





*Milan - COIMA HEADQUARTERS in Porta Nuova*





## 04

# SUSTAINABILITY

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COIMA RES HAS INTEGRATED SUSTAINABILITY IN ITS BUSINESS WITH A 360° APPROACH, FOCUSING ON THE ENVIRONMENTAL PERFORMANCE OF ITS PORTFOLIO AND ON THE RELATIONSHIP WITH THE COMMUNITIES AROUND ITS PROPERTIES

# A STRATEGIC APPROACH TO SUSTAINABILITY

## COIMA RES CONSIDERS SUSTAINABILITY AS AN INTEGRAL PART OF ITS BUSINESS

The demand for real estate properties by the market is increasingly focusing on buildings with elevated environmental performances, able to combine a conscious use of natural resources with the well-being of the people who live there or work there.

The investment strategy of COIMA RES has integrated sustainability criteria and aims at creating a high quality real estate portfolio, with sustainable growth over the long term, favouring properties with potential for appreciation over time.

The investment decisions favour properties that have already obtained energy or environmental certifications (eg LEED) and are therefore already performing well or on buildings that have all the characteristics to achieve that level through targeted refurbishments.

The acquisitions made in 2018 concerned the Pavilion (property with LEED Gold certification) and the Tocqueville building. Tocqueville is a 10-storey office building in the Milano Porta Nuova area that in the next few years will benefit from the regeneration of the surrounding area along Via Bonnet. The building will also undergo a refurbishment that will allow the achievement of higher environmental performances.

The attention to the planning of activities in the managed portfolio is a prerogative of COIMA RES. The refurbishment and optimisation of the properties or the portfolio are assessed in detail from the Due Diligence in the pre-acquisition phases. In this phase, multiple scenarios are analysed that can range from the sole optimization to the complete refurbishment. The scenarios evaluated include technical and economic environmental analyses to identify the aspects of greater enhancement and risk mitigation.

The COIMA platform approach, in line with the best international best practices, is pioneering in the Italian market and has helped to strengthen the attention of operators in the sector with respect to issues related to the environmental performance of buildings, their energy management and the integration of the principles of circular economy in real estate.

## THE EUROPEAN REAL ESTATE “THINK TANK”



*In 2017, COIMA RES contributed to the creation of a European “Think Tank” in collaboration with some of the most important listed real estate companies (alstria, Colonial, Gecina, Great Portland Estates and NSI).*

*During 2018, the Think Tank activities have intensified and have focussed on the discussion of issues related to sustainability and innovation, and on how the real estate and urban development context is rapidly changing.*

## FIRST EUROPEAN FOCUS GROUP SURVEY ON OFFICE END USERS: MOVING TOWARDS A FUTURE FOR THE MODERN OFFICE BUILDING COMBINING SUSTAINABLE, SMART, FLEX, SERVICES AND SWEET

*In 2018, alstria, COIMA RES, Colonial, Gecina, Great Portland Estates plc and NSI have run a full pan European focus group analysis to better understand the future of the modern office building from an end users’ point of view.*

Considering the ever-increasing importance of understanding how the needs of the users of office buildings are evolving, the six listed office companies decided in H2 2018 on an innovative approach, usually applied to the consumer goods industry. A number of focus groups, comprising selected office users, have been asked to share their vision of the future of the modern office building. This analysis is a first for the European office real estate industry.

The focus groups included 18 meetings and interviewed 140 end-users in the UK, France, Germany, The Netherlands, Spain and Italy on their vision of the future user experience, the evolution of the workplace, the evolution of organisational structures and more generally the role of tomorrow’s office building in terms of use and service.

The end users who participated draw 3 principal drivers:



**Sociological:** the role of the company office will evolve to respond to workers’ needs to have meetings, collaborate, socialize and feel fulfilled at work



**Environmental:** in the future, employees will be much more demanding and much more questioning in terms of what a potential employer will be doing to tackle climate change



**Technological:** AI, Big Data, robotics, hyper connectivity will affect the way people work and connect as well as the organization within the companies

They also described 5 archetypes for future offices:



#### | ***SUSTAINABLE OFFICE:***

- » | more sustainable and natural building materials;
- » | sensor-enabled workspaces for energy efficiency optimisation;
- » | spaces that encourage a green conscience among employees



#### | ***SMART OFFICE:***

- » | mobile office: uninterrupted access regardless of physical space (in/out of the office);
- » | seamless network access enabled by WiFi-friendly, non-blocking materials;
- » | remote technology aimed at recreating/enhancing human interactions;
- » | Bio-metrics uses for security (access to buildings) & instant profile uploads.



#### | ***FLEX-OFFICE 2.0:***

- » | modular spaces: walls for all uses (open space, collaborative, confidential);
- » | modular furniture to accommodate the various ways people like to work



#### | ***SERVICED OFFICE:***

- » | multiple on-site facilities to facilitate work life balance;
- » | shower, bathroom facilities, and large equipped kitchens to share meals;



#### | ***SWEET OFFICE:***

- » | office spaces similar to home/café's in terms of design and well-being;
- » | incorporation of office spaces for recreational use and relaxation;
- » | adaptable features: ergonomic seating, adjustable lighting, temperature, & music;
- » | warm tones of décor and walls that change their view and/or scent.

The focus groups were conducted among a population of both younger and more experienced professionals working in traditional offices or flexible working spaces throughout urban locations in Europe. Office end-users were recruited among the whole market and not among the 6 REIT's clients. Their opinions reflect their own views.

## MATERIAL ASPECTS FOR COIMA RES

IN 2018, COIMA RES UPDATED ITS MATERIALITY ANALYSIS TO IDENTIFY THE MAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES RELEVANT TO ITS BUSINESS AND ITS STAKEHOLDERS

The concept of materiality expresses the relevance of a theme with respect both to the internal (company) perspective and to the external (of its stakeholders) perspective.

