

A photograph of a modern building's courtyard. The courtyard features a wide, paved walkway made of light-colored rectangular tiles. On the left side, there is a raised planter bed with various green plants and trees. The building's facade is composed of large glass windows and dark frames, reflecting the sky and surrounding buildings. The overall atmosphere is bright and modern.

*Sustainability
Report 2023*



Contents

Letter to Stakeholders	4
Highlights 2023	6
Fabrica SGR	8
Our Values.....	8
Main milestones of our work.....	9
Our Funds	12
Our Sustainability Journey	14
Sustainability Policy	14
ESG Management Function.....	14
Global Real Estate Sustainability Benchmark (GRESB).....	14
Compliance with SFDR.....	15
Materiality Matrix 2023.....	16
Monitoring of performance against the Sustainability Goals.....	18
Our governance model	20
Business model and economic performance.....	20
Model 231/2001.....	22
Code of Conduct.....	23
Code of Ethics	23
Sustainability Policy.....	23
Internal Control System.....	23
Opportunities related to ESG regulatory evolution.....	26
The sustainable calling of our funds	27
The Funds of ex. Art. 8 of the SFDR.....	27
Social Housing.....	28
Student Housing	30
Summary of the main features of Student housing	31
Senior Living.....	31
Health Care.....	33
Listening and engaging with tenants	35
A transparent relationship.....	35
Quality of service.....	35
Responsibility towards our people	37
Our people	37
Diversity & Non-Discrimination	38
Staff training & Remuneration	38
Health & Safety	40
Our attention to the environment	41
Environmental impact.....	41
Energy consumption	43
Emissions.....	44
Methodological note	45
Attachments	46
GRI Indicator Table	53
Reconciliation table with GRI standards	59



Letter to Stakeholders

Dear Stakeholders,

In a constantly changing national and supranational context, where the only certainty is uncertainty, Fabrica SGR continues to act as an attentive entity capable of grasping and anticipating the main social, regulatory and market developments, operating with deep-rooted values and a consolidated, clear and long-term vision.

Again in 2023, the growing sensitivity to innovations and changes – together with the usual attention to shareholders and a renewed social vocation, which has always distinguished the SGR – has led to making sustainability increasingly integrated into corporate culture and the corporate governance structure, though still aware that there is a long way to go and there are numerous challenges and opportunities to be seized.

In addition to the strategic approach to sustainability and the related Policy, which has been fully operational since 2021, the year just ended has led to a progressive consolidation of the ESG Management function, the implementation of sustainability issues in the investment process and the "road test" of internal procedures and the risk model, which now includes an initial approach to sustainability risks.

Training and engagement activities for stakeholders have been maintained and expanded, also for the year covered by this Report, as well as the commitment and responsibility to raise awareness of the impacts generated by its actions, without neglecting external comparison; in addition, the third-party assessment of the sustainability profile of the funds under management (equal to approximately 50% of assets under management) has been extended; and this in the belief that external sustainability ratings can act as a stimulus tool to improve performance and the level of ESG reporting.

In the current year, constant attention has also been paid to the social component of Funds, which represents one of the pillars of Fabrica's operations; it follows that the end user, as the user of the property, assumes a central role as the ultimate recipient of real estate complexes and social impact real estate projects; the latter must respond specifically to the needs of the different categories of users of the asset, whether they are people, students, young people, frail or the elderly.

The unitary reading of all these actions shows the direction and path taken by the SGR in recent years in terms of sustainability and gives awareness of the ability to implement and adopt the most significant changes taking place in society; all while aware that every actor can and must do their part to contribute to change. To this end, Fabrica's action – and this fourth edition of the Sustainability Report is proof of this – is increasingly structured to systemically make sustainability a driver capable of guiding long-term operational choices, to be integrated with stakeholder requests and contextual needs.

March 2024

The President
Fabrizio Caprara

The Chief Executive Officer
Giovanni Maria Benucci

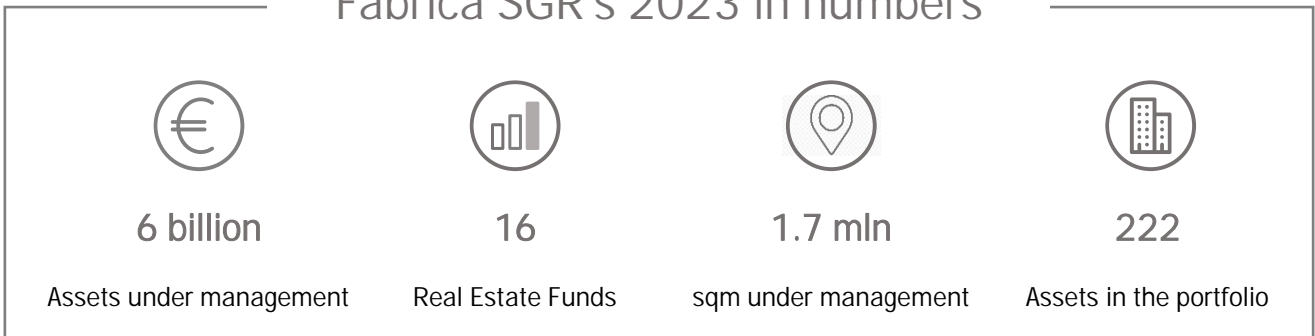
The Executive Director
Valentina Compagno

The ESG Manager
Lelio Mazzarella



Highlights 2023

Fabrica SGR's 2023 in numbers



Governance

- Consolidation of ESG Management Function
- Inclusion of sustainability risks in the risk management model

Social

- 630 social housing units
- 2,200 beds in nursing homes
- 5,550 beds in student residences

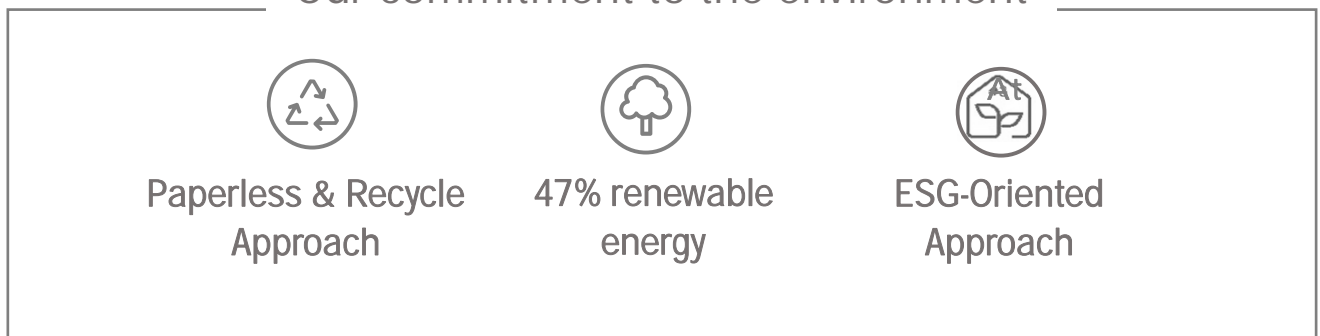
Tenants

- Common technical tables
- Transparent Report

Employees

- 51 employees, 100% of whom have permanent contracts
- 65% female presence
- Around 60% of employees are in the 30 - 50 age group

Our commitment to the environment





Fabrica SGR

One of the main players in Italy in the real estate sector, Fabrica SGR manages **16 funds/sub-funds¹** for a total of approximately **€6 billion** in assets managed.

Active since 2005, after an initial focus on the residential development sector and subsequent fractional sale, Fabrica has embarked on a path of constant growth, in the wake of the values shared with the reference shareholder, the **Caltagirone Group**.

Anticipating market trends and contributing to the innovation of national real estate: these are the two cornerstones that have historically inspired its asset management activity.

Fabrica was the first Italian asset management company to explore the *living* sector in its various forms, identifying the existence of an unexpressed demand for residential properties from the side of specific customer targets: university students, seniors, young professionals, young couples, and families with children.

To date, Fabrica has achieved significant results in all aspects of the socially responsible asset class:

- **Student housing:** Fabrica has acted as a pioneer in this sector for Italy, launching its first initiatives in 2007. To date, with a portfolio of 10 facilities and over 5,500 beds built in the cities of main Italian universities, it is the main institutional investor at the national level with a share of more than 10% of the national stock;
- **Senior living** (for self-sufficient and non-self-sufficient seniors): Fabrica has channeled resources into the sector since its inception and currently owns 14 nursing homes for about 2,200 beds. In addition, in 2021, Fabrica launched the Aristotele Senior Fund, the first fund dedicated to the senior living sector;
- **Social housing:** the SGR manages two funds dedicated to the development of social housing projects in Italy, one of which is reserved for the launch of initiatives in the South. The two funds are implementing a total investment plan of over €190 million. Projects have also been launched to develop around 565 new social housing structures;
- **Health Care:** the SGR has also acted as a pioneer in this segment, launching their first fund in 2006. Over the years, Fabrica has supported the growth plans of important national scientific research institutes, first and foremost the European Institute of Oncology (IEO).

Over the years, the SGR has gained the trust of leading Italian institutional investors, primarily Pension Funds, which today account for over 90% of assets under management.

Commitment to and sensitivity to ESG issues were also central during 2023, which saw the SGR continue its sustainability path through the adoption of the sustainability policy and the risk management model – which now also integrates an initial approach to sustainability risks – as well as through the Sustainability Report tool, launched for the first time during 2020 and now in its fourth edition.

Our Values

The SGR's activity continues to be firmly anchored to the values to which it belongs and consolidated over the years:

- **Transparency:** the entire investment and divestment process, including periodic assessments and the selection of outsourcers, is codified in a transparent system of internal procedures constantly monitored by control functions, as well as in a reporting system aligned with international best practices;
- **Independence:** the management of the SGR selects the investment and divestment transactions of the funds under management in a completely autonomous manner and on the basis of exclusively professional and market criteria;
- **Professionalism:** the SGR's human capital is made up of a team of professionals with multidisciplinary expertise, which makes use of analysis tools and methodologies aligned with the best international standards;

¹ Of which one fund in liquidation (data referring to 31/12/2023).

- Responsibility:** Fabrica is one of the most active and experienced operators in the field of real estate investments with social purposes in Italy, boasting more than ten years of experience gained thanks to the first socially responsible fund, launched for the investment of INPS financial resources in real estate projects in favor of universities and scientific research institutes. Overall, Fabrica has carried out projects worth approximately €1.2 billion for initiatives with social impacts, carrying out interventions to support welfare in sectors and geographical areas with an effective infrastructure gap, mainly student residences with controlled rents and social housing initiatives.

Main milestones of our work

2005	Fabrica starts its operations and the first two reserved real estate funds, including the first socially responsible fund in Italy, dedicated to the investment of INPS liquidity. The SGR's main shareholders are the Caltagirone Group and Banca Monte dei Paschi di Siena
2006 - 2007	The SGR consolidates its portfolio by launching 5 real estate funds. Assets under management reach €2 billion
2010 - 2012	Fabrica has been awarded the two main public tenders launched by Pension Funds (Inarcassa and Cassa Forense) for the launch of two dedicated funds. The SGR was also selected by Enpap for the launch of a dedicated fund-raising fund and, in partnership with CPD Immobiliare SGR (now CDP Real Asset SGR), launched the first Italian real estate fund specialized in the university residence sector. Assets under management reach €2.5 billion
2013 - 2015	The SGR launches two social housing funds owned by CDP Immobiliare SGR (now CDP Real Asset SGR). Inarcassa starts the transfer of its real estate assets to a dedicated fund. Assets under management reach €3.5 billion
2016 - 2017	The SGR completes the liquidation process of the first two products that have reached maturity, achieving an IRR of 21.4% and 13.5% respectively. The Caltagirone Group consolidates its stake in the share capital of Fabrica, taking over the 49.99% previously held by Banca Monte dei Paschi di Siena
2018	The SGR wins the selection called by a leading health fund for the launch of a dedicated fund and launches a fund specialized in the RSA sector
2019	In the first half of the year, the SGR made investments abroad of approximately €250 million. Assets under management exceed €4 billion
2020	Fabrica has been awarded the "Company of Excellence in Real Estate" Award, awarded by Scenari Immobiliari to Italian companies that have distinguished themselves for their results in the sector. Fabrica prepares and publishes, on a voluntary basis, its first sustainability report, referring to the 2020 financial year.
2021	Fabrica continues its commitment in the implementation of ESG initiatives. In particular, as part of the sustainability path undertaken, the SGR continues its activities to promote a culture oriented towards social responsibility as well as the dissemination of environmental, social and governance principles. It also supports

strategic choices in compliance with these principles, with a view to sustainable growth and transparency towards stakeholders.

In this sense, the initiatives implemented during 2021 can be read, such as the introduction of ESG due diligence and the continuation of training specifically dedicated to ESG issues, as well as a general focus on sustainability issues with respect to stakeholders. In addition, at the end of 2021, Fabrica launched the Aristotele Senior fund, the first reserved fund dedicated to the senior living sector.

2022

The ESG Management function is established, with the aim of strengthening the process of integrating sustainability issues into corporate strategic choices, keeping in mind recent European regulations such as the SFDR; consequently, the SGR's internal operating model is updated to continue on the ESG path undertaken in a concrete, gradual and orderly manner.

