



Real Estate, since 1974

SUSTAINABILITY REPORT

2020





COIMA
achieved its objectives
in 2020 thanks to:

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Letter to Stakeholders



The year that has just ended brought profound changes to our world; the pandemic swept away certainties and transformed lifestyles. In response to a global health crisis that has also become an economic and social one, and a new normal that is still taking shape, we are all having to rethink and reinforce our priorities and prepare for the near future, more aware than ever that we live in an increasingly interconnected global system.

The **major challenges of our time**, from energy transition to combating climate change to the lack of natural resources and the redistribution of opportunities and rights, call us to collective action, an imperative for everyone in our society.

Both public agendas and markets are seeing a strong **acceleration in ESG** (Environmental, Social & Governance) **issues**. Ever more, these are becoming of vital strategic importance for managing, governing and preparing for the common commitments ahead. The entire real estate value chain, which currently accounts for about one third of greenhouse gas emissions in the European Union, is responsible for finding a prompt response to the main challenges affecting it: decarbonisation, resilience, flexible urban development and requalification, and health and wellbeing.

In this context, **Italy's National Recovery Plan** ("Piano Nazionale di Ripresa e Resilienza" - PNRR), approved by Parliament, provides a powerful tool for restarting the economy, with a particularly strong focus on urban regeneration projects to aid inclusion and combat environmental degradation and social disadvantage. We estimate that the total direct impact of the PNRR on the real estate sector is about € 54.4 billion, or 30% of the total resources allocated. Apart from the impact on the property industry, infrastructure investments - focused mainly on strengthening the high speed rail network and on sustainable mobility - will also be of fundamental importance. The investments planned for infrastructure amount to about € 25.13 billion, or about 13% of the PNRR1.

Sustainable urban regeneration has been a primary area of activity for COIMA for years. It has underpinned all its development projects and, ideally, implemented on the district scale, where the highest degree of innovation, not only on physical assets but also with regard to mobility, energy and services for the community, can be applied. Over the years, COIMA has built up a portfolio strongly oriented towards quality and environmental sustainability, with 81.5% of its GAV2 LEED® certified and pre-certified by the end of 2020, not to mention the addition of new health and physical and mental wellbeing certifications with the WELL® protocol, and WiredScore® for the digitalisation of buildings.

Porta Nuova continues to be a proving ground for innovation and sustainability, with 160 thousand square metres of public and green spaces, all buildings are LEED certified, and more than three hundred

events a year hosted through the BAM cultural programme. Showcasing our vision for urban district development and management, we have launched the process for the award of LEED and WELL for Community certifications for Porta Nuova, making it the **world's first urban district that aims to obtain this dual certification** for its environmental, energy and community sustainability.

Looking further ahead, the upcoming development of the former Porta Romana railway yard, acquired this year, will be the centre of a regeneration operation for an entire disused area using sustainable principles. This urban development project will be one of Europe's most ambitious projects in scope, quality, size and outcomes.

2020 also saw the launch of the **COIMA ESG City Impact Fund**, the first Italian closed-end investment fund with measurable ESG impact targets, which will invest in sustainable regeneration at the national level, upgrading existing building stock, the creation of close-knit, resilient communities, and health and wellbeing in buildings and the community.

Domestic and international regulators (such as the European Union) are tightening regulatory frameworks, and we welcome these changes. The European Union has identified **combating climate change as key to its political identity**, with the launch of the Green Deal and the approval of a large number of measures to fund sustainable growth. Implementing Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR Regulation) came into effect from March 2021, and together with the European Taxonomy it provides transparent standards to address the action of investors and managers towards the most urgent global challenges. With regard to the SFDR, we have decided to adopt the "comply" approach in consideration of possible adverse impacts of our investment decisions on ESG factors. Moreover, the COIMA ESG City Impact Fund meets the classification for an ESG product under Article. 8, as it promotes environmental and social benefits, and we intend to apply this classification to all future Funds.

This year we have **redrawn the boundaries of our environmental data** compared to the previous Sustainability Report, succeeding in reporting on 54% of GAV managed, we aim to further increase this percentage to over 70% of GAV next year. This year, the reporting boundaries include both the Funds' direct emissions (Scopes 1 and 2) and emissions deriving from tenants' energy use (Scope 3), which account for 75% of the total emissions.

Some environmental data from the portfolio under management are particularly impressive: the marginal use of fossil fuels, which represent only 3% of total emissions, and 67% of the electricity generated by renewable sources.

An analysis of the portfolio's CO₂ emissions shows a downward trend: however, it is important to remember the unusual nature of 2020, with its widespread use of remote working due to the health emergency causing a sharp fall in office occupancy.

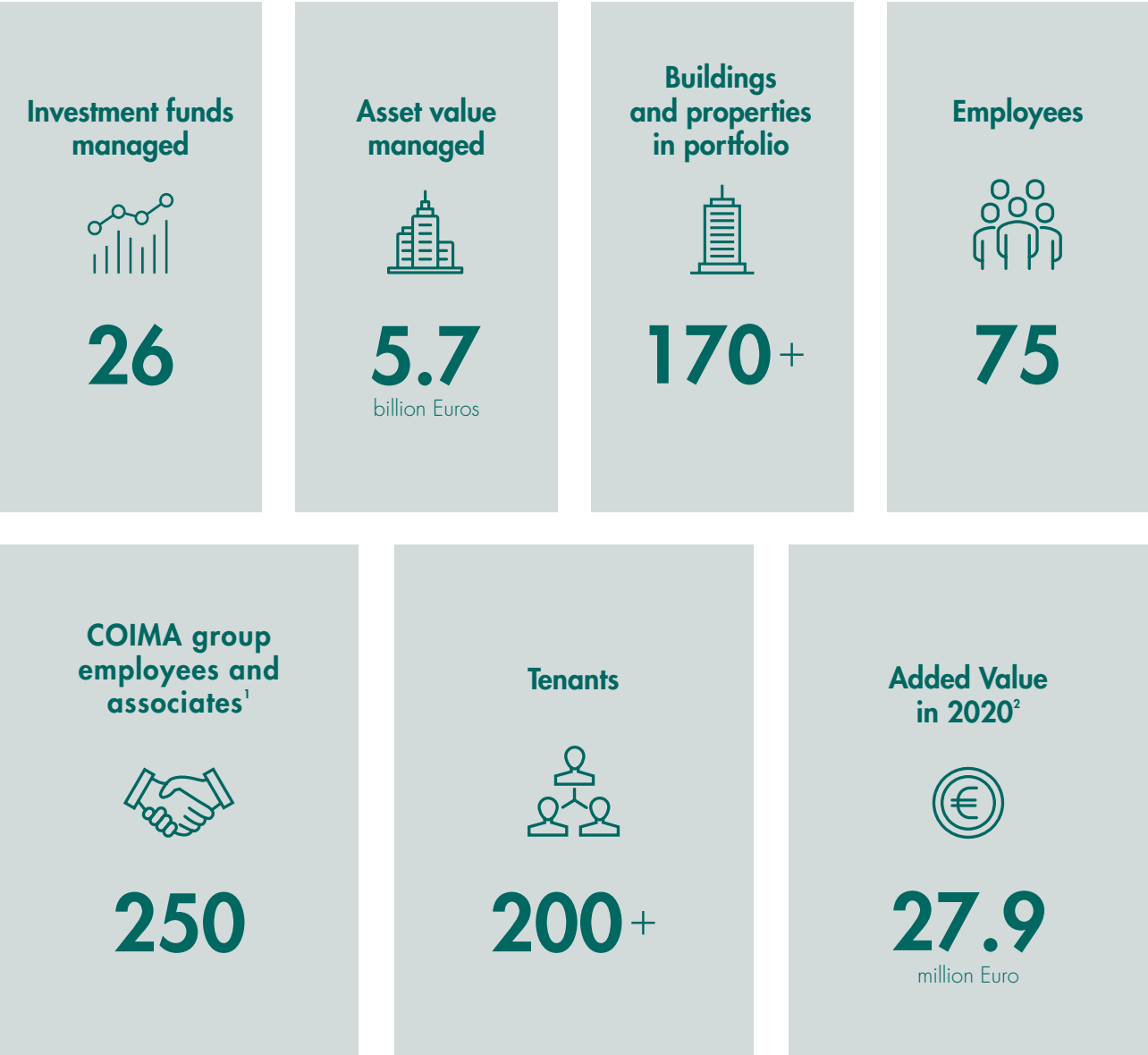
In 2020, COIMA received the US Green Building Council's "The European Leadership Award" for its continuous and **firm commitment to sustainable development**. We will continue to channel all our energy into making our projects more sustainable and ensuring the wellbeing of residents and the activation of communities. More aware than ever before this must be the underlying purpose of everything we do.

Enjoy.

Manfredi Catella
Founder & CEO
COIMA

1 PUBLISHED PNRR APPROVED BY THE ITALIAN GOVERNMENT
2 GAV: GROSS ASSET VALUE

COIMA SGR in figures



1 THE COIMA GROUP COMPRISING COIMA SGR, COIMA REM, COIMA HT, COIMA IMAGE, RESIDENZE PORTA NUOVA, FONDAZIONE RICCARDO CATELLA AND BIG SPACES
2 REVENUES GENERATED BY COIMA SGR FOR ITS RECURRENT INVESTMENT AND FUND MANAGEMENT AND PROPERTY CONSULTING ACTIVITIES. THE VALUE DOES NOT INCLUDE NON-RECURRENT REVENUES GENERATED BY THE PERFORMANCES OF THE FUNDS MANAGED.

COIMA SGR – main esg data & indicators

ESG	INDICATOR	2019	YoY	2020
E	% of portfolio managed by COIMA SGR LEED certified and pre-certified ¹	73%	12%	81.5% ²
E	% of electricity consumed from renewable sources ³	62%	8%	67%
E	Water intensity of buildings (m³/m²)	0.57	-21%	0.45
E	Energy intensity of buildings (kWh/m²)	173	-19%	140
E	Carbon intensity of buildings (tCO ₂ /m²)	0.040	-20%	0.032
S	Employees under 30 (%)	21%	14%	24%
S	Employees aged 30-50 (%)	69%	-3%	67%
S	Employees over 50 (%)	10%	-10%	9%
S	Male employees (%)	54%	6%	57%
S	Female employees (%)	46%	-7%	43%
S	Average hours of training administered	41	-71%	12
G	Male members of the Board of Directors (%)	71%	=	71% ⁴
G	Female members of the Board of Directors (%)	29%	=	29% ⁵

Leadership in Energy and Environmental Design (LEED®)

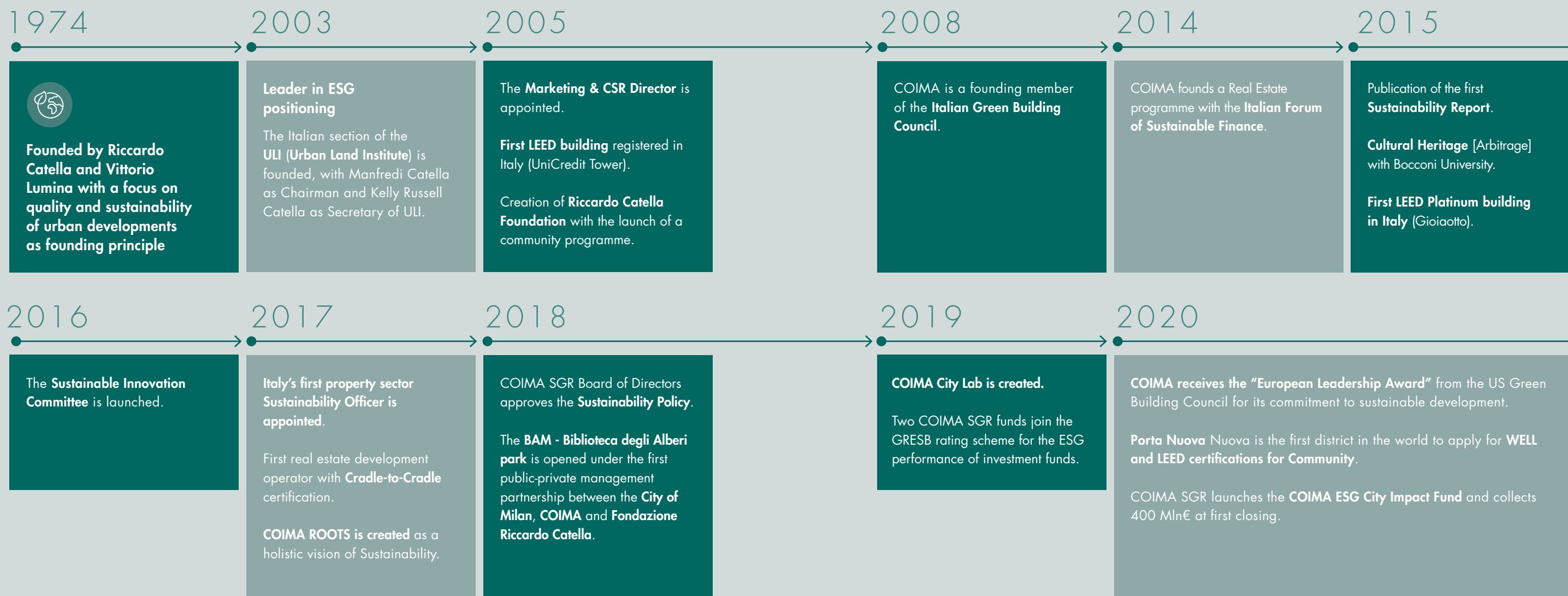
LEED® is a system for the classification of buildings’ energy efficiency and environmental footprint developed by the U.S. Green Building Council (USGBC), which supplies a set of measurement standards for assessing environmentally sustainable buildings.

