

Generali Real Estate SGR S.p.A.

SUSTAINABILITY POLICY

Implementation of Regulation (EU) 2019/2088 Art. 3

<https://www.generalirealestate.com/regulatory-gre-sgr/>

Document summary

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2	2023-27-04	Split of the former Policy into two Policies; a more detailed description of some activities.	ESG Function
3	2025-26-06	Annual update	ESG Function
4	2026-05-25	Update to reflect organizational changes effective from 1 st May 2026, the introduction of the Minimum Safeguards section, and further refinements to the document.	ESG Function

Asset Management Value Chain

Value Chain References

SUP1004004 - Sustainability Statement Preparation
 SUP1004005 - Sustainability Statement Global Settings
 SUP1004006 - Management of Sustainability Statement Scope

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Glossary and Definitions

Term	Definition
AIF	Alternative investment funds managed by GRE SGR, included those managed pursuant to a delegation agreement and compartments of GRE SICAF S.p.A.
BOD	Board of Directors of the Company
CEO	Chief Executive Officer of the Company
DUE DILIGENCE QUESTIONNAIRE/ DDQ	A Due Diligence Questionnaire is a structured document required from third-party AIF managers to collect standardized qualitative and quantitative information on the investment vehicle, including governance, investment strategy, risk management, operational framework and ESG aspects.
ESG FACTORS	Environmental, Social and Governance factors
FUND MANAGERS	Professionals operating within the Fund Management Function, responsible for the day-to-day and operational execution of management activities relating to Funds and cross-border Funds).
GRE SPA/ SERVICE PROVIDER	Generali Real Estate S.p.A. as Real Estate service provider of GRE SGR
GRE SGR/ COMPANY	Generali Real Estate S.p.A. Società di Gestione del Risparmio
HEAD OF FUND MANAGEMENT	Senior role responsible for the management, execution and performance of the assigned funds, with direct accountability at single-fund level.
HEAD OF SECTOR & PORTFOLIO MANAGEMENT	Senior role responsible for sector-level investment strategy and portfolio coordination across funds under their perimeter.
POLICY	The GRE SGR's Sustainability Policy
RISK MANAGEMENT	Risk Management Function of GRE SGR
SUSTAINABILITY RISK	A sustainability risk can be defined as an environmental, social, or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Roles and Responsibilities

Corporate Function	Roles and Responsibilities
BOARD OF DIRECTORS/BOD of GRE SGR	<ul style="list-style-type: none"> Approves and reviews the Sustainability Policy upon proposal of the CEO; On an annual basis, assesses and reviews the underlying methodology and the outcomes of the implementation of the Policy, which includes: <ul style="list-style-type: none"> the methodologies for selecting and monitoring assets in order to integrate the analysis and management of sustainability risks within the Investment Process of managed products; how to integrate sustainability risks into remuneration and incentive policies in line with article 5 SFDR. Analyses how the main negative effects of investment decisions on sustainability factors are identified, defining priorities and mitigation actions, the results of which are formalised in the “Principal Adverse Sustainability Impact Statement of GRE SGR” which is published by 30 June each year in line with article 4 SFDR.
CHIEF EXECUTIVE OFFICER/CEO of GRE SGR	<ul style="list-style-type: none"> Presents to the BoD the Sustainability Policy for its approval; Monitors and implements the Sustainability Policy.
GRE SGR RISK MANAGEMENT FUNCTION	<ul style="list-style-type: none"> Periodically participates in the GRE SPA ESG Steering Committee, in order to have evidence of market trends and other ESG-related themes.
ESG FUNCTION OF GRE SGR	<ul style="list-style-type: none"> Directly reports to the CEO Is in charge of defining the sustainability assessment methodology; Implements ESG initiatives in coordination with the various Heads of Sector & Portfolio Management and the Heads of Fund Management and monitors ESG parameters; Supports and collaborates with the other stakeholders and involved functions of the investment process providing ESG opinions, views and research on relevant ESG and climate topics in order to inform the investment decision-making process with updated quantitative and qualitative information; Drives and monitors the activities carried out on behalf of GRE SGR and related AIFs by the service provider GRE SPA (e.g. Sustainable Due Diligence - “ESG check tool”); Publishes on the GRE SGR website the updated version of the Sustainability Policy; Publishes on the GRE SGR website a clear explanation of the amendments carried out when the Sustainability Policy is amended; Informs on an annual basis the Board of Directors about the implementation of the Policy.
GRE SGR / COMPANY	<ul style="list-style-type: none"> Means Generali Real Estate SGR S.p.A. and its branch established in Paris.
GRE SPA / SERVICE PROVIDER	<ul style="list-style-type: none"> Performs ESG data collection and monitoring at asset level, including energy consumption, GHG emissions (Scope 1, 2, 3), energy and GHG intensity, CRREM alignment, EU Taxonomy alignment and green certifications; Supports ESG reporting and regulatory disclosures (including PAIs) through data collection, calculation and consolidation at asset level; Conducts ESG due diligence activities during acquisition (e.g. ESG check tools) and supports ESG assessments prior to divestments, providing analysis of impacts on ESG objectives; Supports the achievement and maintenance of sustainability certifications (e.g. BREEAM, LEED, HQE, DGNB) and identifies improvement opportunities throughout the asset lifecycle; Manage ESG data platforms and IT tools for data collection, monitoring and analysis, supporting reporting, energy performance tracking and decarbonization initiatives; Supports ongoing asset performance monitoring through data analysis, tenant engagement and identification of improvement actions.