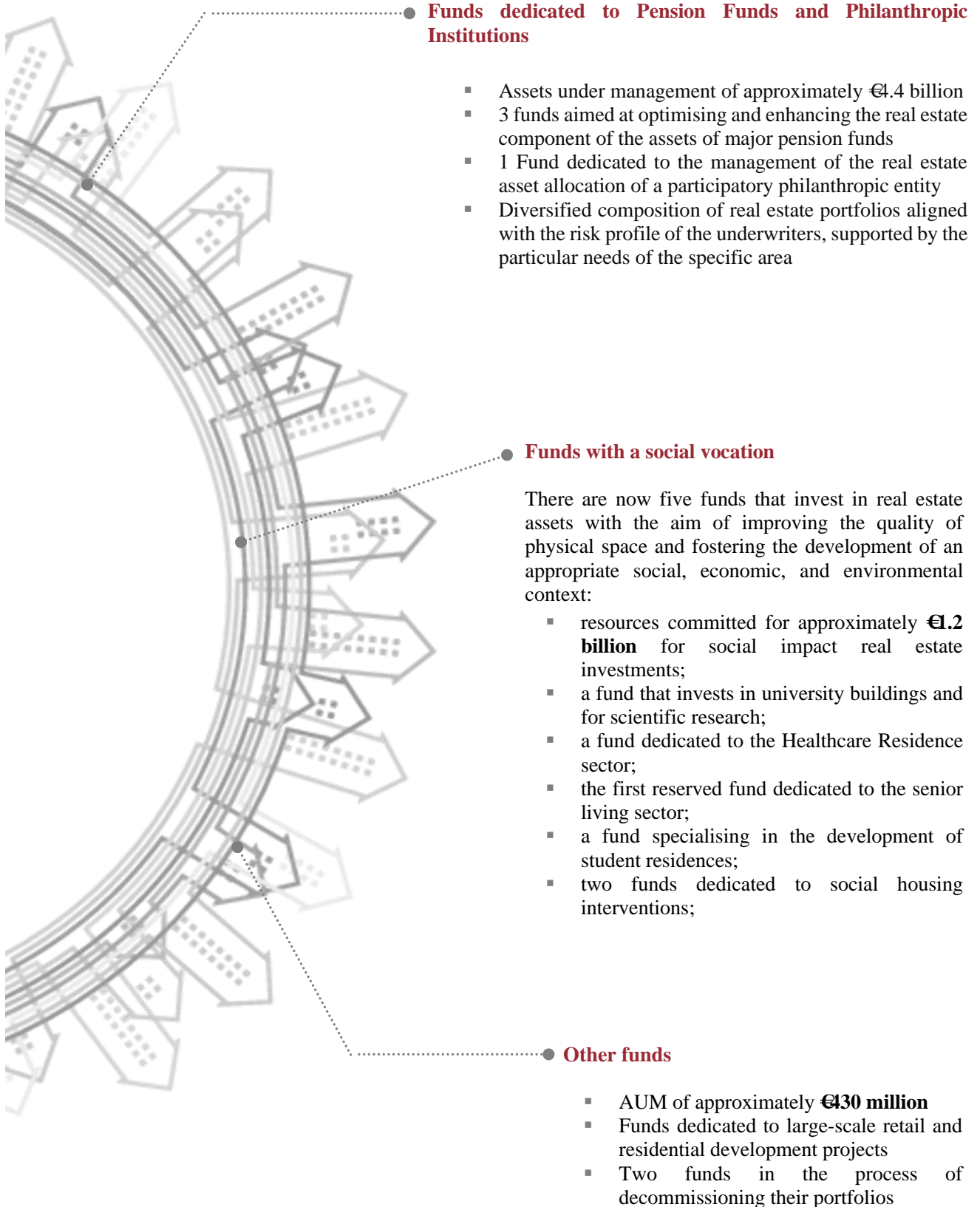
In March 2023, the SGR's ESG Action Plan was approved with the aim, also in line with the expectations of the Supervisory Authority, of planning in the medium term, and according to a gradual and continuous improvement approach, the progressive integration of sustainability risks (including climate and environmental risks) into corporate strategies, governance and control systems and the risk management framework.

2023

In the second half of the year, Fabrica signed a collaboration agreement with the Department of Architecture and Design (DiAP) of the University of Rome "La Sapienza" for the definition of guidelines and methodologies for the sustainable enhancement of national real estate assets. The agreement is based on the synergistic sharing of the skills and know-how of Fabrica and DiAP.



Our Funds





97

Our Sustainability Journey

Sustainability has always been a major issue for Fabrica, an essential component to consider in the financial approach of an asset management company to generate shared value and positive impacts for the environment and society.

The awareness of the importance of ESG issues for Fabrica has been translated first and foremost into the pioneering investment activity in niche sectors, such as student housing and senior living, promoted through a socially responsible fund, and inspired, in addition to market considerations, by the desire to contribute to bridging an infrastructure gap and enhancing welfare for the growth of the country.

Over the years, Fabrica's attention to the social implications of portfolio investments has been gradually strengthened by the growing sensitivity of its investors towards these issues. The relationship of trust established has directed the SGR towards constant and growing attention to the social impact of its investments. In this sense, starting from 2021, an ESG due diligence activity was progressively introduced in the assessment of new investments, aimed at analyzing the risks and negative impacts that sustainability issues could cause on real estate investment.

Over the past year, following the drafting of a Sustainability Policy, as well as participation in the Global Real Estate Sustainability Benchmark (GRESB) launched in 2020, the SGR has wanted to further strengthen its commitment to sustainability, gradually integrating ESG principles into the company's culture and objectives and launching a series of projects with the aim of making these factors increasingly central in its own choices. Moving in this direction are the progressive implementation of ESG regulatory pressures in Fabrica's internal procedures, in the risk management model – updated in 2022 to integrate an initial approach on sustainability risks – and the establishment of a special function dedicated to the management of these aspects, ESG Management. These updates were also reflected in the decision to inform and communicate with its stakeholders in a more transparent way, demonstrating the importance of dialogue with them. Starting from 2021, an important update of the SGR's website has been implemented with a focus on sustainability - which can be reached at www.fabricasgr.com/approccio-esg/ - which includes a special section entirely dedicated to sustainability, where the Sustainability Report and its previous editions are published, also translated into English, with an indication of the activities, objectives implemented and the key information on sustainability.

Sustainability Policy

The Sustainability Policy tool, developed and introduced by Fabrica in recent years, has made it possible to raise awareness of the primary importance of a culture devoted to sustainability and based on the environmental, social and governance principles that characterize it. This awareness, aimed primarily at its people, corporate structures, and collaborators, has allowed Fabrica to consolidate its image as a committed player attentive to the ethical and social implications of its work.

In support of this Policy, in 2023 Fabrica approved an ESG plan, which will progressively be integrated into the SGR's broader business plan, highlighting the increasing integration of sustainability principles into Fabrica's medium-to-long-term strategic choices.

ESG Management Function

2022 saw the establishment of the ESG Management function in the company's organizational chart, dedicated to the management and coordination of ESG issues within Fabrica, reporting directly to the Chief Executive Officer and reporting directly to the Board of Directors also through the Committee with ESG tasks, demonstrating the relevance of the implementation of sustainability principles in the broader strategic choices of the SGR.

In particular, this figure promotes ESG principles both internally – in the corporate strategy and culture, as well as in the operational choices of all Fabrica functions – and externally, i.e., by integrating environmental, social and governance issues into the SGR and the funds managed, also in coordination with the application of the SFDR.

Global Real Estate Sustainability Benchmark (GRESB)

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

The GRESB is one of the leading international benchmarks on the ESG performance of investments in the Real Estate and Infrastructure sectors, as it is a globally recognized standard for benchmarking and reporting ESG aspects for real estate companies, funds, developers, and investors investing directly in the real estate sector. The GRESB allows, with particular reference to the chosen benchmark segment, to measure one's level of sustainability with respect to two components: Management and Performance (or Development), providing an overall score for each participant and a comparison report with peers, which takes into account different specificities of each participant (e.g. country, region, sector and type of investment).

Fabrica's participation in the GRESB Assessment (through a number of managed funds) and the evaluations received have been a stimulus for the SGR to consolidate its approach to sustainability issues and has allowed it to launch further projects in the ESG field, such as:

- identification of areas of risk, opportunities and impacts of the portfolio;
- raising awareness of ESG issues among tenants and suppliers;
- engagement with its tenants in order to start a discussion on sustainability issues.

In 2023, the Funds that received a sustainability rating (through participation in the GRESB Assessment) rose to No. 7 in the rating list; all funds obtained the recognition of the "Green Star" by the GRESB, achieving, on average, an improvement in the GRESB Score obtained, also confirming Fabrica's commitment to raising the ESG performance of the funds it manages.

Compliance with SFDR

Since the entry into force of Regulation (EU) 2019/2088, the so-called "Sustainable Finance Disclosure Regulation" or "SFDR", Fabrica SGR publishes and updates the required information on its website, to which reference should be made.

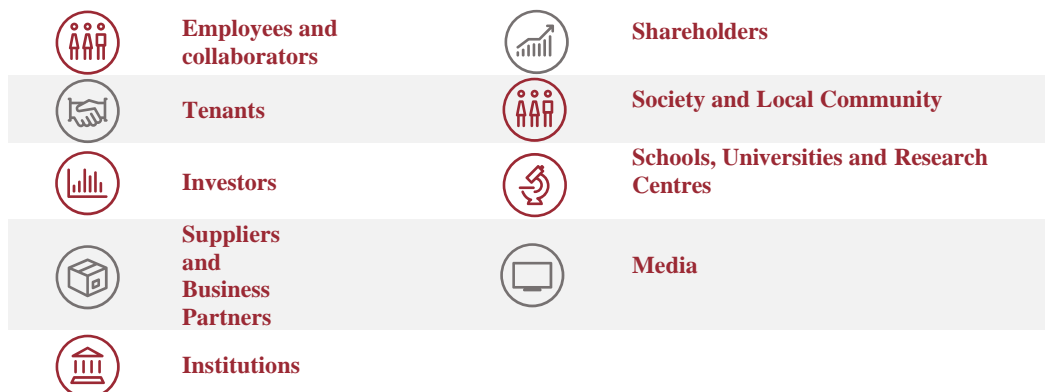
Stakeholder engagement and updating of the materiality matrix

Fabrica SGR considers the involvement and participation of stakeholders in the decisions for which they are responsible to be of primary importance. In this sense, the implementation of a widespread and conscious engagement activity with its stakeholders is carried out, in order to promote equality and completeness of information and ensure a balance between the various activities and the related environmental, social, and economic impacts.

Fabrica SGR's commitment translates first and foremost into the significant implementation of an ESG approach inspired by international best practices, also taking into account the interests and expectations of the main stakeholders involved.

In order to demonstrate Fabrica's interest in maintaining a continuous and constructive dialogue with its stakeholders and acknowledging their needs and expectations, the company's management, starting from a preliminary sector benchmarking activity with the main competitors, has re-evaluated the categories of stakeholders keeping only those with whom there is a solid bond and constant relations.

The 9 categories of stakeholders are as follows:



One of the main initiatives undertaken, also in 2023, with a view to enhancing the link with its stakeholders was the engagement activity with shareholders, aimed at starting a process of integration and improvement of ESG strategies

in its activities. In particular, Fabrica continues its commitment to maintaining consistent communication with shareholders, proposing sustainability objectives in order to make funds and assets compliant with the ESG path undertaken by the Company and to convey its sensitivity to the issue.

Aware of the importance of transparent communication of its activities to the outside world, during 2023 Fabrica continued to update and enrich its website, the main channel for sharing its work. In particular, the section dedicated to sustainability and the activities and objectives implemented by the SGR has been updated, as well as the sustainability report as an essential tool for reporting and communicating its identity and commitment, also translated into English.

Materiality Matrix 2023

For 2023, the process of defining and updating the Materiality Analysis was developed by the company's Top Management, following the new guidelines defined by the GRI Universal Standards 2021; this activity required a prior analysis of the reference context and the involvement of Management and Top Management.

In this context, the main impacts, positive and negative, that the SGR generates or can generate through its activities and business relationships on the economy, the environment and people were taken into consideration, including and emphasizing respect for human rights. Subsequently, these impacts were traced back to material issues, the prioritization of which was developed during a dedicated materiality workshop, which involved Fabrica's Management.

Following the internal assessment, updating and prioritizing the issues, 11 material topics for the Company were identified, divided into 3 ESG macro-clusters:

Governance:

- Growth, business model resilience, and value creation for SGR and stakeholders;
- Transparency, ethics, and soundness of governance;
- Internal control system and ESG risk management model;
- Technological innovation and cybersecurity.

Social

External:

- Tenant well-being and involvement;
- Adequate living standards and well-being;
- Inclusive and sustainable communities and societies.

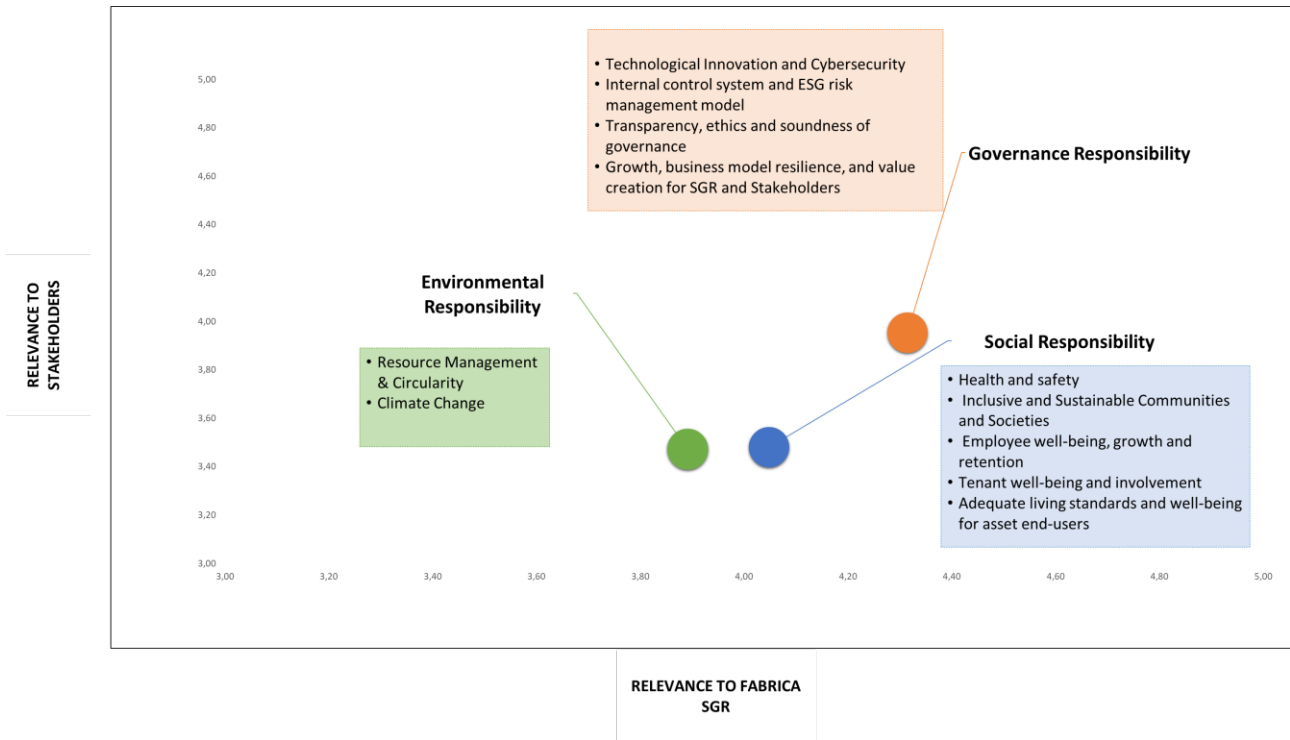
Internal:

- Employee well-being, growth, and retention;
- Health and safety.

