

Our pathway to sustainability

DeA Capital Real Estate SGR



2022 ESG REPORT

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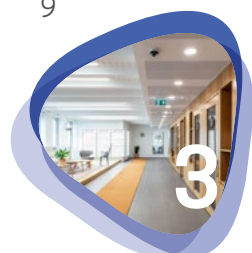
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Letter from the Chief Executive Officer

Dear stakeholders, dear readers,

I am pleased to present our second ESG **Report for the year 2022, which demonstrates further developments compared to the first report last year** and is concrete evidence that current ESG issues are in every respect an integral part of our business model.

The year 2022 was to be the year of recovery after a horrific two years of COVID-19, but instead it was dramatically marked by the outbreak of Russia's war on Ukraine, which again disrupted the macroeconomic backdrop and led to a series of consequences that we will take years to metabolise.

We have thus moved from the appalling collapse of GDP caused by COVID to a situation marked by a war economy, with double-digit inflation, rising interest rates, the introduction of sanctions, an increase in all kinds of raw materials from metals to wheat and above all the steep increase in the cost of energy.

This economic framework has of course had a direct impact on our market, which has suffered a real setback due to the immediate shortage of raw materials required for the development of large building projects, the increase in logistics costs and a supply crisis that triggered a general fall in supply.

Thus 2022 has been strongly dominated by uncertainty, affecting both prices and the supply of resources.

This is exactly the opposite of what investors around the world are seeking, who—on the contrary—are looking for stability. In Europe, we have overcome this supply shortage by finding other suppliers and saving on energy consumption partly thanks to a mild winter, but energy and gas prices today are still twice as high as last year.

However, our 2022 was yet another year of growth: in acquisitions (we bought assets worth around €770 million) and **in sales** (almost €1 billion), **resulting in total operations of almost €2 billion and more than €620 million of income and reimbursements being distributed to our investors.**

Today, DeA Capital Real Estate SGR is an asset manager with Europe as its reference market.

More than half of the capital invested in our operations comes from abroad. We are already working across Europe through four DeA Capital Real Estate branded companies in France, the Iberian Peninsula, Poland and Germany.

The long-term objective of the Paris Agreements is to contain the global average temperature rise well below the 2°C threshold, as this would substantially reduce the risks and effects of climate change.

I've always been a staunch advocate of innovation, which I believe is the best way to foster our business's development and the only viable solution if we are to reduce polluting emissions.

This is why I'm convinced that an ecological transition, but also a social one, will be necessary to promote continuous innovation. However, this will require a big push from all players in the economic cycle, it will have to be socially balanced and fair, and above all it will have to ensure that our economy continues to be competitive.


Emanuele Caniggia
Chief Executive Officer



Letter from the Head of ESG Management

By means of this second ESG Report, DeA Capital Real Estate SGR and its group intends to demonstrate its progress to the market. Since 2019, this constantly evolving path undertaken by the company has led to increasingly sustainable corporate and business objectives.

With this in mind, we hope that the 2022 Report will highlight not only the objectives and improvements achieved, but will also provide information for comparisons against the results of previous years.

At a time when the market has not yet defined unique metrics, particularly in relation to products, it is our belief that, where possible, annual reports should show the performance of the ESG KPIs selected and monitored by the companies.

In 2022, we focused specifically on strengthening the metrics and analyses of our funds and related assets. And thanks to a greater degree of maturity and awareness of the new rules, we were able to strengthen methodologies and assessment tools.

We also continued our plan to gradually increase the funds and assets to be analysed and categorised according to the metrics defined by the SFDR, which is our primary regulatory guidance.

We achieved the target set for 2022, with about a third of our assets monitored and managed respectively through ESG metrics and characteristics.

For an AMC like DeA RE, which manages products set up in the past 15–18 years, this figure demonstrates our strong commitment to enhancing our managed products and real estate assets, regardless of their structuring or startup date, including with a view to ensuring the maximum maintenance of asset value in line with market demands.

As I always say, there is still a long way to go. Our targets, which are periodically recalibrated together with our strategic plan, must aim to raise the level of quality and quantity to be achieved, with a view to continuous improvement.

The path to sustainability must never end but must continue to guarantee increasingly ambitious goals and aspirations. We owe this to ourselves, to future generations and to this wonderful world we live in.



Anna Maria Pacini
Head of ESG Management



Our pathway to sustainability

DeA CAPITAL REAL ESTATE
MILESTONES

REGULATORY EVOLUTION
ON SUSTAINABILITY

2011-
2018

2011: IDeA Fimit SGR is founded
Over seven years, DeA Capital consolidates its interest: IDeA Fimit SGR becomes DeA Capital Real Estate SGR and **confirms its market leadership** in Italy and its **dedication to innovation and sustainability**.

2015: Signing of **Agenda 2030** for Sustainable Development.
2016: Ratification of the **Paris Agreement** on climate change.

2019

The AMC **endorses the UN PRI** and adopts the **first ESG Policy** to set out its strategies.
Start of the **gradual accession** of managed AIFs to GRESB, for an independent and certified assessment of ESG parameters.

Publication of Regulation (EU) 2019/2088 (**SFDR**) on **sustainability-related disclosures in the financial services sector**.
Submission of the European Green Deal aimed at climate neutrality in Europe by 2050.

2020

The **ESG Management department** is founded, reporting to the CEO to coordinate ESG strategies and actions of the AMC and AIFs.
The AMC adopts the first three-year "**ESG Action Plan**" to achieve the sustainability objectives defined in the ESG Policy (actions, owners, timelines and KPIs).
2 managed AIFs take part in the **GRESB assessment**.

Publication of Regulation (EU) 2020/852 with the **EU taxonomy on environmentally sustainable activities**: *real estate* is one of the enabling sectors for the *green transition*.

2021

The SFDR enters into force, which the AMC implements by:
▪ laying down a **framework** for the analysis, classification and monitoring of ESG profiles of managed AIFs;
▪ **classifying 15 AIFs** in accordance with **Article 8** of the SFDR.
14 managed AIFs take part in the **GRESB assessment**.

The EU publishes the **new sustainable finance strategy**.

2022

The AMC uses the **ESG tool** to manage the ESG parameters of AIFs, which integrates the methodology developed with Nomisma S.p.A. to **assess the social profiles of properties**.
AIFs classified pursuant to Article 8 of the SFDR rise to 21.
The AMC formally adheres to the principles of the United Nations Global Compact (UNGC).
The **first ESG Report** is published.
The ESG Manager becomes a member of the GRESB Foundation real Estate Expert Resource Group.
17 managed AIFs take part in the **GRESB assessment**.

Entry into force of Regulation (EU) 2022/1288, which sets out the **standards for sustainability-related disclosures** of the SFDR.
Bank of Italy publishes the "Supervisory expectations on climate and environmental risks" for financial intermediaries.

ESG Highlights



21 AIFs are classified in accordance with Article 8 of the SFDR - €3,661 billion in value, equal to 32% of the total OMV managed



17 AIFs with a GRESB rating (Global Real Estate Sustainability Benchmark) — €3,201 billion in value, equal to 28% of the total OMV



About €4.4 billion in value, equal to 38% of the total OMV, has achieved or is in the process of achieving real estate certifications (LEED, BREEAM, WELL and Wired)



89% average total consumption collected for Article 8 AIFs under SFDR (water, electricity, gas, photovoltaic)



100% of the energy supply purchased for the Rome and Milan offices is guaranteed by renewable sources (GO)



59% female employees, 22% of whom are in executive and managerial roles



The **gender pay gap** for women is **-27%** overall



100% of Article 8 AIFs received an independent assessment regarding the social aspect from Nomisma S.p.A. (Social Score).



5 of the 21 Article 8 AIFs under SFDR invest in affordable housing (households in serious economic hardship), **healthcare and homes for the elderly**.



Since 2020, DeA RE has defined its strategies in an ESG policy, which are set out in a three-year action plan containing ESG business objectives



43% of the Board is composed of **independent directors** and **29% are women** Identification and training of an "ESG Expert" director since 2022



100% of governance bodies and employees have received training on ESG topics



38% of MBO plan participants have ESG targets with a weight of between 70% and 12%



DeA RE is a signatory of the **PRI**, a member of the **Sustainable Finance Research Forum** and a follower of the principles of the **UNGC**

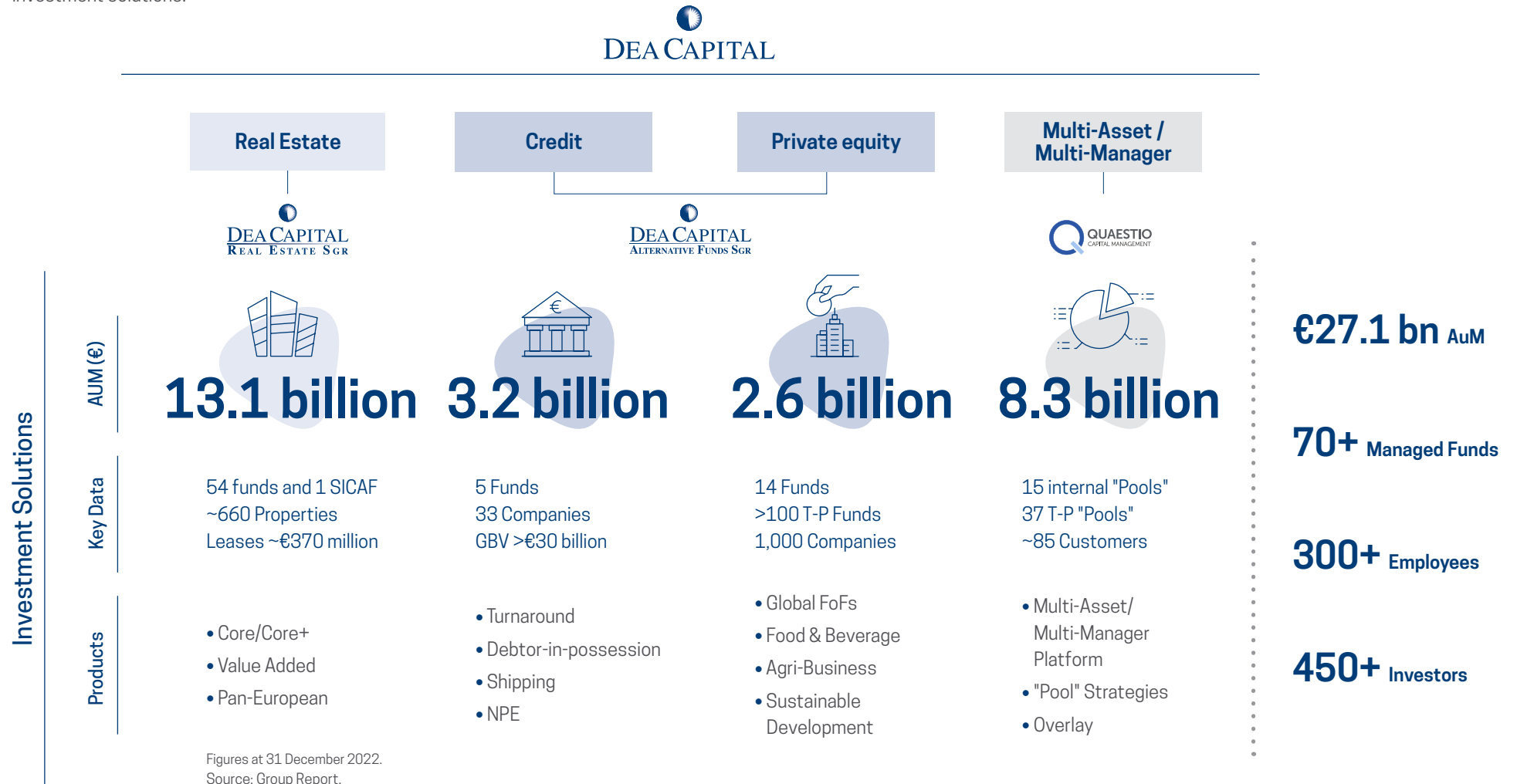
The De Agostini group



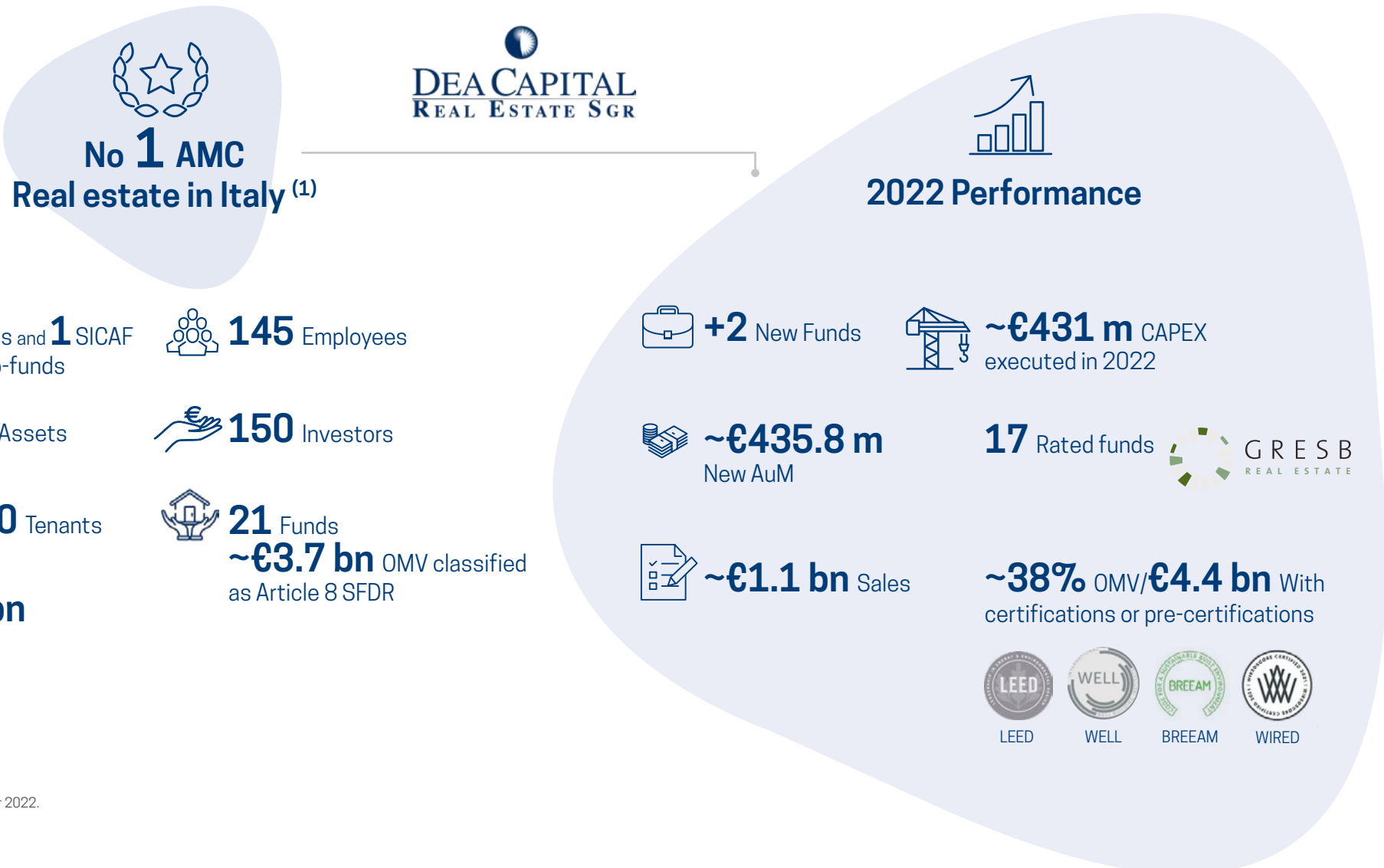
Source: Group report

The DeA Capital Platform

DeA Capital is Italy's leading independent alternative asset manager, with AuM of €27.1 billion, more than 450 institutional investors and HNWIs served and a wide range of investment solutions. The Group is collectively engaged in the promotion, management and development of investment funds in real estate, private equity and credit, as well as in investment solutions.



DeA Capital Real Estate at a glance



(1) Figures at 31 December 2022.

