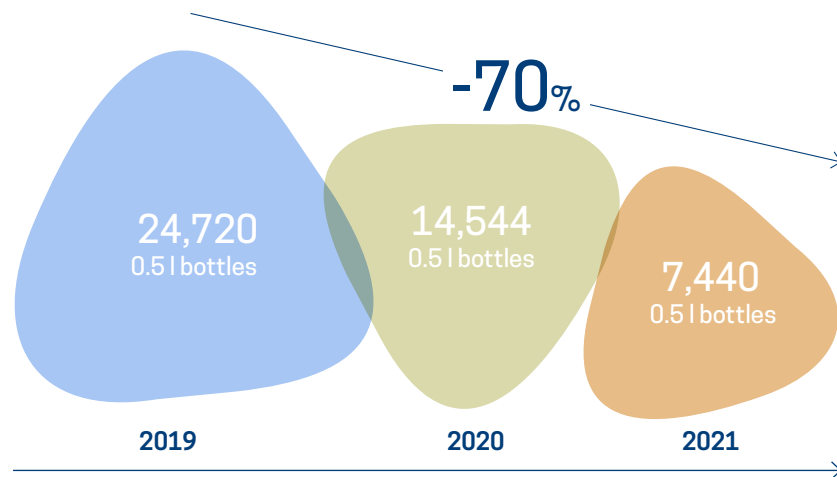
# The environmental and social impact

In line with international best practices, the ESG policy of DeA Capital RE requires the SGRs to fulfill specific commitments in order to limit the consumption of precious resources, like power, paper, water, and to limit the negative environmental impacts of our Rome and Milan offices (e.g. harmful emissions). This commitment is all the more significant for DeA Capital RE as it exemplifies the approach we intend to take in our capacity as the leading operator in the management of real estate assets.

## The “Plastic Free” project

DeA Capital RE has installed water dispensers in order to reduce plastic waste and has supplied 100% of its employee population with customized aluminum water bottles. The use of plastic bottles, most of which are recycled, is mostly due to sanitary requirements in response to the COVID-19 pandemic and protocols adopted by national authorities. Initiatives have been undertaken to reduce the number of plastic bottles by more than 70% between 2019 and 2021 and we are confident we will reach our goal of becoming a plastic-free company, through the use of glass, compostable palettes and aluminum coffee capsules which are 100% recycled.

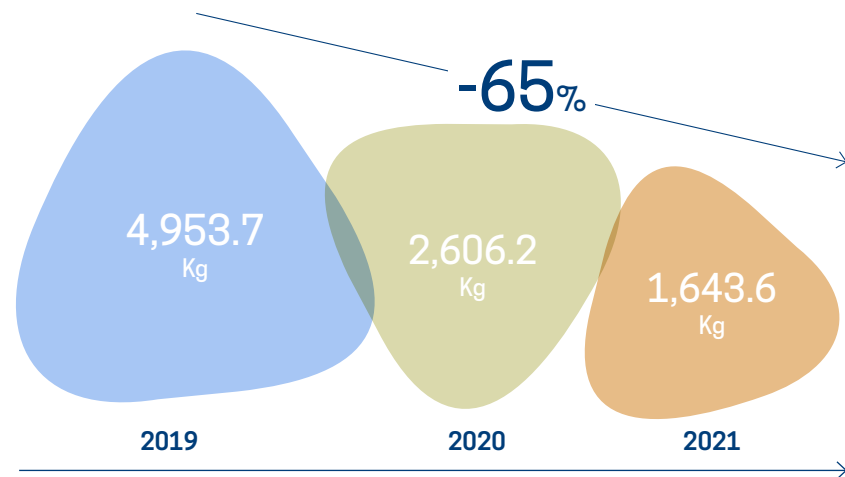
### Consumption of plastic bottles



## Our commitment to reducing paper consumption

Dea Capital RE is actively committed to significantly reducing paper consumption at its offices, by raising employee awareness on the production of electronic documentation and special initiatives (e.g. controlled printing system involving the use of badges and digital signatures). In light of such initiatives, Dea Capital RE is committed to using nothing but EU Ecolabel recyclable paper (compliant with the ISO 14020 standard and guidelines for environmental declarations issued by the International Chamber of Commerce (ICC)). Thanks to initiatives that have already been rolled out, paper consumption levels dropped by over 65% between 2019 and 2021.

### Consumption of paper



# The environmental and social impact

## Company car fleet

Our latest **green** initiatives also include an increase in the use of hybrid company cars, with reduced emissions and consumption, down 52% on 2021.

## Consumption and emissions at the Milan and Rome offices

In 2021, DeA Capital RE signed a contract for the supply of energy derived from renewable sources for its buildings in Milan and Rome. As a result, both buildings will be 100% powered by renewable energy, by means of 100% eco-sustainable procurement.

As with water and gas, DeA Capital RE's electricity consumption in the three year period spanning 2019 and 2021 is strongly conditioned by health restrictions linked to the Covid-19 pandemic and protocols adopted by national authorities, who extensively relied on smart working.

As regards electricity, consumption decreased in 2020 compared to 2019, only to increase once more in 2021. This trend is also partly due to the discontinuous use of facilities caused by the series of sanitary restrictions imposed, resulting in the intermittent presence of staff at offices and consequently, electricity use.

Moreover, measures for the ventilation of premises affected heating and air conditioning consumption for 2021.

To this effect, the SGR has already defined a recovery action plan to guarantee the stable monitoring of consumption at its premises.

### Energy intensity trend (kWh/m<sup>2</sup>)

2019	2020	2021
205.50	193.39	222.05

### Electric power consumption per employee trend (kWh)

2019	2020	2021
3,699.75	3,531.20	3,955.02

Taking into account the use of energy from renewable sources, we believe that GHG emissions data can be more significant than data on consumption alone. Specifically, as far as the DeA Capital Group is concerned, the most significant data appears to be linked to Scope 2 emissions, which were largely stable between 2019 and 2021, despite increased employee numbers and the erratic use of energy resources.

### GHG Emissions (tCO<sub>2</sub> eq.) – Location-based

SCOPE 1			SCOPE 2		
2019	2020	2021	2019	2020	2021
30.21	29.23	38.43	148.89	129.86	141.29

### GHG Emissions (tCO<sub>2</sub> eq.) – Market Based

SCOPE 1			SCOPE 2		
2019	2020	2021	2019	2020	2021
30.21	29.23	38.43	242.58	226.23	n.a.

As regards the negative results recorded in 2021 compared to 2019, and excluding 2020, strongly conditioned by pandemic restrictions, DeA Capital RE resolved to adopt the following mitigation actions, which will be undertaken as of 2022:

1. Improved management of heating and air conditioning systems by authorized maintenance operators;
2. Reduction in the applicable range of temperatures for thermostats in winter heating and air conditioning in the summer;
3. Preparation of two separate manuals (one per site), with explanations on the operation and optimization of thermostat use, for internal staff to raise awareness about energy waste.



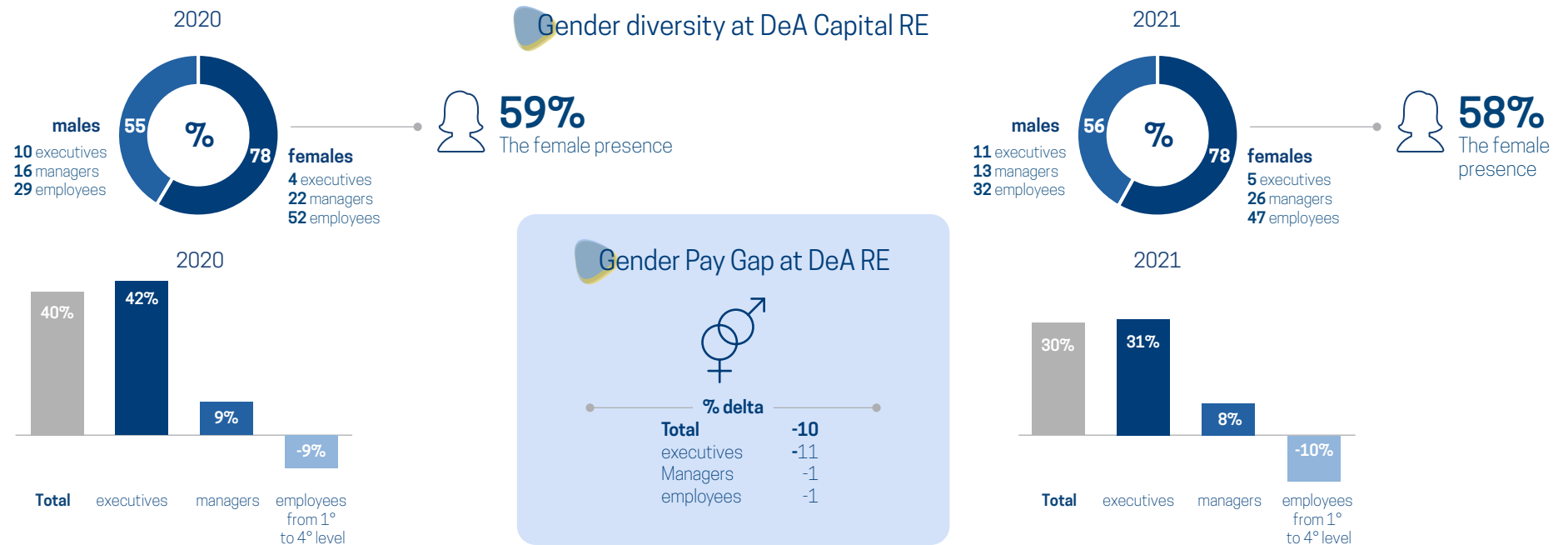
1 Scope 1 emissions are GHG emissions directly from company proprietary assets or assets under the company's operative control. Scope 2 emissions include indirect emissions from electric power generation that was or is purchased, vapor, heat or cooling that the organization consumes. GHG emissions are normally calculated using two main methods:

The "market-based" method, which determines GHG emissions deriving from the purchase of electricity and heat, considering specific emission factors disclosed by providers. For purchases of electric power from renewable resources, an emission factor of zero is applied with reference to scope 2.

2 The "location-based" method, which requires recording emissions deriving from electricity consumption, with the application of national average emission factors for different countries from which we purchase electric power.

# People, welfare and training

DeA Capital RE **is aware that the sustainability and growth** of the company are ensured by its people. The company firmly believes in human capital as a resource that must be protected, developed and empowered, in line with the principles of gender and race equality. This is why the company **has always been deeply committed to attracting and nurturing the loyalty of top talents, providing them with the best conditions for personal and professional growth**, guaranteeing an inclusive, stimulating and dynamic work environment that protects the well-being of individuals and groups. Particular **attention is paid to the recruitment of younger workers**, through institutional relationships with major Italian universities and internships in which they learn the “basics” of the job in preparation for when they are hired.

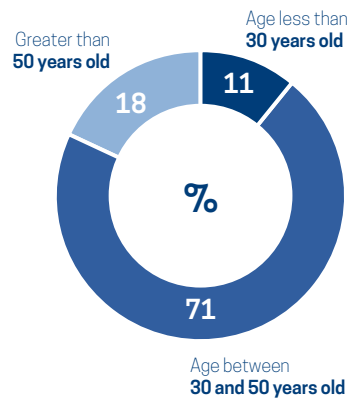


As at 31<sup>st</sup> December 2021, DeA Capital RE has 134 employees with a variety of professional backgrounds and fields of expertise and presenting a healthy mix in terms of age and gender. The **total number of women** at DeA Capital RE currently **stands at just below 60%**, considerably above the average for the financial sector which, according to major industry studies, is generally under 40%. Moreover, **40% of the women at the company hold management positions (Manager or Director)**, compared to 42% of men. The gender pay gap **as at 31<sup>st</sup> December 2021 is around 30%, despite a considerable improvement compared to 2020**, when it was 40%. (per il neretto vedi file precedente)

# People, welfare and training

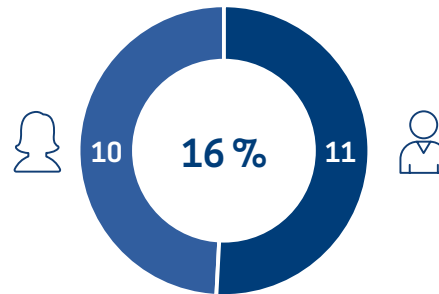
## Academic background

### Age diversity in DeARE

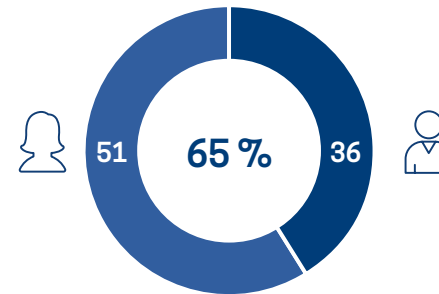


Over **80%** of employees has at least one degree.

