



FABRICA IMMOBILIARE

# *Sustainability Report 2022*





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# Letter to Stakeholders

Dear Stakeholders,

*In an ever-changing context, Fabrica SGR stands as an attentive player able to grasp and anticipate key social, regulatory and market developments, operating with deep-rooted values and a clear, long-term vision.*

*In 2022, sensitivity to innovation and change at the side of the long-standing commitment to social responsibility, led to the integration of sustainability into the company's Corporate Culture and Governance. Parallel to the strategic approach to sustainability and the corresponding Policy implemented in 2021, the past year witnessed the introduction of the ESG Management function, updates to internal procedures, and enhancements to the Corporate Risk Model, as were the inclusion of Sustainability risks.*

*Present also this year, our endeavour to educate and engage stakeholders, as well as the dedication and accountability in emphasizing the importance of responsible actions and their resulting impacts. The SGR maintained its adherence to the GRESB (Global Real Estate Sustainability Benchmark), a leading sustainability rating system in the real estate industry, a tool that fosters growth but also encourages a closer alignment with sustainability issues..*

*In 2022, Fabrica affirmed Social aspects as a crucial element in its operations. The primary focus has been on the end user, as the recipient of the real estate complexes and social impact projects. Each facility has been designed to cater to the specific needs of different user categories: families, students, young individuals, vulnerable individuals, and the elderly, among others.*

*The ESG direction and trajectory pursued by the SGR demonstrate its capacity to acknowledge and embrace the significant changes taking place in society. It reflects the understanding that every individual and organization has a role to play in driving change and contributing to a sustainable future. By adopting ESG practices, the SGR has exhibited its willingness to be responsive to the evolution, addressing social and environmental challenges. This unified approach signifies the SGR's commitment to actively participate in creating a positive impact and promoting collective responsibility for positive change.*

*Fabrica's initiatives, including the publication of this third edition of the Sustainability Report, showcase a growing integration and structuring of actions aimed at making sustainability a guiding force in long-term operational decision-making. This approach is driven by the objective of meeting stakeholder expectations and demands. It also strengthens Fabrica's position as an acknowledged leader and point of reference for Sustainability. By aligning operational choices with Sustainability principles, Fabrica aims to strengthen its reputation and continue to be a trusted and influential entity in this field.*

March 2023

President  
Fabrizio Caprara

CEO  
Giovanni Maria Benucci

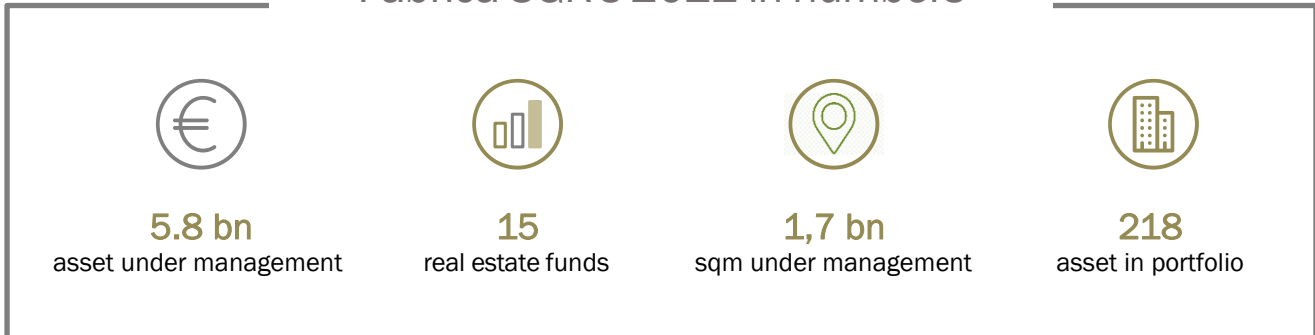
COO  
Valentina Compagno

CSO  
Lelio Mazarella



# Highlights 2022

## Fabrica SGR's 2022 in numbers



### Governance

- Integrated ESG Function
- Sustainable matters included in the corporate risk model

### Social

- 630 housing units in social housing
- 2.200 beds in Health Care Residence
- 5.550 beds in student residences

### Tenant

- Joint technical tables
- Transparent reports

### Employees

- 47 employees, all with fixed contract
- 66% female presence
- Over 70 % employees 30 - 50 years old

## Our commitment to the environment

<b>Paperless &amp; Recycle</b>	<b>43% renewable energy</b>	<b>ESG Oriented</b>
<b>Approach</b>		<b>Approach</b>





## Fabrica SGR

Fabrica SGR has established itself as one of the prominent participants in the real estate sector in Italy. Currently, the SGR oversees the management of 15 funds/sub-funds, with a collective asset value of approximately €5.8 Bn.

Active since 2005, Fabrica has experienced consistent growth, initially concentrating on residential development and fractional sales. The company's expansion aligns with the shared values it holds with its primary shareholder, the Gruppo Caltagirone. This partnership has contributed to Fabrica's development and success in the industry.

Anticipating market trends and contributing to national real estate innovation are the two cornerstones to have historically inspired asset management activities.

Fabrica SGR has been at the forefront of pioneering the exploration of the living sector in Italy, being the first Italian SGR to recognize the untapped demand for various types of residential accommodations. They identified specific target customer segments that had unmet housing needs, including university students, seniors, young professionals, young couples, and families with children. By identifying these underserved markets, Fabrica has been able to develop tailored residential solutions to cater to the specific requirements of each customer group.

To date, Fabrica has achieved significant results in all declinations of the Socially Responsible asset class:

- **Student housing:** in this sector Fabrica acted as a pioneer in Italy, launching its first initiatives in 2007. To date, with a portfolio of 10 facilities and more than 5,500 beds built in Italy's major university cities, the SGR is the leading institutional investor nationwide with a share of over 10% of the national stock.
- **Senior living** (for the self-sufficient and non-self-sufficient elderly): Fabrica has channelled resources into the segment since its inception and currently holds 14 assisted living residences with approximately 2,200 beds. In addition, in 2021, Fabrica launched the Aristotle Senior Fund, the first fund fully dedicated to the senior living segment.
- **Social housing:** the SGR manages two funds dedicated to the development of social housing projects in Italy, one of which is reserved for the start-up of initiatives in southern Italy. The two funds are implementing a total investment plan of more than €200 Mn. Projects to develop 600+ new social housing facilities have also been launched this year.
- **Health Care:** The SGR also acted as a pioneer in this segment, launching the first fund in 2006. Over the years, Fabrica has supported the growth plans of major national scientific research institutes, first and foremost the IEO (European Institute of Oncology), and is currently placing a new product.

Over the years, the SGR has gained the trust of leading Italian institutional investors; pension funds *in primis*, which now account for more than 90% of assets under management.

Commitment and sensitivity to ESGs were central in 2022, a year that saw the SGR continue its sustainability journey. Conjointly to the Sustainability policy and risk management model, Sustainability risks were integrated. The Sustainability Report tool was first launched in 2020 and now in its third edition, continues to communicate the company's sustainability effort transparently. These actions underscore the SGR's ongoing commitment to ESG principles and their proactive approach.

## Our Values

The SGR's activities continue to be firmly anchored to its values and consolidated over the years:

- **Transparency:** the entire investment and divestment process, including periodic evaluations and selection of outsourcers, is codified in a transparent system of internal procedures constantly overseen by control functions, as well as through a reporting system aligned with international best practices.
- **Independence:** the management of the SGR exercises complete independence in the selection of investment and divestment operations for the funds under management, solely based on professional expertise and market criteria, ensuring a diligent and objective approach.

- **Professionalism:** the SGR's human capital comprises of a team with multidisciplinary expertise, using cutting-edge tools and analysis methodologies aligned with the highest international standards.
- **Responsibility:** Fabrica is among the most active and experienced operators in the field of Socially Responsible Real Estate Investments in Italy. With over a decade of experience, primarily attributed to the establishment of the first socially responsible Fund, tailored to the investment of INPS's financial resources into real estate projects dedicated to universities and scientific research institutes. In total, Fabrica has initiated projects for about €1 Bn focusing on positive social impact initiatives. These initiatives include interventions aimed at bridging infrastructural gaps in areas and regions lacking effective infrastructures. Fabrica contributes to the welfare of communities and facilitates access to affordable housing.

## Main milestones of our activity

2005	Fabrica commenced its operations by launching the first two dedicated real estate funds. Notably, this included the pioneering creation of the first socially responsible fund in Italy, dedicated to the investment of INPS (Italian National Social Security Institute) liquidity. Key shareholders of the SGR are the Caltagirone Group and Banca Monte dei Paschi di Siena
2006 - 2007	SGR consolidates its portfolio by launching 5 real estate funds. The assets under management reach €2 Bn.
2010 - 2012	Fabrica wins two major public tenders called by pension funds (Inarcassa and Cassa Forense) inaugurating two dedicated funds. Furthermore, the SGR is selected by Enpap the pension fund for psychologists, to launch a dedicated fund. In another notable collaborations, Fabrica partners with CPDI SGR, launches Italy's first real estate fund specializing on student residences. Assets under management reach €2.5 Bn.
2013 - 2015	The SGR launches two social housing funds in partnership with CPDI SGR. In a separate development, a dedicated fund is launched for Inarcassa (National pension fund for engineers and architects) contribution in kind. Assets under management reach €3.5 Bn.
2016 - 2017	The SGR completes the liquidation process of the first two matured funds, realizing an IRR of 21.4% and 13.5%, respectively. The Caltagirone Group consolidates its stake in Fabrica's share capital, taking over the 49.99% previously held by Banca Monte dei Paschi di Siena
2018	SGR wins a tender called by a leading healthcare pension fund, to dedicate to Extended care (Nursing homes) asset management.
2019	In the first half of the year, the SGR makes investments abroad of about €250 Mn. Assets under management exceed €4 Bn.
2020	Fabrica wins the "Impresa d'eccellenza nel real estate" award, given by Scenari Immobiliari to Italian companies that have distinguished themselves for their achievements in the sector



2021

Fabrica SGR remains dedicated to advancing initiatives in the ESG as part of its ongoing commitment to sustainability. The SGR continues its efforts to foster a culture centered around social responsibility and the dissemination of ESG principles. It aligns strategic choices with these principles to ensure sustainable growth and transparency in its interactions with stakeholders.

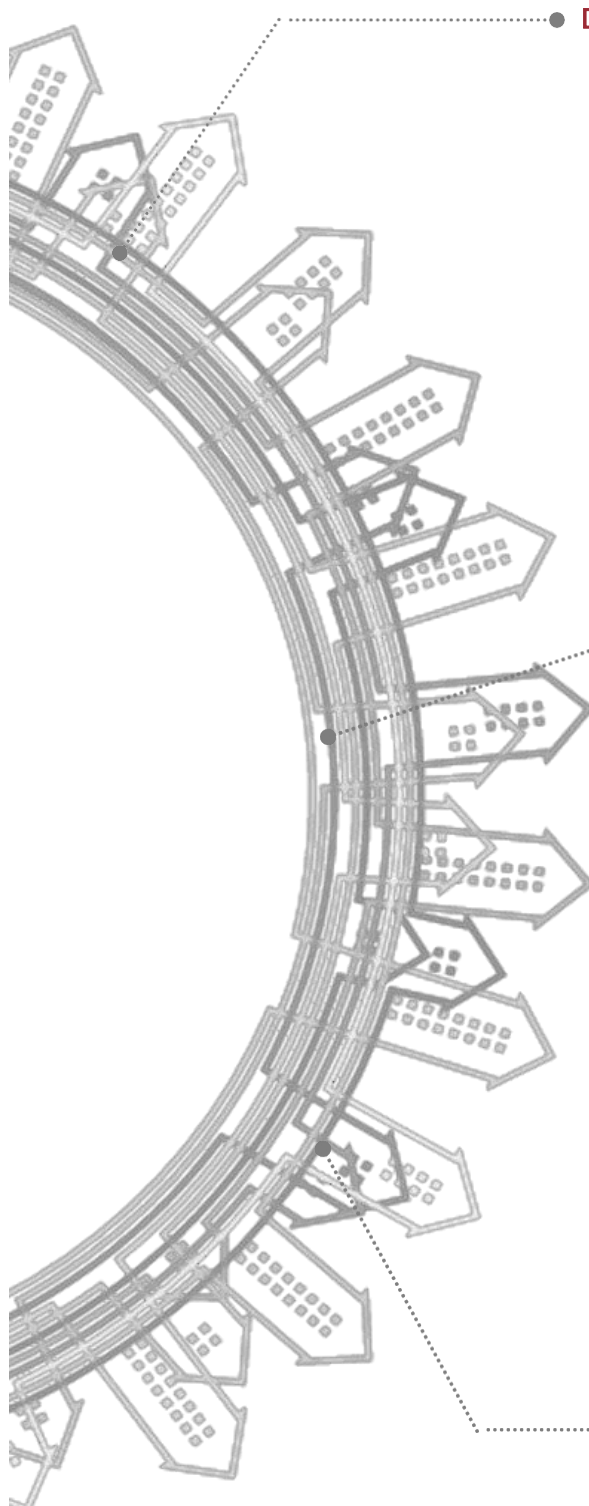
The initiatives carried out by Fabrica SGR in 2021 demonstrate their commitment: they began by introducing ESG due diligence processes, and continued to provide dedicated training programs focused specifically on ESG issues. Additionally, there was a general emphasis on sustainability matters concerning stakeholders. In a significant move, Fabrica SGR launched the Aristotle Senior fund towards the end of 2021. This fund is specifically designed to cater to the senior living segment, recognizing the increasing demand and specific needs of senior citizens.

2022  
and  
over

During 2022 Fabrica SGR took steps to enhance its focus on sustainability by introducing the role of an ESG Manager within its organization. This move aimed to integrate sustainability considerations more deeply into the company's strategic decision-making processes. It was also motivated by the need to comply with recent European regulations, including the Sustainable Finance Disclosure Regulation (SFDR). Furthermore, Fabrica SGR updated its internal operating model to ensure a systematic and progressive approach to sustainability practices. These initiatives demonstrate Fabrica's ongoing commitment to pursuing a sustainable path while adhering to regulatory standards and industry best practices.



## Our Funds



### ● Dedicated funds for Pension Funds and philanthropic Entities.

- Assets under management of approximately €4.3 Bn.
- 3 Funds aimed at optimizing and enhancing the real estate portion of significant pension funds's assets, by leveraging the potential of real estate opportunities
- 1 Fund dedicated to managing the real estate asset allocation of a shareholder-based philanthropic institution
- Composition of real estate portfolios diversified and aligned with the risk profile of the underwriters, corroborated by the particular needs of the specific area

### ● Socially Responsible Funds

There are now 5 funds that invest in realestate assets. Dedicated to improving the quality of physical spaces and fostering social, economic and environmental development, creating new spaces which contribute positively to society, with sustainable practices, and ensuring the well-being of communities:

- Committed resources of about €1.2 Bn for Social impact real estate investments
- A Fund investing in university buildings and scientific research
- A Fund dedicated to Extended care
- A Fund fully dedicated to Senior Living.
- A fund dedicated to the development of Student Housing
- Two Funds dedicated to Social Housing interventions

### ● Other funds

- AUM of about €350 Mn;
- Funds dedicated to large retailers and residential development projects
- A retail fund in the process of portfolio divestment



## Our Sustainability Journey

Sustainability has always been a central focus for Fabrica, an integral aspect of its financial approach as an SGR, aimed at generating shared value and positive impacts for the environment and society.