ESG STEERING COMMITTEE of GRE SPA	<ul style="list-style-type: none"> ▪ Oversees and supports the implementation of the Responsible Property Investment Guidelines approved by GRE SPA; ▪ Reviews and monitors the targets and key performance metrics from each of the strategic focus areas, which are set by the Committee whenever it sees the opportunity; ▪ Discusses and approves new targets and key performance metrics, once the previous ones are met and/or whenever it deems convenient and necessary.
HEAD OF SECTOR & PORTFOLIO MANAGEMENT/ HEAD OF FUND MANAGEMENT	<ul style="list-style-type: none"> ▪ Implements ESG initiatives in coordination with ESG Function ▪ Contributes to portfolio monitoring by ensuring alignment with sector strategy, market trends and value creation objectives. ▪ Assesses, through the Due Diligence Questionnaire, how the target AIF integrates sustainability risk into its investment decision-making process.
FUND MANAGER of GRE SGR	<ul style="list-style-type: none"> ▪ Manages the AIF's portfolio and it is responsible for the performance of the AIF; ▪ Focus on internationally, well-known and reputable building certifications and increasing coverage throughout the AIFs' portfolios; ▪ Undergoes environmental/sustainable due diligence (namely "ESG check tool") with the support of the ESG Function, with outputs taken into consideration in the investment decision process.

1. Introduction

GRE SGR, part of the Generali Group, believes that the proactive integration of ESG factors (see table below) into the investment process concerning the assets in which the AIFs managed invest (including real estate assets, credits and units of other AIF), will support it to achieve both financial returns and social value. Furthermore, where possible GRE SGR seeks to have an influence on tenant's behaviours, through engagement activities aimed at creating a holistic ESG approach to the real estate value chain.

To pursue the aforementioned objectives, with this Policy, GRE SGR is committed to not investing in activities deemed severely risky for the environment and/or society, as well as considering the governance standards of issuers. In particular, GRE SGR will examine aspects related to ownership structure, internal and external governance frameworks, management compensation and incentive policies, capital allocation choices, communication policies with stakeholders, and strategies and production processes. This approach will allow for the identification of existing issues and the analysis of potential risks related to real estate investments.

GRE SGR therefore tends to favor real estate investments deemed worthy from an ESG perspective, in line with the ethical principles of the SGR, in order to safeguard the investments made on behalf of clients and to more comprehensively assess the risk aspects associated with the real estate sector.

European Regulators developed a framework to boost the inclusion of sustainability considerations in finance in order to achieve a long-term sustainable development.

On 25 September 2015, the UN General Assembly adopted a new global sustainable development framework: the 2030 Agenda for Sustainable Development, which has at its core the Sustainable Development Goals (SDGs).