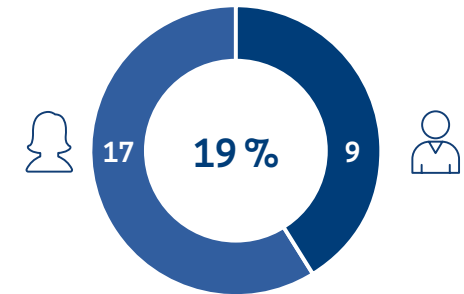
### Master's degree



### Degree (all types)

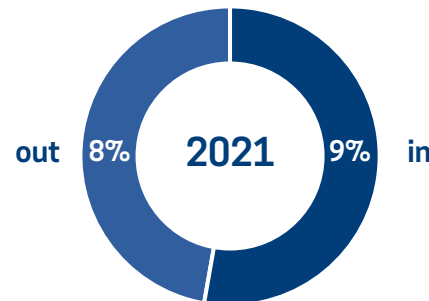


### Secondary school diploma



## Turnover

Historical analysis of data on employee turnover highlights how **in the last 5 years the trend has decreased from an average in excess of 15% to less than 10% in 2021**, positively balanced in favor of new hires.



## Stability

DeA Capital RE **is committed to implementing occupational policies that are oriented towards stability and long-term cooperation with its employees**. Therefore, DeA Capital RE favors permanent contracts over fixed term ones, aiming to nurture loyalty and the development of human resources. In 2021, **99% of employees have a permanent contract**.

## Welfare initiatives

DeA Capital RE has **also developed and implemented a corporate welfare plan**, which provides access to a large range of services, including those for families (education expenses), assistance for elderly parents, educational, training and recreational initiatives, contribution to pension funds.

# People, welfare and training

## Remuneration and ESG KPIs

DeA Capital RE has aligned the system of remuneration and the incentivization of employees with regulations on financial sustainability and financial market best practices, introducing **individual goals on sustainability topics in line with the strategy adopted by the SGR on such issues.**

To this effect, within the MBO system, which provides for variable remuneration, the set of goals for all persons with the capacity to affect ESG performance and the sustainability risks of the SGR and AIFs has been integrated with both qualitative and quantitative ESG goals, suitably set according to assigned responsibilities and position.

In 2021, **36 employees out of 133 were recipients of specific goals on ESG topics** (so-called ESG MBOs); the weighted average of the ESG MBO for 2022 for all goals amounts to 12%.

Employees with ESG MBOs		
JOB CLASSIFICATION LEVEL	TYPE OF POSITION	2021
Top tier directly reports to CEO	Director/Function Manager	11
Beyond the top tier directly reports to CEO	Director/Function Manager	25
<b>Total employees</b>		<b>36</b>

## Specific ESG training

The DeA Capital RE commitment to its people is reflected in the **promotion and implementation of training activities, with the purpose of reinforcing individual skills and developing better management capabilities.** In 2021, staff members of all levels received over 31 hours of training, up around 20% compared to 2020 (26 hours per employee).

The catalog of courses delivered during the year particularly focused on new regulations governing finance and real estate, occupational safety and data protection. During the year, **all employees also received specific training on ESG topics and responsible investments.**

In 2021 the SGR adopted the “Net Promoted Score” (NPS) method, a management instrument that can be used to assess loyalty in a business-customer relationship and to evaluate employee satisfaction with training.

All training paths were pursued with the commendable commitment and involvement from our employees, as shown by the final effectiveness test data, with an average score of 94% (out of 100%) and the overall evaluation of effectiveness and staff satisfaction, for which a total NPS score of 8.5/10 was reached, indicating “fully satisfied”.



**100**  
employees with ESG training in 2021



Topics covered: **governance and risk management, SFDR Regulations, Responsible investments and ESG Strategies**



**31**  
hours of training for company staff members



**35%**  
training hours on ESG topics



# A responsible group

## Generating value for the community

DeA Capital RE is **involved in multiple social responsibility initiatives and projects established within the Group and coordinated by Fondazione De Agostini** and other Group companies.

The DeA Capital Group, through the De Agostini Group which it is a subsidiary of, has a long history of commitment in the social realm, both in supporting civil society and communities and in the fight against climate change.

Through numerous charity activities and its support for art and culture in general, the De Agostini Group has been involved in numerous projects as part of a highly articulated Corporate Social Responsibility pathway. Its main initiatives include support for the "Leonardo da Vinci" Museum of Science and Technology in Milan, initiatives with the Bocconi University, FAI - Italy's National Trust, and the Coccia Theater in Novara. Lastly, it has made numerous donations to major hospitals and has signed a "Declaration of Commitment" promoted by Assifero (Italian Association of Foundations and Charity Organizations) on climate change.

In this favorable context for Corporate Social Responsibility activities, DeA Capital RE has been involved in numerous group initiatives and developed independent activities and projects, often in line with its own corporate and social needs.

## The project "NEW VISIONS FOR THE FUTURE OF REAL ESTATE AWARD"

THE NEW VISIONS FOR THE FUTURE OF REAL ESTATE AWARD is promoted by DeA Capital Real Estate Sgr, in partnership with Scenari Immobiliari, and inserted into the framework of the 30th SCENARI FORUM. The award focuses on the ideas, projects (future, ongoing, pending completed) and interventions (starting from 1st January 2019), strongly connected to innovation (product, process, project) in the real estate world.

Entries can be submitted by freelance professionals and companies operating in the real estate industry (property developers, other SGRs, investment firms, asset management firms, general contractors, advisors, architecture, engineering and design firms, associations, etc.), on the condition that project managers or project reference persons are under 35 years old.

*"It is my belief that DeA Capital Real Estate Sgr, as a leader of the sector, must feel the pressing need and responsibility to invest in financial products with two fundamental characteristics: innovation and sustainability. As far as innovation is concerned, I have always believed that a healthy corporate culture is impossible without a strong commitment to research into unprecedented products, and how this vision was especially present among young people. In light of this, DeA Capital Real Estate SGR has always invested in technological and product innovation, with particular attention to sustainability in environmental, social and economic terms. In all our requalification interventions we strive to redesign buildings, introducing the Smart concept for efficiency, comfort and a reduction of management costs. Inevitably this leads us to focus our attention on projects and ideas by young people, inspired by their sharp thinking and vision of the world. Young people as a starting point for an increasingly healthy market. Just like the sustainability of our financial products, I believe a company like ours must not limit itself to the pursuit of short term returns. I am convinced that innovative and sustainable innovation is synonymous with investment in the real economy, medium-long term returns, the local area and employment. It is a combination of innovation, young people and sustainability that guarantees a company's future and success, and inspired by these principles, we requested Scenari Immobiliari present the NEW VISIONS FOR THE FUTURE OF REAL ESTATE AWARD*

Emanuele Caniggia,  
CEO



# A responsible group



## Social Project: 1+1=3 Together for a social project

Fondazione De Agostini together with De Agostini S.p.A., De Agostini Editore Group and DeA Capital S.p.A. have launched and promoted an initiative for employees.

This social responsibility project is called "1 + 1 = 3 INSIEME PER UN PROGETTO SOCIALE (together for a social project)" and it aims to build a bridge between the Foundation, the De Agostini Group companies and employees: three actors working towards a common goal.

Every employee had the opportunity to present a project, individually or as part of a group, in the field of physical and intellectual disability, promoted by a third sector organization they know and wish to support.

The maximum budget for a project is € 30,000, which will be awarded to the winning project by Fondazione De Agostini and DeA Capital. The 2021 award was won by a project submitted by a DeA Capital RE employee.



## Mip - Dea Capital Esg talent

In 2021, the DeA Capital Group entered a partnership with the Milan Polytechnic University Graduate School of Business, to nurture mutual cooperation for the "International Master's in Sustainable Finance", in both editions, the academic year 2021/2021 and 2022/2023.

As part of this initiative, DeA Capital will award two scholarships for admission to the International Master's In Sustainable Finance" in 2022.

"The partnership with the Milan Polytechnic University and involvement in the International Master's in Sustainable Finance presents us with a unique opportunity for helping students looking to take on one of the biggest challenges of all time, putting their skills to good use for a cause.

This is another significant opportunity for DeA Capital to affirm its commitment to the promotion of sustainable development".



THE ADECCO GROUP

## The NEXT Project

With the support of a qualified external partner (The Adecco Group), DeA Capital Group has launched the NEXT Project (New Empowerment x Talent).

On the one hand, the project aims to enhance the growth potential and development needs of our youngest resources (younger than 25 years and with at least 1 year of professional experience at the company).

On the other hand, it aims to raise an awareness of soft skills, strong points and areas requiring improvement, through a consolidated methodology and the use of specifically selected instruments.



# 2

## OUR ESG FRAMEWORK

• ESG Principles	24
• ESG Strategies and Objectives	25
• Exclusions	26
• Contribution to SDGs	27
• The pathway on ESG topics	28
• The methodological approach	29
• The ESGM Tool	30

# ESG Principles

DeA Capital RE has always shared and promoted the principles of ethics, legality and respect for human rights and the environment, all the cornerstones of its strategy. In order to reinforce its position of leadership in Italy and not to passively experience market and regulatory changes, **DeA Capital RE has also signed the United Nations Principles for Responsible Investments** (UN PRIs) and has undertaken a process for the gradual integration of ESG principles (Environmental, Social, Governance) in company strategies and processes.

DeA Capital RE is aware that the management of risks and opportunities linked to ESG topics and the integration of relative factors in the investment process support the generation of value and growth in the mid to long term, constituting a fundamental element of a sustainable and resilient strategy in finance and real estate.

The SGR signed the PRI in 2019. In July 2021, due to the new framework and the failure to define relative assessment parameters, the PRI issued a notice of postponement of the issuing of results by one year, available in the third quarter, so the results will not be taken into consideration.

As a signatory of the UN PRIs, DeA Capital RE is formally committed to complying with the following principles

- 1 **Integrating ESG topics in the analysis and decision-making process for investments**
- 2 **Being active investors and incorporating ESG topics into our investment and asset management policies and practices**
- 3 **Suitable communication on ESG topics from assets we invest in**
- 4 **Communication on what we do and progress made in the application of principles**
- 5 **Promoting the acceptance and application of the principles in the financial sector**
- 6 **Cooperating to improve our effectiveness in the application of principles**

DeA Capital RE also plays an active role in promoting the principles of sustainability and **defining new standards and market practices in major trade associations of the financial and real estate sectors**, as an active member of the Forum for Sustainable Finance and the working table promoted by Assoimmobiliare on sustainability topics.

Signatory of:





# ESG Strategies and Objectives

The SGR has identified **four pillars that uphold its Sustainability Strategy**, which aims to generate value for managed AIF investors, the Group, lessees and users of managed assets, as well as the communities where they are located.



## SUSTAINABILITY IN THE SECTOR

Act responsibly and promote sustainability in the industry in our capacity as a signatory investor of UN PRIs, adopting a responsible approach to investment with the purpose of creating value and raising awareness in the industry on benefits deriving from the promotion of ESG topics.



## PEOPLE-CENTERED APPROACH

Placing people at the center, investing in the well-being and professional growth of the people at DeA Capital RE, ensuring a work environment that encourages professional growth and the capacity to attract and retain new talents.



## EFFICIENT PROPERTIES

Develop, requalify and manage properties that are efficient and sustainable, by pursuing energy efficiency targets and the reduced consumption of Resources for assets, actively contributing towards a low carbon economy.