Fabrica's acknowledgement of ESGs primarily manifested in their groundbreaking investments in specialized sectors such as Student Housing and Senior Living. These investments were facilitated through a Socially Responsible Fund, motivated not only by market indicators but also by the desire to address infrastructure deficiencies and enhancing the nation's welfare for long-term development.

Over time, Fabrica has progressively recognized the social ramifications of its portfolio investments, and this has been reinforced by the growing awareness and concern shown by its investors on these matters. The establishment of a trusting relationship has further propelled Fabrica SGR to prioritize and intensify its focus on the social impacts generated by its investment activities.

To this end, starting in 2021, ESG due diligence has been introduced into the evaluation of new investments, analyzing the risks and related Sustainability issues which may cause a significant negative impact of the real estate investment.

In the previous year, Fabrica SGR undertook various initiatives to enhance its sustainable actions. These included the formulation of a Sustainability Policy and an active participation in the Global Real Estate Sustainability Benchmark (GRESB) since its inception in 2020. The aim was to reinforce the commitment to sustainability by progressively incorporating ESG principles into the company's corporate culture and objectives. Additionally, Fabrica launched a range of projects intended to prioritize and integrate these factors, making them pivotal considerations in its decision-making processes. The progressive integration of ESG regulations into Fabrica's internal procedures and Risk management model, which was updated in 2022 to include Sustainability Risks, along with the establishment of a dedicated ESG Management function, reflects the company's commitment. These updates also resulted in the decision to enhance transparency and engagement with stakeholders, emphasizing the importance of open dialogue. In line with this, Fabrica implemented a significant website update in 2021, with a specific focus on the ESG domain. The website, accessible at [www.fabricasgr.com/en/approccio-esg/](http://www.fabricasgr.com/en/approccio-esg/), features a dedicated section entirely devoted to sustainability. It provides access to the Sustainability Report, showcasing the company's activities, implemented objectives, and key information on Sustainability matters.

### Sustainability Policy

The Sustainability Policy, developed and introduced by Fabrica in recent years, has raised awareness and fostered a culture that prioritizes sustainability and embraces the Environmental, Social, and Governance (ESG) principles that define it. The policy's main objective is to raise awareness within the organization, among employees, corporate structures, and collaborators, about the paramount importance of sustainability. By promoting this awareness, Fabrica has solidified its reputation as a dedicated entity that prioritizes ethical and social considerations in all its operations.

To accompany this Policy, starting in 2022 Fabrica has structured an ESG plan that will gradually complement the SGR's broader business plan, emphasizing the increasing integration of sustainability principles into Fabrica's medium- to long-term strategic choices.

### ESG Management

In 2022, Fabrica expanded its workforce by introducing the ESG Management function, specifically established to oversee and coordinate ESG matters within the company. This function operates under the direct supervision of the CEO and is accountable to the Board of Directors, including the Committee with ESG responsibilities. This development highlights the significance of integrating sustainability principles into Fabrica's overarching strategic decisions, underscoring the organization's commitment to ESG considerations.

This figure promotes ESG principles both internally and externally: in the company's strategy and culture, in operational choices of all functions and by integrating ESG matters into the SGR and managed funds respectively. Additionally the ESG Management is in accordance with the requirements set forth by the SFDR: aligning all practices with the SFDR guidelines and ensuring compliance with its provisions.

## Global Real Estate Sustainability Benchmark (GRESB)

In recent years, the real estate sector and the related financial market have been characterized by an increasing focus on ESG matters, a trend that has also led to a demand for greater transparency about the performance of organizations in this area.

The GRESB is a prominent global benchmark, plays a crucial role in assessing ESG factors within the real estate and infrastructure sectors. It serves as a widely acknowledged standard for benchmarking and reporting ESG aspects for real estate companies, funds, developers, and investors engaged in direct investments in the real estate sector.

The GRESB provides a means to assess Fabrica's sustainability performance in two key aspects: Management and Performance. It offers an overall score for each participant, along with a peer comparison report that takes into consideration various factors such as country, region, sector, and type of investment. These evaluations have not only motivated Fabrica to strengthen its commitment to sustainability but have also facilitated the initiation of additional projects in the ESG domain, including:

- Identification of risk areas, opportunities, and portfolio impacts;
- Tenant and supplier awareness activities toward ESG matters;
- Engagement with its tenants in order to initiate discussion regarding sustainability matters;

It should be noted that during 2022, the Aristotle Senior, Erasmus, Descartes, Esperia<sup>1</sup>, Inarcassa comparto<sup>12</sup> and Novello Funds received the "Green Star" from the GRESB. An award given to the most virtuous Funds in the ESG sphere, precisely to testify to the attention and commitment dedicated by the SGR to these matters.

The share of funds participating the GRESB, which had increased during 2021, was further and gradually expanded during 2022 in order to make funds furthermore sustainable.

## Adaptation to SFDR regulations

Ever since the entry into force in the first quarter of 2021 of the EU Regulation 2019/2088: the "Sustainable Finance Disclosure Regulation" or "SFDR," Fabrica SGR has published and updated on its website the required disclosure, to which please refer.

## Stakeholder Engagement and Materiality Matrix Update

Fabrica SGR considers the involvement and participation of stakeholders in decisions within their competence to be of primary importance. This includes the implementation of a widespread and conscious engagement activity with its stakeholders, in order to promote equality and completeness of information and ensure a balance between different activities and the related environmental, social and economic impacts.

Fabrica SGR's commitment is primarily reflected in the significant path of implementing ESGs, inspired by international best practices while also taking into consideration the interests and expectations of the stakeholders involved.

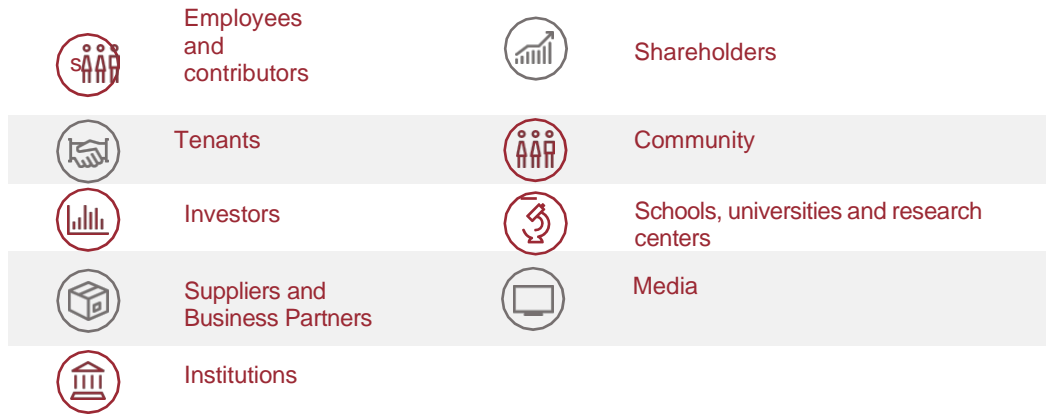
To showcase Fabrica's commitment to maintaining an ongoing and productive dialogue with stakeholders, and to incorporate their needs and expectations, the company's management conducted an initial industry benchmarking exercise with its primary competitors. As a result, the stakeholder categories were re-evaluated, retaining only those with whom a strong and continuous relationship exists. Consequently, in 2022, Fabrica decided not to include Associations and NGOs, unlike the previous year.

The following are the 9 categories of stakeholders:

<sup>1</sup> It should be noted that Green Star refers to the Development module of GRESB 22

<sup>2</sup> It should be noted that Green Star refers to the Development module of GRESB 22





Another significant undertaking in 2022 aimed at strengthening the connection with stakeholders was the engagement activity with shareholders. This initiative sought to initiate a process of integrating and enhancing ESG strategies within Fabrica's operations.

Fabrica remains committed to communicating with shareholders and actively involves them in setting sustainability goals. The aim is to align funds and assets with the Company's ESG journey and demonstrate a strong awareness of this important issue.

Aware of the importance of transparent communication, during 2022 Fabrica SGR continued to update and enrich its website. In particular, the section dedicated to sustainability has been recently updated to reflect the SGR's activities and objectives in this regard. Additionally, the Annual Report, which serves as a vital tool for reporting and communicating the company's identity and commitment, is translated into English to reach a broader audience.

## Materiality Matrix 2022

Fabrica SGR's Materiality Analysis process for 2022 was developed by the company following the new guidelines defined by the GRI Universal Standards 2021.

The 2022 materiality update process was developed through the analysis of the context of reference as well as the involvement of management and top-management.

The materiality process conducted by Fabrica involved assessing the significant positive and negative impacts of the organization's activities and business relationships on the economy, environment, and people, with a particular emphasis on human rights. These impacts were then analyzed to identify the material issues that were prioritized during a dedicated workshop involving Fabrica's management.

Following the internal evaluation of updating and prioritization of topics, the material topics for the Company were found to be 19, divided into 3 ESG macro-clusters:

### Governance:

- Governance and Economic Performance
- Opportunities related to regulatory developments in ESG.
- Compliance and risk management

### Social:

#### External

- Tenant engagement and satisfaction

- Technological innovation and cybersecurity
- Senior Living
- Health Care
- Social Housing
- Student Housing
- Urban regeneration
- Evolved services
- Local community support

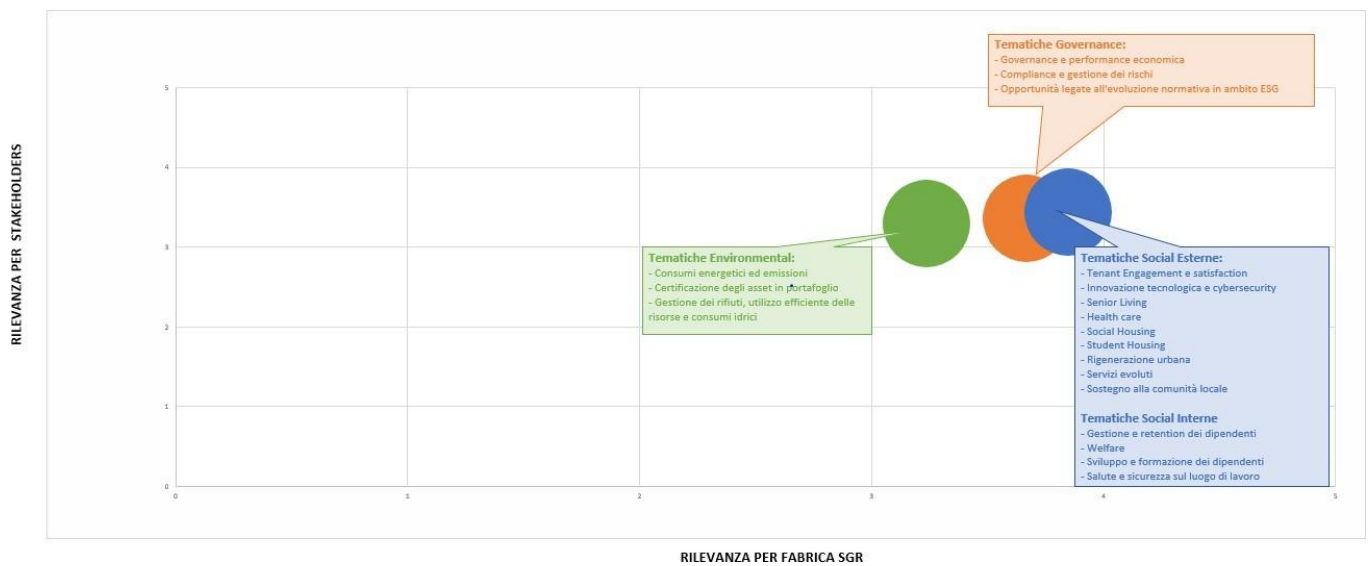
**Internal:**

- Employee management and retention
- Welfare
- Employee development and training
- Occupational health and safety

**Environmental:**

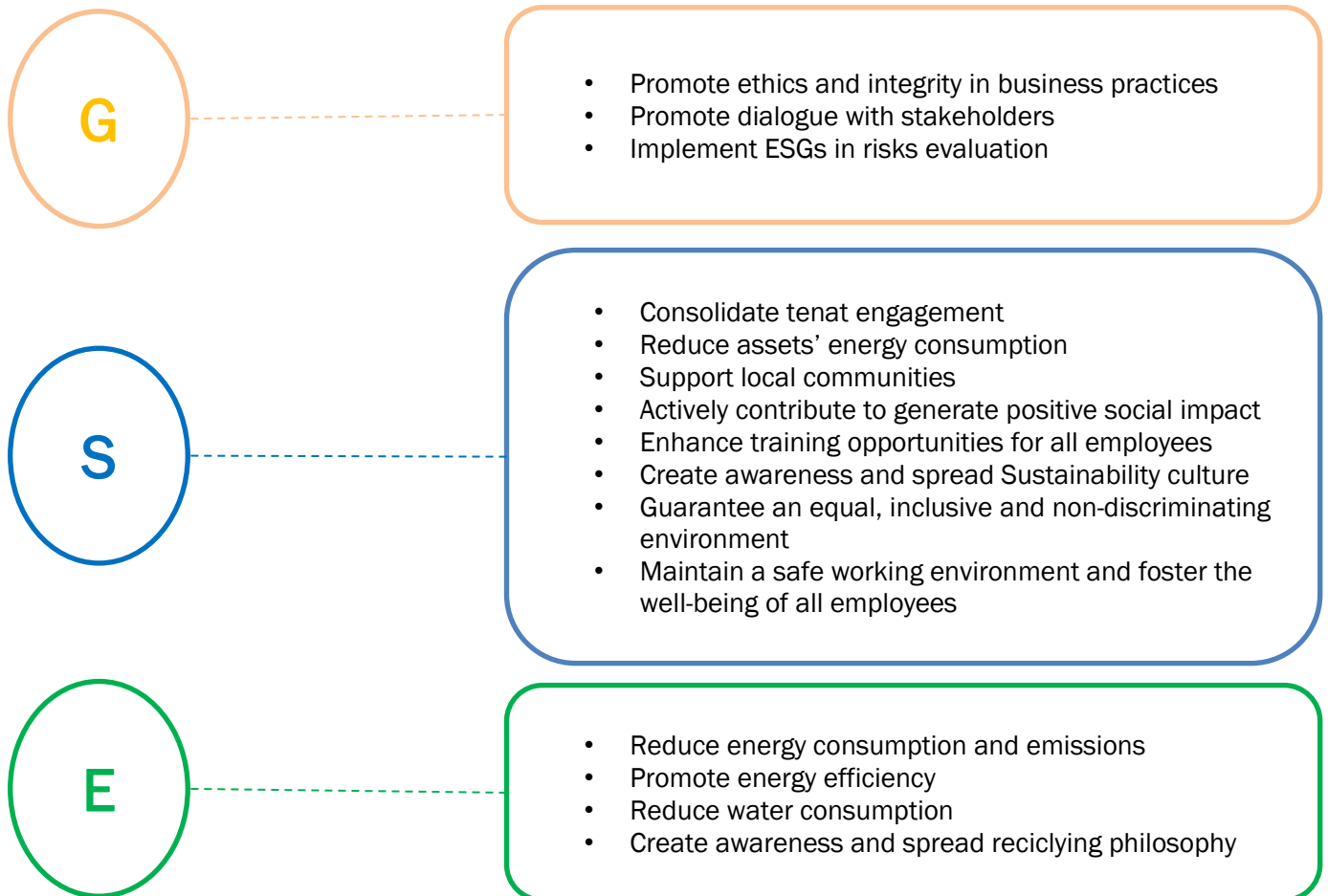
- Energy consumption and emissions
- Certification of assets in the portfolio
- Waste management, efficient use of resources and water consumption

The result of this analysis is reflected in the materiality matrix:



## Monitoring performance against sustainability goals

The following are the sustainability objectives outlined in Fabrica's Sustainability Plan, which guide the SGR's strategy for ESG matters. In 2022, Fabrica made a commitment to further strengthen and advance these goals through various initiatives. These include conducting ethical evaluations of suppliers, implementing ESG due diligence, launching pilot projects to reduce asset consumption, expanding training programs to include training on ESGs, developing the Matera Social Housing complex, initiating the Aristotle Senior fund, and incorporating ESG policies into contracts with property managers.