The use of this certification, which has become a benchmark for the Italian market partly thanks to its adoption by COIMA in its development projects, has helped to improve the quality of the properties available on the market.

As well as the achievement of better environmental performances, application of the certification has been shown to increase value by between 7 and 11% compared to properties without environmental certification⁶.

1 BUILDINGS ARE DEFINED AS CERTIFIED IF THEY HAVE ALREADY OBTAINED CERTIFICATION; PRE-CERTIFIED BUILDINGS COMPRISE DEVELOPMENTS IN THE DESIGN PHASE AND PROPERTIES UNDERGOING REGISTRATION.
2 PERCENTAGE CALCULATED ON THE GAV MANAGED
3 WITHIN THE REPORTING BOUNDARY DEFINED IN THE NOTE ON METHODOLOGY
4 FROM DECEMBER 2020, 66.6%
5 FROM DECEMBER 2020, 33.3%
6 STUDY PUBLISHED BY REBUILD IN ASSOCIATION WITH CBRE AND GBCI EUROPE

Evolution of sustainability within COIMA





Gioia 22 - Milan - construction site

Main events of 2020

- December** COIMA SGR finalises the preliminary contract for purchase of the Porta Romana ex railway depot in Milan and launches the international competition for the masterplan
- November** COIMA launches WiredScore certification on the Italian market
- November** COIMA SGR, Covivio and Prada Holding S.p.a. win the auction for purchase of the Porta Romana ex railway depot in Milan
- October** COIMA SGR receives the European Investment Award MSCI for the performance of the Porta Nuova Garibaldi fund
- October** COIMA holds the ninth edition of the COIMA Real Estate Forum in Rome, attended in streaming by more than 500 sector professionals representing top institutional investors
- September** Architecture firms Snøhetta and Park associati win the competition for the redevelopment of Pirelli 35
- July** COIMA SGR launches the first Italian ESG fund for urban regeneration, with a target of over €1 billion
- June** COIMA SGR finalises the transaction for a portfolio of offices in Milan with a leading Italian banking group
- May** COIMA SGR receives the 2020 USGBC Leadership Award for its commitment to sustainable property development
- May** Launch of the LEED & WELL for Community certification process for the Porta Nuova district
- March** Donation to the City of Milan Mutual Assistance Fund
- February** Launch of the COVID-19 Task Force



Integration and synergy to tackle the Covid-19 emergency

The response to the health emergency, which arose from the spread of COVID-19, took an interconnected, complementary approach, in line with the objectives and modus operandi of COIMA. The COVID-19 Task Force, a multidisciplinary team with eleven members drawn from all the organisations, including COIMA SGR, was established on 22 February 2020.

The mandate of the Task Force was to define the appropriate and necessary measures to safeguard employees' health and safety while guaranteeing the continuity of the business. It was assigned to monitor the regulations introduced on both the local and the national levels, and to oversee and coordinate relations with tenants and suppliers to provide guidance on the most appropriate measures for the protection of people and the assets managed. During 2020, the Task Force met regularly from February to October, reporting directly to the Boards of Directors of the various organisations involved.

01

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The property market is undergoing a period of profound change: COIMA intends to take advantage of the opportunities this offers through an approach that integrates sustainability and innovation in its processes, in the services offered and with the type of real estate products developed and managed.

OUR MISSION

OUR MISSION IS TO **CREATE** L
FOR OUR INVESTORS AND FO
IN WHICH WE OPERATE **FOCU**
FUNDAMENTALS, SUPERIOR
CONSTANT RISK MANAGEMEN

OUR VALUES

About us

COIMA SGR is an asset management company licensed by Banca d'Italia for the provision of investment fund management services in 2007. It operates in Investment & Asset Management. As of 31 December 2020, it manages 26 real estate investment

funds and approximately Euro 5.7 billion of investments, with Euro 1 billion of acquisitions completed in the last 24 months. It has over 170 properties in its management portfolio, with 53% of GAV LEED certified.

The COIMA Group

Prior to the publication of the Report, the Group undertook a corporate reorganisation in which the shareholders' stakes in the various companies were transferred to a consolidated group structure, headed by COIMA FOUNDERS and the operating sub-holding company COIMA HOLDING, both incorporated as limited joint-stock partnerships.

The COIMA Group represents various companies and is a leading player in the Italian real estate sector, heading development projects with a strong focus on sustainability and innovation.

COIMA SGR works regularly and in an integrated manner with COIMA REM (Real Estate Management), the company founded in 1974¹ which specialises in Development and Property Management.

In line with the group's digitalization strategy over the last three years, COIMA HT (Human Technology) was created with the mission of developing and integrating digital solutions to enable services tailored to people's needs, scalable at the building or district level.

COIMA IMAGE, founded in partnership with COIMA REM in the '80s, is specialised in architectural and interior design services, operating through both space planning for corporate clients and interior design for high-end residences. SGR collaborates with COIMA Image, in synergy with the building management activities of COIMA REM, in the organisation and optimisation of spaces and in building fit-out projects.

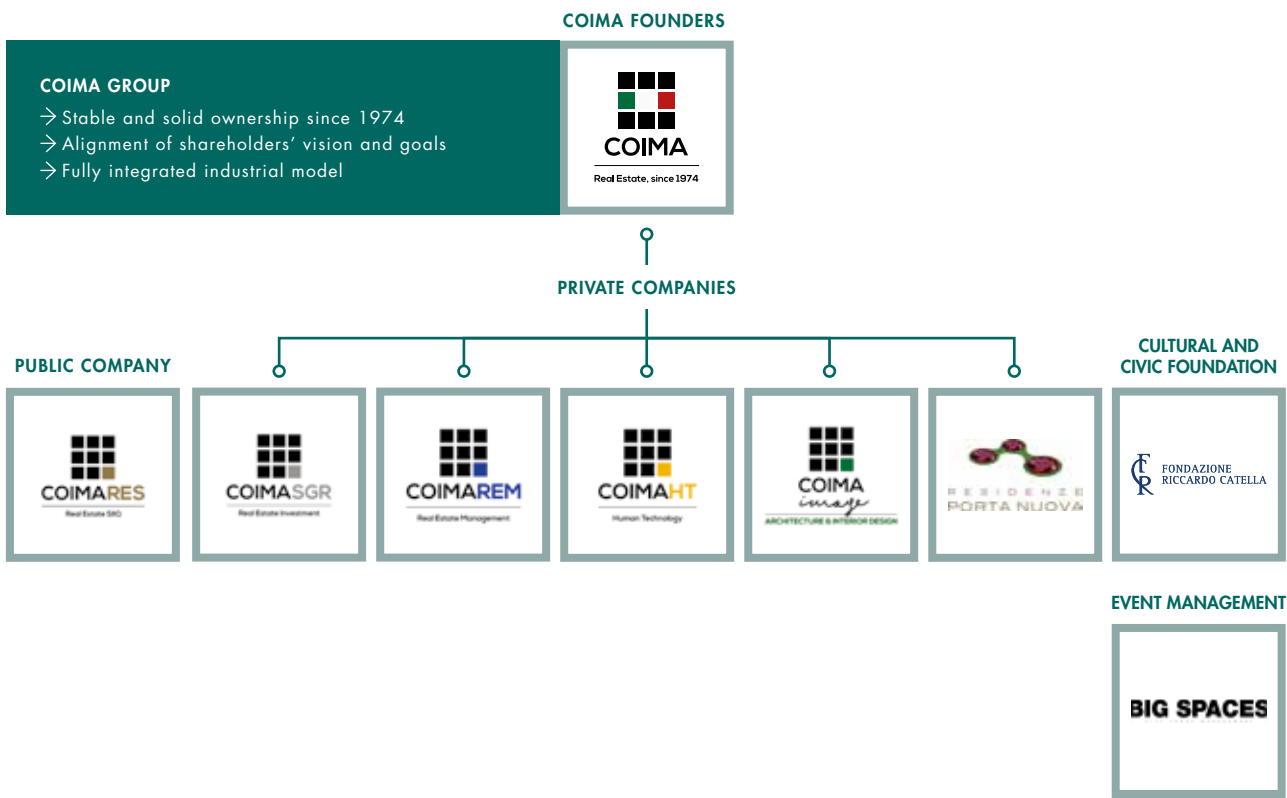
Residenze Porta Nuova Agency is a real estate company founded in 2009, made up of professionals with twenty years of experience, specialized in the sales of residential properties. It is responsible for managing the sales of the Porta Nuova project's residences in Milan: Bosco Verticale, Residenze dei Giardini, Torre Solaria, Torre Aria, Torre Solea, Le Ville di Porta Nuova.

Fondazione Riccardo Catella has promoted civic and cultural initiatives since 2007, with the aim of promoting sustainable practices and responsible planning and development, and promoting the activation of the communities to improve the quality of urban life.

Big Spaces has been active since 2013 and has been managed by the Fondazione Riccardo Catella since 2019. The venue management company is responsible for the promotion, marketing and management of exteriors and interiors spaces of Porta Nuova, it's dedicated to events, television and advertising productions under the brand Milano City Studios.

COIMA RES SIIQ, incorporated in 2016, is a listed property investment company specialising in investments in the mainly for-profit tertiary sector; its operating management is handled by COIMA SGR and COIMA REM in order to benefit from the Group's expertise.

The company's managers liaise with the COIMA Executive Committee, at meetings specifically held to share best practices in organisational areas, especially with regard to: i) organisational best practices with specific reference to processes and SLAs; ii) market analyses; iii) joint initiatives (e.g. relating to personnel management, digitalisation, etc.). This ensures integration and the sharing of strategies, reinforcing vertical and horizontal synergies amongst companies, especially with regard to human resources development, business development opportunities, and stakeholder communication and engagement.