## SUSTAINABLE CITIES

Proactively participate in the creation of sustainable cities of the future, striving for sustainable and inclusive urbanization, drawing benefit from the integration of digital and technological innovation.

# Exclusions

In line with the responsible investment principles underlying the sustainability strategies adopted, through its AIFs, the company **does not invest in any projects involved in:**

- ▶ activities forbidden by legislation protecting the biodiversity of the country where the project is being developed or by international treaties on the protection of biodiversity or cultural resources;
- ▶ the development of projects in protected natural areas or those with a negative impact on sites of cultural heritage;
- ▶ the construction of new buildings for the extraction, storage, transport and production of fossil fuels.

In addition, the company does not accept **tenants that produce or trade in or whose business pursuits are linked to:**

- ▶ weapons identified and banned by international treaties and conventions;
- ▶ pornography and prostitution;
- ▶ substances that are illegal in the jurisdiction where the property is based;;
- ▶ wildlife in danger of extinction or that is protected.

This list is not exhaustive and can be extended to cover additional excluded and/or prohibited activities, as defined by the company and/or subscribers and potential investors.





# Contribution to SDGs 27

DeA Capital RE's sustainable growth strategy aims to create value for all its stakeholders and society, **contributing towards the achievement of goals set out in the 2030 United Nations Agenda for Sustainable Development** (Sustainable Development Goals - SDGs). The SDGs constitute a universal language and commitment to sustainability topics and aim to harmonize economic growth, social inclusion and environmental protection.

All goals defined by the United Nations are fundamental to achieving a fair and sustainable society. However, in consideration of the sector in which we operate, the SDGs we believe we can make the biggest difference and commit to as a priority, through the implementation of business strategies and investment activities, are listed here below.



## Reference parameters

- 3** Welfare services for employees, such as the supplementary pension scheme, reimbursement of expenses for spouses, children and other family members, sports subscriptions and travel.
- 5** Monitoring the female presence in the SGR and company management; Gender Pay Gap; employee distribution according to age groups.
- 6** Water efficiency requirements like the reusage of rain and waste water. The progressive implementation of management systems (BMS) to monitor consumptions in real estate portfolios.
- 7** Energy Efficiency Road Map for the company's offices in Milan and Rome. Requalification projects and increased renewable energy quotas in real estate portfolios.
- 8** Energy Efficiency Road Map for the company's offices in Milan and Rome. Requalification projects and increased renewable energy quotas in real estate portfolios.
- 9** Classification pursuant to Art. 8 or 9 of the SFDR of AIFs. Implementation of ESG strategies for new products and 9 for the AIFs under management.
- 11** Social strategy for portfolio properties, the adoption of well-being and safety certifications for buildings, urbanization works and community services.
- 12** Adoption of internationally recognized green certifications, assessments and energy and water efficiency goals, actions to protect natural areas in property portfolios.
- 12** Significant reduction of work site waste flow through the reduction of raw materials, recycling and reuse. Progressive implementation of management systems (BMS) to monitor consumptions of real estate portfolios.
- 13** Policies to protect and replenish biodiversity and ecosystems. Prevention and reduction of pollution, climate change mitigation for offices and property portfolios.
- 16** Code of Ethics and specific risk mitigation procedures. Anti-money laundering and anti-terrorism policies, implementation of the Organization, Management and Control Model (Model 231).

# The pathway on ESG topics



2019

- In 2019 DeA Capital resolved to seal its commitment to sustainability by signing the **UN PRI** and **adopting the first ESG Policy** with the aim of consolidating its sustainability strategies and coherently integrating ESG factors in its processes and the management of products.
- In 2019 DeA Capital undertook a program for the gradual addition of **managed AIFs to GRESB** in order to reinforce ESG parameters.



2020

- In 2020 the SGR adopted a three-year **"ESG Action Plan"** setting out the activities to be implemented in order to reach the sustainability goals defined in the ESG Policy, the goal owners, the implementation time frames and the ESG key performance indicators ("ESG KPIs") used for monitoring.
- In 2020 the **ESG Management function** was established, which directly reports to the CEO and is tasked with coordinating the implementation of ESG strategies and the "ESG Action Plan", with reference to the SGR and AIFs under management.



2021

- In 2021 DeA Capital was involved in the implementation of new sustainability disclosure requirements introduced by EU Regulation no. 2088/2019 ("SFDR"), through the adoption of a framework for the analysis, classification and monitoring of AIFs. To this effect, **15 funds were classified pursuant to art. 8 providing disclosure with processes established by the Regulation.**



Next years

- Over the next few years the SGR will commit to actions for the consolidation of its ESG framework, with the aim of incorporating market orientations and technical standards prepared by Surveillance Authorities. In this field, particular attention will be paid to the evolution of the framework and **tools for monitoring the ESG characteristics of AIFs, and to reinforcing the system of sustainability risk management.** A plan for the **gradual incrementation of AIFs, established before 2021 and to be classified pursuant to art. 8 of the SFDR**, is to be implemented.

# The methodological approach

DeA Capital RE **has defined a methodological framework to analyze, classify and monitor AIFs (under management and in the start-up phase), for the purposes of SFDR regulations and European Taxonomy of sustainable activities.**

The methodology involves the execution of an ESG assessment with the use of special drivers, taking into account the strategy and different characteristics/goals of AIFs (e.g. income vs. development), and are updated over time to take into account evolutions in regulations and real estate and financial market practice.

The achievement of environmental and social characteristics and goals promoted by the AIFs managed with ESG characteristics, and the positive impacts from any development and requalification activities, is assessed using the ESGM Tool, which is currently under development and enables **the periodic monitoring of the parameters and performance goals of AIFs**, defined in line with the relative strategy and SFDR classification.

## ASSESSMENT AND CLASSIFICATION

1

Preliminary ESG assessment and classification of the fund for SFDR purposes. Based on drivers articulated according to the investment strategy and types of assets under management.

## SELECTION OF ESG PARAMETERS

2

Identification of parameters to be monitored based on environmental and/or social characteristics and, where present, sustainable investment goals, pursuant to the Taxonomy Regulation.

## MONITORING ESG PERFORMANCE

3

Monitoring of ESG parameters and/or goals using the ESGM tool, the definition of any improvement actions and reporting in compliance with SFDR rules.

Main assessment drivers	SFDR Classification	
<ul style="list-style-type: none"> <li>Intended use and remaining life of AIFs</li> <li>Promotion of environmental and/or social characteristics in the investment strategy</li> <li>Availability of data on characteristics and ESG goals</li> </ul>	<b>BROWN (Art. 6)</b>	AIFs that do not promote sustainable investment goals and/or without environmental or social characteristics that can integrate considerations on sustainability risks
<ul style="list-style-type: none"> <li>Expenses and/or capex in the pursuit of sustainable goals or improvements in environmental and/or social characteristics</li> <li>Property certifications (e.g. LEED) and/or nearly-zero emission buildings</li> <li>Sustainable criteria regarding materials and energy efficiency in projects under development</li> </ul>	<b>LIGHT GREEN (Art. 8)</b>	AIFs that promote environmental and/or social characteristics, and can have several sustainable investment goals
<ul style="list-style-type: none"> <li>Assessment of the degree of sustainability with international standards (E.g. GRESB)</li> <li>Investment policy with sustainable goals aligned with Taxonomy</li> <li>Assignment of market indexes for ESG performance assessment</li> </ul>	<b>DARK GREEN (Art. 9)</b>	AIFs with a sustainable investment goal in line with significant contribution criteria and the principle of not causing significant damage

# The ESGM Tool

**Performance parameters/goals for AIFs, together with relative sustainability risks, are analyzed and monitored using a special ESGM tool**, which will soon be completed to serve the purpose of detecting evolutions of real estate and financial market regulations and practice.

The ESGM tool will be developed on the same property asset valuation platform, to aggregate common data and enable the use of ESG variables for assessments. It will enable the collection and periodic updating of data linked to the ESG profile of assets and AIFs as well as the assessment thereof using a special ESG dashboard, which also includes “Transition risk” parameters, in line with the “Carbon Risk Real Estate Monitor” methodology (“CRREM Project”).

## DATA COLLECTION

Collection/updating of data in line with SFDR classification and environmental and/or social characteristics and the goals of AIFs (e.g. energy classification, "green" or "social" certifications, materials/construction criteria, ESG capex, consumption, social purposes, etc.).

## KPI SELECTION

Configuration of parameters and rules for monitoring environmental and/or social characteristics promoted by the AIF and if applicable, of sustainable investment goals, based on the investment strategy and the type of assets under management (e.g. investments yielding profit, under development, social projects, etc.).

## ESG DASHBOARD MONITORING

Monitoring of KPIs and rules for assessing ESG performance and coherence with the SFDR classification of AIFs; identification of any improvement actions; preparation of reporting in line with regulations.

ENVIRONMENTAL	
Assets under development/requalification	Assets yielding profit
<ul style="list-style-type: none"> <li>Reclamation and environmental decontamination</li> <li>Protection and/or restoration of historic and natural sites</li> <li>Low environmental impact</li> <li>Materials and short production chain</li> <li>Requirements for work site waste</li> <li>Consumption for work site activities (water and energy)</li> <li>ESG Capex plans</li> <li>Management of the environment and safety at work sites</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency (EPC)</li> <li>Presence of renewable energy</li> <li>Energy and water consumptions</li> <li>Harmful emissions (GHG)</li> <li>Green leases and/or green loans</li> <li>ESG Capex plans</li> <li>Green Certifications (LEED, BREEAM, etc.)</li> </ul>
GRESB	
CRREM Transition Risk	

SOCIAL
<ul style="list-style-type: none"> <li>Accessibility for people</li> <li>Urbanization works and community services.</li> <li>Requalification/creation of green spaces and plantations</li> <li>Cycle paths and electrical charging stations</li> <li>Areas that promote the psycho-physical well-being of users</li> <li>Well-being certifications (WELL, Fitwell, etc.)</li> <li>Buildings with connectivity certifications and smart functions</li> </ul>
NOMISMA SCORE

# The ESGM Tool

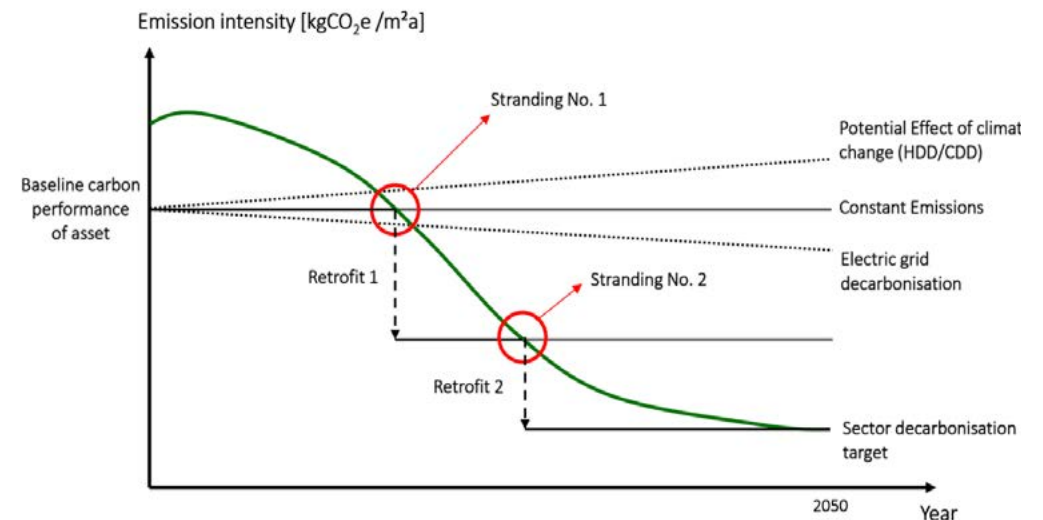
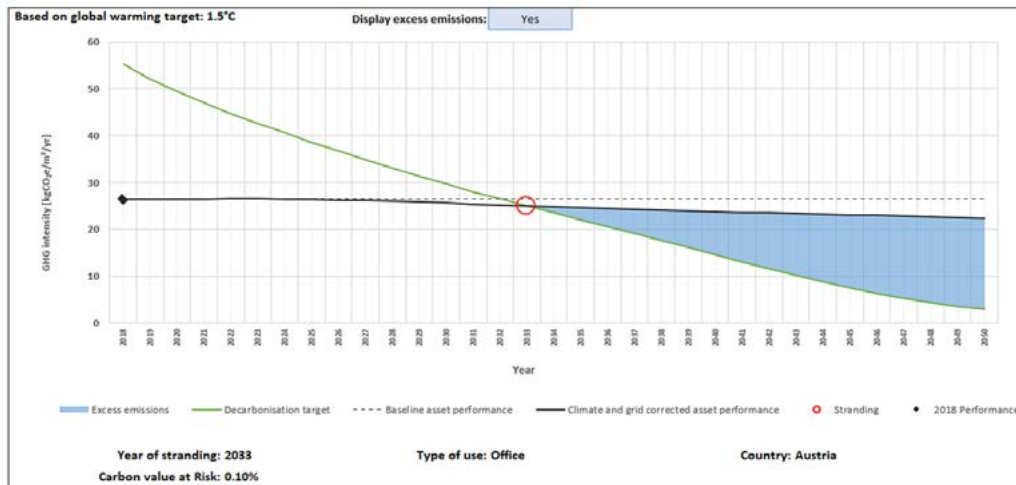


## The CRREM Methodology

CRREM is a EU initiative for the definition of a standard that supports real estate market managers and investors in the assessment of risks associated with buildings' carbon emissions in their portfolio and the definition of decarbonization pathways in line with Paris agreement goals.

