Statement on principal adverse impacts of investment decisions on sustainability factors

Entity name: GENERALI REAL ESTATE S.P.A. SOCIETA' DI GESTIONE DEL RISPARMIO - G.R.E. SGR S.P.A.

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1. Summary

Generali Real Estate SGR (hereinafter "GRE SGR") considers the principal adverse impacts (hereinafter "PAIs") of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of GRE SGR and its French subsidiary. This document explains GRE SGR approach on the "Principal Adverse Impacts of investment decisions on sustainability factors".

This statement on principal adverse impacts on sustainability factors covers the reference period from 1st January to 31st December 2024.

Monitoring activities and planned actions to mitigate the potential damage caused by climate change or misuse of natural resources (such as fossil fuels), as well as the active engagement with the stakeholders involved in various aspects of all business-related activities and the exclusion of companies / counterparties pursuing not ethical behaviors are expected to decrease the principal adverse sustainability impacts identified by GRE SGR.

Since GRE SGR focuses its business on managing Real Estate investments, the principal adverse sustainability impacts that are identified are the most critical and relevant for the management of physical assets i.e., climate change and natural disasters, pollution, water and waste, risk of involvement in ethical violations (e.g., human rights, corruption, compliance with laws).

GRE SGR considers PAIs as part of the business-as-usual and running operations, as GRE SGR has committed to embedding ESG throughout daily work through the implementation of tangible actions aimed to (i) improve the environmental impact created by underlying real estate assets (ii) further enhance the impact of social welfare of our stakeholders through a long-term investment management strategy of our real estate underlying assets, also through a transparent and efficient governance system.

It is essential for GRE SGR to adopt an effective and market-leading long-term fund strategy to attract and retain investors. As the demand for sustainable products and sustainable work ethic within the real estate sector is increasing, GRE SGR takes a proactive approach to establish the ESG credentials of its funds, ensure to have a multi-year outlook and advocate our sustainability management to reflect our beliefs, market needs and regulatory requirements. GRE SGR ambition is to continuously improve its sustainability framework and of the funds / assets managed through integrating a series of tangible actions.

GRE SGR complies with art. 4 of the Regulation (UE) 2019/2088 of the European Parliament and of the Council of November 27th, 2019, on sustainability-related disclosures in the financial services sector (hereinafter, "SFDR") since March 2021 (please refer to www.generalirealestate.com for further details), in order to provide investors and stakeholders in general with a transparent disclosure on the way PAIs are identified, measured, monitored and reduced / minimized over time within our portfolio under management.

For the final purpose of ensuring its investors the maximum level of commitment in transparency, GRE SGR drafted this statement on PAI (hereinafter "PAI Statement") according to the requirements of the Regulatory Technical

Standards ("RTS") that supplement the SFDR[1], including quantitative indicators respect to the PAIs for the 2024 reporting period.

Pursuant to the mentioned provisions, this PAI Statement takes into due account the specificity of the Real Estate investment management business, the nature and scale of the activities of GRE SGR and the types of financial products / assets under management.

Consistently with the above, the list of PAIs used to assess GRE SGR's portfolio impact includes the following PAIs:

- Exposure to fossil fuels through real estate assets (share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels) (Table 1);
- Exposure to energy-inefficient real estate assets (share of investments in energy-inefficient real estate assets) (Table 1);
- GHG Emissions (Table 2);
- Energy consumption intensity (Table 2);
- Certified Buildings[2] (additional proprietary indicator).

There are no applicable indicators for Real Estate investments provided in Annex I, Table 3 as referred to in Article 6(1), point (b) of the RTS. Furthermore, GRE SGR assessed the Table 3 indicators as not relevant for its investments.

The PAI Statement refers to the GRE SGR portfolio, considering funds set-up and directly managed by GRE SGR, including the direct investments (funds managed by GRE SGR) for which GRE SGR has operational control at real estate asset level, the indirect investments (funds of funds managed by GRE SGR) and real estate debt investments (i.e., CRE debt funds).

The methodological approach for the purpose of KPI calculation follows the references cited in the Annex I of the RTS and any methodological assumption and estimation adopted has been appropriately disclosed in the "Explanation" column of the table below and explained in the Section "Description of policies to identify and prioritize principal adverse impacts on sustainability factors". In the context of the direct portfolio, external data providers serve GRE SGR by collecting and/or estimating data /information on the underlying real estate assets. For the indirect and commercial real estate debt portfolios (hereinafter, "CRE Debt"), the operational management of the properties is delegated to third-party managers, thereby resulting in distinct methodologies being employed.

By voluntarily measuring and disclosing PAIs, GRE SGR has set a data collection baseline to reduce negative impacts. The key actions implemented during the reference period include in-house ESG due diligence, energy efficiency improvements, decarbonizing assets, and increasing certified buildings. The monitored PAIs trend indicates the effectiveness of the comprehensive ESG strategies and actions. GRE SGR aims to enhance data accuracy through green leases and data monitoring technologies. Despite data limitations, methodologies align with market practices and include reasonable assumptions and support from third-party experts and service providers.

[1] Commission Delegated Regulation (UE) 2022/1288 of 6th April 2022, supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in precontractual documents, on websites and in periodic reports.

[2] Real estate assets that have obtained green building certification from internationally recognized standards -such as, but not limited to, BREEAM, LEED, HQE, or DGNB.

2. Sintesi

Generali Real Estate SGR (di seguito "GRE SGR") considera i principali effetti negativi delle proprie decisioni di investimento sui fattori di sostenibilità. Il presente documento è la dichiarazione consolidata sui principali effetti negativi sui fattori di sostenibilità di GRE SGR. Il presente documento illustra l'approccio di GRE SGR ai "Principali effetti negativi delle decisioni di investimento sui fattori di sostenibilità".

La presente dichiarazione sui principali effetti negativi sui fattori di sostenibilità copre il periodo di riferimento dal 1° gennaio al 31 dicembre 2024.

Le attività di monitoraggio e le azioni pianificate per mitigare i potenziali danni causati dai cambiamenti climatici o dall'uso improprio delle risorse naturali (come i combustibili fossili), così come l'impegno attivo con gli stakeholder coinvolti nei vari aspetti di tutte le attività legate al business e l'esclusione di società / controparti che perseguono comportamenti non etici, dovrebbero ridurre i principali effetti negativi sui fattori di sostenibilità identificati da GRE SGR.