Environmental:

- Climate change;
- Resource management and circularity.

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



The correlation between the 2023 material issues and their respective impacts is as follows:

	Material Topics	Related Impacts
Governance Responsibility	<i>Growth, business model resilience, and value creation for SGR and stakeholders</i>	<ul style="list-style-type: none"> • Loss of value/ attractiveness due to failure to take ESG issues into account in the SGR's strategy • Resilience of the business and organizational model to ongoing changes (sustainability and innovation) • Failure to consider sustainability risks in the real estate investment process
	<i>Transparency, ethics, and soundness of governance</i>	<ul style="list-style-type: none"> • Exposure to legal and reputational risks • Corruption and anti-competitive behaviour • Stakeholders' ESG interests and expectations • Decline in profits/ capital due to a negative perception of the company due to non-compliance with regulations/adoption of misconduct
	<i>Internal control system and ESG risk management model</i>	<ul style="list-style-type: none"> • Robustness of the internal control system and sustainability risk management model • Failure to assess sustainability risks in investments (e.g., environmental)
	<i>Technological innovation and cybersecurity</i>	<ul style="list-style-type: none"> • Lack of data security • Financial losses resulting from cyber-attacks
Social Responsibility	<i>Employee well-being, growth, and retention</i>	<ul style="list-style-type: none"> • Staff development and growth • Staff well-being and decent employment
	<i>Health and safety</i>	<ul style="list-style-type: none"> • Health and safety in the SGR's workplace • Health and safety in the workplaces of the value chain
	<i>Tenant well-being and involvement</i>	<ul style="list-style-type: none"> • Tenant satisfaction and engagement
	<i>Adequate living standards and well-being</i>	<ul style="list-style-type: none"> • Implementation of social and economic rights

	Material Topics	Related Impacts
	<i>Inclusive and sustainable communities and societies</i>	<ul style="list-style-type: none"> • Rights of local communities • Urban Regeneration
Environmental Responsibility	<i>Climate change</i>	<ul style="list-style-type: none"> • Reduction of consumption (SGR view) • Reduction of consumption (management portfolio view) • GHG emissions (SGR view) • GHG emissions (management portfolio view) • Financial impacts of climate change and failure to establish a business transition plan • Depreciation of the real estate portfolio due to the adjustment process towards a low-carbon and more sustainable economy
	<i>Resource Management and Circularity</i>	<ul style="list-style-type: none"> • Sustainable sourcing • Circular waste management • Sustainable use of water resources

Monitoring of performance against the Sustainability Goals

The following are the sustainability objectives, defined in Fabrica's sustainability plan, which illustrate the strategic options that the SGR aims to pursue in the field of sustainability. In 2023, Fabrica committed to continuing and consolidating its commitment to these objectives through the introduction and launch of ESG due diligence activities, conducting pilot projects to reduce consumption in owned assets, the upkeep of training hours with the inclusion of ESG courses, the full implementation of the Matera Social Housing complex and maintaining the ESG policy in contracts with Properties.





Il Rinoceronte

Our governance model

Business model and economic performance

Fabrica is active in the collective management of savings, through the promotion, establishment, and management of alternative mutual funds. The assets of the Managed Funds are mainly invested in real estate, real estate rights, including those deriving from real estate leasing contracts with a transferable nature and from concession relationships, and investments in real estate companies, parts of other real estate alternative investment funds (AIFs), including foreign ones.

In particular, Fabrica's product portfolio includes a wide range of mutual funds: the Company promotes, establishes, and manages real estate funds, both subscription and contribution, diversified according to the risk/return profile, including funds aimed at professional investors and funds intended for the retail public.

Fabrica operates with diligence, fairness, and transparency in the interest of the participants in the Funds and the integrity of the market, adopting an organizational model aimed at excluding the risk of potential conflicts of interest also among the assets under management, as well as appropriate measures to safeguard the rights of the participants in the Funds.

To this end, Fabrica guarantees the constant maintenance of adequate resources and procedures to ensure the efficient performance of services.

Fabrica's business model is supported by a robust system of internal controls, which has been built throughout the years, in full compliance with current regulatory and supervisory regulations and in compliance with the indications of the trade association (Assoimmobiliare). It consists of the set of rules, procedures and organisational structures that aim to ensure compliance with corporate strategies, the effectiveness and efficiency of business processes, the safeguarding of the value of the company's assets and the correct management of those held on behalf of customers, the reliability and integrity of accounting and management information, as well as the compliance of transactions with the law, supervisory legislation, self-regulatory rules and internal provisions.

In addition, during 2023, Fabrica launched an extensive updating process involving the Company's corporate bodies, control functions and management. This process, conceived with the aim of integrating sustainability in all its facets, reflects a strong commitment to the adoption of responsible and future-oriented business practices, positioning Fabrica in a long-term perspective with respect to the principles of sustainability.

Governance & Compliance

The primary objective of the SGR is to enhance the investment of the shareholders and subscribers of the funds it manages, through the pursuit of an industrial policy capable of guaranteeing satisfactory economic results over time. This awareness has led the SGR to identify the concept of "integrity" as the central value of its culture and behaviour. The SGR intends to pursue its objectives by seeking the best balance between the interests of its stakeholders, maintaining, and developing a relationship of trust with them, in compliance with all the provisions of the law and regulations in which Fabrica operates and the principles of honesty, respect, impartiality, reliability, loyalty, fairness, transparency and good faith.

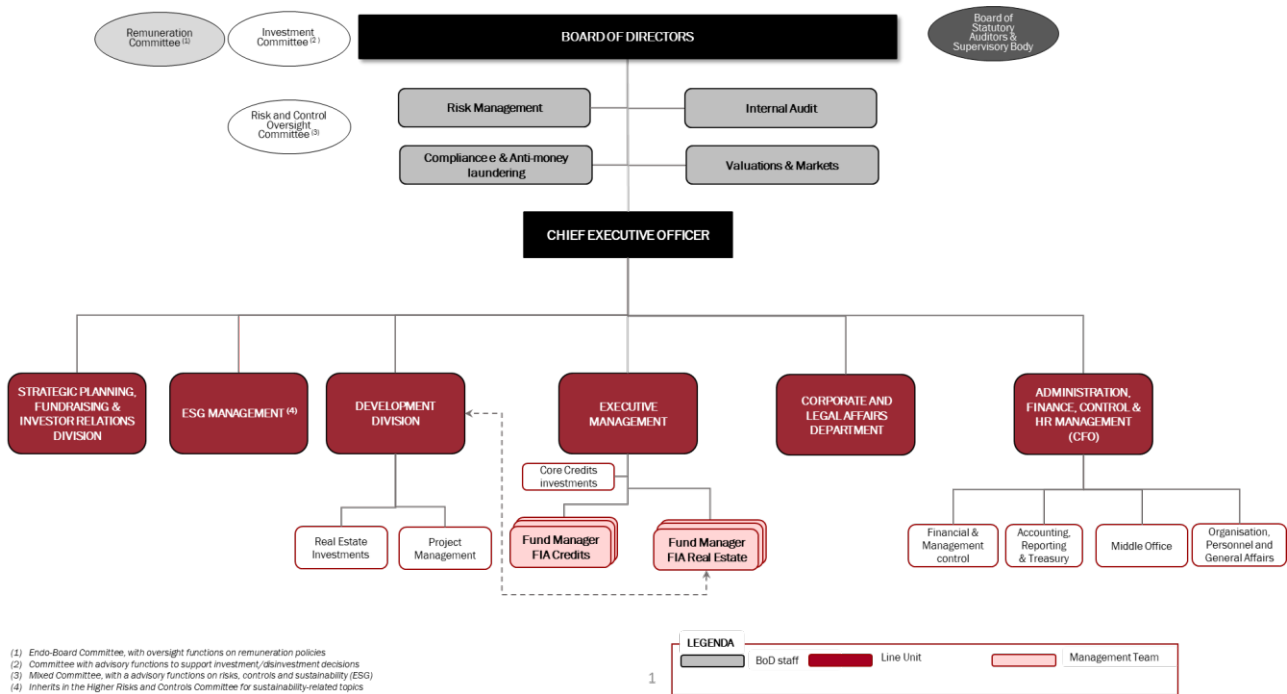
The organisational and procedural system of the SGR is defined by the Company's Board of Directors and formalized through an organizational chart and company regulations. In addition, the SGR, as a supervised entity, is required to draw up a report on the organisational structure (RSO), to be sent to the Bank of Italy on an annual basis. In this regard, the Supervisory Authority must be informed even if there have been no changes to the aforementioned report. These documents are approved by the Board of Directors and are disseminated by publishing them on the company intranet. The Company also has a "System of Procedures", as governed by a specific organizational procedure. This system consists of:

- Organizational procedures: i.e., documents with prescriptive content aimed at defining both general business processes and systematic, repetitive, or frequent business processes of an operational nature;
- Provisions: these are documents with prescriptive and implementation content that do not refer to systematic business processes.

Fabrica SGR's Governance system is designed to achieve strategic objectives by ensuring effective governance, in

compliance with applicable laws, efficient and fair to all stakeholders.

Below is the Company Organizational Chart, as updated in June 2023; at the top of the structure is the Board of Directors to which – in the final analysis – all company functions are answerable.



(1) Endo-Board Committee, with oversight functions on remuneration policies
 (2) Committee with advisory functions to support investment/divestment decisions
 (3) Mixed Committee, with a advisory functions on risks, controls and sustainability (ESG)
 (4) Inherits in the Higher Risks and Controls Committee for sustainability-related topics

Board of Directors

The role of the Board of Directors consists in determining the company's objectives and strategic choices, as well as in planning and defining the investment/ divestment policies of the Funds. In this context, it plays an active role in guiding and governing the integration of sustainability issues into the company's culture and strategy, consistently integrating the main corporate policies and the adaptation of organizational and management systems. In particular, the Board of Directors is responsible for driving the establishment and development of new funds and for the management of existing funds, as well as monitoring the achievement of the defined investment/ divestment objectives and policies.

The administrative body is also responsible for structuring the company organisation and assigning tasks to operational functions and employees, internal organizational procedures and the adequacy and reliability of the Company's IT system, as well as compliance with the procedures and regulations in force from time to time. The Board of Directors includes two Independent Directors, who do not perform executive duties and do not have, even indirectly, relations with the Company or with persons associated with the Company that could affect their independent judgment.

The ESG Management function, established in 2022, reports to the Board of Directors, to coordinate the progressive integration of sustainability issues with respect to internal and external strategic choices.

Board of Statutory Auditors

The Board of Statutory Auditors supervises compliance with the law and the Articles of Association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative, and accounting structure adopted by the Company and its actual functioning. It also exercises all the other powers established by the regulations, including special ones, applicable to the Company.

Supervisory Body

The Supervisory Body supervises the liability of entities for crimes committed in the interest or advantage in favour of the latter, in accordance with the provisions of art. 6, paragraph 1, letter b) of Legislative Decree no. 231 of 8 June 2001. The Supervisory Body of Fabrica SGR coincides with the Board of Statutory Auditors.

Investment Committee

The Committee is made up of experts in the sector and, having taken note of the Funds' business plan, has the role of analysing, evaluating, and expressing its advisory, but non-binding, opinion on investment/ divestment proposals, with the aim of providing a further opportunity for in-depth analysis of investments in the interest of investors.

Supervision, Risk and Control Committee (Risk Committee or CSRC)

The Committee is composed of 5 members, and in particular: i) the Independent Directors and ii) the Heads in charge of the Compliance and Anti-Money Laundering, Internal Audit and Risk Management Functions, who maintain their prerogatives of functional autonomy, in compliance with the direct reporting obligations provided for by current legislation. The Chairman of the Board of Statutory Auditors is invited to the meetings of the Committee.

The Risk Committee has the task of assisting the Board of Directors of the SGR in relation to: i) the identification of safeguards for the management of any situations of potential conflict with the interests of the participants in the mutual funds managed; ii) the implementation of the guidelines and policies on risk management, including sustainability, compliance control and internal auditing determined by the Board of Directors; iii) to carry out the other tasks assigned to it by the Board of Directors. In addition, in the area of sustainability, the Committee was assigned the task of supporting the Board of Directors in the assessment of sustainability issues, monitoring, with the support of the Control Functions and the Head of ESG Management, the evolution of regulations and best practices in the sector, in order to formulate proposals for improvement to be implemented in the SGR's sustainability policy and in organizational processes and safeguards; to this end, the CSRC may also request the Head of ESG Management to carry out in-depth studies on specific areas and/ or operational sustainability issues. The Committee's meetings are attended by the Head of the ESG Management function, for issues related to sustainability.

Remuneration Committee

The Committee is composed of three people, chosen from among the non-executive Directors, the majority of whom are independent, in compliance with the main regulations. This Committee advises the Board of Directors on Remuneration Policies. In particular, Fabrica's Remuneration Policy is a fundamental tool to support the SGR's medium and long-term strategies and is designed with the aim of:

- creating value over time and pursuing sustainable growth for shareholders, staff, and investors;
- attracting, motivating, and retaining staff, creating a sense of identity, and developing a culture of performance and merit;
- promoting sound and effective risk management and discouraging risk-taking that is inconsistent with the risk profiles and regulations of the AIFs managed and the asset management company;
- assigning to staff, where necessary, specific objectives consistent with the objectives, values and interests of the Company and the investors of the AIFs it manages, providing in any case for measures to avoid conflicts of interest.

Model 231/2001

The SGR has adopted its own 231 model and a code of ethics. The model and the code are essential for the transparency of the SGR's economic actions, the correctness of conduct and respect for human rights. The model also provides for specific protocols for each activity of the SGR that complement the operating procedures already inspired by the principles indicated.

Fabrica operates in compliance with all legal provisions and regulations and is anchored to a series of principles, consolidated over the years such as: honesty, respect, impartiality, reliability, loyalty, fairness, transparency, and good faith.

The SGR has also adopted a whistleblowing procedure that affects all the most significant regulations for an asset management company, such as the Consolidated Law on Finance (TUF), market abuse and anti-money laundering. In summary, the system provides for the possibility of reporting to the Supervisory Body (SB) or to the internal audit, both unambiguously and anonymously, any conduct that differs from the principles of the code of ethics and the rules applicable to the SGR. Reports are treated with the utmost confidentiality and in compliance with the GDPR.

In 2023, the organisational procedure on whistleblowing was updated to adapt it to the new rules introduced by

Legislative Decree no. 24 of 10 March 2023 (hereinafter also the "Implementing Decree"), which transposes into Italian law the EU Directive 2019/1937 on "the protection of persons who report breaches of EU law" (hereinafter also the "Whistleblowing Directive").