# Our governance model

## Business model and economic performance

Fabrica engages in collective asset management by promoting, establishing, and managing alternative investment funds. The funds primarily invest in various real estate assets, such as real estate properties, real estate rights derived from leasing contracts, and investments in real estate companies. The funds may also include participation in other real estate investment funds, including foreign ones.

Fabrica offers a diverse product portfolio which includes various types of Mutual Funds. The company promotes, establishes, and manages both subscription-based and contribution-based real estate funds. These funds are designed to cater to different risk and return profiles, offering options for both professional investors and the general public.

Fabrica operates with diligence, fairness and transparency in the interests of fund participants and market integrity. The SGR has implemented an organizational model designed to prevent potential conflicts of interest, including those that may arise between managed assets. Additionally, the company has put in place measures to safeguard the rights of participants in its funds. Fabrica is committed to maintaining sufficient resources and implementing appropriate procedures to ensure the efficient and effective delivery of its services.

Fabrica's Business Model is supported by a strong System of Internal Controls, which has been developed over time in full compliance with applicable regulatory and supervisory requirements, as well as the guidelines provided by the trade association, Assoimmobiliare. This system encompasses a set of rules, procedures, and organizational structures that are designed to ensure adherence to corporate strategies, the effectiveness and efficiency of business processes, the protection of corporate assets and client assets, the reliability and integrity of financial and management information, and compliance with legal and regulatory requirements, self-regulatory standards, and internal policies.

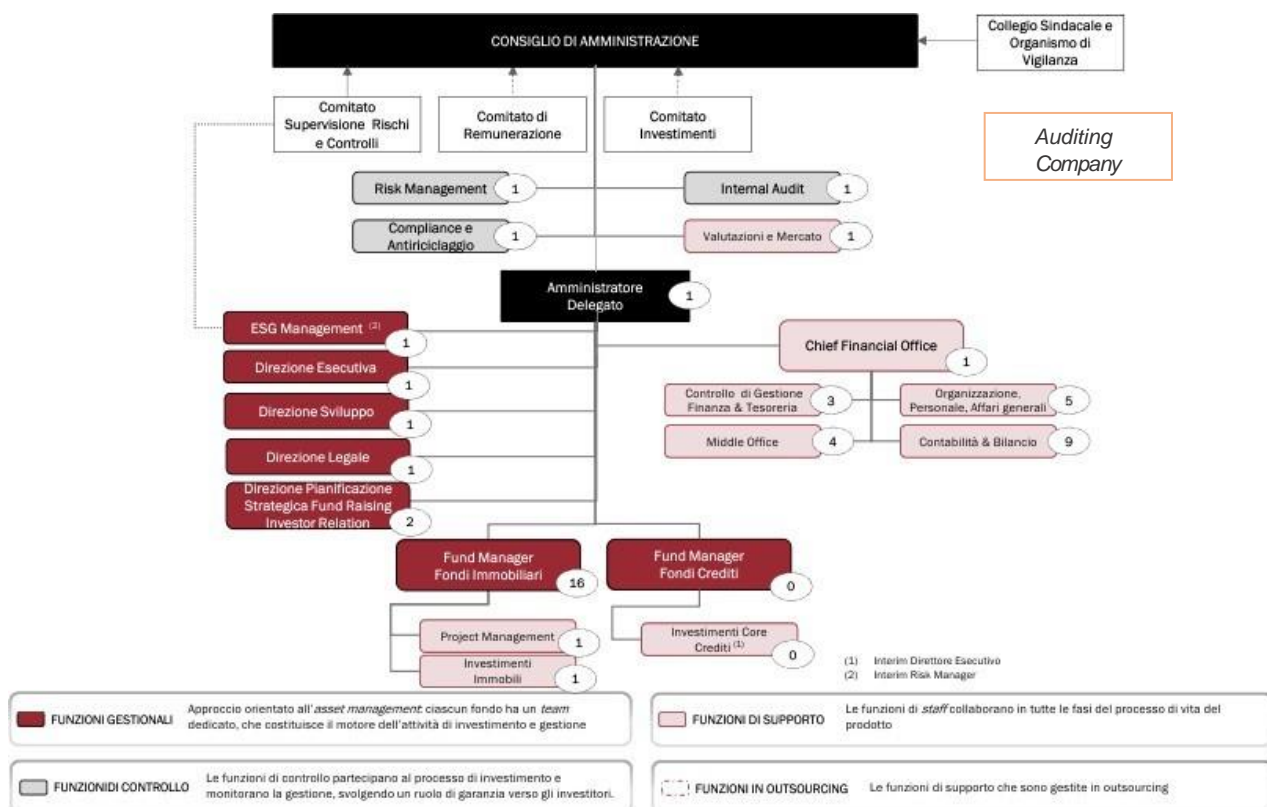
## Governance and compliance

The primary goal of the SGR is to enhance the investments of its shareholders and subscribers by implementing an industrial policy that ensures sustainable and satisfactory financial outcomes. In line with this objective, Fabrica places great importance on the value of "integrity," which serves as a guiding principle. By striving to maintain a harmonious balance of interests among stakeholders, the SGR aims to foster and strengthen relationships built on trust. It operates in compliance with all applicable laws and regulations governing Fabrica Immobiliare's activities, while upholding principles such as honesty, respect, impartiality, reliability, loyalty, fairness, transparency, and good faith.

The SGR's Organizational and Procedural System is defined by the Company's Board of Directors and formalized through an organizational chart and a company job description. In addition, the SGR, as a supervised entity, is required to prepare an organizational structure report, to be sent to the Bank of Italy on an annual basis. In this regard, the Supervisory Authority must be informed also when no changes to the report have been made. These documents are approved by the Board of Directors and dissemination is ensured, through their publication on the Company's intranet. The Company also has a "System of Procedures" as governed by a special organizational procedure. This system consists of:

- i) Organizational Procedures: i.e., documents with prescriptive content designed to define both general business processes and systematic, repetitive or frequent business processes of operational nature;
- ii) Provisions: documents with prescriptive and implementation content not referable to systematic business processes.

Fabrica SGR's Governance system is designed to achieve its strategic objectives by ensuring effective governance, in compliance with applicable laws, efficient and fair to all Stakeholders. The corporate organizational chart is shown below: at the top of the structure is the Board of Directors to which all business functions are accountable.



### Board of Directors

The Board of Directors is responsible for establishing corporate objectives, making strategic decisions, and shaping the investment and divestment policies of the Funds. Within this framework, it actively contributes to integrating sustainability issues into the corporate culture and strategy by consistently endorsing key corporate policies and adapting organizational and management systems. The Board of Directors plays a proactive role in establishing and growing new funds, as well as overseeing the management activities of existing funds. Additionally, it fulfills a supervisory function to ensure the achievement of defined objectives and adherence to the established investment and divestment policies. The Board of Directors also holds the responsibility for structuring the Company's organization and delegating responsibilities to operational functions and employees. They oversee the development and implementation of internal organizational procedures and ensure the adequacy and reliability of the Company's information system. Additionally, the Board ensures compliance with applicable procedures and regulations. Two Independent Directors, who do not have executive roles and maintain no direct or indirect relationships with the Company or related parties that could compromise their independent judgment, are part of the Board of Directors.

The new ESG Management function, formalized in 2022, reports to the Board of Directors to coordinate the progressive integration of Sustainability matters with respect to internal and external strategic choices.

### Board of Auditors

The Board of Statutory Auditors is responsible for overseeing compliance with legal requirements and the Articles of Association. They ensure adherence to the principles of sound administration and evaluate the appropriateness of the organizational, administrative, and accounting structure implemented by the Company, as well as its effective operation.

## *Supervisory Board*

The Supervisory Board is responsible for overseeing the accountability of entities for any offenses committed in their interest or to their advantage. This role is in accordance with the provisions outlined in Article 6, paragraph 1, letter b) of Legislative Decree No. 231, issued on June 8, 2001.

## *Investment Committee*

The Committee comprises industry experts and is responsible for analyzing, evaluating, and providing advisory opinions on investment and divestment proposals based on the Funds' business plan. While its opinions are not binding, the Committee's role is to offer valuable insights and opportunities for thorough investment considerations that serve the best interests of investors.

## *Risk and Control Oversight Committee (Risk Committee).*

The Committee is composed of 5 members, including the Independent Directors and Chiefs responsible for the Compliance and Anti-Money Laundering, Internal Audit, and Risk Management functions. These individuals maintain their functional autonomy and adhere to reporting obligations as required by regulations. Additionally, the Chairman of the Board of Statutory Auditors is invited to attend the Committee's meetings. The Risk Committee supports the Board of Directors of the SGR in various aspects, including: i) Identifying measures to manage potential conflicts of interest that may arise concerning the participants in the managed mutual funds. ii) Implementing the guidelines and policies on risk management, including sustainability, compliance control, and internal audit as determined by the Board of Directors. iii) Carrying out any additional tasks assigned to it by the Board of Directors.

Moreover, in relation to sustainability, the Committee is responsible for supporting the Board of Directors in evaluating sustainability matters. With the assistance of the Control Functions and the Head of ESG Management, the Committee monitors regulatory developments and industry best practices to propose enhancements to the SGR's sustainability policy and organizational processes. The Committee may also request the Head of ESG Management to conduct detailed studies on specific areas and operational sustainability issues. The Head of ESG Management actively participates in the Committee meetings, particularly concerning sustainability-related topics.

## *Compensation Committee*

The Committee comprises 3 members, selected by the Board of Directors from non-executive Directors, with a majority of independent members, in accordance with applicable regulations. The Committee's main function is to provide advice and recommendations to the Board of Directors regarding Remuneration Policies. Fabrica's Remuneration Policy serves as a crucial instrument to support the SGR's medium- and long-term strategies and is formulated with the following objectives in mind:

- create value over time and pursue sustainable growth for shareholders, work force and investors;
- attract, motivate and engage work force, creating a sense of identity and developing a culture based on performance and merit;
- promote sound and effective risk management and discourage risk-taking inconsistent with the risk profiles and regulations of the managed AIFs and the SGR;
- Assign specific objectives to the workforce as needed, ensuring alignment with the Company's target, values, and the interests of the AIFs' investors. This includes implementing measures to prevent conflicts of interest in each case.

## *Model 231/2001*

The SGR has developed its own model and code of ethics in accordance with the principles of transparency in its economic actions, fair conduct, and respect for human rights. The model includes specific protocols for

each activity of the SGR, which supplement the existing operating procedures and further promote the principles mentioned. Fabrica operates in strict compliance with all applicable laws and regulations, and its foundation is built on a set of established principles that have evolved over time. These principles include honesty, respect, impartiality, reliability, fairness, transparency, and good faith. In addition, Fabrica has implemented a whistleblowing procedure that aligns with important regulations for an SGR, such as the Consolidated Law on Finance (TUF), market abuse, and anti-money laundering. This procedure allows individuals to report any behavior that deviates from the code of ethics and applicable regulations of the SGR. Reports can be submitted to the Supervisory Board (SB) or internal audit, either in plain text or anonymously. The SGR ensures that all reports are treated with strict confidentiality and in compliance with the General Data Protection Regulation (GDPR)

## Code of Conduct

The meticulous focus on work ethics has taken on a significance beyond mere moral value, especially with the implementation of Model 231. It has become crucial in ensuring the ongoing existence of the company. Recognizing the significance of this matter, Fabrica SGR strives to define its core values and both internal and external responsibilities, with clarity.

For this reason the Code of Conduct is designed to provide a clear and transparent definition of the guiding principles that drive Fabrica SGR towards its goals. Adherence to the rules outlined in the code is vital for the effective functioning, credibility, reputation, and public perception of the company. In this regard, all activities are conducted in strict compliance with the law and in a fair competitive environment, characterized by honesty, integrity, fairness, and good faith. Furthermore, the legitimate interests of customers, employees, shareholders, business and financial partners, as well as the local community where the company operates, are respected and upheld.

Therefore, all those who work in the SGR, without distinction or exception, are committed to observing and enforcing these principles within the scope of their functions and responsibilities. In no way may the belief that they are acting for the benefit of the SGR justify the adoption of conduct contrary to these principles.

Compliance with the Code of Conduct by the Recipients is of fundamental importance for the smooth operation, reliability, transparency and reputation of the SGR, factors that are decisive assets for the success of the enterprise itself.

## Code of Ethics

The Code of Ethics is the set of ethical-behavioral rules subject to continuous disclosure to all company personnel and continually audited to ensure their proper application, which clearly and transparently defines the set of values by which the SGR is inspired to achieve its objectives. Fabrica SGR recognizes the importance of ethical-social responsibility in the conduct of business and corporate activities and is committed to respecting the legitimate interests of its Stakeholders and the community in which it operates. Contextually, it requires staff, tenants and all those who cooperate with Fabrica to respect the corporate rules and precepts established in this Code.

Fabrica SGR, in order to ensure maximum dissemination of the Code of Ethics, makes sure that the Code of Ethics is provided to the newly hired employee upon hiring, so that knowledge and promotion of Fabrica's values is ensured across the board at all levels.

## Sustainability Policy

The implementation of the Sustainability Policy by Fabrica has successfully integrated Sustainability into all aspects of the company's decision-making processes. This commitment extends both internally to its employees, corporate structures, and collaborators, and externally to the various stakeholders with whom Fabrica engages on a regular basis. By prioritizing Sustainability, Fabrica has established a strong foundation that guides its interactions and operations with a focus on environmental, social, and governance principles.

Fabrica's commitment to ESG matters is reflected in its contractual agreements with various entities. Since 2021, the company has extended the requirement for acceptance of the Sustainability policy to contracts with property managers and suppliers. Additionally, data collection related to consumption and social aspects has been integrated into these contracts, along with a request for comments and suggestions for improvement. By including the Sustainability policy in contracts, Fabrica aims to ensure that the entities it collaborates with adhere to specific Sustainability standards, creating a network of partners aligned with its values and fostering Sustainability awareness. The policy was updated in 2022 to explicitly address aspects mandated by current regulations.