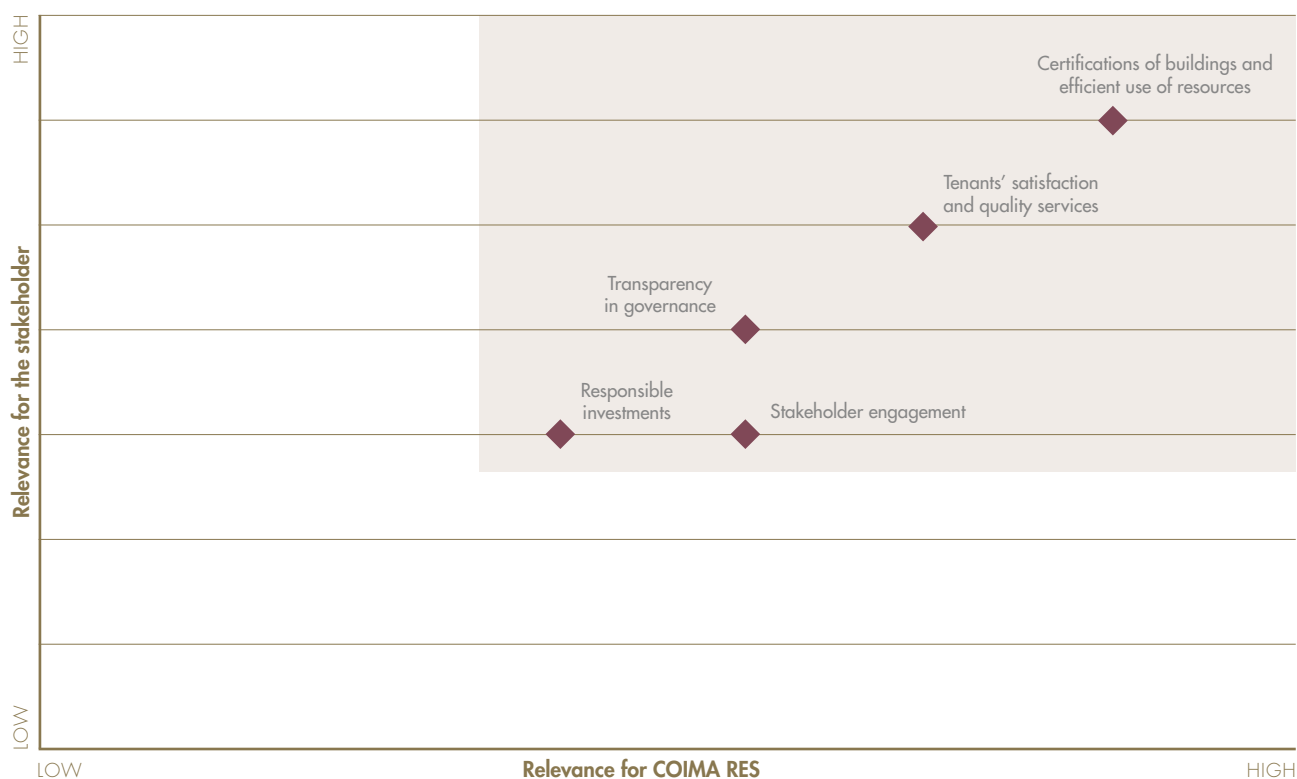
In 2018, an activity to update the materiality analysis was launched with the aim of grasping the main changes with respect to the market context and further focusing on the most relevant issues.

The analysis deepened the external point of view of the company with respect to the positioning of the public opinion towards COIMA RES (analysis of the web press review) and to the emerging trends in the sector (through a benchmark activity that involved the main peers in the sector).

Management was also involved, which contributed to highlighting the most relevant issues for the company, also explaining their variation with respect to the future prospects of the market.

The outcome of the analysis is shown in the materiality matrix, in which the priority themes for COIMA RES are highlighted.

### MATERIALITY MATRIX - COIMA RES





MATERIAL ASPECTS	PERCEPTION	COIMA RES APPROACH
 <p>TRANSPARENCY IN GOVERNANCE</p>	<p>Ensuring transparency in corporate management is an essential element in the current market context and in the relationship with investors.</p>	<p>COIMA RES has a transparent corporate governance structure that ensures a high level of risk management control.</p>
 <p>CERTIFICATIONS OF BUILDINGS AND EFFICIENT USE OF RESOURCES</p>	<p>Growing attention towards the energetic and environmental performance of the buildings and the request for certification to guarantee the approach followed.</p>	<p>The investment strategy of COIMA RES aims to create a high quality real estate portfolio, with high environmental performances and certified according to the main industry standards.</p>
 <p>TENANTS' SATISFACTION AND QUALITY SERVICES</p>	<p>In the relationship with the tenants, the issue of occupant welfare is increasingly central, understood both as quality of life and as a guarantee of a healthy workplace that improves productivity.</p>	<p>COIMA RES applies the Kingsley Index to monitor the degree of satisfaction of its tenants and to identify the areas in which it is necessary to intervene to improve the wellbeing of the tenants.</p>
 <p>RESPONSIBLE INVESTMENTS</p>	<p>In recent years, investors have been more inclined to integrate ESG criteria into the various investment strategies.</p>	<p>COIMA RES considers strategic the integration of "best practices" in its investment strategy. Evaluating the Environmental aspects of development and management right from the Due Diligence phases, the social aspects of all the stakeholders and their own "governance".</p>
 <p>STAKEHOLDER ENGAGEMENT</p>	<p>The implementation of a sustainable business model goes beyond the internal business model and implies the increasingly strong involvement of all stakeholders.</p>	<p>COIMA RES has set up an intense communication activity with all its stakeholders, oriented towards transparency and listening to specific needs.</p>



## AIMING FOR EXCELLENCE

THE COIMA RES PORTFOLIO CONSISTS OF HIGH QUALITY REAL ESTATE ASSETS THAT GUARANTEE HIGH ENERGY EFFICIENCY AND PERFORMANCES WITH LOW ENVIRONMENTAL IMPACT

From the identification and purchase of a property, COIMA RES prefers high quality properties or those that have the characteristics to be further enhanced thanks to renovation or renewal of the plant components.

A highly efficient building is a building designed, built and managed aiming to achieve the reduction of energy needs and consumption, eliminating waste, exploiting the opportunities for self-production and favouring the supply from renewable sources.

During the due diligence phase, COIMA RES evaluates the property and its performance and determines the investments necessary to improve its impact and make it more efficient.

To this activity, we add a careful management to guarantee high energy and environmental performance of the buildings and, at the same time, allows to reduce costs and to lengthen the average life of the plants, reducing wear and tear.

Today, 54% of the value of the portfolio has voluntary environmental certifications, in particular the LEED certification.