Code of Conduct

The scrupulous attention to work ethics has assumed, also following the introduction of the 231 Model, in addition to a purely moral value, also a fundamental importance to ensure the continuity of the company in which we operate. The centrality of the topic pushes Fabrica SGR to define more and more clearly the set of values that inspire it and the responsibilities it assumes internally and externally. For this reason, the Code of Conduct has been drawn up, adopted by Fabrica with the aim of clearly and transparently defining the set of values that inspire it to achieve its objectives. Compliance with the rules contained therein is essential for the proper functioning, reliability, reputation and image of the company and it is in this sense that all activities are carried out in compliance with the law, in a framework of fair competition with honesty, integrity, fairness and good faith, respecting the legitimate interests of customers, employees, shareholders, commercial and financial partners and the community in which the company is present. Therefore, all those who work in the SGR, without distinction or exception, are committed to observing and ensuring compliance with these principles within the scope of their functions and responsibilities. In no way can the conviction of 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 proper functioning, reliability, transparency and reputation of the SGR, factors that constitute a decisive asset for the success of the company itself.

Code of Ethics

The Code of Ethics is the set of ethical-behavioural rules that are continuously disseminated to all company personnel and continuously checked to ensure their correct application, which clearly and transparently defines the set of values that inspire the SGR to achieve its objectives. Fabrica SGR recognises the importance of ethical and 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. At the same time, it requires staff, tenants and all those who cooperate with Fabrica to comply with the company rules and precepts established in this Code.

In order to ensure the maximum possible dissemination of the Code of Ethics, Fabrica SGR ensures that the Code of Ethics is provided to the new employee at the time of recruitment, so that knowledge and promotion of Fabrica's values is guaranteed across all levels.

Sustainability Policy

The Sustainability Policy introduced by Fabrica in recent years has made it possible to make sustainability a pillar of Fabrica's decision-making processes internally – its people, corporate structures, and collaborators – and towards the external parties with whom the SGR interfaces on a daily basis. It is in this sense that Fabrica's commitment to ESG issues finds expression in the documents that are signed by the entities with which the SGR comes into contact. Since 2021, the SGR has begun to require, in contracts with Properties and suppliers, the acceptance of the Sustainability Policy and to consider, as an integrated activity, the collection of consumption data for example, as well as information regarding social aspects, and the request for observations and suggestions for possible improvements. In this way, it is intended to ensure adherence to certain standards of the entities with which it works in order to surround itself with a sustainable and conscious network, aligned with its values.

Internal Control System

The internal control system is the set of rules, safeguards, and organisational structures which, starting from an adequate process of identification and measurement of the risks inherent in the SGR and the business in which it operates, allow its management and monitoring in an effective and timely manner. In particular, Fabrica SGR has developed an efficient internal control system for risk monitoring, based on three levels:

- the Risk Management function supports the various decision-making processes (*ex-ante* logic) and continuously monitors (*ex-post* control) a series of predefined risks (credit, market, liquidity, sustainability, operational) also using scenario analysis;
- the Compliance function: (i) periodically monitors and assesses the adequacy and effectiveness of the SGR's measures, policies and operating and control procedures, as well as the measures adopted to remedy any deficiencies in the fulfilment of the SGR's regulatory obligations; (ii) advises the relevant persons of the SGR and assists them in the fulfilment of the obligations incumbent on the SGR;

- Internal Audit carries out its periodic audits in total independence, on the basis of a system of codified procedures.

All functions ensure the effectiveness of controls, particularly in sensitive areas such as anti-money laundering and conflict of interest monitoring. In addition, with regard to sustainability, since 2022, the SGR's Control Functions have been assigned the tasks/ responsibilities, set out in the SGR's General Regulations, and summarised below.

Risk Management Function

Specifically, this function carries out the following activities:

- incorporates sustainability factors (climate, environmental, social and governance) in the assessment of exposure to risks and their monitoring, elaborating, for the Board of Directors and the Senior Management, periodic and comprehensive reports on the type and level of materiality of the sustainability risks to which the SGR and the AIFs managed are exposed;
- conducts, with reference to the management of real estate AIFs and credit AIFs, stress tests of the budgets and business plans of the AIFs themselves, in order to monitor market, credit, liquidity, counterparty, operational and sustainability risks;
- supports the Strategic Planning and Fund-Raising function in the specific analysis activities to assess whether or not the object of the UCI to be established falls within the categories outlined in Articles 8 or 9 of Regulation (EU) 2019/2088;
- prepares the policy for identifying and prioritising the main negative effects on sustainability factors, to be submitted to the Board of Directors for approval and ensures that it is updated.

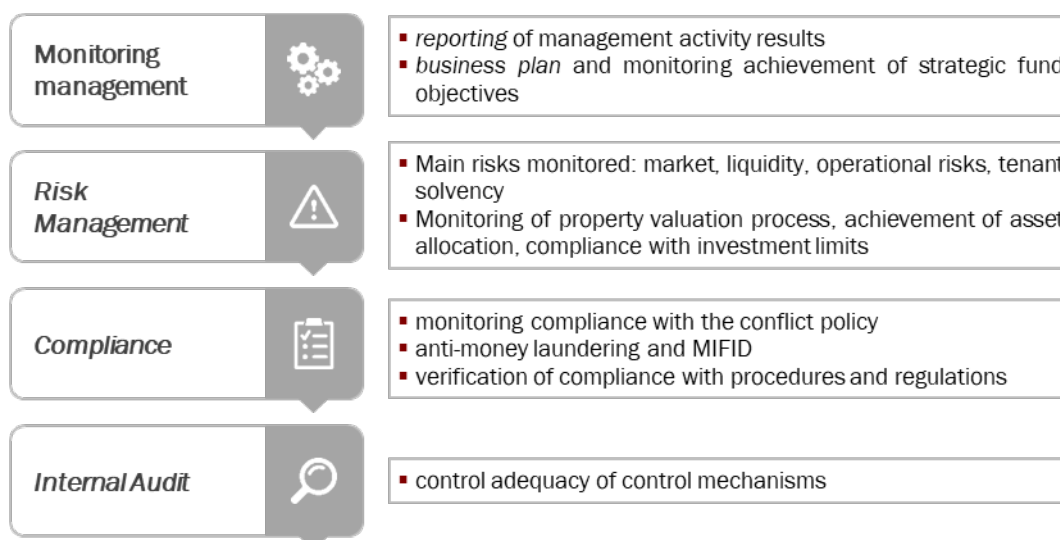
Compliance Function

Specifically, this function carries out the following activities:

- ensures that compliance risks arising from the application of sustainability rules and regulations applicable to the asset management company and the AIFs it manages are duly taken into account in all relevant processes;
- supports Strategic Planning and Fund Raising in the specific analysis activities to assess whether or not the object of the UCI to be established falls within the categories outlined in Articles 8 or 9 of Regulation (EU) 2019/2088;
- oversees the preparation of the Offer Document for the managed funds required by Consob Regulation no. 11971/1999 and subsequent amendments with regard to legal and regulatory aspects and collaborates with the corporate functions/ structures on the declination of aspects relating to sustainability, relevant to the specific fund;
- supports Investor Relations, the ESG Manager and the other Departments/ corporate functions in the preparation and periodic updating of the data and information required by Regulation (EU) 2019/2088, regarding the disclosure on sustainability aspects to be made at the level of the asset management company and at the level of the individual AIF managed.

Internal Audit Function

Specifically, this function verifies the adequacy of the safeguards and initiatives adopted for the identification and management of sustainability risks applicable to the asset management company and the AIFs managed.



Fabrica has also set up the Supervision, Risk and Control Committee (CSRC), which is responsible for assisting the Board of Directors in relation to:

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

The SGR has implemented a Management Control system aimed at ensuring the correct functioning and strong performance of the SGR. This set of tools is also aimed at ensuring the effective, transparent, and timely management, monitoring and reporting of the business as well as of the company's assets in a long-term perspective. The Board of Directors undertakes to promote, through the promotion of company policies, a culture of internal monitoring, in order to transmit the values of the SGR to all employees in order to make all staff aware and an active part in the application of these rules and procedures. The Risk Management function determines the risk profile of each fund in line with international best practices and verifies the consistency between the risk level of the funds and their risk-return profile, helping to update the risk map, including the introduction of sustainability risk. In this regard, the Risk Management function defines the sustainability profile of the AIFs managed by referring to the information and characteristics of the properties, also inferred as a result of ESG due diligence activities, and on the basis of qualitative elements that are not always attributable to quantitative analyses and relating to the specificities of the AIF under analysis.

More specifically:

- It monitors all types of risks to which each fund is exposed, including:
 - market risk: risk related to fluctuations in macroeconomic variables and/ or the specific characteristics of each fund's real estate portfolio. The impact of market risk for both real estate and movable assets is estimated. The analysis is based on the analysis of the composition of the portfolio and the application of stress tests in order to determine an IRR @ Market Risk of the Fund that incorporates the expected evolutions of the main significant macroeconomic variables and idiosyncratic variables;
 - credit and counterparty risks: risk of losses arising from the insolvency of counterparties and/or the deterioration of the creditworthiness of counterparties. Analysis based on external ratings and internal models aimed at assigning a probability of default to each counterparty. The assessment of credit risk is conducted with a prospective approach. In addition, periodic monitoring of the ageing of receivables (payment delays) is carried out;
 - Liquidity risk: risk deriving from the inability of the SGR and/or the fund to honour payment commitments on time. This risk consists of two main elements: i) Market Liquidity Risk: the analysis is based on the fund's business plans and conducted through scenario analyses aimed at assessing exogenous and endogenous stresses (on interest rates, CAPEX levels, delays in payments, inability to sell assets at a reasonable price in an acceptable period of time, ii) Financial and refinancing risk (difficulty in finding financing);
 - operational risks: risk of losses related to inadequacy or malfunctioning of internal processes, procedures, personnel, or systems or caused by external events (legal risk, violation of regulations,

contractual or non-contractual disputes, issues related to outsourced activities). The Risk Management function periodically carries out an overall assessment of operational risks, involving all internal and external functions. For each of the types of risk described above, the function determines, through scenario analysis, the IRR @ Risk, compared with the IRR from BP of each fund;

- sustainability risks, introduced in the Risk Management model starting from 2022, which focus on the possibility of an environmental, social or governance event or condition that may cause a significant negative impact (actual or potential) on the value of the investment;
- Prepares tailor-made reports for all the main recipients (Board of Directors, investors, supervisory authorities, other control functions, etc.);
- Implements hedging strategies aimed, where necessary, at mitigating the impact of the key risk factors identified. The efficiency of hedging strategies is regularly evaluated.

The Compliance Function, as a permanent function of effective and independent compliance control, carries out *ex-ante* and *ex-post* control activities and is responsible for the following responsibilities:

- periodically monitors and assesses the adequacy and effectiveness of the measures, policies and procedures adopted and the measures adopted to remedy any deficiencies in the fulfilment of obligations by the SGR;
- advises relevant persons in the provision of services and the exercise of activities and assists them in fulfilling the obligations imposed by the provisions transposing Directive 2011/61/EU;
- submits reports on the activities carried out to the corporate bodies, through the head of the department, at least once a year;
- supports in the identification and execution of regulatory training interventions.

The Head of Internal Auditing, through the adoption of assessment and reporting tools clearly identified by the audit standards used, carries out his activities according to the following methodological scheme:

- risk identification at an early level;
- verification of internal controls and assessment of the adequacy of the structures of the reference subsystems (structures/ resources - organization/ processes);
- analysis in each process of the existence of line controls, risk management controls, compliance controls;
- identification of strengths and weaknesses in each process;
- identification of solutions to the problems detected;
- proposal of the changes to be made and monitoring of the implementation of organizational interventions.

Opportunities related to ESG regulatory evolution

Even with the gradual entry into force of increasingly stringent sustainability regulations – such as the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD) – the European Union is striving to become the first continent to reach net zero by implementing stricter measures that mandate the disclosure of ESG progress.

In light of the new and more complex social, economic, and regulatory framework, the integration of ESG factors is therefore also expected to be of primary interest for real estate funds, which are required to reconsider their investment strategies and pay increasing attention to risks and sustainability factors, in order to meet an increasingly "green" market demand.

Fabrica is convinced that a progressive adoption of ESG principles in real estate, far from being an option, today involves all stakeholders at all levels. This push towards sustainable development will not only produce positive effects for the world in which we live but will also play a primary role in the process of renewal in the real estate sector.

The sustainable calling of our funds

Fabrica was one of the first operators in Italy to believe in the possibility of reconciling the profitability of real estate investments with a sustainability profile aimed at conferring positive social effects for the development of the country.

In particular, the SGR manages, among other things, funds aimed at actively contributing to a profound process of social transformation, perceptible to the entire community. By placing Social Impact Investment at the center of its activities, Fabrica has made it possible to launch various interventions, with the ambitious aim of creating a positive and concrete social impact.

Therefore, in the implementation of its projects, the SGR acts as a fulcrum of various actors, contributing to increasing the well-being of local communities, with a view to sustainable development and pursuing the intent to improve the social and economic conditions of the territory in which it operates and therefore of the individuals who live there.

The social fragilities that have emerged in recent pandemic and post-pandemic years, also considering the developments of the Russian-Ukrainian and Israeli-Palestinian conflicts, have had very profound social and economic consequences for all the nations affected, even indirectly, leading to strong changes in the way of thinking and acting in large sections of society.

For this reason, the social vocation of Fabrica's strategy and action are a response to a real need, capable of strengthening the resilience of the socio-economic system in a more sustainable sense (from an economic, social, environmental, and institutional point of view).

The resources made available by the European Union through the "Next Generation EU" and the PNRR, the Italian version of the European program, should have a significant impact on economic growth and productivity. This offers even more of a historic opportunity to address existing fragilities, strengthen the resilience of the socio-economic system, and foster its evolution towards greater economic, social, environmental and institutional sustainability. Issues such as urban regeneration, the development of initiatives to support housing for fragile sections of the population, and attention to the quality of life are destined to take on an increasingly important role in the construction of public debate, influencing the choices of legislators and the business dynamics of the near future, with positive effects for the next generations.