**DeA Capital RE has set up a project for the gradual implementation of the CRREM methodology for the assessment of the transition risk associated with properties and AIFs in its portfolio**, as well as the consequent "stranding" effect, i.e. the premature obsolescence of properties and relative depreciation due to changes to environmental policies, standards, regulations and real estate market expectations on environmental issues.

The project is currently in a pilot phase and involves a limited number of AIFs, as the SGR is faced with a scenario of very limited application in Italy and the absence of data and reliable benchmarks for the assessment of assets and relative risks.



# The ESGM Tool



## The Nomisma "social" score

DeA Capital uses Nomisma S.p.A., a top research, consultancy and business information company specializing in real estate for the independent assessment of the social profile of its investments.

The methodology adopted by Nomisma currently involves the calculation of an overall score for each property based on the analysis of over 110 descriptive variables of the social context, with reference to 9 assessment areas (e.g. accessibility of the area, population, services, safety, economic solidity of businesses, etc.) Thus the SGR can assess, both upon making the investment and by means of periodic monitoring, the evolution in the degree of overall attractiveness of the area where the property is located, based on its classified use (residential, commercial or industrial).

After an initial phase of use, the SGR assesses evolutions in methodology in order to include additional variables of interest in the assessment, including of those of a social nature, linked both to property characteristics (e.g. the presence of green areas, the quality of spaces, etc.) and the allocation of spaces for social purposes (e.g. nursery, social housing, etc.), with a "Building Score" to be associated with the already active one.

EVALUATED DOMAIN	CONTEXT SCORE BY DOMAIN	MUNICIPALITY SCORE			EVALUATION OF THE MICROAREA WITHIN THE MUNICIPALITY	MUNICIPALITY RANKING WITHIN ITALY
		Min	Average	Max		
ACCESSIBILITY OF THE AREA FOR COMPANIES	94.9	66.1	91.6	98.2	MEDIUM TO HIGH	48 out of 7914
ACCESSIBILITY OF THE AREA FOR INDIVIDUALS	98.5	65.7	95.8	99.3	VERY HIGH	2 out of 7914
CREDIT RELIABILITY	72.3	11.8	67.4	87.1	MEDIUM TO HIGH	2,018 out of 7914
POPULATION	99.1	0.0	87.6	100.0	MAXIMUM	22 out of 7914
RESIDENTIAL REAL ESTATE	95.6	14.9	81.1	99.4	VERY HIGH	23 out of 7914
NON RESIDENTIAL REAL ESTATE	60.0	34.4	72.0	100.0	MEDIUM TO LOW	254 out of 7914
SERVICES	99.9	42.0	92.9	100.0	MAXIMUM	2 out of 7914
SAFETY	79.3	5.9	66.5	98.2	MEDIUM TO HIGH	1,688 out of 7914
BUSINESS COMPETITIVENESS	86.0				MEDIUM TO HIGH	1 out of 7914

## RESIDENTIAL Score



Municipality RANKING within Italy

2 out of 7914

COPARISON BETWEEN SCORE OF THE MICROAREA AND AVERAGE SCORE OF THE MUNICIPALITY (Var%)



7.84%

### Score of the Microarea







# 3

## THE SUSTAINABILITY OF OUR PRODUCTS

- Highlights of Funds 34
- GRESB Rating 35
- Real estate certifications 36
- A few examples 40



# ESG Highlights of Funds

Overview of funds with ESG characteristics



**15/54** funds + 1 SICAF  
are classified pursuant to Art. 8 SFDR



**20%** of AIFs classified pursuant to Art. 8  
SFDR with social housing characteristics



**20.43%** (2.2 billion)  
of OMV classified pursuant to Art. 8 SFDR



**20.34%** (2.16 billion)  
of OMV with a ESG rating (GRESB)



**27.66%** (2.94 billion)  
of OMV with green certifications



**338 billion** Capex in funds classified  
pursuant to Art. 8 SFDR

# GRESB Rating



The SGR has decided to undergo **Global Real Estate Sustainability Benchmark** rating (hereinafter, GRESB) with its own AIFs pursuant to art. 8 of the SFDR, to reinforce the assessment of ESG parameters with the issuing of a rating by an independent third party that examines and compares the degree of maturity in the management of ESG parameters of AIFs and of the SGR at a national, European and global level.

Interaction with the body and becoming a part of the GRESB network encourages the constant consolidation of the corporate sustainability strategy and alternative investment funds under management (AIFs). The SGR benefits from the results of GRESB assessments and benchmarks, and calibrates its ESG strategy and actions on AIFs, thus enhancing its value.

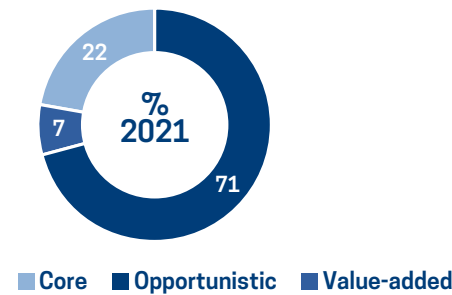
Since 2022, the Head of the ESG Management Function is a “Member of the GRESB Foundation Real Estate Expert Resource Group”.

The perimeter for participation in GRESB is defined on a year-to-year basis, according to the AIF strategy and classification goals pursuant to SFDR regulations.

In 2021 a total of 14 AIFs participated in GRESB; some summary information on them and achieved performance levels is provided.



AIF FRESB strategies 2021



SGR Performance and Funds 2021



Performance 2020 vs 2021



*the average is calculated on two FIA participating at GRESB 2020*

Gresb performance per strategy	Average Score (max 70)
Development	43
Performance	40

# Real estate certifications

## LEED Certification

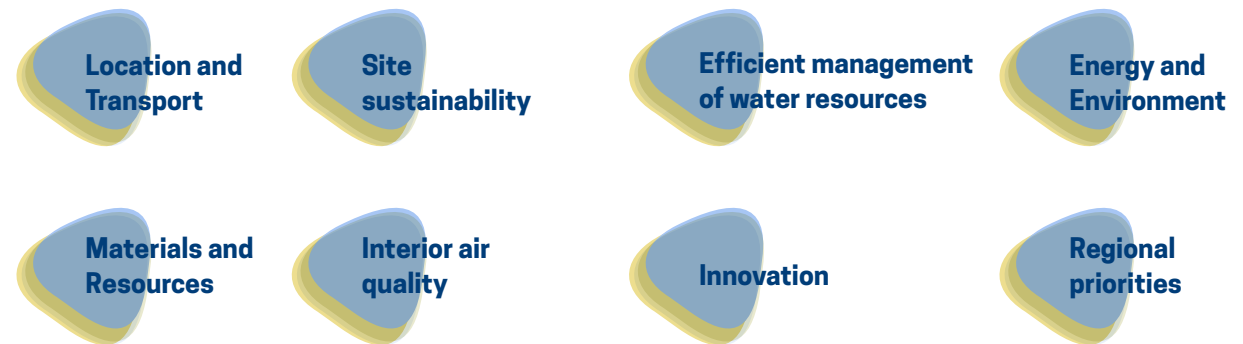


DeA Capital RE, aware of the need to contribute to an orderly transition towards a low-carbon economy, uses the LEED certification standard, to name but one, to assess and certify the level of sustainability achieved by assets under management.

**LEED® is a voluntary certification program applicable to any type of building throughout its entire life cycle, from design to construction, which promotes a sustainability-oriented approach;** recognizing the performance levels of buildings in key sectors, such as energy and water saving, the reduction of CO<sub>2</sub> emissions, improvement in the ecological quality of interiors, the materials and resources used, the project and the choice of site.

The certification is based on awarding "credits" for each requirement. Credits add up to a final score, which determines the final level of certification: basic, gold, silver and platinum.

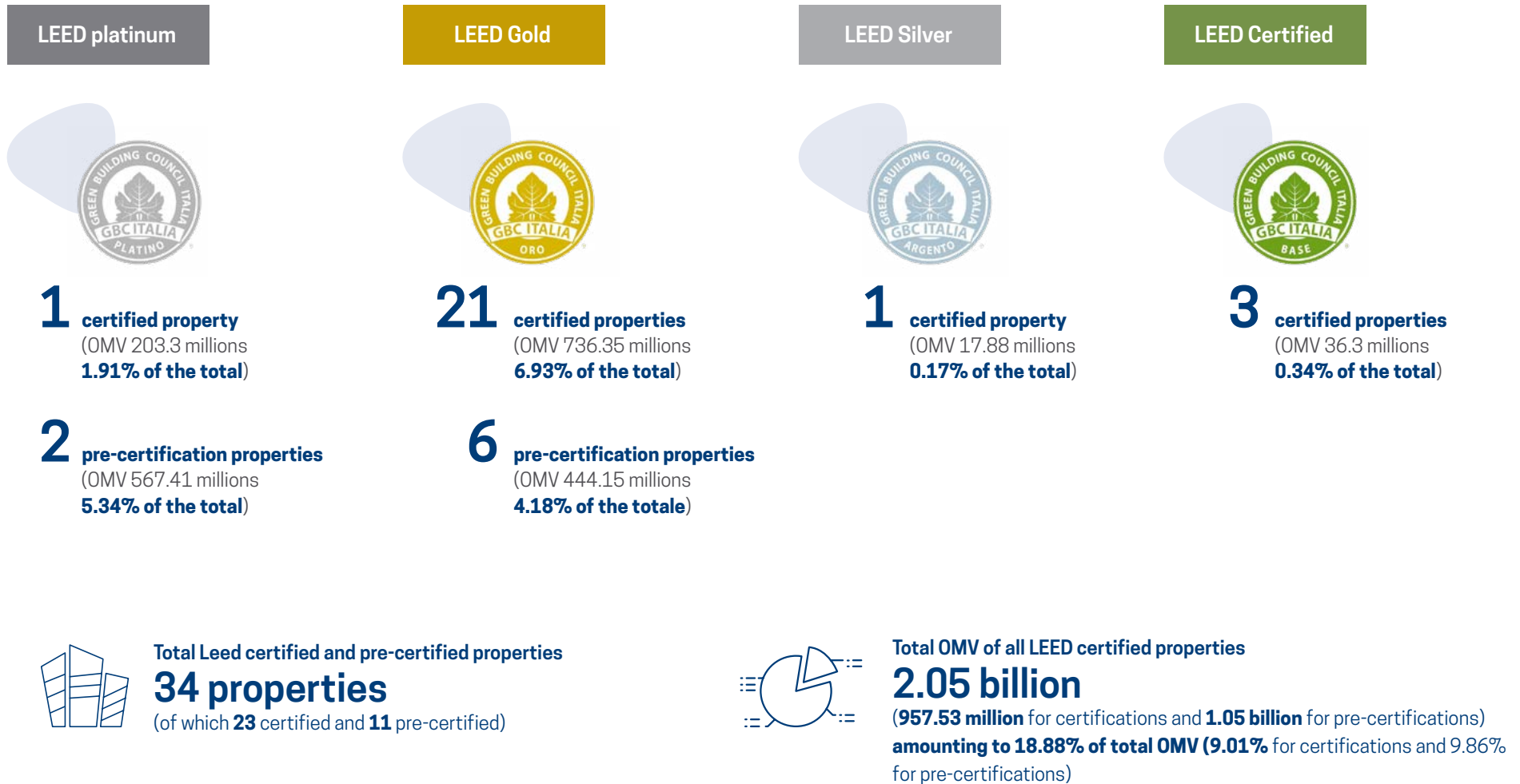
Specifically, after an initial assessment, a certification is issued based on a check list that covers 8 main topics that determine the sustainability of a building, with a maximum score of 110.