The value of certified buildings will grow further thanks to the development of the Corso Como Place project which, in addition to LEED certification, aspires to obtain the WELL certification, one of the first buildings in Italy to achieve this ambitious goal.

If the LEED certification has been able to bring into the market an awareness and standardization of the aspects related to the construction and management process of a property, the WELL certification has the advantage of extending the sphere of environmental sustainability with the aspects of occupants' wellbeing and health.

WELL Building Standard® is a performance-based system for measuring, certifying and monitoring the characteristics of the built environment that has an impact on human health and well-being, through air, water, nourishment, light, exercise, comfort and cognitive well-being.



VODAFONE  
Milan



GIOIAOTTO  
Milan



PAVILION  
Milan



CORSO COMO PLACE  
Milan  
Target certifications





Milan - COIMA HEADQUARTERS - Façade



## ACTIVE ASSET MANAGEMENT

Thanks to asset management activities, the management of the COIMA RES portfolio allows constant improvement of rental income and the total value of the properties.

In particular, COIMA RES takes care of:

- » | constantly monitoring the level of satisfaction of tenants (also through the Kingsley Index<sup>SM</sup> Survey);
- » | renegotiating lease agreements both to improve the level of rent and to extend their duration;
- » | actively managing tenants, with possible substitutions or upgrades;
- » | implementing operational management models adapted to the standards identified;
- » | verifying the feasibility of some solutions and implement improvement interventions when necessary;
- » | assessing repositioning projects for buildings;
- » | assessing disposal of properties;
- » | optimising financing;
- » | rationalising facility management services.

### COIMA HEADQUARTER IS PLASTICLESS







*The new COIMA headquarters in Piazza Gae Aulenti in Milan is a virtuous example of sustainable space management. It is powered by using 100% energy produced from renewable sources and, thanks to the active contribution of the employees, has embraced a plasticless approach.*

*Through the introduction of a series of measures, in the first months of employment of the headquarters, in fact, more than 14,000 plastic bottles were saved, which translates not only into a reduction in the production of waste but also a significant economic saving for the company.*

## SPECIFIC ASSET MANAGEMENT ACTIVITIES ON THE PORTFOLIO IN 2018

During 2018 and thanks to the experience and technical expertise of COIMA S.r.l. Property Management, COIMA RES has implemented some technical and management solutions with the aim of reducing the environmental impact of buildings, improving their performance and performance.

In particular, the solutions identified have enabled to:

-  | optimise the consumption of utilities (water, gas and electricity);
-  | implement, suggest and action sustainable practices among tenants;
-  | increase control over the products and maintenance materials used;
-  | start a proactive management in order to qualify as a strategic partner of the tenants.

COIMA RES has launched several specific activities to improve the environmental performance of its portfolio:

MONTEROSA	VODAFONE
<p>Activation of the supply of electricity from renewable sources (100%);</p> <p>New emergency lighting system installed;</p> <p>Completion of the fire-fighting system adjustment process;</p> <p>A significant reduction in consumption and CO<sub>2</sub> emissions has been achieved thanks to improvements in the management and maintenance of the plants.</p>	<p>The consortium for the management of the common parts has been set up to increase the effectiveness and efficiency of the activities;</p> <p>Reduced the environmental impact of cleaning activities in the common areas thanks to the transmission and sharing of the LEED protocol;</p> <p>Identified a loss in the management of water resources that had caused a significant increase in consumption in 2017;</p> <p>Activated COIMA Srl as a property management company;</p> <p>Start of "relamping" project through the replacement of traditional lighting fixtures with LED lights which has allowed a reduction in CO<sub>2</sub> emissions of approximately 82 t / year.</p>
CORSO COMO PLACE (BUILDING B)	TOCQUEVILLE
<p>Start-up of trading activities with utilities for switching to a 100% green electricity supplier that will be completed in 2019;</p> <p>The Building Management System (BMS) has been updated in order to operate the plants more efficiently and monitor consumption;</p> <p>Completion of the fire-fighting system adjustment process to increase the maximum capacity of the building.</p>	<p>Activation of the supply of electricity from renewable sources (100%);</p> <p>Analysis of the heating system of the building to start evaluations related to its upgrade;</p> <p>Definition of a medium-term investment plan.</p>
DERUTA	GIOIAOTTO
<p>4 specific audits on the management of the property have been completed;</p> <p>Increase of the quality of maintenance activities after the audit.</p>	<p>Reduced the environmental impact of cleaning and maintenance activities in the common areas with the introduction of ecological suppliers;</p> <p>Activation of the supply of electricity from renewable sources.</p>

All properties in the COIMA RES portfolio include the figure of the Safety Manager who is concerned with implementing and updating the services relating to the prevention and protection of security in the building.

Alongside the activities related to the plants and the management of the buildings, COIMA RES has structured during the year a system for reporting on the performance of the properties, which provides a complete quarterly report.



## TENANTS' SATISFACTION

COIMA RES CONSTANTLY MONITORS THE LEVEL OF SATISFACTION OF ITS TENANTS AND IMPLEMENTS POLICIES AND ACTIONS TO ENSURE HIGH LEVELS OF QUALITY AND SERVICE

Since the beginning of its activities, COIMA RES has implemented projects aimed at measuring the perception of its tenants in relation to the management of buildings. The main objective is to maintain a high level of quality perceived by them in order to guarantee continuity of activities over the medium / long term.

Thanks to this orientation, COIMA RES develops and strengthens relations with its tenants and, at the same time, plans the investments necessary to constantly improve the quality and value of the buildings. COIMA RES has structured some partnerships with selected professionals and industry suppliers to implement the best practices in the sector and thus contribute to a more sustainable management of buildings.

This approach in real estate management also supports the sustainability objectives of the tenants who today are becoming more and more careful in the implementation of projects and initiatives to reduce the environmental impact of their activities. The relationship with the tenants is kept active throughout the year, also thanks to the scheduling of ad hoc meetings in which the main issues related to property management are discussed.

The meetings with the tenants are scheduled at least annually. In the case of complex realities such as the Vodafone property or Monte Rosa, the meetings were scheduled with shorter deadlines, monthly in the first case and quarterly in the second. If a tenant signals criticality or if the building is subject to particular maintenance interventions, individual meetings and regular follow-ups are organized for the management of critical issues or interventions.