## System of Internal Controls

The system of internal controls is the set of rules, safeguards and organizational structures that, starting from an adequate process of identifying and measuring the risks inherent in the SGR and the business in which it operates, enables them to be managed and monitored in an effective and timely manner. Fabrica SGR has developed an efficient internal control system for monitoring risks as follows:

- The Risk Manager supports the various decision-making processes (ex ante logic) and monitors on an ongoing basis (ex post control) a number of predefined risks (credit, market, liquidity, sustainability, operations) including scenario analysis.
- The Compliance function includes monitoring and regularly evaluating the appropriateness and effectiveness of the company's operational and control measures, policies, and procedures. It oversees the implementation of corrective actions to address any identified deficiencies in the SGR's compliance with regulatory obligations. Additionally, it provides guidance and support to various entities within the SGR to ensure their compliance with the company's requirements and regulatory obligations.
- Internal Audit performs its periodic audits in total independence, based on a system of codified procedures.

All functions are responsible for ensuring the efficiency of control measures, with a specific focus on critical areas such as anti-money laundering and the monitoring of conflicts of interest. Furthermore, in relation to sustainability, the Control Functions of the SGR were entrusted with certain tasks and responsibilities during 2022. These tasks and responsibilities are outlined in the General Regulations of the SGR, which serve as a comprehensive guide for implementing sustainable practices within the organization.

### *Risk Management Function*

- Integrates sustainability factors, including climate, environmental, social, and governance aspects, into the assessment and monitoring of risk exposure, generating comprehensive reports on the materiality of sustainability risks for the SGR and the managed AIFs. These reports are regularly presented to the Board of Directors and Senior Management.
- Conducts stress tests on the budgets and business plans of real estate AIFs and credit AIFs, analyzing market, credit, liquidity, counterparty, operational, and sustainability risks.
- Assists Strategic Planning and Fund Raising by conducting specific analyses to determine if the proposed UCI falls under the categories outlined in Articles 8 or 9 of Regulation (EU) 2019/2088.
- Develops the policy for identifying and prioritizing significant adverse effects related to sustainability factors, which is then submitted to the Board of Directors for approval. The function also oversees the regular update of this policy.

### *Compliance Function*

- Ensures that compliance risks associated with the implementation of sustainability rules and regulations applicable to the SGR and the managed AIFs are adequately considered in all relevant processes.
- Assists Strategic Planning and Fund Raising by conducting specific analytical activities to determine if the proposed UCI aligns with the categories specified in Articles 8 or 9 of Regulation (EU) 2019/2088.
- Supervises the creation of the Offering Document for the managed funds, ensuring compliance with the legal and regulatory requirements outlined in Consob Regulation No. 11971/1999, as amended and supplemented. Collaborates with internal departments and structures to incorporate relevant sustainability-related aspects specific to each fund.
- Assists Investor Relations, the ESG Manager, and other company departments/functions in the preparation and regular updating of data and information necessary for compliance with Regulation (EU) 2019/2088. This includes disclosure obligations on sustainability aspects at both the SGR level and for each individual managed AIF.

### Internal Audit Function

This function verifies the adequacy of the safeguards and initiatives taken to identify and sustainability risk management applicable to the SGR and managed AIFs.



Fabrica has also established the Supervisory Risk and Control Committee, which is entrusted with an advisory role to the BoD with regard to:

- Management of potential conflict of interest situations;
- policies and guidelines on risk management and internal audit;
- Board support for ESG issues.

The SGR has implemented a Management Control system to ensure the appropriate functioning and performance of the company. This comprehensive set of tools is designed to facilitate effective, transparent, and timely management, monitoring, and reporting of the business operations and assets, with a focus on long-term perspectives. The Board of Directors is dedicated to promoting a philosophy of internal monitoring through company policies, aiming to instill the values of the SGR in all employees and encourage their active participation in adhering to these rules and procedures.

The Risk Manager has an important responsibility in evaluating the risk characteristics of every fund, following globally recognized standards. They make sure that the risk level of the funds matches their intended risk and return objectives. Additionally, he contributes to maintaining an up-to-date risk assessment, which now encompasses sustainability risk. Regarding the ESGs, determines the Sustainability profile of the managed Alternative Investment Funds (AIFs). This assessment is based on information and features of the assets, which are obtained through ESG Due Diligence activities. Additionally, qualitative aspects that may not be easily measured are taken into consideration, particularly considering the distinctive qualities of each AIF under analysis. By incorporating these factors, the Risk Management function ensures that the sustainability aspects of the funds are adequately evaluated and included in the risk analysis process.

More specifically, the Risk Manager:

- Monitors each type of risk each fund is exposed to, including:

- Evaluates the market risk that arises from changes in macroeconomic factors and/or the specific attributes of each fund's real estate portfolio. This assessment includes estimating the potential impact of market risk on both real estate properties and movable assets within the portfolio. The analysis relies on examining the composition of the portfolio and conducting stress tests to determine the Internal Rate of Return (IRR) considering market risk. This calculation incorporates the anticipated changes in significant macroeconomic variables as well as specific idiosyncratic factors.
- Credit and counterparty risks are evaluated. These risks involve the potential loss resulting from a counterparty's default or a deterioration in their creditworthiness. The analysis incorporates external ratings and internal models that assign a probability of default to each counterparty. The assessment of credit risk is conducted using a forward-looking approach. Additionally, regular monitoring of credit aging, such as payment delays, is performed.

Liquidity risk is another area of focus, pertaining to the possibility of the SGR and/or the fund to be unable to meet payment obligations. This risk consists of :

- i) Market Liquidity Risk: This analysis is based on the fund's Business Plans and employs scenario analysis to evaluate external and internal stresses. These stresses encompass factors such as interest rates, levels of capital expenditure (CAPEX), payment delays, and the ability to sell assets at a fair price within an acceptable timeframe.
  - ii) Financial and Refinancing Risk This risk involves challenges in obtaining financing when needed. The Risk Manager assesses the potential difficulty in raising financing to address this risk.
- Operational risks: risk of losses related to inadequacy or malfunction of internal processes, procedures, personnel or systems or caused by external events (l legal risk, violation of regulations, contractual or non-contractual disputes, issues related to outsourced activities). The risk manager periodically conducts a comprehensive assessment of operational risks involving all internal and external functions. For each of the types of risk just described, the risk manager determines, through scenario analysis the IRR @ Risk, compared with the IRR from BP of each fund.
  - Sustainability risks are primarily concerned with the occurrence of environmental, social, or governance events or conditions that have the potential to cause a significant negative impact on the value of an investment, either in terms of current or future value. The focus is on identifying and assessing events or conditions that could potentially harm the investment's value from a sustainability perspective.

- Prepares tailor-made reporting for all key audiences (Board of Directors, investors, authorities of supervision, other control functions...)
- Implements hedging strategies designed, when deemed necessary, to mitigate the impact of key risk factors identified. The efficiency of hedging strategies is periodically evaluated.

The Compliance Function, as a permanent efficient and independent body, responsible for conducting both proactive and reactive control activities. It monitors and periodically assesses the adequacy and effectiveness of the measures, policies and procedures adopted. This assessment includes also examining the steps taken to address any identified deficiencies in Fabrica's compliance with its obligations;

- Provides advice to relevant entities in the provision of services and operation of activities and assist them in fulfilling their obligations under the provisions transposing Directive 2011/61/EU;
- submits to the corporate bodies, through the head of the function, at least annually, the reports on the activity carried out;
- Supports in the identification and execution of regulatory training interventions.

The Head of Internal Audit, conducts their activities following a specific methodological scheme, utilizing assessment and reporting tools aligned with the relevant audit standards. The scheme includes the following steps: planning, fieldwork, reporting, and follow-up. This approach ensures a structured and compliant approach to internal auditing.

- Verification of internal controls and assessment of the adequacy of the arrangements of the relevant subsystems (structures / resources - organization / processes);
  - analysis in each process of the existence of line controls, risk management controls, and compliance controls;
  - Identification in each process of strengths and weaknesses;
  - Identification of solutions to the problems detected;
  - Proposal of changes to be made and monitoring of the implementation of organizational interventions.

## Opportunities related to regulatory developments in ESG.

While regulations such as the Sustainable Finance Disclosure Regulation (SFDR), EU Taxonomy, and the Corporate Sustainability Reporting Directive (CSRD) have established rigorous sustainability standards in the financial and real estate sectors, the European Union (EU) is further committed to being the first continent to achieve net-zero emissions. In pursuit of this goal, the EU is actively implementing more stringent measures that mandate the disclosure of ESG (Environmental, Social, and Governance) progress. These measures aim to ensure transparency and accountability in sustainability efforts, solidifying the EU's position as a leader in sustainable development.

With the emergence of a new and intricate social, economic, and regulatory landscape, the integration of ESGs factors has become a key focus for real estate funds. These funds are now compelled to reevaluate their investment strategies and place greater emphasis on risk and sustainability factors. This shift is driven by the growing demand for environmentally friendly and sustainable options in the market. As a result, real estate funds are recognizing the need to adapt to this changing landscape and align their investment practices with the increasing market demand for green and sustainable solutions. Fabrica firmly believes that the gradual implementation of Environmental, Social, and Governance (ESG) principles in the real estate sector is no longer a choice but a necessity. This transition involves all stakeholders at various levels. Embracing sustainable development practices not only brings about positive impacts on our environment but also plays a crucial role in revitalizing the real estate industry. By prioritizing ESG considerations, Fabrica acknowledges the transformative potential of sustainable development, which extends beyond environmental benefits to encompass social and governance aspects. This commitment to ESG principles is seen as essential for driving positive change and fostering innovation within the real estate sector.

## The sustainable vocation of our funds

Fabrica is one of the pioneering operators in Italy that firmly believes in the possibility of balancing profitability in real estate investments with a sustainability-focused approach that generates positive social impacts for the country's development. The SGR manages various funds dedicated to actively contributing to a significant social transformation that is perceptible throughout the community. By placing Social Impact Investment at the core of its operations, Fabrica has successfully initiated several initiatives with the ambitious goal of creating tangible and positive social outcomes. In executing its projects, the SGR acts as a hub that brings together different stakeholders, all working towards increasing the well-being of local communities. The overarching objective is sustainable development, with the intention of improving both the social and economic conditions of the territories in which Fabrica operates and the lives of the individuals residing there. The social challenges that have emerged in recent years, amplified by the pandemic and developments like the Russian-Ukrainian conflict, have had significant social and economic repercussions on affected nations, even indirectly. This has led to profound changes in societal thinking and behavior across different segments. In response to this real need, Fabrica's strategy and actions are driven by a strong social purpose, aiming to enhance the resilience of the socio-economic system in a more sustainable manner, encompassing economic, social, environmental, and institutional dimensions.

The European Union's unprecedented allocation of resources through the Next Generation EU initiative, including Italy's National Recovery and Resilience Plan (PNRR), is set to have a significant impact on economic and productivity growth. This presents a historic opportunity to address existing vulnerabilities and enhance the resilience of the socioeconomic system while promoting its evolution towards greater sustainability across economic, social, environmental, and institutional dimensions. As a result, crucial issues such as urban regeneration, initiatives supporting vulnerable populations' housing, and the improvement of quality of life will increasingly shape public discourse, influencing legislative decisions and future business dynamics. These developments are expected to yield positive outcomes for future generations.

Matters such as urban regeneration, the creation of programs to assist vulnerable population groups in finding suitable housing, and the prioritization of quality of life are poised to gain greater prominence in shaping public discourse. These issues will significantly influence the decision-making process of lawmakers and the operational strategies of businesses in the foreseeable future. As a result, these developments are anticipated to have positive impacts on future generations.

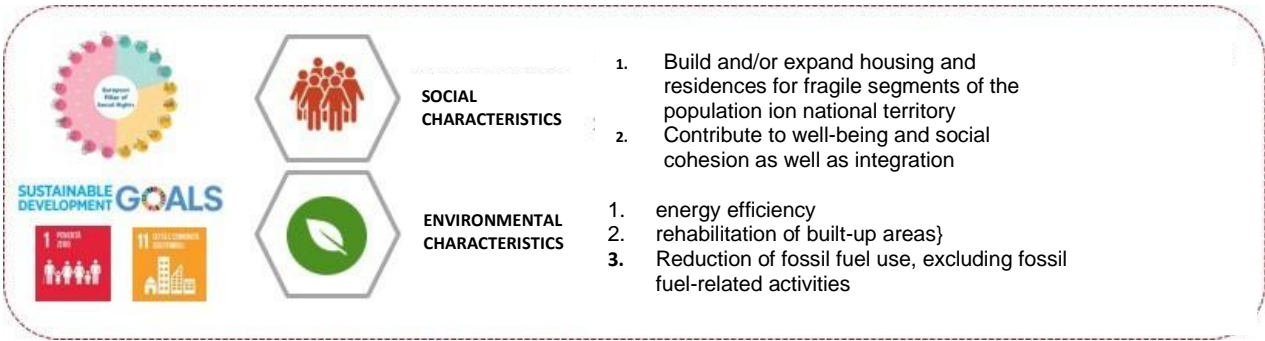
Fabrica's sensitivity and commitment to social issues is evident in the diverse range of services it provides, aimed at supporting, assisting, and facilitating specific groups of people. Each property managed by Fabrica is carefully considered in terms of its purpose and function, as this plays a crucial role in its overall value. The SGR prioritizes meeting the specific needs of end users, which serves as the primary guiding factor in its decision-making process.

The concept of social sensitivity goes beyond creating spaces that have a positive impact on the environment. It also encompasses the belief that a space becomes more valuable when it meets the needs of socially disadvantaged groups that require additional care and attention. Fabrica recognizes the importance of catering to these social classes and strives to create spaces that contribute to their well-being and enhance their quality of life.

### The funds ex. Art. 8 of the SFDR

The European Regulation 2019/2088 on Sustainability Reporting in the Financial Services Sector provides for obligations, primarily marked by the perspective of transparency, to integrate ESG principles into product management and internal business processes.

Fabrica's Asset Under Management portfolio includes several Social Responsible funds having the characteristics enunciated in Article 8 of the SFDR, and linkable to the main European and non-European regulations in force, such as the European Pillar of Social Rights and the United Nations Sustainable Development Goals.



## Social Housing

Fabrica SGR places a significant portion of its investments in Social Housing projects. As of December 31<sup>st</sup> 2022 the company manages two funds in Italy fully dedicated to social housing, with a total investment plan exceeding €200 Mn. It has already launched development projects for approximately 600 new social housing units. Currently, 3 initiatives are operational, providing over 400 subsidized housing units which have been delivered. Furthermore, additional housing projects are underway in central and southern Italy. These efforts are facilitated through two dedicated funds, with CDP Immobiliare SGR (a subsidiary of Cassa Depositi e Prestiti Group) as the main shareholder. One fund is dedicated to an urban planning project in Cesena, while the other focuses exclusively on interventions in major cities of Southern Italy. The latter fund is co-invested by the Sicilian Region and aims to implement a specific program dedicated to the region. Below, an overview of the interventions implemented/underway:



### Cesena

342 alloggi  
(in progress)



### Bari

227 alloggi  
(ultimato 2020)



### Matera

117 alloggi  
(open since 2022)



### Lecce

67 alloggi  
(ultimato 2019)

Social housing offers an avenue to allocate a portion of its investments towards addressing social needs. It involves providing evolved services and collective housing at subsidized rents, thereby promoting housing welfare and social integration. The concept encompasses:

1. Investing in initiatives that ensure housing well-being and social integration, particularly for individuals who are unable to find suitable housing solutions in the market.
2. Implementing "mixed-use" projects that go beyond residential construction, incorporating additional supportive initiatives such as community gardens or other community-oriented facilities.

