

GENERALI REAL ESTATE SUSTAINABILITY REPORT 2023



INDEX

ABOUT THIS REPORT

In this document, besides the numerical data analysis, you will find stories.

Insights into relevant topics, goals and achievements of which we are proud.

Opinions of experts and insiders, focused on projects that have marked some turning points in the path taken by Generali Real Estate towards sustainability, on both an environmental and social level.

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All data refers to calendar year 2022.

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Generali Real Estate is thrilled to be the main player who can run, in a pragmatic way, the migration of different trends towards a more consistent positioning with modernity and sustainability of the times we are living in.

Aldo Mazzocco
CEO and General Manager
Generali Real Estate



A MESSAGE FROM CEO

Sustainable Industrialization, Integration, Innovation, Digitization, and ESG Certifications. These are the key trends that are reshaping the European real estate sector. From my point of view, an approach full of new opportunities and bustling capital.

Of all these themes, I would single out one as a potential catalyst for all the others; a driver that is perhaps integrating, digitizing, industrializing, and innovating a sector for too long characterized by conservative and fragmented practices. With respect to many other areas of economic activity, the causes of this delay perhaps lie in its fundamentally cyclical nature, which does not allow for a regular pace of innovation, but which forces a continuous dance between bubble and crisis phases. And perhaps it has so far paid – at least in Italy – for the shortcomings in terms of transparency and financial communication.

The catalyzing driver could prove to be the need and the opportunity to adapt to the regulations and market demands connected to the ESG revolution in Europe.

As I have repeatedly pointed out, real estate could, if desired and understood, be an extraordinary tool for promoting social sustainability actions (the letter “S - Social”) since it is capable - if implemented on a large scale - of regenerating entire portions of cities, significantly increasing the quality of life and the quality of services provided to citizens.

But according to UN data, the real estate sector is also responsible for about 40% of energy consumption and CO₂ emissions. In a much more obligatory way, it will have to adapt and adapt the existing real estate stock to the ESG prescriptive provisions issued by the authorities and public administrations, as well as to the requests coming from the financial world that feeds the flow of capital into the sector.

It's not just about producing/purchasing certified buildings. It is a question of demonstrating the will/ability to generate positive differentials in terms of energy consumption; of CO₂ emissions; waste management; drinking water consumption; improvement of quality of life and social inclusion.

It is also a question of communicating this ability on a regular basis, with the right frequency and with data reliability. Without rapid adjustment to these regulatory flows and these demands from investors, the sector will suffer from a shortage of long-term capital because institutional investors will not be able to invest in non-ESG real estate.

Thus, a large part of real estate will slide more and more towards the least appreciated priced market quartiles. Hence, by innovating the product and the production and requalification processes, it will be possible to improve the “E - Environmental” performance of the ESG acronym. But to truly innovate – without falling into the ambiguity between innovation and architectural creativity – much more industrialization is needed. And this effort leads by its nature towards a greater integration of the various components that make up a real estate product; especially when it comes to large-scale operations, the only ones that also mobilize the “S” of the ESG acronym. Digitization comes into play both to facilitate process integration and industrialization; but above all it is fundamental for the “accountability” of the progress achieved on the “E” and “S” fronts. The “G - Governance” of the acronym ESG can, and perhaps should, become a driver on its behalf. Because without appropriate governance it will not be possible to move all these factors in a harmonious way, making them converge towards a single medium/long-term objective: the progress of the real estate sector.

GRE is keen on being the main player who can run, in a pragmatic way, this migration of several trends towards a more consistent positioning with modernity and sustainability of the times we are living in.

Aldo Mazzocco
CEO and General Manager
Generali Real Estate

A handwritten signature in black ink, appearing to read 'Aldo Mazzocco'.



OUR JOURNEY THROUGH HISTORY

A history that spans three centuries and is ready to be renewed, to look forward to the future and accept the new challenges for a sustainable growth.

1831

Generali begins investing in real estate shortly after its foundation in 1831.

2000

Generali significantly expands its investments in Paris and London.

1950-1990

Generali further expands its exposure in real estate across continental Europe.

2006

Generali Real Estate starts up its own regulated Asset Management Company.

2010

Generali Real Estate creates specialized branches in several European Countries.

2018-2022

Generali Real Estate sets up a new business model:

- 10 Cross-Border Funds
- 1 Regulated Asset European Management Company
- 5 Regions
- 5 Cross-Border Functions
- Reaches more than €39 bn AuM

ABOUT COMPANY & SUSTAINABILITY STRATEGY

Generali Real Estate is one of the world's leading real estate asset managers, with more than € 39 bn of assets under management as of December 31st, 2022. It leverages on the expertise of more than 400 professionals, with operating units located in the main European cities. The company's integrated business model covers the full scope of asset management activities and the entire real estate value chain.

A series of cross-border investment vehicles, managed by the specialized asset manager GRE SGR, aims to create long-term value for investors with a core/core+ profile by investing in assets characterized by good locations, high liquidity and strong underlying leasing dynamics.

The portfolio under management comprises a unique mix of historical and modern properties, ranging from landmark buildings to new architectural masterpieces, which has enabled the company to develop best-in-class skills in the fields of technological innovation, sustainability and urban development.

At Generali Real Estate, taking a proactive stance in reducing the environmental impact of our portfolio is not enough. Environmental, social and governance (ESG) metrics and monitoring are integrated in every stage of our business operations, with a market-leading portfolio of sustainability credentials as well as best practice asset and property management and a sustainable approach to construction and to urban development.

Generali Real Estate aligns the focus of its ESG strategy, in addition to the regulatory needs, primarily to the needs of the internal and external clients. This is reflected in the commitments undertaken and the tools introduced.

As far as regulation is concerned, major focus is given to the SFDR regulation and to the incoming EU Taxonomy and to national regulations affecting the real estate business (eg. Tertiary Decree in France).

Generali, as a responsible Group that aims to create long lasting value over time for its stakeholders, has made public voluntary commitments¹ including the United Nations Global Compact (2007), the Principles for Responsible Investment (2011) and to support the **Sustainable Development Goals** (2015), in the belief that this choice falls within its fiduciary duties.

The Group has summarized this level of ambition in its purpose:

"To enable people to shape a safer future by caring for their lives and dreams" and has defined a sustainability model in the "Charter of Sustainability Commitments" that is articulated in two pillars:

- Run a sustainable business focusing on excellence in internal business processes.
- Live the community, playing an active role where the Group operates, going beyond day-today business.

¹ Generali, Our commitment to the environment & climate - Public Commitments, <https://www.generali.com/sustainability/our-commitment-to-the-environment-and-climate>

ESG OBJECTIVES AND INTEGRATION

The ongoing ESG regulation framework is a major step forward for the real estate industry towards harmonizing and defining common standards of action to mitigate climate change. Managing a real estate portfolio with a view to environmental, social and governance sustainability according to concrete and challenging objectives is not a constraint, but represents, for companies with a vision, an opportunity for value protection.

Olivier Terrenoire
Global Head of Asset Management,
Property Management
and Sustainable Investing
Generali Real Estate



ENVIRONMENTAL

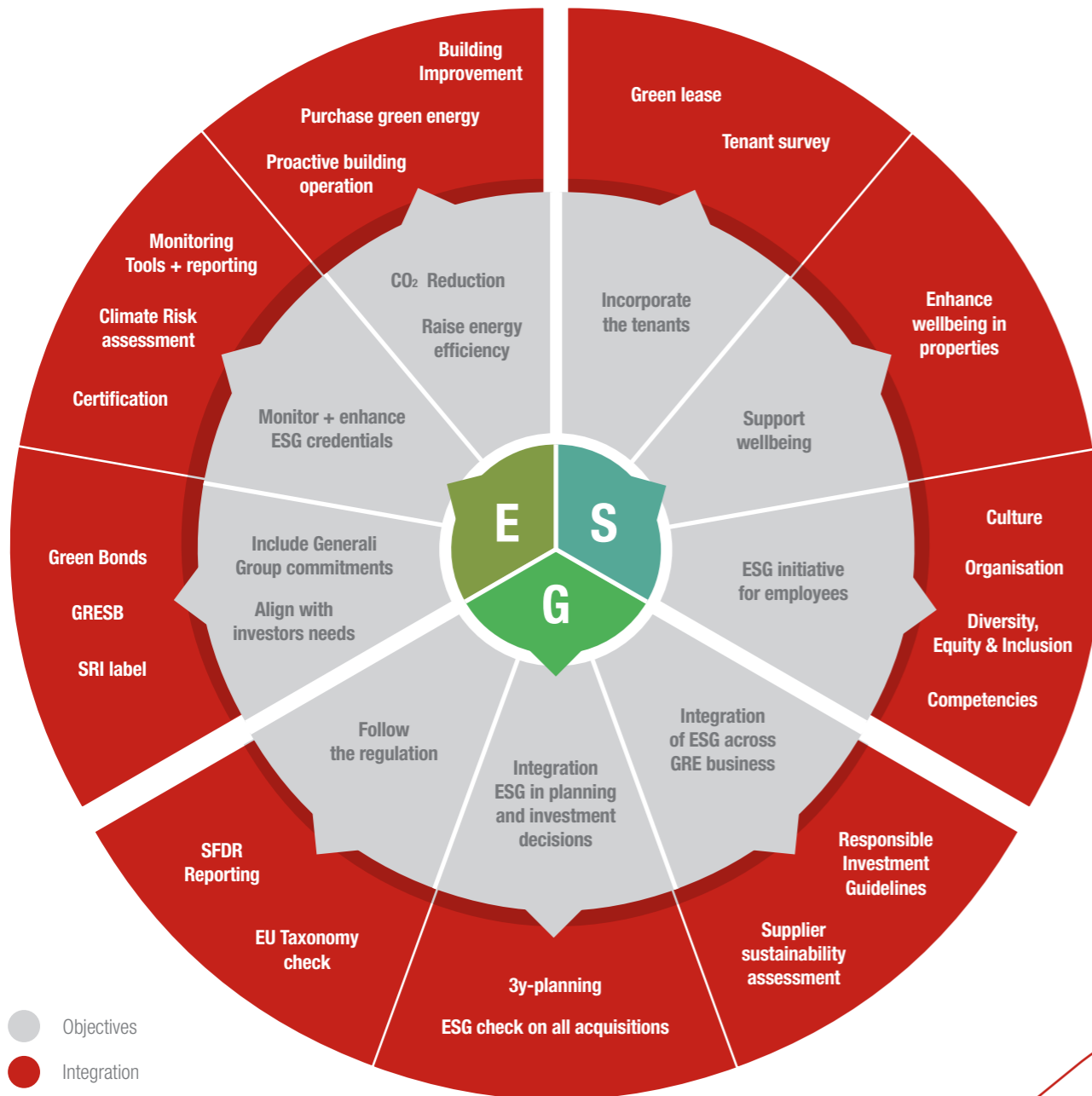
We reduce the environmental footprint of our assets with actions that leverage different factors across the overall real value chain.

SOCIAL

We promote and support a better quality of life for local communities, clients and employees, all the more so following the Covid-19 pandemic.

GOVERNANCE

We set up best-in-class governance policies and processes to ensure transparency, productivity and fairness.



A CONSTANT COMMITMENT TO SUSTAINABILITY

At **Generali Real Estate**, an integral aim of the strategic approach to business is to reduce the environmental impact of our portfolio, as well as to integrate environmental, social and governance (ESG) metrics. Our vision is to have a market-leading portfolio of sustainability credentials as well as best practice asset and property management and development approaches.

We have a moral responsibility to act on Sustainability issues, and a fiduciary responsibility to address ESG risks and opportunities in our investments. Our strategy is keen on converting to action these responsibilities and, whenever feasible, measuring it through third parties certifications and assessments. We are putting forward a pragmatic response to ESG aspects by addressing issues which have been highlighted in our Generali Group Materiality Analysis.

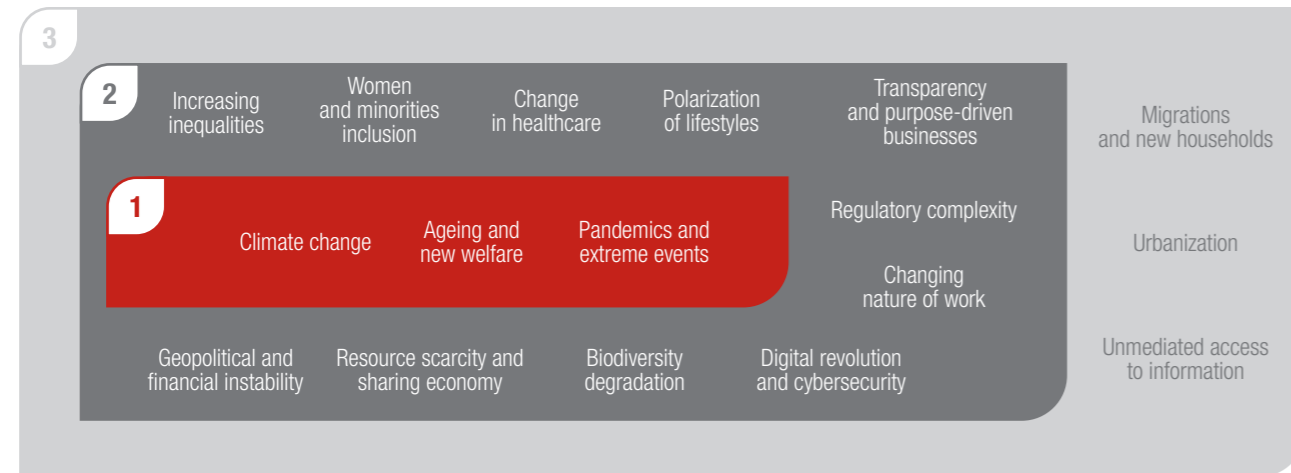
The **materiality matrix identifies** 3 layers of significance:

- **Priority Layer 1:** megatrends considered of maximum significance by the Board and the stakeholders, on which the Group common strategic initiatives and related reporting will focus;
- **Priority Layer 2:** megatrends considered of notable significance either by the Board or by the stakeholders. For these megatrends, the Group will focus on the development of specific projects with the guidance of the Business Units or the GHO functions;
- **Priority Layer 3:** megatrends that in the opinion of the Board and the stakeholders are of lesser significance with respect to the other factors in the analysis.



² For a thorough definition of Environmental, Social, Governance (ESG) factors at Generali Group, please refer to "Sustainability Group Policy", 2019.

Priorities for the sustainable transformation of our business



1
Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report.

2
Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions.

3
External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed.

The buildings sector consumes around 40% of the world’s energy and contributes up to 30% of global annual greenhouse gas emissions³.

Given this impact, **sustainability is a key focus for Generali Real Estate (GRE) and at Generali Group level.** There is a high internal awareness and understanding that the real estate sector is a key contributor to global megatrends such as climate change and **that there is an opportunity for Generali Real Estate to drive large impact and demonstrate leadership within the market.**

In line with Generali Group’s Responsible Investment Guidelines, **Generali Real Estate has developed its own set of Responsibility Property Investment Guidelines.** This document outlines our commitment to embedding ESG throughout our work as well as the key roles and responsibilities of key stakeholders throughout the organization to drive and embed sustainability within the real estate portfolio.



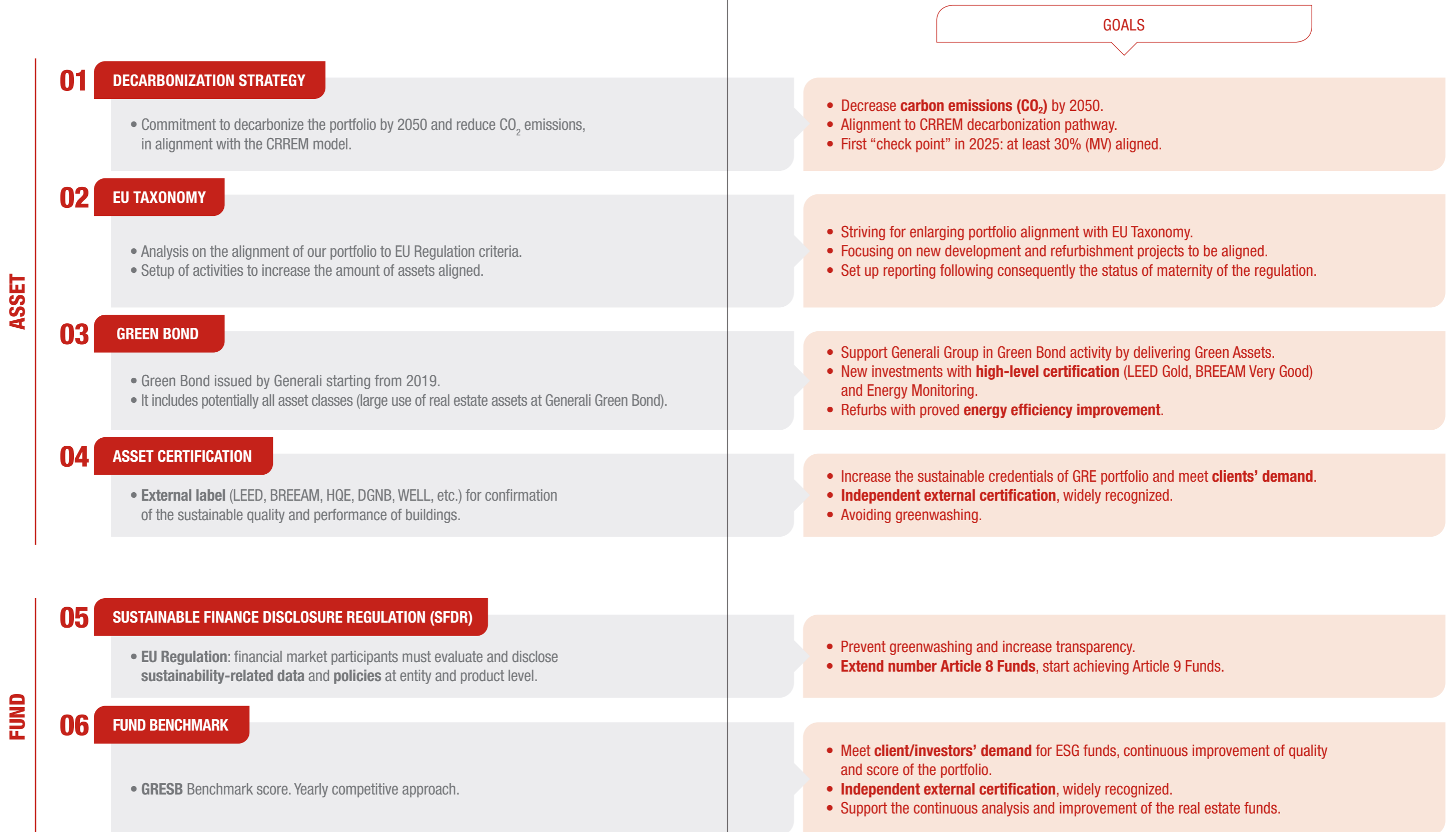
³ United Nations Environment Programme Finance Initiative, Integrating Climate Risks in Real Estate, <https://www.unepfi.org/fileadmin/documents/IntegratingClimateRisksInRealEstate.pdf>



ESG

ENVIRONMENT

KEY PILLARS



ENABLERS

07 DATA ANALYTICS

- IT system to collect and manage utility data (energy, water, waste) and calculate CO₂ emissions, for all the assets under management.