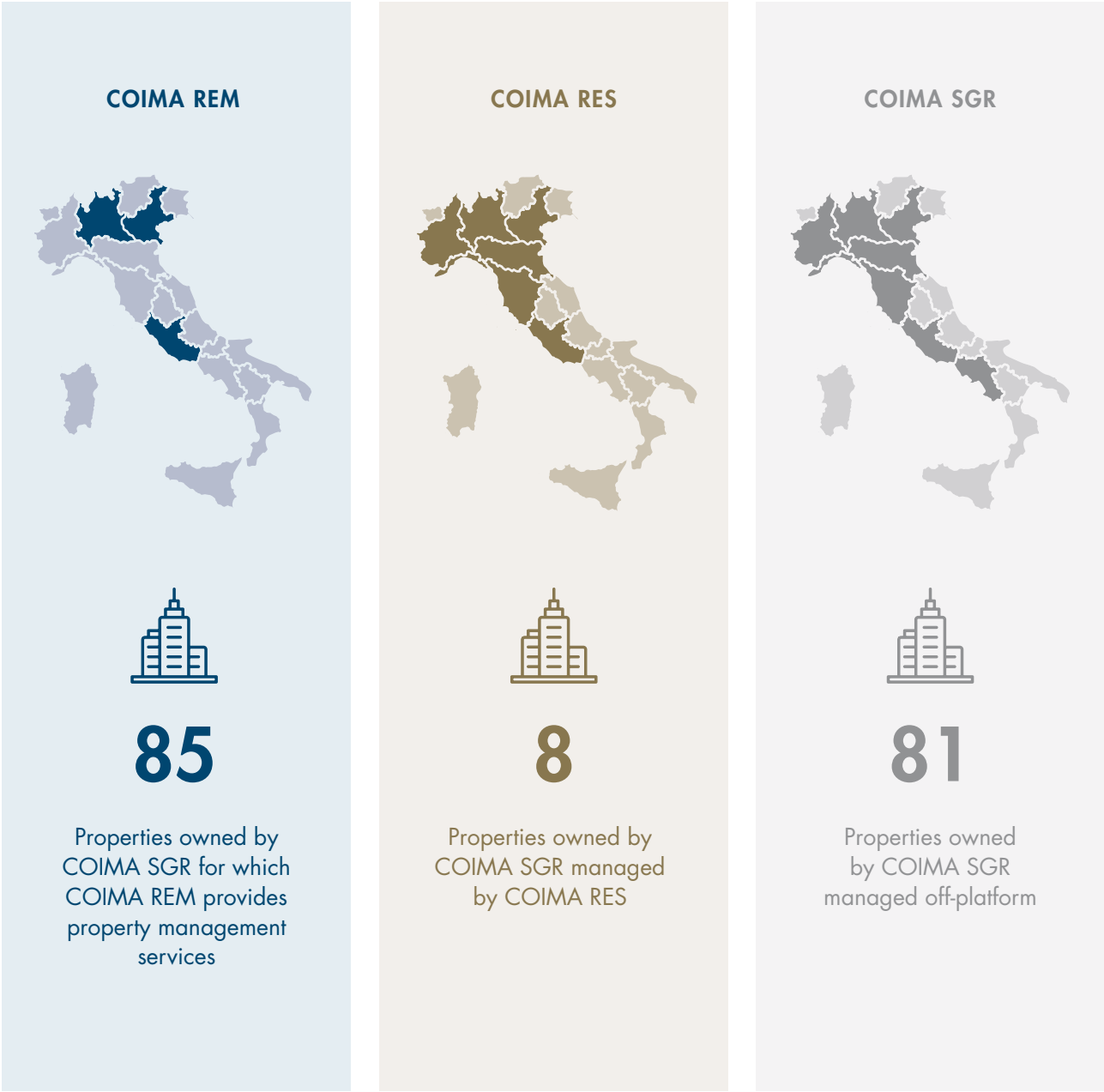
¹ COIMA SRL WAS RENAMED COIMA REM WITH EFFECT FROM 9 MARCH 2021



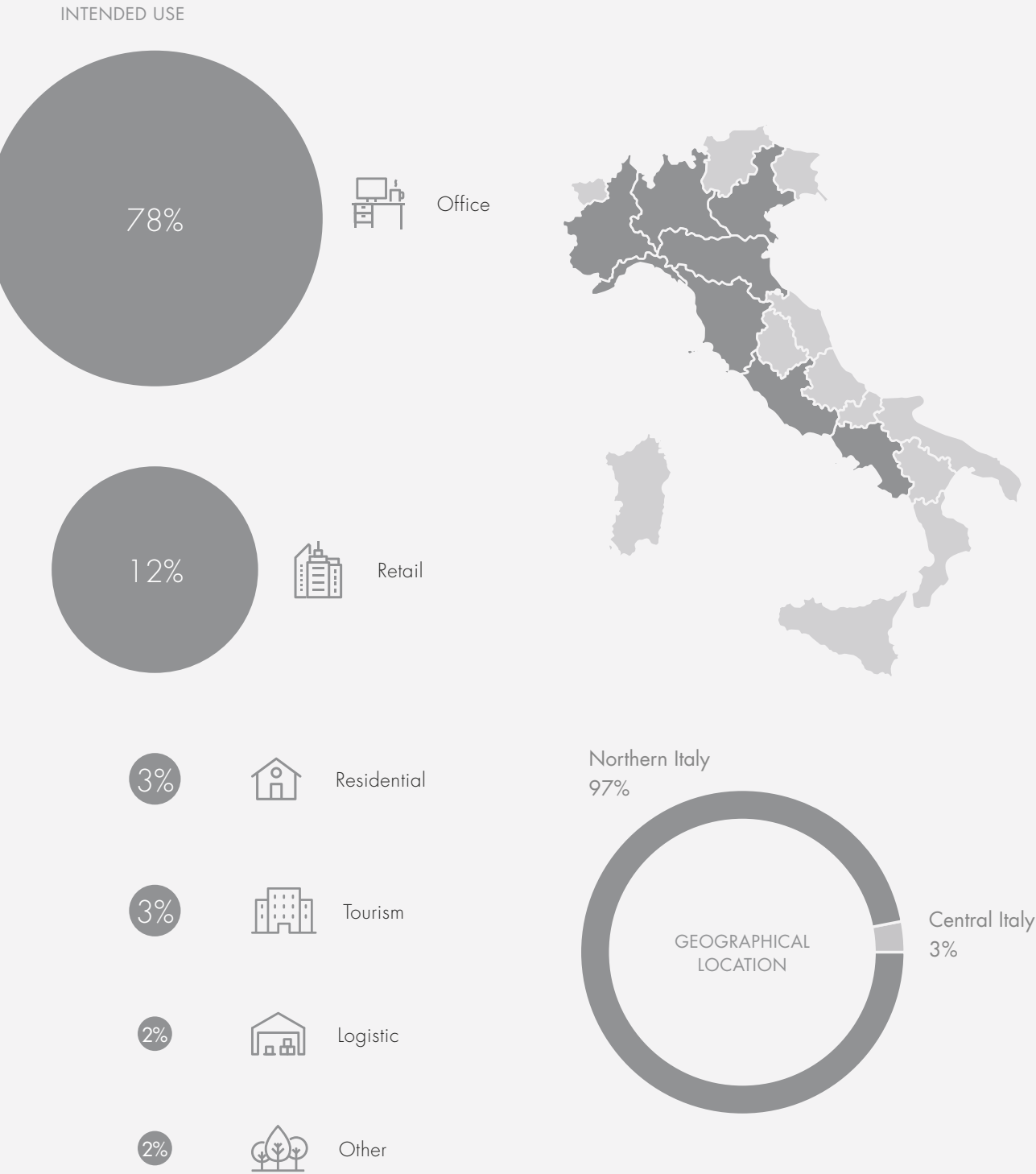
SGR

The COIMA SGR portfolio

Relationships between COIMA SGR portfolio and COIMA REM and COIMA RES

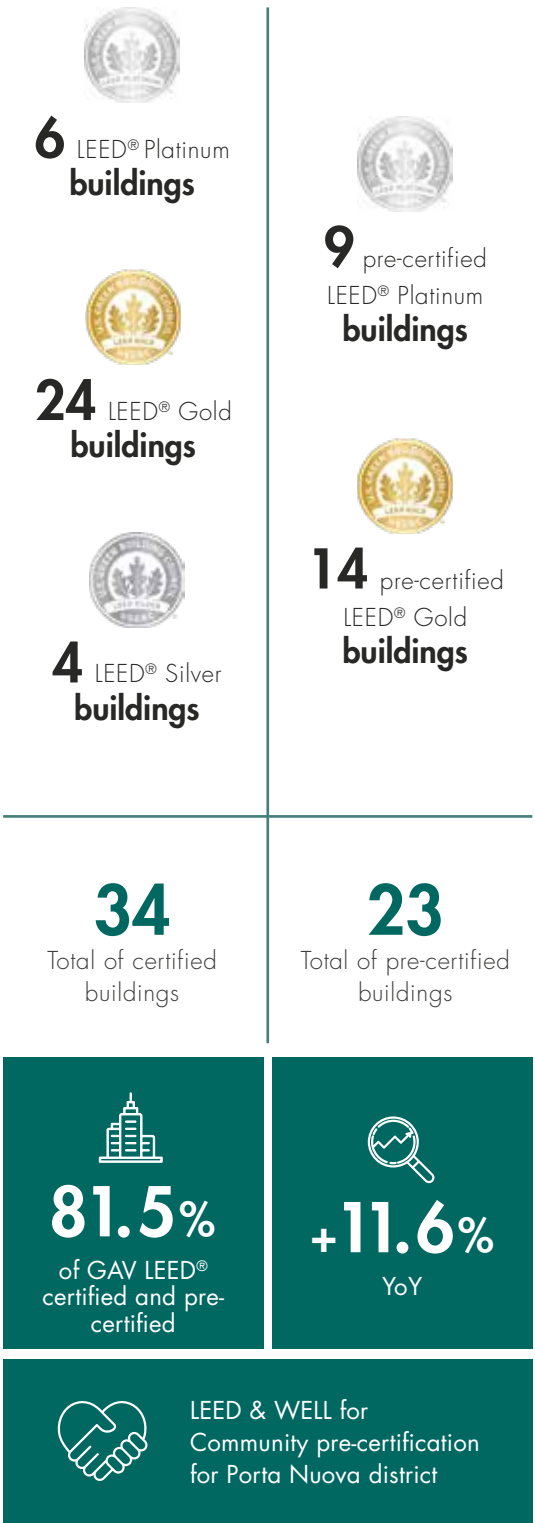


Portfolio distribution



Certifications and awards¹

Sustainability certifications by type



¹ THE CERTIFICATIONS SHOWN HERE ARE FOR ALL BUILDINGS UNDER MANAGEMENT, AND NOT FOR THE BUILDINGS SELECTED IN THE ENVIRONMENTAL DATA ANALYSIS PERIMETER
² COUNCIL ON TALL BUILDINGS AND URBAN HABITAT

Main awards received by assets managed by COIMA



Porta Nuova is the world's first district to aspire to LEED and WELL for Community certifications

COIMA SGR and COIMA RES have jointly launched the process for obtaining "LEED for Communities" and "WELL Community" certifications for the Porta Nuova district in Milan, making this the world's first district requalification project to aspire to this dual certification. The aim is to obtain the certifications during 2021.

These two complementary certifications will consider the social, environmental and economic aspects of the Porta Nuova development, documenting the commitment to creating a district dedicated to the community which lives there through the activation of public spaces, the creation of an innovative, repeatable urban economic model, and the development of community communications tools.

Porta Nuova Varesine - Milan



Company governance



We are working to better integrate ESG risk assessment of our investments and to organize the reporting of relevant measures. COIMA SGR has chosen to “Comply” with reporting standards by European regulation (2088/2019 or SFDR) and has already classified the first urban regeneration fund as a product that promotes environmental and social characteristics (Article 8). We intend to continue in this direction, so that 80% of the assets are held by funds promoting or proposing ESG objectives (Articles 8 and 9) within the next three years.

Eva Bovolenta
Independent member of the Board of Directors



COIMA SGR aims to create value that is sustainable over time, in the interest of its shareholders and stakeholders, and achieve the strategic objectives set by the COIMA Group, while conserving its managerial autonomy and the specialisation of its business.



The governance and compliance system

COIMA SGR is subject to regulatory oversight by Banca d'Italia and the Commissione Nazionale per le Società e la Borsa (CONSOB). COIMA SGR's governance is compliant with its Articles of Association and the provisions of the full regulatory framework issued by Banca d'Italia and CONSOB. COIMA's governance has been developed on the basis of national and international best practices and, in some areas, also with reference to the Borsa Italia Corporate Governance Code guidelines. The governance system is intended to ensure transparency and compliance in management operations, control risk, and avoid any type of operation prejudicial to creditors and other stakeholders.

The company has its own Code of Ethics and an organisation, management and control model ("Governance Model") in accordance with Italian Legislative Decree 231/2001, updated in response to the development of the Company's organisational structure and regulatory and procedural changes. Control over corporate management is provided by the Board of Statutory Auditors and the internal Compliance, Risk Management and Anti-money-laundering functions, as well as by the Internal Audit function. A whistleblowing channel, regulated by a specific procedure, is available for reporting any violations of the company's ethical principles and rules of conduct.

Board of Directors and Committees

The company is managed by its Board of Directors, which, in its role as strategic supervisory body, sets the company's objectives and strategies and the investment policies for the funds and assets managed, in compliance with the relevant legislation and regulations. The COIMA Board comprises 9 Directors, 4 of them independent, serving until approval of the financial statements as of 31 December 2021.

The Board is led by Cristiana Pisor in the capacity of non-executive chair. The Board's other eight members are CEO Manfredi Catella, two executive members who operate as the company's top managers, four independent directors and one director representing the minority shareholder. The BoD is supported by various committees with consultative and advisory functions, which it itself establishes.

Investments Committee

It evaluates any investment or disposal being considered by COIMA SGR on its own account or that of the managed funds, and reviews the business plans of the funds and one-off projects, analysing any deviations and issuing any strategic recommendations and their risk profile. The Head of the Risk Management Function and the Head of the Evaluation Function attend meetings of the Committee¹.