The COIMA platform implements management standards for each building or building complex, since its acquisition which include an emergency service through a dedicated call centre, which can offer technical assistance even during extra working hours and on holidays. This procedure, which can also be activated by individual tenants, allows complete tracing of problems, tracking and compression of intervention times.

### THE RESULTS OF THE KINGSLEY INDEX<sup>SM</sup> 2017

Since the first year of its activity, COIMA RES has commissioned the assessment of the satisfaction of the tenants to Kingsley Associates, a company that is the creator of the Kingsley Index<sup>SM</sup>, a measure of customer satisfaction, reaching in the portfolio under evaluation 100% of the properties since last year.

In 2018, COIMA RES analysed the results of the previous survey (2017) of the survey and developed targeted actions to mitigate the critical issues that have emerged.

Last year's survey identified some critical issues in the buildings of Gioiaotto and Eurcenter. For the building of Gioiaotto, we have intervened in the improvement of the reception services and on some critical issues that emerged on the regulation of the air conditioning systems in a confined portion of the building.

Regarding the Eurcenter property, specific meetings have been set up with retail tenants for the management of some contractual issues and for the assessment of a plant improvement project within their areas. The meetings and the actions have given positive feedback with the tenants.

# STRENGTHENING THE RELATIONSHIP WITH PEOPLE AND WITH THE COMMUNITY

## THE PEOPLE OF COIMA RES HELP TO CREATE VALUE FOR SOCIETY AND FOR THE COMMUNITY

COIMA RES employs 5 professionals who contribute daily to the development of relationships with tenants and with all stakeholders, engaging in the sharing of corporate values and culture.

The key roles of CFO, Investment Director, Investor Relations Director, Planning & Control Manager and Finance Associate are held internally within COIMA RES. The functions related to Asset & Investment Management and Property and Development Management are respectively assigned to COIMA SGR and COIMA S.r.l..

COIMA, as an integrated platform, promotes a corporate culture based on social relations, collaboration and dialogue between employees and collaborators to facilitate a cross-sectoral approach and the exchange of skills.

The training plan is designed and structured to meet everyone's needs, and is linked to an individual assessment activity that highlights goals achieved and areas for improvement.

Also in 2018, the "Knowledge Sharing Program" continued an initiative that involves the entire COIMA platform through the presentation of internal staff or ad hoc guests to promote best practices in the sector or to explore topics and new trends in the market.

### ACTIVITIES IN 2018

SESSION	CONTENT	SPEAKERS
LESSON LEARNED	Due diligence in the acquisition phase	Gabriele Bonfiglioli Corrado Sensale Franco Gerbino Luigi Massimilla Stefano Corbella
EXCELLENT SPEAKERS	PCPA best practices worldwide	Gregg Jones (PCPA)
KNOWLEDGE SHARING	Office benchmarking - comparing Porta Nuova with international standards	Stefano Corbella Francesco Moretti
KNOWLEDGE SHARING	How we choose where we invest	Gabriele Bonfiglioli Edoardo Schieppati
KNOWLEDGE SHARING	At the beginning of the Gioia 22 construction	Danilo Indrio Francesco Moretti
KNOWLEDGE SHARING	Innovation in the Health & Safety	Ing. Giuseppe Amaro Gae Engineering
EXCELLENT SPEAKERS	Global economic overview	Sri Kumar Komal
KNOWLEDGE SHARING	The era of real estate "digital transformation"	Vincenzo Tortis Stefano Corbella
KNOWLEDGE SHARING	Workshop update on trends in architecture	Nicola Leonardi
KNOWLEDGE SHARING	Global Real Estate Sustainability Benchmark (GRESB)	Paul Bosworth Ramboll UK



## **COIMA RETREAT 2018: "IN COIMA ALLA VETTA"**

The COIMA Retreat is an event that takes place every two years and aimed at employees who, for a few days, leave the daily life of their offices to carry out activities related to teamwork and to study in a different place.

The second edition of the Retreat developed starting from the same tender procedures of the previous edition of 2016. The event was born from an internal competition, open to all the people of COIMA: the initiative involved the various participants in the preparation of a proposal that included both organizational aspects and aspects related to content. The vote of all the staff of COIMA, added to that of a jury in charge, selected as the winning proposal: Trentino Alto Adige with the theme "In COIMA alla vetta".

The three-day program, from June 7<sup>th</sup> to June 9<sup>th</sup>, 2018, included a team building sessions aimed at strengthening relationships between colleagues and addressing issues of common improvement, linked to sustainability and corporate responsibility. In addition to the updates by the Management team and the focus of the teams on various projects, a challenge session was introduced that saw three teams working for each macro theme compete in a tight competition, whose victory is decreed by an external super-partes judge.

There were moments of fun, which helped immerse the participants in the uncontaminated nature of Trentino Alto Adige, an excellent example of sustainability and attention to the environment, themes on which the foundations of this COIMA Retreat were founded; the next edition will be in 2020.



## FUNDRAISING FOR MAMMADÙ ITALIA ONLUS AND FONDAZIONE FRANCESCA RAVA

COIMA RES interacts with communities also by facilitating collaboration with non-profit organizations and bodies to implement specific projects. In December, COIMA RES granted the availability of common spaces inside the buildings for the organization of fundraising initiatives in favour of Mammadù Italia Onlus in support of children and young people living in extreme poverty.

Inside the COIMA headquarters a solidarity market was organized during the Christmas period to raise funds for the Francesca Rava Foundation.



## RESTORATION WORKS REGARDING FRESCOS IN A DEUTSCHE BANK BRANCH

In 2018, a Deutsche Bank branch owned by COIMA RES and situated in Genoa (Corso Garibaldi) was subject to restoration work related to the frescos and frames of the salon. The works have been authorized by the Soprintendenza dei Beni Architettonici della Liguria. COIMA RES has committed an amount up to Euro 1.5 million in relation to these renovations works.











# GIOIAOTTO

## ENERGY EFFICIENCY IMPROVEMENT STUDY

In the first quarter of 2019, COIMA RES, through the COIMA Core Fund VI fund (in which COIMA RES owns a 86.7% stake), which owns the Gioiaotto property, commissioned to the engineering firm Crippa & Lamberti a study aimed at investigating and identifying the weak areas of Gioiaotto's building management system and possible areas of intervention.