Our investors

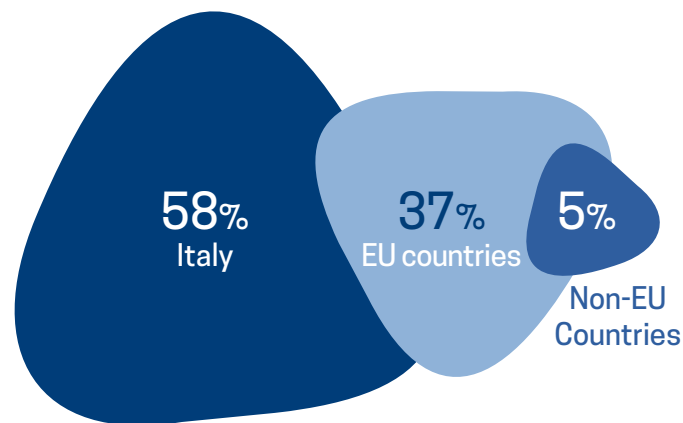
Historically, DeA Capital RE has mainly targeted both institutional and high-profile Italian investors, (e.g. foundations and pension funds), which still represent the vast majority of investors of AIFs under management. In recent years, the AMC, also thanks to regulatory developments (such as the AIFMD), has extended *fund-raising activities* to include international investors, established in the main European countries, who have shown a growing interest in our country and especially in alternative investments.

At DeA Capital RE, **the ability to understand the needs of investors and to communicate the vision of both the company** and the DeA Capital Group has always played a central role, seeking to implement investment projects that create value for all stakeholders involved. This has become even more relevant in the current market environment, characterised by high uncertainty and volatility, where **the ability to direct investors and guide them towards investment solutions that are appropriate to their needs is crucial**.

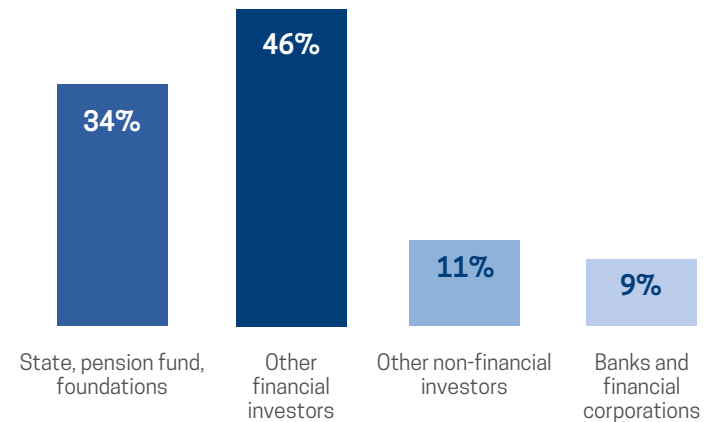
One objective of DeA Capital RE is the active engagement of its investors. An increasingly integral part of our dialogue together is sustainability issues and the ESG factors to be taken into account, using various methods according to the product, for all new investment solutions that we offer and for our recently established managed products.

Investor engagement takes place in a variety of ways, including specific meetings and the organisation of and/or participation in national and international roadshows, such as MIPIM, as well as face-to-face meetings aimed at deepening ESG strategies for its products.

Investor distribution by geographic area



AuM distribution by investor profile



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Governance bodies

Board of Directors

The Board of Directors consists of seven members, three of whom meet the independence requirements. The Board of Directors has extensive powers for the ordinary and extraordinary management of the Company.

Gianluca Grea	Independent Chair
Emanuele Caniggia	Chief Executive Officer Most senior decision-maker on ESG
Manolo Santilli	Director
Stefania Boroli	ESG Expert Director
Lidia Caldarola	Independent Director
Gianandrea Perco	Director
Severino Salvemini	Independent Director

Board of Statutory Auditors

The Board of Statutory Auditors is the body responsible for auditing the Company. It is composed of three standing auditors and two alternate auditors. The Board of Statutory Auditors is appointed by the Shareholders' Meeting unless otherwise provided for in relevant legislation.

Gian Piero Balducci	Chair
Barbara Castelli	Statutory Auditor
Annamaria Esposito Abate	Statutory Auditor

Supervisory Body

The Supervisory Body (SB) is appointed by the Board of Directors and is composed of three members who possess the required autonomy, independence and professionalism. The SB has autonomous powers of initiative and control and is responsible for monitoring compliance with the requirements of Model 231 and for keeping them up to date.

Maurizio Bortolotto	Chair
Davide Bossi	Member
Luca Voglino	Member

Gender Diversity on the BoD



Age on the BoD



In July 2022, the AMC identified an "ESG point of contact" ("ESG Expert Director") within the Board of Directors, with strengthened competences. They will also support the internal board committees on ESG issues. In keeping with this, the ESG Expert director has received specific training on "Business Sustainability".

To ensure ethical conduct, compliance with the laws and overall reliability of the Company, DeA Capital Real Estate SGR has adopted a Code of Ethics and a Control Model in accordance with Italian Legislative Decree No. 231/2001.

In accordance with the requirements of Directive 2014/65/EU on markets in financial instruments (MiFID II) to ensure and promote transparency, DeA Capital Real Estate SGR:



- has adopted a **conflict of interest policy** to manage transactions with related parties and/or with potential conflicts of interest;



- publishes an **information document** in accordance with the Regulation on intermediaries adopted by Consob by means of Resolution 20307 of 15 February 2018, as amended.

Internal board committees

Control and Risks Committee

The Control and Risks Committee (composed of three directors, two of whom are independent) advises and makes proposals to the Board of Directors concerning internal control and risk management of the AMC and the AIFs.

It also expresses its views on all transactions in potential conflicts of interest within the competence of the Board of Directors.

Gianluca Grea	Independent Chair
Lidia Caldarola	Independent Director
Gianandrea Perco	Director

Remuneration Committee

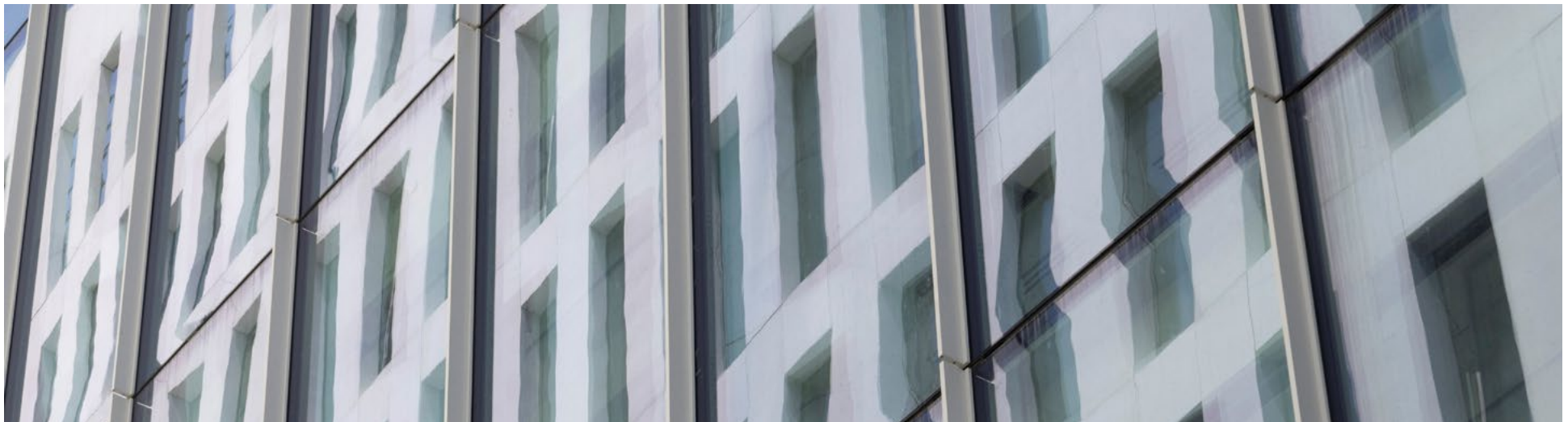
The Remuneration Committee (composed of three directors, two of whom are independent) assists the Board of Directors on the remuneration and incentive policies adopted by the Company. In this context, it examines and makes general recommendations and proposals in relation to the remuneration and incentive systems of directors and key managers with strategic responsibilities who may affect the risk profile of the AMC and the AIFs under management.

Gianluca Grea	Independent Chair
Lidia Caldarola	Independent Director
Manolo Santilli	Director

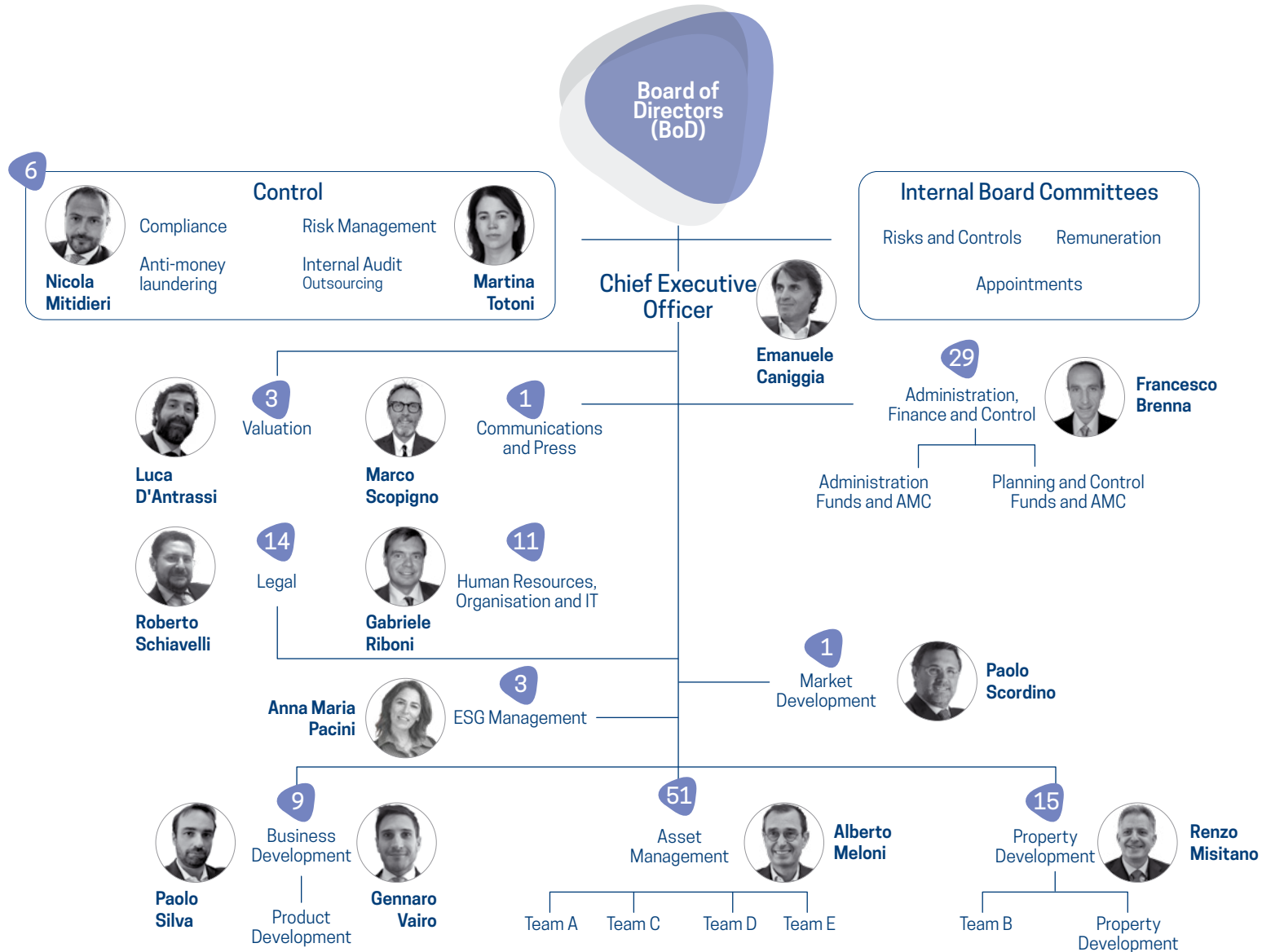
Appointments Committee

The Appointments Committee (composed of three directors, two of whom are independent) supports the Board of Directors in the appointment and co-opting of directors, in the Board's self-assessment process and in ensuring the suitability of its members.

Gianluca Grea	Independent Chair
Stefania Boroli	ESG Expert Director
Severino Salvemini	Independent Director



Organisational structure



ESG roles and responsibilities

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

Board of Directors

Defines ESG programmes and approves the Policy, corporate and AIF strategies, and the classification of products under the SFDR.

Internal Board Committees

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

Chief Executive Officer

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

ESG Management Department

- Acts as a reference point for ESG issues and takes care of relations with internal and external stakeholders, collecting their requests.
- Puts in place initiatives to improve ESG performance and effectiveness in the application of sustainability principles.
- Proposes and coordinates operational measures for the integration of ESG principles into processes and internal regulations.
- In coordination with the business departments/ management, proposes the classification of products under SFDR, coordinates the collection of data and prepares periodic reporting on ESG issues required by internal and external regulations.

Head of Communications and Press

Reports on activities and progress in applying ESG principles to the market, in coordination with the Head of ESG Management and the relevant management/ departments.

First-line Department Heads/Managers

Ensure the application of ESG principles within their management/department, as well as the reporting of ESG activities and progress, coordinating with the Head of ESG Management and the Head of Communications and Press.

The Asset Management Director, the Real Estate Development Director and the Business Development managers submit the proposal for the classification of products under SFDR to the Board of Directors for approval.

Second-line Department Heads/Managers

Responsible for assessing and monitoring ESG factors, and for collecting the information necessary for any related reporting, including regulatory reporting, for the activities within their remit.

Control department

Ensures its control activities on ESG issues and contributes to the collection of the information required to put together the relevant reporting.

Governance and business ethics

Policies, procedures and codes of conduct

The AMC **promotes ethical, legal and transparent behaviour in all business activities**, and especially in the management of relations with clients, staff and all relevant stakeholders.

To this end, the AMC has **set up an internal control and risk management framework that responds to international best governance practices and takes into account EU supervisory regulations** such as AIFMD, MiFID, AML-CFT etc. It ensures proper management of conflicts of interest and business risks, including those related to money laundering and terrorism.

With reference to Italian Legislative Decree No. 231/2001 on the administrative liability of companies, the AMC has adopted a model **with organisational safeguards to prevent the commission of criminal offences in its business and has established a whistleblowing procedure in order to collect any reports**, including anonymous reports, on findings and/or potential breaches of internal and external legislation, including with regard to ESG profiles.

Particular attention is also paid to the **selection of counterparties with whom DeA Capital RE operates** (suppliers, partners, outsourcers) **and to the verification of accreditation requirements** (financial soundness, regularity of social security and tax payments, professional qualifications, adherence to ESG standards and requirements, adoption of a code of ethics etc.).

The AMC also pays special attention to ensuring the **efficiency of data management systems and the security of data** that it manages in order to protect the privacy of all parties involved.

CORPORATE GOVERNANCE AND CODES OF CONDUCT

- Regulations of Corporate Bodies
- Code of Ethics and Model 231
- Remuneration Policy
- Policies on Conflicts of Interest and Related Parties
- Inside Information Management
- Staff Regulations (Code of Conduct)
- Relations with the PA and third parties
- Whistleblowing

OTHER ESG POLICIES AND PROCEDURES

- ESG Strategies
- ESG Management
- New AIFs and Investments
- Register of Suppliers, Procurement and Order Management
- Risk Policy
- Anti-Money Laundering Policy
- Privacy policy
- Risk Assessment Document, Business Continuity Plan and Cybersecurity

Company environmental impact

Company car fleet

Among **green** initiatives, an **increasing use of hybrid company vehicles** can be reported, with reduced fuel consumption and emissions, which as at 2022 came to 70%, compared to 52% last year.

This activity has led to **a reduction in potential GHG emissions** in makes of car by 33.67% (in terms of nominal value).

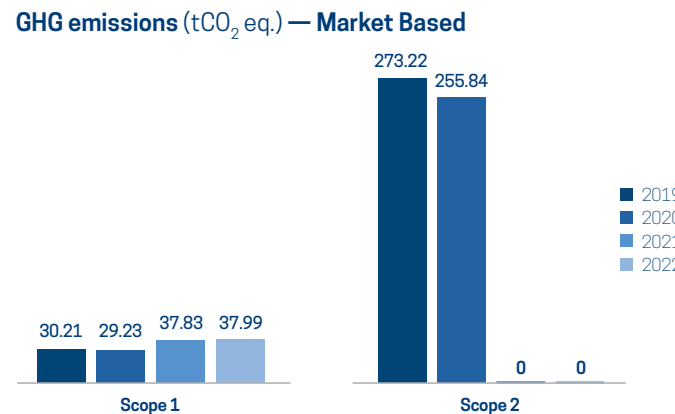
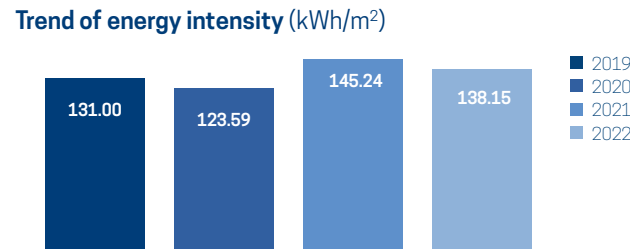
Consumption and emissions of the Milan and Rome offices

In 2021, DeA Capital RE signed a contract for the supply of all electricity from renewable sources for its buildings in Milan and Rome.