Poiché GRE SGR focalizza la propria attività sulla gestione di investimenti immobiliari, i principali effetti negativi di sostenibilità (di seguito "PAI") identificati sono quelli più critici e rilevanti per la gestione degli asset fisici, ovvero cambiamenti climatici e disastri naturali, inquinamento, acqua e rifiuti, rischio di coinvolgimento in violazioni etiche (es. diritti umani, corruzione, rispetto delle normative).
GRE SGR considera i PAI come parte del *business-as-usual* e delle operazioni in corso, in quanto GRE SGR si è impegnata a incorporare i fattori ESG nelle attività quotidiane attraverso l'implementazione di azioni tangibili volte a (i) migliorare l'impatto ambientale generato dagli asset immobiliari sottostanti (ii) migliorare ulteriormente l'impatto relativo al benessere sociale degli stakeholder attraverso una strategia di gestione degli investimenti a lungo termine degli asset immobiliari sottostanti, anche attraverso un sistema di governance trasparente ed efficiente.

Per GRE SGR è fondamentale adottare una strategia a lungo termine efficace e leader di mercato per attrarre e fidelizzare gli investitori. Poiché la domanda di prodotti sostenibili e di un'etica sostenibile nel settore immobiliare è in aumento, GRE SGR adotta un approccio proattivo per stabilire le credenziali ESG dei suoi fondi, garantire una prospettiva pluriennale e sostenere la gestione della sostenibilità in modo da riflettere gli obiettivi della Società, le esigenze del mercato e i requisiti normativi. L'ambizione di GRE SGR è quella di migliorare continuamente il proprio *framework* di sostenibilità e quello dei fondi/asset gestiti, integrando una serie di azioni tangibili.

GRE SGR è conforme all'art. 4 della SFDR da marzo 2021 (per ulteriori dettagli si rimanda a www.generalirealestate.com), al fine di fornire agli investitori e agli *stakeholder* un'informativa trasparente sul modo in cui i PAI vengono identificati, misurati, monitorati e ridotti/minimizzati nel tempo all'interno del portafoglio in gestione.

Al fine ultimo di garantire ai propri investitori il massimo livello di impegno nella trasparenza, GRE SGR ha redatto la presente Dichiarazione PAI secondo i requisiti dei *Regulatory Technical Standards* ("RTS") adottati dal Regolamento Delegato (UE) 2022/1288[3], includendo indicatori quantitativi relativi ai PAI per il periodo di rendicontazione 2024.
Ai sensi delle disposizioni citate, la presente Dichiarazione PAI tiene in debito conto la specificità dell'attività di gestione degli investimenti immobiliari, la natura e le dimensioni delle attività di GRE SGR e le tipologie di prodotti finanziari/asset gestiti.

Coerentemente con quanto sopra, l'elenco utilizzato per valutare l'impatto del portafoglio di GRE SGR include i seguenti PAI:

- Esposizione ai combustibili fossili tramite attivi immobiliari (quota di investimenti in attivi immobiliari coinvolti nell'estrazione, nello stoccaggio, nel trasporto e nella produzione di combustibili fossili) (Tabella 1);

[3] Il Regolamento delegato (UE) 2022/1288 della Commissione del 6 aprile 2022 integra il regolamento (UE) 2019/2088 del Parlamento europeo e del Consiglio per quanto riguarda le norme tecniche di regolamentazione che specificano i dettagli del contenuto e della presentazione delle informazioni in relazione al principio del «non arrecare un danno significativo», specificando il contenuto, le metodologie e la presentazione delle informazioni relative agli indicatori di sostenibilità e agli effetti negativi sulla sostenibilità, nonché il contenuto e la presentazione delle informazioni relative alla promozione di caratteristiche ambientali o sociali e agli obiettivi di investimento sostenibile nei documenti precontrattuali, sui siti web e nelle relazioni periodiche.

- Esposizione ad attivi immobiliari inefficienti dal punto di vista energetico (quota di investimenti in attivi immobiliari inefficienti dal punto di vista energetico) (Tabella 1);
- Emissioni di GHG (Tabella 2);
- Intensità di consumo energetico (Tabella 2);
- Edifici certificati[4] (indicatore proprietario aggiuntivo).

Gli indicatori per gli investimenti immobiliari previsti nell'Allegato I, Tabella 3, di cui all'articolo 6, paragrafo 1, lettera b), nel formato della Tabella 3 dell'Allegato I del Regolamento delegato che adotta l'RTS, non sono applicabili. Inoltre, GRE SGR ha valutato gli indicatori della Tabella 3 come non rilevanti per i propri investimenti.

La dichiarazione PAI si riferisce al portafoglio di GRE SGR, considerando i fondi istituiti e gestiti direttamente da GRE SGR, inclusi gli investimenti diretti (fondi gestiti da GRE SGR), sui quali GRE SGR ha controllo operativo a livello di asset immobiliare, gli investimenti indiretti (fondi di fondi gestiti da GRE SGR) e gli investimenti in debito immobiliare (i.e. fondi di debito CRE).

L'approccio metodologico ai fini del calcolo dei KPI segue i riferimenti citati nell'Allegato I degli RTS adottati dal Regolamento Delegato (UE) 2022/1288 e ogni assunzione e stima metodologica adottata è stata opportunamente resa nota nella colonna *"Spiegazione"* della tabella sottostante e spiegata nella Sezione *"Descrizione delle politiche di identificazione e prioritizzazione dei principali effetti negativi sui fattori di sostenibilità"*. Per quanto riguarda il portafoglio diretto, GRE SPA funge da data provider per GRE SGR raccogliendo e/o stimando dati/informazioni sul patrimonio immobiliare sottostante. Per i portafogli immobiliari indiretti e di debito (*CRE Debt*), la gestione operativa degli immobili è delegata a gestori terzi, il che comporta l'impiego di metodologie differenti.