Conflicts Committee

It assesses the terms, conditions and structure of operations which may imply conflicts of interest, and issues recommendations to the BoD on the implementation of additional measures useful for ensuring that COIMA SGR acts in the best interest of each managed funds and/or of the investors of the managed funds.

Control and Operational Risk Committee

It supports the BoD's evaluations and decisions with regard to the company's operating risk control and management system; during 2021, the company replaced the Control and Operational Risk Committee with a Risk Committee external to the BoD, which provides its advice regarding the guidelines for the Internal Control System and operational risk management, to ensure that the main risks are correctly identified and adequately measured, managed and monitored, and on the compatibility of these risks with a business management approach consistent with the strategic objectives identified.

Remuneration Committee

It supports the BoD in the structuring of the "Remuneration and Incentives Policy" and in verifying its correct application, issuing advice with regard to staff promotion and incentives proposals and to the alignment of interests between investors and managers with regard to the procedures for allocation of commission fees related to the performance of the funds managed².

Sustainable Innovation Committee (SIC)³

Committee established by COIMA, mainly technical - advisory, and carries out supervision activities in relation to the business management of the "ESG" (Environmental, Social & Governance), "Impact Investing" and product innovation issues. The SIC makes recommendations to the Investment Committee and the Board of Directors.

1 WITH EFFECT FROM THE DATE OF THE GENERAL MEETING ON 22 DECEMBER 2020, THE BOARD'S COMPOSITION WAS EXPANDED FROM 7 TO 9 MEMBERS, WITH 2 ADDITIONAL INDEPENDENT DIRECTORS.

1 WITH EFFECT FROM 2021, THE REGULATIONS OF THIS COMMITTEE WERE REVISED TO REFLECT CHANGES IN OPERATION AND THE UPDATES TO THE OPERATING PROCEDURES, INCLUDING THOSE RELATING TO ESG ISSUES. IN PARTICULAR, THE NEW REGULATIONS ARE EXPECTED TO ENVISAGE THE ATTENDANCE OF ONE OR MORE MEMBERS OF THE SUSTAINABLE INNOVATION COMMITTEE (SIC) TO ADVISE ON ESG CONCERNING FUND OBJECTIVES, IN ACCORDANCE WITH ARTICLES 8 AND 9 OF REGULATION 2088.
2 DURING 2021, THE BOARD APPROVED AN AMENDMENT TO THE REGULATIONS OF THIS COMMITTEE, ALSO ASSIGNING IT THE FUNCTIONS TYPICAL OF AN APPOINTMENTS COMMITTEE.
3 COMMITTEE WAS FORMALLY ESTABLISHED AT THE BOARD MEETING ON 30 APRIL 2021.

Sustainability actions and Agenda 2030

Analysing and interpreting the evolving scenario, The Sustainable Innovation Committee (SIC) has been tasked with monitoring the macro environment and acting as driver for the integration and implementation of new sustainability and innovation practices in line with the business strategy and the principles of sustainable urban development.

The SIC, founded as a working group in 2017 and transformed into a technical-consultative committee by the Board on the recommendation of the CEO in April 2021.,SIC supports Top Management in the management of ESG issues and plays a central role in both the investment process and property asset management. Working with the Head of Sustainability & Communication, the Committee’s purpose is to promote all ESG criteria within the company, with a special focus on topics linked to innovation and environmental and social sustainability.

The SIC supervises the company’s management of ESG (Environmental, Social & Governance), Impact Investing and

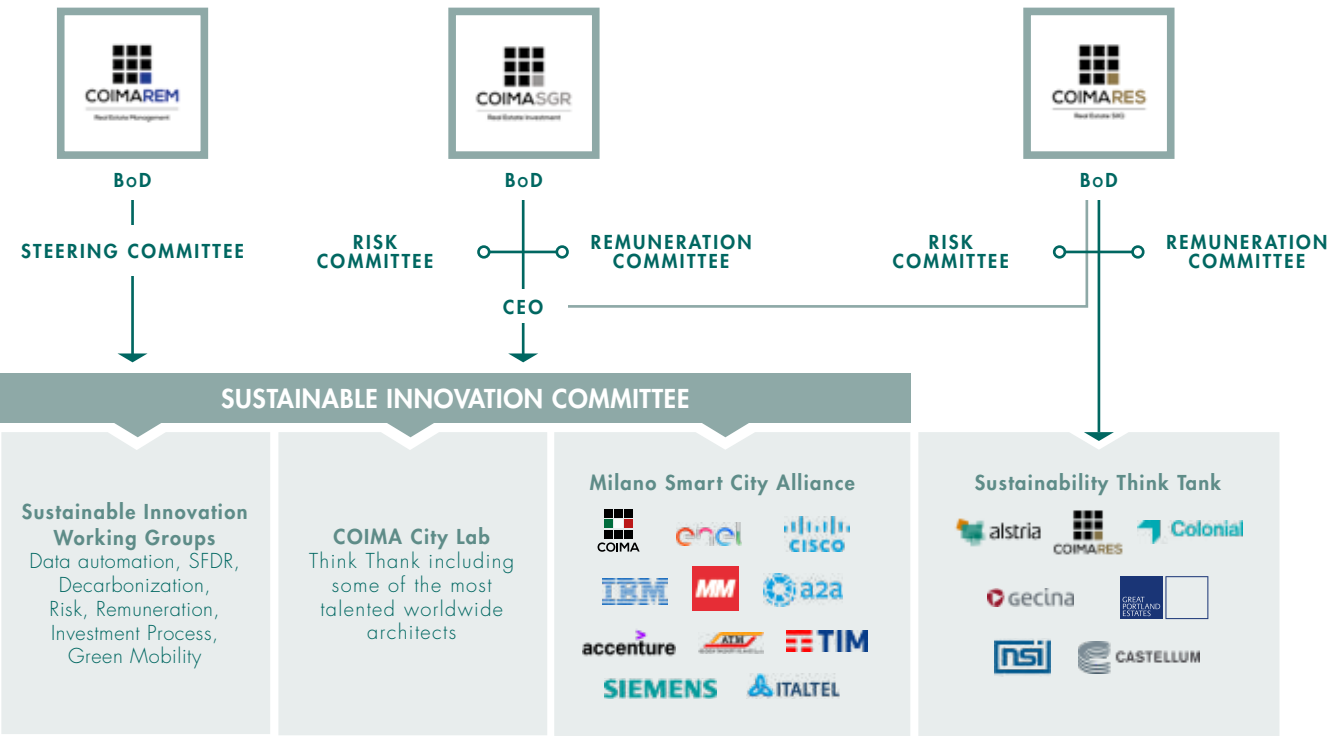
product innovation issues, as well as submitting recommendations to the Investment Committee and the Board of Directors, which also consults the Conflicts Committee and the Fund Consultative Committees before reaching a decision, if necessary.

The SIC maintains an action plan, inspired by the Sustainability Policy, which sets ESG goals over a three-year period, monitoring their progress and making any updates on an annual basis.

Specific projects linked to ESG topics are managed through the creation of Working Groups, which manage individual projects for a more agile approach, and includes the COIMA Group members necessary for achievement of its goals.

During 2020 the SIC and the COIMA SGR management made a major contribution through the development of the COIMA “Charter”, a proprietary tool for the quantitative assessment of the achievement of sustainability goals in investments.

Sustainable Innovation Committee Governance



02

The evolution of sustainability

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The application of an integrated approach to ESG impacts assessment in the real estate sector marks an important historical moment. COIMA promotes the achievement of measurable ESG objectives in all investments.



The evolution of ESG



COIMA continues to strengthen the integration of processes and strategic decisions related to the identification and measurement of its environmental, social and governance objectives. We want to make our contribution to the environmental transition and social inclusion within our development areas, working on the issues of “mission locking” to engage all our stakeholders.

Kelly Russell Catella
Head of Sustainability & Communication, Chairman Sustainable Innovation Committee

Starting with the publication of the UN’s 17 Sustainable Development Goals (SDGs), and the commitments undertaken by governments and enterprises during the latest Climate Change Conference (COP25), 2020 saw a sharp acceleration in regulatory and financial action at the European level to further reinforce the momentum of the decarbonisation of the economic and social system.

In the context of the Green Deal, January 2020 witnessed the approval of the ten-year sustainable investment plan, intended to direct European economic and social development with the overall aim of reducing net CO₂ emissions to zero by 2050, in line with the commitment to the United Nations Agenda 2030 Sustainable Development Goals. The measures introduced by the European Commission aim to mobilise about 1,000 billion of public and private investments, and will affect various sectors of industry and services, from energy to construction.

In the meantime, Regulation 2020/852 of the Parliament and of the Council of the European Union, defining the criteria for the classification of sustainable investments, was approved in June 2020. The economic activities regulated on the basis of CO₂ emissions containment goals include the entire real estate value chain, which will be profoundly affected by this new regulatory framework. These include the construction of new buildings and the renovation of existing buildings; localised renovation measures; and the purchase and ownership of properties, which currently account for about one third of the

European Union’s greenhouse gas emissions.

The EU Taxonomy for sustainable finance will become fully operational by 2022 and will have immense impact on the world of investors, and thus on the companies in which they invest. The consequences for the property sector will be the acceleration of the virtuous cycle in which the increase in availability of buildings which meet high performance standards will dovetail with investment demand from operators increasingly intent on assessing risk and return profiles on the basis of sustainability criteria.

Moreover, in line with the aims of the Action Plan for Financing Sustainable Growth, the implementation of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR Regulation) was approved on 27 November 2019.

In conforming to Art. 4 of Regulation (EU) 2019/2088, COIMA SGR has decided to adopt the “comply” approach in consideration of the adverse impacts of its investment decisions on ESG (Environment, Social, Governance) sustainability factors.

In its sustainable investment policy, COIMA has adopted a highly structured approach, intended to mitigate the sustainability risks and principal adverse impacts (PAI) of investment decisions according to the sustainability factors

listed in the “Final Report on draft Regulatory Technical Standards”.

COIMA will start the period of monitoring of the indicators envisaged by the regulations from 1 January 2022, and the subsequent disclosure in its reporting documents will be included in the dedicated section of the website and in its regular reports with effect from 1 January 2023.

In a year profoundly affected by the impacts of the health emergency, 2020 saw an acceleration of the existing

trends with regard to environmental and social sustainability, particularly in an urban context.

In fact, the Covid-19 pandemic placed quality of accommodation and quality of life in cities high on the agenda of residents and of the institutions which govern. In a world moving faster and faster towards urbanisation and globalisation, cities became the epicentres of the health crisis, today they may become the front line in the fight against the global pandemic, by rising to the challenges of the green transition, inclusiveness and the push back against rising economic and social inequalities.

Covid 19 and environment in cities and territories



SOURCE: WORLD CITY REPORT 2020 UN HABITAT

The financial drive to decarbonisation



We are at the beginning of a decade that represents a crossroads for our planet for the environmental and social issues arising from climate change. For this reason, COIMA has decided to work to make all buildings under management, and future investments aligned with the objectives of containing global warming within 1.5°C. We work to safeguard the assets of our investors by investing in climate mitigation of the portfolio and the resilience of real estate products.

Stefano Corbella
Sustainability Officer, Segretario Sustainable Innovation Committee




It is a well-established fact that the real estate sector is responsible for a very large proportion of consumption of natural resources and energy at the global level, directly and indirectly contributing


to a substantial portion of atmospheric CO₂ emissions (specifically, it is estimated that buildings and constructions are responsible for about 38% of global CO₂ emissions)¹.

The carbon footprint of the real estate sector



Buildings and the building sector are responsible for
38%
of all the world CO₂ emissions

- 

More than two thirds of emissions are due to the energy consumed to heat, cool and light buildings
- 

About one third of emissions are related to the production of construction materials and processes throughout the life cycle


The real estate sector and its supply chain (starting from building materials, through to the involvement of the tenants who occupy properties) have a important roles t play within the conversation on climate change, as well as being a primary channel for the development of specific actions to combat the rise in the global average temperature.

COIMA is committed to studying and responding to the challenge that climate change represents for its portfolio, and to identifying the most effective strategies to mitigate it. One fundamental aspect for the achievement of environmental and social goals is the collection, governance and processing of data, and transparency in reporting.