08 PORTFOLIO IMPROVEMENT

- Refurbishment and new development project in line with our main ESG targets.

09 SUSTAINABILITY MEASUREMENT

- An advanced ESG check carried out whenever Generali is assessing a potential new acquisition in a property.

10 ESG IN PROCUREMENT

- Integration of social and environmental considerations in supplier selection for goods and services.

GOALS

- Extend progressively the perimeter of assets monitored.
- Improve data quality (especially data coming from tenants).
- Data measurement to support strategic improvements and monitoring the outcome.

- Projects enhancement with high level ESG standards on the relevant parameter (e.g. decarbonization, regulation (EU Taxonomy), Decrete Tertiare, GRESB, SRI label).

- In house assessment based on the last BREEAM V6 scheme.
- Check of the asset regarding the core GRE pillars (EU TAXO, Decarbonization) and the compliance with the main EU Regulation requirements.

- Ensure consistency with our sustainability commitments, also highlighting the social component.
- Avoid reputational risks.
- Support certification, GRESB assessment, alignment with regulation.



PILLAR 01
ENVIRONMENT

DECARBONIZATION STRATEGY



RATIONALE

- Global asset owners committed to decarbonizing their investment portfolios and achieving net-zero emissions **by 2050**, also setting intermediate 5-year targets (first target 2020-2025), a reduction of 16-29 percent in greenhouse gas (GHG) emissions contained in own portfolios until 2025.



METHODOLOGY (GRE)

- >90% renewable energy (Landlord premises).
- Scope: **Own use and direct investments** (Generali Asset Owner).
- Principle: align the portfolio to the **1.5° decarbonization pathway**.
- **CRREM** (Carbon Risk Real Estate Monitor) **model** used as a benchmark.
- Establishing science-based carbon reduction pathways.



PLANNING

- 2,000 assets monitored by data analytics system.
- Focus on a pre-selected list of assets (approximately 300 in 10 countries), covering at least **30% of the GRE portfolio (MV)**.
- Improvement plan being defined (asset by asset).



NEXT STEPS

- >60% (MV) of GRE portfolio being scanned.
- Increase numbers of assets and implementation of budget planning.
- Project activities endorsement (e.g. LED lighting, predictive systems, BMS, alignment with tenants).

PORTFOLIO ALIGNMENT

HIGHLIGHTS

Portfolio in scope (%)

100% Own use and direct investments

Portfolio in scope (MV)

36.4 bn

We have committed to developing a strategy to decarbonise our assets (own use and direct investments) by 2050, which envisages the gradual alignment of our real estate portfolio with the targets defined by the CRREM (Carbon Risk Real Estate Monitor) model. This commitment is a natural consequence of the efforts already made by Generali Real Estate for several years to manage its real estate assets more sustainably. To date, more than 30% of the portfolio is in line with the CRREM decarbonization pathway, therefore potentially meeting the 2025 decarbonization target.

In 2019, in order to accurately measure the initial levels and the achievement of the decarbonisation objectives, GRE launched a Data Analytics project: the consumption data of existing buildings is collected and centralised on a digital platform, which automatically calculates the CO₂ emissions and monitors their development. Starting from 2022, an improvement plan is being developed for individual assets in the Data Analytics scope, in order to identify any improvement actions and potential costs to align them to the various targets set under the ESG framework towards 2050.

GRE target 2025

In 2025, the actual average CO₂ value will be aligned with the average CO₂ limit value of the CRREM* model (for the 1.5-degree projection) of the year 2024 on the valuation date, for a share of at least 30% of the Generali Real Estate direct investment portfolio.

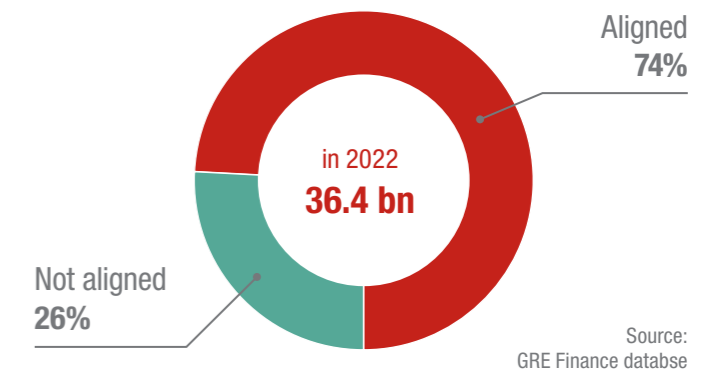
Scope: € 36.4 bn

Own use and direct investments (Generali Assets Owner).

Reference

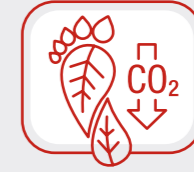
Based on 2022 data for CO₂, of which 66% comprehensive real data and 34% partial real data or benchmark estimation.

*CRREM benchmark and calculation might be subject to updates by the regulation.



Stranding year:

- **Not aligned:** assets are not aligned to the CRREM pathway. The CO₂ emissions exceed their target before 2022.
- **Aligned:** asset are aligned to the CRREM pathway. The CO₂ emissions are below their target in 2022.

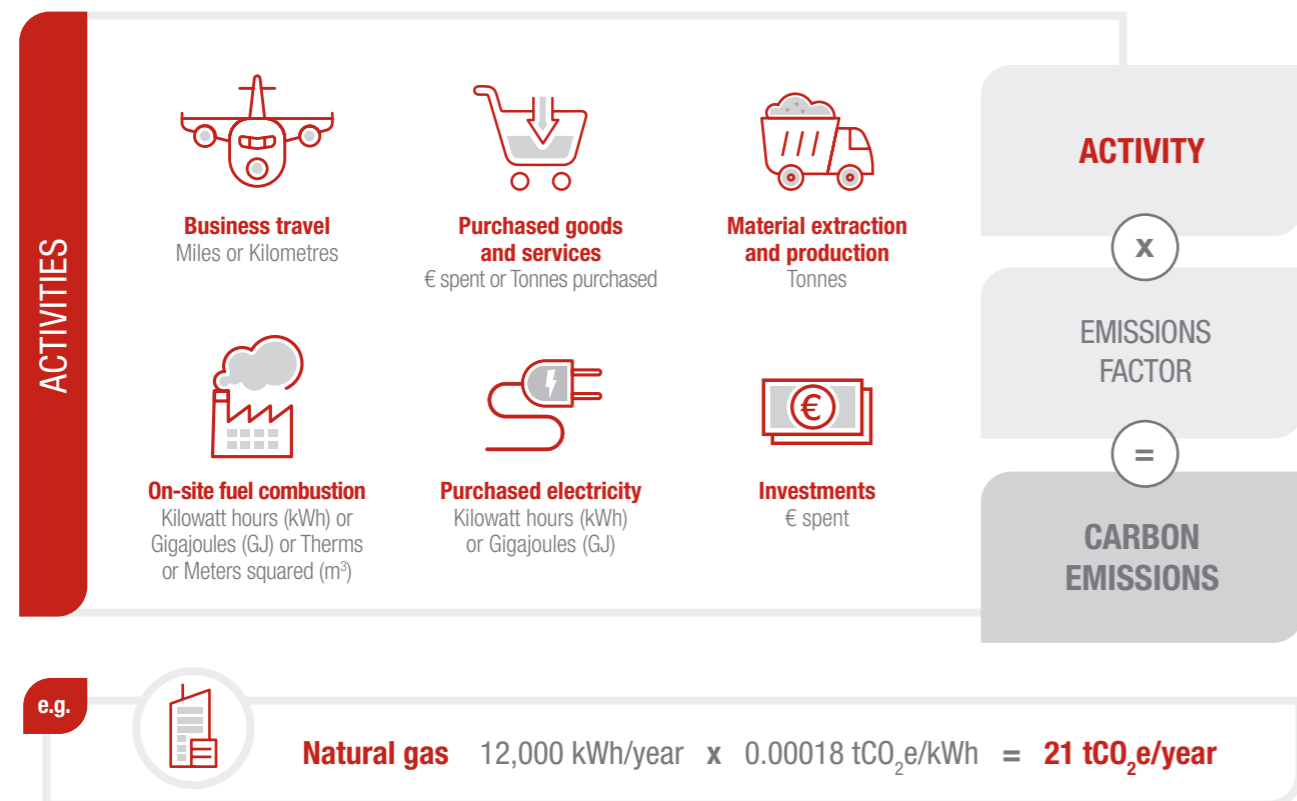


The choices we make every day, as people and more so as companies, leave a mark on the environment. The carbon footprint is a simple way to express this impact. The “size” of the carbon footprint depends on several factors, but the main one is the amount of greenhouse gas emissions released into the atmosphere by a given activity. To mitigate the climate change and avoid its worst impacts, we need to rethink the way we live, work and produce: the faster we act to reduce our carbon footprint, the better off we will be in the future.

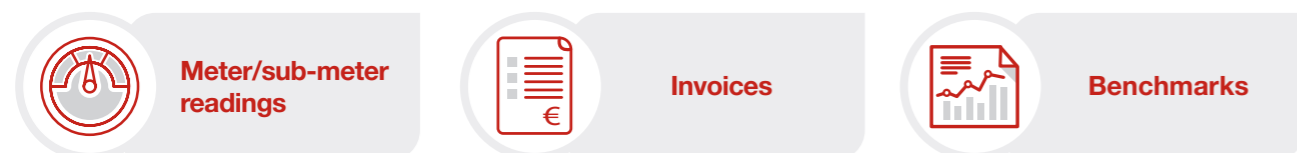
What is a carbon footprint

Total amount of greenhouse gases, caused directly or indirectly, released into the atmosphere as the result of a defined activity over a defined period.

How do we calculate a carbon footprint?



Where do we get information?



A CONVERSATION WITH OLIVIER TERRENOIRE AND TORSTEN BUTZ

An interview with **Olivier Terrenoire** Global Head of Asset Management, Property Management and Sustainable Investing, and **Torsten Butz**, Head of Sustainable Investing.

01 What is the main challenge Generali Real Estate is facing to decarbonize its portfolio?

O.T.

The integration of ESG targets and regulation represents a major challenge. Being potentially the biggest change process also in the real estate management in this century. Planning the decarbonization means integrating an important “new” KPI into asset and portfolio strategy planning.

As the field of decarbonizing assets is relatively young, which leads to the fact that the definition of a Net Zero building is varying. For example, there is still a major discussion ongoing in the market, whether electricity purchased as CO₂ free can be counted as “0 emissions” or whether only on-site produced green electricity is “0 emissions”.

Speaking of green electricity, tenant collaboration is key to decarbonization. Starting from the project plan, for which tenant data is also very important to analyze the correct situation of the asset and make the best decisions on how to improve the asset. To go until the last mile of decarbonization, the energy, acquired by the tenant must also be CO₂ neutral. Our letting and asset managers do already actively discuss this with all our tenants.

T.B.

The portfolio of Generali is an outstanding portfolio. Our assets are spread across top European locations. Each location has its own specific prerequisites, and some assets are even trophy monuments with the according challenges when improving them.

When turning an asset into “2050 ready” status, our local experts work to find the best fitting technical solution for each asset, taking into consideration all local premises and regulations. Besides the fact that building specific solutions need to be developed, it is also the size of the portfolio that creates complexity and of course respecting the budgets and strategies of our different clients and funds.

Finally, the best “timing” according to the situation of the asset is another topic to be respected: If the asset is occupied, it might be critical to change the major parts of the fit out, such as the heating system, the windows or entire façade.

Each improvement must be embedded into the individual strategy of each asset.

02 How far is Generali Real Estate's action plan towards this target?

T.B.

GRE has already gained numerous experiences in the energy improvement of buildings in the past with several refurbishment and development projects in recent years.

As one of the first steps to embed decarbonization and reduction of energy consumption into the daily business, GRE implemented internal refurbishment guidelines years ago to define overall improvement targets whenever we do a major refurbishment. For the acquisition process, standard assessments were implemented in the due diligence process. With our tenants we have launched awareness campaigns for efficient operation and implementation of new technologies.

O.T.

When GRE decided to enter a new phase - the strategic ESG improvement of the entire portfolio - GRE carried out a technical assessment for >60 percent of the managed portfolio. Quick wins were identified, as well as major challenges. We identified improvement activities, planned budget and integrated decarbonization strategies for assets. Starting from minor interventions up to comprehensive refurbishments, GRE has a clear plan for the decarbonization of the portfolio, which is updated annually. The first activities to execute this planning have already begun.

03 How does Generali Real Estate collaborate with tenants on decarbonization?

O.T.

Aligning with tenants on the common goal of boosting efficiency and reducing greenhouse gas emissions is crucial. Green clauses have been included by GRE in commercial lease agreements for several years. The main clauses concern data exchange and the use of green energy. In the early years our letting managers recognized tenants were often struggling with the corresponding clauses, while in the meantime we have experienced that some tenants actively ask for green leases. Currently about 37% of our commercial leases have green clauses.

T.B.


Our goal is to receive all data online. Ideally directly from the energy suppliers. We already receive most of the landlord's data, while tenants are often still skeptical about granting access to the energy portal of their suppliers, due to data confidentiality reasons. Naturally GRE is used to respecting data privacy in the daily real estate management and we try to convince our tenants, highlighting the advantages, such as minimizing efforts for them and having best data for advanced improvements.

In the end the tenant benefits from the improvements made, based on the best data available.




PILLAR
02
ENVIRONMENT

EU TAXONOMY



RATIONALE

- EU Regulation applies to:
 - Financial market participants subject to SFDR;
 - Large EU companies subject to non-financial reporting (“NFRD”).
- Assicurazioni Generali is in scope with all group companies, including GRE SPA and GRE SGR.
- It is a classification system to determine when an economic activity can be considered “green” or environmentally sustainable
- Companies with more than 500 employees are required to disclose: Support our clients and Generali Group in disclosure.



METHODOLOGY (GRE)

- Real estate concerned activities: Acquisition and Ownership, Construction, Renovation, Minor interventions.
- Scope: **Direct Assets** (Generali Asset Owner).
- Identify owned assets already aligned and to be aligned.



NEXT STEPS

- Built up tool for analysis and reporting.
- Increase the number of assets compliant with the EU Taxonomy.



PLANNING

- Portfolio scanning by EPC and top 15% local markets (criteria for “Acquisition and Ownership”).
- Ensure that every development and refurbishment project meet EU Taxonomy requirements (criteria for the other RE activities).

The **EU Taxonomy is a green classification system** that translates the EU’s climate and environmental objectives into criteria for specific economic activities for investment purposes. It recognises as green, or “environmentally sustainable”, economic activities that make a substantial contribution to at least one of the EU’s climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards.



Discover more about the EU Taxonomy https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

What
Classification system to determine when an economic activity can be considered “green” or environmentally sustainable (requiring set up, maintenance, control of processes related to EU Taxonomy).

How
Technical screening criteria for economic activities in sectors which are responsible for almost 80% of direct GHG emissions in Europe (e.g. energy, forestry, manufacturing, transport and buildings).

Who
Financial market participants subject to SFDR (GRE SGR) Large EU companies subject to non-financial reporting (“NFRD”), Assicurazioni Generali in scope of NFRD which affects all group companies including GRE.

Generali Real Estate high potential:

Acquisition / Ownership

of buildings with EPC A or TOP 15% on 2022 portfolio:

>20%

New development and renovation

with striving target of >30% energy efficiency

22% of projects



PILLAR 03
ENVIRONMENT

GREEN BOND

RATIONALE

- Green Bonds have been issued by **Generali** starting from 2019.
- Main goal was to refinance Generali debt (with first calls in 2022), and at the same time extend the average maturity of the debt structure.
- It is consistent with the Generali commitment to sustainability and very strongly received by the market.
- It includes potentially all asset classes. However, Generali makes large use of real estate.
- GRE strongly supports the Group with Green Assets.

METHODOLOGY (GRE)

- Acquisition/Financing of commercial and residential buildings which meet recognized standards of certifications.
- Retrofitting expenses aimed at energy efficiency improvement >30%.
- Select **green buildings** and/or **retrofitting projects**.
- Collect documentation and energy consumption/CO₂ data for the eligible assets.
- Audited quality of avoided emissions.

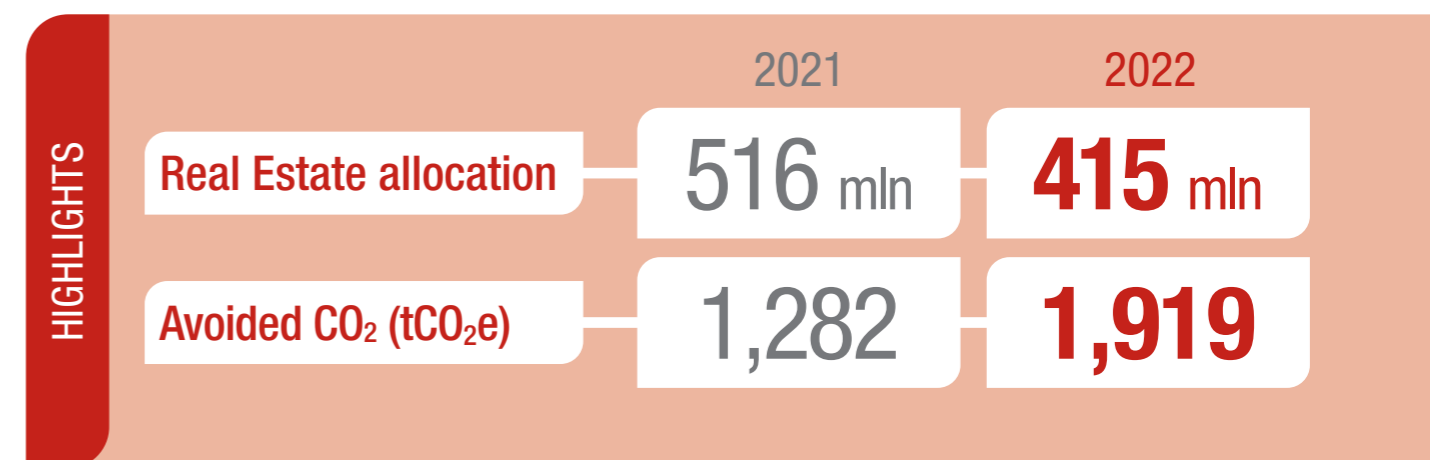
PLANNING

- Identify new investments meeting the eligibility criteria for green bond.
- Ensure that every major refurbishment meets the green bond criteria for retrofitting.