The distinguishing feature of social housing is its emphasis on fostering a participatory and collaborative living environment. In these initiatives, the individuals who benefit from social housing are actively engaged in the process before, during, and after they enter the housing units. This involvement includes activities such as mutual acquaintance, co-designing the living spaces, and direct experimentation with collaborative living practices and tools. These interventions not only carry significant social value but also aim to enhance the overall surroundings. This is achieved by integrating sustainable and eco-friendly solutions, focusing on energy efficiency and minimizing environmental impact. Additionally, social housing projects often prioritize the revitalization of disused urban areas, transforming them into energy efficient, vibrant and functional communities.





**Il Matera Social Housing** costituisce un esempio di abitare collaborativo con una particolare sensibilità per la dimensione ambientale della sostenibilità. Nel complesso, abitato da 113 famiglie, è stata condotta un’analisi per appurare il consumo pro capite di acqua in bottiglia, che ha messo in luce come il 90% dei residenti consumi acqua in bottiglia. Al fine di immaginare forme alternative di consumo meno impattanti a livello ambientale, è stato proposto alla comunità di installare nel complesso una **Casa dell’Acqua**, che eroga acqua potabile di qualità e funge da strumento “socialmente utile” in grado di ridurre la plastica usa e getta di acqua e mitigare quindi il danno ambientale prodotto dall’intera catena dell’acqua in bottiglia.

*La casa dell’acqua installata presso il Matera Social Housing*

A Social Housing fund, meeting the requirements of Article 8 of the SFDR, is the Esperia fund, which actively promotes social features through its real estate investments, aiming to enhance the availability of suitable housing facilities, including energy provisions, in the most marginalized regions of the country, such as central and southern Italy. These housing facilities serve a social purpose and are intended for individuals or households facing housing difficulties. By doing so, the Fund contributes to the fight against social inequality and promotes inclusive growth. The Novello Fund shares the same objective of social housing by focusing on increasing the availability of housing units with a social purpose in the Emilia-Romagna region. These units primarily target individuals and households experiencing disadvantaged circumstances

## Student Housing

Italy faces a significant disparity between the demand for university student housing and the availability of suitable options. Recent surveys indicate that the current supply meets less than 10% of the potential demand, placing Italy well below the European average. Consequently, a large number of students are compelled to seek accommodation in the private market, which often leads to high costs for their families and subpar living conditions, particularly in cities with a strong university presence.

The provision of adequate student housing is a critical issue, and it gained renewed attention in 2021 with the allocation of substantial resources through the National Recovery and Resilience Plan (PNRR). The objective is to reach 100,000 beds in university cities by 2026. Increasing the availability of structured solutions managed by professional operators, with regulated fees, is an investment in the future of younger generations. It also helps ease the financial burden on families and contributes to the development of essential infrastructure in need of intervention.

By addressing the shortage of student housing and providing affordable, well-managed options, we can support the educational pursuits of students, optimize financial resources for families, and foster the growth of crucial infrastructure.

Fabrica has been a pioneer in the field of university student housing in Italy, with more than ten years of experience. It was the first operator to invest in this segment through real estate funds, and currently, it holds the top position as the leading institutional investor, owning 12.5% of the national stock. Within its portfolio, Fabrica manages ten facilities strategically located in the main university cities of Italy. The total investment made in these facilities amounts to approximately €235 Mn, resulting in the establishment of about 5,500 beds. It is noteworthy that a substantial proportion of these beds are offered at subsidized rents, making them more accessible and affordable for students.

The construction of the Tor Vergata Rome Campus marked the first successful endeavor in the development of student housing. Completed in 2010, this project introduced a groundbreaking approach that revolutionized the concept of university living. The campus served as a vibrant and self-contained community, offering high-quality housing and a seamless integration of essential services for academic pursuits and recreational activities. This innovative model set the trend to provide students with holistic living&learning spaces.

In 2012 the SGR further specialized in the sector, by launching the first real estate fund for the construction of student residences at subsidized rents: this fund, by aggregating the resources made available by CDPImmobiliare SGR and indirectly by INPS, through the Aristotle Fund, helped to bridge the gap between supply and demand for student beds in some of Italy's major university cities (Turin, Bologna, Venice, and Padua).

Below is an overview of the most relevant initiatives implemented by the SGR:



Rome

1.500  
beds



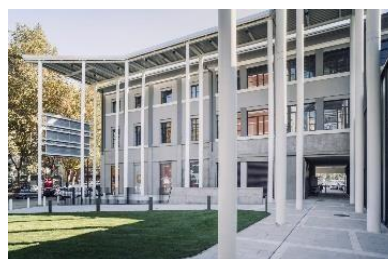
Turin

560  
beds



Venice

640  
beds



Turin

330  
beds



Bologna

220  
beds



Padua

210  
beds

### Summary of the main features characterizing Student housing

The interventions dedicated to university student residences are aimed at building facilities that combine the strong demand of students and the **services**, integrating **common areas** that include.

The services offered in such facilities are designed to fill the needs of students by facilitating access to services such as library and gym







As with Social Housing, an essential feature of Student Housing is the sense of community and the collective use of spaces and services

In the SGR's portfolio, the Aristotle and the Erasmus constitute both Student Housing Funds, The former, in line with Goals 1 and 3 of the SDGs, also promotes social features through real estate investments intended for university housing and public research institutes; the latter is a dedicated fund for the development and management of projects that put the student at the center, and aim to meet adequate housing needs. The guide for assessing the fund's achievement of environmental and/or social characteristics is the Sustainability Map.

The Erasmus Fund, through the guidelines of the Sustainability Map, promotes social features through real estate investments that contribute to increasing the availability of facilities for students or temporary forms of residency, as well as enabling end-users (mostly off-campus students) to access appropriate and affordable housing solutions on fair terms.

## Senior Living

The current aging of the world population represents an unprecedented phenomenon. According to Nomisma reports, in Italy the share of over-65s will be 34.3% in 2060 and the number of over-80s will grow to represent 16.1% of the population.

Responding to the ongoing trend of active aging, which aligns with the objectives of the UN 2030 Agenda for Sustainable Development, will play a critical and strategic role in the future. It is essential to empower older individuals to maintain autonomy and responsibility for their own lives for as long as possible. This includes ensuring their inclusion in a network of relationships, projects, and activities that allow them to retain a sense of agency in their daily lives, while also making valuable contributions to the economy and society at large.

To address these needs, the NRP National Recovery and Resilience Plan has recognized the importance of implementing self-contained apartment clusters. These clusters aim to provide the necessary services for the elderly to reside safely within their own communities. The initiative begins by offering home services and extends further through the development of home automation, telemedicine, and multidisciplinary monitoring systems. By taking an integrated social-health approach, these measures seek to address the comprehensive needs of individuals, supporting their well-being and independence.

The evolution of economic, social and family dynamics in recent years have fostered the spread of new models of senior-friendly residences, as well as medical care residences and social housing that differ according to:

- Target audience (in relation to health status and self-sufficiency)
- intended purpose and level of medical care needed.

In 2021, introduced the Aristotle Senior Fund, which marked the first collaboration in Italy between prominent pension investors, namely INPS, Inarcassa, and Enpap during the initial phase. This innovative initiative gained the attention of additional institutional investors in 2022, including ENPACL, who joined the senior living project. The program represents an investment by the welfare sector in the promotion of well-being, with the objective of establishing a comprehensive offering that enhances the resilience and responsiveness of the national healthcare system. The Aristotle Senior Homes not only provide professional reception and residential support but also empower residents to take greater control over their health. This includes improved nutrition, enhanced social interaction, and increased emphasis on self-care. The initiative aims to enhance the overall quality of life for senior individuals, promoting their well-being and fostering a sense of community and independence.

The Aristotle Senior Fund, in alignment with Goal 3 of the SDGs, focuses on selecting real estate facilities that serve specific purposes, such as healthcare residences and senior living, and cater to specific

beneficiaries, including individuals in need of care and those aged 65 and above. When evaluating properties, Fabrica SGR considers the "Map of Sustainability Factors of Real Estate AIFs" or "Sustainability Map," which comprises a set of ESG indicators used to assess the environmental and/or social performance of funds. Properties selected for the fund must possess certain characteristics aligned with the intended use of the asset and effectively meet the needs of the targeted end-users. ensures that the chosen properties are suitable for providing the necessary support and services to the identified beneficiary groups.

## Nursing homes

A well-established residential model in Italy, these are residential facilities dedicated to the non-self-sufficient elderly.

Fabrica was an early investor in the Healthcare residence sector in Italy, which enabled the SGR to be at the forefront of integrating the social aspect with advanced services in healthcare and social care. Currently, the SGR has established a noteworthy reputation by overseeing a collection of 14 establishments with a combined capacity of 2,200 beds and an approximate market value of €215 Mn. These facilities are primarily situated in central and northern Italy and are leased to reputable specialized operators.

Fabrica SGR's investments encompass Assisted Living Residences (ALRs), where activities with a significant social impact take place, with the objective of safeguarding human dignity and enhancing quality of life across various domains including culture, health, employment, leisure, and social interaction.

In the context of ALRs, the primary aim is to merge modern and comfortable infrastructure with robust healthcare provisions, integrating specialized services. These facilities have agreements in place with local health systems to ensure residents benefit from an integrated service framework that facilitates their stay. These services may include:



Accessibility of care



Agreements with local health facilities



Evolved services

## Senior Housing

Compared to the well-established segment of Healthcare residences, Senior Housing represents a completely novel form of investment in Italy. These residential facilities are specifically designed for independent and self-sufficient elderly individuals, offering them a unique social experience. The services provided in Senior Housing are not primarily focused on Healthcare but rather emphasize enhancing the quality of life and fulfilling the needs for companionship and social interaction. It is important to note that these facilities do not receive any subsidies from the National Health Service (NHS). This style of housing, which has gained significant popularity in recent years across the continent, is expected to play a crucial social role in Italy in the upcoming years due to ongoing socio-demographic changes.

Senior housing is an innovative concept because it:

- Targets a sizable population that has thus far been neglected in terms of having access to residential facilities specifically tailored to their unique requirements
- Fosters the concept of "active aging," which aligns with one of the goals outlined in the UN 2030 Agenda for Sustainable Development. This approach aims to enhance the overall quality of life for individuals over the age of 65, extending beyond traditional retirement benefits.
- Contributes to the development of the "longevity economy," which refers to the global economy centered around providing services and products to the elderly population. This sector has an estimated potential value of around US\$3 trillion and is driven by the evolving lifestyles and needs of the "new" elderly population. These individuals are increasingly active, healthy, and open to embracing technology. The longevity economy represents a solution to the global aging of the population, relieving younger generations from the burden of solely funding their parents' pensions and mitigating the risk of millions of elderly individuals depleting their savings.

- Over the next decade, it is anticipated that numerous new services catering to the senior population will emerge, ranging from healthcare and financial services to real estate, leisure, and travel offerings.
- By combating loneliness, which is a significant risk factor for serious and debilitating illnesses among the elderly. By providing a supportive and socially engaging environment, senior housing helps preserve physical and cognitive abilities, creating a positive cycle that can ultimately reduce the burden of caring for the elderly on public expenditure and healthcare systems such as the NHS. By addressing the issue of loneliness, senior housing contributes to the overall well-being of the elderly population and can lead to long-term cost savings in healthcare and public spending.
- It has the potential to attract a global demand from seniors who are interested in living in community settings within Italy. The country's rich cultural and natural heritage, coupled with its favorable climate, act as catalysts for this appeal. This demand can span across all regions of the Italian Peninsula, attracting seniors from various parts of the world who are seeking an enriching and vibrant community living experience.

## Health Care

Mission 6 "Salute" (you are health) of the NRP aims to strengthen and reorient the NHS to improve its effectiveness in responding to people's care needs, also in light of the critical issues that emerged during the pandemic emergency. A significant effort, in terms of reform and investment, is aimed at aligning services with the care needs of patients in every area of the country. A large share of resources is allocated to improving infrastructure and technological endowments, promoting research and innovation, and developing technical, professional, digital and managerial skills of staff.

One of the key objectives of these investments is to enhance outreach and at-home health services, with the aim of providing closer healthcare support to vulnerable individuals. This approach helps reduce the necessity of institutionalization by ensuring that these individuals receive the necessary care within an autonomous and socially suitable environment. By strengthening outreach and at-home health services, the goal is to enable individuals to age in place while still receiving comprehensive and appropriate care tailored to their needs. This approach promotes independence, social integration, and a higher quality of life for the elderly population.

Also in this segment, Fabrica has acted as a forerunner in the Italian market, launching its first investments as far back as 2006, through the pioneering Aristotle Fund: over the years, the SGR has supported the growth plans of important national scientific research institutes, first and foremost the IEO - European Institute of Oncology in Milan - with the realization of the second IEO2 - and the Biomedical Campus in Rome, in which it holds an equity stake.

The commitment is solid: Fabrica is currently placing a new product, aimed at Italian institutional investors interested in investing in real estate projects dedicated to the healthcare sector.






# Listening and involvement toward the tenants

## A transparent report

Fabrica SGR manages a predominantly core portfolio that is leased to reputable tenants. Maintaining continuous communication and alignment with these tenants is crucial. When establishing new leases, the SGR ensures that tenants fully understand and embrace the values and principles upheld by Fabrica. Compliance with important procedures and policies, including the Code of Conduct, is expected from tenants. Moreover, leases are regularly updated to include ESG clauses and provisions. In fact, starting in 2021, new contracts require tenants to share data on electricity, water, and gas consumption.

The role of tenants is quite relevant for Fabrica, as they contribute to a synergistic relationship that fosters innovation and growth for the SGR. Consequently, since 2021 and continuing into 2022, various engagement activities have been initiated to promote the Culture of Sustainability. These activities include an ESG Brochure by Fabrica SGR and the organization of Sustainability workshops aimed at sharing and cultivating more responsible behaviors, spreading awareness on Sustainability.

Notably, at the request and involvement of tenants, technical discussion forums are established to collaboratively seek synergistic solutions with the aim to:

- 
**ACTIVELY CONTRIBUTE**  
 Active contribution to the financial viability of asset improvement projects, where possible, with emphasis on efficiency upgrades and general improvement works
- 
**CONSOLIDATE RELATIONSHIPS**  
 Technical joint tables allow for comparisons with tenants and help consolidate long-term relationships
- 
**EXPAND ENGAGEMENT**  
 Indirect engagement therefore takes place on two levels: firstly with the subscribers of the managed funds, and in parallel with the final recipients i.e. the users of the real estate assets

Such technical discussion forums, allow Fabrica SGR to actively incorporate feedback from tenants, enabling the company to identify opportunities to enhance its assets. These forums prioritize respecting and considering the expectations and interests of Fabrica SGR's tenants. Furthermore, meeting the demands of tenants aligns with the needs of their clientele and the market. For example, in the case of Social Housing, meeting tenant demands means providing affordable housing options for families, or for Student Housing to ensure that students have access to facilities equipped with tailored services.

Fabrica SGR aims to enhance the strong relationship it shares with its tenants, placing increased emphasis on various discussion forums held throughout the year. These discussions serve to raise awareness on ESG matters. During these annual meetings, suggestions are exchanged to minimize the environmental impact of leased spaces, and ESG guidelines are shared to promote the Culture of Sustainability.