Misurando e divulgando volontariamente i *Principal Adverse Impacts* (PAI), GRE SGR ha stabilito una base di raccolta dati per ridurre gli impatti negativi. Le azioni chiave implementate durante il periodo di riferimento includono l'applicazione di un processo di *due diligence* ESG interna, il miglioramento dell'efficienza energetica, la decarbonizzazione degli asset e l'aumento degli edifici certificati. Il *trend* dei PAI monitorati indica l'efficacia delle strategie e delle azioni ESG intraprese. GRE SGR mira a migliorare l'accuratezza dei dati attraverso *green lease* e tecnologie di monitoraggio dei dati. Nonostante le limitazioni dei dati, le metodologie sono allineate con le pratiche di mercato e includono ipotesi ragionevoli e il supporto di esperti e fornitori di servizi terzi.

[4] Immobili che hanno ottenuto una certificazione di edilizia sostenibile secondo standard riconosciuti a livello internazionale – come, a titolo esemplificativo ma non esaustivo, BREEAM, LEED, HQE o DGNB.

3. Description of the principal adverse impacts on sustainability factors

Based on the impact figures, the planned actions planned may be subject to revision. The adverse sustainability indicators in Table 1 of Annex I that are not listed in the table below are considered "Not Applicable" to investments in real estate assets.

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2024[5]	Impact 2023[6]	Impact 2022[7]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil Fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0,01%[8]	0,01%[8]	< 0,01%[8]	The involvement in the fossil fuels sector is assessed based on the primary intended use of the real estate assets.	GRE SGR has voluntarily chosen to measure and disclose the PAIs - a strategic decision aimed at building a more robust baseline for future data collection and estimation, ultimately supporting efforts to reduce negative impacts. For KPI 17, the actions implemented by GRE SGR include the application of an ESG due diligence process to make sure that potential findings on fossil fuel related exposure are taken into consideration during the investment decision making process. The objective is to maintain a very marginal share of investments with exposure to fossil fuel in the next reporting period. For KPI 18, the actions put in place by GRE SGR include a wide range of ESG strategies carried out
Energy Efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	59%[9]	61%[9]	66%[9]	The 2024 figure consists of 84% actual data from Energy Performance Certificates ("EPC") and 16% from estimates (please refer to the proprietary estimation methodology section).	

[5] The PAIs are considered as the observation of the overall year values of all available figures from 01.01.2024 to 31.12.2024.
[6] The PAIs are considered as the observation of the overall year values of all available figures from 01.01.2023 to 31.12.2023.
[7] The PAIs are considered as the observation of the overall year values of all available figures from 01.01.2022 to 31.12.2022.
[8] The figure consists of a non-significant exposure related to fossil fuel retail activity within shopping center assets. PAI 17 covers 100% of GRE SGR portfolio.
[9] PAI 18 covers 100% of GRE SGR portfolio, as required by the Regulatory Technical Standards, the computation of the figure does include only buildings required to abide by EPC and NZEB rules defined by EPBD (Energy Performance of Buildings Directives).

							through GRE SPA or other real estate service providers based on AIFs' rules / prospectus, such as the application of actions aimed at increasing the share of investments in energy efficient assets. Those actions are embedded during the overall asset life cycle as during the investments / divestments decision making process, capex / development / repositioning / refurbishment (if needed) and, ordinary / recurring asset management process involving tenants and counterparties. The objective for the next reporting periods, consistently with budget and technical issues and evolving portfolio composition, is to progressively increase the efficiency of the assets subject to reposition.

Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Impact 2024[10]	Impact 2023[11]	Impact 2022[12]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets	7.286 $tonCO_2$	6.395 $tonCO_2$	15.397 $tonCO_2$	The direct emissions sources considered refer to energy consumption for space heating. The distribution of GHG emissions across scopes may vary	GRE SGR has voluntarily chosen to measure and disclose the PAIs - a strategic decision aimed at building a more robust baseline for future data collection and estimation, ultimately

[10] The PAIs are considered is the observation of the overall year values of all available figures from 01.01.2024 to 31.12.2024. In order to further increase data quality and consistently with the methodology that accounts GHG emission and energy consumption, in case an asset has been purchased during the year, its GHG emission and energy consumption has been weighted by the related holding period during 2024.

[11] The PAIs are considered is the observation of the overall year values of all available figures from 01.01.2023 to 31.12.2023. In order to further increase data quality and consistently with the methodology that accounts GHG emission and energy consumption, in case an asset has been purchased during the year, its GHG emission and energy consumption has been weighted by the related holding period during 2023.

[12] The PAIs are considered is the observation of the overall year values of all available figures from 01.01.2022 to 31.12.2022. In order to further increase data quality and consistently with the methodology that accounts GHG emission and energy consumption, in case an asset has been purchased during the year, its GHG emission and energy consumption has been weighted by the related holding period during 2022.

						between different reporting periods for real estate asset occupancy settlements, availability and accuracy of the information and data about technical equipment and energy consumption and the subsequent definition of the operational control of GHG emission sources.	supporting efforts to reduce negative impacts. The actions implemented by GRE SGR to improve performance on both GHG emissions and energy intensity are closely interlinked, as the estimation of GHG emissions is inherently dependent on energy consumption data. Recognizing this strong correlation, GRE SGR has adopted a unified approach to address both indicators through a comprehensive set of ESG strategies. These strategies include a wide range of activities carried out through GRE SPA or other real estate service providers based on AIFs' rules / prospectus such as the application of actions aimed at increasing the penetration and accuracy of data. Key actions include initiatives aimed at enhancing the accuracy and coverage of environmental data, such as improving data collection systems and increasing engagement with stakeholders. These efforts are primarily integrated into the day-to-day management of directly held real estate assets and involve collaboration with tenants (i.e. by implementing green leases) and with counterparties (i.e. by
		Scope 2 GHG emissions generated by real estate assets	51.656 tonCO_2	33.604 tonCO_2	43.235 tonCO_2	The indirect emissions sources considered, in accordance with the GHG Protocol, refer to energy consumption of purchased electricity, district heating and cooling. Scope 2 GHG emissions are based on the Market-based calculation method. The distribution of GHG emissions across scopes may vary between different reporting periods for real estate asset occupancy settlements, availability and accuracy of the information and data about technical equipment and energy consumption and the subsequent definition of the operational control of GHG emission sources.	
		Scope 3 GHG emissions generated by real estate assets	58.953 tonCO_2	51.023 tonCO_2	44.430 tonCO_2	The indirect emissions sources considered, in accordance with the GHG Protocol, refer to the downstream leased assets categories related to tenants' energy consumption. The distribution of GHG emissions across scopes may vary between different reporting periods for real estate asset occupancy settlements, availability and accuracy of the information and	