Gioiaotto current building management system (“BMS”) is still relatively basic in its functions. It is able to regulate the essential parameters (temperatures and times) but is not optimized as far as energy efficiency is concerned, not allowing a capillary management of the activation of the various devices. Therefore, several intervention areas were recommended (which mainly involve changes to the BMS programming) to maintain the occupants' well-being whilst eliminating energy inefficiencies as far as possible.

### POSSIBLE AREAS OF INTERVENTION

- » | Time of activation of ventilation systems
- » | Anticipation of activation of the internal systems, to realize a pre-heating, pre-cooling of the environments, in order to obtain the comfort conditions at the start of the working activity, regulated by a self-learning system based on the conditions, internal, external and the history of activations of the previous days
- » | Switch off the equipment (mainly primary and secondary pumps) when there is no hot / cold demand from the users
- » | Correct balancing of the flow rates of the AHUs in order to eliminate the parasitic returns through the cracks present on the perimeter walls (air not treated)

### ESTIMATED INVESTMENT

Mainly intervening on the planning and implementation of new control / regulation and supervision logic, substantial energy savings are assumed without intervening on the mechanical part of the plants. The intervention costs (programming, glycol mixture and connections) were quantified at Euro 12,800.

### ESTIMATED SAVINGS

The analysis also calculated the savings achievable with the proposed changes, for a total of Euro 4,900 per year. The savings achievable with the predictive activation of the plants can be estimated in about 5% of the general consumption.

### PAYBACK OF THE INVESTMENT

From the previous points, an investment payback period of 2.6 years can be estimated. It should be emphasized that the savings will be appreciated in full by the tenants thanks to the reduction of running costs for heating / cooling and ventilation systems.



# APPENDIX - EPRA TABLES

## ENVIRONMENTAL PERFORMANCE OF COIMA RES' PORTFOLIO

In 2018, COIMA RES has implemented various initiatives to improve the environmental performance of its portfolio. A detailed breakdown of these initiatives is available on page 98 of this report.

The initiatives implemented has generated an overall reduction of the portfolio consumptions, as shown by the downward trend compared to 2017.

INDICATORS	EPRA	UNIT OF MEASURE	OFFICES					
			2017	COVERAGE	2018	COVERAGE	CHANGE	
Total electrical consumption	Elec-Abs	annual MWh - tenant	n.d.	n.d.	15,187	96%	n.d.	
		annual MWh - landlord	n.d.	n.d.	3,754	100%	n.d.	
		annual MWh - total	9,567	100%	18,942	100%	98%	
		% from renewable sources	100%	23%	21%	100%	-79%	
Total electrical consumption: Like-for-like	Elec-LFL	annual MWh - tenant	n.d.	n.d.	8,890	95%	n.d.	
		annual MWh - landlord	n.d.	n.d.	3,524	100%	n.d.	
		annual MWh	9,567	100%	12,413	100%	30%	
Consumption of energy from district heating and district cooling <sup>1</sup>	DH&C-Abs	annual MWh	n.a.	100%	n.a.	100%	0%	
		% from renewable sources	n.a.		n.a.		0%	
Consumption of energy from district heating and cooling: Like-for-like	DH&C-LFL	MWh	n.a.	100%	n.a.	100%	0%	
Total fuel consumption	Fuels-Abs	annual MWh	10,400	100%	16,843	100%	62%	
		% from renewable sources	0%		0%		0%	
Total fuel consumption: Like-for-like	Fuels-LFL	annual MWh	10,400	100%	13,472	100%	30%	
Energy intensity of buildings <sup>2</sup>	Energy-Int	KWh/m <sup>2</sup>	235	100%	290	100%	23%	
Direct greenhouse gas emissions (total) Scope 1 <sup>3</sup>	GHG-Indir-Abs	tCO <sub>2</sub> e	2,120	100%	3,448	100%	63%	
Indirect greenhouse gas emissions (total) Scope 2 <sup>3</sup>	GHG-Dir-Abs	tCO <sub>2</sub> e (location based)	3,027	100%	5,993	100%	98%	
Intensity of greenhouse gas emissions of the buildings <sup>2</sup>	GHG-Int	tCO <sub>2</sub> e/m <sup>2</sup>	0.051	100%	0.076	100%	50%	
Total water consumption <sup>4</sup>	Water-Abs	m <sup>3</sup>	44,621	100%	44,556	100%	0%	
Water consumption: Like-for-like	Water-LFL	m <sup>3</sup>	44,621	100%	34,041	88%	-24%	
Water consumption: Like-for-like <sup>2</sup>	Water-Int	m <sup>3</sup> /m <sup>2</sup>	0.44	100%	0.36	100%	-18%	
Weight of waste by disposal route <sup>5</sup>	Waste-Abs	tons	1,394	90%	1,508	89%	8%	
		% recycled	53%		58%		9%	
Weight of waste by disposal route Like-for-Like	Waste-LFL	tons	1,394	100%	1,394	88%	0%	
		% recycled	53%		58%		9%	
Type and number of certified assets	Cert-Tot	% of sqm. of the portfolio	64%	100%	53%	100%	-18%	

**Notes:** The data above refers to the COIMA RES asset in the portfolio at December 2018, except for the Pavillion whose purchase was completed at the beginning of December 2018.

In 2018 the building located in Via Privata Deruta 19 has been included (excluded from the 2017 reporting scope).

The Like-for-Like indicators were calculated considering the same perimeter of 2017 and 2018 (thus excluding sales and acquisitions) and not considering the occupancy rate of the buildings. Estimated tenants utilities consumption: Consumption data (except waste) have been provided by the Property Managers and includes directly purchased electricity, natural gas or water. From 2018 it was also possible to report electricity consumption directly purchased by the tenants. The area considered in the calculation is the gross, ie including common areas and parking lots, for which COIMA RES is accountable.

**Coverage:** the coverage level - expressed as a percentage - is given by the ratio between square meters covered by the indicator with respect to the total square meters owned by the portfolio. In particular, the coverage represented in relation to Offices, Retail and Others, is calculated with to the corresponding square meters of the different asset typology considered. Information related to the building certification was calculated in relation to the total square meters of properties in the portfolio at 31 December 2018.

**Level of estimation:** The data was collected with the contribution of the Property Managers. It has been necessary to estimate part of the water consumption (5% estimate level, based on consumption calculated on 2017), the district heating consumption (100% estimate level, based on 2017 consumption) and the waste products (100% estimate level).

