



## SUSTAINABILITY POLICY

**APPROVED BY BOARD OF DIRECTORS ON 21/07/2022**


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## 1 Objectives

This Sustainability Policy has the purpose to describe the COIMA's evolution path toward Sustainability and Impact, describing inspiring principles, governance and objectives. Jointly with its annexes "Long term objectives" and the "COIMA Way" it also provides guidelines upon how principles and priorities are translated into actions.

## 2 Legal References

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability reporting in the financial services sector (hereinafter also SFDR);
- Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on establishing a framework to encourage sustainable investment and amending Regulation (EU) 2019/2088;
- Regulation implementing Articles 4j and 6(1)(b) and (c-bis) of the T.U.F. Legislative Decree No. 58 of February 24, 1998, adopted by the Bank of Italy in December 2019;
- Commission Delegated Regulation (EU) No. 231/2013 of December 19, 2012;
- Commission Delegated Regulation (EU) 2021/1255 of April 21, 2021;
- Joint ESAs Final Report on RTS on the content, methodologies and presentation of disclosures under SFDR.

It should be noted that Commission Delegated Regulation (EU) 2021/1255 of April 21, 2021 introduces the amendments to Delegated Regulation (EU) No. 231/2013 to take into account the SFDR. Specifically, the regulatory amendment provides for, among other things:

- 1) Introduction of the definition of sustainability risk and sustainability factors;
- 2) Integration of Article 18 "Due Diligence" with references with respect to the need to integrate sustainability risk analysis into the investment process;
- 3) Integration of Article 40 "Risk Management Policy" and in particular the risks that are to be assessed by including sustainability risks among others.

## 3 Recipients and stakeholders


This Policy is applicable to all COIMA entities (i.e. COIMA SGR, COIMA REM, COIMA IMAGE, COIMA HT, Residenza Porta Nuova and COIMA Holding, hereafter jointly "COIMA"), as well as their respective consultants.

This policy is approved by the Board of Directors of COIMA entities and also includes contributions from the senior management of both COIMA SGR and COIMA REM.

## 4 Executive Summary

This Policy sets principles and guidelines to which COIMA is inspired by and is part of the wider framework that also includes the following two pillars (hereafter "The ESG Framework"):

1. [ESG Long Term Objectives \(2030\)](#) both at entity and investment vehicle level (see Annex 1)
2. [The COIMA Way](#) (see Annex 2). The COIMA Way is the collection of parts that together cover all guidelines, documents, standards, and tools that will progressively allow to implement the Policy in the day-to-day operations and qualify in a distinctive way the

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approach of the whole organization towards ESG matters.

The COIMA Way is regularly updated and integrated, and it includes a section (*Transition to Impact plan*) describing the Transition Plan for short (12 months) and medium (36 months) term objectives to achieve Long Term ones. Short and medium-term objectives are assessed and reviewed annually to feed the Impact MBO process.

The Policy is based on material aspects as described and identified in paragraph 6 and inspired by the Selected Principles in paragraph 7.

This Policy can also be found on the COIMA website.

## 5 COIMA Mission

*“Our mission is to set the highest standards, in investment, development and management, for all our stakeholders with an integrated comprehensive impact approach combining the Italian legacy in creating extraordinary assets with worldwide best practices”.*

Creating a positive impact is at the heart of COIMA as reflected in our corporate vision as one of our guiding principles.

Since founded in 1974, COIMA has been genuinely inspired by the aspiration to positively contribute through a broader sense of quality urban developments to create an impact on communities.

This constant commitment has led COIMA to act as frontrunner in urban regeneration contributing with large scale neighborhood projects, such as Porta Nuova, which is candidate to become the first development to achieve the certification for LEED and WELL for community. These projects rooted in Milan have added to Italian achievements creating a global sustainable legacy with buildings such as the world renowned Bosco Verticale.


COIMA has been materially focused to reduce environmental impact introducing LEED certification in Italy and having developed the first LEED Platinum building and the largest NZEB complex in Italy.

Regarding social aspects, our sensitivity originated the founding of Fondazione Riccardo Catella dedicating our effort to community projects to promote sustainable territorial development and enhancing and activating green and public spaces. We established the first private public partnership in Italy to manage a public park, Biblioteca degli Alberi Milano - BAM with a dedicated cultural and civic program.