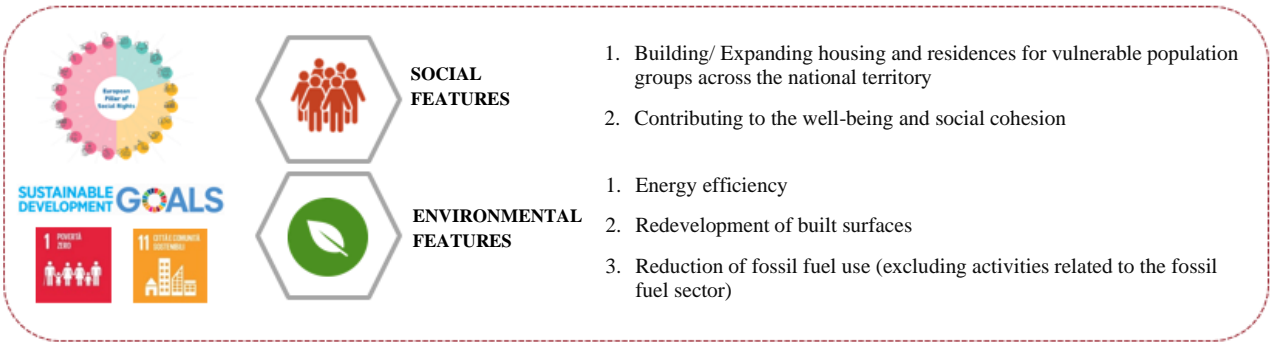
In this regard, Fabrica's sensitivity to social issues translates into a wide range of services offered that respond to the need to support, assist, and facilitate certain categories of people. Each property acquires value also through the definition of its destination and function; therefore, the main driver that guides the choices of the SGR is the satisfaction of the specific needs of end users.

The concept of social sensitivity embraces, therefore, not only the creation of spaces that have a positive impact on the environment but also the idea that the space itself acquires greater value when it meets the needs of social classes that need greater care and attention.

The Funds of ex. Art. 8 of the SFDR

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector lays down obligations, mainly based on transparency, to integrate ESG principles into product management and internal corporate processes.

Fabrica's portfolio under management includes several funds with a social vocation, having the characteristics set out in Article 8 of the SFDR, and which can be linked to the main European and non-European regulations in force on the subject, such as the European Pillar of Social Rights and the United Nations Sustainable Development Goals (UN SDGs).



Social Housing

Fabbrica SGR directs a significant share of its investments into social housing: as of December 31, 2023, the SGR manages two funds for social housing projects in Italy with an investment plan of approximately €190 million.

To date, 3 social housing initiatives are operational for over 400 rent-controlled housing units, while further real estate projects are being developed in central Italy (in Emilia-Romagna) and in southern Italy (in Campania and Sicily) for a total of 565 additional dwellings.

More specifically, the two dedicated funds, whose main shareholder is CDP Real Asset SGR (Cassa Depositi e Prestiti Group), are focused, respectively, on the implementation of an urban project in Cesena and on the implementation of interventions in the main cities of the South, co-invested by the Sicily Region, for the implementation of a specific program to be dedicated to the island. Below is an overview of the interventions already carried out/in progress by Fabbrica SGR.



Cesena

342 accommodations



Bari

227 accommodations



Matera

113 accommodations (completed 2021)



Lecce


67 accommodations

Social housing represents an opportunity for the SGR to pursue part of its investments in the social sphere, combining advanced services with collective housing, all at controlled rents.

The term social housing refers to interventions aimed at:

- implementation and investment in interventions aimed at ensuring housing well-being and social integration, supporting those who do not find an adequate response to their housing needs in market conditions;
- implementation of "mixed-use" interventions that, in addition to residential construction, also include other support initiatives (e.g., community garden).

What characterizes social housing is therefore the strong focus on the participatory and collaborative dimension of living, where the recipients of these interventions are involved before, during and after entering the homes in moments of mutual knowledge, co-design and direct experimentation of the practices and tools of collaborative living. These interventions, in addition to having a strong social value, aim to redevelop the surrounding environment. This is done through the integration of sustainable and eco-friendly solutions in terms of energy consumption and environmental impact, preferring disused urban areas with the aim of redeveloping them and achieving efficient energy classes.



The **Matera Social Housing** represents an example of collaborative living with a particular sensitivity to the environmental dimension of sustainability. In total, inhabited by 113 families, an analysis was conducted to ascertain the per capita consumption of bottled water, which highlighted how 90% of residents consume bottled water. In order to envision alternative forms of consumption with less environmental impact, the community was offered the possibility to install a **Water House** within the complex, which provides quality drinking water and serves as a "socially useful" tool capable of reducing single-use plastic bottles and thus mitigating the environmental damage produced by the entire bottled water chain.



The Water House installed at the Matera Social Housing

An example of a social housing fund, meeting the requirements of Article 8 of the SFDR is the Esperia fund, which promotes social characteristics through real estate investments that tend to increase the availability, in the most disadvantaged areas of the country (such as central and southern Italy), of adequate housing structures (also from an energy point of view) with a social purpose, for example, for individuals or households with difficulties in finding housing, contributing to the fight against forms of social inequality and inclusive growth.

The same purpose of social housing is promoted by the Novello fund, which aims to increase the availability, in the Emilia-Romagna region, of housing units with a social purpose, intended primarily for people and families in disadvantaged conditions.

Among the other initiatives promoted by Fabrica SGR, the following are highlighted during 2023:

- the consultancy provided by the Social Housing Foundation (FHS), to improve the social management aspects of social housing initiatives (internal note ref. Esperia Fund);
- the in-depth project - through the Social Manager - on the establishment of a Renewable Energy Community (CER) in Matera, with the aim of providing the inhabitants with tools to combat energy poverty, as well as specific training activities for the implementation of good practices of energy efficiency and circular economy. The same type of project can be replicated, if conditions permit, also in Bari;
- the implementation of specific social cohesion and integration programmes at the Matera facility, such as (i) the Community after-school programme dedicated to children aged 7 to 13, (ii) thematic workshops for adults and children, (iii) the Community gymnasium, (iv) the Water House (which is a socially useful

- tool, and contributes to the reduction of disposable plastic and the burden of waste collection and disposal), (v) the Solidarity Purchasing Group, etc.;
- the 2023 community project of Bari Social Housing and the realization, through the "Common Spaces Committee", of various aggregative activities, such as the second edition of the burraco tournament, the Epiphany festival (with distribution of sweets to the youngest members of the community), the Carnival party, the spring festival, the Halloween party and the porchetta festival.

Student Housing

On the subject of residential accommodation for university students, Italy suffers from a strong gap between the demand for beds and the supply of structured solutions: according to recent surveys, the current supply covers about 10% of potential demand, a figure that places our country significantly below the European average.

As a result, the majority of off-site students are forced to resort to the private market, which implies, especially in cities with a greater university vocation, high costs borne by their families to pay for rooms or accommodation that are often inadequate, obsolete or of poor quality.

The ability to provide students with an adequate supply of beds is an issue of great importance, strongly relaunched in 2021 thanks to the PNRR, which has allocated substantial resources to support the sector with the aim of reaching 100 thousand beds in university cities by 2026.

Increasing the provision of structured solutions, managed by professional operators and with controlled rents, means investing in the future of the younger generations and helping to optimize the financial resources of their families, offering concrete support for the development of the infrastructures that most need intervention.

With over ten years of experience in the sector, Fabrica was the first operator in Italy to invest in the segment through real estate funds and to date, it is the main institutional investor, holding a stake of approx. 10% of the national stock: the SGR has 10 facilities in its portfolio, located in the main Italian university cities, for a total investment of about 245 million euros that have led to the construction of about 5,500 beds, a significant percentage of which at controlled rents.

The first real test was the construction of the Rome Tor Vergata Campus, a real university citadel completed in 2010: this innovative model has paved the way for a new concept, able to combine housing and the integration of quality services for study and leisure.

In 2012, the SGR further specialised in the sector by launching the first real estate fund for the construction of student residences at controlled rents: this fund, aggregating the resources made available by CDP Real Asset SGR (Cassa Depositi e Prestiti Group) and, indirectly, by INPS, contributed, through the Aristotele Fund managed by Fabrica, to bridge the gap between supply and demand for student beds in some of Italy's main university cities: Turin, Bologna, Venice, and Padua.

Below is an overview of the most relevant initiatives carried out by the SGR.



Rome

1,500
Beds



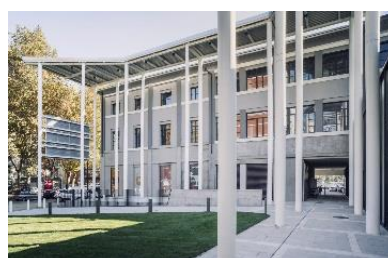
Turin

560
Beds



Venice

640
Beds



Turin

330

Beds



Bologna

220
Beds



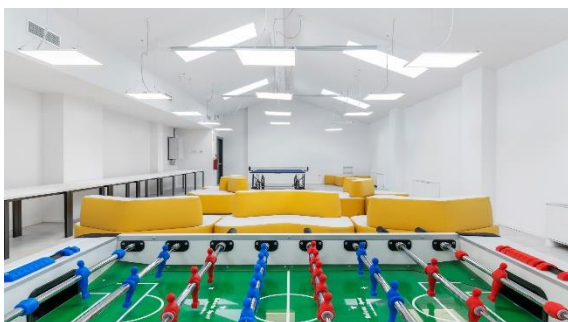
Padua

210
Beds

Summary of the main features of Student housing

The interventions dedicated to residences for university students are aimed at the creation of structures that combine the strong demand of students and the **peculiarity of the services**, integrating the **common areas** that they include.

The services offered in these facilities are designed to meet the needs of students, facilitating access to services such as libraries and gyms



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

In the SGR's portfolio, the Aristotele fund and the Erasmus fund are student housing funds: the former, in line with goals 1 and 3 of the SDGs, promotes social characteristics also through real estate investments intended for university buildings and public research institutes; the latter promotes social characteristics through real estate investments that contribute to increasing the availability of facilities for students or forms of education. temporary housing, as well as to allow end-users (mostly off-site students) to access adequate and accessible housing solutions under fair conditions.

Senior Living

The current ageing of the world's population is an unprecedented phenomenon. According to Nomisma, 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.

In the face of these dynamics, in the future it will prove crucial, as well as strategic, to be able to respond to the phenomenon of active ageing, which is part of the goals of the UN 2030 Agenda for Sustainable Development.

This presupposes that the elderly remain responsible for their own lives for as long as possible, and that they are part of a network of relationships, projects and activities that allow them to still feel like protagonists of their daily lives, also making an active contribution to the growth of the economy and society.

The PNRR itself has identified a program for the creation of groups of autonomous apartments that ensure the services necessary for the safe stay of elderly people on its territory. All starting from home services, also promoting, through the development of elements of home automation, telemedicine and monitoring with a multidisciplinary approach, the monitoring of the needs of the individual person from an integrated social and health perspective.

The evolution of socio-family and economic dynamics in recent years has favoured the spread of new models of elderly-friendly residential care – nursing homes and social housing – which differ according to:

- target audience (in relation to health condition and self-sufficiency);
- purpose and level of medical care required.

In 2021, Fabrica launched the Aristotele Senior Fund, a system operation in which, for the first time in Italy, the resources of leading pension investors (INPS, Inarcassa and Enpap in the initial phase) converge on a senior living project. In 2022, the initiative aroused the interest of additional institutional investors who joined the real estate project during 2022 (including ENPAFL). An intervention program in which welfare invests in welfare, with the aim of developing a structured offer capable of strengthening the resilience and timeliness of the national health system. In addition to offering a professional system of reception and residential support, Aristotle Senior's houses will allow their guests to have more control of their health, better quality of nutrition, greater sociability, and more self-care.

The Aristotele Senior Fund, in line with Goal 3 of the SDGs, pursues social characteristics by selecting real estate structures with certain characteristics in terms of intended use of the asset (RSA and Senior Living) and final recipients (in need of care and over 65). The SGR, in particular, therefore considers real estate taking into account the "Map of sustainability factors of Real Estate AIFs" (also known as the "Sustainability Map"), a set of ESG indicators through which to assess the environmental and/or social performance of funds. Specifically, the fund's properties must have certain characteristics in terms of the intended use of the asset, capable of satisfying the needs of specific end users.

Nursing Homes

A well-established residential model in Italy, these are residential facilities dedicated to elderly people who are not self-sufficient.

Fabrica was one of the first operators to invest in the RSA sector in Italy. This choice has allowed the SGR to be among the first players to combine the social aspect with advanced services in the health and social field.

To date, the SGR has developed a significant track record, thanks to the management of a portfolio of 14 facilities for a total of 2,200 beds and a market value of approximately €215 million, located mainly in central and northern Italy and leased to leading specialized operators.

Nursing Homes are included in Fabrica SGR's investments in which activities with a high social content are carried out, aimed at protecting human dignity and improving the quality of life from a cultural, health, work, recreational and social point of view. In the case of nursing homes, the ultimate intent is to combine innovative and comfortable facilities with a strong health care footprint, that also integrate dedicated services. These facilities have agreements with local health systems so that those who use them have an integrated system of services that facilitate their stay in the facilities, such as: accessibility to care, agreements with local health facilities, advanced services.

Senior Housing

Compared to the more consolidated nursing home segment, senior housing represents a completely new type of investment for Italy. These are residential facilities dedicated to self-sufficient elderly people, i.e., autonomous homes where guests can experience a new dimension of social life. The services offered are not of a health nature, but rather aimed at the quality of life and to meet the needs of sharing and socialization. These facilities do not receive any kind of subsidy from the National Health System (SSN). This is a style of living that is widely

consolidated on the continent and destined to play a decisive social function in Italy in the coming years, due to the socio-demographic changes taking place.

Senior housing is an innovative concept because:

- it involves a very large target population, so far not served by a residential offer specifically designed for its specific needs;
- aims to promote the concept of 'active ageing' (one of the goals of the UN 2030 Agenda for Sustainable Development) and to ensure a better quality of life for the over-65s, beyond pension benefits;
- supports the development of the 'longevity economy', i.e., the global economy that revolves around the offer of services and products to the over-65s²;
- counteracts loneliness - the main risk factor for the most serious and disabling diseases of the elderly - by promoting the preservation of physical and cognitive abilities and helping to trigger a virtuous cycle capable, over time, of reducing the impact of caring for the over 65s on public spending and the SSN;
- it potentially catalyzes a component of demand from abroad, consisting of elderly people interested in living in community contexts in our country (Italian cultural and natural heritage and favorable climate as catalysts, affecting all the macro-areas of the Peninsula).

