

**DISCLOSURE ON TRANSPARENCY ON SUSTAINABILITY THEMES  
COMMUNICATION PURSUANT TO ARTICLES 3, 4, 5 of the Regulation (EU) 2019/2088**

## INTRODUCTION

The present declaration is made by Investire SGR (also the “SGR” or the “Company”) in compliance with the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector (the “SFDR Regulation”).

The SFDR Regulation today represents one of the main regulations on “sustainable finance” adopted in line with the objectives of the Action Plan for Financing Sustainable Growth. The same has the objective to reduce the informational asymmetry between financial intermediaries and final investors, harmonizing the *disclosure* obligations concerning the application of sustainability factors in investment activities. To this end, obligations have been introduced, both at the level of the company, regarding the integration of sustainability risks and the negative effects of investment decisions on sustainability, and on the level of products, which must be qualified on the basis of their environmental and social characteristics. The information must be reported on the web sites, in precontractual disclosure documents and in periodic reporting.

In particular, the purpose of this communication is to provide – pursuant to the SFDR Regulation – information on the position taken by the SGR on:

- policies on the integration of Sustainability Risks into investment decision-making processes (Article 3 of the SFDR Regulation);
- consideration of the negative effects of investment decisions on Sustainability Factors (Article 4 of the SFDR Regulation);
- consistency of remuneration policies with the integration of Sustainability Risks (Article 5 of the SFDR Regulation).

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The information contained in this communication has been updated respected to that published on 10.03.2021, in order to take into account the subsequent actions taken and/or planned by the SGR and refers to the positioning of the SGR with respect to the aforementioned matters with reference to the fiscal year ending on 31.12.2023 or the date of its publication.

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In line with the provisions of Article 2 of the SFDR Regulation, the terms used in this document with the first letter capitalized below have the meanings ascribed to them below:

- Sustainability Factors: environmental, social and personnel issues, respect for human rights, and issues related to active and passive anti-corruption.
- Sustainability Risk: an environmental, social or governance event or condition that, if occurs, could cause a significant actual or potential negative impact on the value of the investment.

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Investire SGR is an Asset Management Company that is part of the group of Banca Finnat Euramerica S.p.A., to which, therefore, is attributed the role of direction and coordination in compliance with the principle of autonomy recognized to the Company.

Investire SGR's mission is to set-up and manage real estate AIFs.

In particular, in its business management processes and in its decisions on investments, management, and development of the real estate portfolios of the AIFs, with particular reference to funds classified under Article 8 of the SFDR Regulation (as identified below), the SGR pursues objectives such as:

- promoting the well-being of people and communities, ensuring inclusiveness and equal opportunities, involving all stakeholders;
- urban regeneration through an increasing integration of the assets with their surroundings, taking into account their characteristics and destination of use;
- energy efficiency, through the evaluation of the potential for improvement of the assets in the portfolio and continuous implementation of technologies and methods aimed at containing and analytically measuring energy consumption and consequent containment of the carbon footprint;
- efficiency in the use of natural resources, primarily the water resource;
- application of the principles of circularity of materials at all stages of property development and management, with special reference to their reduction, recycling and reuse.

As of 31.12.2023, the Company's total assets under management amounts to approximately 7 billion euros (AUM), distributed over about 60 real estate investment funds of different types, reserved to professional investors and other categories of investors provided by applicable regulations.



The entire assets of the funds are composed of properties located in Italy and mainly intended for office and residential use.

Specifically, in Investire SGR's portfolio, as of 12/31/2023, there are n. 12 funds that promote environmental and/or social characteristics pursuant to art. 8 of the SFDR Regulation: n. 10 funds that manage social housing initiatives, n. 1 fund that invests in student housing projects, and n. 1 fund intended for investments in healthcare infrastructure.

All funds under management that currently qualify as compliant with Article 8 of the SFDR Regulation (the "Article 8 SFDR Funds") are characterized by clear environmental and/or social purposes with measured and monitored impacts, as described below in Section 4.

Currently, the Company submits all social/student housing Article 8 SFDR Funds as well as additional no. 2 funds (which have an investment profile particularly characterized in terms of attention to sustainability issues) to the 'assessment of the GRESB (Global Real Estate Sustainability Benchmark), the most important and internationally recognized benchmarking system for the real estate sector. Participation to GRESB requires the ability to report on specific environmental, social, and governance issues relevant to management activities, projects of development of new properties or redevelopment of existing properties, and good governance and management practices of the company.

The continuous participation to the GRESB assessment over the next years, with the increase of the number of participating funds, is itself a good practice that can:

- facilitate future requirements under the SFDR Regulation regarding the measurement of adverse sustainability indicators;
- expand the assessment of portfolio risks to so-called transition risks, in line with the approach of the Task Force on Climate Disclosure (TCFD);
- also assess the alignment of future investment projects with the requirements in the Technical Annexes of the Taxonomy for Sustainable Investments (pursuant to 852/2020/EU).

## **1) Policies on the integration of Sustainability Risks into investment decision-making processes.**

The SGR pays special attention to the management of Sustainability Risks, as it is aware that this type of risk, if it materializes, could have an impact on the financial returns of the investments of the funds under management.

Therefore, SGR, in assessing the identified investment opportunities and then in making the related investment decisions, takes a direct approach to identifying and subsequently assessing the main Sustainability Risks linked to the related assets.



Firstly, the Company has equipped itself with a rule and control system that covers a broad scope of environmental, social and good governance aspects and includes a Code of Ethics, an Organizational Model pursuant to Legislative Decree 231/2001 with related protocols, a quality management system, with procedures applied to all funds managed by the company.