In addition, the AMC has defined an action plan to ensure the stable monitoring of consumption at its premises and the correction of any unjustifiable increases.

The result of monitoring activities on consumption at the offices for 2022 shows:

- (i) a **reduction in electricity consumption** (also used for the operation of heating and cooling systems), also due to the regulatory requirement to lower heating by two degrees for the financial year 2022/2023;
- (ii) **gas consumption substantially in line with 2021** (only at the Rome site).



GHG emissions under Scope 2 — market-based for 2021 and 2022 were zero, which meant that the AMC avoided emissions of 291.30 tCO₂ eq in 2021 and 271.72 tCO₂ eq in 2022.

In particular, **as of 1 January 2021, emissions were eliminated thanks to the purchase of G0 energy** (with guarantee of origin).

Notes: Scope 1 emissions are direct GHG emissions from assets owned or operationally controlled by the company. Scope 2 emissions include indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the organisation. Scope 2 emissions were calculated using the market-based method, in order to take into account the supply contracts actually signed by the AMC.

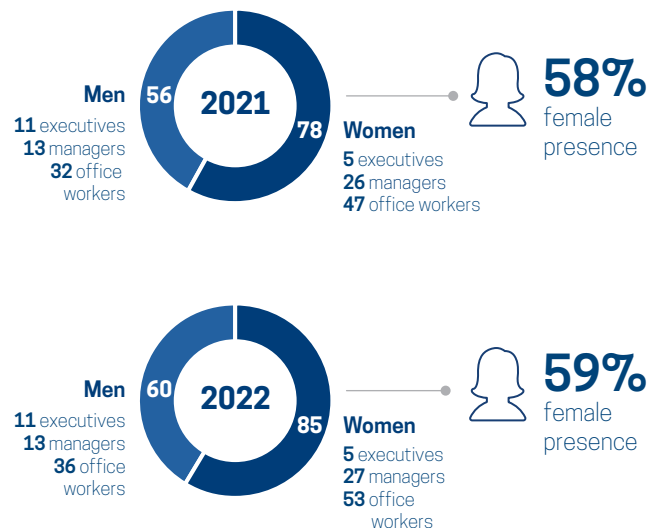
People, welfare and training

DeA Capital RE understands that the sustainability and growth of the Company is guaranteed by the value of the people working for it. The AMC firmly believes that human capital is a resource to be protected, valued and enhanced, respecting the principles of gender equality and racial equality.

For this reason, **the AMC has always been committed to attracting and retaining the best talent and to giving staff the best conditions for personal and professional growth**, ensuring an inclusive, stimulating and dynamic working environment that protects the well-being of the individual and the group. Particular **attention is paid to the recruitment of younger resources**, by means of institutional relations with the main Italian universities and internships aimed at learning the "basics" of the profession and preparing for the subsequent stabilisation of an employment relationship.

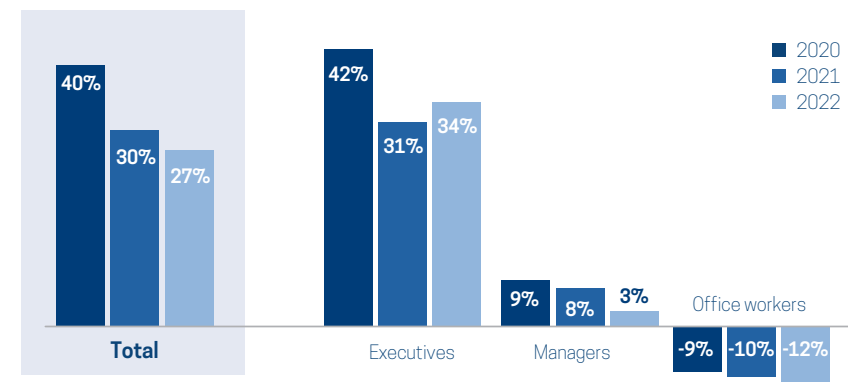
As at 31 December 2022, DeA Capital RE has 145 employees, with varied skills and professionalism and an appropriate mix both in terms of generational and gender diversity. In this respect, it is noted that the **overall presence of women at DeA Capital RE is 59%, which is appreciably above the average of the financial sector** in which the figure is generally below 40% according to leading industry studies. This has increased from 58% in 2021. **Among the women in the workforce, 38% hold a managerial position** (manager or director), compared to 40% of men. In terms of the average wage differential between men and women (the **gender pay gap**), as at 31 December 2022, the difference was **about 27%, with a continuously decreasing trend** and a substantial improvement compared to 2020 (when a figure of 40% was recorded).

Gender Diversity in DeA Capital RE



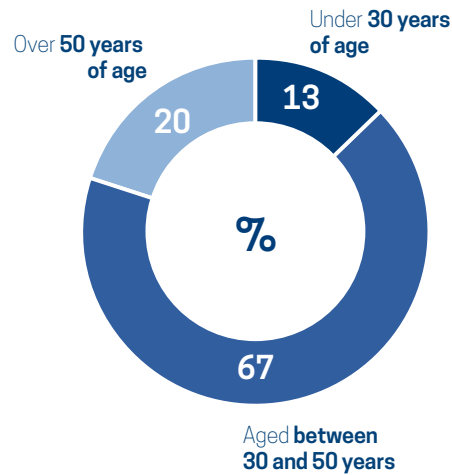
Gender Pay Gap in DeA Capital RE

Comparison of men vs women

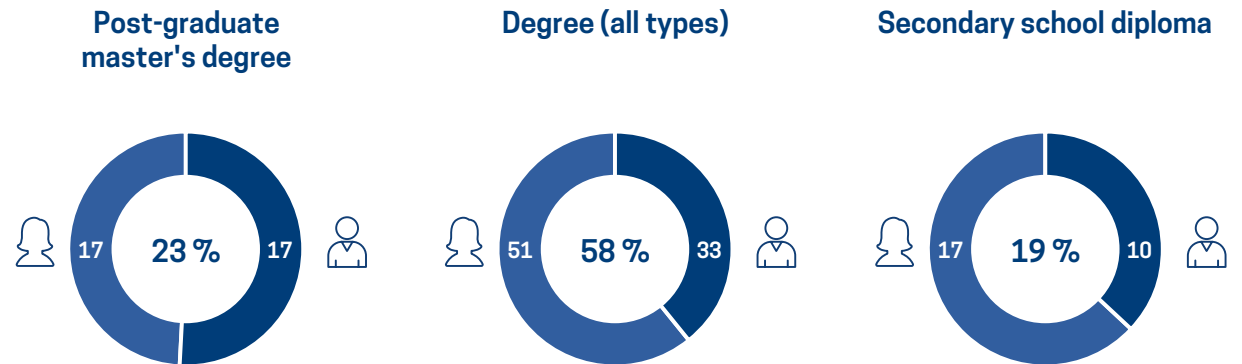


People, welfare and training

Demographic diversity



Academic background

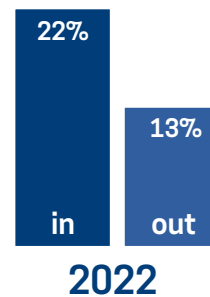


Over **80%** of employees have at least a university degree.

Turnover

Based on an analysis of turnover data, namely the "balance" between recruitment and termination, the trend over the years analysed has improved.

In 2022, the number of leavers was more than offset by new starters.



Stability

DeA Capital RE **is committed to stability-orientated employment policies and long-term collaboration with its employees.** Therefore, DeA Capital RE favours permanent over temporary contracts as a means of promoting loyalty and developing human resources.

In 2022, 100% of employees had a permanent contract.

Welfare initiatives

In addition, DeA Capital RE **has developed and implemented a corporate welfare plan that allows employees to benefit from a wide range of services,** such as family support (education expenses), care for elderly parents, educational, training and recreational initiatives and contributions to pension funds.

People, welfare and training

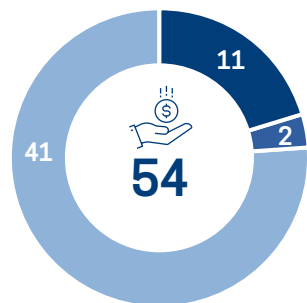
ESG KPIs and remuneration

DeA Capital RE has aligned its staff remuneration and incentive system with sustainable finance regulations and best practices across the financial market, introducing **individual sustainability targets that are consistent with the AMC's sustainability strategy**.

To this end, under the MBO system that determines the allocation of variable remuneration, the set of targets for all entities that could affect ESG performance and sustainability risks of the AMC and AIFs has been supplemented by specific qualitative and quantitative ESG targets, defined based on assigned responsibilities and role.

In 2022, **54 out of 145 employees, in addition to the Chief Executive Officer, were subject to specific targets on ESG issues** (MBO ESG).

Employees with MBO ESG



- Hierarchical level**
- First-line managers reporting to the CEO (C-suite level)
 - Control functions (reporting to the BoD)
 - Below first-line managers reporting to the CEO
- Role**
- Department Manager/Director
 - Department Manager
 - Department Manager/Fund Manager/ESG Specialist

Specific ESG training

DeA Capital RE's commitment to its people is reflected in the **promotion and implementation of training activities that aim to strengthen individual skills and develop better management competences**. In 2022, staff members across all levels received over 28 hours of ESG training.

The catalogue of courses held during the year focused in particular on new regulations governing financial and real estate assets, occupational safety and data protection. In addition, during the year, **specific training was provided to all employees on ESG issues, real estate certifications and responsible investment**.

In 2021, the AMC adopted the "Net Promoted Score" (NPS) method, a management tool that can be used to assess the satisfaction levels of employee training.

All training paths were followed with commitment and participation from our people, as demonstrated by the overall assessment on effectiveness and satisfaction of staff — the overall NPS score was 8.4/10, which indicates an assessment of "completely satisfied".

ESG training



100%
of employees with ESG
training in 2022

Topics covered: **Governance and risk management, SFDR Regulation, responsible investment and ESG strategies**



28 hours
of employee training

Of which **17** hours, or
61%, on ESG issues

A responsible group

Creating value for the community

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

Including through the De Agostini Group from which it is controlled, the DeA Capital Group has a long history of social commitment, expressed both in support of civil society and communities and in the fight against climate change.

Over the years, the De Agostini Group, through **numerous philanthropic activities** and general support for art and culture, has been involved in numerous projects that are part of a highly enriched path of corporate social responsibility. The main initiatives include supporting the "Leonardo da Vinci" Museum of Science and Technology in Milan and activities with Bocconi University, the FAI (*Fondo Ambiente Italia* — Italian Environment Fund) and the Teatro Coccia in Novara. Finally, the group granted numerous donations to major hospitals and joined the "Declaration of Commitment" promoted by Assifero (*Associazione Italiana Fondazioni ed Enti Filantropici* — Italian Association of Foundations and Philanthropic Bodies) on climate change.

Under such a favourable context for corporate social responsibility activities, DeA Capital RE joined numerous group initiatives and developed **independent activities and projects**, often in line with its corporate and social needs.



Project **1+1=3**

INSIEME PER UN PROGETTO SOCIALE

"1+1=3" is a social project of the Group that reached its second edition in 2022.

The project originated from a desire to **draw the Group's employees into the activities of the De Agostini Foundation and to share the values that embolden the Group's companies and inspire the Foundation's daily work.**

Out of the 27 projects submitted, 4 were by colleagues from De Agostini S.p.A. and the De Agostini Editore Group, 7 by colleagues from the DeA Capital Group and 16 by colleagues from IGT Lottery. All of the proposals are compelling, which is a testament to the effort made this year to identify the realities of a critical yet crucial sector, such as integrating vulnerable people into employment.

After careful evaluation of all the projects received, the Foundation awarded the DeA Capital Group for the **Gerla 2.0** project (which proposed job opportunities and social skills through social agriculture actions) of the Passi e Crinali Association (Rho, Milan). This was presented to Carlo Bianchi of DeA Capital Real Estate and allocated a budget of €30,000.



A responsible group



MIP-DeA Capital ESG talent

Starting in 2021, the DeA Capital Group partnered with the MIP Politecnico di Milano Graduate School of Business to collaborate together **on the "International master's in sustainable finance"** in the two editions of the academic years 2021/2022 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 2023.

The partnership with the MIP Politecnico di Milano and this involvement in the International master's in sustainable finance is a unique opportunity to help students who want to face one of the greatest challenges of all time, by putting their skills to use to help the cause. This represents another important opportunity for DeA Capital to confirm its commitment to promoting sustainable development.



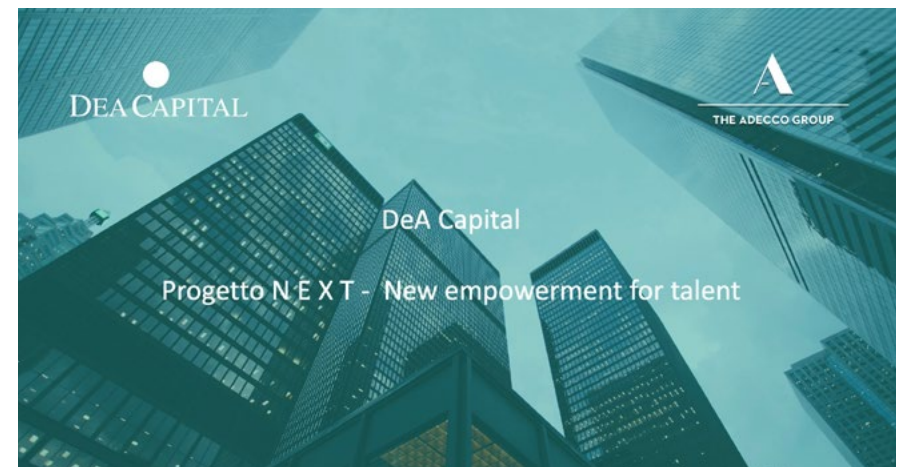
THE ADECCO GROUP

The NEXT project

In 2022 and with the support of a qualified external partner (the Adecco Group), the DeA Capital Group decided to launch the NEXT (New Empowerment x Talent) project.

The objective of the project was firstly **to reinforce the growth potential and development needs of our youngest resources** (up to 35 years of age and with at least one year in the company) and secondly **to encourage awareness of their cross-sector skills, strengths and areas of improvement**, using a well-established methodology and specific selected tools.

Once the project came to an end, a specific training activity was provided for all participants to support the development needs that emerged.





2

OUR ESG FRAMEWORK

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Principles adopted

DeA Capital RE has always shared and promoted principles of ethics, legality and respect for human rights and the environment, considering them as the basis of its strategy.

The AMC is well aware that managing ESG-related risks and opportunities and integrating related factors into the investment process support value creation and growth in the medium- to long-term. This is an essential element of a sustainable and resilient strategy in the financial and real estate environment.

With a view to strengthening its leadership position in Italy and staying involved in the market and regulations, the AMC is a signatory of various worldwide associations, adhering to their principles and reporting on its activities annually.

Signatory of:



Since 2019, DeA Capital RE has been a signatory to **the United Nations Principles for Responsible Investment (PRI)**, launching a process to gradually integrate the Principles into business strategies and processes.

As a signatory of the UN PRI, the AMC formally undertakes to **respect the six principles established**.

In April 2021, the AMC signed the questionnaire on 2020 data, on the basis of on the new updated reporting framework. The results were issued by PRI in August 2022.

- 1 **We will incorporate ESG issues into investment analysis and decision-making processes**
- 2 **We will be active owners and incorporate ESG issues into our investment and asset management policies and practices**
- 3 **We will seek appropriate disclosure on ESG issues by the entities in which we invest**
- 4 **We will promote acceptance and implementation of the Principles within the finance industry**
- 5 **We will work together to enhance our effectiveness in implementing the Principles**
- 6 **We will report on our activities and progress towards implementing the Principles**

Participation results 2020

Scorecard		
Investment and Stewardship Policy	★ ★ ★ ★ ☆	71/100 points
Direct Real Estate	★ ★ ★ ★ ☆	71/100 points

Principles adopted

WE SUPPORT



Since 2022, DeA Capital RE, together with the Group, **has been a member of the UN Global Compact**, whereby it acts responsibly and promotes its adoption and compliance with the 10 principles through its governance in the four areas identified.