1 2020 GLOBAL STATUS REPORT FOR BUILDING AND CONSTRUCTION, UN ENVIRONMENT PROGRAMME




Finance and environmental sustainability: the European Union objectives




Climate change mitigation:
reducing or avoiding greenhouse gas emissions or improving their absorption




Climate change adaptation:
reducing or preventing the adverse impacts of the current or future climate, or the risk of adverse impacts




Sustainable use and protection of water and marine resources



Transition towards a circular economy, focused on the reuse and recycling of resources






Pollution prevention and reduction



Protection and restoration of biodiversity and ecosystems

SOURCE: REGULATION NO. 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

COIMA's response to the challenges of the scenario

	 Decarbonisation	 Resilient, flexible spaces	 Health and wellbeing
GOALS	<div>Reduction of energy needs and CO₂ emissions deriving from the operation of properties</div> <div>Reduction of emissions during construction</div> <div>Reduction of water consumption and waste generation</div> <div>Reduction of dependency on the use of fossil fuels</div> <div>Integration of renewable sources</div> <div>Integration of forestation and biodiversity</div>	<div>Increasing biodiversity factors in requalification projects</div> <div>Creation of flexible spaces to respond to changing needs</div> <div>Climate change mitigation</div>	<div>Safe, healthy, functional environments</div> <div>Buildings which promote physical and mental health and wellbeing</div> <div>Community Impact through the activation of mission locking and services</div>
ACTIONS	<div>Development of a plan for the decarbonisation of the properties in portfolio</div> <div>Plan for the decommissioning of heating systems and replacement with heat pump systems</div> <div>Evaluation and monitoring of a "carbon LCA" during construction / requalification for all scheduled projects</div> <div>Application of systems for the reduction of consumption, use of non-drinking water for non-essential purposes, and use of materials based on circular economy principles</div> <div>Integration of renewable sources in planned requalification projects</div>	<div>Adoption of biophilic design principles in new projects (indoor / outdoor)</div> <div>Integration of building design strategies which enable the multifunctionality of spaces</div> <div>Design integrated spaces with physical risk mitigation and transition strategies</div>	<div>High standards in the management of properties and of tenants' needs</div> <div>LEED & WELL certifications in buildings.</div> <div>Monitoring of the health conditions of building interiors</div>

Living: the resilient city

In pre-Covid times, the most widely held view was that the world's population was going to concentrate in large urban centres, responsible for two thirds of energy consumption and 70% of carbon emissions at the global level, and that the largest cities were therefore destined to dominate the planet's economy¹. The experience of Covid-19 has also had an impact on the economic model at the urban level, leading to the emergence of new ways of working and thus of new urban planning models. Therefore, the challenge is to even further improve the large urban centres, while also connecting them to the nearby areas. Well planned, managed and funded cities create value which can be used to build resilient centres, able to recover from the

devastating impacts of pandemics, improve the quality of life of all residents, and attempt to provide an integrated response to global challenges such as the fight against poverty, inequality, unemployment and climate change. Life in Italy has historically been centred around its cities, which tend to be smaller than the large international metropolises found in other parts of the world and, partly for this reason, they are safer and with a better quality of life. Today, this characteristic provides a strategic advantage and the basis for a post-Covid planning model. The challenge is therefore to update and redevelop our cities while connecting them to the surrounding territories both digitally and physically.



COIMA's vision of the post-Covid city

The Covid-19 pandemic has profoundly affected the way we work, live in and view buildings, and get around our cities, as well as the configuration of the cities themselves. Urban centres are now spaces awaiting reinvention - partly rebalancing, partly reconfiguration.

Firstly, transport systems are destined for rapid, sustainable evolution: the logistics infrastructures for the distribution of goods will have to be reinforced and updated to meet the demands of e-commerce. Almost all Italy's building stock requires modernisation and renewal plans will be needed for housing nationwide. Approximately 92.7²% of Italy's housing stock is obsolete, classified in energy categories below C -, and schools and hospitals also require structural upgrading.

Offices all over the world have felt the impacts of the pandemic acutely. They will increasingly need to become places for collaboration and interaction, and must be rethought to facilitate and maximise the creative exchange of ideas, formerly a lower priority. Companies which rent office accommodation will very probably give precedence to quality over quantity in their property decisions, perhaps choosing to reduce the amount of space rented but modernising their offices to improve accessibility, visibility and sustainability, and the wellbeing of their employees. Ground floors will also be affected by the explosion of e-commerce, which will naturally have repercussions for retailing.

Public spaces will regain their significance in the design of resilient cities and buildings, which will become more complex in technology, security and functional performance, and will require management services embracing new high-level skills. COIMA believes that the COVID-19 crisis will accelerate the trend towards the development of resilient, holistic, high quality districts, designed with measurable ESG criteria. Furthermore, these districts will attract demand from tenants who will give more consideration to a wider range of characteristics, rather than concentrating mainly on the price factor.

1 SOURCE: UN HABITAT, 2020
2 STRATEGY FOR THE ENERGY UPGRADING OF ITALY'S NATIONAL BUILDING STOCK, 25 NOVEMBER 2020

Impact investing on the territory

The health and economic crisis triggered by the pandemic has highlighted the urgency of creating development models able to generate more widespread, sustainable wellbeing, involving both the territory, one of Italy's chief assets, and the renewal processes of cities and infrastructure. This is the backdrop for urban regeneration, which means transforming cities and districts (nothing more or less than a specific form of public infrastructure) and encouraging their redesign to embrace change and long-term forecasts about the ways cities are used.

Today, cities and territories are required to adapt to the changes affecting them as never before. Urban regeneration will be an opportunity and a key factor in the national

agenda, as well as a strategic choice that allows them to attract, thanks to the efficient use of the existing building stock and the improvement of the quality of urban environments. Cities will also have to tackle problems of functional decline and deterioration without consuming new land, and reducing concrete use.

The Italian National Recovery Plan focuses particularly strongly on urban regeneration as the tool for supporting the social inclusion of young people, and of combating social and environmental deterioration, through investment in the requalification of heritage sites, suburbs and historic parks and gardens, and support for joint projects for culture-based urban regeneration, centred on local communities.



COIMA for sustainable urban regeneration

COIMA ESG City Impact Fund is the first Italian closed-end investment fund with measurable ESG impact targets that will invest in sustainable land regeneration at the national level, meeting the criteria set by art. 8 of European Regulation 2019/2088. The fund allows Italian institutional investors to make investments with a positive impact on the national economy, whose objectives are linked to the achievement of priorities of fundamental importance for the country, such as decarbonisation, employment, inclusive planning and transparency.

In order to implement the Fund's investment programme in line with the ESG impact objectives, COIMA SGR has developed specific governance and a proprietary analytics tool for assessing ESG contributions in the Fund's investments.

The Fund also has the support of an Advisory Committee of Anchor investor members and independent members with in-depth experience in and knowledge of ESG issues. The Advisory Committee analyses and evaluates global ESG trends, and regularly reviews the strategy and methodology of current and potential projects. The Committee also contributes to a network of relationships between scientific, economic and production chain centres of excellence.

03

Integrating sustainability into the business

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COIMA believes that integrating ESG criteria into its strategy can generate sustainable profits over time and, consequently, demonstrate solid value creation for all stakeholders.












Materiality review

COIMA SGR views material issues as the link between the evolving scenario, with its defining trends, and the creation of the strategy for the sustainable development and success of the business. Therefore, the materiality analysis is periodically reviewed to maintain a clear, forward-looking vision of the main risk areas and also of the potential areas of opportunity for continuing to create value through its business, in a medium-long term perspective.

In 2020, as well as by the acceleration of action to contrast climate change, the reference scenario was strongly affected by the COVID-19 pandemic. Sudden transformations were triggered in economic and social life, including the need for social distancing, which accentuated trends already present, especially the spread of remote working, also facilitated by the diffusion of digital technologies. The company has given careful, in-depth consideration to all these factors, also at the IX edition of the COIMA Real Estate Forum, the traditional annual event, which in October 2020 brought investors and industry professionals together remotely to present and discuss the scenario on the Italian property market.

Material topics are examined and represented from both sides, externally in terms of the expectations of the company's stakeholders, and within the company, as an expression of sustainability strategies.

2020 update to material topics

2020 MATERIALITY ANALYSIS	ANALYSIS OF PROBLEM	COIMA'S ANSWERS
 ENERGY EFFICIENCY AND DECARBONISATION	Climate change risk is at the heart of sustainable development policies, and around which huge financial resources have been mobilised, both from Governments and investors alike.	COIMA SGR has adopted an investment strategy focused on quality properties, which meet the highest environmental standards, or which have a value generation potential which can be achieved through requalification projects, with a particular focus on the reduction of energy consumption and the consequent CO ₂ emissions.
 EFFICIENT USE OF RESOURCES AND CIRCULARITY	The property sector is one of the biggest consumers of raw materials and the main contributor to waste generation. This fact highlights the obvious inefficiency of the production chain, which is still based on the linear economy concept.	COIMA integrates a circular economic model in its development process right from the design phases (design for disassembly) all the way through to the construction of buildings (reuse and recycling of materials).
 INNOVATION	Innovations are fundamental to be able to attract and retain tenants and to deliver property products that will maintain their value over time.	COIMA SGR has acquired skills and processes for the development of innovative, high quality products. It regularly surveys the satisfaction and needs of its tenants and programmes for active participation in national and international forums to predict future trends in the sector, seeking to combine wellbeing with innovation.
 PEOPLE'S HEALTH, SAFETY AND WELL-BEING	The pandemic has highlighted the importance of these issues as fundamental for the viability of all economic and social activities.	COIMA SGR considers these factors in all phases of its value chain, from design through to property management. COIMA SGR has supported its tenants in the management of the various phases of the health emergency, with measures to guarantee safe access to buildings, especially where properties are let to multiple tenants.
 QUALITY OF URBAN LIFE	The way in which buildings are conceived and integrated with the urban fabric directly impacts how people live and work in the city and use the services it offers.	COIMA SGR monitors evolving trends and works to promote and undertake development projects with an integrated vision, with goals for impact on the regeneration of the urban fabric.
 TRANSPARENCY AND GOVERNANCE	The market and investors are demanding guarantees of transparency in corporate management and the disclosure of information, and a higher degree of participation in decision-making processes.	COIMA applies best practices in corporate governance and reports its ESG performance annually, in accordance with the sector's most widely adopted standards. All necessary updates in response to the ever-increasing need to assess adverse impacts generated are also under way.
 DEVELOPMENT AND PROMOTION OF HUMAN CAPITAL	Human capital is the main resource which guarantees quality, innovation and competitiveness in the marketplace. A multicultural company which promotes gender equality and diversity is a source of strength which enriches and increases urban resilience.	Enabling employees to use their skills to the full and their integration in the corporate organisational culture: essential for the achievement of characteristics such as innovation and flexibility, increasingly vital for a company's competitiveness in the marketplace. Implementation of urban regeneration projects with high added value, which promote social impact through a culture of sustainability, gender equality and social inclusion.



COIMA Charter

The COIMA Charter is a proprietary measurement and monitoring tool which uses specific KPIs to evaluate qualitative performance in three specific areas - protection, inclusion and growth - and thus establish investment contributions in each area.

The COIMA Charter is used to define the ratings for an “as is” starting scenario and a “target” scenario, involving an analysis of the areas for possible improvement which can be integrated in the upgrading and development process. The application of the evaluation model to the two scenarios produces a rating in the form of a percentage score.

PROTECTION

Environmental parameters and objectives identified:

- Decarbonisation of buildings and of the construction process
- Applications for voluntary certifications (LEED®) of buildings and districts
- Sustainable management of resources (water, waste, etc.)
- Environmental remediation of buildings and sites

INCLUSION

Parameters and objectives set with regard to integration and social impact:

- Direct, indirect and trickle-down contribution to the creation of jobs generated through the requalification of real estate and the territory
- Application for voluntary certifications covering people’s wellbeing and health (WELL Building Standard)
- Development of attractive or general interest destinations, with a particular focus on social inclusion and urban permeability
- Integration of sustainable, electric and pedestrian mobility
- Development and management of public spaces

GROWTH

Parameters and objectives set for economic regeneration:

- Direct, indirect and trickle-down value creation generated by the requalification of real estate and the territory
- Mitigation of climate risks in the development of properties and the territory
- Economic activation of disused areas
- Promotion of sustainable tourism

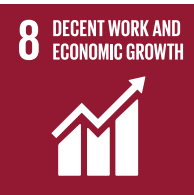



The Charter is to be updated in response to the recent European regulations (EU 852/2020 and EU 2088/2019) to include the sustainability requirements defined and the evaluation of ESG risks with direct or indirect impact on the investment.