The transition to a low-carbon, more sustainable, resource-efficient and circular economy in line with the SDGs is key to ensuring long-term competitiveness of the economy of the Union. The Paris Agreement adopted under the United Nations Framework Convention on Climate Change which was approved by the Union on 5 October 2016, seeks to strengthen the response to climate change by, inter alia, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

As the Union is increasingly faced with the catastrophic and unpredictable consequences of climate change, resource depletion and other sustainability-related issues, urgent action is needed to mobilise capital not only through public policies but also by the financial services sector. Therefore, financial market participants and financial advisers should be required to disclose specific information regarding their approaches to the integration of sustainability risks and the consideration of adverse sustainability impacts.

In this regard, on the 27 November 2019 the European Parliament and the Council adopted Regulation (EU) 2019/2088 "Sustainable Finance Disclosure Regulation" or "SFDR" which entered into force on the 29 December 2019 and is applicable starting from 10 March 2021. Several provisions of SFDR have been implemented by the Delegated Regulation 1288/2022.

On 6 April 2022, delegated regulation n. 2022/1288 ("**RTS**") has been adopted to supplement SFDR 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 pre-contractual documents, on websites and in periodic reports. The RTS has been subsequently amended by virtue of delegated Regulation no. 363/2023.

SFDR was enhanced by the Regulation (EU) 2020/852 (*TR*) which provides the criteria for determining whether an activity can be considered environmentally sustainable, further integrating certain provisions of the SFDR.

SFDR aims to reduce information asymmetries in principal-agent relationships with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics, and sustainable investment, by requiring financial market participants and financial advisers to make pre-contractual and ongoing disclosures to end investors when they act as agents of those end investors (principals).

In addition the choice of the Product's name – also in order to avoid greenwashing - has to take into account ESMA Guidelines on funds' names using ESG or sustainability-related terms (ESMA34-1592494965-657) dated 21st August 2024 ("ESMA Guidelines").

Finally, Consob has published a Reminder n.1 dated 11 February 2025 on the inclusion of ESG factors in the decision-making process of investment funds and on information transparency at product level by managers (the "**Reminder**").

To comply with the introduced regulatory requirements, particularly Article 3 of the SFDR, GRE SGR adopts an approach aimed at identifying, assessing, and mitigating potential sustainability risks and possible negative impacts on performance, as well as reputational and operational risks arising from investments in entities operating in socially irresponsible sectors or with low ESG ratings and/or involved in serious controversies. Additionally, the SGR develops and applies a methodology to consider the negative effects on sustainability in order to monitor, contain, and reduce the impacts of investment decisions on sustainability factors.

The activities governed by this internal regulation also concern aspects relevant for the purposes of Legislative Decree 231/2001.

Violation and/or non-compliance with the rule regarding aspects relevant to the purposes of Legislative Decree 231/2001 could constitute a violation of the Organization and Management Model and/or could constitute a crime pursuant to Legislative Decree

231/2001 and, therefore, may be sanctioned in accordance with the provisions of the Model itself.

Anyone who becomes aware of a violation or non-compliance relevant to the purposes of Legislative Decree 231/2001 is required to promptly inform the Surveillance Body of the Company.

Objectives

This Policy defines the general principles and guidelines that place the evaluation of factors not only economic but also environmental, social, and governance (ESG) at the core of investment decisions. In particular, the Policy aims to:

- Promote awareness of ESG investments within the corporate structure and among stakeholders, fostering the application of responsible investment principles and processes;
- Reduce sustainability risks and their potential negative impacts related to the investments of managed assets;

Scope of Application

This Policy applies to the collective management activities of Italian and French alternative investment funds (AIFs) and the delegation of management of Luxembourg funds.

2. Policy on the integration of sustainability risks in the investment decision-making process

This Policy, required by art. 3 of SFDR aims at setting out the rules according to which sustainability risks are integrated into the investment decision-making process through the identification, measurement and mitigation of risks stemming from ESG factors. As an investment manager with a long-time horizon, the material impact that ESG factors have on the long-term returns of asset classes is of utmost importance. It is therefore essential to consider how ESG integration affects long-term investment returns and take advantages on anticipating the risks characteristics of the underlying real estate assets, considering ESG factors in trend and valuation analysis, where material. GRE SGR believes that ESG risks will have a significant impact on these macroeconomic risk drivers and therefore on the risks and return of the portfolio.

2.1 SUSTAINABILITY RISK ASSESSMENT

Sustainability risk identification

The sustainability risk identification process aims at guaranteeing that all material risks to which GRE SGR is exposed to are properly identified, assessed, and considered based on their likelihood of occurrence and severity, and mitigating actions are identified and properly implemented.