A legacy of over 40 years that has been rooted on profound values.

Looking forward, setting this policy and developing a structured governance and framework to transition the organization into an impact company is driven from our firm belief that a profound change in the cultural paradigm is irreversible. Our growth in scale and complexity requires a more organized approach to mentor and enable each person working at COIMA to become an ESG ambassador and contributor and to increase our efforts involving all our stakeholders.

The global emergency of climate change and social disparity accelerated by the experience of pandemic and geopolitical conflicts are resetting global priorities ultimately raising impact as a driver in people’s choices with impact being i) the positive contribution at environmental and social level generated ii) with a transparent and measurable outcome and iii) ex ante objectives.

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We believe that financial return will ultimately be enhanced by impact while mitigating risk.

COIMA is committed to transition into an impact company and in order to achieve this strategic objective we have developed this Sustainability policy in addition to long term objectives and the COIMA Way of implementation. These 3 parts combined determine our vision, target and implementation plan.

The COIMA's fundamental behavioral drivers are:

1. to have an impact approach in our activities, every day
2. genuine passion and commitment, whilst complying with regulation
3. adopt an approach of simplification and clarity to fully engage all stakeholders
4. impact implementation by all of us with an integrated approach, avoiding stand-alone specialists and silos
5. constant innovation process raising the bar in delivering our products and services
6. contributing to spread best practices with all our stakeholders increasing our impact footprint.

## 6 ESG Governance & Organization

In order to ensure that ESG topics are deeply and consistently treated at all levels, **all COIMA Boards of Directors** approve the ESG Framework and makes strategic decisions accordingly.

In the pathway to become an impact company, the COIMA SGR CEO has a key role for management engagement and execution and is primarily assisted by:

- the **Sustainable Innovation Committee (SIC)**, a technical consultive body, formally established within COIMA SGR and reporting to its CEO, but acting to the benefit of COIMA as a whole, which:
  - Reviews the ESG Framework prior to BoDs approval;
  - Proposes priorities, material impact initiatives and ESG long term objectives to COIMA SGR AD and BoDs;
  - Reviews the Transition Plan (which is the master document including all performance objectives and/or tasks identified for the achievement of medium and short-term objectives) prior to CEO approval;
  - Supervises implementation of strategic ESG initiatives;
- The **Sustainability function/team**, which:
  - supports the SIC to define the Transition Plan, assign tasks/ MBO objectives to functions and monitor implementation, perform sustainability analysis, set ESG standards (e.g. reporting, contractual 'green clauses',ecc.), identify ESG improvements on internal processes;
  - actively contributes to the investment process of COIMA SGR signing the contents of the Investment Memorandum and of the Development Brief prior to final approvals;
  - fosters internal knowledge and skills, preparing informative materials and trainings.

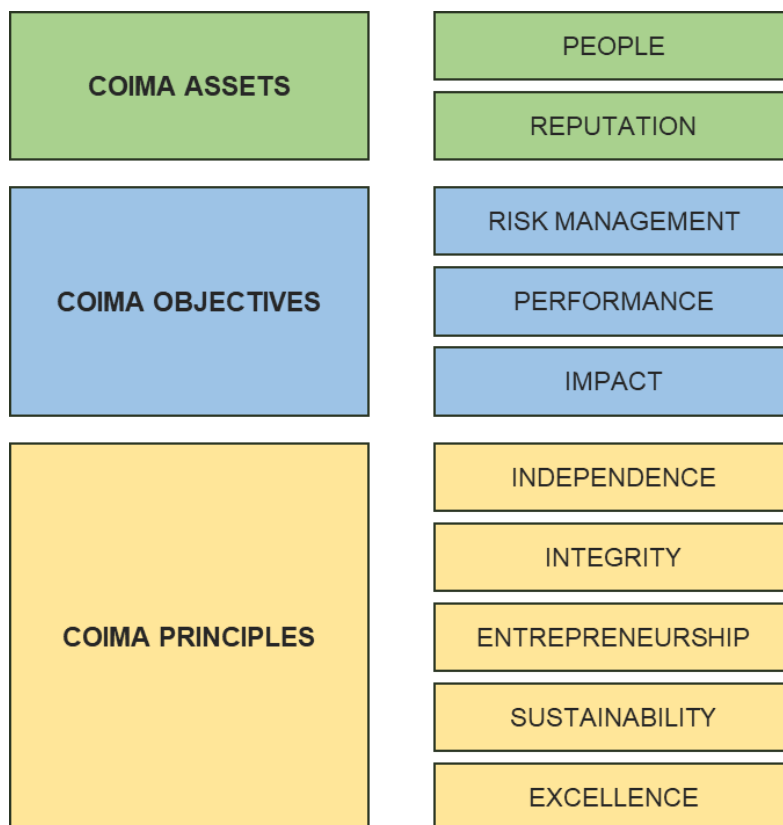
Moreover, in COIMA SGR the **Investment Committee** makes sure that:

- bylaws of new funds have objectives aligned with COIMA Long Term Objectives at the date of approval;
- each investment resolution is supported by an accurate ESG analysis, comparing ‘as is’ vs ‘to be targets’ and that funds’ business plan duly consider ESG initiatives and related costs to contribute to long term objectives.

At entity level each BoD provide guidelines to the management to ensure that ESG topics are adequately included also in each function’s objectives (both at business and corporate level), job descriptions and core processes.


## 7 COIMA Selected Principles

COIMA’s Selected Principles are at the core of our mission and focus upon the following:



COIMA’s selected principles are inspired by international standards (to which COIMA adheres on a voluntary basis, see par. 7.1, 7.2 and 7.3) and the regulatory framework. They, in turn, drive our selected priorities to:

- spread the knowledge and the commitment of COIMA people through information and training, which can both enhance day-to-day operations to incorporate ESG topics;
- foster our main counterparties (e.g. tenants, providers, etc..) to behave consistently with our principles.

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## **7.1 Alignment with Principles for Responsible Investments**

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COIMA embraces all the United Nations Principles for Responsible Investments (UNPRI) (the “Principles”) and is committed to the following:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will report on our activities and progress towards implementing the Principles.

## **7.2 Alignment with OECD Guidelines for Multinational Enterprises, UN Guiding Principles on business and human rights and UN Global Compact**

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COIMA aligns its practices with the OECD<sup>1</sup> Guidelines for Multinational Enterprises, the UN Guiding Principles on Human Rights and the UN Global Compact.

As explicitly mentioned in the OECD Guidelines “multinational and domestic enterprises are subject to the same expectations in respect of their conduct”. COIMA therefore embraces guidelines covering the following aspects outlined by the document:

- General Policies;
- Disclosure;
- Human Rights;
- Employment and Industrial Relations;
- Environment;
- Combating Bribery, Bribe Solicitation and Extortion;
- Consumer Interests;
- Science and Technology;
- Competition;
- Taxation.

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<sup>1</sup> Organisation for Economic Co-operation and Development

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Considering that human rights matters are covered by national legislation, COIMA commits to still align its practices to the UN Guiding Principles on Human Rights. In conducting all the activities COIMA considers foundational and operational principles outlined for corporations.

Finally, covering a diverse range of aspects, COIMA aligns its practices also with the ten principles of the UN Global Compact, covering:

- **Human rights:**

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

- **Labour:**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

- **Environment:**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

- **Anti-corruption:**


Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

### **7.3 Compliance with EU Reg. 2019/2088 (Sustainable Finance Disclosure Regulation) – COIMA SGR ONLY**

On March 10<sup>th</sup>, 2021, the Sustainable Finance Disclosure Regulation (SFDR) entered into force, setting regulatory requirements to classify an investment as sustainable. COIMA SGR, in compliance with Art. 4 of the EU Regulation 2019/2088, has adopted the "comply" approach to considering the negative effects of its investment decisions on ESG sustainability factors (Environment, Social, Governance). By adopting the "comply" approach, COIMA SGR will start the monitoring period of the indicators (Principal Adverse Impacts Indicators) from January 1<sup>st</sup>, 2022 and the subsequent disclosure in the reporting documents will be reported in the dedicated section of the website and in the periodic reports starting from January 1<sup>st</sup>, 2023. These aspects are already disciplined in the COIMA SGR fund management operating procedure [B.02-Procedura di gestione dei FIA](#).