COIMA: 2020-2022 ESG objectives

ESG	MATERIAL TOPIC	OBJECTIVE	TIME HORIZON	COMMENT
E	Energy efficiency and decarbonisation	Reduction of emissions and energy use of the portfolio managed	2021	Analysis of buildings’ environmental performances, technical and economic evaluation of possible areas for improvement in relation to the EU decarbonisation objectives
			2021-22	Definition of plan for decarbonisation of the portfolio
			From 2022	Monitoring and reporting of the results achieved
		Reduction of emissions and energy use generated by the new building construction process	From 2021	Integration of emissions assessment and monitoring process during construction and requalification
		Application for sustainability certifications of the properties managed	Scheduling depending on the actual building restructuring process	Application for LEED and WELL sustainability certifications of redeveloped or newly constructed buildings
		Review and approval of Fund Business Plans for the decarbonisation of properties	2021-23	Inclusion in the investment strategy of all Funds of a decarbonisation plan complete with the costs and the expected effects on the portfolio with regard to emissions
		Collection of environmental sustainability data on directly managed properties	2021-23	100% coverage of the collection and reporting of GHG emissions in Scope 1 and 2; potable and non-portable water consumption and urban waste generated by all directly managed properties
		Collection of environmental sustainability data on properties not managed directly (Scope 3)	2021-23	100% coverage of the collection and reporting of GHG emissions in Scope 3; potable and non-potable water consumption and urban waste generated by all properties in the portfolio (tenants’ consumption figures)
		Automation of environmental data collection	2021-23	>50% coverage of the GAV of the properties managed with technologies for the automatic acquisition of GHG emissions in Scope 1 and 2

ESG	MATERIAL TOPIC	OBJECTIVE	TIME HORIZON	COMMENT
S	Quality of urban life	Reduction of consumption and emissions	2021-22	Meetings with the main tenants of buildings to analyse buildings' ESG performances and identify possible actions to reduce environmental impacts
		Social impact of urban regeneration	From 2021	Launch of monitoring and measurement of the social impacts generated in urban regeneration projects
		Social impact of urban regeneration	From 2021	Launch of monitoring and measurement of the social impacts generated in urban regeneration projects
G	Transparency and governance	Annual financial and sustainability reporting and Corporate Governance Report	n.s.	COIMA SGR Annual Sustainability Report
		Data governance	From 2021	Development and integration of data governance in ESG disclosure
		Data automation	From 2021	Integration of automatic systems for the acquisition of the environmental data of buildings

COIMA's contribution to the UN SDGs

SDG	TARGET	SEE CHAPTER
	7.2 Increase global percentage of renewable energy	The evolution of sustainability Integrating sustainability into the business
	7.3 Double the improvement in energy efficiency	
	13.2 Integrate climate change measures into policy and planning	
	8.5 Full employment and decent work with equal pay	The business model and the management of key resources
	8.6 Promote youth employment, education and training	
	9.1 Develop sustainable, resilient and inclusive infrastructures	The processes that transform resources into value
	11.3 Inclusive and sustainable urbanization	The processes that transform resources into value
	11.4 Protect the world's cultural and natural heritage	
	12.2 Sustainable management and use of natural resources	The processes that transform resources into value
	12.5 Substantially reduce waste generation	
	12.6 Encourage companies to adopt sustainable practices and sustainability reporting	
	13.1 Strengthen resilience and adaptive capacity to climate-related disasters	Integrating sustainability into the business
	13.2 Integrate climate change measures into policy and planning	

ESG compliance and risk management



COIMA integrates assessments of the potential impacts of climate change into the financial risk analysis process. Analysing climate scenarios and its effects on an asset, their performance and technical specifications, we identify opportunities for portfolio enhancement through the mitigation of ESG risks.

Luca Coppola
Director – Risk Management



While the background scenario and the relative material topics offer development opportunities with regard to sustainability, they also involve various types of environmental, social and governance risks concerning the company's management and its core business processes. These risks are in addition to the financial and market risks typical of the real estate sector.

COIMA SGR views the responsible conduct of its business and the effective management of all risks, including ESG, as fundamental factors for safeguarding the company's reputation and its ability to generate value in a turbulent market. This enables COIMA SGR to sustain its leadership and continue to be a reliable player capable of attracting high-profile Italian and international investors.



The global risks context

During 2020, pandemic risk became reality, causing an unprecedented emergency, not only at a international health level. According to the World Economic Forum's Global Risk Report 2021, during the next decade the main threats to sustainable growth will come from health risks and the growth in economic and social inequalities, as a long-term consequence of the Covid 19 pandemic. In terms of probability and impact, these are immediately followed by the risk of insufficient action to combat climate change and mitigate man-made environmental damage. In fact, although the lockdowns enforced worldwide led to a drop in global emissions in the first half of 2020, these could soon start to grow again with a "bounce-back" effect, as occurred after the 2008-2009 financial crisis. Last but not least, amongst the emerging risks there is a serious growth of the cyber security risk, which is a threat to business and in more general terms to overall progress based on the spread of digital technologies.

Compliance and internal control systems

COIMA SGR is committed to ensuring first and foremost that its business is conducted in accordance with the principles of honesty, integrity and transparency set out in its Code of Ethics, and in full conformity with the law and sectorial regulations.

Over time it has developed a set of corporate management rules and procedures, organisational structures, and tools, also based on Information Technology solutions, consistent with its strategic and operating objectives. It has also adopted an "Organisation, Management and Control Model" (Governance Model) in accordance with Italian Legislative Decree 231/2001, updated in response to new legislation and the development of the company's organisational structure.

Overall, this is a tried and tested system which acts to prevent and mitigate operating and corporate risks such as the laundering of money and other proceeds of crime, to prevent bribery and conflicts of interest which might potentially arise from the relationships between COIMA's member companies. The system also includes correct, transparent disclosure, both within the company and to the market.

The risk management system has been further reinforced with the establishment of the internal Risk Management Function, which reports directly to the BoD. The COIMA SGR Risk Manager liaises with the various organisational structures to update the map of the company's risks, assess the likelihood of their occurrence, the magnitude of their impacts, evaluate the controls in place and the "residual risk", in order to develop the appropriate mitigation actions. The maintenance of the entire process is examined and validated by the BoD, supported by the recently created Risks Committee.

Control over business and corporate management is provided by the Supervisory Body, which oversees the application and maintenance of the Governance Model, and the Board of Statutory Auditors, together with the internal Compliance, Risk Management and Anti-money-laundering functions, as well as by the Internal Audit function.

With regard to the "Model 231", COIMA SGR has created a whistleblowing channel open to all stakeholders for the reporting of presumed breaches of principles and rules of conduct.

Management of portfolio ESG risks

COIMA SGR has adopted a property investment process which includes sustainability criteria, as the identification and management of the potential environmental, social and governance (ESG) risks relate to every investment and helps to create a high quality property portfolio with improved funds' risk and return profiles.

In March 2021, in line with the recommendations of art. 3 of the new Regulation no. 2088/2019, the COIMA SGR Board of Directors approved the "Policy for Integrating Sustainability Risks in Investment Processes", applied to all funds managed. Under the Policy, ESG risks must be managed in all phases of the investment process, from the screening and selection of opportunities - performed on the basis of exclusion criteria selected in advance - to the integration of the perimeter investigated during due diligence, through to the monitoring of investments, which includes the external rating of funds.

During the due diligence phase which precedes the investment decision, a specially prepared Sustainability Checklist is used to investigate the ESG risk profiles drawn up for each asset, and the areas for ESG improvement of the investment profile are analysed.

The aim of the Checklist is to assist the investment team in rationalising specific areas for analysis and assessment with the aid of ad hoc questions on assets' specific ESG topics. These include current energy performance, any technical issues which may hinder renovation, or the identification of specific risks regarding the materials used.

The checklist identifies where this information may be found or requested, supplies questions to be followed to support further investigations of potential risks, and provides notes and additional links to supplementary industry guidelines.

COIMA’s approach to climate change risk

All stakeholders, from investors through to general public opinion, have a growing awareness of the phenomena linked to climate change and the relative impacts¹.

Italy is considered to be the Mediterranean country most vulnerable to the effects of this change. The recent report “Risk Analysis. Climate Change in Italy”, published in 2020 by the Euro-Mediterranean Center on Climate Change Foundation (CMCC), highlights that the adverse impact would affect all sectors of the Italian economy, and especially infrastructure - due to the intensification of geo-hydrological instability -, agriculture and the tourism industry.

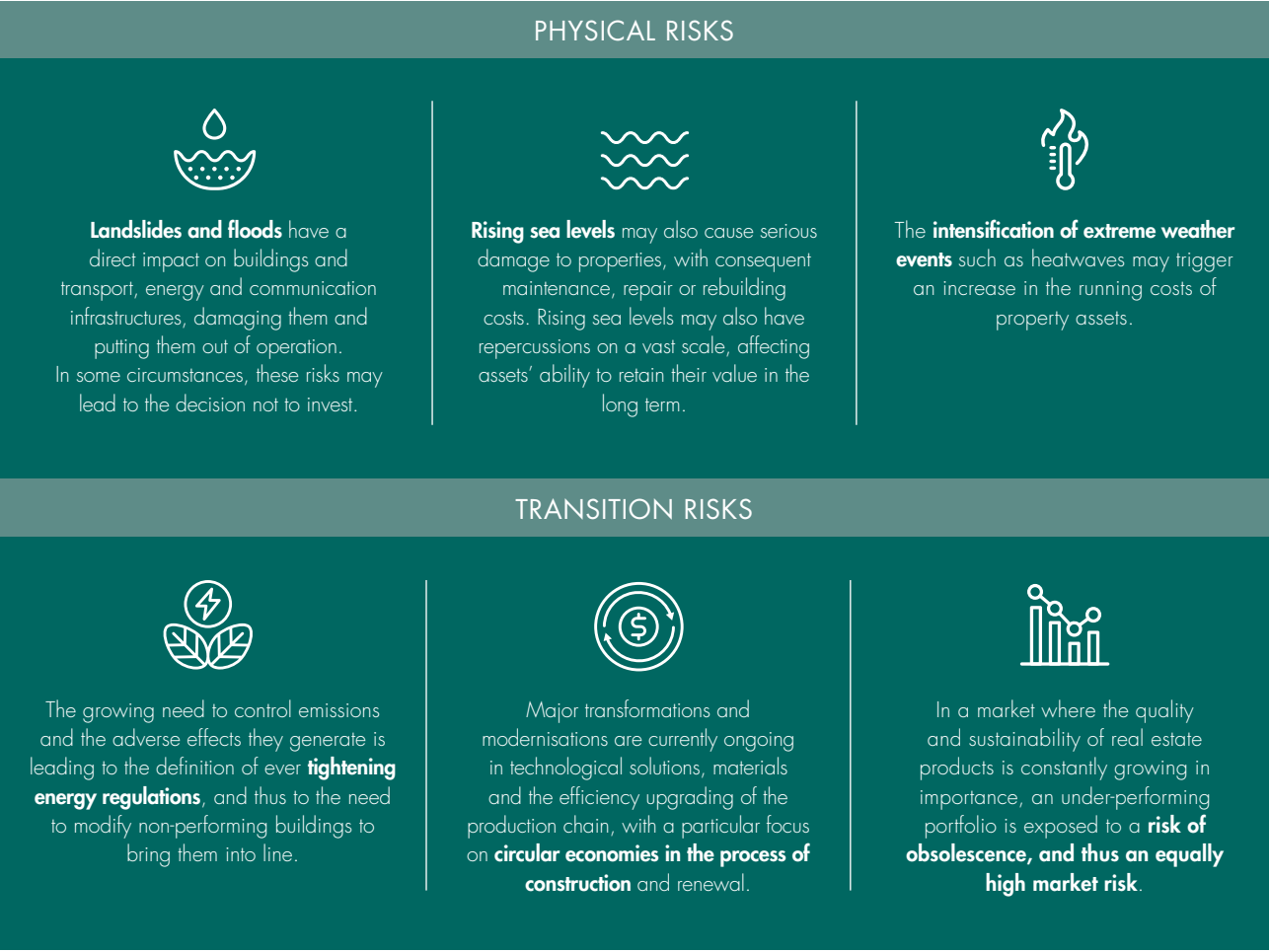
Urban areas would also be very vulnerable to climate risk due to their large built-up environments with very few green

areas. Cities could experience serious adverse impacts on people’s health and safety due to temperature rises, the greater frequency and longer duration of heatwaves, and intense precipitation events.

With the aid of its checklist, COIMA identifies the main risks, the possible mitigations and the types of improvement which can be made in the active management of property assets.

A preliminary identification of the main physical risks to assets is made by consulting extreme climate scenarios (such as RCP 8.5²). In the case of geographical areas affected by significant risks, such as zones subject to flooding or landslides, the investment is further analysed with the involvement of sector experts for a more in-depth assessment of the risk and impacts.