HUMAN RIGHTS

Principle 1: support and respect the protection of internationally proclaimed human rights.

Principle 2: make sure that businesses are not complicit in human rights abuses.



LABOUR

Principle 3: the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: the elimination of all forms of forced and compulsory labour.

Principle 5: the effective abolition of child labour.

Principle 6: the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

Principle 7: support a precautionary approach to environmental challenges.

Principle 8: undertake initiatives to promote greater environmental responsibility.

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.

DeA Capital RE also plays an active role in promoting sustainability principles and **in setting new market standards and practices within the main trade associations in the financial and real estate sector**. It is an active member of the Sustainable Finance Research Forum and of working groups promoted by Assoimmobiliare on sustainability, governance and regulatory compliance issues.



ESG strategies and objectives

The AMC has identified **four pillars on which it can base its sustainability strategy**, aimed at creating value for investors of managed AIFs, for the Group to which it belongs, for the holders and users of managed assets and for the communities in which they are involved.



SUSTAINABILITY IN THE SECTOR

Acting responsibly and promoting sustainability in the sector as an investor signatory of the UN PRI, adopting a responsible approach to investment to create value and increase industry awareness of the benefits arising from the development of ESG issues.



PEOPLE-ORIENTED

Placing people at the centre by investing in the well-being and professional growth of the people who are part of DeA Capital RE, ensuring a work environment that fosters professional growth and the ability to attract and retain new talents.



EFFICIENT BUILDINGS

Developing, redeveloping and managing buildings that are efficient and sustainable, pursuing energy efficiency objectives and reducing the consumption of resources for assets and actively contributing to the transition towards a low carbon economy.



SUSTAINABLE CITIES

Proactively participating in the creation of sustainable cities of the future aimed at sustainable and inclusive urbanisation, benefiting from the integration of digital and technological innovations.

Exclusions

In line with its responsible investment principles and sustainability strategy, the AMC, through its AIFs, **does not invest in any project involving:**

- ▶ activities that are prohibited by the biodiversity conservation legislation of the country in which the project takes place or by international conventions relating to the protection of biodiversity or cultural resources;
- ▶ the development of projects in protected natural areas or that have a negative impact on cultural heritage sites;
- ▶ the construction of new buildings for the extraction, storage, transport or production of fossil fuels.

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

- ▶ weapons identified and banned by international treaties and conventions;
- ▶ pornography and prostitution;
- ▶ substances that are prohibited in the jurisdiction where the property is located;
- ▶ negative impact on wildlife or protected fauna.

This list is not exhaustive and may be extended to other excluded and/or prohibited activities, as defined by the AMC and/or underwriters and potential investors.



Contribution to the SDGs

DeA Capital RE's sustainable growth strategy aims to create value for all stakeholders and the community **by helping to achieve the objectives of the United Nations 2030 Agenda for Sustainable Development** (Sustainable Development Goals — SDGs). SDGs represent a universal language and commitment on sustainability issues and aim to harmonise economic growth, social inclusion and environmental protection.

All objectives set by the United Nations are fundamental to achieving a fair and sustainable society. However, in view of the sector in which we operate, the SDGs to which we believe we can contribute most and as a priority, through the implementation of business strategies and investment activities, are as follows.



Benchmarks

- 3** Welfare services recognised for employees such as supplementary pension contributions, reimbursement of expenses for spouses, children and other family members, sports subscriptions and travel.
- 5** Monitoring of the presence of women at the AMC and in corporate management; gender pay gap; distribution of personnel by age groups.
- 6** Water efficiency requirements such as the reuse of rain and wastewater. Progressive implementation of management systems (BMS) to monitor consumption in real estate portfolios.
- 7** Road map for energy efficiency at the Milan and Rome corporate offices. Redevelopment projects and increase in the share of renewable energy in real estate portfolios.
- 8** Permanent employment. Adoption of certifications and standards to ensure workplace safety in real estate projects. Services dedicated to local communities.
- 9** Classification of Article 8 or 9 AIFs under SFDR. Implementation of ESG strategies for new products and AIFs under management
- 11** Social strategy of portfolio real estate, adoption of building health and safety certifications, urbanisation works and community services.
- 12** Adoption of internationally recognised green certifications, energy and water efficiency assessments and targets, actions to safeguard natural areas in real estate portfolios.
- 13** Substantial reduction of site waste stream through raw material reduction, recycling and reuse. Progressive implementation of management systems (BMS) to monitor consumption of real estate portfolios.
- 13** Policies for the protection and restoration of biodiversity and ecosystems. Pollution prevention and reduction, climate change mitigation for offices and real estate portfolios.
- 16** Code of Ethics and ad hoc procedures to mitigate risks. Anti-money laundering and counter-terrorism policies, implementation of the Organisational, Management and Control Model (Model 231).

Methodological approach

DeA Capital RE **has defined a methodological framework to analyse, classify and monitor AIFs (under management and in the startup phase) for the purposes of SFDR and the EU taxonomy for sustainable activities.**

The methodology assesses ESG indicators using specific drivers that take into account the strategy and various characteristics/targets of AIFs (e.g. income versus development). These are updated over time to take into account any regulatory developments and practices in the real estate and financial market.

The achievement of environmental and social objectives and characteristics promoted by managed AIFs with ESG characteristics, as well as the positive impacts resulting from any development and redevelopment activities, is assessed **using the ESGM tool**, which is currently under development.

This enables regular monitoring of the performance targets and parameters of AIFs, defined in line with their strategy and SFDR classification.

ASSESSMENT AND CLASSIFICATION

1 ESG preliminary assessment and SFDR classification of the fund, based on drivers tailored to the investment strategy and the type of assets under management.

SELECTION OF ESG PARAMETERS

2 Identification of the parameters to be monitored based on environmental and/or social characteristics and, where applicable, sustainable investment targets, in accordance with the Taxonomy Regulation.

MONITORING OF ESG PERFORMANCE

3 Monitoring of ESG targets and/or parameters via the ESGM Tool, definition of any improvement actions and reporting according to SFDR rules.

SEGMENTATION OF FUNDS BASED ON THE MAIN DRIVERS FOR ASSESSING THE ESG PROFILE



The ESGM tool

Since 2021, the AMC has been developing a tool for the collection and aggregation of data on the KPIs used to monitor ESG variables of AIFs under management.

Used in beta testing for periodic disclosures pursuant to the SFDR at 31 December 2022, the ESG tool enables the analysis and monitoring of drivers and the scoring of AIFs classified pursuant to Articles 8 and 9 of the SFDR.

The ESGM tool has been developed on the same assessment platform as the real estate assets, with a view to aggregating common data and using ESG variables for assessments. It will enable the collection and periodic updating of data related to the ESG profile of assets and AIFs, along with their assessment through a dedicated ESG dashboard.

DATA COLLECTION

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

KPI SELECTION

Configuration of parameters and rules for monitoring the environmental and/or social characteristics promoted by the AIF and, where applicable, sustainable investment objectives, based on the investment strategy and the types of assets under management (e.g. income, development, social projects etc.).

ESG DASHBOARD MONITORING

Monitoring of KPIs and rules set in order to assess ESG performance and consistency with the AIF's SFDR classification; identification of any improvement actions; provision of regulatory reporting.

ENVIRONMENTAL

Development/Regeneration

- Environmental remediation and decontamination
- Protection and/or restoration of historical and natural sites
- Low environmental impact
- Materials and short supply chain
- Requirements for construction waste
- Consumption in site activities (water and energy)
- ESG capex plans
- Environmental and safety management on construction sites

Asset Management

- Energy efficiency (APE/EPC)
- Presence of renewable energy
- Energy and water consumption
- Harmful emissions (GHG)
- Green leases and/or green loans
- ESG capex plans
- Green certifications (LEED, BREEAM etc.)

SOCIAL

- Social housing for families in financial distress
- Accessibility for people
- Urbanisation works and community services
- Redevelopment/creation of green areas and plantations
- Cycle paths and electric charging stations
- Areas dedicated to the psycho-physical well-being of users
- Well-being certifications (WELL, Fitwel etc.)
- Buildings with smart capacity and connectivity certifications
- Context and Building Score

Social framework

Nomisma "Social Score"

Since 2021, DeA Capital has **been using Nomisma S.p.A.**, a leading research, consulting and business information company specialising in the real estate sector, **for the independent assessment of the social profile of its investments.**

The **Social Score** is the result of two components that characterise an asset and, as such, these generate the social impact of the property's infrastructure on the territory: the **Context Score** provides an acquired social value, while the **Building Score** reports on the building's ability to create new social value.

On a scale of 0 to 100, these two scores help to determine the Social Score with a different weighting:

- the location, the **Context Score, represents 35%**
- the building's intrinsic characteristics, the **Building Score, represents 65%.**

The assessment is divided into three real estate uses: residential, commercial and industrial/logistics. In addition, in the case of buildings intended for social housing or to provide hospital and health facilities (such as nursing homes), a multiplier coefficient is applied to calculate the Social Score, differentiated at territorial level, to underline the social value implied in the functional uses in question.



Social framework



This measures the degree of integration of a property with the context in which it is located and its ability to generate wealth and raise the quality of life of residents, tenants and the local community.

The assessment of the building **takes into account 21 variables** related to: the urban quality and safety that the building can guarantee; the permeability of the building to the outside world through, for example, the presence of infrastructure spaces open to the public or the absence of architectural barriers; the well-being of building users; and the presence of special services and/or areas to strengthen comfort, sociality and inclusion.



This measures the level of attractiveness of the microarea in which a property is located by assigning a rating that **summarises more than 110 variables** describing the context. The attractiveness of the context is measured differently in relation to the use of the asset and is detailed and calculated on the following variables: (i) municipal score, (ii) location of the area in the municipality, (iii) common ranking in the Italian context.

The assessment of the context shall take into account multiple aspects that identify a location's social profile, in particular through the use of the following qualitative and quantitative variables.

SCOPE	PHENOMENON	VARIABLES	
Urban quality and safety	Building's impact on architectural quality and social context	12 diversified drivers for "performance" or "development/ refurbishment" assets	
	Building's impact on safety and urban quality of the context		
Building permeability	Integration with context		
Well-being building users	Independent evaluation through certification (e.g. WELL etc.)		
Comfort and well-being	Amenities for tenant use only		Nine drivers diversified by asset class: commercial, residential or industrial
Sociality and inclusion	Amenities for community use		

ACCESSIBILITY OF THE AREA FOR BUSINESSES — Expresses the attractiveness of an area based on the degree of accessibility for companies, understood as the presence of transport infrastructures (railway stations, motorways, ports, airports etc.).

ACCESSIBILITY OF THE AREA FOR INDIVIDUALS — Expresses the attractiveness of an area based on the degree of accessibility for individuals, understood as the presence of public transport and transport infrastructure (bus stops, metro stops, railway stations, parking etc.).

CREDIT RELIABILITY — Expresses the attractiveness of an area based on the ability of the resident population to respect the debts contracted with credit institutions.

POPULATION — Expresses the attractiveness of an area in relation to the demographic flows that it manages to attract (both in terms of residential and commuting), the income capacity of the residents, the working condition, the level of education and the degree of youth of the resident population.

RESIDENTIAL REAL ESTATE — Expresses the attractiveness of an area in relation to the concentration of residential buildings, both with respect to the surface of the territory and with respect to the totality of the buildings present, as well as the state of conservation of the houses and their rate of use.

NON-RESIDENTIAL REAL ESTATE — Expresses the attractiveness of an area in relation to the concentration of buildings for non-residential use (commercial, productive, industrial, office etc.), both with respect to the surface of the area and to all the buildings presents.

SERVICES — Expresses the attractiveness of an area based on the presence and distance from services such as schools, hospitals, post offices, pharmacies, jewellers, shops, shopping centres, food, newsagents, bank branches, public bodies, museums, monuments, hotels, petrol stations.

SECURITY — Expresses the attractiveness of an area in relation to the absence of social hardship and building degradation, as well as the low incidence of robberies and organised crime throughout the municipality.

ECONOMIC SOLIDITY OF COMPANIES — Expresses the attractiveness of an area based on the performance of the companies presented in terms of average turnover (both in general and compared to the average of the respective economic sector or legal class), growth in turnover compared to the previous year, recourse to the credit channel, degree of seniority of companies etc.

Risk management

In order to implement a risk management system that fits its organisational structure and complies with the applicable legislation, DeA Capital RE has set up a specific risk management system in line with the current regulatory framework, as defined by Directive 2011/61/EU (AIFM Directive), as well as the related national transposition provisions.

The risk management system is the set of policies, processes and techniques relating to the identification, assumption, management, monitoring and mitigation of the risks to which the AMC is or might be exposed, and it determines and controls the level of risk tolerated.

The Company monitors and oversees the risks that may arise in all activities of the asset management process:



INTEGRATION OF SUSTAINABILITY AND CLIMATE RISKS

The process of identifying climate risks, and more generally assessing sustainability risks, aims to ensure that all risks to which AIFs are exposed are appropriately identified, assessed and, where possible, mitigated with appropriate actions.

The AMC has defined, and is progressively adopting, a methodological framework to analyse, classify and monitor AIFs in accordance with the SFDR and EU Taxonomy for sustainable activities.

In line with the application of the SFDR, when launching new AIFs or re-opening subscriptions to new investors, the AMC has defined a methodology for assessing, on an ordinary qualitative scale, the likely impact of sustainability risks on the performance of AIFs, depending on the investment strategy promoted.

In order to estimate the impacts on the value of real estate managed arising from climate risks in quantitative terms, the AMC is developing a methodology to integrate these risks into its existing risk management model.

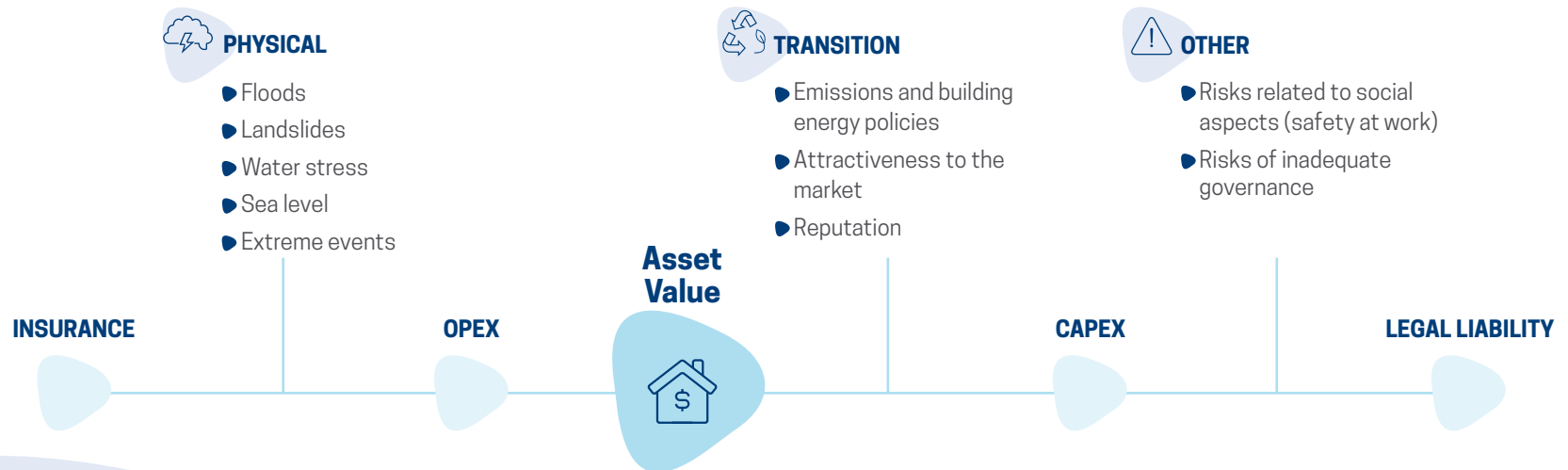
The methodology defined and being implemented considers a broad data set that includes both geolocation and asset-specific characteristics (e.g. energy efficiency certification, consumption, capex, emissions etc.).