						data about technical equipment and energy consumption and the subsequent definition of the operational control of GHG emission sources.	selecting appropriate vendors, systems, and technologies). Moreover, GRE SGR implements actions that leverage different factors across the overall real value chain with the aim of reducing the environmental footprint of its real estate portfolio. For KPI 18 (GHG emissions) and KPI 19 (energy intensity), and in line with budget constraints, technical considerations, tenant collaboration, and the evolving composition of the portfolio, the objective for the upcoming reporting periods is to progressively enhance the accuracy and coverage of environmental data, and to improve the efficiency of directly held real estate assets undergoing repositioning/ refurbishment, with the potential to reduce both energy consumption and GHG emissions. It is important to note that the observed fluctuations in total GHG emissions and energy intensity are primarily a reflection of GRE SGR's portfolio expansion, changes in asset status and improved data sourcing.
		Total GHG emissions generated by real estate assets	117.895 $tonCO_2$	91.022 $tonCO_2$	103.062 $tonCO_2$	Scope 1, Scope 2 and Scope 3 GHG emissions. The entire GRE SGR's portfolio is eligible according to the PAI's criteria. In particular, the 2024 data refer to the operating assets while the portion of assets under development or refurbishment are not associated with operational energy consumption (please refer to the following section for details on the methodological approach).	
Energy consumption	19. Energy consumption intensity	Energy consumption in kWh of owned real estate assets per square meter	181 kWh/m^2 year	149 kWh/m^2 year	187 kWh/m^2 year	The entire GRE SGR's portfolio is eligible according to the PAI's criteria. In particular, the 2024 data refer to the operating assets while the portion of assets under development or refurbishment are not associated with operational energy consumption (please refer to the following section for details on the methodological approach).	
Please note: PAI 18 and PAI 19 cover 100% of GRE SGR portfolio.							

Other voluntary indicators for principal adverse impacts on sustainability factors							
Adverse sustainability indicator		**Metric**	**Impact 2024**	**Impact 2023**	**Impact 2022**	**Explanation**	**Actions taken, and actions planned, and targets set for the next reference period**
Certified Buildings (*Proprietary indicator*)	Exposure to real estate assets that do meet adequate green certification standards	Share of investments in real estate assets that do achieve adequate green certification standards	79%[13]	69%[13]	60%[13]	As appropriate certification standards for green buildings, the main international references[14] and the local green building certifications[15] are considered. The indicator calculation includes direct equity funds directly managed by GRE SGR.	GRE SGR has prioritized the acquisition and/or development of certified buildings to increase the share of certified assets within its portfolio. Furthermore, new direct investments undergo an internal sustainability assessment designed to evaluate key environmental performance indicators, including the presence and level of sustainability certifications. The objective is to strengthen the portfolio credentials the attainment of certification and/or assessment.
Please note: the KPI covers 100% of GRE SGR portfolio.							

4. Description of policies to identify and prioritize principal adverse impacts on sustainability factors

Investment choices can have a potential adverse impact on stakeholders, environment and society.
GRE SGR believes that climate change, also given the peculiarities of the real estate asset class, is one of the most relevant topics regarding the impacts of its investment choices.
As an investment manager, GRE SGR can mainly have a significant effect by:

- further reducing the investments in underlying real estate assets not reaching certain environmental labels or consumptions thresholds;
- further increasing the fund and asset management efforts towards initiatives and projects aimed at increasing the environmental performance of the buildings;
- sensitizing the tenants' behaviors as ultimate users of the assets and, thus, responsible for the daily energy.

On April 27th, 2023, the Board of Directors of GRE SGR approved the *"Sustainability Policy"* and the first version of the *"Adverse Sustainability Impact Statement"*.

[13] Please note: the KPI covers the entire portfolio, excluding indirect investments and non–real estate assets (e.g., parking spaces, licenses, etc.). For the 2022 KPI, assets under development or refurbishment were also excluded from the scope.
[14] The Leadership in Energy and Environmental Design ("LEED") certification and Building Research Establishment Environmental Assessment Method ("BREEAM") certification are international recognized certification aligned with Generali Green Bond Framework and the market best practices
[15] France: Haute Qualité Environnementale ("HQE"); Germany: Deutsche Gesellschaft für Nachhaltiges Bauen ("DGNB").

The Board of Directors is responsible of the approval and review of the Sustainability Policy and the "*Adverse Sustainability Impact Statement"* upon proposal of the CEO. The CEO is involved, inter alia, in presenting to the Board of Directors the Sustainability Policy to be approved and is also in charge of the implementation of such Policy with the support of the GRE SGR ESG function directly reporting to the GRE SGR CEO. On an annual basis, the GRE SGR's Board of Directors assesses and reviews the underlying methodology and the outcomes of the implementation of the Sustainability Policy.

The Board of Directors on June 26th, 2025, approved this PAI Statement.

Based on the above, GRE SGR has decided to assess its impact on sustainability factors through different methodologies, criteria and tools, described below.

Sustainable due diligence

Direct investment acquisitions[16] undergo a sustainable due diligence (namely "ESG Check Tool"), performed by GRE SPA with regards to the equity funds set-up and the directly managed funds by GRE SGR. It includes a preliminary analysis about the EU Taxonomy alignment and the decarbonization path based on the Carbon Risk Real Estate Monitor ("CRREM") model. The sustainable due diligence aims at verifying building strengths, weaknesses, opportunities and threats and at classifying the controlled Real Estate asset according to the proprietary sustainable assessment tool. This tool measures the performance of each controlled Real Estate asset according to several categories, such as for example energy performance, technical characteristics, and to preliminarily assess compliance with the EU Taxonomy Regulation[17] and the decarbonization strategy.