NEXT STEPS

- Provide Generali with eligible assets.
- Anticipate the incoming new EU Regulation about Green Bond Standard, that will likely oblige to make eligible the assets, only if compliant with the EU Taxonomy requirements.

GREEN BOND REAL ESTATE CONTRIBUTION



Generali Real Estate is the specialized asset manager in the Generali Group, with more than € 39 billion of assets under management (as of year-end 2022).

By managing a unique portfolio, comprising both historic and recently-constructed buildings, Generali Real Estate has developed an **in-depth know-how of technological innovation and sustainability** that is of utmost importance in selecting and evaluating the properties on which Green Bonds are issued.

In the **Generali Green Bond** are included real estate assets which fulfil particular high ESG criteria, like high-level certification for newly acquired buildings (e.g. LEED Gold, BREEAM Very Good or plus), energy monitoring, optimization of energy efficiency improvement >30% for retrofitting.

In line with the Generali Sustainability Bond Framework⁴, an amount equivalent to the net proceeds has been fully allocated to refinance some different type of green assets owned by the Group.

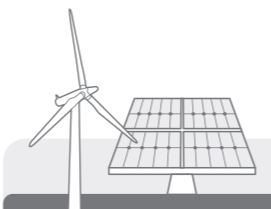


⁴ <https://www.generali.com/investors/debt-ratings/sustainability-bond-framework>


2ND GREEN BOND


Issued by Assicurazioni Generali S.p.A. on July 14th 2020
Maturity date July 14th 2031 / € 600,000,000

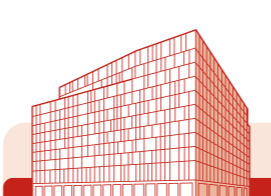
Category Location Selected assets € allocated

Green infrastructure	-	Various	84 M	
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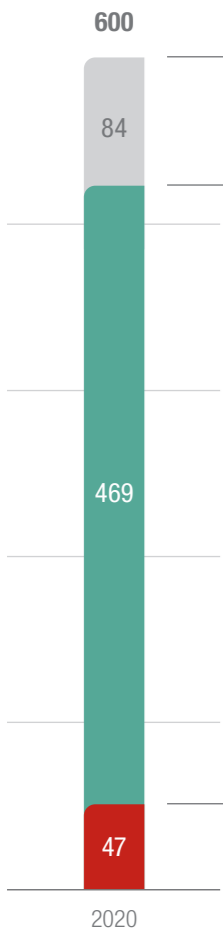
Green building	France, Paris	Coeur Marais	233 M	
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Green building	France, Paris	Fhive	145 M	
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Green building	Germany, Frankfurt	Sono West	91 M	
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Retrofitting	Italy, Milan	Liberazione	34 M	
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Retrofitting	Italy, Trieste	Berlam	13 M	
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RE Capex RE acquisition Other



COMMITMENT TO DECARBONIZATION



The Generali's 120,281 square meter property in Zaragoza represents a commercial center with a high value for free time and a strong attraction on the whole of Aragon. The tenant structure of Puerto Venecia underlines its dominant position in both shopping and free time with more than 190 brands. Since the opening, the ESG elements is very strong with particular emphasis on environmental and social elements.

Consumption is monitored and minimised thanks to energy optimization systems. Significant part of energy is self-produced thanks to the photovoltaic system. Sustainable mobility is also promoted by ensuring the availability of on-site facilities and sustainable transport in order to reduce CO₂ emissions and contribute to the environment. With regard to the social aspects, there is a large space available to NGOs to promote their awareness and solidarity projects. The importance of the local community is also demonstrated by the choice to support local suppliers in the selection for collaboration and service agreements.



Installation of **photovoltaic energy** production. Currently, 12% of the electricity demand necessary for the operation of the building comes from energy produced in the shopping centre itself.



Efficiency **monitoring process and continuous analysis of all energy consumption** (electricity, water and gas).



Replacement of standard lighting equipment to **LED lighting equipment**.



Availability of **Electric Vehicle chargers** (14 EV charging points).



Large garden areas: recent installation of a Vegetal/Garden Wall.



Waste management: 48% average recycling rate of the total waste generated.



Annual participation in the "Earth Hour" event. All lighting systems in the Shopping Centre are turned off for 1 hour.



Start-up and participation in the public reforestation project in Zaragoza: El Bosque de los Zaragozanos



Gray water reuse for WC tanks and **reuse of rainwater** in garden irrigation.

PILLAR 04
ENVIRONMENT

ASSET CERTIFICATION

RATIONALE

- Strong market demand for certified assets (especially those in GRE Pan EU funds).
- Internal target to increase sustainability credentials of the portfolio.
- Why we certify:
 - To enhance energy and environmental performance;
 - To avoid green washing through independent and widely recognized external labels- Increasing asset value;
 - To reduce operating costs;
 - To support the Group's commitment, investor demands, GRESB, SFDR.

METHODOLOGY (GRE)

- We certify **all new developments** and **major refurbishments**.
- We aim at **buying certified assets** or in the process to be certified right after acquisition.
- We seek to certify assets in the existing portfolio whenever possible and/or reasonable, by prioritizing strategic projects (e.g. GRESB, SFDR).

PLANNING

- As of YE 2022, **€ 17.9 bn of assets are certified**.
- The certification process is an ongoing activity in all the countries integrated in planning process.

NEXT STEPS

- Monitor the achievement of country annual targets, included in the 3y plan.
- Extend the certification to other existing schemes - whenever feasible - such as Digital and Connectivity, Health and Wellbeing, Circular Economy, etc.

HIGHLIGHTS

		2021	2022
Global portfolio	Market Value	35 bn	36.4 bn
Certified assets	Market Value	12.9 bn	17.9 bn
	% out of global portfolio	37%	49%
High level certificate	Market Value	10 bn	11.5 bn
	% out of all certified assets	76.5%	64%



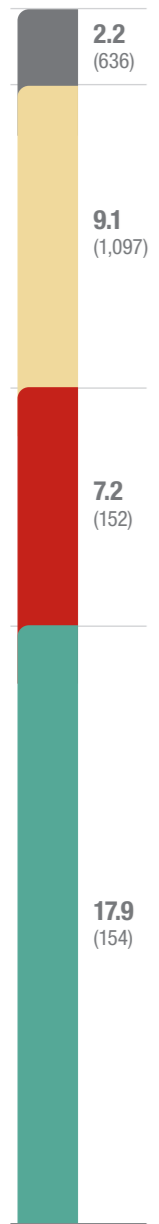
REAL ESTATE ASSETS EXTERNAL CERTIFICATION

Scope: € 36.4 bn. Total AuM (incl. AuM for 3rd Party, excl. Indirect investments).

Reference: YE 2022

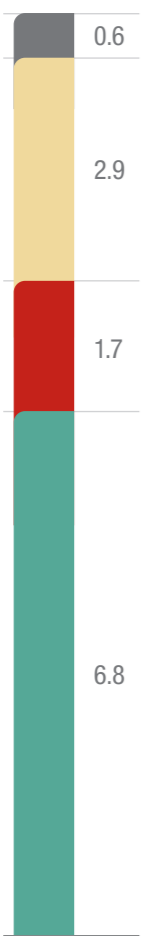
GRE Global portfolio

36.4 bn
(2,038 assets)



France

12.0 bn



Italy

10.3 bn



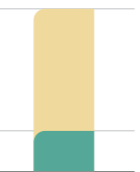
Germany

5.0 bn



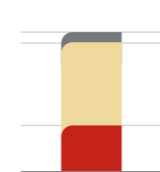
Austria

2.1 bn



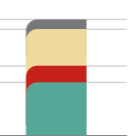
Switzerland

1.8 bn



Spain

1.5 bn



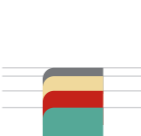
UK

1.2 bn



Czech Rep.

0.9 bn



Belgium

0.4 bn



Poland

0.4 bn



Others

0.7 bn



- Indirect investments
- Under developments / refurbishment
- Small units
- Sales plan

TYPES OF CERTIFICATIONS IN GENERALI PORTFOLIO

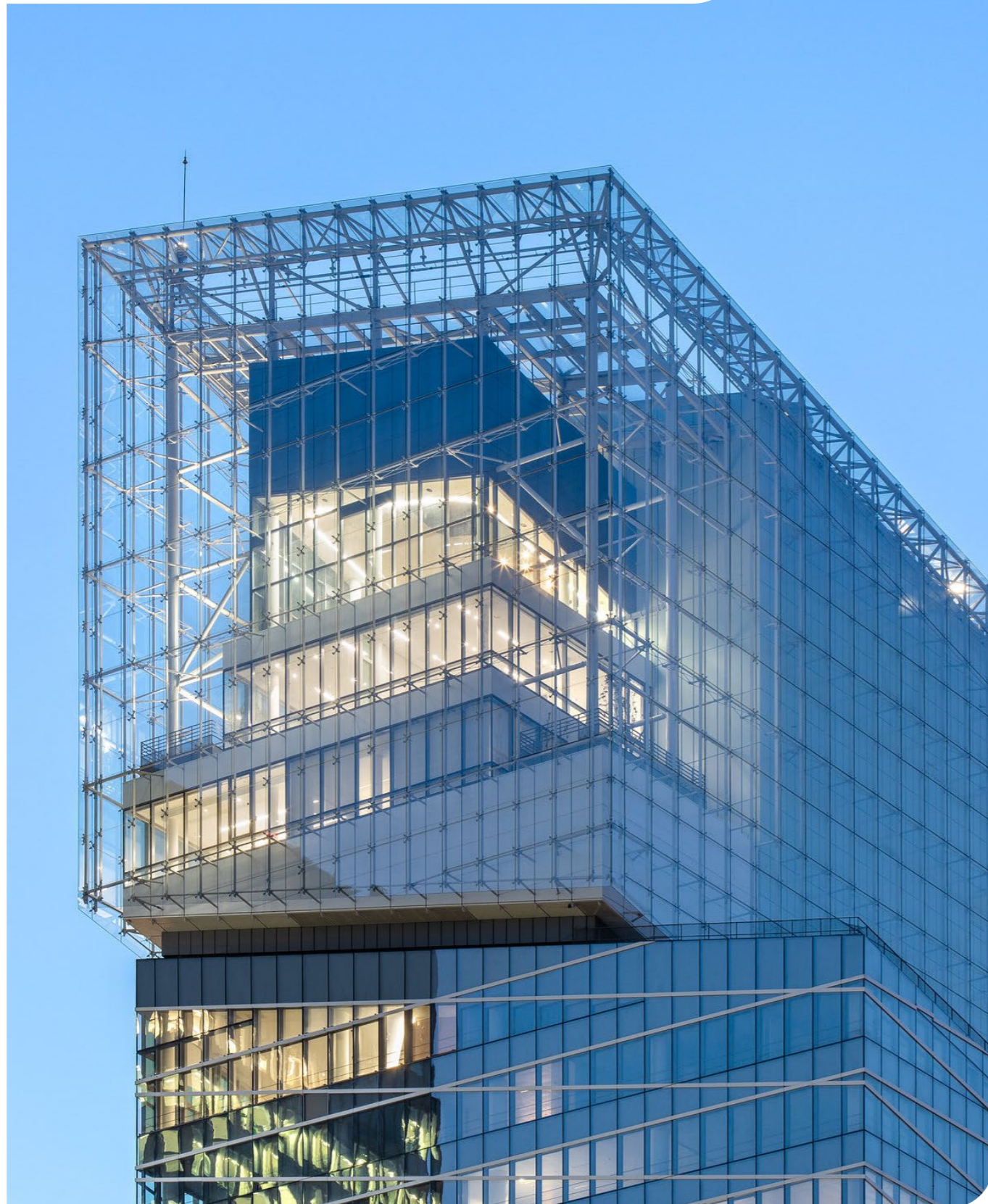
ENVIRONMENTAL CERTIFICATIONS	Enhancing energy, environmental, health and comfort performances of commercial and residential assets.
DIGITAL AND CONNECTIVITY CERTIFICATIONS	Assessing, and improving digital connectivity and smart technology of building, to accommodate several services.
HEALTH AND WELLBEING CERTIFICATIONS	Assessing user's health, well-being and comfort in their workspaces, to offer them a pleasant work environment.
LABELS	Attesting to building exemplary nature in a specific items: energy, carbon, environment, landscape, etc.
ISO STANDARDS	Classifying and managing the asset according to international management method for environment and energy, defined by the International Organization for Standardization.
SRI LABEL	Fund certification for testifying sustainable and responsible investments.

49% by MV are certified among which 64% by MV has high certification levels (Very Good, Gold and more).

CERTIFICATIONS

The image displays a grid of various certification logos. In the top row, from left to right, are BREEAM, U.S. Green Building Council (LEED Certified), DGNB, and NFHQE. The second row features WIRED SCORE, R2S (Ready Services), biodiversity, and WELL. The third row includes Bâtiment BBCA (Bas Carbone), Osmoz (Engagés pour la qualité des cadres de vie), Label ISR (Investissement Responsable), and afnor Certification.





The architectural, technical and environmental project for the building of 49,000 sqm on 44 floors and 165 meters high, a business center, a 250-seat auditorium, a showroom of approximately 300 square meters and three restaurants was designed by the French Valode & Pistre studio. Thanks to its crystalline architecture, the tower emphasizes its aesthetic qualities and its properties of light transmission, thermal insulation, and low emissivity. Located at the heart of La Défense, the Tour Saint-Gobain is the first, and so far the only, High Rise Building in France having achieved four main international environmental certifications at the highest levels.



Certifications and energy labels

- HQE certification with the level "Exceptional" obtaining 12/16 stars.
- "Effinergie +" label awarding "Very Performing" level (the highest one).
- LEED certification with level "Platinum" and a score of 91%.
- BREEAM RFO certification with level "Outstanding" and a score of over 85%.
- EPC rating: A for Greenhouse gas emissions, B for energy.



Green spaces

- Greater attractiveness for biodiversity (place of exchange, feeding, rest or nesting).
- The summit greenhouse: a high-performant, breathable bioclimatic space, gives the feeling of openness lock downed.



Envelope performance

- Double facade with opening at the top and bottom to ensure natural ventilation to fight against solar gain.
- Solar control: double skin blinds to block heat.



Energy performance

- Connection heating and cooling existing urban networks.
- Back-up by thermo fridge pump on groundwater by geothermal.
- Outstanding energy ventilation rates.
- Air conditioning by reversible ceilings (hot-cold) and floor blowing complete with air units for ground floor areas integrated into false ceilings.
- Artificial lighting: 100% LED.



Materials performance

- All materials in contact with indoor air are classified A+.
- Wood traceability, FSC / PEFC labeling.
- Paint and varnish with European Ecolabel.
- 80 materials coming from tenant manufacture (Saint-Gobain).



Water management

- Water network designed according to best practices. (thermal insulation of hot water network, water treatment systems).
- Water-saving hydro equipment.
- Reuse of rainwater for watering green spaces.
- Building equipped for the reuse of gray water.



Thermal comfort

- Heating and air conditioning by radiant panels in false ceilings.
- Fan coil units with low speed floor blowing and temperature setpoint per zone in office areas.
- Underfloor heating and cooling in associated spaces.
- Hot and cold shutdown when the windows are opened.

ESG INTEGRATION IN THE FUNDS' INVESTMENT STRATEGY

The dedication to sustainability is deeply ingrained in our organizational DNA, driving GRE SGR to embrace ESG principles in every facet of our investment strategy.

We firmly believe that integrating environmental, social, and governance factors into our investment decisions will not only reinforce positive outcomes for the environment and society but also play a pivotal role in enhancing the long-term performances and resilience of our business.

Alberto Agazzi
CEO and General Manager
Generali Real Estate SGR



GRE SGR EXPERTISE AND COMMITMENT TO SUSTAINABILITY IN REAL ESTATE INVESTMENT

HIGHLIGHTS

22 funds
Funds managed by
GRE SGR⁵

€ 16.3 bn
GRE SGR Real Estate
Funds AuM

Generali Real Estate conducts its real estate investment management activities through its regulated investment fund management company, Generali Real Estate S.p.A. Società di Gestione del Risparmio⁶ ("GRE SGR"), in charge of managing both commercial real estate equity and debt funds. Thanks to the long-lasting expertise in real estate investment, GRE SGR allows investors to allocate capital according to their strategic views, integrating environmental, social, and governance (ESG) metrics throughout the entire investment life cycle.

GRE SGR embraces the best practices and adhere to a robust and transparent sustainable governance framework at the Fund level, ensuring that sustainability is considered in the decision-making processes⁷.

Leading the way in Sustainable Real Estate Investment

At **Generali Real Estate** SGR, we strive to be a long-term partner for our stakeholders, generating welfare for the communities we serve, and delivering value to our investors and clients. Through continuous improvement, we are committed to meet our sustainability objectives and contributing to the Generali Group's broader sustainability goals.



GRE SGR is committed to gradually decarbonizing its investment portfolio.



GRE SGR focus on implementation of ESG-related regulatory frameworks, leveraging a transparent and efficient governance system.



GRE SGR assets fulfill high ESG criteria, like "green building" certifications, energy monitoring, and optimization of energy efficiency⁸

⁵ GRE SGR is the real estate investment fund manager of the Generali Group. It operates with a team of professional and experienced fund managers, located in Italy and France. GRE SGR is passported and is authorized by the Bank of Italy, to manage real estate investment funds in the EU under the AIFMD.

⁶ GRE SGR manages a total of 22 real estate funds established in several jurisdictions. Italian real estate funds are set up and managed by GRE SGR directly, real estate funds established in foreign jurisdictions are managed under delegation.