Additionally, in order to foster greater engagement with tenants, activities and pilot projects have been implemented since 2021. These initiatives focus on specific assets, aiming to calibrate and target interventions to reduce resource consumption and meet the necessary standards for Green certifications.

## Quality of service

To ensure a mutually beneficial and high-quality service for both Fabrica and its tenants, the company employs Property and Facility Managers within its Fund management operations. These professionals possess technical expertise and are responsible for maintaining ongoing oversight and communication with tenants. They play a crucial role in managing the properties effectively and mediating between Fabrica and the tenants.

In the case of Social Housing, Fabrica goes a step further by collaborating with Social Managers. These individuals are involved in the management of leased assets and actively promote community-oriented initiatives or shared services. The inclusion of Social Managers acts as an important link connecting Fabrica with the local community, fostering a sense of cohesion and social integration. Their efforts contribute to creating a vibrant and supportive community environment within the Social Housing properties.

The Social Manager is thus a technical advisor who carries the following tasks:

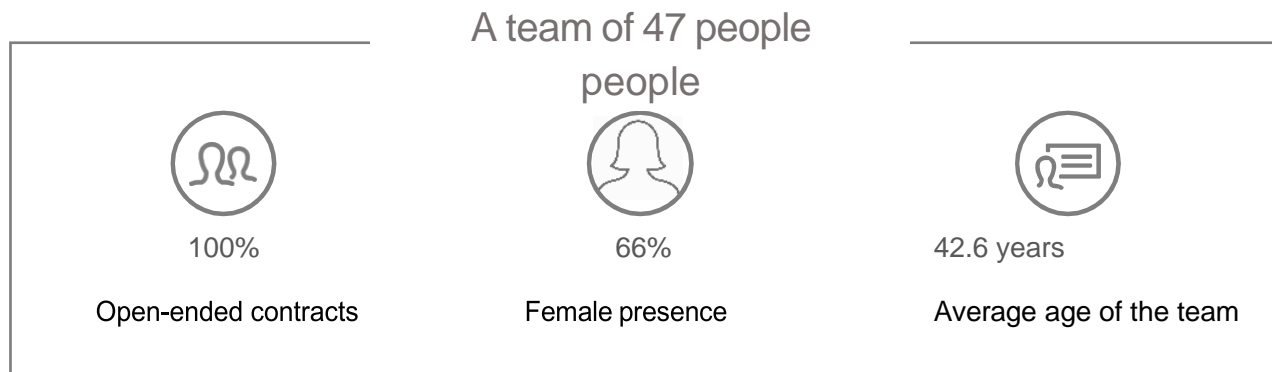
1. **Periodic Inspections:** To conduct regular inspections of the contracted properties to assess their condition, identify any maintenance or repair needs, and ensure compliance with established standards.
2. **Compliance Audits:** To conduct compliance audits to verify that tenants are adhering to the terms and conditions of their lease agreements, including compliance with relevant regulations, policies, and codes of conduct.
3. **Due Diligence:** To carry out due diligence processes to ensure that the behavior and quality standards expected by Fabrica SGR are met by the tenants. This includes evaluating the tenants' performance, conducting background checks, and ensuring their alignment with Fabrica's values and principles.
4. **Initial Tenant Support:** To provide initial support to tenants when they first occupy the leased space. This assistance may include guidance on property usage, familiarization with facilities and services, and addressing any immediate concerns or inquiries from the tenants.

In addition, direct communication channels are established to facilitate easy interaction with tenants and maintain an ongoing dialogue with them. As part of this continuous dialogue, Fabrica initiated a survey in 2022 with the objective of monitoring tenant satisfaction. The aim is to strengthen and solidify the relationship with this important group of stakeholders, while also proactively addressing any areas for improvement and integrating the needs expressed by the tenants.

# Responsibility to our people

## Our people

Fabrica places a strong emphasis on personnel management that aligns with workers' rights as defined by the Workers' Statute and collective bargaining agreements. These regulations and agreements are applied to all employees, ensuring that their rights and protections are upheld within the company.



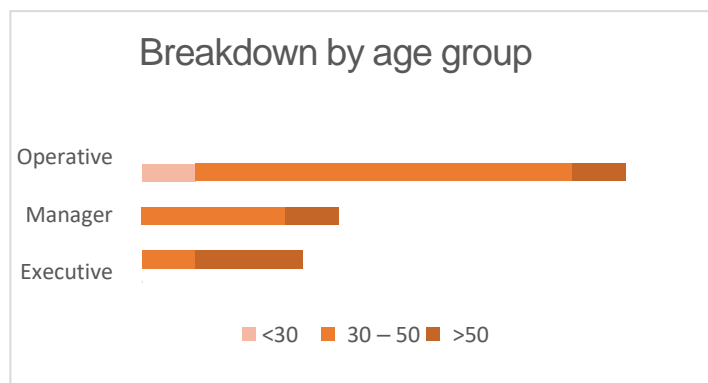
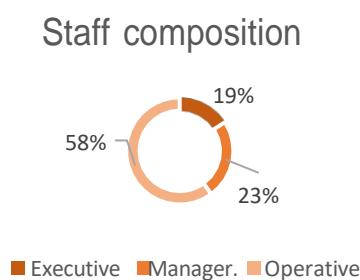
Fabrica SGR recognizes the significance of clearly defining its guiding values and assuming responsibilities both internally and externally. Adhering to the Code of Conduct is of utmost importance for the company's smooth functioning, reliability, and reputation. These factors are crucial assets that contribute to the overall success of the enterprise. By ensuring compliance with the Code of Conduct, Fabrica SGR upholds its commitment to ethical and responsible business practices, which further strengthens its position in the market and reinforces the trust of stakeholders. To define ever more clearly the set of values by which it is inspired and the responsibilities it assumes internally and externally.

Compliance with the Code of Conduct by staff is of fundamental importance to the smooth operation, reliability and reputation of the SGR, factors that are decisive assets to the success of the enterprise itself. To this end, all employees are required to:

- Maintain behavior marked by respect for the basic principles of honesty, moral integrity, fairness, transparency, objectivity and respect for individual personality;
- To apply the principles contained in the Code of Conduct, in the pursuit of the company's objectives, the assignment entrusted by the SGR or the contractual relationship with it, in all relationships with persons and entities inside and outside the SGR, as well as in the relationships that staff have with other stakeholders in relation to the SGR;
- To protect, through its own behavior, the respectability and image of the SGR to preserve the integrity of the company's assets.

More than half of the resources are professional operatives, in line with industry trends. With regard to gender composition, the male-female ratio is balanced.

For each professional category, more than half belong to the age group between 30 and 50.



## Diversity & non-discrimination

Diversity and inclusion have always been the *conditio sine qua non* for Fabrica to carry out work activity and for the establishment of professional relationships.

Fabrica SGR follows a thorough evaluation process for personnel recruitment, considering the alignment of candidates' profiles with the company's requirements while ensuring equal opportunities for all. The information requested during the evaluation is strictly relevant to verifying the professional aspects outlined in the candidate's profile.

In the management of hierarchical relationships, authority is exercised with fairness and propriety, explicitly avoiding any form of abuse. It is considered an abuse of authority to request personal services, favors, or engage in any behavior that violates the Code of Conduct. Fabrica SGR upholds ethical conduct, respect, and professionalism in all hierarchical interactions, fostering a healthy and supportive work environment.

Fabrica SGR is committed to preventing harassment in all work relationships, whether internal or external. This includes all forms of psychological violence, such as may be bossing or mobbing, creating an intimidating, hostile, or isolating work environment. Additionally, unwarranted interference with others' work performance or obstructing their individual job prospects for personal competitive reasons is strictly prohibited. The company places a strong emphasis on maintaining a respectful and supportive work environment for all employees. By preventing harassment and fostering a culture of professionalism and collaboration, the company aims to ensure the well-being and productivity of its workforce.

The SGR strictly prohibits all forms of sexual harassment. It is imperative to refrain from engaging in behavior or using language that may cause discomfort or offend the individual's sensibilities. The company is committed to maintaining a respectful and inclusive environment where everyone feels safe and valued. The importance of gender diversity is acknowledged and is considered a source of enrichment and innovation. The company takes active measures to protect and promote gender diversity within its workforce. The percentage of female employees at Fabrica SGR surpasses Italian industry trends. By embracing gender diversity, Fabrica SGR aims to harness a variety of perspectives, skills, and experiences to drive its success, fostering a diverse and inclusive workplace.

## Staff training & compensation

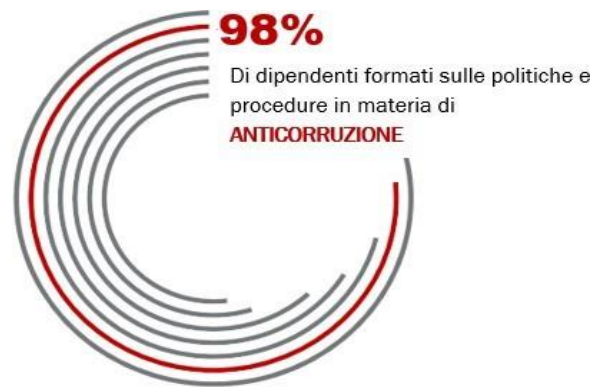
Fabrica SGR's Human Resources Department, supported by control functions, ensures that employees receive appropriate training tailored to their professional category and job requirements. This training aims to maintain compliance with relevant regulations and equip employees with the necessary knowledge to perform their roles effectively and with a high level of awareness. The training provided covers a range of topics, including general training on human rights and anti-corruption for all employees, as well as specific training sessions tailored to specific roles.

Examples of specific training include sessions on regulations, anti-money laundering (AML), internal procedures, and Model 231, provided to all. The company's team benefits from Performance Coaching in English as part of their managerial development. The focus on Sustainability is present once again through dedicated training.

The "Knowledge sharing" training methodology, which combines external professionals and internal staff, continues to be employed as an organizational method. This approach facilitates information sharing, experience exchange, and collective discussions among colleagues, promoting engagement and communication within the organization. Shared training has proven valuable in fostering a sense of collaboration and improving understanding of individual roles and activities among employees.

For new hires, an initial induction period is designed to ensure that they receive the necessary knowledge and tools to develop their skills effectively. The total hours of training provided in 2022 remained consistent with the previous year, reflecting Fabrica SGR's commitment to employee development and aligning with its goals. Despite any reduction in minimum required hours, the company maintains its dedication to supporting employee growth.





Fabrica SGR also pays special attention to the search for new talent, establishing and maintaining relationships and partnerships with institutions and universities so as to maintain a direct channel aimed at attracting young resources.

Finally, it should be noted that the SGR is guided by the following principles in establishing its remuneration policies:

- The alignment of the remuneration system with the strategy, objectives and corporate values, as well as the interests of the manager and the Managed Funds;
- linking the compensation system with the company's risk profile so as to promote sound and effective risk management;
- The compatibility of the remuneration system with the profitability levels of the company and the AIFs it manages;
- The orientation of compensation policy to medium- to long-term business results;
- Compliance with the rules of good behavior;
- The prevention of possible conflicts of interest
- The identification of ESG objectives in line with the areas pursued by the company.

The Company's Remuneration Policy is a key tool to support the SGR's medium- and long-term strategies and is designed with the aim of:

- Sustainable enhancement: creating value over time and pursuing sustainable growth for shareholders, staff and investors;
- Competitiveness: attracting, motivating and retaining staff, creating a sense of corporate identity and fostering performance and merit;
- Alignment with corporate strategy: assigning specific objectives to staff that are consistent with the objectives, values and interests of the Company and the investors of the AIFs it manages, in all cases providing for measures to avoid conflicts of interest;
- Sustainability: encourage the integration of the Company's Sustainability goals with traditional performance evaluation criteria, in accordance with the requirements of both applicable national and supranational regulations;
- Clear governance and compliance with the regulatory environment: the Policy is consistent and compliant with the relevant regulatory framework.

With regard to Sustainability, in line with the aims of EU Regulation 2019/2088 (so-called SFDR) and the principles contained in Article 5 of the same Regulation, Fabrica SGR has set up an incentive system that also links staff remuneration to specific sustainability objectives, which can be subdivided, as appropriate, into (i) Environmental, (ii) Social and (iii) *Governance*.

With reference to Environmental targets: the energy profile of portfolio properties, urban regeneration and energy consumption have been defined.

With reference to the Social targets: investments in *Social Housing*, University residences, Healthcare/Welfare facilities, support of local communities, and *Tenant engagement* have been defined.

With reference to the *Governance* targets: *Business Ethics* and Anti-Corruption goals have been defined.

## Health and Safety

The SGR places a strong emphasis on safety and risk management, promoting responsible behavior and prioritizing the health and safety of all employees and contractors. It is essential for all employees and collaborators to diligently adhere to the rules and obligations outlined in relevant health, safety, and environmental regulations. They are also expected to comply with internal procedures and regulations that concern safety measures.

Employees and collaborators actively participate in the process of risk prevention, environmental protection, and the promotion of health and safety. They play a crucial role in ensuring the well-being and safety of themselves, their colleagues, and third parties while carrying out their duties. Through their involvement and commitment, Fabrica SGR strives to create a culture of safety, where preventive actions are taken to preserve the health and well-being of everyone involved.

To this end, continuous monitoring of risks, that could impact the health and safety of staff, is ensured:

- Upon Executive approval, the Prevention and Protection Service Manager, in cooperation with the Medical Officer, monitor the following work spaces:
  - Single or shared offices at video terminals,
  - Refreshment or transit areas,
  - Technical rooms, Service room,
  - Mobile construction sites (with limited transit: by some figures deputed to design and coordinate works for the redevelopment of buildings)
- All components likely to result in hazardous conditions for occupational safety and health are analyzed, as:
  - Ergonomics of the workstation including microclimatic and luxmetric parameters
  - Dimensional requirements of the work space and anything else provided for in Title II of Legislative Decree 81/08
  - Hygiene of premises by visual examination and microbiological monitoring on air matrix and surface of individual premises
- Contextually through the health surveillance protocol and the assessment of specific risks to workers' health (chemical risk, biological risk, physical risks and anything else covered in the Consolidated Text) all risk factors to which workers are exposed to are to be monitored.

To prevent any local anomalies or critical issues from escaping the company's safety management protocol, the Quality Assurance Manager collects reports from workers and communicates them to the company. These reports feed into Fabrica's periodic risk assessment along with information collected by the Protection and Prevention Service Manager periodically, so the monitoring system is kept continuously updated.

In the event critical issues arise, immediate and subsequent corrective actions are carried out in order to ensure their resolution.

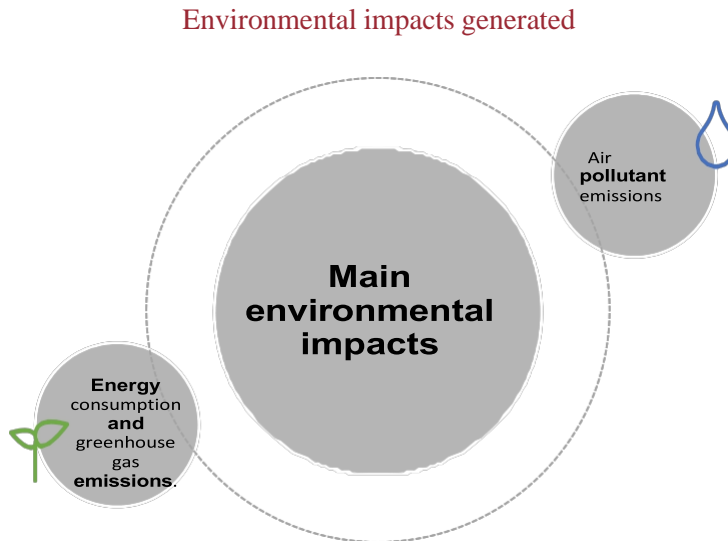
All personnel receive training, with different courses tailored for workers who primarily engage in video display screen tasks and those who handle coordination activities at temporary and mobile construction sites. The latter group faces additional accident risks of a different kind.