Health Care

Mission 6 "Health" of the PNRR aims to strengthen and reorient the SSN 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 reforms and investments is aimed at aligning services with the care needs of patients in every area of the country. A large part of the resources is intended to improve infrastructural and technological equipment, to promote research and innovation and to develop technical-professional, digital, and managerial skills of staff. Among other things, these investments aim to strengthen local and home health services in order to ensure closer health care to the most fragile individuals, thus reducing the need to institutionalize them, but guaranteeing them all the necessary care in an autonomous and socially adequate context.

Also in this segment, Fabrica has acted as a forerunner on the Italian market, starting the first investments as early as 2006, through the pioneering Aristotele 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 creation of the second IEO2 hub – and the Biomedical Campus in Rome, in which it holds shares.

The commitment continues, as Fabrica is currently placing a new product, intended for Italian institutional investors interested in investing in real estate projects dedicated to the healthcare sector.

² Estimated at a potential of around US\$3 trillion and driven by the lifestyle and needs of the 'new' elderly – increasingly active, healthy, and open to technology – the longevity economy will be the solution to the global ageing of the population, relieving young people of the impossible 'task' of paying their parents' pensions and avoiding the risk of millions of elderly outliving their savings. It is estimated that in the next 10 years, hundreds of new services for the senior population will flourish, from healthcare to credit, from real estate to leisure and travel.

ORTO di comunità



social
housing
città del
sassi

Listening and engaging with tenants


A transparent relationship


Fabrica SGR manages a predominantly core portfolio, leased to tenants of high standing. For Fabrica, tenants are the tenants of the properties it manages and therefore require continuous communication and alignment with them.


To this end, the SGR ensures that, when entering into new lease agreements with tenants, the latter are fully aware of the values and principles pursued by Fabrica. They are therefore required to comply with the main procedures and policies, such as the Code of Conduct. In addition, leases are constantly being updated with the inclusion of increasingly detailed and targeted ESG clauses and articles. Since 2021, the new lease agreements include the obligation for tenants to share data regarding electricity, water, and gas consumption.

The figure of the tenants plays an important role for Fabrica, as synergistic relationships are established with each of them, a source of innovation and renewal for the SGR. To this end, starting in 2021, various tenant engagement activities were launched aimed at spreading a culture of sustainability, such as the creation of an ESG Brochure created by the SGR and the organization of sustainability workshops in order to share and instill more responsible ways of behaving. From this proactive dialogue, autonomous activities related to sustainability have developed over time up to the extension of initiatives of some tenants, thus stimulating a virtuous and, at times, self-aggrandizing circle.

In particular, also at the request of the tenants, technical discussion meetings are set up aimed at finding synergistic solutions, with the aim of Fabrica 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
- 

AMPLIFY THE 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

The above-mentioned common technical meetings therefore make it possible to seize ideas for improving one’s properties also at the instigation of the tenants, taking into account and respecting the expectations and interests of Fabrica SGR’s shareholders. In addition, meeting tenants’ demands means, for Fabrica SGR, satisfying their customers and market needs, as in the case of social housing, where end users (families) can have access to affordable housing or for students to have access to facilities that integrate advanced services tailored to their needs. Among the ambitious goals that Fabrica intends to pursue is a growing centrality of the solid relationship that binds Fabrica to its tenants, through various moments of discussion, aimed at raising awareness of ESG issues. During these meetings, which are planned annually, suggestions are shared to reduce the environmental impact deriving from the use of leased spaces and the sharing of ESG guidelines aimed at spreading a culture of sustainability. In addition, in order to expand engagement with tenants, starting in 2021, activities and pilot projects were conducted on *assets* to better calibrate and direct specific interventions and reduce consumption, so as to also achieve the standards necessary to obtain certifications.

Quality of service

In order to ensure a quality and win-win service for both parties, Fabrica, in the management of the Funds, makes use of the professional figure of the property and facility manager, i.e., a technical expert in charge of maintaining continuous control and intermediation with the tenants. With particular reference to social housing, Fabrica also

collaborates with social managers who deal with the management of leased assets and promote "community" initiatives or shared services, acting as an important glue with the local community.

It is therefore a technical advisor who:

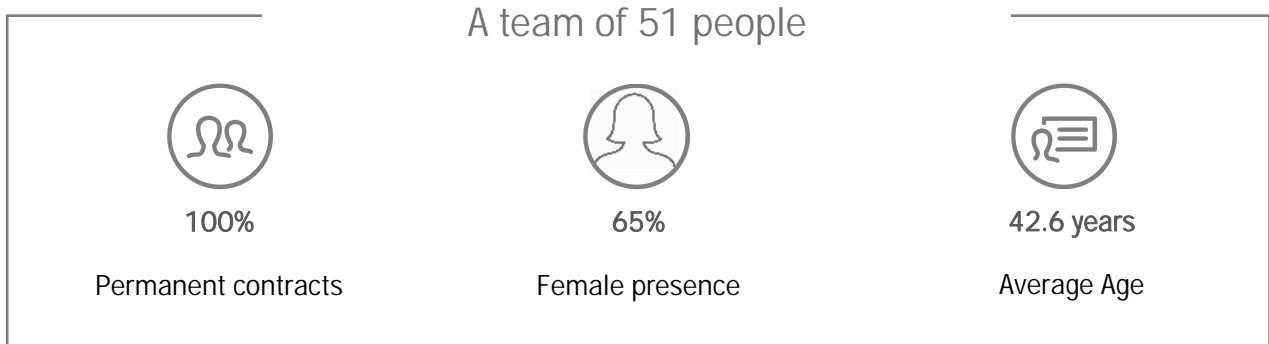
- periodically carries out inspections of the properties covered by the contract;
- carries out compliance checks;
- carries out due diligence to ensure that the high standards of conduct and quality pursued by Fabrica SGR are respected;
- gives initial support to tenants.

There are also direct communication channels in order to facilitate interaction with tenants and maintain a constant dialogue with them. In the wake of a continuous dialogue, in 2023 Fabrica launched a survey aimed at monitoring the satisfaction of its tenants, in order to strengthen and consolidate the relationship with this category of stakeholders and with a view to proactive improvement and integration of the needs of the tenants themselves.

Responsibility towards our people

Our people

Fabrica has a personnel management system based on respect for workers' rights, regulated by the Workers' Statute and collective bargaining agreements that are applied to all employees.



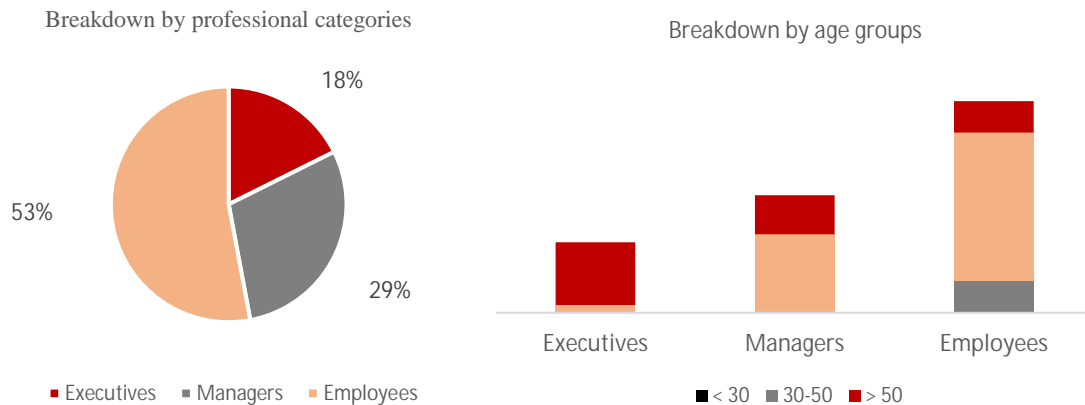
The importance of the topic pushes Fabrica SGR to define more and more clearly the set of values that inspire it and the responsibilities it assumes internally and externally.

Compliance with the Code of Conduct by staff is of fundamental importance for the proper functioning, reliability and reputation of the SGR, factors that constitute a decisive asset for the success of the company itself. To this end, all employees are required to:

- maintain a behaviour based on respect for the fundamental principles of honesty, moral integrity, fairness, transparency, objectivity, and respect for the individual personality;
- apply the principles contained in the Code of Conduct, in the pursuit of the company's objectives, of the task entrusted by the SGR or of the contractual relationship with it, in all relations with persons and entities inside and outside the SGR, as well as in the relationships that personnel have with other stakeholders in relation to the SGR;
- protect, through its own conduct, the respectability and image of the SGR and preserve the integrity of the company's assets.

More than half of the workers are represented by the professional category of employees, in line with industry trends. In addition, with respect to the gender composition, the male-female ratio is more than balanced.

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



Diversity & Non-Discrimination

For Fabrica, diversity and inclusion have always been the *conditio sine qua non* for carrying out work and establishing professional relationships.

The evaluation of the personnel to be hired is carried out on the basis of the correspondence of the candidates' profiles with respect to the company's needs, always safeguarding equal opportunities for all interested parties. The information requested is closely linked to the verification of the aspects required by the professional and psycho-aptitude profile, naturally with absolute respect for the candidate's privacy and opinions.

In the management of hierarchical relationships, authority is exercised with equity and fairness, categorically avoiding any abuse. Abuse of the position of authority constitutes any request, as an act due to the hierarchical superior, services, personal favours, and any behavior that constitutes a violation of the Code of Conduct. The SGR requires that harassment not be given rise in internal and external employment relationships, meaning as such by way of example:

- acts of psychological violence, bossing or mobbing such as creating an intimidating, hostile or isolating work environment towards individuals or groups of workers;
- unjustified interference with the performance of the work of others;
- the obstacle to the individual job prospects of others for mere reasons of personal competitiveness.

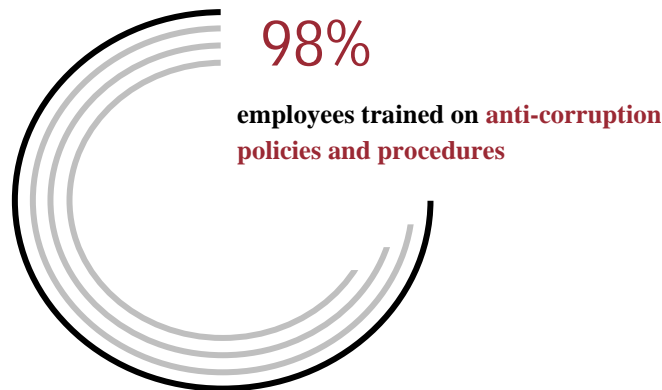
Sexual harassment is not allowed in any way and behavior or speech that may upset the person's sensitivity must be avoided.

Finally, Fabrica protects gender diversity, which has always been a source of wealth and innovation for the SGR. The percentage of women is well above industry trends.

Staff training & Remuneration

Every year, the Human Resources Department – with the support of the control functions – requires each employee to receive adequate training commensurate with the professional category to which they belong and the skills necessary for the work activity, in order to maintain constant alignment with the relevant legislation and with the specific knowledge necessary so that the work activity can be carried out with the utmost awareness of each employee. The type of training provided covers various topics, from general training provided for all employees on human rights and anti-corruption, to specific training, varying according to each specific role. Examples of specific training are represented by targeted sessions on legislation, AML, internal procedures and the 231-model for all staff, as well as advanced English courses provided for middle management, which are part of the paths for managerial development. As in previous years, in 2023, internal training entirely dedicated to sustainability was continued, further confirmation of the attention that the SGR pays to this issue not only externally but also starting with its own people. Furthermore, in 2023, among the main organizational methods, the "Knowledge sharing" training methodology continued to be used, based on a mix of interventions by both high-profile external professionals and internal staff. In particular, this last aspect makes it possible to simultaneously achieve objectives such as: sharing of information, sharing of experiences and collective comparison between colleagues. The idea of shared training was evaluated as useful for creating and improving employee engagement on issues common to them, and as an important tool for communicating everyone's activities and roles to their colleagues. In addition, with regard to new hires, there is an initial induction phase aimed at ensuring that the new resource has all the knowledge and tools available to develop their skills.

The total hours provided in 2023 are up compared to the results of 2022 and, despite the reduction in the minimum hours required, the SGR has remained in line with its objectives regarding the development of its employees while maintaining the same number of hours.



Fabrica SGR also pays particular attention to the search for new talents, establishing and maintaining relationships and partnerships with institutions and universities in order to maintain a direct channel aimed at attracting young resources.

Finally, it should be noted that in defining remuneration policies, the SGR is inspired by the following principles:

- aligning the remuneration system with the company's strategy, objectives, and values, as well as with the interests of the manager and the funds managed;
- linking the remuneration 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 the remuneration policy towards the company's medium-long term results;
- compliance with the rules of good conduct;
- 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 fundamental tool to support the medium and long-term strategies of the SGR and is designed with the aim of:

- sustainable valorisation: creating value over time and pursuing sustainable growth for shareholders, staff, and investors;
- competitiveness: attracting, motivating, and retaining staff, creating a sense of identity and developing a culture of performance and merit;
- alignment with the corporate strategy: assign specific objectives to personnel that are consistent with the objectives, values and interests of the Company and the investors of the AIFs it manages, providing in any case for measures to avoid conflicts of interest;
- sustainability: promote the integration of the Company's sustainability objectives with traditional performance assessment criteria, in accordance with the requirements of both applicable national and supranational legislation;
- 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 purposes 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 divided, as the case may be, into: (i) Environmental sphere, (ii) Social sphere and (iii) Governance sphere. With reference to the environmental sphere, specific objectives have been defined related to the energy profile of the properties in the portfolio, urban regeneration, and energy consumption. With reference to the social sphere, specific objectives have been defined related to investments in Social Housing, university residences, health/care facilities, support for local communities, and tenant engagement. Finally, with reference to the Governance sphere, specific objectives related to Business Ethics and Anti-Corruption have been defined.

Health & Safety

The SGR is committed to promoting and disseminating a culture of safety, developing awareness of risk management, promoting responsible behaviour and preserving, especially through preventive actions, the health and safety of all employees and collaborators.

All employees and collaborators are required to scrupulously comply with the rules and obligations deriving from the relevant legislation on health, safety, and the environment, as well as to comply with all the measures required by internal procedures and regulations. Employees/collaborators, as part of their duties, participate in the process of risk prevention, environmental protection and protection of health and safety for themselves, colleagues and third parties.