Climate change: physical and transition risks



¹ 2015-2019 WAS THE HOTTEST FIVE-YEAR PERIOD ON RECORD AND IT IS CURRENTLY ESTIMATED THAT THE TEMPERATURE IS 1.1 DEGREES HIGHER THAN THAT OF THE PRE-INDUSTRIAL AGE (1850–1900). FORECASTS INDICATE THAT IF EMISSIONS CONTINUE AT THE PRESENT RATE, THE RISE IN TEMPERATURE BY THE END OF THE CENTURY COULD BE BETWEEN 2.6 AND 4.8 DEGREES.
² RCP 8.5 – REPRESENTATIVE CONCENTRATION PATHWAYS



Participation in the GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is the world’s most accredited rating system for the ESG benchmarking and reporting of listed real estate companies, private property funds, and property sector developers and investors. Founded in 2009, the GRESB is now widely approved and adopted, making it one of the industry’s key tools for the management and structuring of ESG issues.

The ultimate aim of the rating is to present participants’ non-financial information in a form enabling comparison by investors, with a method which is consistent across the various regions, investment vehicles and property types, and which is also aligned with the international reporting frameworks (GRI, EPRA, TCFD).

Rating participants are asked to supply a set of information on various topics: policies and governance of non-financial issues at the organisational level; quantitative data on the environmental performances of the assets managed; and the sustainability characteristics of development projects. Additionally, particular importance is also given to the degree of engagement with the main categories of stakeholders – tenants, local community, employees.

The outcome is able to provide high quality information for the use of investors and participants in their investment, engagement and decision-making processes, supplying useful support for monitoring and managing the ESG risks and opportunities of investments as well as for preparing to comply with increasingly demanding ESG requirements. Moreover, continuous participation in the rating over time will enable the more efficient assessment of portfolio transition risks, in line with the approach of the Task Force on Climate Disclosure (TCFD).

In 2020 COIMA continued with the classification of the COIMA Opportunity Fund II and the Porta Nuova Garibaldi Fund, and planned for the registration of the COIMA ESG City Impact Fund with effect from 2022.



04

The business model and the management of key resources

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






Our resources are the engine of COIMA's business model, creating value through their contribution and relationships with communities and stakeholders.



The model in action

The COIMA group combines financial resources, human capital and innovation to create long lasting value for all stakeholders, from investors to tenants to employees and local communities. COIMA SGR works to identify and realise property investment opportunities with the highest added value, including social and environmental assessments.

The business model is based on four fundamental value creation processes, which act in synergy throughout the value creation chain: Investment Management, Asset Management, Development Management and Property Management.

RESOURCES	PROCESSES		OUTCOME	INDICATORS
 FINANCIAL CAPITAL	 INVESTMENT MANAGEMENT	 DEVELOPMENT MANAGEMENT	900 mln € 326 mln € 143 mln € 650 mln € 26	Capital raised Acquisitions ¹ Disposals ¹ Loans Real estate funds
 HUMAN RESOURCES				
 INNOVATION AND TECHNOLOGY	 ASSET MANAGEMENT	 PROPERTY MANAGEMENT	81.5%	LEED certified / pre-certified buildings
 RELATIONSHIPS				
			200+ 1 mln m² 153.9 mln €	Tenants NRA ³ (m²) Annual rent roll (Gross Rent Income) ²

1 CONSIDERING ONLY ASSET DEALS AND NOT INCLUDING THE PURCHASE OR DISPOSAL OF EQUITY HOLDINGS
2 GEOPONENTE AND LIDO DI VENEZIA II FUNDS EXCLUDED
3 NET RENTABLE AREA

Financial capital

Investment capacity is the driver of the business model of COIMA SGR and of the entire platform. To support its development projects, COIMA works to ensure a constant flow of financial resources, that balances the raising of institutional capital and the negotiation of loans with the credit system.

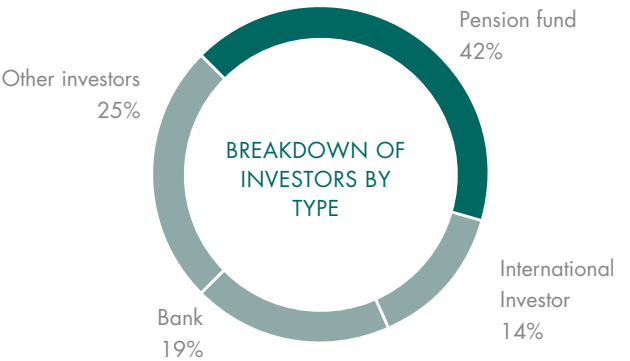
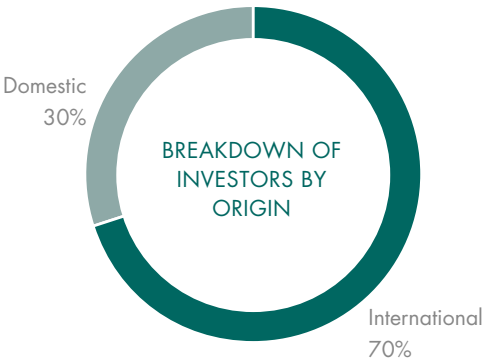
During the last three years, the funds managed by COIMA SGR raised additional resources of about € 1400 million, about 70% from domestic investors and about 50% from pension and sovereign wealth funds, which operate on a longer time horizon than speculative investors. Italian investors accounted for the majority of the funds raised in the last three-year period. This follows the launch of the COIMA ESG City Impact Fund, a property fund specialising in urban regeneration with an impact on the real economy, and a focus on Italy's main cities. The fund closed its first offering phase with capital of about € 400 M obtained from three leading Italian pension funds, and preparations for the second closing are now under way.

Since 2000, COIMA has also successfully negotiated over 6.4 billion Euro in loans with the main Italian and international banks, approximately 3.6 billion Euro of which has already been repaid. During 2020, loan agreements were concluded for a total amount of about 650 million Euro to finance both core projects and development funds, involving 6 different banks. The loan agreements are hedged against the risk of exchange rate fluctuations through the use of derivative instruments for hedging purposes.

These results were achieved thanks to the quality of the projects offered to the market and the high degree of professionalism and transparency in the management of investments, all combined with an approach focused on value creation and the generation of attractive returns for the investor, commensurate with the risk profile. Sustainability values and criteria are an integral part of the investment process, with the aim of improving its risk/return parameters and generating a positive impact on environmental and social aspects, as well as achieving the financial returns established in the plan. The due diligence phase also embraces assessments of sustainability (ESG) factors in order to determine the investment's ESG profile, and the verification of the economic impact related to the achievement of specific ESG objectives identified through application of the Sustainability Checklist and the COIMA Charter.

Thanks to this approach, the company has successfully attracted institutional investors including Adia, Ivanhoe Cambridge, Qatar Investment Authority, Poste Vita, Cassa Nazionale Forense, Cassa Commercialisti, Inarcassa and many others, which have chosen COIMA to manage their capital invested in the Italian real estate sector.

COIMA also collaborates with Sri-Kumar Global Strategy, a macroeconomic consulting company, for the organisation of regular calls to update COIMA SGR investors and employees on market trends, through an assessment of the relative risks and opportunities.



Our people



Our organization is structured to face new challenges between the integration of ESG issues and the automation of data analysis. The development of people, supported by the improvement of processes, will be COIMA's key for growing in its business activity.

Giulia Niccolai
Director organization



COIMA SGR's people, with their valuable skills and knowledge, are a precious capital asset, managed and developed to ensure that its human resources always represent a competitive factor for the company and the entire COIMA platform. COIMA's success and position as one of the leading platforms in its space is thanks to its Incredible people and their ability to work as a unified team.

Younger workers, in particular, are increasingly eager to identify with and to feel part of an organisation inspired by ethical values and a long-term vision, which can be expressed as a shared

purpose. COIMA knows that, in a complex, fast-evolving market, attracting the motivated, conscious and professional people is increasingly crucial to creating a corporate culture, which puts people first and makes them feel part of a connected community.

COIMA SGR guarantees everyone the same rights and opportunities regardless of race, culture, religious background, gender, sexual orientation and political beliefs, and works to ensure that differences in culture, character or aptitudes are considered and promoted as an asset to the company, making it stronger and more future-oriented day by day.

During the months which followed, all employees continued to work remotely, alternating this with attendance in the office on a rotation plan which allowed space occupancy of no more than 40%.

People's safety was always the top priority, so COIMA created an in-house task force specifically to manage the emergency. The

working team issued a Safety Protocol in agreement with the company's management, the Employer, the Health and Safety Manager and the competent doctor (occupational physician), to define the rules for accessing and using the offices. Moreover, to encourage them to make their own way to work, employees were offered free parking at Porta Nuova Varesine, thus avoiding gatherings and the risks related to the use of public transport.

Employment and recruiting

As of 31.12.2020 COIMA SGR has a workforce of 75 employees, with a high level of skills and professional specialisms, and a positive mix of generational and gender diversity.

During 2020, while the health emergency was in progress, 14 new staff were recruited, about 60% of below 30 years old. COIMA SGR consolidated its managerial organisation by hiring two new directors in the Fund & Asset Management and Valuation areas and one senior manager with specialist skills in the digital area; it also reinforced its operating structure through the addition of several analysts

and associates in the Fund & Asset Management, Legal, Risk, Valuation, Marketing and Office Management.

COIMA SGR works particularly hard to attract talented young people, contacting them both by attending careers days and with the aid of the social media channels such as LinkedIn.

COIMA decided to maintain its relationships with the interns already in place, and in some cases internships were transformed into employment contracts; a new Convention was also signed with the Politecnico University of Turin.

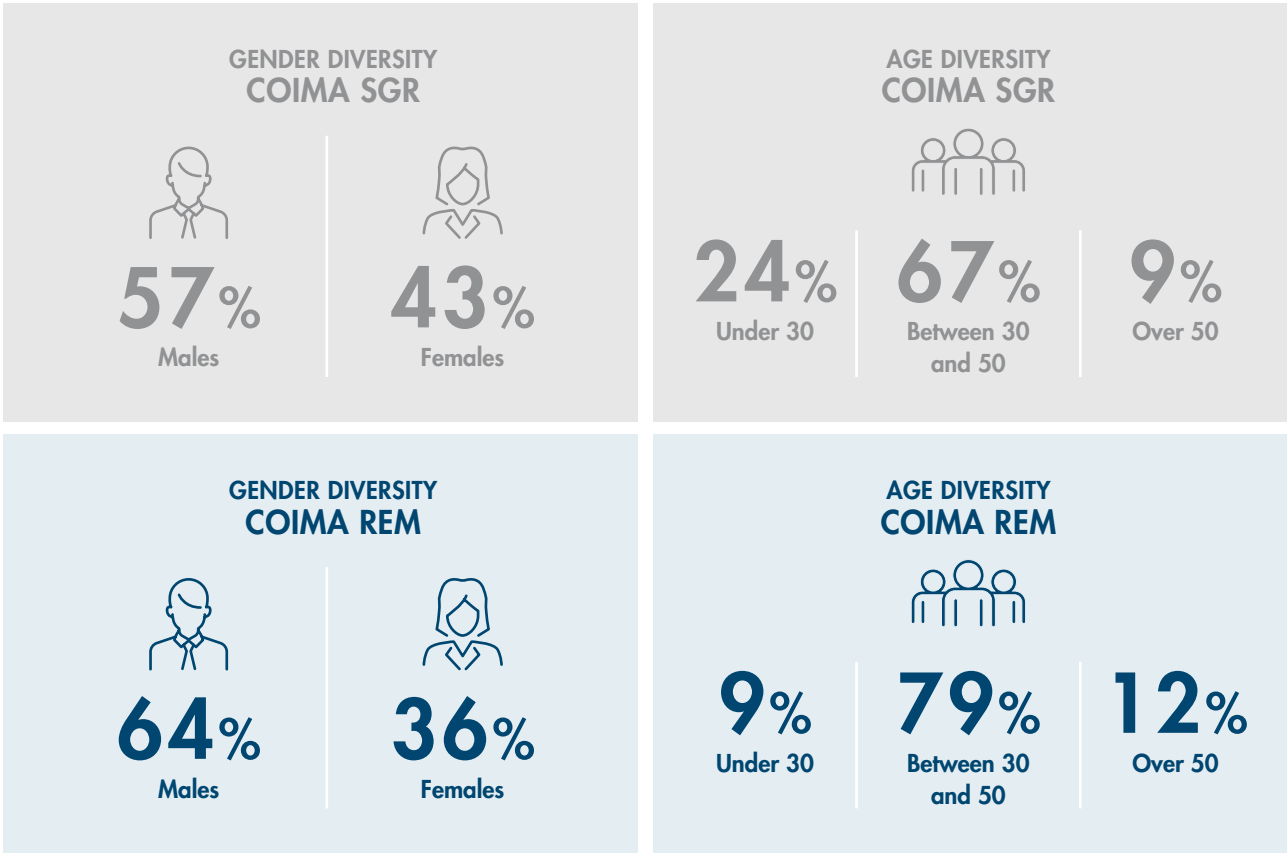
The underlying values of our relationships with our people

 SHARING AND PARTICIPATION	 LISTENING TO THE INDIVIDUAL	 INNOVATION IN ORGANISATION AND PROCESSES
COIMA holds regular meetings with the whole Group, to present the latest news on projects and share the company's strategies	COIMA is committed to listening to expectations and needs, to foster every individual's personal and professional growth	Using new technologies, COIMA is transforming its human resource management processes to ensure that they are also a tool for relating to people

The management of the health emergency

Since February 2020 Italy has been hard hit by the Covid-19 pandemic, which has also directly impacted our business. COIMA dealt with the crisis by focusing from the outset on a few key aspects: continuation of business, health protection, and caring for people.