In addition, data from institutional providers (such as ISPRA, ISTAT and WRI) is used to assess specific physical risks related to the geographical characteristics of the territories in which the assets under management are located. The identification of risk at the level of AIFs and assets is intended to detect climate/sustainability risks that may have an impact on performance development over the life cycle of investments. Climate and sustainability risks, identified in the above framework, will thus be measured using a quantitative-qualitative approach in order to prioritise risks and inform the investment decision-making process.

Where material risks are identified in relation to a specific AIF/asset, further analysis shall be carried out to identify specific improvements to be implemented, where appropriate, and to support the AIFs/assets during their transition or mitigation actions.



Risk management



INTEGRATION OF SUSTAINABILITY AND CLIMATE RISKS INTO INVESTMENT PROCESSES

Since 2021, the AMC has started to gradually implement the sustainability risks of investments and AIFs, which will complement the AIFs' existing risk assessment model. The AMC shall adopt an assessment model differentiated by process and the type of "SFDR classification" of the AIFs.

The differentiation of KRIs also considers:

- (i) characteristics of the AIFs,
- (ii) term of the AIFs,
- (iii) the economic capacities of AIFs in line with business plans and strategies, in particular for products launched before the entry into force of EU sustainability legislation.

Process

Establishment of new AIFs

Investments

Strategies

Periodic assessment

Risk assessment activities and key risk indicators (KRI)

Ex-ante analysis estimating the likely impact of sustainability risks on the performance of the AIF at the time of establishment

Investment ESG checklist, a tool that evaluates the results of due diligence and highlights any risk factors of investments and mitigants adopted

Annual assessment through the CRREM model (Carbon Risk Real Estate Monitor), which assesses the transition risk of assets

One-off qualitative assessment of the impact of physical risks that may negatively impact assets under management (earthquakes, floods etc.)

Qualitative analysis of the sustainability risk when drafting and/or updating the Business Plan



3

SUSTAINABILITY OF OUR PRODUCTS

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• AIFs performance pursuant to Article 8	42

Introduction

Since July 2021, the AMC has conducted an in-depth analysis of the strategies and characteristics of AIFs under management (i.e. "ESG assessment"), so as to classify them in accordance with the SFDR and with a view to the progressive implementation of the scope linked to the framework, the drivers defined and data collection.

This ESG assessment has allowed the **following AIFs to be classified in accordance with Article 8 of the SFDR**, i.e. funds promoting, among other things, environmental and/or social characteristics:

- ▶ **15 funds in 2021**
- ▶ **a further 5 funds in 2022, bringing the total to 20 AIFs.**

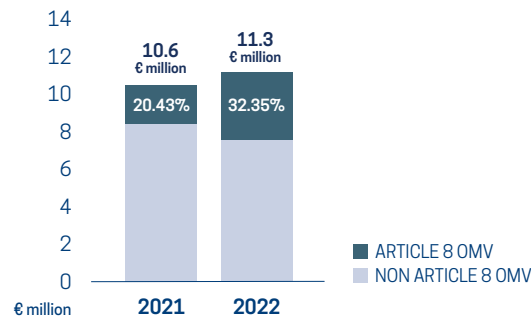
Furthermore, a scope of potential Article 8 AIFs was defined in subsequent periods, to be subject to the required data collection so as to then evaluate the results and present their classification to the Board for approval.

The overall objective of the AMC is **to increase the number of Article 8 AIFs** under the SFDR. As already shown above, the choice of scope of the participating AIFs included those whose purpose or assets already had the relevant ESG characteristics, or products whose characteristics enabled them to be classified under Article 8 of the SFDR, partly because of the interest expressed by underwriters.

AIF	ASSET CLASS	GEOGRAPHICAL AREA
Aetmosphere	Residential	Milan
Altair	Offices	Rome
AREEF 2 Palio — Sub-fund A	Offices	Milan/Rome/Florence
Broggi	Offices	Milan
Civitas Vitae	Affordable housing	Pesaro
Diamond core	Offices	Milan/Rome
Diamond Italian properties	Diversified	Milan
Drive	Offices	Milan/Rome
GO Italia VII	Logistics	Various
High Garden	Residential	Milan
Liguria Social Housing	Affordable housing	Genoa/La Spezia (No investments)
La Dolce Vita	Senior homes	Rome
Laurus	Offices	Milan/Rome
Leone	Residential	Various
Lumiere	Cinemas	Milan
Milan Development 1	Offices	Rome
Millennium Luxury	Hotel	Milan
ParkWest	Offices	Rome
Rome Santa Palomba	Affordable housing	Rome
Tessalo	Healthcare	Rome



The AMC has set itself objectives to constantly increase the number of funds to be classified under Article 8 from those funds already under management before the SFDR entered into force.



The gradual increase not only represents the achievement of the objectives set, but also ensures the maintenance of value and is an indication of the increased awareness and involvement of business structures and investors.



The final value of OMV classified as Article 8 as of 31 December 2022 is €3,660,632,472, or 32.35% of the OMV under management.

ESG highlights of the Funds

Summary information on funds with ESG characteristics



20 out of **54 funds**

+1 SICAF sub-fund
are classified as

**FUNDS UNDER ARTICLE
8 SFDR**



32.4%

(€3.7 billion)

of the total **OMV 2022**

**CLASSIFIED
PURSUANT TO
ARTICLE 8 SFDR**



>€5 billion

of the total **OMV 2022** with

**GREEN AND SOCIAL
CERTIFICATIONS**



15% of AIFs classified pursuant
to Article 8 of the SFDR with social
housing characteristics

OMV IN SOCIAL SCOPE



30%

(€3.4 billion)

of the total **OMV 2022**

WITH ESG RATING



€639 million

of **ESG CAPEX** planned
in Funds classified under Article 8 SFDR

GRESB rating



The AMC decided to adopt the GRESB rating assessment for its Article 8 AIFs under SFDR, thus strengthening the assessment of ESG parameters by issuing a rating through an independent third party, which examines and compares the level of maturity in the management of ESG aspects of AIFs and the AMC at national, EU and global level.

Interaction with the body and inclusion in the GRESB network both support the continued strengthening of the corporate sustainability strategy and the AIFs. The AMC benefits from the results of the GRESB benchmark and assessments to calibrate its ESG strategy and actions on AIFs, while adding value to the funds.

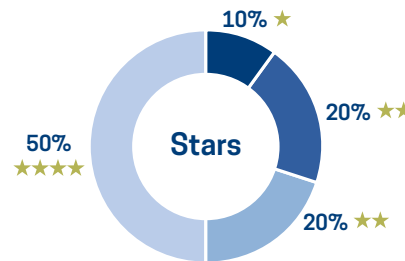
Since 2022, the Head of ESG Management has been a "Member of the GRESB Foundation Real Estate Expert Resource Group".

The scope of participation in GRESB is defined each year on the basis of the AIF strategy and the classification objectives under the SFDR.

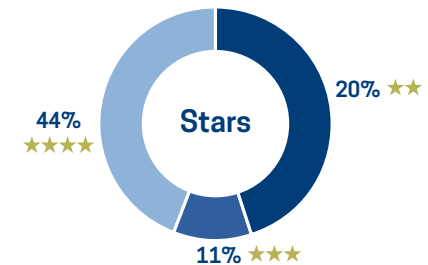
In 2022, 17 AIFs participated in the GRESB assessment, which brought together information on the levels of performance achieved.



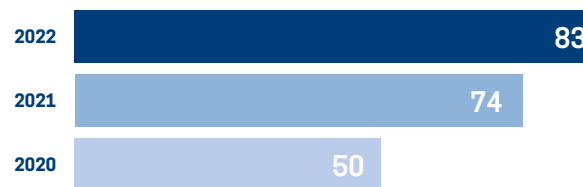
GRESB rating - Development Funds 2022



GRESB rating - Performance Funds 2022

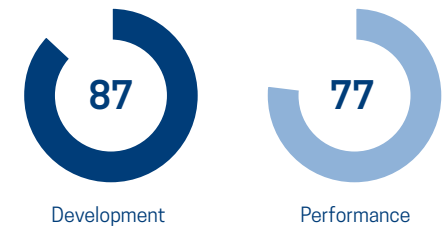


Average performance over the years



*2020 average calculated on two participating AIFs.

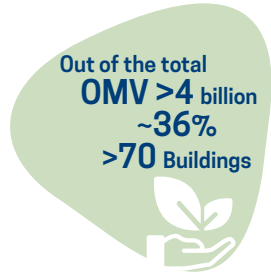
Average GRESB score by strategy



Real estate certifications

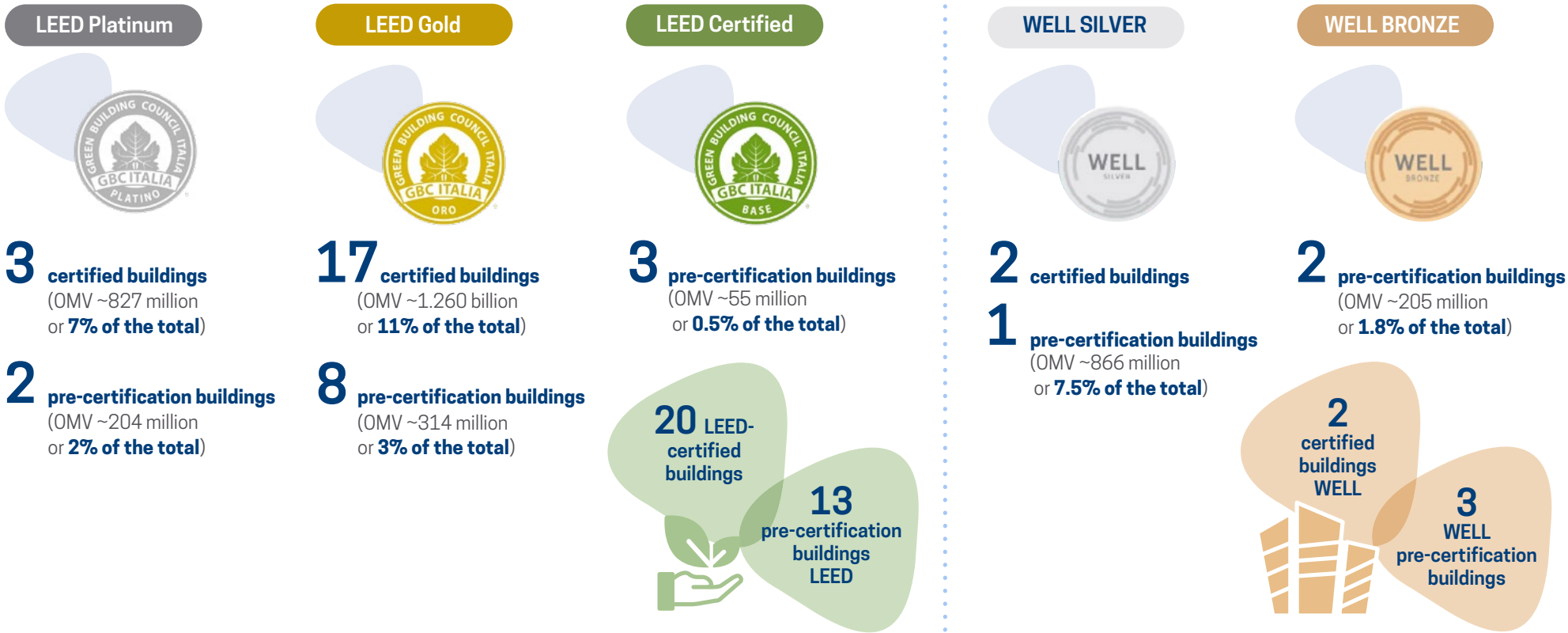
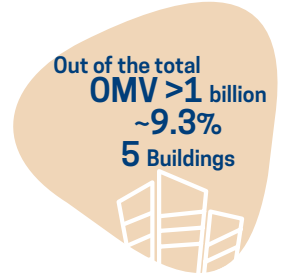
GREEN CERTIFICATIONS

Conscious of the need to contribute to an orderly transition towards a low-carbon economy, DeA Capital RE uses, among others, **LEED** and **BREEAM** certification standards to assess and attest to the level of sustainability achieved by assets under management.



SOCIAL CERTIFICATIONS

Driven by a desire to guarantee the highest performance to end users, across its buildings the AMC is gradually implementing specific technologies and design strategies to provide spaces in which wellness and comfort are set as objectives, in line with **WELL** and **Fitwel** protocols.



Real estate certifications

GREEN CERTIFICATIONS

BREEAM In-Use

OMV >1 billion
~8.8%
32 Buildings



BREEAM Excellent

10 certified buildings
(OMV ~332 million
or **2.9% of the total**)



1 pre-certification buildings
(OMV ~49 million
or **0.4% of the total**)

BREEAM Very Good

10 certified buildings
(OMV ~353 million
or **3.08% of the total**)

1 pre-certification buildings
(OMV ~18 million
or **0.16% of the total**)

BREEAM Good

10 pre-certification buildings
(OMV ~258 million
or **2.25% of the total**)

BREEAM New Construction

OMV ~500 million
~4.3%
6 Buildings



BREEAM Excellent

2 certified buildings
(OMV ~336 million
or **2.9% of the total**)



BREEAM Very Good

4 certified buildings
(OMV ~162 million
or **1.4% of the total**)

BREEAM Refurbishment and Fit-Out

OMV ~245 million
~2.1%
2 Buildings



BREEAM Very Good

1 pre-certification buildings
(OMV ~134 million
or **1.2% of the total**)



BREEAM Good

1 pre-certification buildings
(OMV ~111 million
or **1% of the total**)



Management approach

In line with its leading role, the AMC acts as an active interlocutor in the reference market with the aim of raising the industry’s awareness of the benefits—especially economic benefits—resulting from the integration and enhancement of ESG issues.

Many channels have been activated to raise awareness and involve all relevant stakeholders in the business chain. Through these actions, the AMC is now also seen as a benchmark on the reference market in the implementation and management of ESG issues.

TENANT ENGAGEMENT AND GREEN LEASE

The involvement of tenants is essential for the collection of the data required to monitor consumption performance; therefore, the AMC has defined and adopted **Green Leases**, in other words contracts with clauses linked to environmental aspects that define common objectives and requirements, including with regard to the collaboration of tenants on the timely reporting of consumption back to the owners.

Green Leases, which began as early as 2021, were implemented on the **majority of leases within the scope of Article 8 AIFs**, but these have been extended, where possible, to include **new Article 6 AIF contracts**.

In addition, to **check tenant perception and awareness of ESG issues**, a survey was sent around in November 2022 for tenants of Article 8 AIFs, with **a response rate of 57%** and an average response value of 8 out of 10.

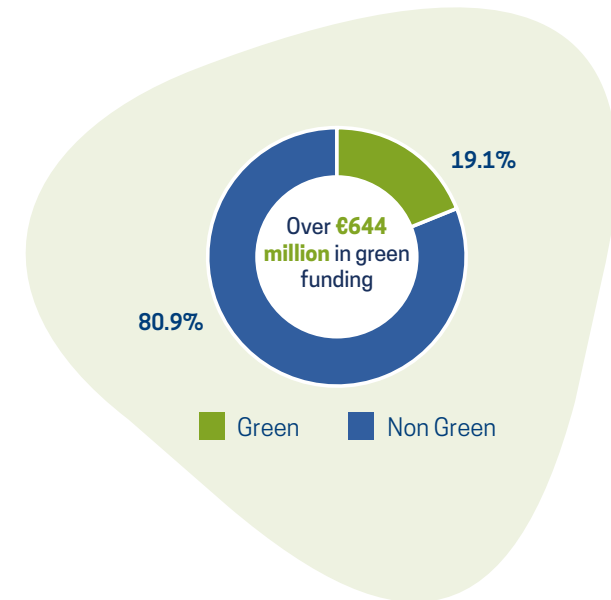
The AMC aims to continue to increase tenants’ awareness of issues related to both environmental and social sustainability. These objectives cannot be achieved without the active participation of those living in the properties.



GREEN LOANS

In 2022, the AMC continued its activities to gradually implement **Green Loans**, borrowing that is linked to **"green" real estate variables** to be reported to lending banks.

In 2022, four Green Loans were agreed, with the aim of also **reducing the spread applied** on borrowing.



Management approach

ESG CAPEX

CAPEX is a key element in the process of building redevelopments. Investment in energy improvement and contributions towards the ESG objectives of the AIFs are the levers through which the management and enhancement of buildings can be directed. In this regard, the AMC identified the accounting items among the capitalised costs that have a positive impact on environmental and social aspects, namely ESG CAPEX.