GRE SGR ESG Risk Assessment activity is structured taking into consideration the characteristics of the underlying assets (including real estate assets and credits), the business model and the strategy. The assessment starts with the identification of the material risks affecting the asset, taking into consideration its destination of use and characteristics for real estate assets, as well as implementing an assessment at Sponsor level for credits. A Due Diligence Questionnaire with a section focused on sustainability is performed for investments in other AIFs. ESG risk identification at AIF and asset level is intended to detect sustainability risks and opportunities that can impact the evolution of performance going forward. Indeed, successful ESG strategies can create value for the AIFs/ vehicle investing in the underlying assets and performing ESG risk management can avoid/ minimize costs by managing risks and increasing resiliency to sector and macro adverse trends. GRE SGR ESG analysis allows to measure the ESG risks, also capturing whether assets' ESG performance are improving or worsening over time.

In particular, the main ESG risks identified by GRE SGR affecting its business are:

- a) Climate change and natural disasters: most of the possible outcomes from climate change, mainly deriving from an increase in global temperatures, will have direct impact on the real estate assets, such as increased intensity of storms, including tropical cyclones with higher wind speeds and precipitations; increased risk of inland flash floods; more frequent coastal flooding and increased coastal erosion from storms and sea level rise ("Physical risk"). Furthermore, "Transition risks" associated with climate change are also identified: adoption of new climate regulations, changing customer behavior and preferences, development and/or expansion of low emission goods and services, reputation risk due to increased stakeholder concern or negative stakeholder feedback.
- b) Risk of involvement in ethical violations (e.g. Human rights, corruption, compliance with laws) or in controversial business sectors (unconventional weapons, severe environmental damage) though its investments and consequently the reputation risk related to inadequate responsible commitment.

Sustainability Risks can include potential increased running cost, potential decreased revenues, potential need of Capital Expenditures (Capex)/ Extraordinary Expenses, Contingent Liabilities & Provisions in order to prevent or limit the potential negative impact of sustainable risks.

Sustainability risk measurement and materiality

Sustainability risks, as ESG factors that can be detrimental to the value of the investment, are identified under the above framework and measured both in a quantitative and qualitative manner to provide the context of the investment decision-making process with the most updated and reliable figures and information.

Sustainability risk can be measured both in absolute and relative terms. Information leverages on internal research in conjunction with sustainability news, and raw data coming from multiple external providers (among which GRE SPA) are used to such end. Third-party data coming from ESG external provider is vetted and cross-checked with both external and internal researches. Internally to GRE SGR, qualitative assessments are performed in cases where available data is not sufficient to correctly measure and manage material sustainable risks.

GRE SGR ESG assessment focuses, from one side, on the material risks of AIFs/ assets and, from the other side, on the counterparties.

In GRE SGR's view, a strong positive ESG approach exists when an AIF/ real estate asset has a higher likelihood of showing resiliency and better long-term strategic positioning than fund/ real estate asset with a negative ESG view. Therefore, in case

material ESG risks are associated with a specific AIF/ real estate asset, a series of analyses are run to identify the specific improvements that could be implemented and support the AIFs/ assets in the transition path or in carrying out the relevant mitigation actions.

GRE SGR aims at identifying and quantifying those factors and insights that can strengthen and better inform the investment decision making process and strategies based on their financial materiality.

GRE SGR's aim is to create a holistic ESG approach which emphasizes materiality; therefore, GRE SGR focuses on ESG metrics that have a significant financial impact on the investments.

In addition to the above, GRE SGR is organized to adopt ESG integration techniques for its investments (including real estate assets, credits and units of other AIFs), with the goal of:

- Incorporate financial information and ESG information in portfolio construction process;
- Uncover hidden risks;
- Enhance returns anticipating trends;
- Focus on ESG factors found to be material and likely to affect corporate performance and investment performance.

2.2 SUSTAINABILITY RISK STRATEGIES

Sustainability risk strategies related to investment in real estate assets

As detailed under previous paragraph 1.1, among ESG themes, climate-related concerns gained greatest importance due to increasing regulatory and societal pressures, as well as their growing impacts in terms of transition and physical risks. As such, climate topics are embedded into GRE SGR decision making process.