With reference to all investment decisions, consisting both in real estate acquisitions and real estate development projects, the Company provides for the performance, by independent professionals, of technical, environmental and legal due diligence also on ESG issues, addressing them to the identification and assessment of related risks and the definition of opportunities for improvement and enhancement, through specific check-lists. The main areas assessed include compliance with all building/planning and landscape, environmental and plant and safety regulations.

The SGR's Risk Management Function is responsible for verifying, on an ongoing basis, the level of risk to which the funds are exposed, which also includes the analysis of Sustainability Risks.

In the evaluation process of each investment transaction, the Risk Management Function pays particular attention, in the context of operational risks, to the outcomes of the technical planning checks and environmental due diligence, highlighting any critical issues to the decision-making body.

In addition, the SGR monitors semi-annually, through a special quantitative model, the risks to which each AIF under management may be exposed (Fund Risk Model), also assessing Sustainability Risks on the basis of appropriate risk indicators that, appropriately weighted, will determine the ESG risk<sup>1</sup>.

In addition to the above, with regard to the Sustainability Risk, the Risk Management Function verifies the compliance with certain ESG investment limits that the SGR has adopted (such as, prohibition of real estate developments in protected areas or areas with high natural value and biodiversity; prohibition of investment in economic activities considered controversial or energy intensive production activities, etc.).

## **2) Non consideration of the negative effects of investment decisions on Sustainability Factors.**

The SFDR Regulation requires the SGR to publish how it takes into account the potential negative impacts of its investment decisions on Sustainability Factors or, alternatively, reasons why it cannot consider such impacts.

Without prejudice to the fact that the SGR considers as a priority to limit within its investments the effects of the main negative effects arising from sustainability issues, the Company, in

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<sup>1</sup> As of 12/31/2022, the quantitative method was used only for funds under management participating to GRESB. A qualitative method was used for the other funds.



compliance with Article 4 of the SFDR Regulation, does not currently consider the main negative effects of its investment decisions on Sustainability Factors and has therefore decided to adopt an "explain" approach.

Indeed, the SGR, while conducting its own assessments regarding the potential impacts of its investment decisions of the portfolio of the AIFs, given the lack of structured data and of a consolidated market practice in assessing the potential negative effects of investments on Sustainability Factors in line with the metrics outlined in the regulatory technical standards contained in Delegated Regulation (EU) 2022/1288 (which supplements Regulation (EU) 2019/2088 regarding regulatory technical standards which specify, inter alia, content, methodologies and presentation of information concerning adverse sustainability effects, "RTS"), has opted, for now, not to declare itself compliant under Article 4, para. 1, letter b) of the SFDR Regulation.

Taking into account the evolution of data processing and analysis activities and the technical-implementing provisions of the relevant regulations, the SGR intends to define punctual due diligence policies and has initiated specific activities aimed at highlighting the main negative effects resulting from investment decisions on Sustainability Factors, with the aim of rapidly arriving at a "comply" approach.

It will be the SGR's responsibility to provide timely updates on these matters and, in particular, on how, should be the case, the main adverse effects will be taken into account in the future.

### **3) Integration of Sustainability Risks into Remuneration Policies.**

The SFDR Regulation requires the SGR to include in its remuneration policy information on how such policies are consistent with the integration of Sustainability Risks.

The SGR with reference to the remuneration policy and corporate valuation appears to be in line with relevant industry regulations and best practices.

In fact, the remuneration policies provide that the parameters for determining variable remuneration for staff also include ESG objectives. In particular, the definition of qualitative-quantitative objectives related to ESG factors is based on the contribution provided by each function for the progressive integration of factors, in the management consistent with these principles. These objectives are mainly qualitative and differentiated according to the level and role of the different professional figures and the scope of intervention, and by way of example, the following:

- Targets on activities involving Investire SGR overall;
- Targets for funds participating to GRESB;



- Targets for funds that will be classified under Articles 8–9 of the SFDR Regulation on transparency of sustainability information, which have specific ESG objectives and related transparency requirements;
- Targets for new investments aligned with the European taxonomy (climate mitigation/climate adaptation).

#### 4) Disclosure on products

All funds managed by Investire SGR are substantially homogeneous in terms of characteristics and geographic location of real estate assets. These assets, as indicated before, do not include properties related to economic activities that may be considered controversial or "energy intensive" production activities.

Without prejudice to the above, in relation to the sustainability profile, two main characterizations can be distinguished in Investire SGR's portfolio:

- the no. 12 Article 8 SFDR Funds (as defined above);
- the remaining funds, which neither promote nor measure specific environmental or social characteristics nor have sustainable investment objectives.

The Article 8 SFDR Funds promote the following environmental and/or social features:

- development and social cohesion, by strengthening the provision of social housing infrastructure, dedicated to categories of individuals in situations of weakness and/or economic disadvantage, not entitled to public housing allocations;
- limitation of land consumption, through building regeneration operations of existing heritage in order to limit land consumption;
- contrasting the phenomenon of climate change and preventing and reducing pollution, by excluding the presence of fossil fuel-related activities, building and redeveloping properties with the aim of increasing the overall energy efficiency of the assets and actively managing their environmental performance;
- wellbeing of users, through: (i) the creation of common spaces and intended for ancillary services, as well as properties with high accessibility, aimed at fostering moments of social inclusion and sharing; (ii) the presence of a social manager who promotes community building and better coexistence among tenants.

Within the ESG Funds, a framework of ESG indicators, including social and environmental KPIs, has been defined with a view to integrate the Sustainability Risk indicators defined in the updated Fund Risk Model.



For a more detailed analysis of the characteristics of each ESG Fund, please refer to the specific disclosure pursuant to Article 10 of the SFDR Regulation available on the Company's website.

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