In compliance with EU Regulation 2019/2088 and the last draft of Regulatory Technical Standards published in October 2021, COIMA SGR will disclose the mandatory PAI indicators on the "Fossil



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fuel” and “Real estate inefficient assets”. On a voluntary basis, on the other hand, we will disclose also information related to the “GHG emissions” (Scope 1 and Scope 2) and “Energy Intensity” PAI indicators. From 2023 onwards, COIMA SGR is considering giving disclosure also on the “Raw materials” and “Land artificialization” Principal Adverse Impact Indicators, as extremely relevant in the sector.

The Policy’s ESG priorities have been identified by also considering the requirements of the Principal Adverse Impacts disclosure reported in the RTS (Regulatory Technical Standards), therefore including environmental aspects that have been stressed as relevant impacts for the real estate sector. COIMA SGR has also considered the SFDR social impacts underlined by the Regulation. We, in fact, do not want to underestimate these aspects, despite the Regulator did not directly address them for the real estate sector.

COIMA SGR in addition to regulatory requirements intend to develop an impact organization driven not only by minimizing negative effect but also generating positive effect with meaningful quantitative measurement of objectives established ex ante.

## 8 COIMA ESG priorities




COIMA has created this Policy based on the belief that incorporating ESG aspects into our internal rules and operations will contribute to stable and resilient financial return in the long term.


### 8.1 Material aspects

The identification of COIMA impact priorities starts from material aspects identified through an accurate analysis performed by an independent third party focusing on identifying 1) sectorial best practices on impact standards and initiatives related to the real estate and financial sectors 2) the materiality analysis related to COIMA’s activities.

In order to remain up to date and constantly take into consideration internal and external stakeholders’ interest, COIMA’s materiality analysis is subject to update at least every 3 years.

Material aspects, for an accurate comparison with sectorial peers, have been divided into E (Environmental), S (Social), and G (Governance) framework:

- |   |                                     |   |
|---|-------------------------------------|---|
|  | <b><i>Environmental aspects</i></b> | <ul style="list-style-type: none"> <li>• <i>Energy efficiency and decarbonization</i></li> <li>• <i>Efficient use of resources and circularity</i></li> <li>• <i>Protection and restoration of biodiversity and ecosystems</i></li> </ul> |
|  | <b><i>Social aspects</i></b>        | <ul style="list-style-type: none"> <li>• <i>People's health, safety and well-being</i></li> <li>• <i>Enabling inclusive and sustainable communities</i></li> <li>• <i>Development of human capital</i></li> </ul>                         |
|  | <b><i>Governance aspects</i></b>    | <ul style="list-style-type: none"> <li>• <i>Innovation</i></li> <li>• <i>Transparency &amp; Governance</i></li> </ul>   |

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In alignment with our commitment to sustainable practices for the built environment, COIMA will:

## 8.2 General priorities

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- I. Target to overall perform above minimum EU, national and local legislation requirements relating to environmental protections, public health, labour standards and corporate governance;
- II. Analyse regularly best-in-class impact standards and implement as appropriate in all aspects of our operations, continuously develop sustainability consciousness of all employees and stakeholders through education and communication;
- III. Invest in technology to implement a sound data management system collecting information to support educated decisions and accurately feed ESG reporting.

## 8.3 Environmental priorities

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### ***Energy efficiency and decarbonization***

- i. fight against climate change by limiting GHG emissions and working towards net zero carbon emissions;
- ii. promote energy efficiency and maximize renewable energy use in both existing properties and new developments.

### ***Efficient use of resources and circularity***

- iii. ensure that natural resources are managed efficiently throughout our development and asset management activities;
- iv. minimize waste in all phases of the investment life-cycle, promoting circular economy in real estate development and management;
- v. avoid pollution and contamination, while selecting environmentally friendly materials and goods;
- vi. engage with key suppliers to agree better performance and effective management of the environment according to standard protocol

### ***Protection and restoration of biodiversity and ecosystems***

- vii. protect and enhance biodiversity and habitat across all our operations, while aiming to exceed national and local environmental standards relating to its investments, developments and operations and protect or enhance forested areas;
- viii. commit to promote green areas development for each asset.