To this end, Fabrica ensures continuous monitoring of risks that could impact the health and safety of personnel, in particular the identification of risks goes through the following phases:

- The Head of the Prevention and Protection Service (SPP), in collaboration with the Competent Doctor and after sharing with the Employer, monitors the workplaces of the facility's headquarters such as:
 - Single offices or offices with multiple workstations at video display units,
 - Refreshment or transit areas,
 - Technical rooms, Service room,
 - Mobile construction sites (limited to the use of certain figures responsible for the design and coordination of building redevelopment works)
- All the components that determine risk conditions for the safety and health of the workplace are analysed, such as:
 - Workstation ergonomics including microclimatic and “luxmetric” parameters,
 - Dimensional requirements of the workspace and anything else provided for in Title II of Legislative Decree 81/08,
 - Hygiene of the premises through visual examination and microbiological monitoring on the air matrix and surface of the individual rooms.
- At the same time, through the health surveillance protocol and the assessment of specific risks to the health of workers (chemical, biological, physical risks, and anything else contemplated in the Consolidated Law), all the risk factors to which workers are exposed are monitored.

In order to prevent any anomalies or local criticalities from escaping the company's safety management protocol, the Workers' Safety Representative collects reports from workers and communicates them to the person in charge. These reports are then incorporated into the periodic risk assessment together with the information collected by the SPP periodically, so that the monitoring system is continuously updated.

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

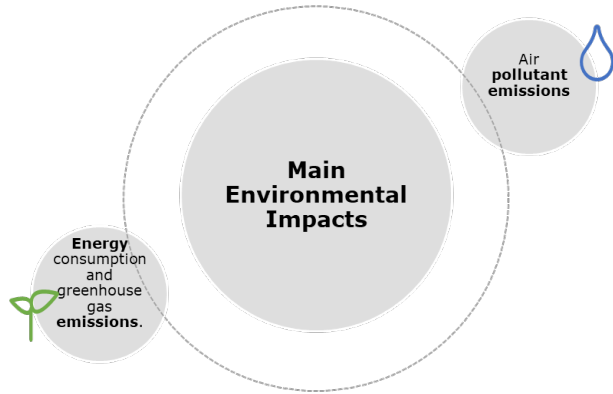
Finally, training is carried out for all personnel, distinguishing the courses between workers who exclusively carry out activities at the video display units and those who carry out coordination activities at temporary and mobile construction sites and are therefore subject to risks of accidents of another nature.

Our attention to the environment

Environmental impact

The main impacts related to Fabrica SGR's work activities are attributable to the following:

Environmental impacts generated



Fabrica SGR has always paid particular attention to the impacts on the environment generated at each stage of its activity and is continuously committed, not only to complying with the growing national and local legislative constraints but also to researching and evaluating possible increasingly sustainable alternatives. In particular, Fabrica monitors its energy consumption, even more frequently than required by current regulations, and is periodically audited by external bodies.

Fabrica SGR's quality system is **ISO 9001 certified** for systemic quality management.

In addition, Fabrica SGR, in line with the main national and international reference standards, is committed to considering, where possible, ESG principles in its investment choices in order to try to guide these choices towards assessments that also take into account environmental criteria.

The implementation of these criteria represents, in addition to the need to maintain a precise alignment with the reference legislation, the desire to consider sustainability criteria in one's strategic and operational choices.

This process is clearly reflected in the choices made by Fabrica SGR, and the funds it manages, to invest in segments that not only have a strong social value, but also integrate the environmental dimension, choosing, where possible, urban regeneration operations that combine the use, for example, of energy from renewable sources and energy efficiency in terms of environmental impact.

Finally, with regard to direct impacts, Fabrica SGR manages its properties with particular attention to the following issues:



ENERGY

Fabrica SGR continues its commitment to monitoring energy consumption and CO2 emissions, contributing to the **reduction of environmental impacts**. In this sense, the preference for an "Agile" way of working should be read, tending to contain work travel, also through the increasingly pushed use of telematic channels



WASTE

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



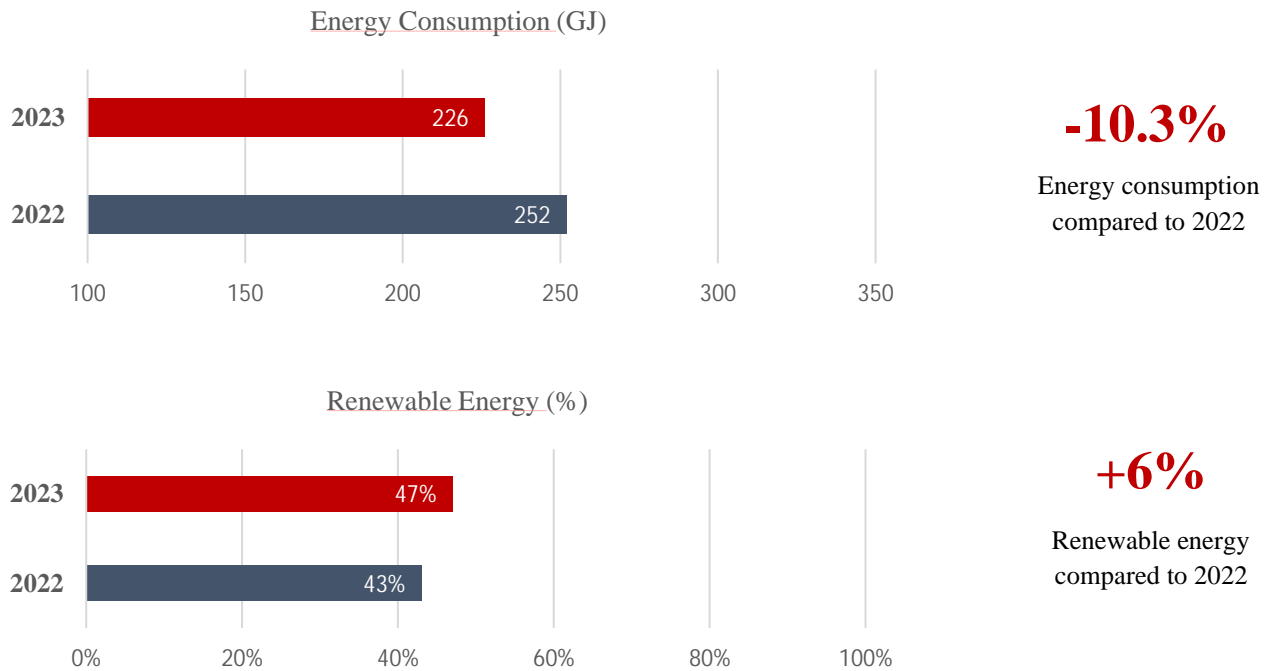
WATER RESOURCES

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

The SGR is also attentive to the indirect impacts generated by its activities, trying to bring ESG principles back outside the organization, in order to create shared virtuous behavior. The involvement of all stakeholders in this process, in particular the tenants of the buildings, is continuous, as a direct link with the community. The SGR is preparing guidelines for its tenants in order to guide them towards actions that are compliant with ESG issues. The integration of these parameters would also make it possible to optimize risk mitigation processes and seize new opportunities, in line with stakeholders' interests and expectations.

Energy consumption

Fabrica SGR's energy consumption is mainly due to the supply of electricity for office activities, i.e., for the operation of equipment and lighting. On the other hand, consumption related to office heating is marginal. Fabrica's energy consumption for 2022 and 2023 is shown below and as can be seen, in 2023 there was a percentage reduction of 10% compared to the previous year, due to the efficiency of the data collection and reporting process. In addition, the percentage of energy coming from sources rose from 43% in 2022 to 47% in 2023, a net improvement of 6%.



Fabrica pays constant attention to the efficiency and optimization of consumption in its offices, through an automatic night-time energy saving system, a paperless approach aimed at optimizing paper consumption and the use of recycled paper, which has a direct impact on reduced waste production.

Fabrica SGR also places environmental issues as one of the main drivers of investment choices, and integrates them into its operations:

- all real estate development/ regeneration operations in which the SGR is involved involve the energy requalification of the assets, as well as the obtaining of the relevant certifications;
- for new real estate developments, the SGR plans to give preference to urban redevelopment operations, with the aim of limiting the consumption of new land and contributing to the enhancement of the surrounding urban spaces.

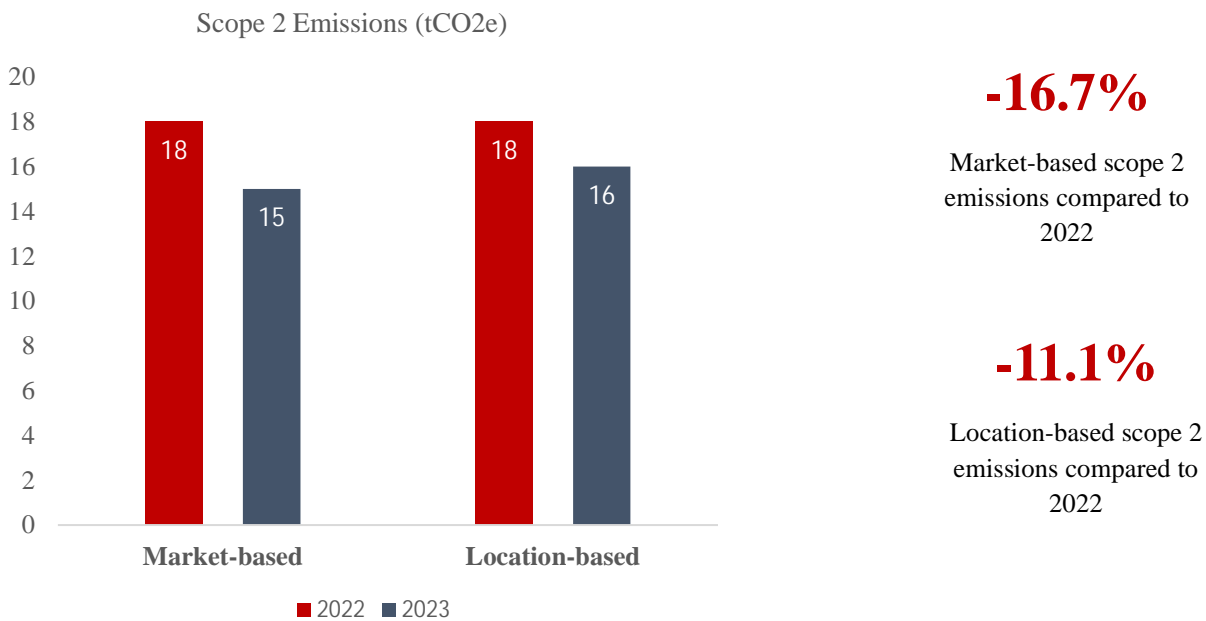
With a view to environmental responsibility, one of the new initiatives undertaken starting from 2021 and also throughout 2022 concerned Fabrica's commitment to the issue of energy consumption in buildings.

It is in this sense that the SGR has worked to bring the issue to the attention of the Properties, considered an integral part of the property management process and therefore invited to provide their contribution. With reference to the newly stipulated contracts, Fabrica's commitment was primarily aimed at the inclusion of a format within the contract designed to collect and monitor the building's energy consumption, with a view to energy efficiency and reducing consumption and waste. In addition, the involvement of Property Managers extends to an active participation in the identification of specific interventions aimed at optimizing asset consumption. In this way, the SGR wanted to accentuate its commitment to raising awareness on the issue of environmental responsibility and sustainability. Similarly, activities are being studied to support the improvement and/ or implementation of additional services that positively affect the social sphere.

Emissions

In order to monitor its environmental impact and implement initiatives aimed at mitigating it, Fabrica SGR undertakes to quantify the greenhouse gas emissions associated directly or indirectly with its core activities, monitoring and reporting its direct (Scope 1) and indirect (Scope 2) emissions in this Report³.

With reference to direct emissions, emissions are also zero for 2023 as Fabrica SGR does not have a fleet of company cars and does not use gas as an energy carrier. On the other hand, with regard to indirect emissions, i.e., deriving from the consumption of purchased electricity, two calculation methods are envisaged⁴: using the Market-based calculation method (scope 2), emissions in 2023 stand at 15_{tCO_{2e}}, a decrease compared to 2022 of about 17% (in 2022 18_{tCO_{2e}}). With the Location-based calculation (Scope 2), they stand at 16_{tCO_{2e}} in 2023, a reduction of 11% compared to 2022 (in 2022 18_{tCO_{2e}}).



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

⁴ 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 the CO_{2eq} emissions emitted by the 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 emission factor Italy 2022: 457 gCO_{2eq}/kWh - source: AIB - European Residual Mixes updated in 2022). The Location-based method is based on average emission factors related to energy generation for well-defined geographical boundaries, including local, subnational, or national boundaries (methodology used, with 2021 emission factor: 259.8 gCO₂/kWh - source: Abi Lab Guideline). Scope 2 emissions calculated using the location-based method are expressed in tonnes of CO₂ equivalent.

Methodological note

This document, which represents the third Sustainability Report of Fabrica SGR, aims to transparently communicate the sustainability strategies of Fabrica SGR (also referred to as "Fabrica" or "SGR") in relation to its environmental, social and governance sustainability performance for the year 2023 (from 1 January 2023 to 31 December 2023).

The data for 2022 are reported in the Sustainability Report for comparative purposes, to allow stakeholders to assess the performance of activities over time. To ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are appropriately reported and based on the best available methodologies. The Sustainability Report, which is published annually, has been prepared by reporting on a selection of the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), as indicated in the "GRI Content Index" table, in the appendix to the document, which provides evidence of the coverage of the GRI indicators reported in this document.

In particular, the contents subject to reporting were selected on the basis of the results of an initial materiality analysis carried out in 2020 and updated during 2023 with a particular focus on the analysis of the impacts on the economy, the environment, and people, including their human rights, generated by Fabrica SGR through its activities. This has made it possible to confirm some material aspects for Fabrica and its stakeholders and to identify new ones, as described in the paragraph "Stakeholder engagement and update of the materiality matrix" of this document.

The scope of the economic data and information is the same as that of the Financial Statements of Fabrica SGR as at 31.12.2023. With regard to data of an environmental nature, relating to health and safety and personnel, the data refer exclusively to the employees of Fabrica SGR and its offices in Rome and Milan.

In 2023, it should be noted that there were no significant changes in the company's size, ownership structure or supply chain.

The Board of Directors of Fabrica SGR approved the Sustainability Report on 28 March 2024, in conjunction with the approval of the 2023 Financial Statements.

For further information and suggestions regarding Fabrica SGR's Sustainability Report, you can contact the company through the contacts on the www.fabricasgr.com website.

This document is also available, also in English, on the website of Fabrica SGR www.fabricasgr.com.