Specifically, GRE SGR performs climate-related analysis¹ to (i) assess and mitigate assets exposure to transition and physical climate risks and simultaneously (ii) to influence assets users/ tenants in order to improve their approach to the energy consumptions.

As a result, climate strategies can be implemented with the aim of ensuring that assets consumptions are addressed towards climate change targets, with particular focus on transition risk and physical risk.

GRE SGR implements a wide range of ESG screening strategies carried out through GRE SPA or other real estate service provider based on AIFs' rules/prospectus, such as the application of actions regarding the following dimensions:

1. Investments and divestments
2. Refurbishment/ capital expenditures
3. Tenants and counterparties
4. Processes (health, safety and environmental management system; procurement; compliance key controls on Real Estate Management Procedures)

Investments and divestments/negative screening

In its real estate investment and divestment activities, GRE SGR is committed to preventing and minimizing reputational risks, while promoting the adoption of ethical principles and behaviors among potential counterparties and the broader business community. To this end, GRE SGR conducts thorough checks -supported by external providers and through due diligence tools or questionnaires- to determine whether counterparties (such as buyers, sellers, or co-investors) are involved in legal disputes or operate in sectors deemed relevant for ESG evaluation.

As part of this ESG assessment, GRE SGR identifies certain disputes and/or business sectors as significant, and applies a negative screening approach by excluding investments in the following areas:

- 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 due to Italian Law No. 220/20212, nuclear weapons, biological and chemical weapons).

GRE SGR has established mandatory exclusion criteria that must be strictly observed. The company is committed to avoiding

¹ Leveraging the methodology and tool developed internally within the Generali Group.

² This includes anti-personnel mines, cluster munitions, and submunitions of any kind or composition, or parts thereof. In accordance with Italian Law No. 220/2021, these requirements are verified using both publicly available and private lists.

investments in assets that could pose significant reputational risks. If any of the aforementioned negative screening factors are identified, GRE SGR will refrain from initiating new investments with the involved counterparties. However, the possibility of resuming business relations may be considered on a case-by-case basis, taking into account any mitigation measures implemented and the specific nature of the dispute.

In addition, GRE SGR actively monitors serious disputes to assess appropriate actions, with the aim of preventing new investments or the expansion of existing ones involving counterparties that may present future reputational risks.

GRE SGR adopts a strategic approach to portfolio rotation and investment selection, with a strong focus on sustainability and the quality of real estate assets. Key actions include:

- **Building Certifications:** GRE SGR prioritizes investments in properties that hold internationally recognized certifications such as BREEAM, LEED, WELL, HQE, and DGNB. These certifications reflect a commitment to sustainable construction and high-quality indoor environments, ensuring that buildings are not only energy-efficient but also conducive to occupant well-being.
- **Environmental and Sustainable Due Diligence:** For each property acquisition, GRE SGR conducts thorough environmental and sustainability assessments using dedicated tools such as the “ESG Check Tool”. These evaluations analyze the environmental impact and sustainability performance of the asset, and their findings are integrated into the investment decision-making process to favour low-impact, high-sustainability projects.
- **Responsible Investment Strategy:** Through these initiatives, GRE SGR aims to optimize portfolio performance while contributing to a more sustainable future. By aligning its practices with responsible investment principles, the company not only strengthens its reputation but also attracts investors who value ethical and sustainable investment opportunities.

As part of due diligence activities and ongoing monitoring, GRE SGR is supported by the service provider GRE SPA, which collects and monitors ESG data at asset level, including energy consumption, GHG emissions (Scope 1, 2 and 3), CRREM alignment, EU Taxonomy alignment and green certifications.

Refurbishment and capital expenditures

GRE SGR recognizes the opportunity to embed sustainability within the refurbishment projects of the underlying assets. This includes both the capital expenditure on materials in the initial build and implementation of technology upgrades and building management systems optimization during refurbishment and project management stages for operational effectiveness.

The following implementation activities establish GRE SGR’s approach to development and project management:

- **Integration of Responsible Investment Considerations:** Integrating responsible property investment considerations into the design and specification of major refurbishments and new developments, along with the rollout of refurbishment guidance.
- **Investment in Capital Expenditure:** Investing in capital expenditure to ensure that the most appropriate level of technology efficiency is achieved when developing or refurbishing sites.
- **Continuous Improvements in Energy Intensity:** Ensuring continuous improvements in the energy intensity of our assets through upgrades and optimization in the development and project management of our assets, in line with the European Union’s Energy Performance in Buildings Directive (EPBD).
- **Mitigation of Climate Risk:** Mitigating climate risk through upgrades and the refurbishment of assets, ensuring that structures are resilient and prepared to face future environmental challenges.