Sections *Impact Analytical toolkit*, *COIMA Technical Specifications* and *Stakeholders Engagement* of the COIMA Way describe some practices contributing to this priority, which is also reflected in our [Long-term objectives \(see Annex 1\)](#).

## 8.4 Social priorities

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### ***People's health, safety and well-being***



- i. ensure the safety, security and wellbeing of our employees by carefully consider all risks and adopting all required mitigation measures;
- ii. consult with employees and keep an open conversation about physical and mental health issues, in order to provide the adequate support and assure work-life balance;
- iii. ensure contractors and service providers take all necessary actions to avoid any health-related risk for their employees, while adopting adequate mitigation measures;

### ***Enabling inclusive and sustainable communities***

- iv. aim to set and monitor environmental and social objectives in the communities in which COIMA operates also through the civic and cultural activities of the Riccardo Catella Foundation;
- v. consider in all investments the involvement and the impact on the surrounding community and all stakeholders.

### ***Development of human capital***

- vi. demonstrate COIMA's commitment to learning and development for staff by providing skills-specific courses on job and volunteering opportunities;
- vii. assure equal and fair opportunities both in the hiring process and in the working environment;
- viii. engage with key suppliers to promote employees' diversity and inclusion, both internally and externally, thanks to dedicated trainings and engagement events.


See [COIMA Way](#) sections *Governance*, *Impact Analytical toolkit* and *Stakeholders engagement*.

## **8.5 Governance aspects**

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### ***Transparency***

- i. live up to COIMA Code of Conduct, which is focusing on business ethics, anti-corruption, fraud, fair competition, conflict of interest, relations with public authorities and political bodies, human rights and equal opportunities (the complete document can be found at the following link: <https://www.coimasgr.com/it/azienda/governance/codice-etico/>);
- ii. acting as fiduciary partners to all stakeholders while operating with transparency by properly reporting to them;
- iii. ensure that company decisions contribute to improvements in sustainability for all phases of the building lifecycle: acquisition, development, operation and asset disposal;
- iv. consider ESG risks and performances in the whole life cycle of the investment, as outlined in COIMA's Policy on the integration of ESG risks in the investment process

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(the complete document can be found at the following link: <https://www.coima.com/it/disclosure/sustainable-investment-policy>);

- v. define monitoring, management and reporting systems that enables dialogue, feedback and continuous improvement of the supply chain.

#### ***Innovation***

- vi. identify explicit targets for improving our ESG performance and setting clear objectives and measuring improvements both at entity and asset level;
- vii. commit to innovate the real estate industry to continuously raise the bar in ESG performance;
- viii. assure accuracy of reporting through the thorough development of ESG data mapping, governance and digitalization.

#### ***Engagement with stakeholders***

In order to implement impact at scale, the alignment with stakeholders is a crucial factor. Alignment means sharing impact objectives in a clear and regular way, involving as possible stakeholders in impact initiatives, favouring knowledge sharing and reporting periodically on progress.

Stakeholder engagement is developed with a series of initiatives dedicated to each primary stakeholder categories including both permanent and specific activities.

See COIMA WAY section *Governance*, which describes how we plan to enable an impact driven management across the whole organization and section *Stakeholders Engagement*, believing that the strongest approach for an impact commitment is achievable by involving the whole COIMA community to contribute to transparency and innovation as described above.

## **9 Administration of Policy**

### **Policy**

The Policy is subject to periodic update by the Sustainability Team and review by the SIC prior to COIMA SGR CEO sign-off and COIMA Board of Directors's final approval. The Sustainable Innovation Committee, as appropriate, shall have the authority to make any interpretations regarding the operation of this Policy, which is reviewed on an annual basis.

Board of Directors of each COIMA entity are the ultimate approval body of the Policy, the Long-Term Objectives and the COIMA Way and any modifications.

### **Long term objectives**

These objectives are reviewed yearly by the SIC while updating the Strategic plan of COIMA SGR and COIMA REM (which work in close coordination to ensure consistency of vision, approach and contents) prior to BoDs approval. Any change to Long Term Objectives requires approval from COIMA SGR and COIMA REM BoD.

### **COIMA Way**

The COIMA Way contents are reviewed, updated and integrated on an annual basis. Material changes only require BoDs approval, while integration or better specification can be applied and communicated directly by the SIC.