⁷ GRE SGR focuses on buying and/or developing certified buildings – including but not limited to BREEAM, LEED, HQE and DGNB. Moreover, new investments must undergo a sustainability in-house assessment, in order to ensure the acquisition of assets with high sustainability certifications. For further information please refer to the document "GRE SGR Sustainability Policy" available at <https://www.generali realestate.com/regulatory-gre-sgr/>.

⁸ GRE SGR monitors energy consumption and greenhouse gas emissions on a selection of assets through a data analytics system and uses the data to plan maintenance actions and engage with tenants to steer their environmental impact.

PILLAR 05
ENVIRONMENT

SUSTAINABLE FINANCE DISCLOSURE REGULATION



RATIONALE

- The European Union (EU) has established a transparency framework known as the Sustainable Finance Disclosure Regulation (SFDR). This regulation outlines the requirements for financial market participants to disclose information related to sustainability. Its primary purpose is to assist investors who are interested in supporting sustainability objectives by allocating their funds to companies and projects that align with these goals. The SFDR aims to empower investors with the information they need to make well-informed choices.
- A crucial aspect of the SFDR is related to the “comply or explain” approach of the Principal Adverse Impact (PAI)⁹. Financial market participants must either comply with the PAI disclosure requirements as outlined in the SFDR or provide a clear and detailed explanation if they choose not to comply. This obligation has been deemed one of the most challenging aspects of SFDR compliance.
- The SFDR applies to financial market participants and financial advisors within the EU. GRE SGR is impacted as investment manager of real estate funds.



PLANNING

- Improve the data collection system to gather necessary sustainability-related information to be disclosed.
- Collaborate with industry peers, sustainability experts, and relevant stakeholders to share best practices and insights on the evolving EU SFDR regulatory framework.



For further information on SFDR please refer to:

https://finance.ec.europa.eu/sustainable-finance/disclosures/sustainability-related-disclosure-financial-services-sector_en



GRE SGR'S ADOPTION OF EU REGULATION SFDR: ENHANCING TRANSPARENCY AND REGULATORY ALIGNMENT

HIGHLIGHTS

€ 8 bn
GRE SGR Funds AuM
classified as SFDR Art.8¹⁰

49%
GRE SGR Funds AuM
classified as SFDR Art.8¹⁰

As a long-term horizon investment manager, GRE SGR recognizes the significant material impact that ESG factors can have on long-term returns. Consequently, **it is crucial for GRE SGR to assess and disclose to its investors how ESG integration can influence investment returns.**

GRE SGR initiated a project to comply with transparency regulations outlined in the Sustainable Finance Disclosure Regulation (SFDR), focusing on sustainability-related disclosures and frameworks of its Funds. The SFDR regulation establishes unified guidelines for financial market participants, mandating transparency in their incorporation of sustainability risks and evaluating the adverse sustainability impacts in their operations, as well as providing sustainability-related data concerning financial products.

As part of GRE SGR commitment and transparency, in relation to the SFDR, GRE SGR has decided to adhere to the “comply” approach when evaluating the potential negative effects of investment decisions on ESG factors¹¹.

Over the years GRE SGR has strengthened its commitment to promoting investments adopting SFDR by introducing new financial products under Article 8. GRE SGR has achieved the classification of €8bn¹⁰ in SFDR art.8 funds, representing 49% of GRE SGR Funds¹⁰. **This achievement reflects GRE SGR's commitment to advancing its ESG framework** and bolstering its capabilities to deliver solid sustainable outcomes for our valued investors and stakeholders in general.

⁹ A Principal Adverse Impact (PAI) refers to any negative consequence resulting from investment decisions that affects sustainability factors. These factors encompass environmental and social, as well as issues related to human rights, anti-corruption, and anti-bribery measures.

¹⁰ GRE SGR manages a total of 22 real estate funds established in several jurisdictions. Italian real estate funds are set up and managed by GRE SGR directly, real estate funds established in foreign jurisdictions are managed under delegation.

¹¹ For further details please refer to the document “GRE SGR Adverse Sustainability Impacts Statement” (<https://www.generalirealestate.com/regulatory-gre-sgr/>).

PILLAR 06
ENVIRONMENT

FUND BENCHMARK

RATIONALE

- GRESB¹² is an industry-driven organization that assesses and benchmarks the environmental, social, and governance (ESG) performance of real assets, including real estate and infrastructure.
- GRESB assessments cover a wide range of ESG-related criteria, including energy and water efficiency, greenhouse gas emissions, social and community impact, governance practices, and more. The goal is to promote transparency, sustainability, and responsible investment practices within the real asset sector.
- In 2022 GRESB had 1.820 entities participating in the Real Estate benchmark, representing approximately ~ \$ 7 tn of Gross Asset Value (GAV).

PLANNING

- Set up actions to be implemented and monitored to improve the GRESB Score.
- Expand the number of Funds participating in GRESB.

For further information on GRESB please refer to:
<https://www.gresb.com/nl-en/>

We have adopted a “comply” approach to the SFDR’s PAIs Statement for granting a relevant level of transparency across GRE investments.

In this context participating to GRESB allows our investors and stakeholders to compare our funds performance with a reputable ESG benchmark.

Fabio Cristanziani
CFA-Head of ESG
Generali Real Estate SGR

¹² “Global ESG Benchmark for Real Assets” for further details please refer to <https://www.gresb.com/nl-en/>

GRE SGR’S COMMITMENT TO ESG EXCELLENCE THROUGH GRESB PARTICIPATION

Since 2021, **GRE SGR has participated with a selection of Funds in the Global Real Estate Sustainability Benchmark (GRESB)**, an esteemed and independent organization that provides validated ESG performance data and peer benchmarks to investors and managers.

GRESB plays a pivotal role in empowering real estate funds to comprehensively assess their ESG performance. **By leveraging a standardized and globally recognized framework**, both investors and managers gain confidence in their ability to act upon ESG data and acquire valuable insights, elevating industry engagement, and facilitating informed decision-making.

Over the years, **GRE SGR has consistently expanded the number of participating Funds in GRESB**, while continuously improving the obtained scores. GRE SGR has accomplished noteworthy milestones, reaching 9 Funds participating in the benchmark representing approximately ~€6.7bn in AuM. This achievement further exemplifies GRE SGR’s commitment to contribute to a more resilient and responsible real estate industry.

GRESB BENCHMARK KPIs

HIGHLIGHTS

- 9 Funds** GRE SGR Funds participating in GRESB¹³
- € 6.7 bn** GRE SGR AuM participating in GRESB¹³
- 28/30** “Management Component”¹⁴ GRESB score
- 90** GRE SGR assets participating in GRESB

¹³ Considering Cross-Boarder Funds, Italian Funds, Funds directly Managed and managed under delegation by GRE SGR.
¹⁴ The Management Component weight 30% of the Total GRESB Score.

PILLAR 07
ENVIRONMENT

DATA ANALYTICS

RATIONALE

- **CO₂ reduction** is widely recognized as the key factor to stop global warming (Net Zero target).
- **Energy performance** is one of the main indicators for analyzing EU Taxonomy alignment.
- High-quality data about utility consumptions are essential to all Group projects.
- “You can’t manage what you can’t measure” and “Things you measure tend to improve”.

METHODOLOGY (GRE)

- An appropriate IT system was selected to manage data collection.
- Consolidate landlord data collection, with the aim to collect 100%.
- Investigate all the possible ways to access tenants’ data, also leveraging the green leases.

PLANNING

- As of today, the scope is **€ 23.6 bn (336 assets), 67% of GRE portfolio**.
- Roll-out a plan to onboard up to 90% of GRE portfolio at YE 2023.

NEXT STEPS

- Extend green leases to enhance tenants’ data collection.
- Collect further asset info (surfaces, meters coverage, etc.) to improve calculation.
- Improve with the provider automatic sanity checks.

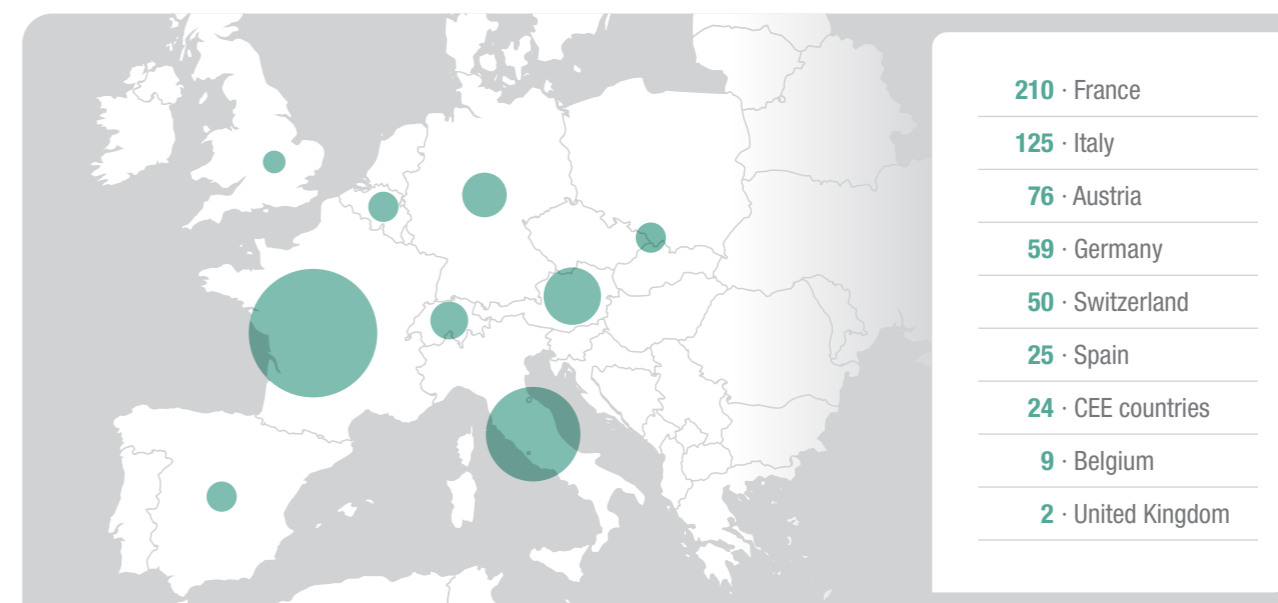
Data analytics is indeed a crucial pillar of our portfolio’s sustainability culture and practice, but it is also part of achieving a much broader goal that Generali Real Estate is following in major sustainability projects like GRESB assessments, Decarbonization targets, Generali Green Bond products.

Torsten Butz
Head of Sustainable Investing
Generali Real Estate

HIGHLIGHTS

- **€ 31.5 bn**
AuM as of Q4 2022
(87% of GRE portfolio)
- **580**
Buildings
- **4,583**
Tenants
- **3,601**
Meters

Generali Real Estate, in the constant view of an increasing attention to the environment, has taken an important step to measure the buildings consumption and CO₂ emission in order to optimize them, lowering the operating costs and create a better CO₂ footprint. Several studies show that increasing efficiency in buildings represents **the greatest opportunity to reduce greenhouse gas emissions worldwide**.



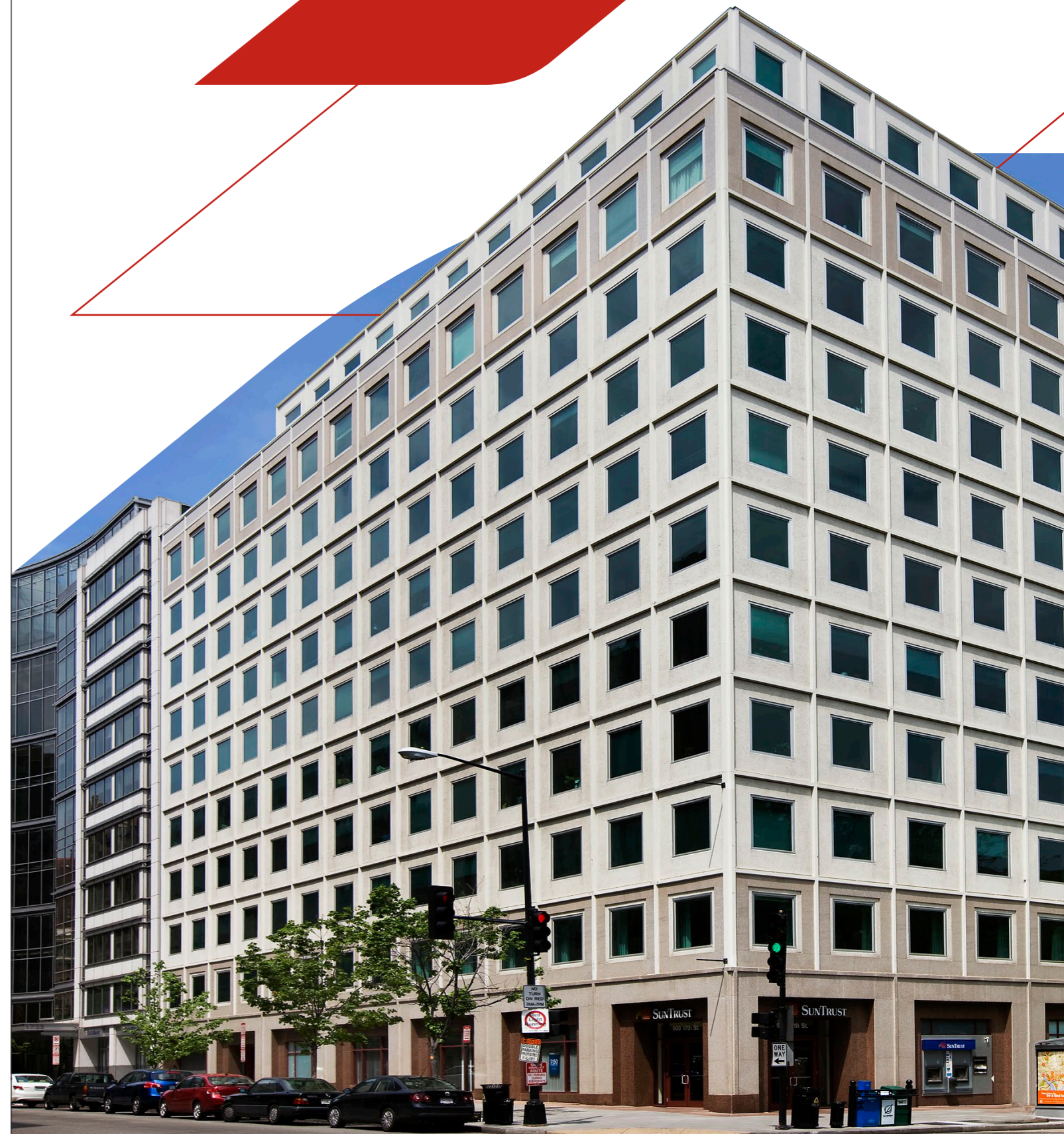
It is with this goal in mind that **Generali Real Estate has adopted a leading system**, one of the most up-to-date energy monitoring platforms which allows to automatically calculate and collect consumption and monitor its evolution.

More in detail, through the mapping of buildings and meters, when the availability of data is large enough, it is possible to detect anomalies and suggest action plans to improve energy performance. Through simulation and predictive technologies, it is also possible to identify potential future issues.



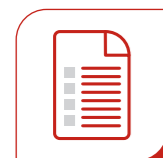
Next to collecting the energy data of the landlord deliveries, Generali Real Estate started the challenging task of also collecting tenant's energy data, to create the most complete analytics.

Therefore Generali Real Estate is working with Green Lease clauses.



PILLAR 08
ENVIRONMENT

PORTFOLIO IMPROVEMENT



RATIONALE

Development and refurbishment intervention must be carried out taking into account the requirements, indications and suggestions contained in the Generali Real Estate Technical Instructions:

- **Generali Architectural Imprint:** Branding, look and feel, building perception.
- **Health & Well-being:** Quality of the internal environment and people well-being.
- **Sustainability Impact:** Environmental impact reduction, mitigation of climate change, transition towards a low carbon economy (CO₂ reduction).
- **Digitalization:** Easy access to the information, services, and data of the building.
- **Technology:** Grant a better tenant's experience.



PLANNING

- Every development intervention starting from 2022 must comply with GRE's Technical Instructions and in particular its ESG goals.
- During the execution of the works, the technicians constantly monitor compliance with the project objectives
- The final certifications (LEED, BREEAM, etc.), the final EPCs, the reports on the eligibility of the intervention in Generali's green bond guarantee the result obtained.



METHODOLOGY (GRE)

The Technical Instructions are used by Generali Real Estate and the designers to define each relevant intervention, according to Generali Real Estate ESG goals which are the following:

- **CRREM Carbon:** the intervention must make the building aligned as much as possible with the European Community's CO₂ emission reduction objectives for 2050;
- **CRREM Energy:** the intervention must make the building as energy efficient as possible;
- **ENERGY Efficiency:** The intervention must allow the building to reach class A or the best possible class;
- **EU Taxonomy:** The intervention must make the property compliant with the EU Taxonomy;
- **Certifications:** The intervention must pursue at least one sustainability certification, at least LEED gold or BREAM very good or other equivalent certification;
- **Generali Green Bond Eligibility:** the intervention must be eligible for Generali's green bond.



NEXT STEPS

- Apply the GRE Technical Instructions to all development and refurbishment interventions that will be carried out in the future.

TECHNICAL INSTRUCTIONS AND ESG GOALS AN EXAMPLE OF APPLICATION

Sachsenring 75, Cologne - Germany

The intervention in Sachsenring 75, Cologne (Germany) consists of the demolition of the existing obsolete building built in the 1950s and the construction of a new building that can be considered an ESG landmark development. **The main features of the new building are:**

- Gross internal area = 15.154 sqm;
- Hybrid-timber construction to reduce carbon-impact;
- Advanced building shell for high energy efficiency;
- No use of fossil energy;
- Water-to-water based geo-thermal system plus own use of solar power for highest energy efficiency and low ancillary costs;
- Advanced BMS;
- Green Leases / Renewable power purchase agreement;
- (Close to) CO₂ - neutral operation;
- DGNB Platinum with highest performance in all relevant fields of ESG topics;
- E-mobility concept for cars & bicycles;
- Bio-Diversity concept incl. a property own beekeeper.