Fabrica highly values its employees health. Beginning in 2021, primarily to cope with the emergency related to the Covid-19 pandemic, work-from-home and hybrid work schedules have been adopted. In addition, consistent with the COVID protocol, updated according to the National decrees, temperature checks at the entrances and weekly swabs have been implemented to all employees in order to monitor health conditions. To ensure social distancing and minimize the risk of contagion, preventive measures such as the installation of Plexiglas barriers have been implemented. Additionally, the mandatory use of masks continues to be strongly recommended.

# Our concern for the environment

## Environmental impact

The main impacts related to Fabrica SGR's work can be traced to the following:



Fabrica SGR has consistently prioritized the assessment of environmental impacts throughout all stages of its operations. The company is dedicated to not only meeting the expanding national and local legal requirements but also exploring and assessing sustainable alternatives. Fabrica, diligently monitors its energy usage a little more frequently than as mandated by national regulations. Additionally, external entities regularly conduct audits on Fabrica to ensure compliance and accountability.

Fabrica SGR's quality system is ISO 9001 certified for systemic Quality Management.

Furthermore, Fabrica SGR aligns with key national and international standards by incorporating ESG (Environmental, Social, and Governance) principles into its investment decisions. The company strives to incorporate environmental criteria into its assessments, attempting to guide investment choices towards options that are mindful of environmental considerations, whenever feasible.

The implementation of these criteria represents, in addition to the need to maintain timely alignment with relevant regulations, the desire to consider Sustainability criteria within strategic and operational choices.

Fabrica SGR's commitment to ESG principles is evident in its investment decisions and the funds it manages. The company prioritizes segments that not only hold significant social value but also integrate environmental considerations. Whenever feasible, Fabrica SGR selects urban regeneration projects that combine the utilization of renewable energy sources and prioritize energy efficiency, aiming to minimize their environmental impact. This approach reflects the company's dedication to promoting sustainable practices while creating positive social and environmental outcomes.

With regard to direct impacts, the SGR manages its properties with a special focus on the following matters:



### ENERGY

Fabrica SGR continues its commitment to monitor energy consumption and CO2 emissions, contributing to the **reduction of environmental impacts**. It reduces work-related travel by promoting remote work and online meetings.



### WASTE

The practice of separate waste collection is extremely important to Fabrica, which promotes recycling and reuse of materials in its offices



### WATER RESOURCES

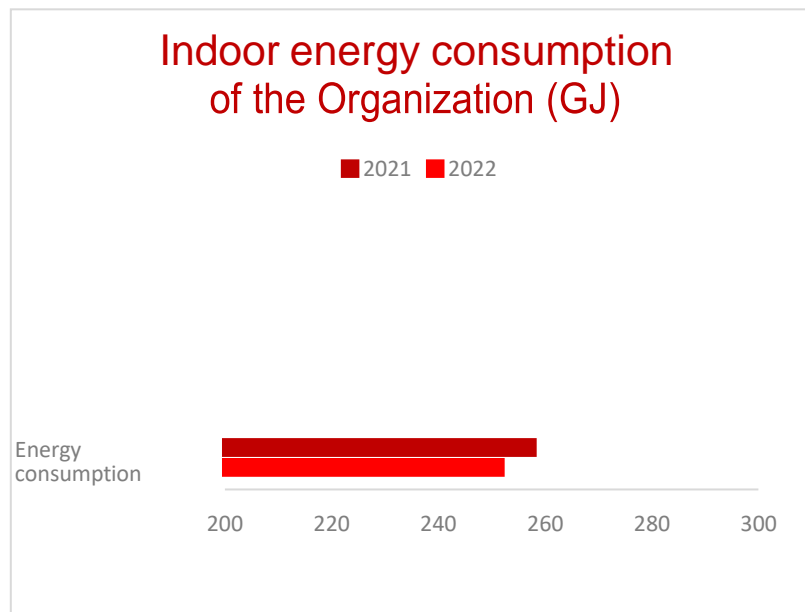
Since 2020, Fabrica SGR has been equipped with water dispensers in order to reduce the use of plastic and also distributes reusable water containers to all employees, pursuing a "plastic free" approach

The SGR is also attentive to the indirect impacts generated by its activities, seeking to report ESG principles outside the organization as well, in order to create shared virtuous behavior. Continuous engagement with all stakeholders, including property tenants, plays a crucial role in this process, as it establishes a direct connection with the community. Fabrica SGR actively involves its tenants in ESG-related matters and is in the process of developing guidelines to assist them in aligning their actions with ESG issues. By integrating these parameters, the company not only enhances risk mitigation processes but also identifies new opportunities that align with the interests and expectations of stakeholders. This approach fosters a collaborative and mutually beneficial relationship with tenants, promoting sustainability and creating value for all involved parties.

## Energy consumption

The primary factor driving Fabrica SGR's energy consumption is the provision of electricity for office operations, such as equipment usage and lighting. Conversely, the energy usage associated with office heating is minimal in comparison.

Fabrica's energy consumption for 2021 and 2022 is shown in the table below, and as can be seen, there is a 2% reduction in energy consumption in 2022 compared to the previous year, due to the streamlining of the data collection and reporting process.



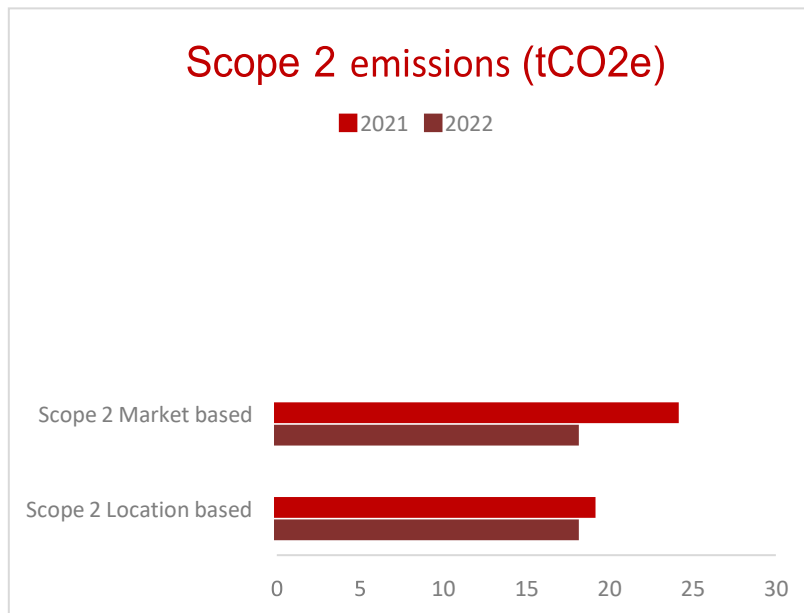
Fabrica prioritizes efficiency and consumption optimization in its office spaces. This is achieved through the implementation of an automatic nighttime energy-saving system, adopting a paperless approach to optimize paper usage, and promoting the use of recycled paper. These practices directly contribute to reduced waste production. Additionally, Fabrica SGR places significant emphasis on environmental issues, considering them as key factors influencing investment choices. By integrating environmental considerations into investment decisions, the company demonstrates its commitment to sustainability and responsible investing, and integrates the same into its operations:

- Fabrica SGR incorporates energy-related upgrades and seeks relevant certifications in all its real estate development and regeneration projects;
- The SGR prioritizes urban redevelopment operations for new real estate developments, aiming to minimize the use of new land and contribute to the improvement of surrounding urban areas.

As part of its environmental responsibility initiatives, Fabrica has taken new actions since 2021 and throughout 2022 to address energy consumption in buildings. To achieve this, the SGR has engaged with property owners, considering them an integral part of the property management process and seeking their input. In newly established contracts, Fabrica has focused on including provisions to monitor and reduce energy consumption and waste, emphasizing energy efficiency. Property managers are actively involved in identifying specific measures to optimize energy usage. These efforts underline Fabrica's commitment to promoting environmental responsibility and sustainability. Additionally, the company is exploring activities that support social improvements and the implementation of additional services with positive social impact.

## Emissions

Fabrica SGR is dedicated to monitoring and mitigating its environmental impact by quantifying greenhouse gas emissions associated with its activities. In this report, the company focuses on reporting both direct (Scope 1) and indirect (Scope 2) emissions. Regarding direct emissions, which include fleet and gas usage, Fabrica SGR reports zero emissions for 2022 as it does not have a fleet of company cars and does not utilize gas as an energy source. Indirect emissions, resulting from purchased electricity, are calculated using two methods: Market-based calculation (Scope 2) shows emissions of 18 tCO<sub>2</sub>e for 2022, a decrease of approximately 25% compared to 2021 (24 tCO<sub>2</sub>e). Using the Location-based calculation (Scope 2), emissions remain at 18 tCO<sub>2</sub>e in 2022, similar to the previous year.



<sup>3</sup> The GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method."

<sup>4</sup> For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methodologies were used. The Market-based is based on CO<sub>2</sub>eq emissions emitted by energy suppliers from which the organization purchases, through a contract, electricity and can be calculated by considering: energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors related to the "residual mix," i.e., energy and emissions not monitored or unclaimed (methodology used, with Italy 2022 emission factor: 457 gCO<sub>2</sub>eq/kWh - source: AIB - European Residual Mixes updated during 2022). The Location-based method is based on average emission factors related to power generation for well-defined geographic boundaries, including local, subnational or national boundaries (methodology used, with 2021 emission factor: 259.8 gCO<sub>2</sub>/kWh - source: Abi Lab Guideline). Scope 2 emissions calculated by the Location-based method are expressed in tons of CO<sub>2</sub> equivalent.

## Methodological note

Fabrica SGR's third Sustainability Report provides transparent communication of the company's sustainability strategies and performance in the areas of environmental, social, and governance sustainability during the fiscal year 2022 (January 1, 2022 to December 31, 2022). The report aims to effectively convey Fabrica SGR's commitment to sustainability and its progress in these key areas.

In the Sustainability Report, figures for 2021 are included to facilitate a comparative analysis of business performance over time for stakeholders. The report ensures data reliability by minimizing the use of estimates. If any estimates are present, they are clearly disclosed and based on the best available methodologies. This approach aims to provide stakeholders with accurate and credible information for assessing Fabrica SGR's progress and performance.

The Sustainability Report is prepared annually and follows a selection of the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI). The report includes a "GRI Content Index" table in the appendix, demonstrating the coverage of GRI indicators reported in the document. This ensures compliance with established reporting standards and provides transparency regarding the reporting framework used for the Sustainability Report.

The content included in the Sustainability Report was chosen through an initial materiality analysis conducted in 2020, which was subsequently updated in 2021 and 2022. This analysis specifically focused on assessing the impacts of Fabrica SGR's activities on the economy, environment, and people, including human rights considerations. The materiality analysis confirmed certain significant aspects for Fabrica and its stakeholders while also identifying new ones. The details of stakeholder engagement and updates to the materiality matrix are outlined in the "Stakeholder engagement and updating of the materiality matrix" section of the report.

The scope of data and economic information appears to be the same as in Fabrica SGR's Financial Statements as of 12/31/2022. Regarding environmental, health and safety, and personnel data, the data refers exclusively to the employees of Fabrica SGR and its offices in Rome and Milan.

In 2022, it is reported that there were no significant changes related to the company's size, ownership structure, and supply chain.

The Board of Directors of Fabrica SGR approved the Sustainability Report on March 30<sup>th</sup> 2023, concurrently with the approval of the 2022 Operating Budget.

For further information, concerns and/or suggestions regarding Fabrica SGR's Sustainability Report, please do not hesitate to contact us through our website: [www.fabricasgr.com](http://www.fabricasgr.com).

# Attachments

## GRI 2-7 Employees

Contract type	2021 <sup>5</sup>			2022		
	Men	Women	Total	Men	Women	Total
Open-ended	22	26	48	16	31	47
Fixed-term	1	3	4	0	0	0
Apprenticeship	0	0	0	0	0	0
<b>Total employees</b>	<b>23</b>	<b>29</b>	<b>52</b>	<b>16</b>	<b>31</b>	<b>47</b>

Employment relationship	2021 <sup>5</sup>			2022		
	Men	Women	Total	Men	Women	Total
Full-time	21	26	47	16	27	43
Part-time	0	5	5	0	4	4
<b>Total</b>	<b>21</b>	<b>31</b>	<b>52</b>	<b>16</b>	<b>31</b>	<b>47</b>

## GRI 2-8 Non-Employee Workers

Outside workers	2021 <sup>5</sup>			2022		
	Men	Women	Total	Men	Women	Total
Self-employed workers	3	-	3	3	-	3
<b>Total</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>3</b>

## GRI 405-1 Total number of employees by gender and job category.

Professional categories	2021 <sup>5</sup>			2022		
	Men	Women	Total	Men	Women	Total
Executives	7	1	8	8	1	9
Managers	5	9	14	4	7	11
Employees	8	22	30	4	23	27
<b>Total</b>	<b>20</b>	<b>32</b>	<b>52</b>	<b>16</b>	<b>31</b>	<b>47</b>

<sup>5</sup> Please note that the data for total employees 2021, with reference to all tables of indicators 2-7 & 2-8, have been restated



### GRI 401-1 Recruitment

No. of employees	2021 <sup>6</sup>				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	-	5	-	5	-	-	-	0
Women	2	3	-	5	1	8	-	9
<i>Total</i>	2	8	-	10	1	8	-	9

### GRI 401-1 Inbound Turnover

Hiring rate	2021				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	0%	28%	0%	22%	0%	0%	0%	0%
Women	50%	14%	0%	17%	33%	36%	0%	29%
<i>Total</i>	50%	20%	0%	19%	33%	24%	0%	19%

### GRI 401-1 Terminations

No. of employees	2021				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	-	4	-	4	-	5	-	5
Women	-	7	-	7	-	9	-	9
<i>Total</i>	-	11	-	11	-	14	-	14

### GRI 401-1 Outbound Turnover

Termination rate	2021				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	0%	22%	0%	17%	0%	45%	0%	31%
Women	0%	32%	0%	24%	0%	41%	0%	29%
<i>Total</i>	0%	28%	0%	21%	0%	42%	0%	30%

### GRI 2-30 Collective Bargaining Agreements

% of employees	2021	2022
	100%	100%

<sup>6</sup> It should be noted that the 2021 recruitment and termination data, with reference to all tables of the 401-1 indicator, have been restated.