In relation to the portfolio environmental performance, here below some clarifications:

» The 2018 offices portfolio increase of electricity and natural gas consumption have been influenced by the occupancy of Vodafone complex. In 2017, Vodafone released one of the building close to the ones owned by COIMA RES consolidating its staff in COIMA RES buildings. The 2018 consumption have been influenced by the increase of population and therefore consumptions compared to the previous year.

» The overall portfolio consumptions have been influenced also by the performance of the property in Via Monterosa in Milan, whose consumption in 2017 related exclusively for December.

	RETAIL					OTHER					PORTFOLIO				
	2017	COVERAGE	2018	COVERAGE	CHANGE	2017	COVERAGE	2018	COVERAGE	CHANGE	2017	COVERAGE	2018	COVERAGE	CHANGE
	n.d.	n.d.	2,965	98%	n.d.	n.d.	n.d.	146	58%	n.d.	n.d.	n.d.	18,299	94%	n.d.
	n.d.	n.d.	230	100%	n.d.	n.d.	n.d.	290	100%	n.d.	n.d.	n.d.	4,274	100%	n.d.
	5,045	100%	3,196	100%	-37%	402	100%	436	100%	8%	15,014	100%	22,573	100%	50%
	100%	11%	38%	100%	-62%	100%	71%	34%	100%	-66%	100%	23%	24%	100%	-76%
	n.d.	n.d.	2,742	98%	n.d.	n.d.	n.d.	146	58%	n.d.	n.d.	n.d.	11,778	94%	n.d.
	n.d.	n.d.	205	100%	n.d.	n.d.	n.d.	290	100%	n.d.	n.d.	n.d.	4,018	100%	n.d.
	3,625	100%	2,947	100%	-19%	402	100%	436	100%	8%	13,594	100%	15,796	100%	16%
	209	100%	209	100%	0%	n.a.	100%	n.a.	100%	0%	209	100%	209	100%	0%
	0		0		0%	n.a.		n.a.		0%	0		0		0%
	209	100%	209	100%	0%	n.a.	100%	n.a.	100%	0%	209	100%	209	100%	0%
	2,404	100%	2,693	100%	12%	0	100%	0	100%	0%	12,408	100%	19,284	100%	-49%
	0%		0%		0%	0%		0%		0%	0%		0%		0%
	2,249	100%	2,667	100%	19%	0	100%	0	100%	0%	12,649	100%	16,139	100%	28%
	146	100%	143	100%	-2%	33.29	100%	42	100%	28%	169	100%	238	100%	41%
	490	100%	551	100%	12%	0	100%	0	100%	0%	2,610	100%	3,999	100%	53%
	1,596	100%	1,011	100%	-37%	127	100%	138	100%	8%	4,750	100%	7,142	100%	50%
	0.040	100%	0.037	100%	-8%	0.011	100%	0.013	100%	28%	0.044	100%	0.063	100%	42%
	9,715	45%	7,284	59%	-25%	7,866	71%	7,867	84%	0%	62,202	80%	54,957	89%	-12%
	9,715	45%	7,284	58%	-25%	8,570	71%	7,867	84%	-8%	62,202	80%	44,442	80%	-29%
	0.18	45%	0.17	59%	-8%	0.65	71%	0.77	84%	18%	0.37	80%	0.31	89%	-17%
	143	10%	143	27%	0%	n.a.	n.a.	n.a.	n.a.	0%	1,537	68%	1,651	69%	7%
	51%		55%		7%	n.a.		n.a.		0%	53%		57%		8%
	143	28%	131	26%	-8%	n.a.	n.a.	n.a.	n.a.	0%	1,537	74%	1,525	67%	0%
	51%		54%		6%	n.a.		n.a.		0%	53%		57%		0%
	10%	100%	12%	100%	23%	71%	100%	84%	100%	18%	48%	100%	45%	100%	-7%

N.A. = not applicable; n.d. = not available

1. Consumption related to district heating and district cooling systems refers exclusively to one Deutsche Bank branch.

2. Energy intensities, carbon intensity and water intensity have been calculated using impact data (energy consumption, total emissions and water consumption) as numerator, and the surface area in square meters owned (net of parking lots) as a denominator. COIMA RES is aware of the mismatch between the numerator and the denominator in the calculation of intensity metrics. However, the significance of the indicators is safeguarded as the parking energy consumption has a marginal impact of the total. The efficiency indicators have been distinctly calculated by type of building (offices, retail and other) and also for the entire portfolio.

3. The CO<sub>2</sub> conversion factors are published by ISPRA (updated to 2019)

4. Water consumption refers to the following properties: Toqueville, Vodafone Village, Gioiaotto, 2331 Eurcenter, Deruta, Monterosa and Corso Como Place. For the Deutsche Bank branches, the consumptions were available some and measured in m<sup>3</sup>, for others it was estimated using 2017 water consumption as a reference, and for part of the branches it was not possible to detect it.

5. COIMA RES does not monitor the waste, whose disposal is managed directly by the Municipalities. The average coefficients (kc and kd) made available by the Municipalities and the respective average percentages of separate collection were used for the calculation.

# APPENDIX - EPRA TABLES

## COIMA RES' SOCIAL AND GOVERNANCE PERFORMANCE

During the year 2018 the number of employees of COIMA RES has remained unchanged, the level of skills in the field of sustainability increased with the renewal of the Board of Directors and no irregularities were recorded in terms of H&S on the COIMA RES portfolio.