BEFORE



The new building is currently in the design phase and the designers are following the GRE Technical Instructions and the ESG goals. As regards the ESG goals, the following results have emerged from the analyzes carried out so far:

- **CREEM carbon emission:** Stranding point of CREEM 1,5°C carbon beyond 2050
- **CREEM net energy consumption:** Stranding point of CREEM 1,5°C net energy in 2045
- **Energy efficiency:** It is expected, that the primary energy demand will be significantly below the local performance minimum requirements with current planning.
- **EU Taxonomy:** The building will be compliant with EU Taxonomy "Construction of new buildings".
- **EU-Taxonomy Risk Assessment** is currently carried out to identify interventions to be taken
- **Certifications:** DGNB Platinum certification is planned for, the highest standard available.
- **Generali Green Bond Eligibility:** The building will be eligible for Generali Green Bond.



AFTER

PILLAR
09
ENVIRONMENT

SUSTAINABILITY MEASUREMENT

Sustainability is embedded in the entire Generali Real Estate decision-making process. let's talk about the acquisition of new assets, which is supported by a dedicated analytics tool providing data to assess the asset's sustainability features and certification opportunities.

2022 ESG CHECK TOOL

To be ready for the upcoming EU regulations, along with the GRE decarbonization roadmap and initiatives, in 2022 we built a new tool whose purpose is to assess the asset from different points of view. Close to the GREsa, the analysis about the EU TAXO alignment and CRREM model are integral parts of the ESG Check Tool.

2021 GRESA

The aiming to increase the portfolio certifications and to respond to the market demands, has driven us towards an update of the SDD tool. As the latter, the GREsa tool is meant to guide the Transaction team in the analysis of the potential high level building performance and of the necessary improvements before acquisition. It is an internal "pre-assessment tool", whose set of questions is 100% based on BREEAM in Use V6. The existing question set has been widened with health and wellbeing criteria for Commercial assets. A tool for Residential assets, with the same features and output, was also developed.

2016 SUSTAINABILITY DUE DILIGENCE TOOL

The so called "SDD tool" was designed in 2016. It identifies Green Building potentials during transaction services via technical due diligence and is Excel based. It contains solely BREEAM In Use Part 1. Through a selection of 40 questions from all relevant categories, it produces an approximate rating against BREEAM In Use score. It also gives a list of needed evidence in the case of certification an indication for performance improvement. The SDD tool is for Commercial assets.

HIGHLIGHTS

86 %
Assets assessed

> € 2 bn
AIC¹⁵ (All in Cost)

Our Sustainability Measurement is an in-house assessment that we use to collect and analyze data about the main sustainability aspects of an asset such as health and wellbeing, energy performance and technical equipment, and it represents the developed version of the GREsa tool, commercial and residential, the in house assessment based on BREEAM V6 international scheme which was applied to measure the status for future certification of the asset and its compliance with EU regulation and decarbonization strategy. The tool allows us to dive deep into the sustainability potentiality of the asset and its related risks and opportunities before the acquisition.

For us, this is a concrete way to live by the commitment, as a primary real estate investor, to focus on certification and assessment by increasing the portfolio high-level credentials. Besides, innovation and digital transformation technology support the screening of new investment opportunities for sustainability KPIs, ensuring cost-effectiveness and boosting competitiveness in a rapidly evolving and challenging landscape.

The real estate sector is playing a key role in sustainability and environmental protection, and Generali Real Estate is committed to respond to these challenges by integrating Environmental, Social and Governance metrics and by monitoring their implementation into every stage of our business operations, to fulfill the needs of the internal and external clients beyond regulatory requirements.

Our Sustainability Measurement is one of the examples of a business model built around a sound sustainability approach, making ESG priorities a day-by-day reality.

The focus of the investment activity is aimed at those assets that already have high sustainability characteristics, but we also target properties that - with professional asset management activity and attention to sustainability - can meet the most advanced standards in the short term. We include more and more of the ESG topics in the context of our well structured Due Diligence process.

David Brogi
Global Head of Transactions
Generali Real Estate

¹⁵ AIC: gross acquisition value of an investment.

PILLAR 10
ENVIRONMENT

ESG IN PROCUREMENT



RATIONALE

- Integration of social and environmental considerations in supplier selection for goods and services.
- Ensure consistency with GRE sustainability commitments, also highlighting the social (S) component.
- Avoid reputational risks.
- Support certification, GRESB assessment, alignment with regulation.



METHODOLOGY (GRE)

- Leverage on **existing ESG screening** in force at Global Procurement (IntegrityNext).
- Identify and calculate Capex/Opex that contribute to «greening» the portfolio.
- Focus and measure, other than the Environmental (E) aspects, the Social (S) and the Governance (G) ones.



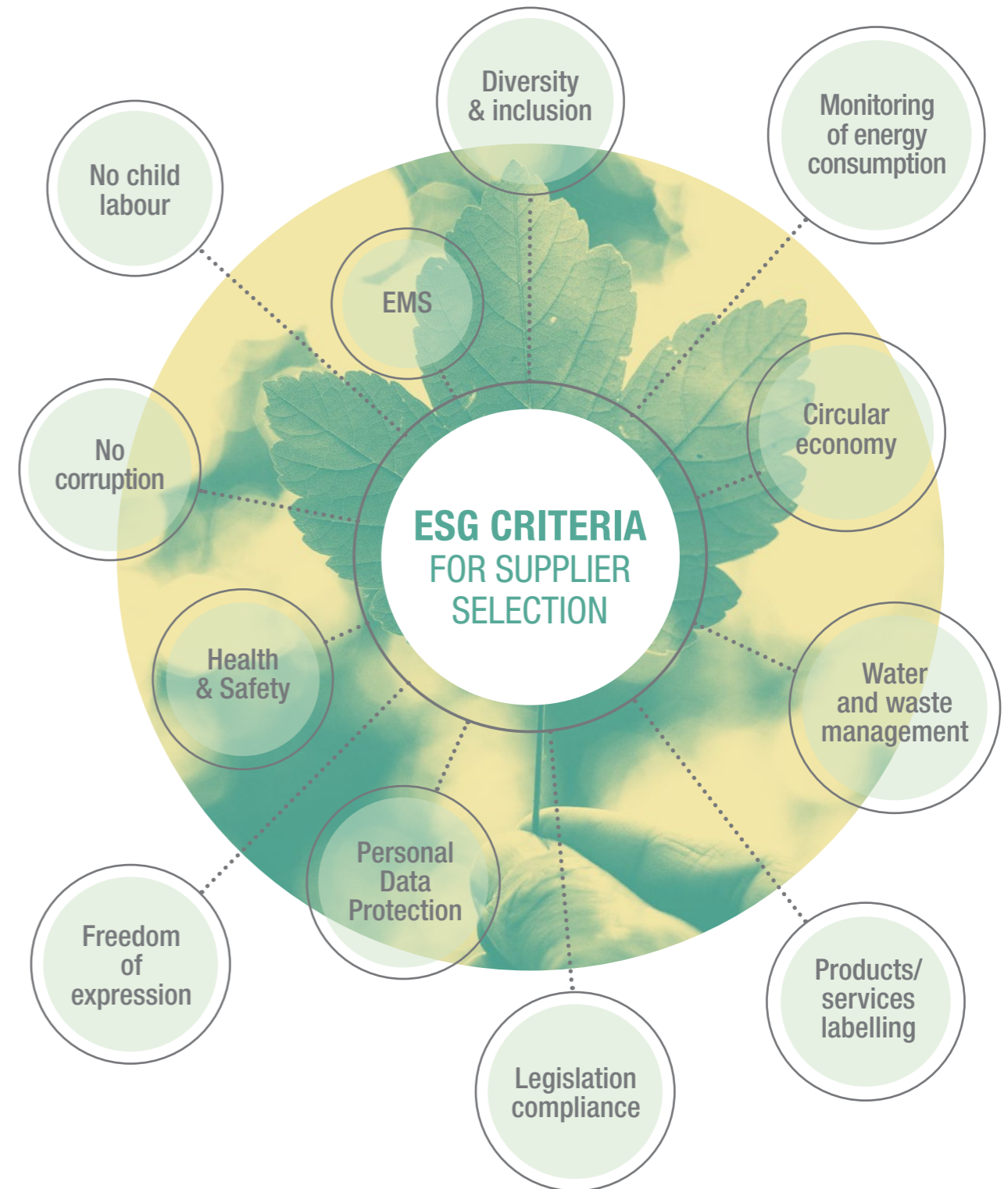
NEXT STEPS

- Complete gathering of data and evidences about the **purchase of green energy** by Generali landlords.
- Define social and governance KPIs to be monitored.

HIGHLIGHTS

%Portfolio (Landlord premises) covered by Green energy

> 90%



FOCUS

PROCURATIE VECCHIE

WHERE HISTORY MEETS SUSTAINABILITY AND INNOVATION



Italy
Venice



At **Generali Real Estate**, we are all proud to have successfully **returned the restored Procuratie Vecchie to Generali**, to the community of Venice and to the world. It is a shining example of cooperation between public authorities, professional creativity, and skills execution ability, achieved despite the operating conditions complicated by the peculiar nature of the location and of Covid 19 restrictions. Among the many requalification projects that we manage every year within our real estate portfolio across Europe, the Procuratie will forever remain as a “golden page” in the long history of Generali.

The restoration project

The challenge in front of us in the recovery and redevelopment of a building of historical-monumental importance such as the Procuratie Vecchie has been a daunting one: bringing to new life one of the masterpieces of the 16th century Venetian architecture, respecting its history and architecture but at the same time adapting it to the needs of modern use and up to sustainability standards. Have we been successful? Come visit us in Venice and find out!

Generali Real Estate managed the complex redevelopment project **designed by David Chipperfield Architects**, which encompassed a series of interventions to address the complexity of the building. The complete renovation included the restoration of the first and second floors, the reorganisation of the accessibility and usability of the building with new staircases and the renovation of the central pavilion on the third floor, with access to the raised courtyards, to the exhibition spaces open to the public and home to **The Human Safety Net**, as well as workspaces and an auditorium.

Green certifications

After an extensive five-year restoration, one of Venice's most beautiful buildings is back to its original splendour, as a Renaissance masterpiece hiding a showcase of modern technologies and sustainability - in a unique combination.

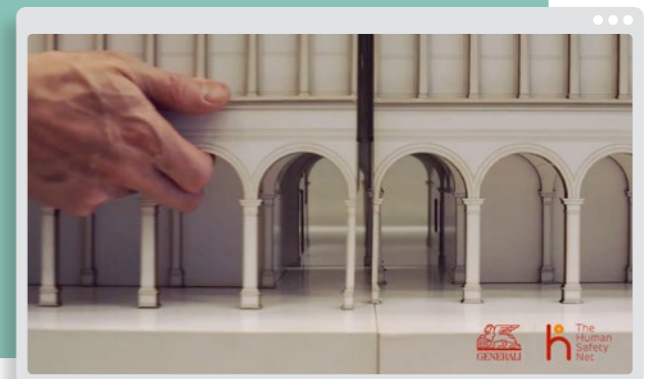
From an energy and environmental point of view, the Procuratie have obtained the international LEED Silver Core & Shell certification, a particularly challenging goal for a building of inestimable historical and artistic value. This has been achieved, for example, by redesigning the heating and air treatment systems to eliminate the use of fossil fuels, ensuring thus a more efficient and sustainable energy management.

By purchasing energy from certified renewable sources only, the Procuratie are a Carbon Neutral building in the heart of the city of Venice, already marking the net-zero carbon targets that Generali Real Estate is pursuing for its entire portfolio. Furthermore, great attention has been given to circularity, with the use of recycled material and the preservation, whenever possible, of original elements belonging to the history of the building, such as the recovery of existing wooden parts, and the reuse of ancient terracotta tiles within decorations and Venetian terrazzo floors.

Discover our series stories
to celebrate the refurbishment
of the Procuratie Vecchie in Venice.

Each episode is a stop on the journey into the world of the flagship of Generali's portfolio, told from time to time by exceptional storytellers and full of exclusive analysis, interviews and insights.

<https://www.generalirealestate.com/video-gallery/>





ESG

SOCIAL

UNLOCK PEOPLE POTENTIAL

The strategic plan **Lifetime Partner 24: Driving Growth** sets out a clear vision for Generali in 2024 and is built on three strategic pillars: drive sustainable growth, enhance earnings profile, and lead innovation.

In line with the Generali Group Lifetime Partner strategy - where ESG and Social commitment take center stage in the strategic plan as a new way to approach business - also Generali Real Estate, as part of the Generali Group, is committed to being a Responsible Employer, to unlocking the people potential and boosting the business strategy ambition through the implementation of the Next Normal, fostering a sustainable and meritocratic culture, promoting and supporting a better quality of life for local communities, clients and employees.

Being a Responsible employer means embedding sustainability within all people processes, enabled by a Group People Strategy: GPeole24 – Ready for the next focused on enhancing a Lifetime Partner, sustainable and meritocratic culture, building a diverse, equitable and inclusive work environment, continuing to invest in upgrading the skills of our employees, and enabling an effective and agile organization that embraces sustainable, hybrid work models.

The success of GRE's sustainable journey depends on its people, within GPeole24 – Ready for the next four priority pillars have been identified, supported by Generali Group global and GRE local initiatives, together with clear KPI's and ambitions, constantly monitored, where all GRE people at all organizational levels are involved.



Discover more about our
Lifetime Partner Strategy

<https://www.generali.com/who-we-are/Strategic-Plan-Lifetime-Partner-24>



GPeole24 Priorities



CULTURE

Enhance a Lifetime Partner, sustainable and meritocratic culture.

Embed our cultural framework in our everyday actions

Our cultural framework - based on the Lifetime Partner Behaviours: Ownership; Simplification; Innovation and Human Touch – together with our Values and Purpose, will continue to be our guiding star in achieving the “Lifetime Partner 24: Driving Growth” strategy ambitions in a Sustainable way.

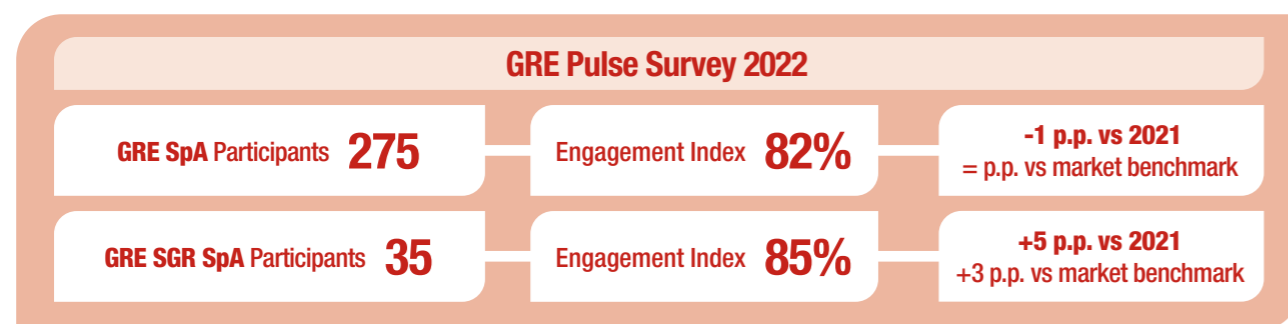
Enhance a customer-centric, sustainable and meritocratic culture

Generali wants to be a sustainable Company where everyone feels valued, included, and equipped to face the future in the best way possible.

Living our Lifetime Partner Behaviours, will help accelerate the creation of a flexible environment that values Sustainability, enhances a customer-centric and Lifetime Partner mindset, and fosters a meritocratic culture.

EMPLOYEE LISTENING STRATEGY

Evolve our employee listening strategy with a more active and regular interaction, to take actions based on what our people say and consistently review and improve our employee experience. In addition to our Global Engagement Survey, we aim to create more frequent occasions to gather insights on what matters most to our people and our company.



MANAGERIAL ACCELERATION PROGRAM (MAP) & MAP2THE NEW

Empower all our people managers through Managerial Acceleration Program (MAP) & Map2theNew. MAP promotes a managerial culture focused on people empowerment. MAP2theNew aims to provide people managers with the key skills to lead their teams in the hybrid context, evolving their managerial style based on trust, inclusion, empowerment and ownership.



DIVERSE, GLOBAL AND EMPOWERED LEADERS & TALENTS

Keep identifying and nurturing global and diverse leaders & talents, while shaping a seamless and valuable talent experience. We will also continue to increase clarity, transparency, and meritocracy along the whole process to identify and develop our future leaders. We want to enhance talent in all its diversity, boosting our key people's careers by offering concrete opportunities at international & cross-functional level through We GROW and early on through the Future Owners program.

The growth opportunities that GRE offers to its Talents, are mainly aimed at developing their technical RE skills through job rotation programs in other functions for 9 to 12 months, and the development of leadership skills through dedicated training programs. We report two successful initiatives: GREwUp! implemented in Italy and Lion Lab implemented in Germany and Austria.

GREwUp! - Leadership Training Program

A Talent Program which aims to accelerate the career development of Italy GRE Talents, working on their competencies and mindset, generating value to the organization and building the Future Leaders. The 18 months Program gives the possibility to follow a Leadership Training Program, articulated on 20 hours, and to be involved on voluntary basis in 2 job rotations of 9 months. The purpose is to speed-up the Talents professional growing and to give an acceleration also in terms of compensation.

The participation has been defined on a voluntary basis and 12 talents takes this opportunity with enthusiasm. 5 of them also accepted the possibility to be involved in the Job Rotation system, approaching different Teams and speeding up their competencies breaking out their comfort zone.

LIONS LAB

The first cross functional talent program in region CNE offered development opportunities for seven talents from Germany and Austria. There was a clear focus to strengthen common mindset, network and feeling of belonging to an international minded business unit GAWM. The 2 years program contented a well-balanced mix of state-of-the-art modular on-, near- and off-the-job development measures for deepening and ensuring the transfer of learning. A strong link to business ad-value was given with an integrated 6 months of project work in diverse teams on business relevant topics identified by the talents. In different stages of the program there was a direct involvement of global and local business leaders.

PERFORMANCE MANAGEMENT AND MERITOCRACY

Performance Management Process involve all our managers and employees entitled to receive each year a Balanced Score Card or a Goal List. ESG goals are assigned to all GRE population, both in terms of Environmental Real Estate KPIs and through Social People Value KPIs.

Annual Feedback Dialogue: a structured meeting between employee and direct manager, with a focus on both results achieved and individual strengths and development areas. Besides the Feedback Dialogue, continuous feedback during the year are given in order to maintain an open feedback culture and to ensure the personal and professional growth of each employee.