CRE Debt investments are subject to an ESG Scorecard, which provides an overall ESG score for each Loan, based on indicators weighted by materiality and contribution to the SDGs. The ESG Scorecard is also used to assess the ESG profile of the project Sponsor. ESG Scorecard uses a number of indicators at asset and Sponsor level which may evolve over time and be adapted to industry developments (e.g. availability of a Sustainable Building Certification, eco-efficiency and refurbishment, tenant health and safety, and well-being, labor rights and working conditions, controversy assessment and governance processes). Moreover, CRE Debt investments are subject to (i) preliminary screening of the investment opportunity (ii) integration of the resulting ESG score in the investment memorandum for informational purposes and for consideration alongside other factors in the investment decision making process.

Data analytics

GRE SGR through GRE SPA is implementing a Data Analytics project for directly held real estate assets across most European countries. Existing utilities consumption data are collected and centralized in a digital platform, which automatically calculates/estimates CO_2 emissions and monitors their evolution, also supported by an innovative prop-tech, green-tech software as a service solution.

Green Leases

GRE SGR through GRE SPA is proposing a new "Standard Green Lease Clause" for directly held real estate assets, each time a lease with a tenant is negotiated or renegotiated. This clause will allow to obtain at minimum the tenants' utility consumptions on a regular basis, so that GRE SPA, on behalf of GRE SGR, can measure and take action to improve its management, its buildings and the CO_2 footprint, in close collaboration with the tenants. Through Green Lease, GRE SGR considers other selected ESG aspects by:

- Framing the relations of the parties to achieve compliance with the obligations prescribed by the regulations in force but also to embark the two parties on common and voluntary ESG commitments;

[16] Without prejudice to the commitment to carry out sustainable due diligence for all potential investments, there may be reasons in case it is not possible to run the sustainable due diligence (e.g., unavailability of information in relation to the timing of the property subject to investment, inability to receive certain information on the property). In the event of the impossibility of carrying out sustainable due diligence, a reasoned information will be provided.

[17] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (UE) 2019/2088.

- Support the occupants of rented premises so that their use maintains or improves environmental quality by promoting productivity, health and well-being, saving energy and natural resources and respecting the environment;
- Dialogue between the landlord and the tenant for a common environmental management of assets that create transparent exchanges about energy optimization and environmental actions.

Physical and transitional risk analysis

GRE SGR has conducted a comprehensive climate risk impact analysis across its portfolio. By leveraging the "Climate VaR"[18] model - a methodology and tool developed by a leading provider of climate risk analytics - GRE SGR successfully geo-localized its assets and mapped the physical risks associated with climate change.
A list of key hazard types has been assessed under climate change IPCC (Intergovernmental Panel on Climate Change) scenarios. As of today, the list of key hazards is the following:

- Water stress
- Wildfire
- Flood
- Heatwave
- Cold wave
- Hurricane
- Sea level rise

The outputs of this analysis are used to fulfil oversight duty on investments and related investment decision making considerations.

Transition to a low-carbon economy

GRE SGR voluntarily pledges the reduction of portfolios' emissions and - more broadly, the low-carbon transition. GRE SGR developed a proprietary methodology to assess and improve portfolios climate sensitivity by (i) identifying climate leaders and laggards and (ii) optimizing portfolios according to various climate strategies, as recommended by market best practice. As a tangible expression of this commitment, the Generali Group joined the Net-Zero Asset Owner Alliance, a coalition of some of the world's leading asset owners, convened by the United Nations, delivering on a bold commitment to make their investment portfolios – including real estate - climate-neutral by 2050.
As also mentioned above, GRE SGR is currently using a tool aimed at estimating the impact of transition risk. The tool, developed by a leader in the data provider's industry, represents one of the few tools currently available on the market for measuring / quantifying / estimating climate-related risks and defining any opportunities for an investment portfolio. Given the complexity of climate risk modeling, the results are considered indicative and preliminary, with expectations for refinement as more robust methodologies become available.

In this context, GRE SGR is implementing an internal model developed by the Generali Group to enhance consistency, transparency, and control over physical and transition risk assessments.

Minimum Safeguards

GRE SGR is committed to following internationally recognized codes of responsible business conduct and standards aimed at incorporating ESG characteristics.
Specifically, the Entity applies its own internal policies and procedures to ensure alignment with minimum safeguards. In particular:

- the parent company of the SGR's group has signed the UN Global Compact and is committed to aligning all group policies and practices with the UN Guiding Principles on Business and Human Rights;
- the SGR has established rules on anti-corruption for all employees as part of its Code of Ethics and Employee Conflict of Interest Procedure;
- the SGR ensures tax governance and tax compliance through its procedure on tax compliance;

[18] The Climate Value-at-Risk ("Climate VaR") is a model which provides an estimate of climate physical and transition risk. The tool makes it possible to measure climate-related risks and define any opportunities for an investment portfolio. Given the complexity of the model, the results of the implementation of the Climate VaR will be taken into consideration as a rough and preliminary estimate to be refined over the next years. Please note that GRE SGR is implementing a proprietary climate risk assessment tool developed by the Generali Group.

- the SGR promotes fair competition and market integrity and protects the interests of investors through its policies and procedures on inducements, personal transactions and market abuse and through its Code of Ethics.

Counterparties screening

GRE SGR, through the support of service providers and/or using dedicated tools and questionnaires, considers the following controversies and/or business sectors as relevant in the ESG assessment:

- Involvement in controversies which potentially infringe the principles of United Nation Global Compact:
  - companies involved in serious or systematic human rights and/or labour rights violations;
  - companies involved in severe environmental damages;
  - companies implicated in cases of gross corruption and bribery.
- Involvement in controversial business sectors:
  - armament and weapons that violate fundamental humanitarian principles through their normal use (cluster bombs, antipersonnel landmines, nuclear weapons, biological and chemical weapons);
- Exposure to the coal sector;
- Exposure to unconventional oil.

The screening process is applied to counterparties defined as buyers, sellers, co-investors in direct investments, as well as sponsors in CRE Debt investments.

Controls and checks are conducted across multiple ESG dimensions, and if a counterparty is deemed to exhibit poor practices in any of these areas, the business opportunity may be terminated.

The methodological approach adopted for the selection and prioritization of PAIs considers the specificity of the Real Estate investment management business, the nature and scale of the activities of GRE SGR and the types of financial products / assets under management.