Tenants and performance monitoring

To monitor asset data consumption needed to identify and prioritize ESG actions to be implemented, a data gathering process, along with related reporting and trends analysis, is necessary. These tools are essential for making enhancements and engaging with tenants.

The following implementation activities, adopted by GRE SPA, represent GRE SGR’s approach to active recurring asset management:

1. **Data Capture from Tenant Operations:** GRE SGR is committed to capturing data from tenant operations through ongoing data analytics. This approach enables proactive property management and maintenance aimed at pursuing energy and resource efficiencies. Additionally, it helps identify assets for refurbishments and upgrades, optimizing overall performance.
2. **Using Operational Data to Engage with Tenants:** Operational data is used to engage with tenants regarding consumption trends and behaviors. Through these interactions, GRE SGR seeks ways to reduce energy consumption and promote sustainable practices. This not only contributes to a lower environmental impact but also fosters constructive dialogue with tenants, encouraging them to actively participate in sustainability initiatives.
3. **Training and Awareness:** GRE SGR organizes training sessions and workshops for tenants to increase their awareness of the importance of sustainability and efficient resource consumption. This educational support helps create a culture

of environmental responsibility within the buildings.

4. **Reporting and Trends Analysis:** Through periodic reports, GRE SGR provides tenants with a detailed overview of their consumption performance. Trends analysis allows for the identification of improvement areas and opportunities to implement more sustainable strategies.

In summary, GRE SGR is dedicated to an integrated approach to asset management that combines data collection and active collaboration with tenants to promote a more sustainable and responsible environment. This not only enhances the energy performance of the assets but also helps build stronger, collaborative relationships with tenants.

Processes (Health, Safety and Environmental Management System; Procurement; Compliance Key Controls on Management Procedures)

ESG topics are addressed by GRE SGR through GRE SPA in accordance with the outsourcing agreement in place, pursuant to which GRE SPA will apply the following procedures adopted by GRE SPA itself:

Direct Investment and Divestment: Procedures that regulate investment and divestment decisions, ensuring they are aligned with sustainability objectives.

- **Capex Procedure:** Guidelines for managing capital expenditures, ensuring that spending is sustainable and consistent with ESG policies.
- **Letting Procedure:** Regulations governing the management of leases, including the integration of sustainability criteria into leasing contracts.
- **Health, Safety, and Environmental Management System Procedure:** Procedures to ensure that health, safety, and environmental impact are considered in all business operations.
- **Procurement Procedure:** Guidelines for supplier selection and the purchasing of goods and services, with a focus on sustainability and social responsibility.
- **Compliance Key Controls on Management Procedure:** Key controls to ensure that all management practices comply with regulations and ESG standards.

The scope of the aforementioned policies has been structured around the four sustainability dimensions of GRE SGR: (i) Investments and divestments, (ii) Refurbishment/capital expenditures, (iii) Tenants and performance monitoring, (iv) Processes – and are summarized in the previous paragraphs. In summary, GRE SGR, through GRE SPA, is committed to integrating ESG practices into all its operations, ensuring that every aspect of asset management aligns with sustainability and social responsibility objectives. This holistic approach not only enhances operational efficiency but also contributes to creating a positive impact on the environment and society.

Sustainability risk strategies related to investment in credits

For credit investments, the ESG Manager Function and the Head of Debt Sector & Portfolio, with the support of an international provider specialized in sustainability, have developed an “ESG scorecard.” This tool, used during the investment process, assesses the sustainability aspects of the credit during the due diligence phase by analyzing:

1. **The sustainability profile of the project sponsor and the loan counterparty:** This involves a thorough analysis of the environmental, social, and governance practices of the entity involved in the project.
2. **The sustainability aspects of the underlying asset:** For example, it examines the availability of sustainable building certifications, eco-efficiency and refurbishment, as well as the health, safety, and well-being of the occupants.