Each annual feedback dialogue ends with an Individual Development Plan, where manager and employee agree on a specific set of initiatives aimed at addressing the identified development areas.

Merit represents one of the key factors in the remuneration system. In this sense, the incentives system is structured so that the roles are remunerated based on a meritocratic approach which value the achievement of financial, economic, operational, and non-financial/ESG results, but also the behaviours demonstrated to achieve them and their consistency with Group values.

NEW WE SHARE PLAN

Launch a new 3-year share plan linked to the Lifetime Partner 24: Driving Growth strategy and Group Climate Strategy at the beginning of 2023. It provides employees with the opportunity to purchase Generali shares at favourable conditions in the case of share price appreciation and the achievement of the ESG decarbonization goal, linked to the reduction in emissions from Generali's operating activities.

WELLBEING AND PEOPLE CARING

Our employees' health and wellbeing are a priority now and will remain so in the future, being recognised as key elements to sustain their level of engagement and the success of our business.

GRE wants to promote and support health and sustainable lifestyles, knowing and managing energy resources effectively to obtain ever better personal and professional performances.

Specific programmes are locally developed to encourage prevention, physical activities, healthy habits, and to improve mental, physical and financial health. Some examples of the programmes are the **Energy Hub**, an innovative space dedicated to stimulating the physical and mental energy of all employees and promoting a

healthy and sustainable lifestyle and conviviality, the **Health Management**, which represents a real support for the employee and partially their family to the everyday issue through physical training for people with severe back issues, access to specialists, 24/7 employee assist helpline, app-based training for people with sleep problems and video consultation with a doctor, the **Family Health Care**, services dedicated to child & elder care via dedicated platform and service provider including child emergency care, consultant service in case of elder care issues and arrangement of care services

DIVERSITY, EQUITY & INCLUSION

Build a more **diverse** work environment ensuring **equal opportunities** and **inclusion**

To unlock the value of our people, gain long-term competitive advantage and become sustainability champions, Generali promotes equity and inclusion and values diversity in all its forms: gender, ethnicity, sexual orientation, abilities, generations, cultures, personalities, mindsets, backgrounds. We value DEI as a strategic lever to boost business growth and innovation, as well as people's sense of belonging and engagement, and we are committed to have a structured DEI governance, clear ambitions and global and local action plans.

WOMEN ACCELERATION PROGRAMS

Boost the presence of women at the top of the organization through Women Acceleration Programs to develop greater influence and impact, being ready to take on their next level position with selfassurance. Women leadership journeys will be accompanied by networking, mentoring, coaching and sponsoring activities.



GENDER BALANCE & PAY EQUITY

Specific actions are implemented to ensure fairness and gender neutrality in compensation decision at all levels of the organization with the aim to structurally reduce the Gender Pay Gap and to supports the Group's commitment to structurally reduce the gender pay gap and to reduce to zero the equal pay gap in the 2022-2024 strategic cycle. Consistent with this purpose and in line with the International Regulation and best practices, the Company is committed to promoting pay equity between women and men and activating measures aimed at monitoring gender balance, the Gender Pay Gap and Pay Equity for equal roles.



INCLUSION

GRE is proud to be an inclusive employer that for every vacancy considers applicant regardless of gender identity, sexual orientation, ethnicity, disability, religion, political views, marital status or philosophy of life. In case of disability or special need that requires accommodation or assistance, GRE supports in toto our people. GRE accomplishes normative statements, covers and monitors disabilities by guaranteeing their integration. We value the coexistence of the different generations that make up our workplace today, we attract, develop and retain talented young employees with programs such as Future Owners.

The internal communication initiatives aim to engage the employees, allowing everyone to feel an integral part of the company, promoting greater transparency, recognition, trust, collaboration, and relationship development, creating a work environment where colleagues feel valued, involved, and motivated to stay within the company. Periodical alignments such as **TOWN HALLS**, calls, videos and restricted meetings are organized at global and local levels of the company to create a direct line between GRE Top Management and employees. The participation is always very high and much appreciated. Moreover, GRE has set up **@GORA** a blog that gives a direct line with GRE CEO Aldo Mazzocco to share proposals, ideas and ask questions.

Based on a cross-functional follow-up initiative on the pulse survey, a group of new joiners and young talents in Region CNE developed some measures to improve the onboarding experience and efficiency. As a concrete result we implemented a new **BUDDY PROGRAM** approach. This initiative dedicated to new joiners will provide them support for orientation during the first six months, fostering a culture of openness and collaboration and sharing non-job specific but relevant information. The program include Social activities and informal moments such as virtual coffee, email, call and business lunch. In addition we combined the process with new elements of **DIGITAL ONBOARDING**. Based on this we created a new structured way to welcome the new joiners through an online onboarding which includes a welcome email from the HRBP, a dedicated InSite page to share all the information through a unique and user-friendly access point and a public presentation to make them known within the Organization.

GRE is full involved in Ukraine crisis providing work opportunities to **Ukraine Refugees**.

We are particularly proud of a refugee integration story: **Ilona Maksymova**, part of the Real Estate Business Intelligence & Analytics team at Generali Real Estate. Ilona arrived in Italy in spring 2022 from Ukraine, with a degree in Systems Analysis and Management from the Kharkiv National Aerospace University. Thanks to The Human Safety Net and Cometa, she joined Generali Real Estate in Milan, and now has the opportunity to make the most of her competences and potential in a very specialized area of business. *"Currently, my job aligns harmoniously with my academic education and helps me improve my knowledge in coding, analytics and data research. I really like and appreciate the support of my team, and the opportunity to explore different activities. It allows me to learn about my aptitudes and further refine my skills", said Ilona. Her next challenge? Continue studying Italian!"*

EQUITY PROGRAM ENHANCEMENT

Launch multiple global and local initiatives to promote fair treatment and access to opportunities while working on eliminating unconscious biases and barriers: Global DEI Policy, paternity/maternity leave guidelines, investment in existing Employee Resources Groups and the launch of new ones, booklet on LGBTQI+ and disability to foster inclusive language and behaviours, training to reduce biases.

GLOBAL MINDSET

Boost international mobility to foster a global mindset and teams with diverse cultural backgrounds by leveraging on more flexible global mobility programs, such as hybrid assignments, enhancing current processes and raising awareness among CEOs, HR, and Line Managers.

SKILLS

Invest in business and digital skills to drive growth and boost our people impact

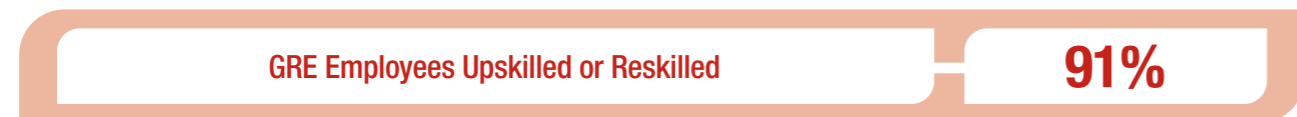
The Ambition to be a Lifetime Partner to our customers, the changing external context and the accelerated deployment of new technologies require us to keep investing in building key skills for the transformation. We will continue to equip Generali people with cutting-edge skills to drive growth and succeed in the digital age, allowing us to thrive in the Next Normal and to boost our people impact and employability. In the strategic cycle we have the ambition to upskill 70% of our employees on a new catalogue of skills, closely aligned with our 2022-24 strategic objectives and with a renewed focus on sustainability and data driven innovation.

STRATEGIC WORKFORCE PLANNING

Enhance strategic workforce planning approach to get a clearer understanding of the new roles and capabilities needed to successfully execute the business strategy and activate coherent HR action plans to drive upskilling, sourcing and reskilling.

UPSKILLING & RESKILLING

Provide our employees with the newest relevant skills to perform best in their current or new role to successfully deliver the Lifetime Partner 24 strategy by launching new Upskilling courses and New Role Schools and adopting a new always-on Skill Assessment solution.



GLOBAL AND GRE STRATEGIC LEARNING CAMPAIGNS

Set up **Global Strategic Campaigns** to support the new strategic cycle objectives, e.g., Discover “Lifetime Partner 24: Driving Growth” course to spread knowledge on our Group Strategy and reinforce a customer-centric mindset, Sustainability awareness program to foster Sustainability at the heart of everything we do.

SUSTAINABLE AWARENESS PROGRAM

In 2022 was implemented a comprehensive training program aimed at enhancing the sustainability literacy of employees.

With this purpose GRE ESG skills were updated improved by RE training program, supported by external specialists from RICS and specialized consultants. The focus of the program has been the ESG regulations likes EU Taxonomy, SFDR and local regulations, as well as improvement approaches for the portfolio (e.g. decarbonisation). Furthermore, training on tools for reporting and assessment (e.g. GRESB) and certification of assets (e.g. LEED, BREEAM) and portfolios (e.g. SRI). The technical contents have been linked to the general strategy and targets of GRE.

The Program and the training initiatives connected underscore the strong commitment to fostering a culture of environmental and social responsibility within the organization.



DIGITAL LEARNING ECOSYSTEM

Widen our learning ecosystem by building partnerships with highly specialized partners, such as the Data Science & Artificial Intelligence Institute, with the aim of conducting research initiatives and fostering knowledge boosting and contamination in machine learning, data science, and artificial intelligence.

LEARNING ORGANIZATION CULTURE

Build a learning organization culture where people feel they are the owners of their continuous reskilling journey, leveraging on enhanced We LEARN Platform functionalities, new devices such as the Mobile App and benefitting from a hybrid learning approach, both virtually and gradually physically in Palazzo Berlam.



GREAT EDUCATION PROGRAM

GRE launched the GREAT (Generali Real Estate Advance Training) Education Program in order to develop those Real Estate technical skills that can strengthen the portfolio of professional cross-competences. The education program benefits from the partnership with SDA Bocconi University, providing a technical competitive advantage that could make a difference in the marketplace.

GREAT consists of a bi-annual personal training path of 22 learning objects, lasting from half a day to two days, fostering active learning on the part of GRE participants. It is based on business case discussions, simulations and roleplaying, whose content was selected internally by GRE employees during the program’s co-design phase. The faculty is composed by GRE internal expert together with SDA Bocconi.

ORGANIZATION

Enable an effective organization embracing sustainable hybrid work models rooted in digital

In today’s digital economy and ever-changing world, we aim to continuously optimize our organization across processes and technology to succeed in our business strategy and sustain an agile, effective and productive working environment where people can work to their best ability. As we navigate the Next Normal, the final goal is to maintain and strengthen our ability to adapt and evolve by quickly implementing new ways of working and capturing emerging opportunities.

HYBRID WORK MODELS

Seize all opportunities untapped by the **Next Normal** by moving towards Hybrid Work Models where our people will have greater flexibility to get the best out of physical and digital ways of working, as well as greater empowerment and ownership in driving results.

ORGANIZATION SIMPLIFICATION GOLDEN PRINCIPLES

Continue to inspire the design of our organizational structure along the 3 key dimensions of our Organization Simplification Golden Principles: hierarchical levels, managerial span of control and team sizing. Through these principles, we want to facilitate organizational alignment, break silos, sustain empowerment, and enhance collaboration.



PROCESS SIMPLIFICATION & SPEED OF EXECUTION

Support process simplification and speed of execution within the Group by further streamlining our internal procedures, enhancing decision-making, and reducing bureaucracy.

DIGITAL EMPLOYEE EXPERIENCE

Enhance the digital employee experience for seamless interactions in a hybrid work setting, ensuring workforce engagement, ownership, and productivity. Hybrid work models require modern digital journeys that allow employees to easily manage their own work from “anywhere” leveraging an integrated set of corporate solutions.

PRODUCTIVITY

Consolidate productivity increase leveraging on scale-up of digitization, advanced technologies, agile capabilities, and new ways of working.

AGILE

GRE adopt **Agile SCRUM methodology**, a flexible organization that comprises a dense network of empowered cross functional teams operating and collaborating with high standards of alignment and expertise. All the agile teams are cross functional, cross region or cross legal entities. GRE takes advantage from his international footprint to improve the quality of the idea’s generation thanks to his different cultures. Agile teams foster our commitment to embrace diversity and inclusion.

We implemented a new way to work, with more communication and collaboration between different functions that had the result of being more efficient, with a more entrepreneurial attitude, speed and quality.

GRE performed **26 agile projects** within GRE SPA and GRE SGR.

INNOVATION

SPIN-LAB

SpinLab is the Innovation Laboratory, born in 2019 in the CDTO function and focused on Real Estate Industry, to foster innovation and digitization, while attracting and nurturing talents. In 2022 the Laboratory has been enhanced to serve also Private Markets & Real Assets HUB. SpinLab projects are delivered under the Agile methodologies where development teams are cross-legal entities, cross-functions and cross-countries.

The SpinLab cycle starts from the Ideation phase and goes, via iteration, till the scale up phase. Ideation phase includes Education, composed by quarterly webcasts and education initiatives involving the full Hub population, and Call for Ideas which includes 10 Ideation sessions per cycle, moderated by Innovation specialists, involving 30-40 HUB talents.

5 major projects has been successfully delivered in 2022 and started VOICE scaling up.

SpinLab aims at fostering constant digitalization & innovation inspiration within the GRE community by a steadily disclosure of digital trends in the Commercial RE industry and GRE digital deliveries so far. Regular SpinLab Talks and other training events on all employee levels are conducted in cooperation with Human Capital.



Urban regeneration

Another important aspect is the dialogue with administration and institutions, entities that recognize Generali Real Estate to be a fundamental and long-term interlocutor in the urban regeneration process, collaborating in the creation of a shared vision in line with the past and the future of each location.

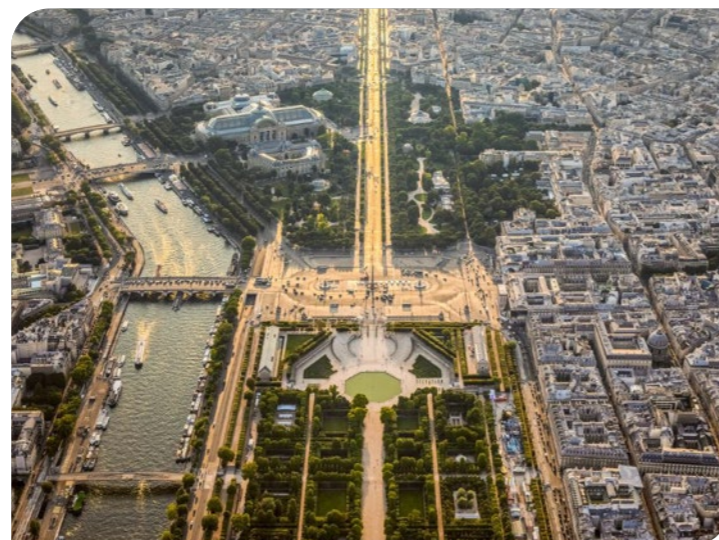


CityLife Milan, Italy

Covering an area of 366,000 sqm, CityLife is one of the most important urban redevelopment projects in Europe. Residences are Class A certified, in accordance with the project's focus on environmental sustainability. The use of renewable energy sources, as well as the choice of insulating materials, ensure very low energy consumption with the utmost respect for the environment.

Champs-Élysées Paris, France

GRE joined the Réenchanter les Champs-Élysées committee in Paris, which aims to re-qualify the most famous avenue in the world, first and foremost with a view to the 2024 Olympics and Paralympics.



WELL certification

The role buildings can play in human health and well-being has never been more evident or more important. As a leading brand, Generali Real Estate uses WELL as its evidence-based roadmap to enhance employee productivity, attract and retain top talent and strengthen ESG performance.

The WELL certification is a vehicle for buildings and organizations to deliver more thoughtful and intentional spaces that enhance human health and well-being. WELL includes a set of strategies — backed by the latest scientific research — that aim to advance human health through design interventions and operational protocols and policies and foster a culture of health and well-being.



Cortile della Seta Milan, Italy

Generali Real Estate completed the acquisition of Cortile della Seta, a mixed-use trophy asset located in the Brera district of Milan. In 2022, after a complete renovation and extensive refurbishment to the highest standards in terms of flexible office design, sustainability, energy efficiency and employee comfort, **Cortile della Seta achieved the prestigious WELL Core certification Platinum.** This is the highest recognition for assets that are built placing the employees well-being and comfort at the forefront of design.

The building has five floors above ground, one underground floor used as car park and plant room, and an inner court covered by a glassed roof for an area of c. 18,891 sqm. The roof is pitched and hosts a PV plant, two cooling towers to condense the heat pumps and the two AHUs serving the offices. The building is constructed of stone, the windows are draught-proofed, double glazed and equipped with curtains but the casement is in aluminium, therefore the frames have a high heat transfer coefficient.



ENGAGING WITH OUR TENANTS

Environmental regulations, decarbonization and energy saving issues are topics increasingly affecting landlords. However, it is obvious that the owner of a property cannot meet all commitments without **involving his tenant**, equally concerned by these issues.

GREEN LEASE



Green leases do already exist in the real estate market for several years. Tenants in particular viewed the regulations, which were initially still very complex, with great suspicion, as either hidden advantages in favor of the landlord were suspected behind the regulations or the effort involved was simply shied away from. Generali Real Estate can look back on extensive experience with the development and implementation of green leases: Generali Real Estate was already involved in providing guidelines for green lease clauses for the real estate market in 2015. A corresponding brochure was made available (also online) in order to contribute to the dissemination of this useful tool. Even then, this project was rolled out in two countries (Italy and Germany) to ensure an international approach. On basis of the experience of the following years, Generali Real Estate has developed an internal international standard for green clauses, which are now applied in the GRE standard lease agreements across the European portfolio, adapted to the respective national law. Thanks to Generali Real Estate's experience, an optimal ratio of comprehensiveness and complexity were achieved. The tenant has the option of choosing between a "basic package" (minimum requirement to speak of a green lease) or selected additional offers. Most important ESG topics as **energy and CO₂ reduction, green regulations, certification and data analytics are contained**. So Generali tenants have the opportunity to contribute to the optimization of the property through their contribution to energy monitoring, the basis for GRE improvement planning, as well as to support their own sustainability goals. The standardized definition of green clauses results supports the Generali Real Estate systematic reporting. Green leases have become an indispensable part of certification and benchmarking approaches (e.g. GRESB) and give substantial support to the Generali Real Estate sustainability strategy.

Generali Real Estate aspires to a **win-win sustainable collaboration with tenants**:

Through Green lease, Generali Real Estate engages with tenants for a win-win sustainable collaboration, and meets demand for data analytics and disclosure by:



Framing the relations of the Parties to ensure a common and voluntary ESG commitment to a mutual benefit.