INDICATORS	EPRA CODE	PERIMETER	UNIT OF MEASURE	2018	2017	COVERAGE
Gender diversity	Diversity-Emp	COIMA RES	% of employees	Men - 80%	Men - 80%	100%
			% of women in the governance bodies	Women - 20%	Women - 20%	
Gender pay <sup>1</sup>	Diversity-Pay	COIMA RES	%	n/a	n/a	100%
Training and development	Emp-Training	COIMA RES	average hours	45h	40h	100%
Performance appraisals	Emp-Dev	COIMA RES	% of employees	100%	100%	100%
New hires	Emp-Turnover	COIMA RES	number	0	2	100%
			%	0%	40%	
Turnover			number	0	0	100%
			%	0%	0%	
Rate of frequency of accidents	H&S-Emp	Corporate operations	no. by hours worked	0	0	100%
Average days lost		Corporate operations	no. by hours worked	0	0	
Absenteeism		Corporate operations	days per employee	9	8	
Deadly accidents		Corporate operations	number	0	0	
H&S impact assessments <sup>2</sup>	H&S-Asset	Office portfolio	% of assets in the portfolio	100%	100%	100%
		Retail portfolio		n/a	n/a	
		Other portfolio		n/a	n/a	
Number of irregularities <sup>3</sup>	H&S-Comp	Office portfolio	total number	0	5	100%
		Retail portfolio		n/a	n/a	
		Other portfolio		n/a	n/a	
Community involvement <sup>4</sup>	Comty-Eng	Office portfolio	% of assets	0%	12.50%	100%
		Retail portfolio		n/a	n/a	
		Other portfolio		n/a	n/a	
Composition of the Board	Gov-Board	Corporate operations	Number of executive members	1	1	100%
			Number of independent members	7	7	
			Average term of mandate <sup>5</sup>	1	1.8 y	
			Independent / non-executive members of the board of directors with responsibilities in the environmental area	4	3	
Appointment and selection of the highest governance body	Gov-Select	Corporate operations	See note	(6)	(6)	100%
Conflict of interest	Gov-Col	Corporate operations	See note	(7)	(7)	100%

**Note:** (1) In 2018, COIMA RES has five employees with different roles and responsibilities. The salary Differential therefore cannot be calculated. (2) COIMA RES has direct responsibility over health and safety for 4 buildings used as offices (Gioiaalto, Monte Rosa, Toqueville, Eurcenter, Monte Rosa and Corso Como Place building B). With respect to these, an H&S assessment was conducted by COIMA RES H&S representative. As for the other buildings in the portfolio, these are not considered within this reporting perimeter since the responsibility on health and safety is a completely a tenant responsibility. (3) It has been considered an irregularity, non-conformity detected during the H&S assessment on the buildings. As for Corso Como Place, an H&S assessment on the building was carried out by two consultants in order to define the fire strategy legal framework and environmental compliance already during the preliminary Due Diligence phase (2017). Five irregularities were detected, and remediation works carried out and resolved. (4) For Corso Como Place, due to the plan for the requalification of two buildings, a complete analysis was carried out on the surrounding public areas and pedestrian flow, delineating the conditions of the streets, pedestrian sidewalks, etc.. The assessment conducted brought to light a number of possible implementations that the requalification project will provide. (5) In relation to the mandate, please note that the Board of Directors was elected in April 2018. (6) The prerequisites that guided COIMA RES in the definition and consolidation of its governance were: integrity and independence, transparency, respect of the rules, corporate sustainability and control structure. For COIMA RES it is essential to operate with an adequate governance to convey a message of maximum transparency outside the company, required to obtain the total trust of current and future shareholders. The members of the Board of Directors have been selected on the basis of the following criteria: - majority of independent (7 out of 9) and only 1 executive; completeness and complementarity of professional skills, at least 20% of the positions reserved for gender less represented. Furthermore, the Company has determined that the maximum number of director or statutory auditor positions in other listed companies cannot exceed the threshold of 6. Therefore, it is understood that, also due to the commitment required, in relation to the position of Chief Executive Officer, the same cannot be assumed by a person with the same position in another company listed in a regulated market. (7) The company has put in place a procedure (which is available to the public) to describe how to handle possible transactions with related parties. In particular, each Director notifies the Company of any role or interest he or she may have in other businesses. This information is public and set forth in the corporate governance report published annually on COIMA RES website. As required by law, COIMA RES has set up a Related Parties Committee (hereinafter the "Committee") composed exclusively of independent directors. The Committee issues a non-binding opinion for the Board of Directors in the case of transactions with related parties. The Committee assesses the interest of COIMA RES in completing the transaction, as well as the convenience and substantial correctness of the conditions applied. If the Board of Directors does not agree with the Committee's proposal, the issue is brought to the attention of the Shareholders Meeting.



# APPENDIX - EPRA TABLES

## COIMA RES HEADQUARTER

The COIMA headquarters is sustainability best practice. The building and the interior achieved LEED certification at the highest level of certification, PLATINUM. COIMA RES decided to purchase the electricity from a certified renewable sources offsetting the carbon emission of its own consumption. COIMA RES has also opted for a “plasticless” and “paperless” policy, avoiding single use plastic and reduction of paper use.

INDICATORS <sup>1</sup>	EPRA	UNIT OF MEASURE	2017	COVERAGE	2018	COVERAGE	CHANGE
Total electrical consumption	Elec-Abs	kWh	8,402	100%	11,921	100%	42%
		% from renewable sources	-		100%		
Consumption of energy from district heating and cooling	DH&C-Abs	kWh	n.a.	100%	n.a.	100%	n.a.
		% from renewable sources	n.a.		n.a.		n.a.
Total fuel consumption	Fuels-Abs	kWh	0	42%	0%	100%	n.a.
		% from renewable sources	0%		n.a.		n.a.
Energy intensity of buildings	Energy-Int	kWh/m <sup>2</sup>	149	100%	65.14	100%	-56%
Direct greenhouse gas emissions (total) Scope <sup>1</sup>	GHG-Dir-Abs	tCO <sub>2</sub> e	0	42%	0%	100%	
Indirect greenhouse gas emissions (total) Scope <sup>2</sup>	GHG-Indir-Abs	tCO <sub>2</sub> e (market based)	2.66	100%	3.77		42%
Intensity of greenhouse gas emissions of the buildings	GHG-Int	tCO <sub>2</sub> e/m <sup>2</sup>	0.05	100%	2%		-56%
Total water consumption <sup>1</sup>	Water-Abs	m <sup>3</sup>	66.0	100%	66.0	100%	0%
Building water consumption intensity	Water-Int	m <sup>3</sup> /persons	13.2	100%	13.2		0%
Weight of waste by disposal route <sup>2</sup>	Waste-Abs	tons	1.42	100%	2.47	100%	74%
		% recycled	53.8%		60%		11%
Type and number of certified properties	Cert-Tot	% sqm. of portfolio	100%	100%	100%	100%	0%

### Note:

1. At the moment of publication of this report, it was not been possible to collect data on water consumption. Therefore these have been estimated assuming an average consumption of 60 liters / day per person for 220 working days.