### GRI 401-3 Parental Leave

No. of employees	2021			2022		
	Men	Women	Total	Men	Women	Total
Total number of employees who were eligible for parental leave	1	3	4	3	3	6
Total number of employees who took parental leave	0	3	3	0	3	3
Total number of employees who returned to work during the reporting period after taking parental leave	0	3	3	0	3	3
Total number of employees who returned to work after taking parental leave and are still employed by the organization in the 12 months following return	0	3	3	0	1	1

### GRI 401-3 Rate of Return to Work.

No. of employees	2021			2022		
	Men	Women	Total	Men	Women	Total
Total number of employees who should have returned to work after parental leave	1	3	4	3	3	6
Rate of return to work	0	1	0.75	0	1	0,5

### GRI 401-3 Retention Rate

	2021			2022		
	Men	Women	Total	Men	Women	Total
Retention rate	-	1	1	-	1	0,3

**GRI 404-3 Total percentage of employees by gender and job category who received periodic performance and professional development appraisal**

No. of employees	2021					
	Men		Women		Total	
	Assessed	%	Assessed	%	Assessed	%
Executives	7	100,00%	1	100,00%	8	100,00%
Managers	4	80,00%	6	66,66%	10	71,43%
Employees	-	0,00%	4	19,05%	4	13,33%
<b>Total</b>	<b>11</b>	<b>52,38%</b>	<b>11</b>	<b>35,48%</b>	<b>22</b>	<b>42,31%</b>

No. of employees	2022					
	Men		Women		Total	
	Assessed	%	Assessed	%	Assessed	%
Executives	8	100,00%	1	100,00%	9	100,00%
Managers	4	100,00%	7	100,00%	11	100,00%
Employees	-	0,00%	2	8,69 %	2	7,41%
<b>Total</b>	<b>12</b>	<b>75,00%</b>	<b>10</b>	<b>32,26%</b>	<b>22</b>	<b>46,81%</b>

**GRI 405-1 Employees by occupational category, gender and age group**

No. of employees	2021 <sup>7</sup>				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<i>Executives</i>	-	6	2	8	-	3	6	9
Men	-	5	2	7	-	2	6	8
Women	-	1	-	1	-	1	-	1
<i>Managers</i>	-	12	2	14	-	8	3	11
Men	-	5	-	5	-	4	-	4
Women	-	7	2	9	-	4	3	7
<i>Employees</i>	4	23	3	30	3	21	3	27
Men	-	8	-	8	-	4	-	4
Women	4	15	3	22	3	17	3	23
<b>Total</b>	<b>4</b>	<b>41</b>	<b>7</b>	<b>52</b>	<b>3</b>	<b>32</b>	<b>12</b>	<b>47</b>
Men	-	18	2	20	-	10	6	16

<sup>7</sup> It should be noted that the 2021 data on the breakdown of employees by job title, professional category, gender, and age group, with reference to all tables in Indicator 405-1, were re-exposed.

Women	4	23	5	32	3	22	6	31
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### GRI 405-1 Percentage of employees broken down by job category, gender, and age group

%	2021				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<i>Executives</i>	0%	12%	4%	15%	0%	6%	13%	<b>19%</b>
Men	0%	10%	4%	13%	0%	4%	13%	<b>17%</b>
Women	0%	2%	0%	2%	0%	2%	0%	<b>2%</b>
<i>Managers</i>	0%	23%	4%	27%	0%	17%	6%	<b>23%</b>
Men	0%	10%	0%	10%	0%	9%	0%	<b>9%</b>
Women	0%	13%	4%	17%	0%	9%	6%	<b>15%</b>
<i>Employees</i>	8%	44%	6%	58%	6%	45%	6%	<b>57%</b>
Men	0%	15%	0%	15%	0%	9%	0%	<b>9%</b>
Women	8%	29%	6%	42%	6%	36%	6%	<b>49%</b>
Total	8%	79%	13%	100%	<b>6%</b>	<b>68%</b>	<b>26%</b>	<b>100%</b>
Men	0%	35%	4%	38%	<b>0%</b>	<b>21%</b>	<b>13%</b>	<b>34%</b>
Women	8%	44%	10%	62%	<b>6%</b>	<b>47%</b>	<b>13%</b>	<b>66%</b>

### GRI 405-1 Diversity in governing bodies by gender and age group

No. of employees	2021 <sup>8</sup>					
	Men		Women		Total	
	N°	%	N°	%	N°	%
< 30	-	0	-	-	-	0
30-50	-	0	-	0	-	0
> 50	5	100%	-	0	-	0
Total	5	100%	-	0	5	100%

No. of employees	2022					
	Uomini		Women		Total	
	N°	%	N°	%	N°	%
< 30	-	0	-	-	-	0
30-50	-	0	-	0	-	0
> 50	5	100%	-	0	-	0
Total	5	100%	-	0	5	100%

<sup>8</sup> It should be noted that the 2021 data on the breakdown of the highest governing body by gender and range of age, with reference to the relevant table of Indicator 405-1, have been restated.

< 30	-	0	-	0	-	0
30-50	-	0	-	0	-	0
> 50	5	100%	-	0	-	0
Total	5	100%	-	0	5	100%

### GRI 403-9 Number of Occupational Injuries.

Numbers of injuries	2021	2022
No. of deaths as a result of work-related injuries	-	-
No. of occupational accidents with serious consequences (excluding deaths)	-	-
No. of recordable occupational injuries	-	-

### GRI 403-9 Occupational Injury Rates.

Injury rate	2021	2022
Death rates as a result of occupational injuries.	-	-
Rates of work-related injuries with serious consequences (excluding deaths)	-	-
Recordable occupational injury rates	-	-
Hours worked	88.703	84.444

### GRI 404-1 Average hours of training per capita by occupational category and gender

2021									
Hours of training	Men			Women			Total		
	Hours	No. dip.	Average hours	Hours	No. dip.	Average hours	Hours	No. dip.	Average hours
Executives	60	7	8,57	14	1	14.00	74	8	9.25
Managers	70	5	14.00	98	9	10.89	168	14	12.00
Employees	126	9	14,00	298	21	14,19	424	30	14,13
Total	256	21	12,19	410	31	13,23	666	52	12,81

2022									
Hours of training	Men			Women			Total		
	Hours	No. dip.	Average hours	Hours	No. dip.	Average hours	Hours	No. dip.	Average hours
hours									

<sup>9</sup> It should be noted that the amount of training hours in 2022 is significantly higher than that in 2021 because some of the in-person training hours in the 2020 training plan were not provided in the corresponding year due to the Covid-19 pandemic and were therefore made up in 2022.

Executives	177	8	22,13	35	1	35,00	212	9	23,56
Managers	153	4	38,25	230	7	32,86	383	11	34,82
Employees	153	4	38,25	429	23	18,65	582	21	21,56
Total	483	16	30,19	694	31	22,39	1.177	47	25,04

**GRI 205-2 Total number and percentage of members of the governing body to whom the organization's anti-corruption policies and procedures have been communicated**

No. members of governing bodies	2021 <sup>10</sup>			2022		
	N°	Total members	%	N°	Total members	%
Directors/Executives	4	5	80%	4	5	80%

**GRI 205-2 Total number and percentage of employees who have received anti-corruption training, broken down by employee category and region**

Number of employees	2021			2022		
	N°	Total employees	%	N°	Total employees	%
Executives	7	8	88%	8	9	89%
Managers	11	14	79%	11	11	100%
Employees	29	30	97%	27	27	100%
Total	47	52	90%	46	47	98%

**GRI 302-1 Total energy consumption within the organization.**

Energy	Unit of measurement	2021	2022
Total energy consumption within the organization	GJ	258	252
Renewable energy	GJ	67	109
% Renewable energy to total energy consumption	%	26%	43%

<sup>10</sup> Note that the 2021 figure for the 205-2 indicator tables for both the highest governing body and total employees has been restated.

# Table of GRI indicators

Statement of Use	Fabrica SGR has reported the information mentioned in this GRI content index for the period 01/01/2022 - 31/12/2022 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021
Relevant GRI industry standards	N/A

GRI STANDARD	INFORMATIVE	LOCATION	OMISSION			N. OF STANDARD REF. BY SECTOR. GRI
			OMITTED REQUIREMENTS	REASON	EXPLANATION	
General Disclosure 2021						
GRI 2: Disclosure. General 2021	2-1 Organizational details	8-10; 12; 28-34; 61	A gray box indicates an irrelevant entry. It refers only to the columns 'Omission' and 'GRI Industry Standards Ref. No. '.			
	2-2 Entities included in sustainability reporting of the organization	46				
	2-3 Reporting period, frequency and point of contact	46				
	2-4 Review of information	In the 2022 Sustainability Report, some 2021 personnel data have been restated and reported in the text with appropriate notes				
	2-5 External Assurance	Fabrica SGR's Sustainability Report is not subject to external assurance				
	2-6 Activities, value chain and other business relationships	8-10; 28-34; 46				
	2-7 Employees	38; 47				



	2-8 Non-employee workers	47				
	2-9 Governance structure and composition	20-22				
	2-22 Sustainable development strategy statement	6				
	2-23 Policy Commitment	8-9; 22-23				
	2-27 Compliance with laws and regulations	During 2022, there were no significant cases of noncompliance with laws and regulations that resulted in fines or non-pecuniary penalties				
	2-28 Membership in associations	15				
	2-29 Approach to stakeholder engagement	15-16				
	2-30 Collective bargaining agreements	38; 48				
Material themes						
GRI 3: Themes. materials 2021	3-1 Process of determining material themes	15-16	<i>A gray cell indicates that no reasons for omission are allowed for disclosure or that a reference number to the GRI sector standard is not available.</i>			
	3-2 List of material themes	16-17				
Economic series						
COMPLIANCE AND RISK MANAGEMENT						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 22-26; 39-40				
	205-2 Communication and training on anti-corruption regulations and procedures	53				
GRI 205: Anticorruption	205-3 Confirmed incidents of corruption and steps taken	No cases occurred during 2022. of corruption ascertained				
GRI 206: Anti-competitive behavior	206-1 Legal actions related to anticompetitive behavior, activities of	In the course of the 2022 did not				



	trusts and monopolistic practices	check Legal actions for anticompetitive behavior, antitrust and monopolistic practices				
<b>Environmental series</b>						
<b>ENERGY CONSUMPTION AND EMISSIONS</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	42-45				
GRI 302: Energy	302-1 Internal energy consumption within the organization.	44; 53				
GRI 305: Emissions	305-1 Direct greenhouse gas (GHG) emissions (Scope 1).	45				
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	45				
<b>Social series</b>						
<b>EMPLOYEE MANAGEMENT AND RETENTION</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 38-39				
GRI 401: Employment	401-1 Recruitment of new employees and employee turnover	48				
GRI 405: Employment	405-1 Diversity and equal opportunity	47; 50-52				
GRI 406: Not discrimination	406-1 Incidents of discrimination and corrective measures taken	During 2022 there have been no incidents of discrimination				
<b>WELFARE</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 39				
GRI 401: Employment	401-3 Parental leave	49				

EMPLOYEE DEVELOPMENT AND TRAINING						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 39-40				
GRI 404 Training and education	404-1 Average number of training hours per year per employee	52-53				
	404-3 Percentage of employees who receive periodic evaluations of their performance and professional development	50				
OCCUPATIONAL HEALTH AND SAFETY						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 41				
GRI 403: Occupational health and safety	403-1 Occupational health and safety management system	41				
	403-2 Hazard identification, risk assessment and accident investigation	41				
	403-3 Occupational health services	41				
	403-4 Worker participation and consultation on occupational health and safety programs and related communication	41				
	403-5 Worker training on occupational health and safety	41				
	403-6 Workers' health promotion	41				
	403-7 Prevention and mitigation of occupational health and safety impacts directly related by business relationships	41				
	403-9 Occupational Injuries.	52				

MATERIAL ISSUES NOT RELATED TO SPECIFIC DISCLOSURES OF STANDARD GRI DISCLOSURES						
<b>GOVERNANCE AND ECONOMIC PERFORMANCE</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 20-22				
<b>OPPORTUNITIES RELATED TO REGULATORY DEVELOPMENTS IN ESG</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 27				
<b>TENANT ENGAGEMENT AND SATISFACTION</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	8; 16-17; 36-37				
<b>TECHNOLOGICAL INNOVATION AND CYBERSECURITY</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17				
<b>SENIOR LIVING.</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 32-34				
<b>HEALTH CARE.</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 34				
<b>SOCIAL HOUSING</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 29-30				
<b>STUDENT HOUSING</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 30-32				
<b>URBAN REGENERATION</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 28-34				
<b>ADVANCED SERVICES</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 28-34				
<b>SUPPORTING THE LOCAL COMMUNITY</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 28-34				
<b>CERTIFICATION OF ASSETS IN THE PORTFOLIO</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	15-17				
<b>WASTE MANAGEMENT, EFFICIENT USE OF RESOURCES AND WATER CONSUMPTION</b>						
GRI 3: Themes. materials 2021	3-3 Management of material issues	16-17; 42-43				

# Reconciliation table with GRI standards

Material themes	GRI Standard Topics	Area	Impact		Perimeter of impact	Involvement of the Society	Failure	Security	
			Positive	Negative					
Governance and Economic Performance	-	Economic	-	-	-	-	-	Non-compliance with policies and procedures corporate	Fabrica SGR
Compliance and risk management	Anticorruption (205); Anti-competitive behaviors all (206)	Economic	-	-	-	-	-	Policies and procedures on risk management	Fabrica SGR
Opportunities related to regulatory developments in ESG.	-	Economic	-	-	-	-	-	Stakeholder interests and expectations in the ESG area	Fabrica SGR
Tenant Engagement and Satisfaction	-	Social	-	-	-	-	-	Tenant satisfaction and support	Fabrica SGR
Technologic	-	-	-	-	-	-	-	-	Fabrica SGR
Employee management and retention	(401), Diversity and Equal	Social	-	Opportunity (405); Not discrimination (406)	-	-	-	High staff turnover	Employees of Fabrica SGR
Welfare	Employment (401)	Social	-	-	-	-	-	Employee welfare and employment decent	Employees of Fabrica SGR
Employee development and training	Training (404)	Social	-	-	-	-	-	Active skill development of the employees	Employees of Fabrica SGR
Occupational health and safety	Occupational health and safety (403)	Social	-	-	-	-	-	Health and safety in places of work	Employees of Fabrica SGR
Senior Living	-	Social	-	-	-	-	-	Supporting fragile and vulnerable groups	Fabrica SGR
Health Care	-	Social	-	-	-	-	-	Supporting the growth of health care facilities	Fabrica SGR
Social Housing	-	Social	-	-	-	-	-	Facilitated housing accessibility	Fabrica SGR

Student Housing	-	Social	Student housing solutions	Fabrics SGR	Caused by Fabrics SGR and directly connected through a relationship of business
Urban Regeneration	-	Social	Redevelopment of urban spaces	Fabrics SGR	Caused by Fabrics SGR
			Accessible facilities for the most fragile		
Evolved Services	-	Social		Fabrics SGR	Caused by Fabrics SGR
Supporting the local community	-	Social		Fabrics SGR	Caused by Fabrics SGR
Energy consumption and emissions	Energy (302); Emissions (305)	Environmental		Fabrics SGR and electricity suppliers	Caused by Fabrics SGR and directly connected through a business relationship
Certification of assets in the portfolio	-	Environmental	Environment al efficiency of the business	Fabrics SGR	Caused by Fabrics SGR
Waste management, efficient use of resources and water consumption	-	Environmental	Efficient use of water resource and reduction and recycling of waste	Fabrics SGR	Caused by Fabrics SGR

**Fabrics Immobiliare Società di Gestione del Risparmio S.p.A.**

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