Support the occupants of rented premises so that their use maintains or **improves environmental quality** by promoting productivity, **the health and well-being**, saving energy and natural resources and **respecting the environment**.



Dialogue between the two parties for a common environmental management of assets that satisfies both parties and create **transparent exchanges** about energy optimization and environmental actions.

In fact, **top clients** across Europe have already signed Generali Green Lease clauses.

Generali Real Estate is increasing the green leases, ensuring the integration of key ESG metrics, and engaging with tenants for a sustainable partnership that benefits all parties (ensuring health and well-being conditions, energy optimization, reduction of environmental impact) and meets the demand for data analytics and disclosure. **Privacy is fully guaranteed**.

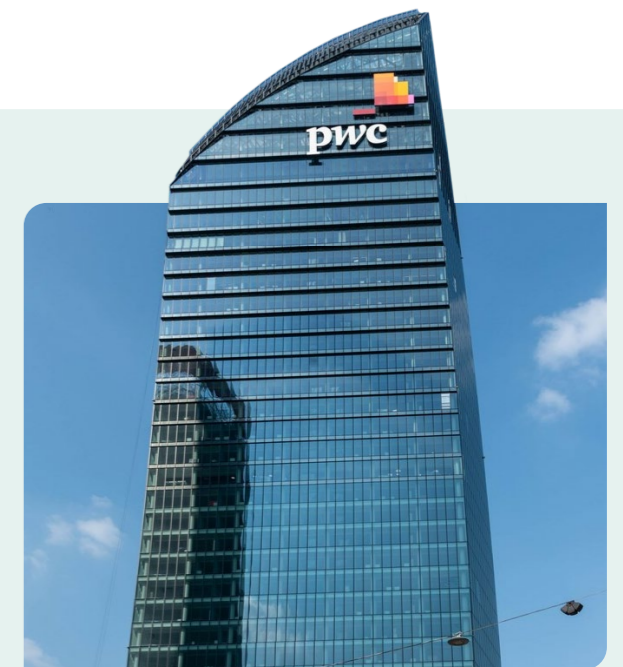
A case story: PwC Italy

Libeskind Tower, Milan

PwC Italy is one of the best examples of building a win-win tenant landlord relationship with a 15 + 9-year contract, signed in 2018.

The client signed a mandate by which they will give direct access to their energy provider platform. This allows Generali Real Estate to obtain the related data and start a profitable/fruitful relationship with them.

Based on a transparent communication about energy optimization and environmental actions undertaken by each of them in order to respect environmental commitment. And put in place future actions to improve energy performance in private areas by choosing more energy efficient actions accordingly.



TENANT EXPERIENCE ASSESSMENT

Tenant is at the heart of our strategy. The Tenant Experience Assessment (Tenancy Survey) helps Generali Real Estate to understand the needs, expectations and current situation of our tenants and improve relationships and communication with them.


In 2021 and 2022 GRE already carried out a digital survey across our international portfolio, covering 11 countries. In 2023, over 1,700 tenants with commercial leases will have the chance to make their voices being heard, by providing feedback on leasing experience, communication, amenities and sustainability within other topics.





Kingsley Associates was commissioned to conduct the Generali Real Estate 2022 Tenant Experience Assessment. The Kingsley Index (KI) is the real estate industry's largest and most comprehensive performance-benchmarking database.


The goal of the assessment is to measure tenant satisfaction throughout the Generali Real Estate portfolio (industrial, office and retail) as a means of improving performance, increasing retention, maximizing portfolio value, and achieving operational excellence.

Methodology

- 

Kingsley Associates' best-in class questionnaires, customized to meet Generali Real Estate's needs.
- 

Majority of questions utilized a **1 to 5 scale**, where 1 is poor and 5 is excellent.
- 

Web survey responses collected. Tenants received **up to 7 email invitations**.
- 

Kingsley Portal available to track response rates, view responses and dashboard of results, and update tenant contact information.

Renewal intentions indicators vs Kingsley Index

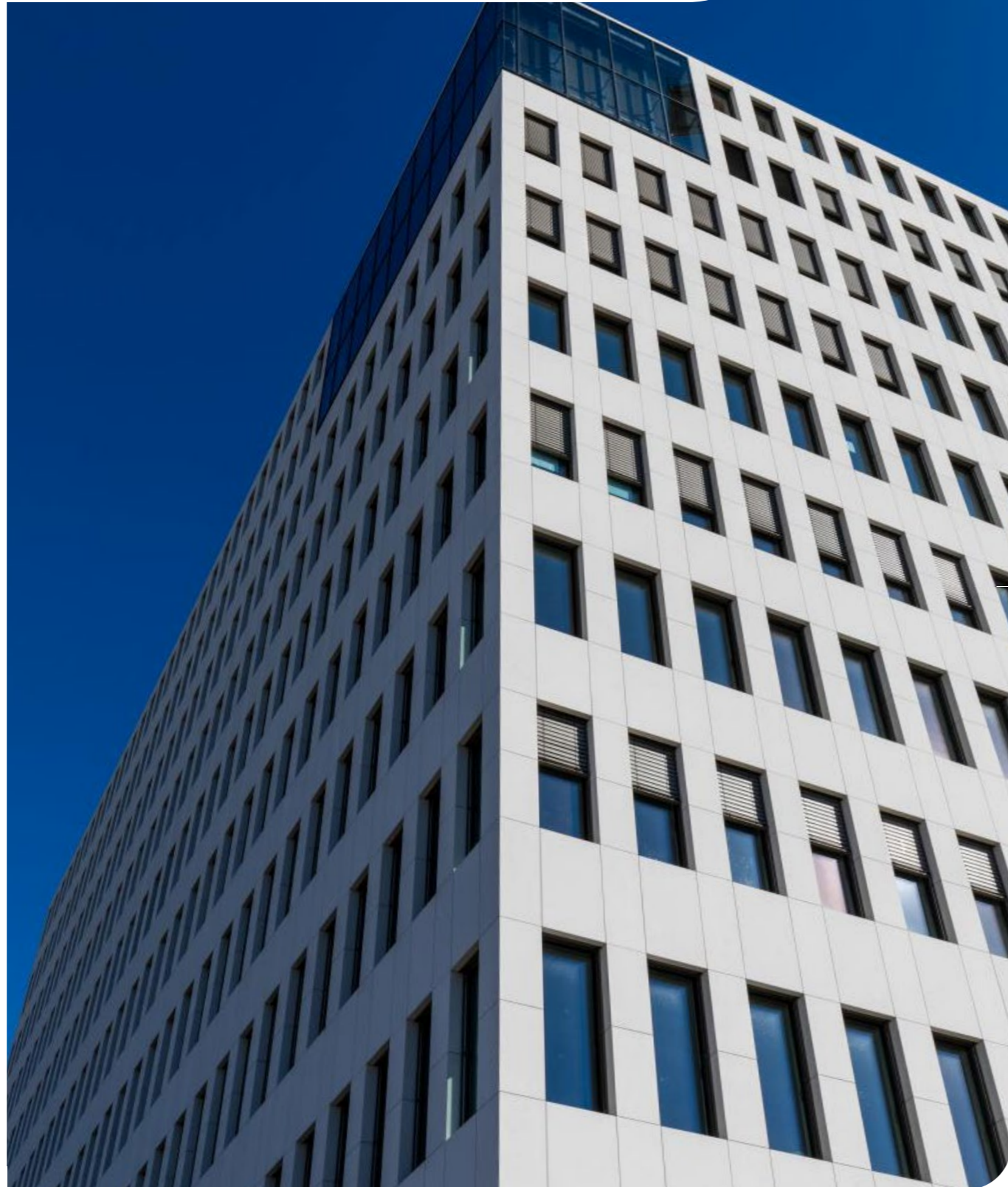


We have established the partnership with our tenants as a central pillar of our company. This vision is shared by them, as reflected by the positive Renewal Intentions results, from the three destination of use participating in the survey. GRE wants to bring forward the future of the real estate to our tenants, our most valuable asset, by providing the best service in the management of working environments. For that purpose the participation and outcomes from the Tenancy Survey are essential in order to be insightfully analysed to make our tenants' voice heard.

Carlos Becerril
Portfolio Performance and
Tenancy Relationship Management
Generali Real Estate



RENEWABLE ENERGY COMMITMENT.
A WIN-WIN PARTNERSHIP WITH TENANTS



A prestigious office building of over 11,700 m² located in the Cloche d'Or district, one of the most rapidly changing business districts of the city of Luxembourg.

Designed by Moreno Architecture & Associés, this state-of-the-art building is developed according to ESG principles focusing on the well-being of its occupants through qualitative and innovated workplace solutions, and on energy savings and reduced environmental impact. Four large terraces with panoramic views across the city of Luxembourg complete the project.

Besides, high-performance and high-quality materials along with innovative technologies have contributed to obtaining the BREEAM Very Good sustainability certification as well as DGNB "Gold", proving a high-level quality conception and construction.

Melius is fully leased to a top tenant, Alter Domus, a global fund and corporate services provider that has its headquarters in it. They use renewable energy in their premises and are committed to energy and carbon consumption decrease, perfectly in step with Generali Real Estate sustainability approach.



A **Green Guide tool** was used for the project to measure the life cycle environmental impact of the building components.



Energy meters are provided for each department and floor of the building. Sub-meters are provided for all major energy consuming systems and they are connected to the **BMS with data outputs**.



Thanks to an **efficient water monitoring**, the water consumption of each floor is less than 10% the total water demand of the building.



The refrigerants used in the HVAC system (R-134a and R 410a) have an **ozone depletion potential of zero**.



The **blinds are designed to avoid glare** and can be controlled automatically and manually by the occupants.

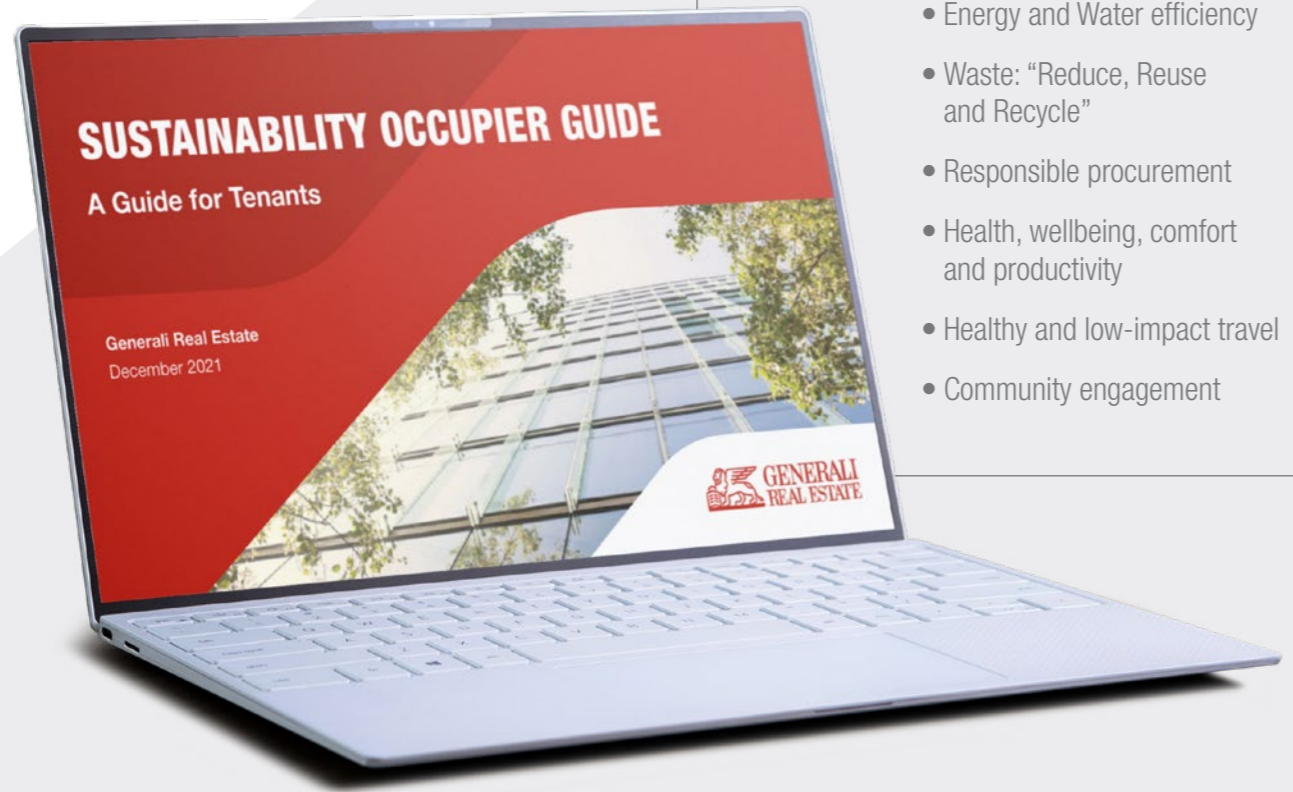


Bus and streetcar stops nearby as well as safe crosswalks and sidewalks.

HOW WE SUPPORT OUR TENANTS

Generali Real Estate is working to reduce the negative impacts of the buildings we are responsible for and positively contribute to improve social and natural environments.

THE OCCUPIER GUIDELINE



- Energy and Water efficiency
- Waste: "Reduce, Reuse and Recycle"
- Responsible procurement
- Health, wellbeing, comfort and productivity
- Healthy and low-impact travel
- Community engagement

Many of the measures outlined in this document are low or no cost "quick wins" that could make a tangible saving to tenant operating costs, reduce environmental impacts and increase staff/building user satisfaction and wellbeing levels.

THE TENANT FLYER

Landlord and tenant working together to make the difference.

The goal is to increase building ESG credentials, to reduce carbon intensity, to save energy and offer comfortable spaces. Through a win-win relationship for the best sustainability practices in the European market.





ESG

GOVERNANCE

BEST IN CLASS POLICIES TO ENSURE TRANSPARENCY, PRODUCTIVITY AND FAIRNESS

At **Generali Real Estate**, we are adopting structured and innovative processes aimed at improving the way we work, enhancing the organisation performance, which is eventually reflected in the overall ESG impact of our activities.

Generali Real Estate is constantly implementing new real actions and improving existing processes and procedures to enhance operational efficiency.

Most recent and impactful initiatives include the following areas:

DATA DRIVEN APPROACH FOR INVESTMENTS IDENTIFICATION

Thanks to Generali Real Estate's Research proprietary model for the identification of long term city attractiveness, we are able to identify a set of cities in Europe expected to successfully win outstanding challenges and emerge or consolidate as winning cities. A data driven approach backed by the long lasting experience of our senior management team is able to further strengthen the soundness of the underwriting process.

ADHERENCE TO THE FIRST EUROPEAN ISSUANCE OF A GREEN BOND

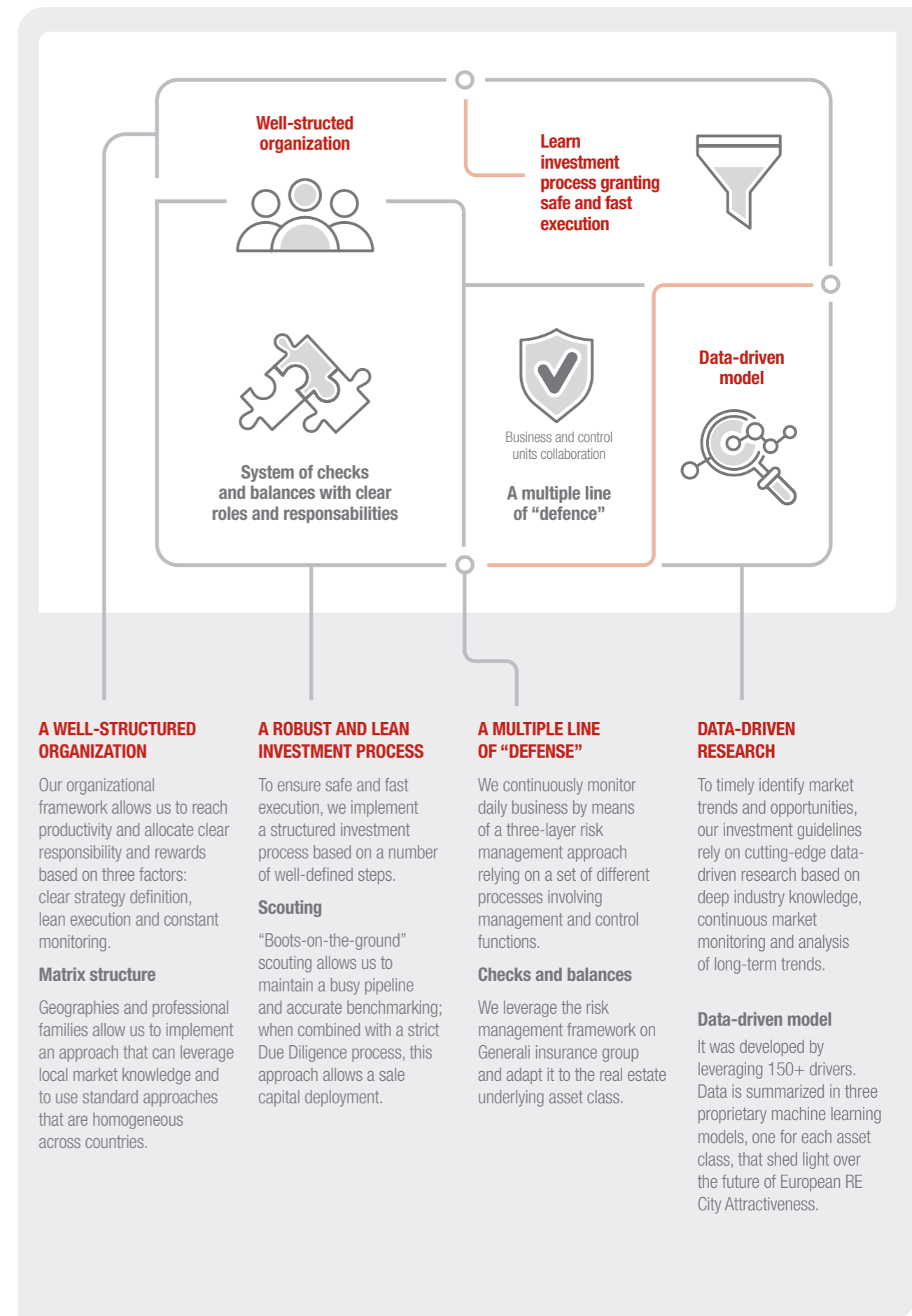
In the context of the Generali Green Bond issuance in 2019, Generali Real Estate has provided a series of Green Real Estate initiatives¹⁶ eligible for Green bond proceeds allocation.