2. COIMA RES does not monitor the waste, whose disposal is managed directly by the Municipality of Milan. The average coefficients (kc and kd) provided by the Municipality and the average percentage of separate collection were used for the estimation.

# OUR OBJECTIVES

## UPDATE OF OUR OBJECTIVES FOR 2018

ESG	TOPIC	OBJECTIVES SET IN 2017	STATUS	COMMENT FOR THE YEAR 2018
E	Responsible investments	Conduct a risk analysis to identify social and environmental risks and value creation opportunities as part of the due diligence process for all acquisitions from 2018	In progress	COIMA implemented a Sustainability Acquisition Checklist, performed during Due Diligences. The checklist aims to identify ESG risks and mitigation strategy
		Establish the baseline year 2018 against which to set long-term environmental performance targets covering energy, GHG emissions, water and waste by 2020 for 2030	In progress	The 2018 Environmental consumptions have been audited by a 3rd party consultant. The 2018 portfolio data will be used to establish the long-term environmental targets for 2030
E	Certification of properties	Obtain sustainability certification for 50% of the assets under direct management for at least 2 years, by 2020	In progress	At December 31 <sup>st</sup> , 2018, 54% of our portfolio is LEED certified (in particular the Vodafone complex and the Gioiaotto and Pavilion properties). We are also aiming to achieve LEED Gold certification for the Corso Como Place project, which would bring the total portion of the certified portfolio to 60%
		Achieve certification to the Well Building Standard for one asset under management by 2020	In progress	Corso Como Place, which is planned to completion by 2020 aims to achieve the WELL certification
		Commit to procuring 100% renewable energy across our directly managed assets by 2020	In progress	COIMA is reviewing the energy procurement with the market, to identify 100% renewable energy suppliers and commit for long terms contracts
S	Stakeholder engagement	Increase material dedicated to ESG performance into roadshows and conferences	Completed	Dedicated ESG performance disclosure during roadshows have been implemented. COIMA RES also participated to the "Sustainability Day" organized by Borsa Italiana with dedicated one to one meeting with investors
		Develop a green procurement guide for property managers to promote more sustainable procurement practices across our supply chain by 2019	In progress	COIMA is developing a Sustainability Policy which defines the ESG commitment for the business with also specific references to a Sustainable Procurement policy

ESG	TOPIC	OBJECTIVES SET IN 2017	STATUS	COMMENT FOR THE YEAR 2018
S	Tenant satisfaction and quality services	Increase questions relating to sustainability in our annual tenant satisfaction survey by 2018 (Kingsley Index)	Completed	Kingsley index includes specific questions related to sustainability
		Develop an action plan for each asset under management in response to feedback from the annual tenant satisfaction survey by 2019	Completed	The 2017 Kingsley survey has been analysed and aspects have been identified which require improvements. An action plan has been developed and specific meeting held with the tenants
		Develop a Memorandum of Understanding containing green clauses for tenants by 2019	Completed	A comprehensive review of the standard lease contract has been completed, capturing several updates. A much stronger focus on tenant engagement and ESG data sharing
G	Transparency in governance	Seek 3rd party verification of our environmental performance data by 2018	Completed	The 2018 data will be audited by an independent 3rd party consultant
		Maintain EPRA GOLD rating for the Annual and Sustainability report	Completed	COIMA RES has been awarded with GOLD rating for the 2017 report, the second consecutive year
G	Economic performance	Develop key performance indicators to track the economic value created from sustainability initiatives by 2019	In progress	The 2018 data will be used as the base for a more comprehensive analysis that will be completed by 2019 - 2020
		Publish a fully integrated report that provides an integrated account the value created from our economic, environmental and social performance by 2020	Completed	COIMA RES, with this report issued an integrated report



# OUR OBJECTIVES

## OBJECTIVES FOR 2019

ESG	TOPIC	OBJECTIVES FOR 2019
E	Responsible investments	Set a long-term environmental performance target covering energy, GHG emissions, water and waste by 2020 for 2030.
E	Certification of properties	Obtain sustainability certification for 50% of the assets under direct management for at least 2 years, by 2020
		Achieve certification to the Well Building Standard for one asset under management by 2020
		Commit to procuring 100% renewable energy across our directly managed assets by 2020
S	Stakeholder engagement	Develop a green procurement guide for property managers to promote more sustainable procurement practices across our supply chain by 2019
S	Tenant satisfaction and quality services	Develop, in partnership with the Pan European Think Tank a specific market survey on offices Tenant requirements, with particular focus on generational changes and future trends.
		Continuously engage with existing and new tenants in response to feedback from the annual tenant satisfaction survey.
G	Transparency in governance	Maintain EPRA GOLD rating for the Annual Report
G	Economic performance	Develop key performance indicators to track the economic value created from sustainability initiatives by 2019

# NOTE ON METHODOLOGY

COIMA RES Sustainability Report complies with the “European Public Real Estate Association’s Sustainability Best Practice Reporting guidelines” (EPRA sBPR) – updated in September 2017 – and is also inspired by the GRI Standards published by the Global Reporting Initiative in 2016.

The content of the Sustainability Report has thus been prepared in accordance with the reporting principles referred to in the Guidelines and using the so-called materiality principle to identify the main topics to be included.

## REPORTING PROCESS AND SCOPE

Data and information included in the Sustainability chapter refer to 2018: the information has been collected from the main company functions and Property Managers.

## ORGANISATIONAL BOUNDARY

The perimeter of the sustainability performance included in this Sustainability report include all properties in COIMA RES’ portfolio as of December 31<sup>st</sup>, 2018 (as well as the Eurcenter property, sold in December 2018), in particular:

- » | 65 Deutsche Bank branches (excluding the 5 branches in the company’s portfolio which were vacant for all of 2018),
- » | Gioiaotto,
- » | Deruta,
- » | Tocqueville,
- » | Eurcenter,
- » | the three buildings comprising the Vodafone complex,
- » | Monte Rosa,
- » | Corso Como Place.

The total commercial surface included in the perimeter was 176,413 sqm. The Pavilion asset was excluded given the property was acquired towards the end of 2018 and COIMA RES has not had the opportunity to influence the environmental performance of the asset in 2018.

## COIMA RES HEADQUARTERS

In line with the EPRA sBPR guidelines, we have reported also the environmental data on COIMA RES HQ in Piazza Gae Aulenti, 12.

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