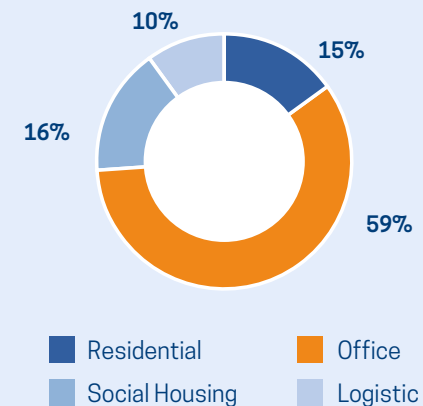
COLLECTION OF CONSUMPTION DATA

To maximise the efficiency of real estate owned by Article 8 AIFs under SFDR, the AMC is committed to implementing management solutions and redevelopment actions that positively impact the reduction of energy and water consumption and the overall improvement of environmental performance.

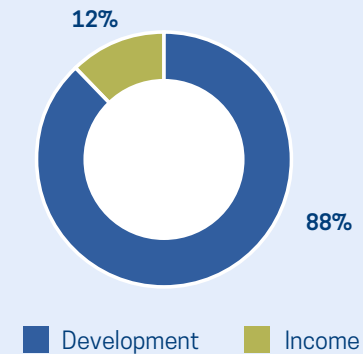
In order to define the medium-term objectives for consumption reduction and efficiency, **data is being collected**, including for the purposes of SFDR reporting and participation in the GRESB rating. Despite the difficulties in retrieving data exclusively in the hands of tenants, it is also thanks to the strengthening of operational structures and the use of special tools that the AMC manages to maximise the amount of data collected. These are also used for drawing up SFDR information and contributing to the definition of the ESG score of the AIFs.



ESG CAPEX by asset class - Article 8 AIFs



ESG CAPEX by strategy - Article 8 AIFs



AIFs performance pursuant to Article 8

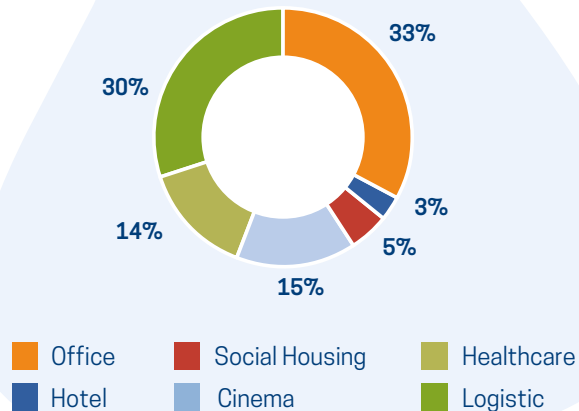
The figures for the asset-class composition of Article 8 AIFs under SFDR and the related performance for 2022 are as follows.

More than
540 thousand m²
total buildings
classified under
Article 8



6 Asset Classes
with environmental and/
or social characteristics
classified under Article 8

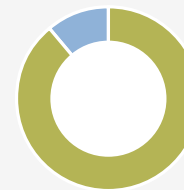
Real estate portfolio Article 8 AIFs
% broken down by m²



Note:

- (1) the market-based method requires the determination of GHG emissions from electricity and heat purchases, taking into account the specific emission factors reported by suppliers. For purchases of electricity from renewable sources, an emission factor of zero shall be assigned for Scope 2;
- (2) on the other hand, the location-based method involves accounting for emissions from electricity consumption, applying national average emission factors for the different countries in which electricity is purchased.

DATA COVERAGE

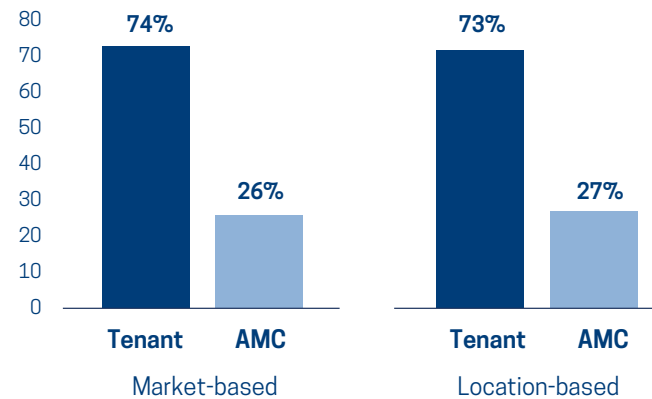


In 2022, the collection
of energy and water consumption
of tenants reached
89%

■ Data collected
■ Missing data

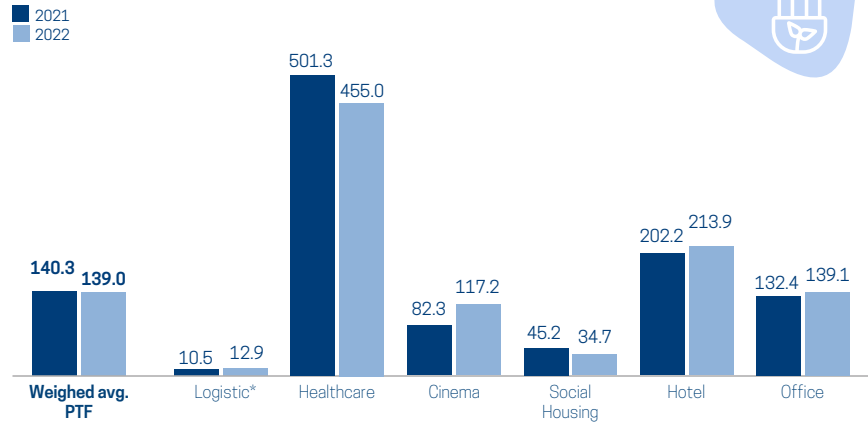
By engaging with tenants collection results have become very good, given that a large proportion of consumption and corresponding emissions are linked to these same tenants.

Allocation of emissions accrued (tenant vs AMC)

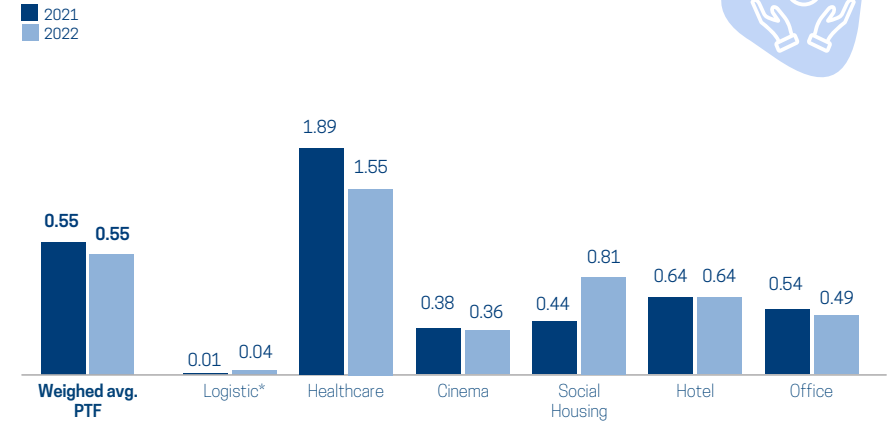


AIFs performance pursuant to Article 8

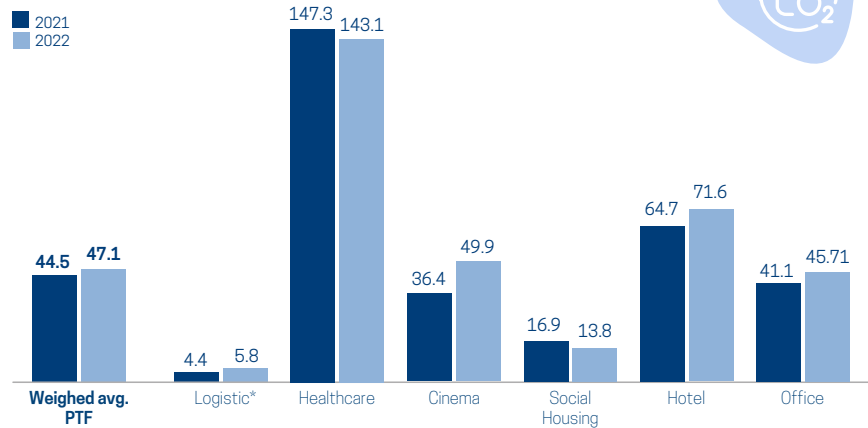
Energy consumption intensity by asset class
(in kWh/m²)



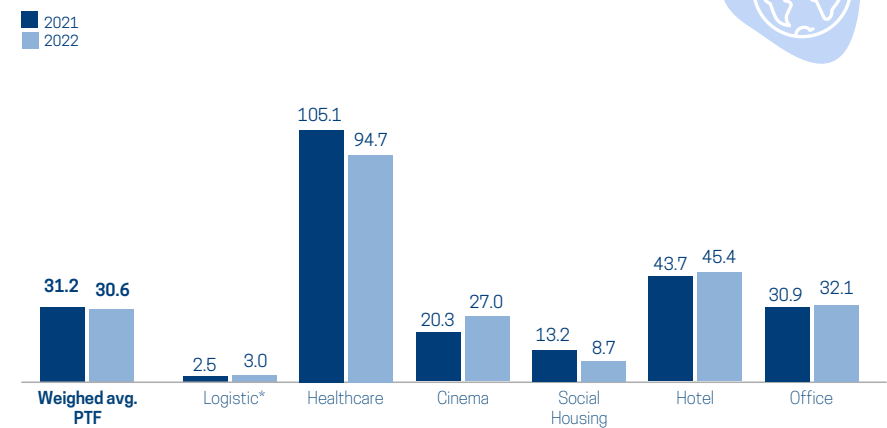
Water consumption intensity by asset class
(in m³/m²)



Market-based emission intensity by asset class
(in kg CO₂ eq/m²)



Location-based emission intensity by asset class
(in kg CO₂ eq/m²)



(* Affected by limited coverage of data provided by tenants (data coverage is 37%)

Ever-changing spaces: a new work-life concept

The fund's strategy is dedicated to the enhancement of the real estate portfolio by investing in the same.

The AIF assets are invested in the development of an office building complex included within the wider urban regeneration project of the Metropolitan City of Milan called "SeiMilano".

Designed by MCA Mario Cucinella Architects, the master plan includes residential and commercial buildings in addition to the business spaces of Park West.

The park's design-with a network of pedestrian and cycle paths, orchards and gardens-was created by the practice of French landscape architect Michel Desvigne, MDP.

The Fund promotes the following characteristics:



ENVIRONMENTAL

Protecting and restoring biodiversity and ecosystems, through real estate projects located in brownfield areas with site recovery; the implementation of environmental due diligence; the adoption of protection/restoration and conservation measures of natural areas etc.

Reducing pollution sources, through the application of procedures for decontamination and site remediation, measures for the reduction of air, light and noise pollution on construction sites etc.

Transitioning to a circular economy, through the application of requirements for the recovery, recycling and reuse of construction waste, the use of certified/ low environmental impact construction materials.

Mitigating climate change through the use of NZEB standards, high energy class (EPC >C), the use of renewable energy, adoption of measures to contain consumption and related GHG emissions.

Sustainable use and protection of water, through the adoption of measures for water efficiency and conservation in the property development project, and the adoption of efficiency measures for the reuse of rainwater and grey water for non-drinking uses.

Obtaining independent environmental certifications and ratings of the properties and/or AIFs under management (e.g. LEED, GRESB).



SOCIAL

Safety and well-being of workers, by defining requirements and procedures that the companies involved in development projects must comply with in order to ensure health, safety and decent working conditions.

Urban safety and quality (e.g. impact on architectural quality, on urban safety and quality of the social context etc.).

Permeability of the building and integration/enhancement of the context (e.g. integration with the social context etc.).

User comfort and well-being (e.g. tenant-only amenities etc.)

Sociality and inclusion of the community (e.g. amenities for use by the community etc.).

Obtaining independent social certifications and ratings of the properties and/or AIFs under management (e.g. WELL, Wired, Fitwel).



In particular, the fund shall promote 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.

Social aspects

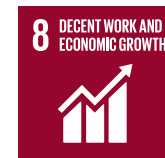
Environmental aspects

Governance aspects

SDGs PRIMARY

Real Estate

Stakeholders



SDGs SECONDARY



Certifications

The fund's project consists of the construction of three office towers, designed to ensure high levels of optimisation and monitoring of consumption, the most important certifications at international level and offering a wide range of services to its users, focusing on responsible investments in ESG sustainability.

In 2022, construction work continued on the buildings with the aim of achieving the aforementioned certifications, as confirmed by the pre-certification status of **"WiredScore Certified"**.



Social Score

In order to assess the social profiles of the AIF, the AMC has decided to adopt a **"Social Score"**, which is assessed by an independent third party such as **Nomisma S.p.A.** (www.nomisma.it).

The Social Score is obtained from summarising two components that distinguish an asset and that, as such, contribute to generating the social impact of the property's infrastructure on the territory: the location ("**Context Score**") and the building's intrinsic characteristics ("**Building Score**").

Overall Social Score

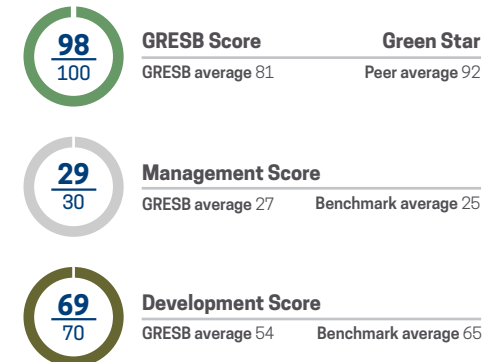


GRESB rating

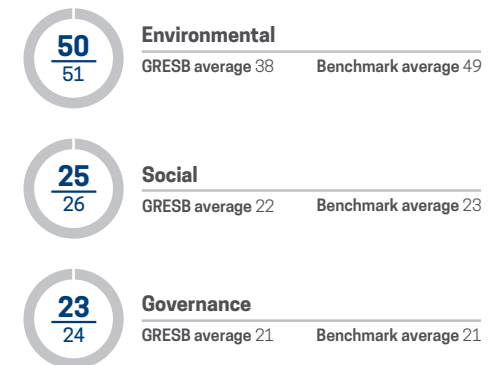
The Fund continued to adhere to the assessment of the GRESB benchmark achieved in 2022, with regard to **a result of 98 out of 100 points in 2021, an increase of 25.6%** over the rating obtained in the previous year.



GRESB
GRESB rating
★★★★★



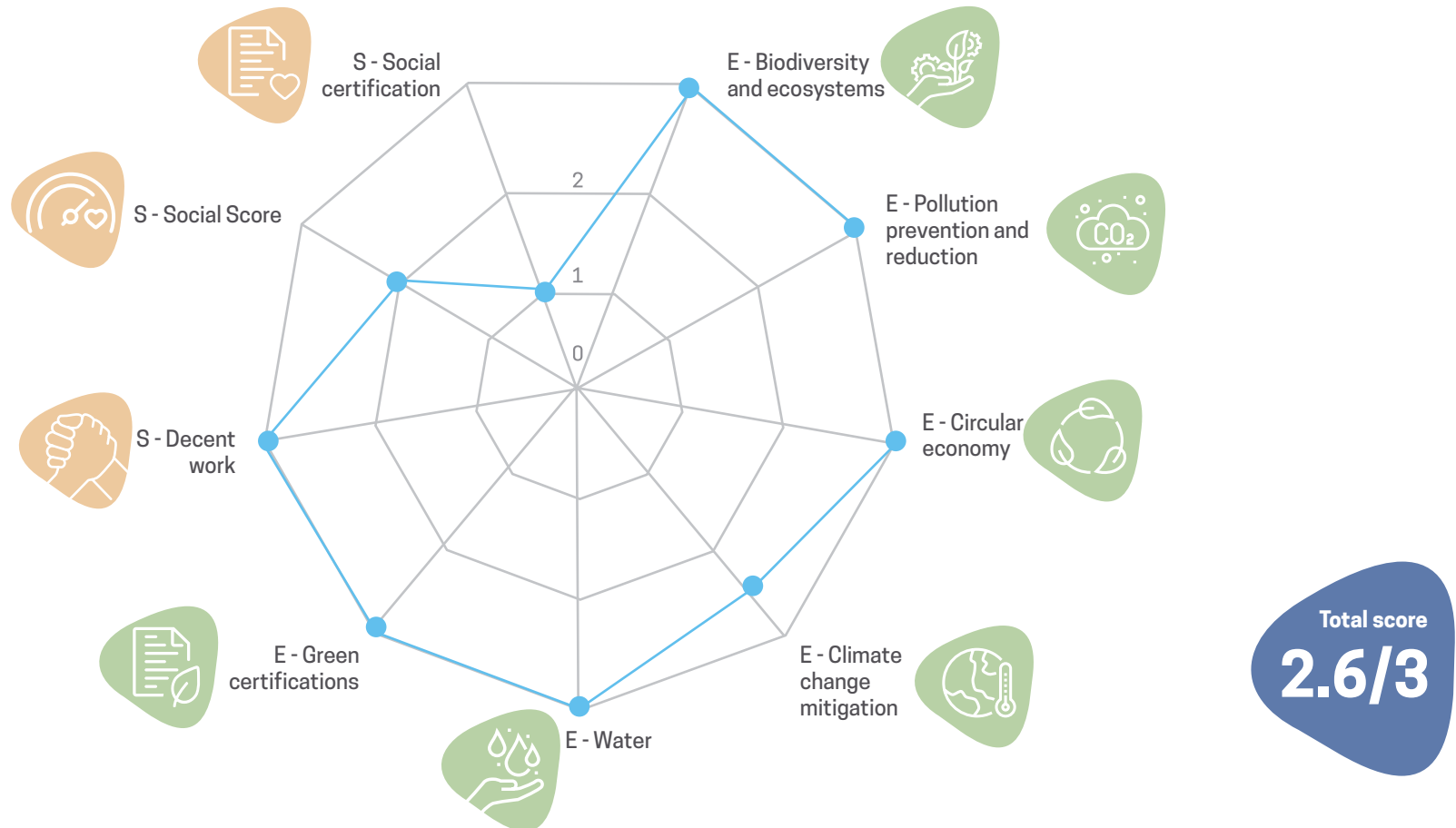
ESG breakdown



* Undergoing certification.