RISK MANAGEMENT LEVERAGING ON THE EXPERTISE OF A LEADING INSURANCE GROUP

Generali Real Estate has multiple lines of defense (ie. business, risk management, audit) which ensure that investment and operational risk are properly monitored and managed.

COUNTERPARTIES AND VENDORS

Acting with transparency and fairness and implementing leading processes in the procurement journey sustains the establishment of efficient and mutual target oriented partnerships instead of simple traditional client-vendor relationships.



A WELL-STRUCTURED ORGANIZATION

Our organizational framework allows us to reach productivity and allocate clear responsibility and rewards based on three factors: clear strategy definition, lean execution and constant monitoring.

Matrix structure

Geographies and professional families allow us to implement an approach that can leverage local market knowledge and to use standard approaches that are homogeneous across countries.

A ROBUST AND LEAN INVESTMENT PROCESS

To ensure safe and fast execution, we implement a structured investment process based on a number of well-defined steps.

Scouting

"Boots-on-the-ground" scouting allows us to maintain a busy pipeline and accurate benchmarking; when combined with a strict Due Diligence process, this approach allows a sale capital deployment.

A MULTIPLE LINE OF "DEFENSE"

We continuously monitor daily business by means of a three-layer risk management approach relying on a set of different processes involving management and control functions.

Checks and balances

We leverage the risk management framework on Generali insurance group and adapt it to the real estate underlying asset class.

DATA-DRIVEN RESEARCH

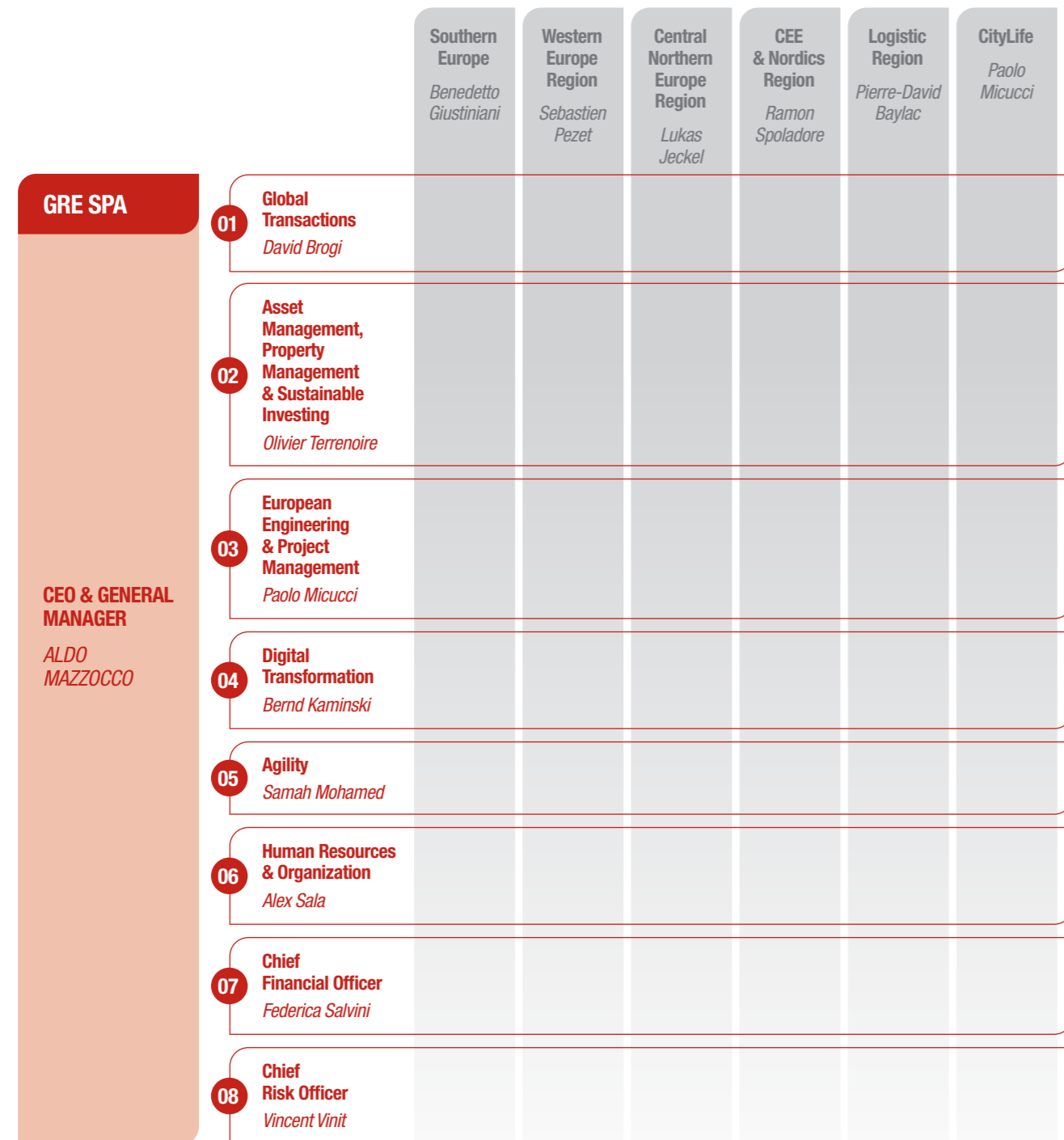
To timely identify market trends and opportunities, our investment guidelines rely on cutting-edge data-driven research based on deep industry knowledge, continuous market monitoring and analysis of long-term trends.

Data-driven model

It was developed by leveraging 150+ drivers. Data is summarized in three proprietary machine learning models, one for each asset class, that shed light over the future of European RE City Attractiveness.

¹⁶ Assets which meet internationally recognized standards of certifications such as LEED Gold or above, BREEAM Very Good or above, HQE Excellent or above, or any equivalent and recognized level of certification or expenses in building retrofitting with an improvement in energy efficiency resulting in a minimum of 30% of energy savings. Please refer to <https://www.generali.com/investors/debt-ratings/sustainability-bond-framework> for further details.

GENERALI REAL ESTATE ORGANIZATION



MEET OUR LEADERSHIP

GRE SPA



ALDO MAZZOCCO

CEO AND GENERAL MANAGER GENERALI REAL ESTATE S.P.A.

Aldo Mazzocco is the Chief Executive Officer and General Manager of Generali Real Estate S.p.A. since May 2017. In March 2021, he also took over the role of Head of Private Markets and Real Assets in the business unit Generali Asset & Wealth Management. In addition, he is Chairman of Generali Real Estate S.p.A. SGR and CityLife S.p.A. A manager with extensive experience in the real estate industry, Aldo joined Generali Real Estate from Cassa Depositi e Prestiti, where he served as Head of Real Estate, Chairman of CDP Immobiliare SpA and CDP Investimenti SGR. From 2001 to 2015 he was the CEO of Beni Stabili SpA SIIQ, and held key management roles at Beni Stabili Gestioni SGR. He was Directeur Generale Délégué at Foncière des Régions from 2011 to 2015, and the Chairman of Assoimmobiliare between 2011 and 2017. Aldo Mazzocco holds a Master in Business Administration from Bocconi University, and a Degree in Civil Engineering from the University of Padua.



DAVID BROGI

HEAD OF TRANSACTIONS

David Brogi is the Head of Transactions at Generali Real Estate. He supports and coordinates transactions across all jurisdictions, providing full coverage of the main real estate markets together with the respective local transactions teams, ensuring scouting and execution of deals according to the Portfolio Strategy. Prior to this he was Chief Transaction Officer of Generali Real Estate SGR, being responsible for all Italian acquisitions, disposals and leasing transactions. Before joining Generali Real Estate SGR in 2008 as Director of Investment & Divestment, David spent 5 years at AEW Italy as the Head of Investments, working on direct investments/divestments and advisory on third party funds. Before that he served for two years on the Asset Management team at Archon Group (Goldman Sachs). David Brogi holds a Master Degree with full marks in Structural Engineering from the University of Pisa, and has attended several executive training programs in real estate management and property finance, both in Italy and abroad.



OLIVIER TERRENOIRE

ASSET AND PROPERTY MANAGEMENT & SUSTAINABLE INVESTING

Olivier Terrenoire is the Head of Asset Management, Property Management & Sustainable Investing and in his current role is tasked with reinforcing our grip on the market with the aim to achieve the Group ambition to reduce the environmental impact of our portfolio as well as integrating environmental, social and governance (ESG) action into the business operation and accelerating the execution of the relevant initiatives. Prior to taking up his current role in July 2020, he headed the Asset and Letting Management office from 2017 to June 2020, the Generali Real Estate EMEA office since its establishment in early 2016, and the Belgian and Dutch unit between September 2013 and December 2015. Olivier began his career working in the corporate finance real estate advisory sector, assisting major institutional investors in real estate sales and acquisitions. Olivier holds a PHD in Law from Lyon III University and an MSC from HEC Paris and is a Member of the Royal Institution of Chartered Surveyors (MRICS) and law degree from the Paris Bar Law School.



PAOLO MICUCCI

HEAD OF ENGINEERING & PROJECT MANAGEMENT AND CEO OF CITYLIFE

Paolo Micucci has been Generali Real Estate's Head of Engineering & Project Management since February 2018 and CEO of CityLife since December 2021. In his current role, he oversees delivering large CAPEX projects, implementing state-of-the-art standardized operating models for the planning and development of new projects, and promoting the Generali brand as a label of excellence for the delivery of high-quality real estate services across Europe. Paolo joined Generali in September 2014 from Prelios, where he headed Marketing and Sales for technical services. He worked as Technical Director and Head of Project Management in Pirelli R.E. Prior to that, he had spent 10 years with Arup as an Associate Director, contributing to the establishment of the Italian branch. Paolo Micucci holds a Master in Business Administration from SDA Bocconi and a Degree in Structure Engineering from the University of Genova.



BERND KAMINSKI

CHIEF DIGITAL TRANSFORMATION OFFICER

Bernd Kaminski has been the Chief Digital Transformation Officer (CDTO) since July 2020 and in his current role is responsible for Digitalization, Innovation, Business Transformation, Advanced Analytics, Robotics / RPA and Information Technology. Bernd joined Generali Group in Germany in 2000 as a Business Project Manager, and afterwards took over a Management function in Audit at Generali Deutschland Holding AG. In early 2007 he was appointed as Head of Risk Management at Generali Investments Deutschland KAG mbH, where he oversaw the Performance and Risk Measurement & Analysis, Asset Compliance and Reporting. In 2012, with the international integration of all Generali's European asset management companies under the umbrella of Generali Investments Europe S.p.A., he additionally became the Deputy Legal Representative of the German Branch. Later he held several senior management positions like Legal Representative German Branch and Head of Investment Analytics and Reporting. From 2018 to June 2020 he was the Chief Operating Officer, which has been transformed to CDTO function. Before joining Generali Group, Bernd worked as a Business Project Manager and Auditor for Citibank Privatkunden AG in Düsseldorf. He holds a degree in Business Economics from the University of Applied Sciences in Bochum.



SAMAH MOHAMED

CHIEF AGILITY OFFICER

Samah Mohamed has been the Chief Agility Officer (CAO) since September 2019, in charge of transforming the way of working, combining velocity and efficiency, leveraging also on process simplification and automation. She is also maintaining updated Policies and Operating Procedures, managing the Audit findings follow-up, the Generali Group Service and Outsourcing contract management and AML first level controls. Samah joined Generali Group in 2008 as an Investment Analyst in Generali Real Estate SGR; in 2009 she was appointed as Head of Investment Coordination at the Corporate Center of Generali Real Estate, based in Paris. In 2016 she covered several roles in Generali Real Estate as Audit and Process Manager, Local Financial Reporting Officer Support and Generali Real Estate Related Parties Transaction Coordinator. In 2018 she was appointed as Executive Business Assistant to the Generali Real Estate CEO and Head of Processes, Procedures and Audit Relationship of Generali Real Estate. She holds a master degree in Economics and International Finance at Cattolica University del Sacro Cuore in Milan.



ALEX SALA

HEAD OF HUMAN RESOURCES & ORGANIZATION

Alex Eugenio Sala has been the Head of HR & Organization of Generali Real Estate since July 2016. Alex joined Generali Group in 2012 as the HR Director of Generali Business Solutions, before moving to Generali Infrastructure Services in 2014. Prior to Generali, he had covered several HR roles in the software and automotive industry. Alex holds a degree in Electronic Engineering from the Politecnico di Milan.



FEDERICA SALVINI

CHIEF FINANCIAL OFFICER

Federica Salvini has been the Chief Financial Officer of Generali Real Estate since June 2016. In her current position she is responsible for the overall financial management of the company and for the performance monitoring of its real estate portfolios. Additionally, Federica holds the same role at Generali Real Estate SGR S.p.A.. Prior to joining Generali Group in 2002, she worked as a budget controller for an Italian real estate asset management group and for some major international manufacturing companies. Federica holds a Degree in Economics from the Università Cattolica in Milan.



VINCENT VINIT

CHIEF RISK OFFICER

Vincent Vinit has been the Chief Risk Officer of Generali Real Estate S.p.A. since June 2016 and Chief Risk Officer of Generali Insurance Asset Management S.p.A. Società di gestione del risparmio since July 2019. In addition, Vincent heads the Risk Management & Valuation function at Generali Real Estate S.g.R.. Prior to joining the company, Vincent had been the Global Head of Risk Management & Compliance at AXA Real Estate since 2009. He previously worked for BNP Paribas, holding several functions, including Group Risk Management. Vincent, who started his career in 1998 as a consultant for Altran in Paris and Munich, holds an Executive MBA from HEC Paris and a Master Degree in Computer Science from Aix-Marseille University.

GRE SGR



ALBERTO AGAZZI

CEO AND GENERAL MANAGER GENERALI REAL ESTATE SGR

Alberto Agazzi is the Chief Executive Officer and General Manager of Generali Real Estate SGR S.p.A. He joined Generali Group in 2005; since then, he has covered important roles such as Head of Fund Management for Generali Immobiliare Italia SGR, Managing Director of Generali Real Estate Italy and Head of Global Fund Management for Generali Real Estate. Prior to joining the Generali Group, he worked in the real estate advisory team of Mediobanca, and as a project manager for an engineering company. Alberto holds a Master in Business Administration from SDA Bocconi and a Degree in Building Engineering from Milan Politecnico.

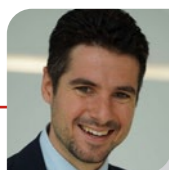
MEET THE SUSTAINABLE INVESTING TEAM



TORSTEN BUTZ
HEAD OF SUSTAINABLE INVESTING



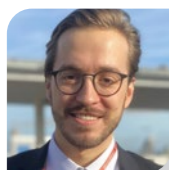
KARIMA AIT AMEUR FASSOULI
SUSTAINABLE INVESTING MANAGER



ANDREA MOSCA
SUSTAINABLE INVESTING MANAGER



EMANUELA NUSDEO
SUSTAINABLE INVESTING MANAGER



CLEMENS NEUBER
SUSTAINABLE INVESTING MANAGER





Digital transformation is revolutionizing the real estate industry and embracing digital innovation is not just an option but a necessity. **The Generali Group has been a pioneer in terms of digital transformation** in the real estate sector and Generali Real Estate is at the forefront of embracing the benefits of technological innovation and digitalisation. We have a well-defined digital strategy, which is leading us to become a fully digital real estate asset manager. Every day we promote a new way of thinking, improving efficiency, client centricity, structured accelerating innovation processes, and providing a sustainable competitive advantage.

Generali Real Estate Business Intelligence and Analytics team headed by Bernd Kaminski, Chief Digital Transformation Officer, works to ensure business and clients are supported and empowered in their decision-making sense of all data out there producing cutting edge market information and providing accurate performance forecasting.

Our team is composed of highly professional real estate researchers, senior data scientists and data engineers. This mix of competencies creates a unique approach that takes advantage of traditional data with more unusual location-based, social and mobility data.

All data are manipulated with proprietary modelling and algorithms, developed to bring all our business knowledge into our real estate analysis and research work. The results are real insights that bring assets and geographies discussion into a new level.



Technological innovations deployed by Generali Real Estate in 2022:



A new digital communication and sharing channel, that improves tenant relationships and building efficiency. The platform is already active throughout Europe and will soon be extended to over 200 properties in Europe.



A cloud-based real estate investment reporting & analysis platform with interactive dashboards and advanced analysis capabilities on the performance of assets spanning more than 2000 properties in more than 30 countries.



Advanced Analytics is the basis of a machine learning tool created to improve the analysis and investment decisions of real estate professionals by providing geo-referenced data and market value forecasts by asset type and micro-area of main European cities, processing a huge number of variables.

By continuing to invest in artificial intelligence, we are strengthening our ability to face the complexities of tomorrow, transforming challenges into opportunities and ensuring a competitive advantage in the market. Our commitment to innovation positions us at the forefront of change, prepared to shape the future of our industry.

Costanza Balboni Cestelli
Head of Real Estate Business Intelligence & Analytics
Generali Real Estate

REGULATORY GENERALI REAL ESTATE SPA

In our Chief Agility Office, we set up a framework for GRE SPA where all different countries have all regulations in the same language, whilst respecting local peculiarities with dedicated versions in local language only when needed. Through the agile methodology, we are continuously working to simplify and make our Internal Regulations clear and easy to use. Our mission is to make all colleagues able to immediately find the objective of each regulation, the functions involved, a clear picture of each one's responsibilities and an owner accountable of the Regulation to refer to.

Samah Mohamed
Chief Agility Officer
Generali Real Estate

LEGAL DOCUMENTS

Generali Group Code
of Conduct



GRE SPA Organizational and management
model ex D.Lgs. 231-01



GRE SPA Responsible Property
Investment Guidelines



Generali Real Estate
Sustainability Report 2023
prepared by
GRE Sustainable Investing Team

Coordination
Media Relations

This document is available at
www.generalirealestate.com

Photos
Salvatore Aquilani, Jason Hawkes,
Diego De Pol, Laurent Kronental,
Maurine Tric, Alberto Fanelli,
Struttura Leggera, Jeffrey Milstein,
David Bombelli, Michele Radoslovich.

Concept and design
Loud Adv