In accordance with Tables 1 and 2 of Annex 1 of the RTS and consistent with the availability and relevance of the required data, the following PAIs were selected:

- KPI 17 - Exposure to fossil fuels through real estate assets (share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels) (Table 1);
- KPI 18 - Exposure to energy-inefficient real estate assets (share of investments in energy-inefficient real estate assets) (Table 1);
- KPI 18 - GHG Emissions (Table 2);
- KPI 19 - Energy consumption intensity (Table 2);
- Certified Buildings (additional proprietary indicator).

GRE SGR takes into consideration the probability, the severity, and the potentially irremediable character of the PAIs considered through a proprietary methodology based on a qualitative scale.
The prioritization of PAIs has been established through a matrix that takes into account the probability and severity of these major negative effects, including their potentially irreparable nature, as required by Article 7 of the RTS. The prioritization of each PAI is determined by the value (ranging from 1 to 3) calculated through the arithmetic mean of the scores assigned to each of the aforementioned characteristics (severity, probability, and irreparability) in accordance with the professional judgment of GRE SGR.
Specifically, the evaluations concerning the characteristics of the negative effects have taken into consideration the potential magnitude of the adverse impact in the specific case of GRE SGR as well as the commitment demonstrated in adhering to international standards and initiatives. For this reason, the considered PAIs have a homogeneous priority.

Methodology & approach for the PAIs calculation

General approach

The approach implemented by GRE SGR, in relation to the disclosed KPIs, has included the following considerations and assumptions:

TABLE 1 – KPI 17: Exposure to fossil fuels through real estate assets

- Assets under construction, under refurbishment or vacant are considered as "non-exposure to the fossil fuels sector".
- The observation of the assets' underlying activities led to the identification of shopping center assets including a petrol station. However, the total exposure to fossil fuels of the portfolio (computed on the underlying activities rent rate over the total rent of the assets) represents a non-significant exposure.
- For direct investments, the exposure is observed based on the primary intended use of the assets, while for indirect equity/CRE Debt information is requested from Fund Managers/Project Sponsor.

TABLE 1 – KPI 18: Exposure to energy-inefficient real estate assets

- Buildings that fall under jurisdictions other than the European Union are not required to abide by EPC and NZEB rules defined by EPBD (Energy Performance of Buildings Directives). This approach mainly concerns the indirect equity portfolio located in Asia and Oceania.
- For direct investments, actual information is directly collected and, when not available, estimated using GRE SGR proprietary methodology based on national regulatory frameworks, statistics and scenario analysis. For indirect investment / CRE Debt information is requested from Fund Managers / Project Sponsor.
- GRE SGR and GRE SPA, for the purpose of "TABLE 1 – KPI 18: Exposure to energy-inefficient real estate assets" calculation, developed a proprietary methodology to estimate the energy efficiency of assets for which actual Energy Performance Certificate ("EPC") data is not available. The methodology is based on national regulatory frameworks, statistics and scenario analysis and is built on the estimation of the EPC Letter of the building, fundamentals from which it is determined whether the asset is energy inefficient by applying the criteria set by the RTS. Buildings for which the project has been authorized after 31st December 2020 for construction and for which no energy efficiency classification information is available, will be verified to be located in Member States that have implemented from 2021 minimum energy performance requirements for new buildings aligned with NZEB rules, as reported by BPIE – Building Performance Institute Europe in its document "Nearly Zero: a review of EU Member State implementation of new build requirements". Therefore, assets satisfying the requirements are assumed to be energy efficient according to the RTS. GRE SGR buildings constructed before 31st December 2020, for which EPC information is not always available are located in Italy, France, Germany, Poland, Czech Republic, Spain, Portugal, Netherlands, Finland, Slovenia and Hungary. For these assets, the EPC Letter corresponding to the energy efficiency class is attributed starting from the Primary Energy Demand[19] value through criteria established or assumed by external references at national level, in particular:
    - Italy – the energy-inefficiency threshold has been determined through a simulation on comparable buildings on the SIAPE database (*Sistema Informativo sugli Attestati di Prestazione Energetica*), the Italian national tool to collect the Energy Performance Certificates of buildings and real estate units as established by Interministerial Decree 26/06/2015.
    - France – the energy-inefficiency threshold has been determined through a simulation on comparable buildings on the Observatoire DPE (Diagnostic de Performance Énergétique) Analyses Statistiques, the French national tool performing the database managed by the Agence De la Transition Écologique (ADEME) to collect the Energy Performance Certificates of buildings and real estate units.
    - Finland – the energy-inefficiency threshold has been determined as the PED belonging to the Top 15% (for each building's intended use type) in terms of energy efficiency of the national real estate stock defined by the national database Energiatodistusrekisteri which is "the Energy Certificates Register is an information service of the Center for State-Subsidized Residential Construction (Varke)."

[19] The 'Primary Energy Demand' (PED) of a real estate asset is the amount of energy that must be generated originally in order to meet the total energy demand of the building or real estate unit, equivalent to heating and cooling to maintain the desired temperature of the building and the coverage of hot water demand. The calculation of the Primary Energy Demand takes place through a technical assessment whose methodology is defined by the national regulatory framework transposing the EPBD (Energy Performance of Buildings Directives).

- Germany, Poland, Czech Republic, Spain, Portugal, Netherlands, Slovenia and Hungary – the energy-inefficiency threshold has been determined as the PED belonging to the Top 15% (for each building's intended use type) in terms of energy efficiency of the national real estate stock defined by the Real Estate ESG Index developed by Deepki.

- Where the actual data on the Primary Energy Demand of the asset in the portfolio is not available, the actual energy consumption intensity figure is adopted, assuming it as being comparable.