DeA Capital Real Estate — ESG Score

To measure the achievement of each environmental and/or social characteristic promoted by the AIF, the AMC has adopted a specific framework based on a unique set of ESG indicators (the "Framework"). These are defined and updated as and when applicable in accordance with relevant international best practices, standards and regulations. Based on the framework adopted and the prevailing strategy of the AIF, the score measured in 2022 is **2.61** on a scale of 0 to 3.



A business park focused on the user's well-being

The fund's strategy is dedicated to the enhancement of the real estate portfolio by investing in the same. The fund's assets are currently invested in a property complex called "WOLIBA" located at Via Laurentina 449 in the centre of the EUR district in the south of Rome. Built in 1979 and redeveloped in 2015, it consists of seven independent buildings equipped with storage spaces and underground parking, a large park with equipment including parking/motorbike spaces and

a series of facilities designed to improve the lives of tenants within the business park.

With a streamlined master plan and efficient design, the EUR area has a distinctive appeal that enables the combination of modern office buildings and new developments together with a high-end residential environment and a wide range of services, along with precious green spaces.

This provides the perfect context for companies that value a good balance between work and leisure.

In fact, across over 50,000 sqm (GLA), five main office buildings and two buildings that house the business park's services, the fund provides 20,000 sqm of outdoor green space.

All buildings are LEED Gold level certified. They have glazed façades with floor-to-ceiling glass for strong natural light and offer modern facilities.

The Fund promotes the following characteristics:



ENVIRONMENTAL

Protecting and restoring biodiversity and ecosystems, through the implementation of environmental due diligence, the adoption of protection/restoration and conservation measures for natural areas.

Mitigating climate change, through a high energy class (EPC >C), the use of renewable energy, the monitoring of energy consumption, measures to contain consumption and related GHG emissions.

Sustainable use and protection of water, through the adoption of measures for water efficiency and conservation in the property development project, the

adoption of efficiency measures for the reuse of rainwater and grey water for non-drinking uses, and the monitoring and reduction of water consumption.

Obtaining independent environmental certifications and ratings of the properties and/or AIFs under management (e.g. LEED, GRESB).

Stakeholder engagement, through the signing of lease agreements whereby tenants commit to providing data on energy profiles and/or share commitments on environmental issues (e.g. management and use of resources, savings on consumption etc.).



SOCIAL

Urban safety and quality (e.g. impact on architectural quality, on urban safety and quality of the social context etc.).

Permeability of the building and integration/enhancement of the context (e.g. integration with the social context etc.).

User comfort and well-being (e.g. tenant-only amenities etc.).



In particular, the fund shall promote 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.

Social aspects

Environmental aspects

Governance aspects

PRIMARY SDGs

Real Estate



Stakeholders



SECONDARY SDGs



Certifications

In order to maintain the characteristics required by the **LEED Building Design and Construction Gold level certification, Green Leases** were entered into with binding clauses for the activation of verification, approval and control procedures by a certifying body for the customisation works carried out by tenants on the leased portions.

The renovation works on the building complex and the continuous **social networking** initiatives also continued in 2022. These were carried out to offer companies and their employees a workplace in line with international standards, where work and well-being can coexist in perfect balance.

Analyses and due diligence were carried out in 2022, including by important industry operators, to identify possible points of energy efficiency and improvement. The short-term objective of the fund is to gain a new **BREEAM In-use V6** certification, with a "Very Good" rating.

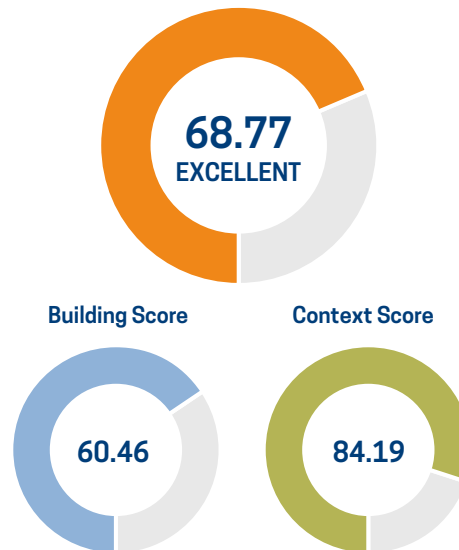


Social Score

In order to assess the social profiles of the AIF, the AMC has decided to adopt a **"Social Score"**, which is assessed by an independent third party such as **Nomisma S.p.A.** (www.nomisma.it).

The Social Score is obtained from summarising two components that distinguish an asset and that, as such, contribute to generating the social impact of the real estate's infrastructure on the territory: the location ("**Context Score**") and the building's intrinsic characteristics ("**Building Score**").

Overall Social Score

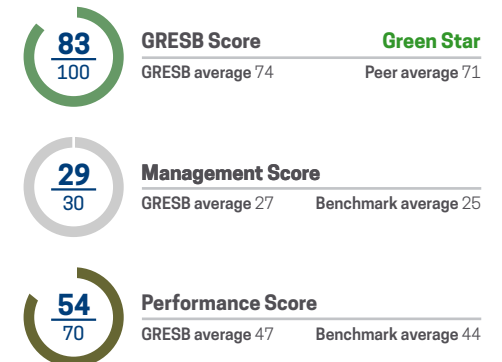


GRESB rating

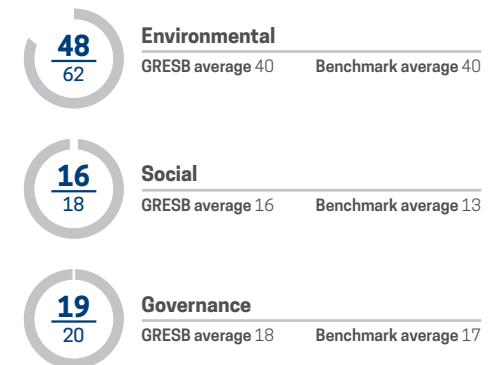
The Fund continued to adhere to the assessment of the GRESB benchmark achieved in 2022, with regard to **a result of 83 out of 100 points in 2021, an increase of 13.7%** over the rating obtained in the previous year.



G R E S B
GRESB rating
★★★★☆

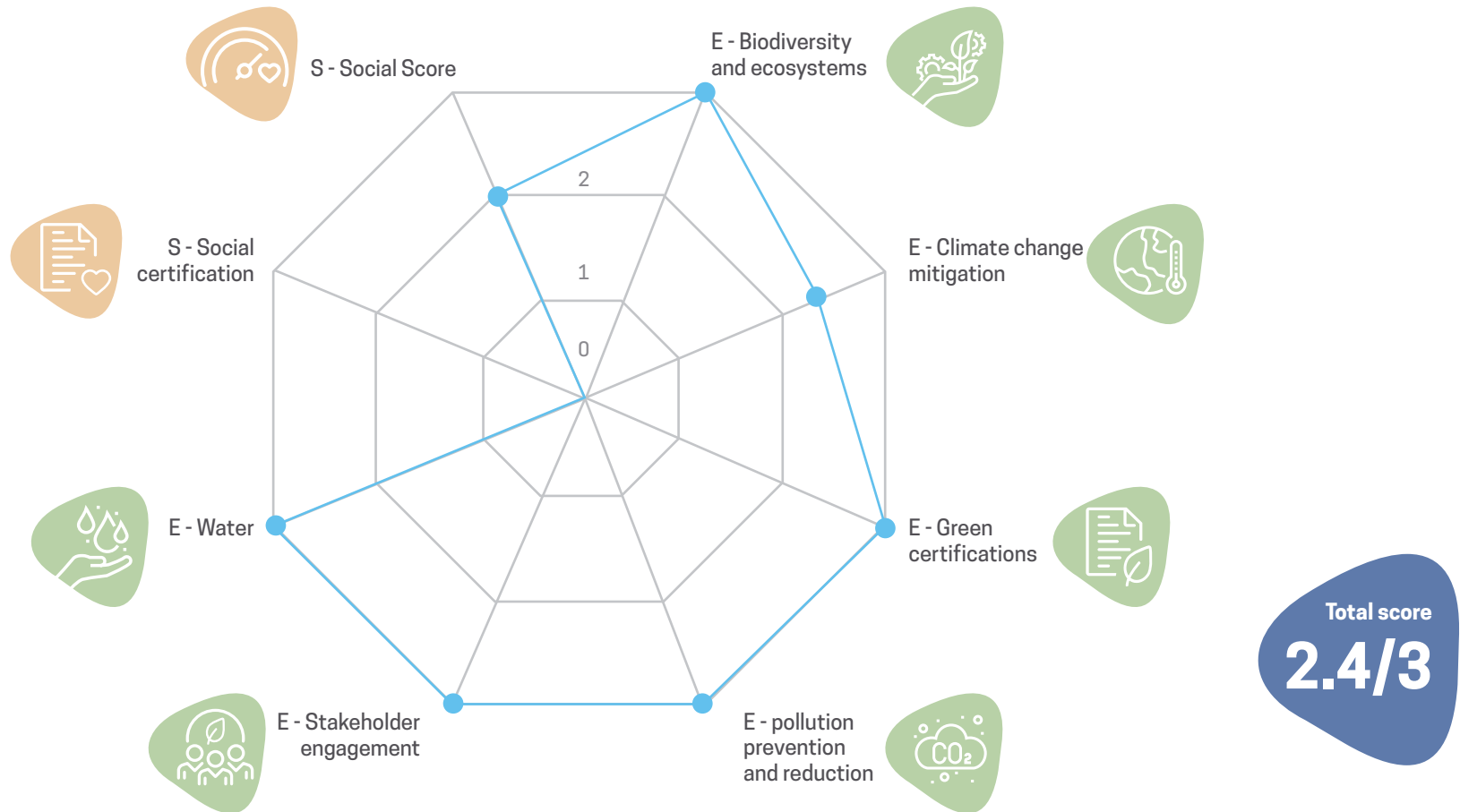


ESG breakdown



DeA Capital Real Estate — ESG Score

To measure the achievement of each environmental and/or social characteristic promoted by the AIF, the AMC has adopted a specific framework based on a unique set of ESG indicators (the "Framework"). These are defined and updated as and when applicable in accordance with relevant international best practices, standards and regulations. Based on the framework adopted and the prevailing strategy of the AIF, the score measured in 2022 is **2.43** on a scale of 0 to 3.



The renewal of a historic building

The fund's strategy is focused on the redevelopment of the historic property assets of Piazza Cordusio in central Milan. It aims to improve their performance and environmental impact, including for the community involved, and to ensure the development of business and management premises with a focus on the health and well-being of their residents.

Designed in 1902 and a great example of Art Nouveau architecture, Palazzo Broggi is located in the heart of Milan's historic centre.

The Broggi fund, as part of The Medelan initiative, undertook a state-of-the-art redevelopment of the historic building without neglecting the importance of its past.

The fund's initiatives aim to formalise a constant dialogue between the history of the Palazzo and the modern, innovative choices made. Rooted in history but with a modern touch, the building thus embodies the most authentic Italian style.

- RE Italy 2022 Award for best project in the Mixed-Use category.
- In 2022, the property was selected by the MIPIM Awards together with six Italian projects, in the "Best renovated building" category.
- The Medelan will be one of the Italian projects taking part in the FIABCI Prix d'Excellence Awards in Miami in June 2023.

The Fund promotes the following characteristics:



ENVIRONMENTAL

Protecting and restoring biodiversity and ecosystems, through real estate projects that conserve historic sites.

Reducing pollution sources, through the application of procedures for decontamination and site remediation, measures for the reduction of air, light and noise pollution on construction sites etc.

Transitioning to a circular economy, through the application of requirements for the recovery, recycling and reuse of construction waste, the use of certified and low environmental impact construction materials.

Mitigating climate change through the use of NZEB standards, high energy class (EPC >C), the use of renewable energy, the adoption of measures to contain consumption and related GHG emissions.

Sustainable use and protection of water, through the adoption of measures for water efficiency and conservation in the property development project, and the adoption of efficiency measures for the reuse of rainwater and grey water for non-drinking uses.

Obtaining independent environmental certifications and ratings of the properties and/or AIFs under management (e.g. LEED, GRESB).



SOCIAL

Safety and well-being of workers, by defining requirements and procedures that the companies involved in development projects must comply with in order to ensure health, safety and decent working conditions.

Urban safety and quality (e.g. impact on architectural quality, on urban safety and quality of the social context etc.).

Permeability of the building and integration/enhancement of the context (e.g. integration with the social context).

User comfort and well-being (e.g. tenant-only amenities).

Sociality and inclusion of the community (e.g. amenities for use by the community).

Obtaining independent social certifications and ratings of the properties and/or AIFs under management (e.g. WELL, Wired).



The fund shall promote 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.

Social aspects

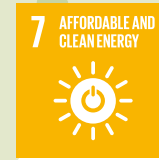
Environmental aspects

Governance aspects

PRIMARY
SDGs

Real Estate

Stakeholders



SECONDARY
SDGs



Certifications

In line with the strategies defined in the Palazzo Broggi redevelopment, aimed at restructuring the property in full respect of the historic character of the building, focus has been placed on **maximising sustainability standards**.

To this end, procedures for obtaining certification have been initiated: (i) **WELL**, issued by the International WELL Building Institute, in progress; (ii) **LEED**, issued by the US Green Building Council, achieved; and (iii) **WIREScore** achieved.

The actions aim to ensure the property's sought-after good performance and to focus not only on the enhancement of the building itself, but also on the well-being of future users and the community.



* Certification in progress.

Social Score

In order to assess the social profiles of the AIF, the AMC has decided to adopt a **"Social Score"**, which is assessed by an independent third party such as **Nomisma S.p.A.** (www.nomisma.it).

The Social Score is obtained from summarising two components that distinguish an asset and that, as such, contribute to generating the social impact of the real estate's infrastructure on the territory: the location ("**Context Score**") and the building's intrinsic characteristics ("**Building Score**").

Overall Social Score



GRESB rating

The Fund continued to adhere to the assessment of the GRESB benchmark achieved in 2022, with regard to **a result of 96 out of 100 points in 2021, an increase of 31.5%** over the rating obtained in the previous year.