The “ESG scorecard” is applied by the relevant Fund Manager involved from time to time, with the assistance of any external service providers and/or appointed consultants. The results of the scorecard are taken into consideration in the investment decision-making process, highlighting the importance of integrating sustainability aspects into financial choices.

In summary, GRE SGR is committed to ensuring that credit investments are evaluated not only based on financial criteria but also by considering sustainability aspects that can positively influence long-term returns and contribute to sustainable development goals. This integrated approach not only enhances the quality of investment decisions but also promotes responsible and sustainable business practices.

Sustainability risk strategies related to investment in units/shares of AIFs

For investments in units of alternative investment funds (AIFs), GRE SGR requires the AIF manager to complete a Due Diligence Questionnaire integrated according to PRI and INREV standards.

PRI standards (Principles for Responsible Investment) are a set of principles that guide investors to integrate environmental, social, and governance (ESG) considerations into their investment decisions. The goal of the PRI is to promote responsible and sustainable investing by encouraging financial institutions to consider the long-term impact of their choices.

INREV standards (European Association for Investors in Non-Listed Real Estate Vehicles) provide guidelines and best practices for investments in non-listed real estate vehicles. These standards aim to improve transparency and communication within the sector, facilitating responsible and sustainable management of real estate investments.

The Due Diligence Questionnaire includes various aspects, including those related to sustainability (e.g., policies and strategies, governance, and reporting). The Head of Sector & Portfolio Management/ Head of Fund Management, with the support of the Fund Manager involved, and - if necessary- with the support of external service providers and/or appointed consultants, assesses how the target AIF integrates sustainability risk into its investment decision-making process. This is done through the Due Diligence Questionnaire³, which contains a section focused on sustainability, to verify the alignment between the sustainability integration of the target fund and that of the acquiring fund.

Commitment on Human Rights and Ethical Principles

For this reason, GRE SGR is committed to implementing a comprehensive investment strategy that considers human rights, avoiding counterparties involved in serious controversies related to human rights violations or in controversial business sectors. Additionally, GRE SGR ensures that all its investments comply with Law 220/2021. For further details on compliance with Law 220/2021, please refer to GRE SGR's Investment Process Policy.

2.3 PROCESS GOVERNANCE

Governance of ESG Risk Assessment and Integration process

The **GRE SGR Board of Directors** is responsible for the approval and review of the Sustainability Risk Policy. The Policy is approved upon the proposal of the GRE SGR CEO who is also tasked with its implementation.

The **GRE SGR ESG Function**, under the direction of the CEO to whom it reports, is responsible for defining the sustainability assessment methodology and ESG parameters and implementing ESG initiatives in coordination with the Head of Sector & Portfolio Management and the Head of Fund Management. This function also monitors ESG parameters and compliance with the Policy, preparing an annual report on its implementation for the Board of Directors.

The ESG Function supports and collaborates with the various Heads of Sector & Portfolio Management/ Heads of Fund Management throughout the investment process by providing ESG opinions, insights, and research on relevant ESG and climate topics. This information helps inform investment decision-making with up-to-date quantitative and qualitative data. The ESG Function actively participates in identifying measures to address any sustainability-related events and assists the various Heads of Sector & Portfolio Management/ Heads of Fund Management in defining strategic investment choices.

Additionally, the ESG Function will oversee and monitor the activities carried out on behalf of GRE SGR and its related AIFs by GRE SPA as a service provider.

To stay updated on sustainability topics and share information, GRE SGR, through its CEO and Head of Risk Management Function, periodically participates in the GRE SPA Sustainability ESG Steering Committee. This committee aims to highlight market trends and other ESG-related issues.

The **CEO** communicates updates and information to the ESG Function Heads of Sector & Portfolio Management/ Heads of Fund Management and Fund Managers, to facilitate their activities.

The **GRE SGR Risk Management Function**:

- provides regular reporting as required by the Board of Directors;
- maps climate and environmental risks (physical and transitional) and integrates such into the risk management system accordingly;
- defines the relevant methodologies and processes for the management of sustainability risks;
- agrees with the Chief Investment Officer appropriate ESG KRI's aligned with the risk profile of each portfolio / product before the launch;

The risk profile is reviewed at least on an annual basis and at any time required by market conditions.