TABLE 2 – KPI 18: GHG emissions and KPI 19: Energy consumption intensity

- KPI 18 - Table 2 is calculated by applying to GHG emissions of the entire real estate asset an attribution factor based on the percentage of ownership of the building, in accordance with what defined for different asset classes by PCAF (Partnership for Carbon Accounting Financials) in the document PCAF Global GHG Standard[20].
- KPI 19 - Table 2 is calculated by dividing the real estate assets total energy consumption attributable to GRE SGR by the sum of the Net Leasable Area attributable to GRE SGR. The attribution factor, according to the same methodology as described previously, is based on the percentage of ownership of the building, in accordance with what defined for different asset classes by PCAF (Partnership for Carbon Accounting Financials) in the "Global GHG Accounting & Reporting Standard for the Financial Industry".
- Assets under construction, under refurbishment or vacant are considered as having no GHG emissions and no energy consumption and therefore the adverse impact does not materialize.
- For direct investments, data are extracted from a data analytics tool. The model inputs values from the same month of the previous year or the next closest month. If the coverage rate is insufficient to achieve an observation rate deemed appropriate, the missing energy consumption is estimated by extracting data from a benchmarking tool based on a model that considers asset characteristics such as area, country, primary use, and annual heating and cooling degree days.
- For CRE Debt and indirect investments, where applicable, the indicator includes actual data provided by the sponsor/third-party managers, collected where available on a "best effort"[21] basis, and an estimate based on an intensity factor derived from the primary use and location, which serves as an internal benchmark for the portfolio. This includes Scope 1, 2, and 3 emissions, as well as energy consumption intensity data collected directly from the sponsor.
- For assets for which the breakdown of Scope 1, Scope 2 and Scope 3 emissions are not available and only the total GHG emissions data are available, the breakdown figures are estimated through an internal portfolio benchmark.
- GHG emissions and energy consumption of the assets in GRE SGR portfolio are accounted only for the period related to the days of detention during 2024.

Data source

In general, data sources and information for direct funds consist of direct observations, and reasonable estimations/assumptions based on market practices currently available. For indirect funds and CRE Debt funds, the sources consist of evidence from third-party Fund Managers and Sponsors. Further information is available in the *Methodology & approach for the PAIs calculation* sub-paragraph "General approach".

Limitation to methodology

GRE SGR acknowledges the potential margin of error in the calculation of PAIs, primarily due to the limited availability of data in the real estate sector, the timing in obtaining those data, and the possible inaccuracies of current technological tools and models used for data collection. This challenge is further compounded by the lack of consolidated standards for monitoring the environmental aspects of real estate assets. Nevertheless, these limitations are not expected to compromise the environmental characteristics promoted by the entity. This is because the methodologies adopted by GRE SGR align with the best market practices currently available, incorporating reasonable assumptions and benefiting from the expertise of third-party professionals and service providers.

[20] Document available at carbonaccountingfinancials.com

[21] "Best Efforts" means that GRE SGR is committed to obtain data on the PAI Indicators from the third-party manager/ sponsor that has ownership of the underlying assets, or by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions.

Over the period under analysis, GRE SGR has undertaken a series of targeted improvements aimed at enhancing the quality, reliability, and transparency of data used in the calculation of the PAIs. These efforts reflect a broader commitment to strengthening ESG data management practices and aligning with evolving market expectations.

One of the key areas of progress has been the improvement in data collection for directly held real estate assets. With the support of external service providers, GRE SGR has intensified its efforts to gather primary data directly from assets and counterparties. This has involved closer collaboration with tenants, Asset and Property managers to ensure the availability of accurate and timely information, thereby reducing the reliance on estimated data for these assets. Moreover, the quality of data derived from estimates has been enhanced by refining the benchmarks used in the estimation process and by incorporating more precise feedback from counterparties. In such instances, GRE SGR ensures full transparency by clearly disclosing the estimation methodologies used, along with the planned actions aimed at progressively replacing estimates with actual data wherever feasible.

In parallel, GRE SGR has enhanced its internal data verification processes. Controls have been reinforced to ensure the quality and completeness of the information collected, including the implementation of periodic reviews and data validation. These measures contribute to a more robust and reliable data framework. Simultaneously, the company continues to enhance its information systems, including the adoption of innovative digital tools designed to improve the accuracy, efficiency, and timeliness of data collection and reporting.

To support these improvements, GRE SGR remains committed to staff training, including ongoing education on ESG-related topics.

Finally, GRE SGR maintains a strong focus on transparency regarding data limitations. All methodological constraints and areas where estimates are applied are clearly disclosed in the PAI statement, alongside a firm commitment to continuously improving data coverage and quality over time.

5. Engagement policies

GRE SGR is proactive in reducing the environmental impact of the asset portfolio as well as integrating environmental, social and governance (ESG) metrics and monitoring into the business operations.

The buildings sector consumes around 40% of the world's energy and contributes up to 30% of global annual greenhouse gas emissions[22]. There is a high internal awareness and understanding that the real estate sector is a key contributor to global trends such as climate change and that there is an opportunity for GRE SGR to drive large impact and demonstrate leadership within the market.

GRE SGR implemented and updated the "Sustainability Policy" and "Adverse Sustainability Impact Statement", publicly available on GRE SGR's website, that aims to describe the policies on the identification and prioritisation of principal adverse sustainability impacts and indicators, the principal adverse sustainability impacts and any action taken in relation thereto, the reference to GRE SGR adherence to responsible business conduct codes and internationally recognized standards for due diligence and reporting and, where relevant, the degree of GRE SGR alignment with the objectives of the Paris Agreement[23].

GRE SGR, through GRE SPA, implements a wide range of ESG engagement actions to mitigate the PAIs considered in the previous section, in particular regarding tenants and counterparties:
- *Tenants:* through *Green Lease*, GRE SGR undertakes to integrate of the most important ESG topics into commercial leases in order to engage with tenants for a win-win sustainable collaboration, and to meet demand for data analytics and disclosure.
- *Investors*: most of GRE SGR funds have implemented an ESG framework aimed at granting a sustainable allocation of capital into certified assets, in conjunction with a strong governance process, enhanced by a set of policies and processes able to further increase transparency, fairness and productivity. For example, the implementation of multiple risk management layers is granting sound monitoring capabilities, the development of cutting-edge data driven research adds objective and up-to-date ground to the underwriting phase, the robustness of a lean investment

[22] World Economic Forum, 2021.
[23] The Paris Agreement is a legally binding international treaty on climate change to limit global warming to 1.5°C. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, on 12 December 2015. It entered into force on 4 November 2016. Further information available at www.unfccc.int

process ensures safe and fast execution. Social aspects are embedded in the asset management activities and typically depend on the peculiarities of the assets and of the communities in which they are located. Among others, the implemented actions are also aiming at mitigating the "Exposure to fossil fuels through real estate assets" and "Exposure to energy-inefficient real estate assets" PAIs.
In the long term, if engagement activities are not deemed adequate in relation to PAIs, corrective measures will be provided on a case-by-case basis.