Each of these categories is useful for the attribution of LEED points to a variable extent, and greater weight is assigned to the energy component.

Out of a total of 110 points, at least 40 must be obtained to achieve a basic certified level.

# Real estate certifications



# Real estate certifications

## BREEAM Certification

DeA RE, aware of the need to contribute towards an orderly transition to a low-carbon economy, uses the BREEAM certification, to name but one, to assess and certify the level of sustainability reached by assets under management, together with LEED, one of the most widely used and globally recognized certification systems for sustainability in buildings.

**BREEAM (Building Research Establishment Environmental Assessment Method) is a voluntary system for the assessment of building sustainability established in the United Kingdom to assess the environmental performance of buildings.** BREEAM assesses the performance of buildings based on numerous environmental requirements and provides different levels: PASS, GOOD, VERY GOOD, EXCELLENT or OUTSTANDING. BREEAM assessment criteria include the use of energy and water, internal environment (health and well-being), pollution, transport, materials, waste, ecology, management processes.



Total BREEAM certified properties

**25 properties**

Total OMV of all LEED certified properties 1.15 billion

11% of OMV



**BREEAM Excellent**  
OMV 589.530.000 €

**6%**



**BREEAM Very Good**  
OMV 564.770.000 €

**5%**



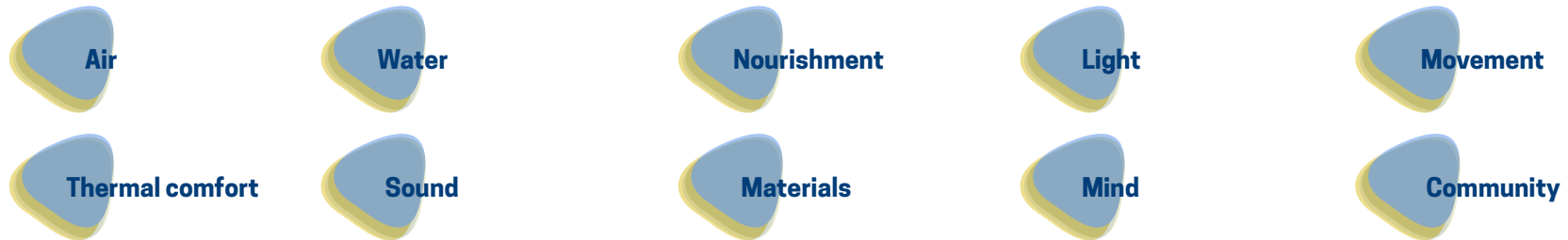


# Real estate certifications

## WELL Certification

Driven by a determination to guarantee superior performance levels of buildings for end users, DeA RE is gradually implementing specific technologies and **protection strategies in its properties, in line with WELL protocols**. The WELL certification is based on a classification according to a final score, with Bronze, Silver, Gold and Platinum levels.

The WELL protocol is based on 10 concepts, each containing performance indicators with specific thresholds, which are objective and measurable, and prescriptive indicators, which require innovative technologies, policies to be implemented and property design strategies. The WELL Concepts are:



WELL GOLD

WELL SILVER

WELL BRONZE



**2** certified properties  
(OMV 291.4 millions  
**2.74% of the total**)



**1** certified property  
(OMV 472.61 millions  
**4.45% of the total**)



**1** certified property  
(OMV 94.8 millions  
**0.89% of the total**)



Total WELL certified and pre-certified properties  
**4 properties**  
(of which **2** certified and **2** pre-certified)

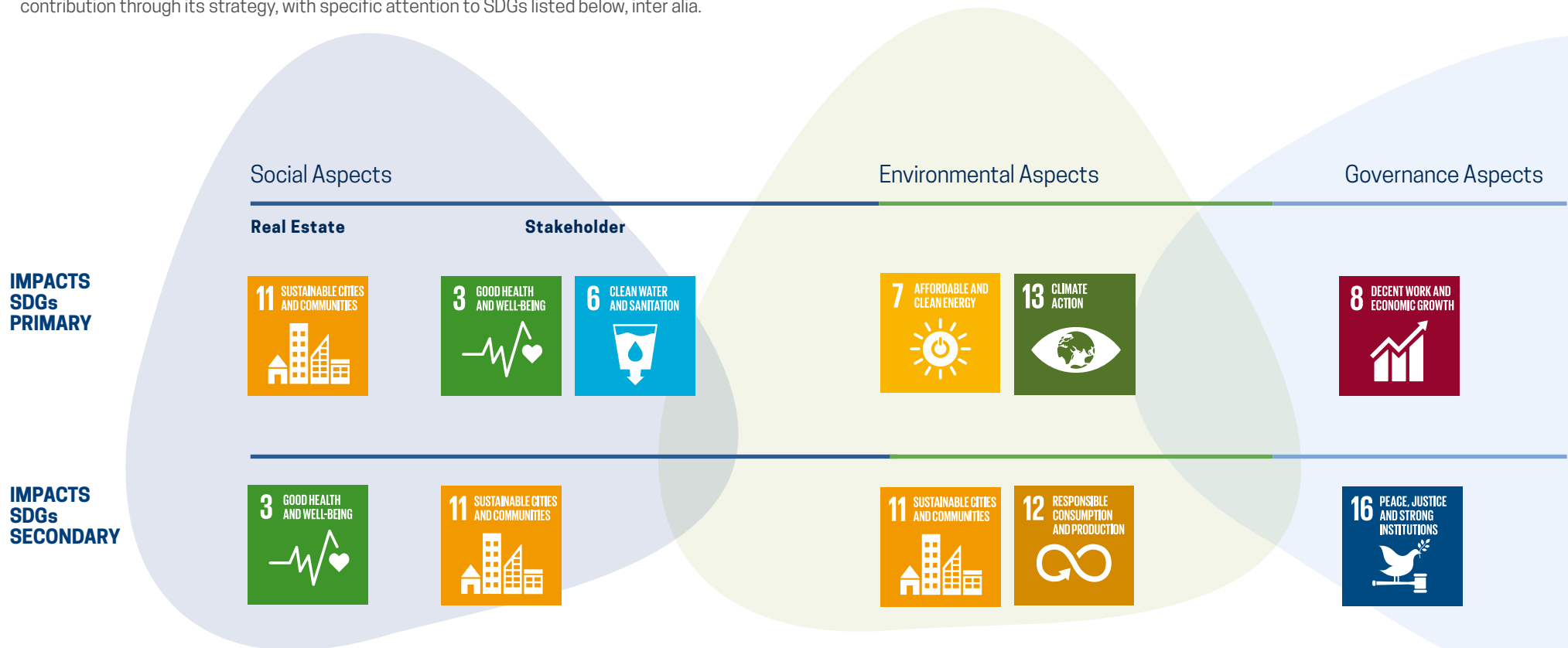


Total OMV of all WELL certified properties  
**858.81 million**  
**8.08% of the total**

# The rebirth of a historical building

The fund strategy is focused on the requalification of the historic real estate portfolio in Piazza Cordusio in the center of Milan, aimed at improving its performance and environmental impact, as well as for the community involved, and guaranteeing the development of commercial and business premises with a focus on the health and well-being of those who reside in the property.

Specifically, the fund promotes the implementation of investment policies in line with the United Nations Sustainable Development Goals ("SDGs"), to which it intends to make a significant contribution through its strategy, with specific attention to SDGs listed below, inter alia.

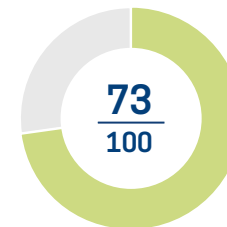




## Results

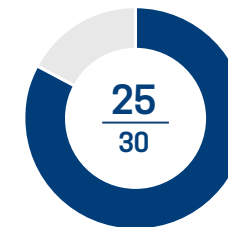
### Rating

GRESB Score **Green Star**



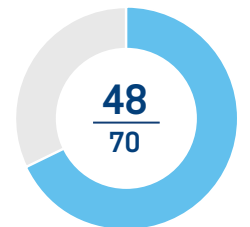
GRESB Average **79**  
Peer Average **83**

Management Score



GRESB Average **26**  
Benchmark Average **24**

Development score



GRESB Average **53**  
Benchmark Average **57**

## The fund promotes the following characteristics:

- environmental:** by means of targeted interventions for the upgrade of existing real estate assets, like urban requalification interventions and climate change mitigation actions with the consequent improvement of energy efficiency, reduced consumption of water resources and polluting gas emissions, in line with the relative laws and regulations in force
- social:** through the use of high safety standards in requalification activities and contributing towards the improved livability of the building, with interventions to guarantee interiors with high levels of comfort for future users and to extend the offering of commercial services and community spaces, which are also verified by means of obtaining voluntary certifications.

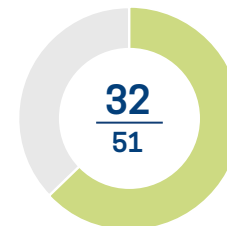
In line with the trend of urban regeneration in the city of Milan, these strategies were also defined to maintain property asset value and maximize the property's commercial attractiveness, for which marketing activities are currently under way.

**The real estate complex consists of three buildings completed respectively in 1901, 1903 and 1960, with influences linked to the eclectic Art Nouveau style.**

With the Broggi Fund, as part of *The Medelan* initiative, cutting-edge redevelopment has been completed without undermining its past. The initiatives of the fund aim to bring constant dialog to fruition between history and modernity, through innovative choices: rooted in history but with a modern twist; the building thus exemplifies the most authentic Italian style.

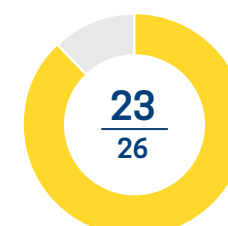
### ESG Breakdown

Environmental



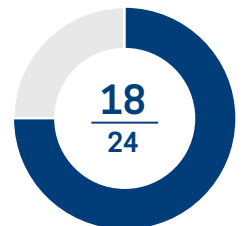
GRESB Average **37**  
Benchmark Average **40**

Social



GRESB Average **22**  
Benchmark Average **24**

Governance



GRESB Average **20**  
Benchmark Average **19**



## Highlights

- **RE Italy 2022 Award best project in the Mixed Use category.**
- **In 2022 the property was shortlisted along with six Italian projects of the Mipim Awards, in the 'best refurbished building' category.**
- **The Medelan will be one of the Italian projects participating in Fiacbi Prix d'Excellence Awards in Miami in June 2023.**

The building consists of three blocks, with a total surface area of over 50,000 sqm.

In *The Medelan* project, elegance and beauty converge to provide superior levels of functionality, revolutionizing the concept of spending time together. Palazzo Broggi has **12 floors**, 8 of which are above ground, and can host **8 commercial units, offices, a restaurant and a bar**. Office spaces feature innovative and efficient interiors designed to deliver user comfort, and are enriched by spacious balconies. The sixth floor is home to an open space that is also suitable for office use and is connected to the 7th floor by a private staircase, with a small conference hall in the dome of the building. The panoramic restaurant, a speakeasy bar and a balcony with a view of the Duomo are especially suggestive.

At one of Milan's most prestigious addresses, it is possible to organize a meeting in a conference hall with an Art Nouveau style dome, enjoy a coffee in a reserved courtyard, and be inspired by observing life in the city from the large windows.