The **GRE SGR Compliance & AFC Function** periodically checks the adherence of the investment process to the Policy. In this context, the Compliance & AFC Function:

- performs a qualitative check in relation to the Principal Adverse Sustainability Impact Statement to be rendered by 30/06 of each year pursuant to Article 4 SFDR, according to the indications contained in the RTS, the Company having decided to adopt the comply approach;
- participates in the Products Committee in order to verify the existence of the characteristics necessary to classify (or reclassify) for SFDR purposes the products set up by the Company or managed under delegation, also in the light of the Company's internal regulations on the classification of products for SFDR purposes.
- evaluates ESG risk as part of the Compliance Risk Assessment;
- performs ex-post controls in relation to ESG issues.

³ The Due Diligence Questionnaire is only applied if the fund under consideration is managed by a third-party asset manager that is not part of the Generali Group or any of its subsidiaries.

Internal Audit

The Internal Audit Function of GRE SGR periodically assesses the adequacy, effectiveness, and efficiency of the Company's processes, procedures, internal control systems, and all other components of the governance framework related to sustainability matters. In this context:

- The Internal Audit Risk Assessment includes an evaluation of sustainability risk exposure affecting the Company's processes.
- The Internal Audit Plan explicitly incorporates ESG topics where applicable.
- Individual audit engagements address ESG-related aspects within their scope of activities, when relevant.
- In line with the audit plan, specific audits may be conducted to provide assurance on matters governed by the Policy.

Reporting of the process

Annually, the ESG Function publishes on its website the updated version of this Policy, contingent upon the presence of any revisions.

In compliance with article 12 SFDR the Policy, the information on how GRE SGR's remuneration policy is consistent with the integration of sustainability risks and the Product's online information under article 10 SFDR, published on the website are kept up to date. If those documents are amended, the ESG Function shall publish on the same website a clear explanation of the amendment.

Furthermore, by 30 June each year, GRE SGR, shall publish on its website, in a separate section titled: 'Statement on principal adverse impacts of investment decisions on sustainability factors', the its statement regarding the consideration on the principal adverse impacts of investment decisions on sustainability factors drafted in compliance with the ESG Technical Instructions to which we refer to. That information shall cover the period from 1 January until 31 December of the preceding year and shall be published in the section 'Sustainability-related disclosures' referred to in Article 23 of the RTS.

Internally, the Board of Directors is informed by the ESG Function annually of the implementation of the Policy in order to assess and review the underlying methodology and the outcomes.

Periodically, upon request of the relevant Heads of Sector & Portfolio Management/ Heads of Fund Management, the ESG Function provides internal reports to support the fulfillment of their oversight duty on investments. In addition, other internal stakeholders are updated and involved based on the process' needs.

Minimum Social Safeguards

GRE SGR commits to adhering to responsible corporate conduct codes and internationally recognized standards, aiming to incorporate Environmental, Social, and Governance (ESG) features, particularly focusing on environmental impact. In managing the Fund's activities, GRE SGR applies its internal policies and procedures to ensure alignment with minimum safeguard guarantees.

Specifically:

1. The parent company of GRE SGR has endorsed the UN Global Compact and is committed to aligning all Group policies and practices with the United Nations Guiding Principles on Business and Human Rights;
2. GRE SGR has established rules on anti-corruption for all employees within the framework of its Code of Conduct and the procedure for employee conflicts of interest;
3. GRE SGR ensures tax governance and compliance with tax regulations through its tax compliance procedure. GRE SGR promotes fair competition, market integrity, and investor protection through its policies and procedures on incentives, personal transactions, market abuse, and its Code of Conduct.

3. ESG competencies

GRE SGR is committed to developing and implementing structured training programs designed to strengthen ESG-related competencies across its entire organization. These programs may include a blend of online and in-person sessions, as well as certifications issued by internationally recognized institutions. This approach supports continuous professional development and ensures alignment with sustainability principles. In addition, GRE SGR has introduced targeted training initiatives for members of the Board of Directors, with a specific focus on sustainability and climate-related risks. These initiatives are intended to enhance the Board's expertise and support informed, responsible decision-making.

For more detailed information, please refer to the GRE SGR Fit & Proper Policy, which outlines the requirements for professionalism, independence, and integrity. The policy also defines the competence criteria, including knowledge related to the identification and management of climate and environmental risks, and more broadly, expertise in sustainability matters.