Attachments

GRI 2-7 Employees

Type of contract	2023			2022		
	Men	Women	Total	Men	Women	Total
Permanent	18	33	51	16	31	47
Temporary	0	0	0	0	0	0
Apprenticeship	0	0	0	0	0	0
Total employees	18	33	51	16	31	47

Employment Relationship	2023			2022		
	Men	Women	Total	Men	Women	Total
Full-time	18	31	49	16	27	43
Part-time	0	2	2	0	4	4
Total	18	33	51	16	31	47

GRI 2-8 Non-employee workers

External workers	2023			2022		
	Men	Women	Total	Men	Women	Total
Self-employed	4	-	4	3	-	3
Total	4	-	4	3	-	3

GRI 405-1 Total employees by gender and professional category

Professional categories	2023			2022		
	Men	Women	Total	Men	Women	Total
Executives	8	1	9	8	1	9
Managers	5	10	15	4	7	11
Employees	5	22	27	4	23	27
Total	18	33	51	16	31	47

GRI 401-1 Recruitment

N° of employees	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	1	3	-	4	-	-	-	0
Women	-	-	-	0	1	8	-	9
Total	1	3	-	4	1	8	-	9

GRI 401-1 Incoming Turnover

Hiring Rate	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	100%	30%	0%	22%	0%	0%	0%	0%
Women	0%	0%	0%	0%	33%	36%	0%	29%
Total	25%	10%	0%	8%	33%	24%	0%	19%

GRI 401-1 Terminations

N° of employees	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	-	2	-	2	-	5	-	5
Women	-	-	-	0	-	9	-	9
Total	-	2	-	2	-	14	-	14

GRI 401-1 Outgoing Turnover

Termination rate	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Men	0%	20%	0%	11%	0%	45%	0%	31%
Women	0%	0%	0%	0%	0%	41%	0%	29%
Total	0%	7%	0%	4%	0%	42%	0%	30%

GRI 2-30 Collective agreements

% of employees	2023	2022
Percentage	100%	100%

GRI 401-3 Parental Leave

N° of employees	2023			2022		
	Men	Women	Total	Men	Women	Total
Total number of employees who were entitled to parental leave	3	5	8	3	3	6
Total number of employees who took parental leave	1	4	5	0	3	3
Total number of employees who returned to work during the reporting period after taking parental leave	1	4	5	0	3	3
Total number of employees who returned to work after taking parental leave and who are still employed by the organization in the 12 months following their return	1	4	5	0	1	1

GRI 401-3 Return-to-Work Rate

N° of employees	2023			2022		
	Men	Women	Total	Men	Women	Total
Total number of employees who were expected to return to work after parental leave	1	4	5	3	3	6
Return-to-work rate	1	1	1	0	1	0.5

GRI 401-3 Retention Rate

	2023			2022		
	Men	Women	Total	Men	Women	Total
Retention Rate	1	1	1	-	1	0.3



GRI 404-3 Total Percentage of Employees by Gender and Occupational Category Who Received a Periodic Performance and Professional Development Evaluation

N° of employees	2023					
	Men		Women		Total	
	Evaluated	%	Evaluated	%	Evaluated	%
Executives	8	100.00%	1	100.00%	9	100.00%
Managers	3	61.00%	7	70.00%	10	66.67%
Employees	-	0.00%	3	13.64%	3	11.11%
Total	11	52.38%	11	33.33%	22	43.14%

N° of employees	2022					
	Men		Women		Total	
	Evaluated	%	Evaluated	%	Evaluated	%
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%
Total	12	75.00%	10	32.26%	22	46.81%

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

N° of employees	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<i>Executives</i>	-	1	8	9	-	3	6	9
Men	-	1	7	7	-	2	6	8
Women	-	-	1	1	-	1	-	1
<i>Managers</i>	-	10	5	15	-	8	3	11
Men	-	5	-	5	-	4	-	4
Women	-	5	5	10	-	4	3	7
<i>Employees</i>	4	19	4	27	3	21	3	27
Men	1	4	-	5	-	4	-	4
Women	3	15	4	22	3	17	3	23
Total	4	30	17	51	3	32	12	47
Men	1	10	7	18	-	10	6	16
Women	3	20	10	33	3	22	6	31

GRI 405-1 Percentage of employees by occupational category, gender and age group

%	2023				2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<i>Executives</i>	0%	2%	16%	15%	0%	6%	13%	19%
Men	0%	2%	14%	13%	0%	4%	13%	17%
Women	0%	0%	2%	2%	0%	2%	0%	2%
<i>Managers</i>	0%	20%	10%	27%	0%	17%	6%	23%
Men	0%	10%	0%	10%	0%	9%	0%	9%
Women	0%	10%	10%	17%	0%	9%	6%	15%
<i>Employees</i>	8%	39%	8%	58%	6%	45%	6%	57%
Men	2%	8%	0%	15%	0%	9%	0%	9%
Women	6%	31%	8%	42%	6%	36%	6%	49%
Total	8%	61%	35%	100%	6%	68%	26%	100%
Men	2%	20%	14%	38%	0%	21%	13%	34%
Women	6%	41%	20%	62%	6%	47%	13%	66%

GRI 405-1 Diversity in Governing Bodies by Gender and Age Groups

N° of employees	2023					
	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%

N° of employees	2022					
	Men		Women		Total	
	N°	%	N°	%	N°	%
< 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 Accidents at Work

Numbers of injuries	2023	2022
No. of deaths as a result of accidents at work	-	-
No. of accidents at work with serious consequences (excluding fatalities)	-	-
No. of recordable accidents at work	1	-

GRI 403-9 Rates of Accidents at Work

Injury rate	2023	2022
Rates of deaths as a result of accidents at work	-	-
Rates of serious accidents at work (excluding fatalities)	-	-
Recordable Rates of Occupational Injuries	2.32	-
Hours worked	86,166	84,444

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

Hours of training	2023 ⁵								
	Men			Women			Total		
	Hours	N° dip.	Average hours	Hours	N° dip.	Average hours	Hours	N° dip.	Average hours
Executives	398	8	49.75	96	1	96.00	494	9	54.89
Managers	228	5	45.60	509	10	50.90	737	15	49.13
Employees	222	5	44.40	896	22	40.77	1,119	27	41.44
Total	848	18	47.11	1,502	33	45.53	2,350	51	46.08

Hours of training	2022								
	Men			Women			Total		
	Hours	N° dip.	Average hours	Hours	N° dip.	Average hours	Hours	N° dip.	Average hours
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

⁵ It should be noted that the amount of training hours in 2023 is significantly higher than in 2022 as some hours of face-to-face training provided for in the 2020 training plan were not provided in the corresponding year due to the Covid-19 pandemic and were therefore recovered in 2023.

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. of members of governing bodies	2023			2022		
	N°	Total Members	%	N°	Total Members	%
Directors/ Executives	5	5	100%	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	2023			2022		
	N°	Total employees	%	N°	Total employees	%
Executives	8	9	89%	8	9	89%
Managers	14	15	93%	11	11	100%
Employees	27	27	100%	27	27	100%
Total	49	51	96%	46	47	98%

GRI 302-1 Total energy consumption within the organization

Energy	Units of Measurement	2023	2022
Total energy consumption within the organization	GJ	226	252
Renewable energy	GJ	106	109
% Renewable energy as a percentage of total energy consumption	%	47%	43%

GRI Indicator Table

Declaration of Use	Fabrica SGR has reported the information mentioned in this GRI content index for the period 01/01/2023 - 31/12/2023 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021
Relevant GRI Industry Standards	N/A

GRI STANDARD	INFORMATION	LOCATION	OMISSION			NO. OF REF. STANDARD
			REQUIREMENTS OMITTED	REASON	EXPLANATION	SECTOR GRI
General Information 2021						
GRI 2: Information General 2021	2-1 Organizational Details	8-10; 12; 29-34	A gray box indicates an item that is not applicable. It refers solely to the 'Omission' and 'Ref. No. of the GRI Industry Standards '.			
	2-2 Entities included in the organization's sustainability reporting	48				
	2-3 Reporting Period, Frequency and Point of Contact	48				
	2-4 Reviewing Information	In the 2023 Sustainability Report, some data relating to 2022 personnel 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; 29-34; 48				
	2-7 Employees	40; 49				

	2-8 Non-employee workers	49				
	2-9 Governance structure and composition	21-23				
	2-22 Declaration on the Sustainable Development Strategy	14				
	2-23 Policy Commitment	8-9; 23-24				
	2-27 Compliance with Laws and Regulations	During 2023, there were no significant cases of non-compliance with laws and regulations that resulted in financial penalties or non-financial penalties				
	2-28 Membership of associations	15				
	2-29 Stakeholder Engagement Approach	15-16				
	2-30 Collective agreements	40; 50				
Material Themes						
GRI 3: Material Themes 2021	3-1 Material Theme Determination Process	15-16				
	3-2 List of Material Topics	17-18				
Economy Series						
TRANSPARENCY, ETHICS AND SOLIDITY OF GOVERNANCE						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 24-28; 41-42				



GRI 205: Anti-corruption	205-2 Communication and Training on Anti-Corruption Regulations and Procedures	55				
	205-3 Confirmed incidents of corruption and Measures taken	Over the course of 2023, there were no verified cases of corruption				
GRI 206: Anti-competitive behaviour	206-1 Lawsuits Relating to Anti-Competitive Behavior, Trust Business, and Monopolistic Practices	Over the course of 2023 there were no lawsuits for anti-competitive or antitrust behaviour, nor monopolistic practices				
Environmental Series						
CLIMATE CHANGE						
GRI 3: Material Themes 2021	3-3 Material Theme Management	42-45				
GRI 302: Energy	302-1 Energy Consumption Internal to the Organization	46; 55				
GRI 305: Emissions	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	46-47				
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	46-47				
Social Series						
EMPLOYEE WELL-BEING, GROWTH, AND RETENTION						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 41-43				

GRI 401: Occupation	401-1 Hiring new employees, and Employee turnover	50-51				
GRI 405: Employment	405-1 Diversity and Equal Opportunities	49; 51-53				
GRI 406: Non-discrimination	406-1 Incidents of discrimination and remedial measures taken	During 2023 There are no recorded episodes of discrimination				
GRI 401: Occupation	401-3 Parental leave	51				
GRI 404 Training and Education	404-1 Average number of hours of training per year per employee	54-55				
	404-3 Percentage of employees who receive periodic evaluations of their performance and professional development	54				
PEOPLE'S HEALTH AND SAFETY						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 43				
GRI 403: Occupational Health and Safety	403-1 Occupational Health and Safety Management System	43				
	403-2 Hazard Identification, Risk Assessment, and Accident Investigation	43				
	403-3 Occupational Health Services	43				

	403-4 Participation and consultation of workers on and communication of occupational health and safety programmes	43				
	403-5 Occupational Health and Safety Training of Workers	43				
	403-6 Promotion of workers' health	43				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	43				
	403-9 Accidents at work	54				
MATERIAL ISSUES UNRELATED TO SPECIFIC DISCLOSURES OF THE GRI STANDARDS						
GROWTH, RESILIENCE OF THE BUSINESS MODEL AND CREATION OF VALUE FOR THE ASSET MANAGEMENT COMPANY AND STAKEHOLDERS						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 29				
INTERNAL CONTROL SYSTEM AND ESG RISK MANAGEMENT MODEL						
GRI 3: Material Themes 2021	3-3 Material Theme Management	8; 17-18; 36-37				
TECHNOLOGICAL INNOVATION AND CYBERSECURITY						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18				
TENANT WELLBEING & ENGAGEMENT						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 38-39				
ADEQUATE STANDARDS OF LIVING FOR ASSET END-USERS						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 28-35				

INCLUSIVE AND SUSTAINABLE COMMUNITIES AND SOCIETIES						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 28-35				
RESOURCE MANAGEMENT AND CIRCULARITY						
GRI 3: Material Themes 2021	3-3 Material Theme Management	17-18; 44-47				

Reconciliation table with GRI standards

Material Issues	Topic GRI Standard	Area	Impact		Scope of impact	Company Involvement
			Positive	Negative		
Growth, resilience of the business model and creation of value for the asset management company and stakeholders	-	Economic	Resilience of the business and organizational model to ongoing changes (sustainability and innovation)	Loss of value/attractiveness due to non/delayed consideration of EG issues in the SGR's strategy Failure to consider sustainability risks in the real estate investment process	Fabrica SGR	Caused by Fabrica SGR
Transparency, ethics and solidity of Governance	Anti-corruption (205); Anti-competitive behaviour (206)	Economic		Corruption and anti-competitive behaviour Exposure to legal and reputational risks Stakeholders' ESG interests and expectations Decline in profits/capital due to a negative perception of the company due to non-compliance with regulations/adoption of misconduct.	Fabrica SGR	Caused by Fabrica SGR
Internal control system and ESG risk management model	-	Economic	Robustness of the internal control system and sustainability risk management model	Failure to assess sustainability risks in investments (e.g. environmental)	Fabrica SGR	Caused by Fabrica SGR
Technological Innovation and Cybersecurity		Economic		Lack of data security Financial losses resulting from cyber-attacks	Fabrica SGR	Caused by Fabrica SGR Immediately from Fabrica SGR
Employee well-being, growth, and retention	Employment (401), Diversity and Equal Opportunities (405); Non-discrimination (406) Training (404)	Social	Staff development and growth Staff well-being and decent employment		Fabrica SGR	Caused by Fabrica SGR and to which Fabrica contributes
People's health and safety	Occupational Health and Safety (403)	Social		Health and safety in the SGR's workplace Health and safety in the workplaces of the value chain	Fabrica SGR	Caused by Fabrica SGR



Tenant Wellbeing & Engagement		Social	Tenant satisfaction and engagement		Fabrice SGR	Caused by Fabrice SGR
Adequate standards of living for asset end-users		Social	Implementation of social and economic rights		Employees of Fabrice SGR	Caused by Fabrice SGR
Inclusive and sustainable communities and societies		Social	Urban Regeneration	Rights of local communities	Employees of Fabrice SGR	Caused by Fabrice SGR
Climate change	Energy (302); Emissions (305)	Environmental	Reduction of consumption (SGR view) Reduction of consumption (management portfolio view) GHG emission (SGR view)	GHG emissions (management portfolio view) Financial impacts of climate change and failure to establish a business transition plan Depreciation of the real estate portfolio due to the adjustment process towards a low-carbon and more sustainable economy	Fabrice SGR	Caused by Fabrice SGR and directly connected through a business relationship
Resource Management and Circularity	-	Environmental	Sustainable sourcing Circular waste management Sustainable use of water resources		Fabrice SGR	Caused by Fabrice SGR and directly connected through a business relationship

Fabrica Immobiliare Società di Gestione del Risparmio S.p.A.

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