LEED Platinum and Well Silver pre-certifications guarantee the highest sustainability standards throughout the entire renovation process and the excellent quality of work interiors, delivering unbeatable comfort and sustainability for a historic building set in the heart of Milan. The entire building is characterized by a powerful exposure to natural light, an internal garden, and separate parking for cars and motorbikes.

### LEED Platinum



*This project has achieved LEED® precertification Platinum*

Capex percentage for the improvement of ESG parameters **77.59%**

### WELL Silver

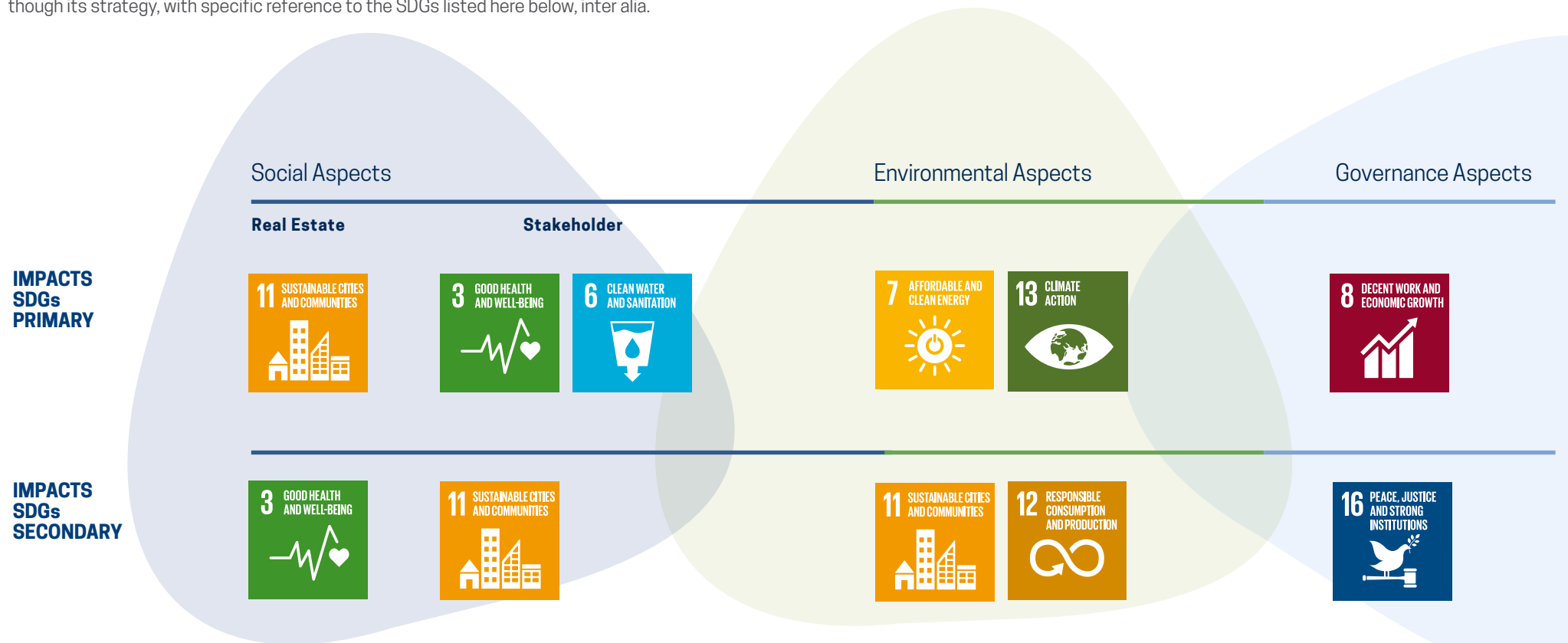


APE Rating: **A1**  
Nomisma general context score: **69.4 / 100**  
Nomisma Accessibility: **98.9 / 100**  
Nomisma Services: **100 / 100**

# A business park focused on user well-being

The fund strategy is focused on enhancing the real estate portfolio through leasing. Fund assets are currently invested in a real estate complex called "WOLIBA", located in Via Laurentina 449, in the center of the EUR neighborhood, Southern Rome, built in 1979 and redeveloped in 2015, consisting of independent units with lower ground parking and storage, a large equipped parking lot including car/motorbike parking spaces, and a series of "facilities" designed to improve the life of tenants at the business park.

In particular, the fund promotes the implementation of investment policies in line with the United Nations Sustainable Development Goals ("SDGs"), to which it intends to make a significant contribution through its strategy, with specific reference to the SDGs listed here below, inter alia.







The fund is oriented towards maintaining and maximizing the characteristics of the complex, providing a regenerating and regenerative space.

### The fund promotes the following characteristics:

- environmental:** by means of targeted interventions for the management of existing real estate assets in order to obtain and maintain voluntary certifications by means of actions focused on climate change mitigation, with consequent improvements in energy efficiency, the reduction of water resource consumptions and polluting gas emissions;
- social:** through a new way of living work: more efficient, integrated and people-oriented. The complex includes a series of facilities to provide high standards of well-being and a sustainable lifestyle for users of the complex through: (i) high-comfort interiors with common areas, including catering and relax; (ii) a Hub Service complete with gym, lounge area, coworking area and Events area; (iii) a cafeteria and a canteen, with internal and external space, with particular attention to the sustainability and quality of the food offering; (iv) a spacious outdoor park with parking spaces fitted with car/ bike charging columns, pathways and equipped areas for fitness and relax.

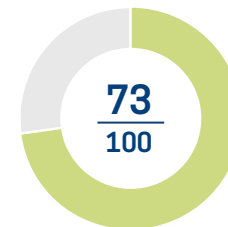
In line with residential development market trends, with attention to environmental and social aspects, these strategies have also been defined in order to guarantee the maintenance of the real estate asset and maximize the commercial attractiveness of the portfolio.



### Results

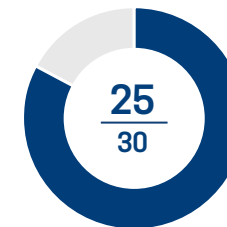
#### Rating

GRESB Score **Green Star**



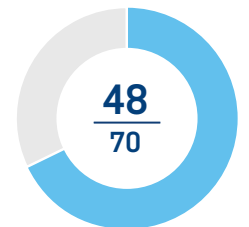
GRESB Average **73**  
Peer Average **60**

Management Score



GRESB Average **26**  
Benchmark Average **24**

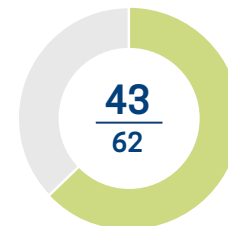
Performance score



GRESB Average **46**  
Benchmark Average **39**

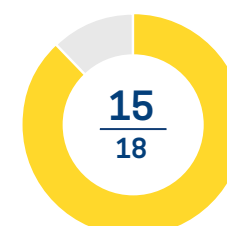
#### ESG Breakdown

Environmental



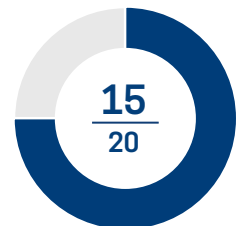
GRESB Average **40**  
Benchmark Average **35**

Social



GRESB Average **16**  
Benchmark Average **11**

Governance



GRESB Average **17**  
Benchmark Average **14**



## Highlights

The Laurus Fund includes 7 buildings located in EUR, the most innovative business district in the Rome municipality, in which it is seamlessly inserted and integrated within the urban context.

With a rational master plan and efficient design, EUR exudes a distinctive allure, enabling the coexistence of modern office buildings and new developments in a high-end residential context, enriched by an extensive range of services and precious green areas. This is the perfect setting for companies that appreciate a good work-leisure balance.

Indeed the fund also provides 50,000 sqm (GLA), 5 main buildings for office use and 2 buildings that host the services of the Business Park, with a 20,000 sqm outdoor green area. All the buildings are LEED Gold certified and have relief facades with full-height glass walls and strong natural light, along with an offering of modern services.

The Business Park contains staffed reception areas, a gym, lounge bar, restaurant, shared meeting and conference halls immersed in a unique landscape, which further enhances the ESG and sustainability credentials of the park.

The redevelopment of the park ensures the efficiency and functionality of floors, while also remaining highly equipped

with good floor to ceiling heights, raised floors, false ceilings, UPS and 4-tube HVAC systems. Thermal solar panels were installed to provide heat and hot water; smart BMS systems monitor consumptions. To encourage water reusage, rainwater is stored in the lower ground floor and is reused for the disposal of organic waste and irrigation of the surrounding green area.

Mobility and accessibility play a fundamental role with the buildings of the Laurus Fund.

Traditional mobility is supported by nearly 1000 car spaces, a third of which are located on lower ground floors. Sustainable mobility is reinforced through its proximity to public transport stops, bike stalls and the installation of electric charging columns for cars and bikes.

The social performance of the Laurus Fund has been certified by Nomisma, an independent body, which based on 110 social variables, assesses the building's attractiveness. More specifically, fund assets have performed above average thanks to their high level of services, accessibility both for businesses and individuals, in virtue of a strong infrastructure and public transport system and population, i.e. the capacity to attract a significant number of young users with a good earning capacity, strong employment conditions and a high level of education.

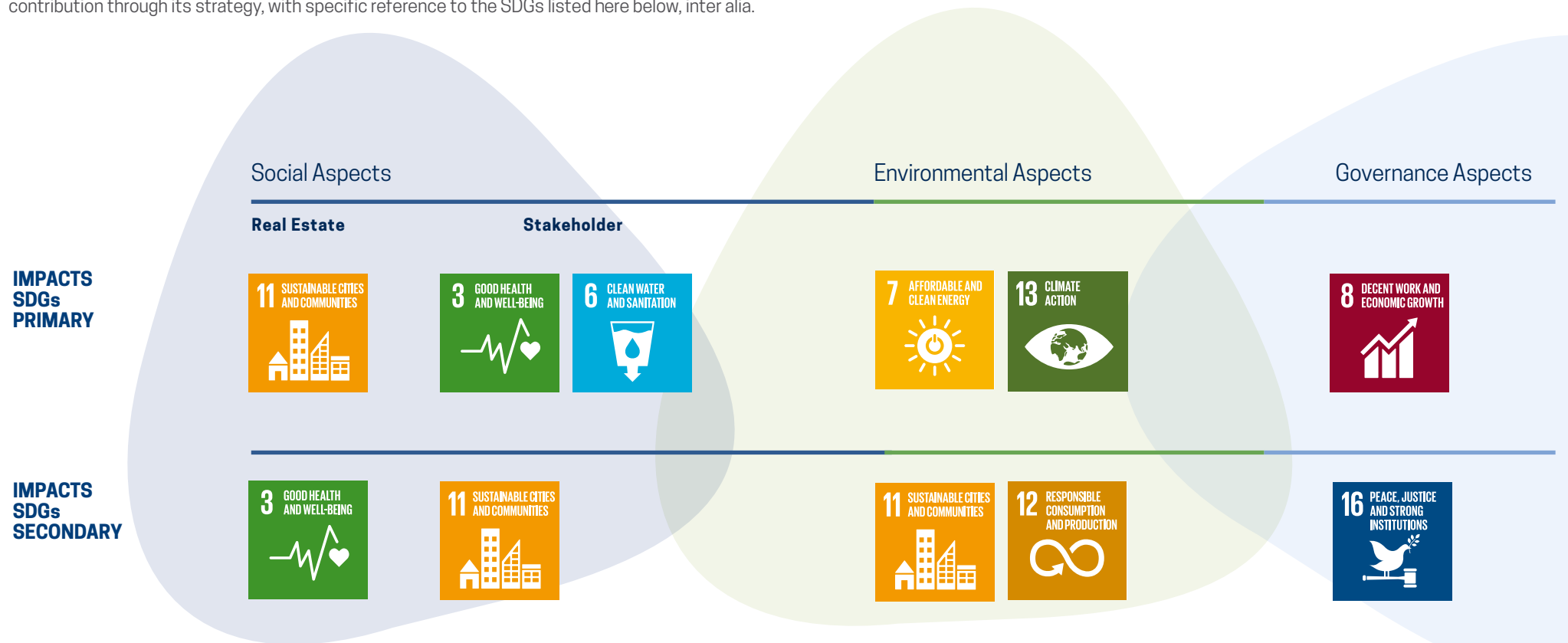


- Energy consumption: **9,491,928 kWh**
- Gas consumptions: **1,706,854 kWh**
- Percentage of Capex for the improvement of ESG parameters: **88.09 %**
- Water consumption: **20,731 mc**
- APE Rating: **A2** (B, D, E buildings)
- APE Rating **A4** (A, C buildings)

# The development of social cohesion initiatives

The fund strategy is focused on investments in the social sector, inspired by the concept of a social cohesion infrastructure, and consists of two initiatives with the following structures, exploited to enhance the characteristics of the local area and respond to community requirements: social residences with fixed-ceiling rent, social-healthcare facilities (nursing homes) for the elderly and the non self-sufficient and ill, assisted living facilities, a sports center, a talent lab, equipped parks and commercial services.