GRESB
GRESB rating
★★★★★



96
100
GRESB Score
GRESB average 81 Peer average 92
Green Star



29
30
Management Score
GRESB average 27 Benchmark average 25



67
70
Performance Score
GRESB average 54 Benchmark average 65

ESG breakdown



49
51
Environmental
GRESB average 38 Benchmark average 49



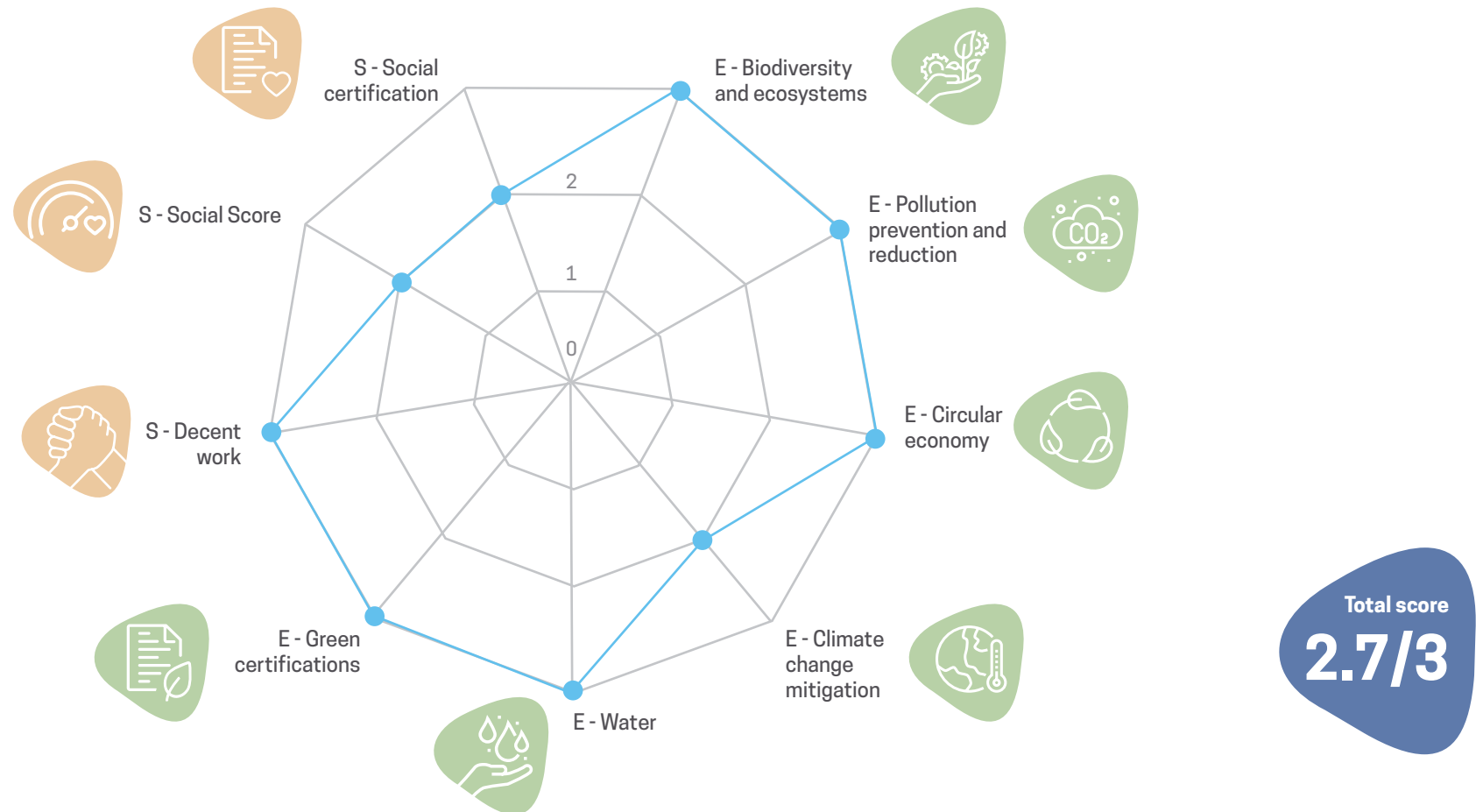
24
26
Social
GRESB average 22 Benchmark average 23



23
24
Governance
GRESB average 21 Benchmark average 21

DeA Capital Real Estate — ESG Score

To measure the achievement of each environmental and/or social characteristic promoted by the AIF, the AMC has adopted a specific framework based on a unique set of ESG indicators (the "Framework"). These are defined and updated as and when applicable in accordance with relevant international best practices, standards and regulations. Based on the framework adopted and the prevailing strategy of the AIF, the score measured in 2022 is **2.67** on a scale of 0 to 3.



The recovery of abandoned areas combined with the implementation of social initiatives

The fund's strategy is dedicated to the structuring and implementation of real estate initiatives and the implementation of investment policies with social purposes. The fund's assets are currently invested in initiatives located in the provinces of Genoa and La Spezia, which provide for the construction of more than 400 social housing units (Italian Ministerial Decree of 22 April 2008) and related services. These units aim to help resolve existing housing problems, in particular in the Liguria Region, by offering quality apartments for rent and for sale at discounted prices. The initiatives include urban redevelopment through repair, property renovation and the construction of new buildings. Among the fund's initiatives, the "Boero" project provides around 140 new apartments built as social housing for families experiencing housing deprivation, by

means of the conversion (without land consumption) of the former Boero area. This former industrial area in the Molassana district of the Municipality of Genoa previously housed the production facilities of Colori e Vernici (since the 1950s), which later moved to Rivalta Scrivia. The initiative was carried out by the AMC for the fund, with qualified investors Fondo Investimenti per l'Abitare, managed by CDP Immobiliare, Fondazione Carispezia, Compagnia di San Paolo, Fondazione De Mari and other institutional investors.

The project contributes to the urban regeneration of an important area of the city of Genoa and represents a virtuous example of the social enhancement of a former industrial property.

The Fund promotes the following characteristics:



ENVIRONMENTAL

Protecting and restoring biodiversity

and ecosystems, through real estate projects located in brownfield areas with site recovery; the implementation of environmental due diligence; the adoption of protection/restoration and conservation measures of historic sites and/or natural areas etc.

Reducing pollution sources, through the application of procedures for decontamination and site remediation, measures for the reduction of air, light and noise pollution on construction sites etc.

Transitioning to a circular economy, through the application of requirements

for the recovery, recycling and reuse of construction waste, the use of certified and low environmental impact construction materials.

Mitigating climate change, by obtaining a high energy class (EPC >C), the use of renewable energy, the monitoring of energy consumption, and the adoption of measures to contain consumption and related GHG emissions.

Sustainable use and protection of water, through the adoption of measures to increase efficiency of the reuse of rainwater and grey water for non-drinking uses, and the monitoring and reduction of water consumption.



SOCIAL

Suitable conditions for living and well-being by promoting the right to housing.

Safety and well-being of workers, by defining requirements and procedures that the companies involved in development projects must comply with in order to ensure health, safety and decent working conditions.

Urban safety and quality (e.g. impact on architectural quality, on urban safety and quality of the social context etc.).

Permeability of the building and integration/enhancement of the context (e.g. integration with the social context etc.).

User comfort and well-being (e.g. tenant-only amenities etc.).

Sociality and inclusion of the community (e.g. amenities for the use of the community etc.).

Obtaining independent social certifications and ratings of properties and/or AIFs under management (e.g. Avanzi).



In particular, the fund shall promote 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.

Social aspects

Environmental aspects

Governance aspects

PRIMARY
SDGs

Real Estate

Stakeholders



SECONDARY
SDGs



Certifications

One of Fund's objectives is to mitigate the housing problem for the more disadvantaged sections of society, in particular (i) households facing social and economic hardship; (ii) unwell and care-dependent elderly people through care homes and health facilities that allow for the development of intergenerational social relationships, through initiatives that provide a wide range of services, attractive and cooperative spaces that can stimulate a modern and inclusive social approach.

The **Nomisma Social Score** and the **Avanzi Rating** are used by the AMC to verify and monitor the implementation of these objectives.

In particular, the **Social Score** takes into account buildings intended for social housing or to provide hospital and health care facilities (such as nursing homes), a multiplier coefficient is applied, differentiated at territorial level, to underline the social value implied in the functional uses in question.

In order to strengthen the social profile of investment activities in social residence initiatives, the fund has adhered to an assessment of the environmental and social aspects by **Avanzi S.p.A. Società Benefit** (<https://avanzi.org/>). The assessment aims to make advance estimates and subsequent measurements at the end of the works on the social impact of the interventions, with a rating that measures social value. An ongoing evaluation on the perception of the initiative by users of the space (tenants, facility managers and communities) is also planned, completing a dedicated survey every two to three years.



Social Score

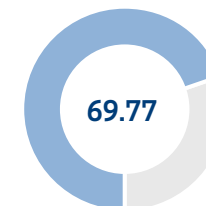
In order to assess the social profiles of the AIF, the AMC has decided to adopt a "Social Score", which is assessed by an independent third party such as Nomisma S.p.A. (www.nomisma.it).

The Social Score is obtained from summarising two components that distinguish an asset and that, as such, contribute to generating the social impact of the property's infrastructure on the territory: the location ("Context Score") and the building's intrinsic characteristics ("Building Score").

Overall Social Score



Building Score



Context Score



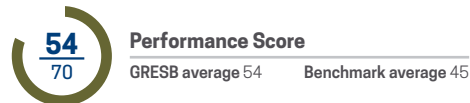
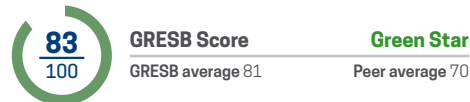
GRESB rating

The fund continued to adhere to the assessment made by the GRESB benchmark. Compared to 2021, the results for 2022 are as follows: (i) for income assets, 73 out of 100 points, an increase of 40.4% over the previous year and a third-place ranking out of the 19 participating funds; (ii) for development/redevelopment assets, 83 out of 100 points, up 27.7% year on year and second-place ranking out of 17 participating funds.

Framework development



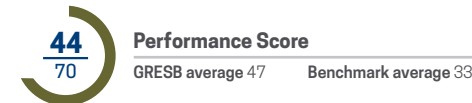
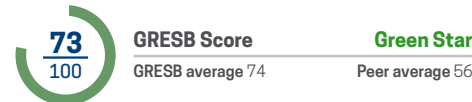
G R E S B
GRESB rating
★★★★☆



Performance framework

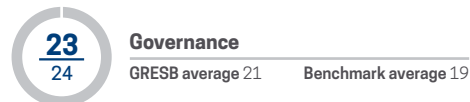
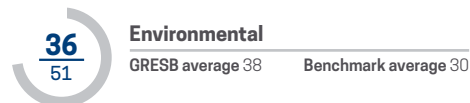


G R E S B
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★★★★☆

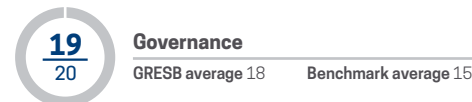
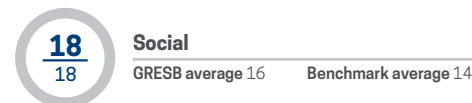
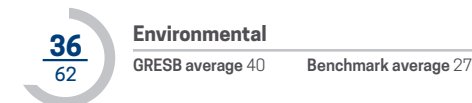


ESG breakdown

Framework development

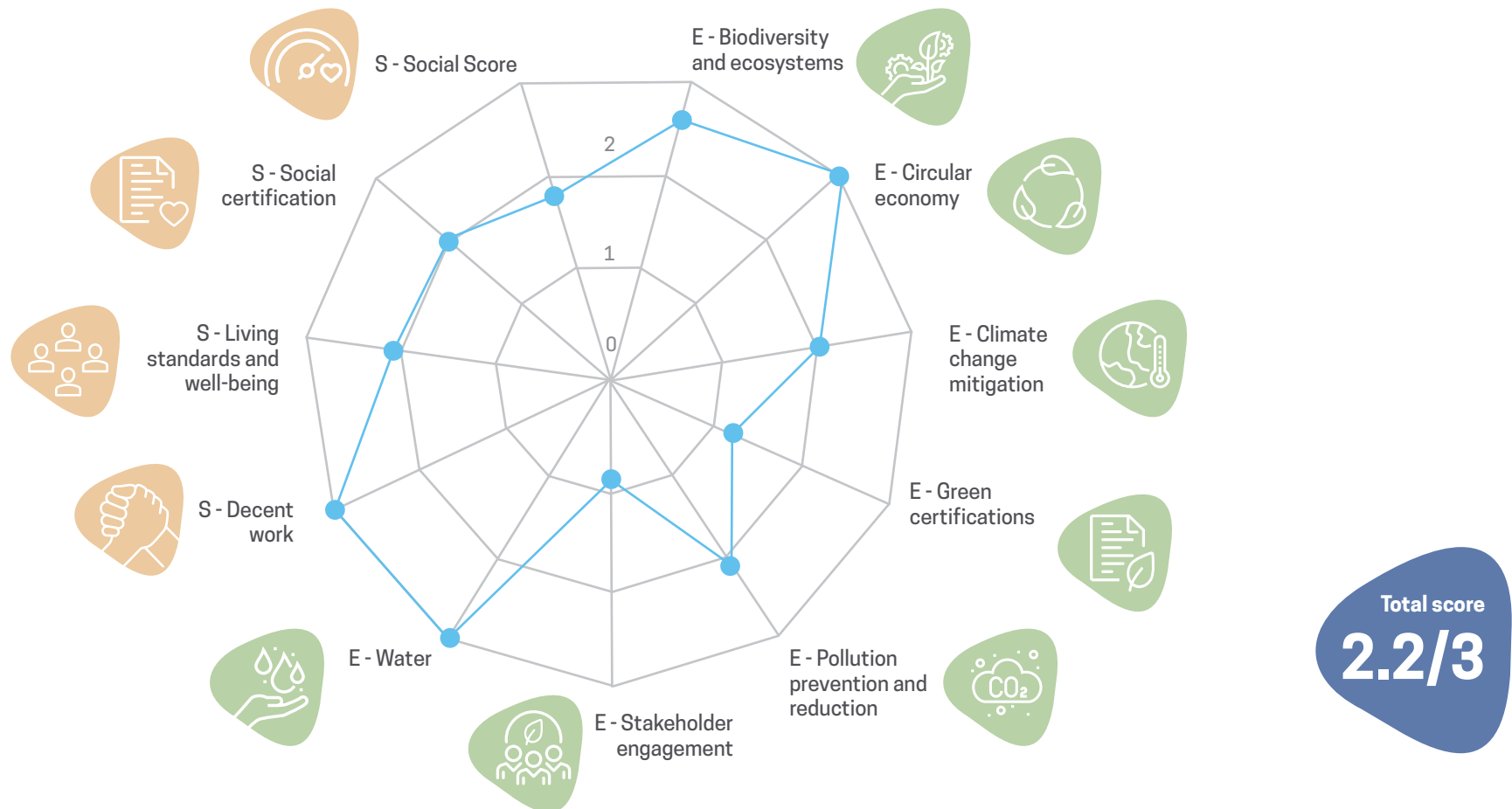


Performance framework



DeA Capital Real Estate — ESG Score

To measure the achievement of each environmental and/or social characteristic promoted by the AIF, the AMC has adopted a specific framework based on a unique set of ESG indicators (the "Framework"). These are defined and updated as and when applicable in accordance with relevant international best practices, standards and regulations. Based on the framework adopted and the prevailing strategy of the AIF, the score measured in 2022 is **2.2** on a scale of 0 to 3.





4

NEXT STEPS

Next steps

In 2022, the first three-year ESG Action Plan was concluded, setting out DeA Capital RE's objectives in embarking on its pathway towards sustainability. In line with what was established, this first phase of the process to implement ESG variables in the governance of environmental and social issues can be said to have been achieved.

2023 will see the definition of a new Action Plan, harmonised with the plan presented to the Supervisory Authorities, **which will focus mainly on strengthening the metrics, activities and systems implemented.**

The commitment to **engaging the supply chain, as well as local and central governments**, will continue. This is because the AMC considers its leading role in the market to be fundamental for achieving those European and global sustainability goals applicable to real estate.

As an industry leader, one of our primary objectives remains and will continue to be to **maximise knowledge and harmonise the way in which the reference market operates.**

Following the path's natural development, **the next three years will see a strengthening of the objectives set by the AMC**, both

internally and on the products managed, with **a view to the continuous improvement of results.**

The main objectives for maintaining the value of its investments can primarily be attributed to:

- ▶ the increase in the percentage of Open Market Value classified pursuant to Article 8 of the SFDR, also with regard to products established in the past;
- ▶ the strengthening of the sustainability risk assessments adopted and the extension of the assessment to Article 6 funds under SFDR;
- ▶ the consolidation of the ESG tool and its ESG rating, as well as the social framework adopted;
- ▶ an active contribution to studies and research through collaboration with universities.

Finally, DeA Capital RE **will ensure participation in ratings and benchmarks recognised by the market** to guarantee independent third-party assessments that objectively attest to the results obtained.



Contacts

If you are interested in finding out more about our ESG strategy, please contact our team @



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