In carrying out the engagement activities with the tenants, GRE SGR collects and monitors periodically all the data required to compute the indicators for representing the impacts. This allows GRE SGR to act purposefully in the case of observation of no reduction of the principal adverse impacts over more than one period reported on.

With specific reference to the real estate sector, it should be noted that the effectiveness of data monitoring is subject to limited capacity in terms of resources and data systems dedicated to sustainability information management.

Furthermore, it is proper to mention that, due to the peculiarity of the real estate sector, GHG emissions and energy consumption annual data are strictly related to building occupancy, tenants' habits and climate-atmospheric patterns and temperature trends by geographical area, and this may lead to a limitation of time series comparability.

6. References to international standards

The Generali Group Strategy on Climate Change is a key reference point for GRE SGR, and it provides an overview of the decisions taken to promote a fair and socially just transition to a net-zero emission economy, in line with the objectives of the Paris Agreement, the Net-Zero Asset Owner Alliance and the Net-Zero Insurance Alliance.
GRE SGR commitment to continuous improvement in both real estate transactions and within the industry is highlighted in the support, as part of the Generali Group, of the following international initiatives:

International Regulation	Description	Reconduction to PAIs
UN Sustainable Development Goals	The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.	The nature of the international initiative allows it to be linked to all the considered PAIs
UN Global Compact	The United Nations Global Compact is a voluntary initiative for global corporations to commit to responsible business practices in the areas of human rights, labor, the environment, and corruption.	The nature of the international initiative allows it to be linked to all the considered PAIs
UN PRI	The Principles for Responsible Investment (or PRIs) were launched by the United Nations in 2006 with the intention of promoting the spread of sustainable and responsible investing among institutional investors; adherence to the PRIs entails compliance with and application of the following principles: - incorporate environmental, social and governance (ESG) parameters in financial analysis and decision-making processes regarding investments; - being active shareholders and incorporating ESG parameters into shareholder policies and practices; - require reporting on ESG parameters by companies under investment; - promote acceptance and implementation of the Principles in the financial industry; - collaborate to improve the implementation of the Principles;	The nature of the international initiative allows it to be linked to all the considered PAIs.

	- report periodically on activities and progress in implementing the Principles.	
Net-Zero Asset Owner Alliance (NZAOA)	An initiative of institutional investors committed to transitioning their investment portfolios to net-zero GHG emissions by 2050 – consistent with a maximum temperature rise of 1.5°C. The Alliance members are the finance industry's first to set intermediate targets, which include CO_2 reduction ranges for 2025 (22 – 32%) and for 2030 (40% – 60%).	KPI 18: GHG emissions
WEF Environmental Sustainability Principles for the Real Estate Industry	The World Economic Forum aims to develop a common set of environmental principles in partnership with the real estate industry. The goal of this effort is to ensure that the decision-making and operations of real estate firms place a high priority on becoming environmentally sustainable.	KPI 17: Exposure to fossil fuels through real estate assets KPI 18: Exposure to energy-inefficient real estate assets KPI 18: GHG Emissions KPI 19: Energy consumption intensity

In carrying out its analyses, GRE SGR applies the scenario methodology developed by the Carbon Risk Real Estate Monitor ("CRREM") providing the real estate industry with transparent, science-based decarbonization pathways that are aligned with the Paris Climate Goals of limiting global temperature increase to 2°C, with an ambition to reach 1.5°C. CRREM offers a comprehensive framework focused on carbon risk exposure and potential strategies to reduce this risk, and includes the elements needed to undertake scenario analysis.
For more details on the physical and transitional risk analysis, please refer to the section "Description of policies to identify and prioritize principal adverse impacts on sustainability factors".

7. Historical comparison

This Section provides a comparison with previous periods, in accordance with the RTS.

It is important to acknowledge certain limitations in the calculation of PAIs, such as data gaps, technological inaccuracies, and the absence of fully harmonized standards. Despite these challenges, GRE SGR adheres to the market's best practices, applying reasonable assumptions and leveraging third-party expertise to support the reliability and consistency of the data.

The following section provides a brief commentary on PAIs indicator, outlining key developments and observations from the reporting period.

PAI 17 Table 1 – Exposure to Fossil Fuels
Over the entire historical period, GRE SGR has consistently maintained a marginal level of exposure to fossil fuel-related investments. This result reflects the effectiveness of GRE SGR's ESG due diligence framework, which ensures that any potential exposure to fossil fuels is thoroughly evaluated and integrated into the investment decision-making process.

PAI 18 Table 1 – Exposure to Energy-Inefficient Real Estate Assets
The share of energy-inefficient assets in the portfolio has steadily declined over the entire historical period. This positive trend is the outcome of a holistic ESG integration strategy applied across the entire asset lifecycle - from acquisition and divestment decisions to capital expenditure planning, development, repositioning, refurbishment, and tenant engagement.

PAI 18 Table 2 – GHG Emissions and PAI 19 Table 2 – Energy Consumption Intensity

Over the entire historical period, GRE SGR has intensified its efforts to collect data directly from assets and counterparties. These efforts have led to enhanced data availability, supported by refined methodologies, and improved data sourcing practices.
It is important to note that the observed fluctuations in total GHG emissions and energy intensity are primarily attributable to portfolio expansion, changes in asset status, and more comprehensive data collection.

Proprietary Indicator – Green Building Certification
The share of assets with recognized green building certifications has increased over the entire historical period, highlighting GRE SGR's strategic focus on acquiring and developing certified buildings to enhance the sustainability profile of its portfolio.

For further information on PAIs performances, please refer to paragraph "2. Description of the principal adverse impacts on sustainability factors".

GRE SGR remains firmly committed to reducing the PAI of its investments, in line with technical feasibility, evolving portfolio characteristics, and a balanced approach to resource allocation.