In particular, the fund promotes the implementation of investment policies in line with the United Nations Sustainable Development Goals ("SDGs"), to which it intends to make a significant contribution through its strategy, with specific reference to the SDGs listed here below, inter alia.





## The fund promotes the following characteristics:

- environmental:** through the development of assets with characteristics enabling climate change mitigation, with consequent improvement of energy efficiency, reduced consumption of water resources, emissions and pollution, in line with regulations in force.
- social:** through the use of high safety standards in requalification activities and contributing towards the mitigation of the housing problem for vulnerable segments of the population, i.e. socially and economically disadvantaged families, with the creation of requalified living areas with services, green areas and public/ community areas that stimulate a modern social approach.

Active since 2015, The Civitas Vitae Fund includes two social housing and social cohesion initiatives in the Marche region. The fund responds to the need to tackle new challenges on the Italian real estate market and reconcile them with the new needs (medical assistance, human-environment dimension) of an aging society (higher average age, different distribution of age groups, higher rate of dependence of vulnerable persons).

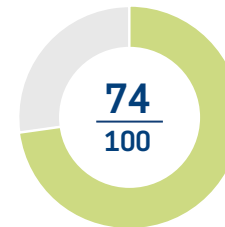
One of the fund's initiatives regards an investment in the Vallefoglia municipality (the San Terenzio project), for the creation of a Social Cohesion Infrastructure, a new real estate format that incorporates people's living needs with a series of health, sports and cultural services, to provide a high level of social cohesion in the local area. The San Terenzio project occupies 13,500 sqm and includes 240 beds and 23 assisted living units in a 4,600 sqm park developed with pedestrian walkways and relaxation areas to encourage the functional and effective connection of all facilities.



## Results

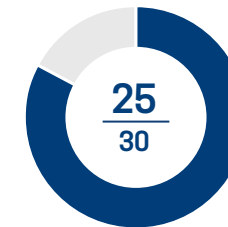
### Rating

GRESB Score **Green Star**



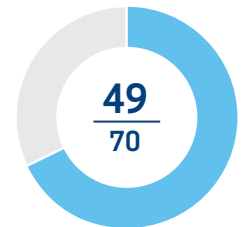
GRESB Average **79**  
Peer Average **62**

Management Score



GRESB Average **26**  
Benchmark Average **24**

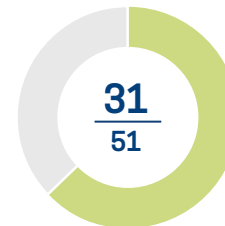
Development score



GRESB Average **53**  
Benchmark Average **43**

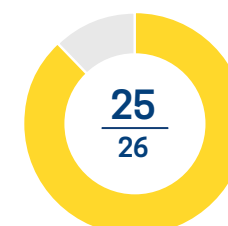
### ESG Breakdown

Environmental



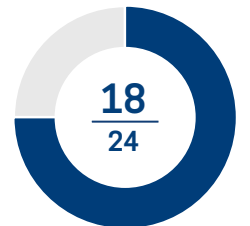
GRESB Average **37**  
Benchmark Average **28**

Social



GRESB Average **22**  
Benchmark Average **18**

Governance



GRESB Average **20**  
Benchmark Average **13**





The social-healthcare facility is the fulcrum of this social cohesion infrastructure, recognizing its hospitality and healthcare function as well as its role as an area with services and opportunities for socialization. For example, sport is an activity that brings different generations together. Services include a sports center of over 1000 sqm designed to be accessible and to provide sports services for the disabled. The complex includes a Talent Hub, where people of different ages come together with their ideas and develop their talents. Spaces are furnished and organized to fulfill multiple purposes; they will be fitted with machinery and equipment for conceiving, creating and bringing ideas to life.

To encourage social cohesion, the San Terenzio initiative is designed to include Senior Housing units, providing the elderly with autonomous living solutions. In order to guarantee the privacy of individual homes, residential facilities are located in a small village, thus combining personal independence with infrastructure services,

while also nourishing a sense of belonging to the community.

The San Terenzio project is an opportunity for users of residences and services, but it also brings important returns to the local community in terms of occupation. To guarantee the effective management of the complex and its operative activities, the project also includes the hiring of educators, physiotherapists, nurses and administrative staff.

The San Terenzio initiative is designed for the development of assets with excellent energy and water performance levels. During construction, particular attention was paid to the selection of materials, their optimization and energy consumptions.

Lastly, the buildings are fitted with BMS management systems to optimize energy and water consumptions through monitoring and the automation of plants and fitting of air purification and controlled mechanical ventilation systems to guarantee a salubrious environment for users.

## Highlights

Percentage of Capex for the improvement of ESG parameters  
**53.87%**

APE Rating: **A1**

Quota of renewable energy expected from the real estate development project: **69%**

Social Cohesion:  
**240 beds and 23 assisted housing units for 35 people (San Terenzio)**

Gross surface area for social purposes out of total surface area: **100%**

Nomisma total context score:  
**51 / 100 (San Terenzio)**

Nomisma Accessibility:  
**50.6 / 100 (San Terenzio)**

Nomisma Services:  
**50.2 / 100 (San Terenzio)**

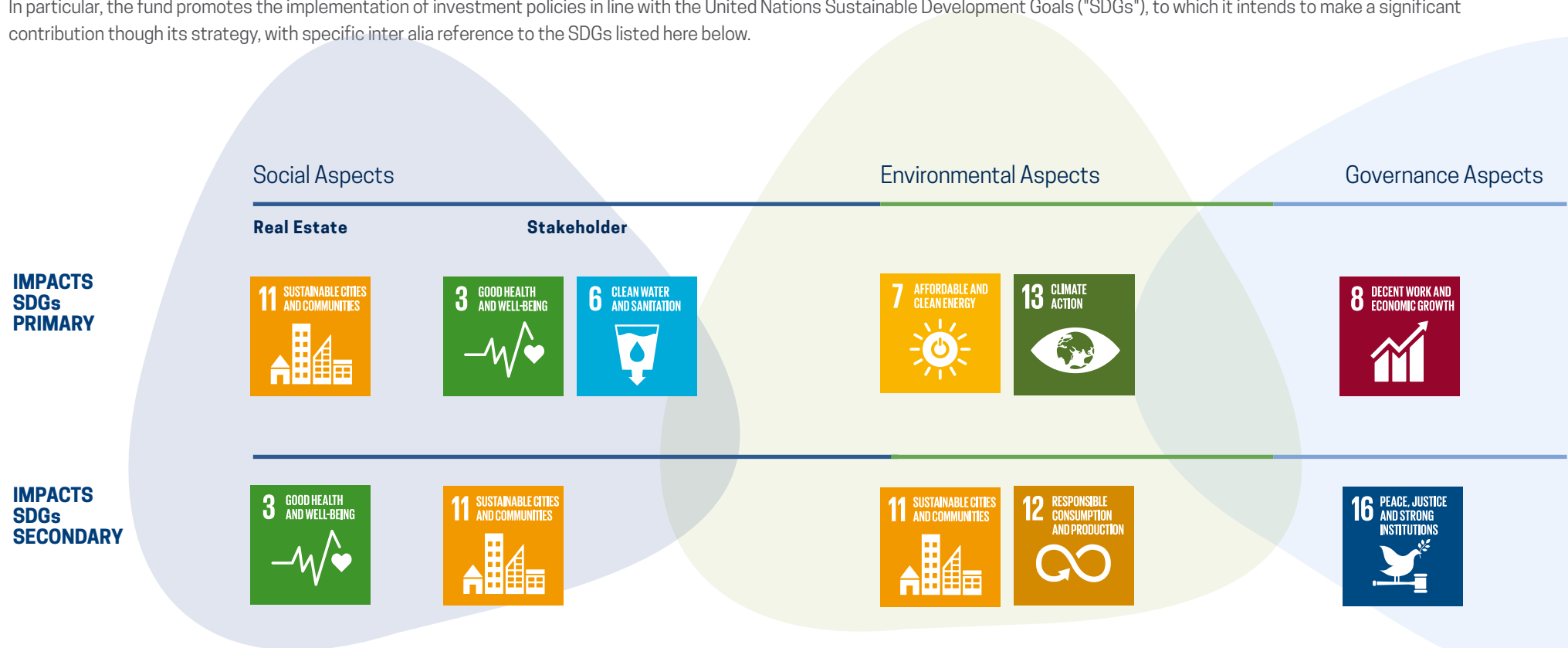
Advanced social rating:  
**57 / 100, Class: GOLD**



# The redevelopment of decommissioned areas with social aspects

The fund's strategy is focused on structuring and implementing real estate initiatives and proceeding with investment policies with social purposes. The fund's assets are currently invested in local initiatives in the provinces of Genoa and La Spezia, for the construction of over 400 assisted living units (Ministerial Decree of 22nd April 2008) and their related services, with the aim of contributing towards resolving the existing housing problems and with specific reference to the Region of Liguria, with an offering of quality apartments available for rent or for sale at affordable prices. Initiatives include urban requalification through redevelopment interventions, the renovation of buildings and the construction of new buildings.

In particular, the fund promotes the implementation of investment policies in line with the United Nations Sustainable Development Goals ("SDGs"), to which it intends to make a significant contribution through its strategy, with specific inter alia reference to the SDGs listed here below.





## The fund promotes the following characteristics:

- environmental:** by means of interventions for reclamation and the development of assets with climate change mitigation characteristics and the consequent maximization of energy efficiency, reduced consumption of resources and the reduced consumption of water resources, with a consequent reduction in emissions and pollution, in line with the regulations in force;
- social:** for the mitigation of housing problems for vulnerable segments of the population, in particular (i) families in a situation of economic-social disadvantage; (ii) the elderly who are ill and non self-sufficient. Through assisted living solutions and intergenerational social relations nurtured by initiatives with a vast range of services, interactive and synergistic spaces that have a modern and inclusive social approach.

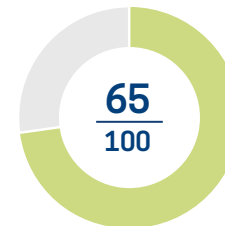
In line with residential development market trends, these strategies were also defined to maintain property asset value and maximize the commercial attractiveness of the portfolio; completed properties are already available for lease/sale.

*Out of the 6 initiatives promoted by the fund in the region of Liguria, the Boero initiative focused particularly on the development of housing units, a nursery and a public park for local residents, with the redevelopment of an area decommissioned for some time now, without the consumption of new land, in line with the commitment to environmental and social topics that has always distinguished the SGR.*

Sustainable, efficient and accessible homes, thanks to special lease and sale prices.

### Rating

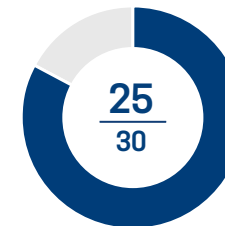
GRESB Score **Green Star**



GRESB Average **79**  
Peer Average **62**

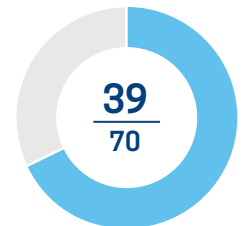
### Results

Management Score



GRESB Average **26**  
Benchmark Average **24**

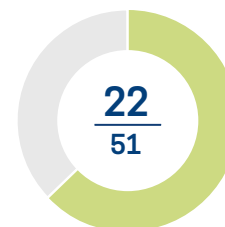
Development score



GRESB Average **53**  
Benchmark Average **43**

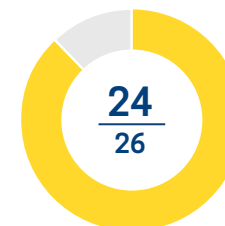
### ESG Breakdown

Environmental



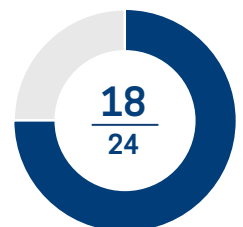
GRESB Average **35**  
Benchmark Average **28**

Social



GRESB Average **33**  
Benchmark Average **18**

Governance



GRESB Average **20**  
Benchmark Average **15**



## Highlights

Of the fund's initiatives, "Boero" includes around 140 new apartments in social housing facilities for families with difficulty accessing suitable housing, with the reconversion (without land consumption) of the former Boero industrial area in the Molassana neighborhood of the Genoa municipality which in the 50s was home to production plants of color and paint companies, later relocated to Rivalta Scrivia.

The initiative was undertaken by the SGR for the fund with the support of qualified investors are Fondo Investimenti per l'Abitare managed by CDP Immobiliare, together with Fondazione Carispezia, Compagnia di San Paolo, Fondazione De Mari and other institutional investors. The project contributes to the urban regeneration of an important part of the city of Genoa and is a virtuous example of a social project using a former industrial property.

Percentage of Capex for the improvement of ESG parameters: **86.94%**

APE Rating: **A4**

Quota of renewable energy expected from the real estate development project: **76%**

Gross surface area for social purposes out of total surface area: **90.23% (Boero)**

Quota of residential units for affordable housing: **84.11% (Boero)**

Nomisma total context score: **76.8 /100 (Boero)**

Nomisma Accessibility: **96.1 /100 (Boero)**

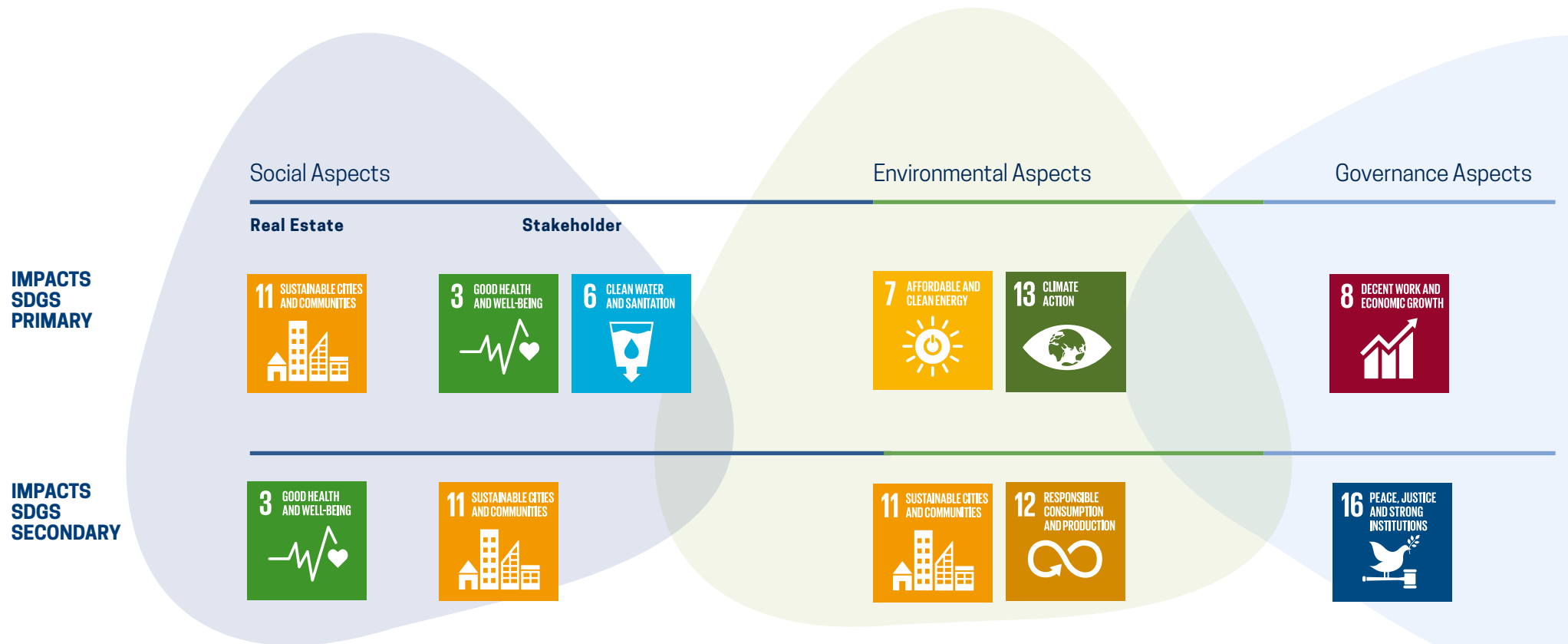
Nomisma Services: **85.1 /100 (Boero)**

Advanced social rating: **70 /100 (Boero, GOLD class)**

# A new way of living in the Milanese hinterland

The fund's strategy is dedicated to investments in the residential sector, in the Milano 3 neighborhood, designed and built in the 70s as an innovative city in terms of urban planning, location and construction choices, reflecting the idea of a garden city and living in a place where nature prevails.

More specifically, the fund promotes the implementation of investment policies in line with the United Nations Sustainable Development Goals ("SDGs"), to which it intends to make a significant contribution through its strategy, with specific reference to the SDGs listed here below, inter alia.

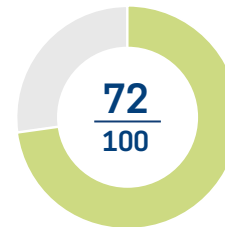




## Results

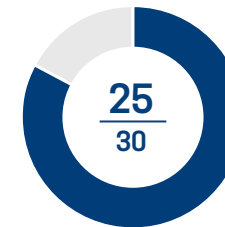
### Rating

**GRESB Score** Green Star



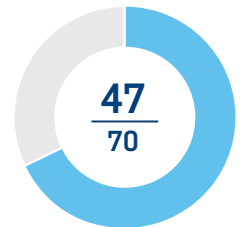
GRESB Average **79**  
Peer Average **62**

**Management Score**



GRESB Average **26**  
Benchmark Average **24**

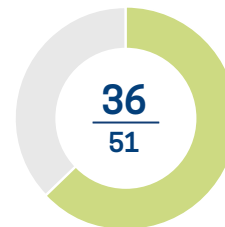
**Development score**



GRESB Average **53**  
Benchmark Average **43**

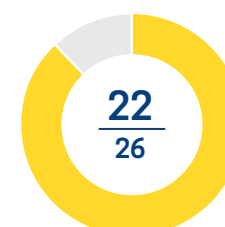
### ESG Breakdown

**Environmental**



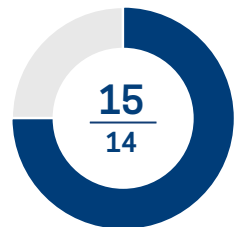
GRESB Average **37**  
Benchmark Average **29**

**Social**



GRESB Average **22**  
Benchmark Average **18**

**Governance**



GRESB Average **20**  
Benchmark Average **13**

## The fund promotes the following characteristics:

- environmental:** through the development of assets with characteristics enabling climate change mitigation, reduced consumption of resources, improved energy efficiency and the consequent reduction of emissions and pollution, in line with regulations in force;
- social:** through the use of high safety standards in the development of buildings, which contribute towards improved interaction between the environment and people (i) thanks to architectures studied to guarantee the health of users, enhanced livability and the quality of spaces and (ii) urban services and green areas accessible to communities.

In line with residential development market trends, these strategies were also defined to maintain property asset value and maximize the commercial attractiveness of private property units, currently being commercialized.

Specifically, High Gardens includes a contemporary and cutting-edge residential intervention immersed in the naturalistic setting of Milano3 in Basiglio. The buildings are designed so that apartments receive full day light, for an architectonic result that engages the surroundings in dialog and which, thanks to innovative choices and a holistic approach, sit discreetly in rich green nature. Ornamental lawns, equipped areas, paved pathways, pedestrian and cycle paths are all elements of a unique system and bring to life an extremely refined ambience.





## Highlights

The buildings are immersed in the peace of a green oasis, with all the services of a metropolis. Attention to details, in synergy with the needs of tenants, is the dominant characteristic of the entire project, including its residential services. A number of areas have been designed in order to experience local nature to the full, on foot or by bike. For example, the fitness area is the answer for those wishing to do physical activity and is a real angle for regeneration, where everyone can replenish the well-being they so deserve.

Add to this the spaces with services for the safe storage of bikes, other personal goods or for the safe delivery of parcels. The concierge service helps owners manage their home, organize and optimize their commitments. Play areas have been designed so that children can play and have fun outdoors, or indoors during the colder months. Lastly, in response to the needs of those who wish to work close to home, coworking areas are available, with multi-functional rooms for working close to home, in an effectively designed and well-organized space.

Thanks to the presence of agricultural parks and lakes, Milano 3.0 enables full immersion in nature, just outside the city of Milan.

In addition to measures implemented in order to obtain LEED pre-certification, a meticulous analysis was completed during the design phase to ensure the highest environmental standards, for climate change mitigation. Following the reclamation of the area, requirements were defined for work site activities, regarding the selection and optimization of materials, with consequent improvements to performance and the reduction of emissions. BMS systems were implemented, benefiting tenants as they optimize energy and water consumptions and, for the entire life cycle of the building, over two thirds of energy comes from renewable sources.

Thanks to the presence of numerous services and ambitious choices in the design of the complex, buildings in the High Garden fund scored very highly in the Nomisma social assessment.

Percentage of Capex for the improvement of ESG parameters: **ESG: 92.64%**

Quota of renewable energy expected from the real estate development project: **67.4%**

APE Rating: **A4**

Gross surface area for social purposes out of total surface area: **7%**

Quota of residential units for affordable housing: **10 %**

Nomisma general context score: **79.1 / 100**

Nomisma Accessibility: **79.4 / 100**

Nomisma Services: **72.9 / 100**



# 4

NEXT STEPS

# Next steps

ESG topics and sustainable investments are one of the main points of the European financial sector agenda. The impacts on real estate sector professionals are turning out to be noteworthy and particularly complex, including matters of a regulatory and fiscal nature, as well as those regarding strategic and operative planning. In recent years these aspects could have been seen as belonging to a rather distant future, however with the acceleration of climate change, the pandemic and the complex global context generated by the Russia-Ukraine conflict, there has been a sharp acceleration in issues linked to these aspects.

DeA Capital RE aims to share and spread good practices for responsible investment with sector professionals and promote its sustainability goals; it is committed to outbound engagement activities through the **promotion and participation in round tables of the sector** on sustainable finance (Assoimmobiliare, Forum for Sustainable Finance), acting as a **market driver** (in the residential sector in particular).

The commitment to consider sustainability risks and the potential impacts of its investment decisions as part of its ESG action plan has determined the adoption of a series of interventions, enabling the achievement of significant goals this last year, and the **planning of new activities for consolidating the defined framework**, such as:

- ▶ the adoption of a more detailed operational tool for due diligence (ESG DD) on new investments;
- ▶ the gradual adoption of an internal environmental and social rating for the monitoring of the AIFs' ESG characteristics and risks in this area;
- ▶ the reinforcement of risk assessments and the alignment of the Risk Policy with the new models adopted in view of future regulatory requirements due to the entry into force of sustainability risk assessment provisions arising from AIFM European Regulations;
- ▶ disclosure of PAIs in the company to ensure compliance with the SFDR.



# Contacts

If you are interested  
in receiving further details  
on our ESG strategy,  
please contact our team @



[esgmanagement-re@deacapital.com](mailto:esgmanagement-re@deacapital.com)