From the start, every employee was provided with a laptop computer, remote connection device and a smart phone to enable remote working. In fact, COIMA was prepared in advance for this sudden change, having invested heavily in recent years in the purchase of remote working software and staff training.



Company evolution and skill promotion

2020 saw an in-depth review of the organisational structure, which mainly related to the existing business functions and the creation of new supporting cross functions, as part of the broader process of organisational evolution which also embraced COIMA REM. The aim of this project was to encourage, the integration of the company’s operating model with that of the other COIMA companies (without sacrificing the independence of each), to decentralise management responsibilities and mandates, and to reinforce some specific areas, in consistency with the objectives for the three-year period, as follows:

- 

Sustainability, which became part of the governance and of the investment process, implementing the principles of the Sustainable Finance Disclosure Regulation
- 

Technology, benefiting both the automation of company processes and the development of programmes for the digitalisation of products and services
- 

Product innovation, referring to the definition of distinctive quality standards for the development and requalification of property assets

The organisational evolution project was undertaken with an agile methodology, in the following phases:

DESIGN	ASSESSMENT	EXECUTION AND COMMUNICATION	IMPLEMENTATION
JULY-SEPTEMBER 2020	SEPTEMBER-OCTOBER 2020	NOVEMBER 2020 - JANUARY 2021	FEBRUARY-APRIL 2021
<p>Gap analysis (selection of areas for reinforcement and/or new skills/professionals to be acquired)</p> <p>Design of the target model in accordance with preset criteria (rationalisation/ efficiency upgrading of existing functions and/or creation of new functions)</p>	<p>Mapping of the key roles with the respective technical, quality and managerial skills required</p> <p>Identification of the company population ‘potentially eligible’ for each role and assessment process (including issue of an action plan for the activation of any unexploited potential)</p> <p>Assignment of the roles within the new model</p>	<p>Presentation of the new organisational model to managers and directors</p>	<p>Individual notification of the change in role to all staff affected within the standard annual assessment process</p> <p>Meetings for the most heavily impacted functions, including a concluding meeting to inform all COIMA staff</p> <p>Official internal communiqué summarising all the organisational changes introduced</p>

To reinforce COIMA's commitment to ESG issues, not only in the investment process but also in property management, on the CEO's recommendation the SGR BoD decided to formally establish the Sustainability Innovation Committee, to be headed by the Head of Sustainability & Communication and managed by the Sustainability Officer, a new role introduced into the company.

The Investments area was reinforced with the addition of a Capital Markets structure for market analysis and fundraising. In the Fund & Asset Management area there was a general rationalisation of the teams on the basis of preset criteria, which also involved the reassignment of funds in some cases, together with the introduction of the new role of Office Tenant Management Director to provide all Funds with support in the management of tenants in this category and to produce studies for the identification of needs, as the basis for the development of innovative solutions.

To conclude, the Organisation function was reinforced and now includes the previous Organisation/CEO Office and Office Management functions, under the responsibility of an Organisation Director.

The main changes regarding COIMA REM were in the Development Management area, which now incorporates the previous Project and Development Management functions (to aid the integration of the necessary skills in development projects), the Procurement and Sustainability functions (both fundamental for guaranteeing the quality, innovation and ethics of COIMA brand products) and Property Management, (expanded to include key functions such as Service Development and Energy Management), that is focused on the experimentation and implementation of innovative new solutions to enhance customer satisfaction and reduce environmental impact.



Innovation and technology integrated throughout the supply chain

New trends on the property market are concentrating more and more attention on product quality, environmental sustainability and the services offered, which necessarily require the rethinking of spaces, construction materials and techniques, and the introduction of new technologies.

Throughout the entire supply chain, the main Investment, Asset, Development and Property Management divisions work in coordination with other functions, including Sustainability & Product Innovation and Procurement, to introduce innovation

to support better environmental performances or the achievement of tenants' needs.

COIMA is structured to manage and guide product innovation and the adoption of the best technologies. Working constantly in close partnership with its main stakeholders, COIMA has created a market monitoring organisation extremely well placed to identify, develop and manage real estate products, which it develops as offices, homes, public spaces, etc. ... developing the COIMA "Product Blueprints".



"The next normal in construction"

The existing construction process is characterised by a highly complex and fragmented supply chain, specifically defined and structured for each project.

The construction industry needs to follow the process of innovation already adopted by other sectors in the past, to create standardised, consolidated, integrated construction processes which follow a "product" development model.

Alongside the possible use of timber, there is also the potential for a "modular" construction approach which further reduces emissions and aims to provide a level of building flexibility that responds to the market's current uncertainties regarding future residential needs (i.e. unit size and type). Modular construction also enables shorter construction times, overall cost savings and less inconvenience for the local community.



Monte Rosa 93 – Milan

The Monte Rosa complex is located in a well-established office district close to the centre of Milan, with excellent public transport links including two metro lines (MM1 and MM5).

The new-build office building will utilise a combination of concrete and wood and the prefabrication and off-site construction of various building components (>80% above-ground construction cost)



The digitalization of the sustainability management

In the last few years, COIMA has focused its attention on the adoption of technological and process innovations, especially with regard to the digitalisation of buildings and services. Digitalisation will be the keystone of accurate, fast analysis of performance using integrated systems in real time, and the adoption of Predictive Maintenance corrective measures to further perfect the performance of the assets concerned.

The measurement, monitoring and improvement of "Scope 3" emissions in the supply chain requires wide-ranging changes to current approaches to supplier selection and management,

and work and dialogue with tenants, as well as new analytical skills within the teams concerned.

2020 saw the development of a strategic plan for the introduction of tools for the automatic collection of environmental data from the buildings managed. Through the implementation of this project, it will be possible to report buildings' performance and also to produce in-depth energy analyses of buildings. The plan for introducing the automatic acquisition of environmental data is expected to cover >50% of portfolio GAV within the next three years.

Digitalisation: a tool for enabling people-centric services

In 2020, COIMA founded a new company, COIMA Human Technology, in response to the growing need to add digital experiences to traditional property products, historically perceived as merely "physical".

COIMA Human Technology was created with the mission of developing and integrating digital solutions to enable services tailored to people's needs, that are scalable to a building or district level.

The company's mission is to serve both the COIMA group and the market by developing people-centric projects, where the conception, design and rationalisation process starts by first identifying the "Customer Journey".

Technology is "integrated" and is put in place solely to satisfy the needs and expectations of the end user.



A platform of digital services at the service of the community: Portanuova Activation

The Porta Nuova district is an integrated area of buildings and spaces for a variety of uses, which bring together people with different needs and expectations suchas residents, office workers, visitors shoppers and tourists.

These considerations are the starting-point of the "Portanuova Activation" project, a coordinated programme involving the retail areas, public spaces and a digital services platform, intended to create a specific recognisable identity for the district, making Portanuova an identifiable "brand" that residents can identify with and share in its values., The project focuses on social and cultural inclusiveness, and its sustainability, in terms not only of environmental impact but also the selection of tenants prepared to take these values on board.

The platform enables Portanuova's users to interact with the physical space more easily and obtain benefits in terms of time or access to specific Portanuova events, and on the other it consolidates the feeling of belonging to a Community, built around shared values.

Moreover, the platform allows the quality standard of the premises to be kept as high as possible through real-time monitoring of the facilities and the introduction of smart analysis systems which respect privacy, providing people with protection and safeguards. Through digital services, the physical level of spaces and experiences, whether in a retail store, the park or a restaurant, is extended with a digital level, which allows these experiences to be adapted to individual needs and expectations.

Portanuova is therefore trialling a new concept, in which physical spaces, cultural events, values and digital services merge to create a holistic experience designed around the human being, an innovative way of restoring a personal dimension to large urban centres.



WiredScore certification

The COIMA headquarters, Corso Como Place and Gioia 20 will be amongst the first buildings in Italy to certify their digital connectivity in accordance with the WiredScore protocol. The protocol on which this certification is based, already widely adopted in some of the world's biggest property markets, allows for the objective classification and assessment of buildings' technological features, ensuring that the property is technologically state of the art and ready to accommodate new-generation businesses. The assessment is made on the basis of four performance levels: Certificate, Silver, Gold and Platinum.

Our relationships

Dialogue between businesses, institutions and the local community is a development factor that COIMA recognises and values. It is committed to maintaining continual, active communication at the institutional level and to cultivating an open dialogue with its communities, in order to integrate with

Investor relations

COIMA's ability to dialogue effectively with investors and communicate the company's vision and the characteristics of the projects under development is a central factory in the management of financial capital. This dialogue takes place through dedicated meetings, and also through the organisation of national and international roadshows.

The COIMA Real Estate Forum, held every year, is an important event for public and private investors. Due to the health emergency, in 2020 the event was held digitally. In spite of this drawback, over 500 industry professionals took part, representing about 60 leading Italian and international institutional investors - from Asia, America, Canada, Middle

Dialogue with the community

COIMA's digital channels, are particularly crucial in the current period and have played a very important role in allowing communications with the various stakeholders. The coima.com website consolidated its position as the main channel of communication in the COIMA ecosystem, also hosting the Urban Stories storytelling project. The COIMA RES website improved its position in the Webranking league table, which assesses the top listed Italian companies, for the third consecutive year, rising from 25th to 18th place and moving into the 4 Stars (out of 5) class. The COIMA LinkedIn profile continued to provide information in the professional bracket, gaining 15,000 new

Network creation

COIMA promotes relationships with industry associations, universities, businesses and professionals, to contribute to the creation of a "system" to stimulate innovation in the sector and speed up the process of its adoption.

and support local development trends.

COIMA's relationships with its stakeholders are multichannel, using the most appropriate means of listening and engagement with each category.

East, Europe and Italy - with total assets of over two trillion Euro. Naturally, the topics discussed in this year's edition were focused on the impacts and consequences of the Covid-19 pandemic for the property sector: the potential of Italian territory as a key factor for the country's recovery; the role of the Recovery Fund as a tool for restarting the economy; the future of cities; and the new way of living in and conceiving buildings.

The Forum also included the presentation of the COIMA ESG City Impact Fund, the first Italian closed-end investment fund with measurable ESG impact targets, which will invest in sustainable territorial regeneration at the national level.

followers and increasingly becoming a key point of reference in terms of employer branding. Lastly 2020 saw the inauguration of a corporate newsletter, Urban Stories, which was launched to contribute to the debate on the evolution of our cities and addressed to all domestic and international stakeholders.

Naturally, the projects managed by COIMA were also affected by the pandemic. In response, a major communications plan was introduced based on strict procedures which was shared and communicated using most effective communication tools, such as on-site signs and information newsletters.

Finding the right partners and exploiting the potential of the latest technologies is fundamental for shaping the future of the real estate sector.



Open Innovation: Milano Smart City Alliance

European Think Tank	Politecnico University, Milan
Since 2017, COIMA has been involved in the creation of a Think Tank in partnership with 6 of the biggest listed real estate companies operating in Europe, mainly focused on the consideration of topics related to sustainability and innovation. The environmental performance of the asset portfolio, and the Company's social and governance performances, are permanently monitored, with appropriate disclosure to stakeholders.	Politecnico di Milano is one of COIMA's main Innovation partners. COIMA works in close cooperation with the Department of Architecture, Built Environment and Construction Engineering (DABC) and with one of the university's research academics.
Assoimmobiliare	Smart City Alliance
COIMA actively participates in the working groups organised by Real Estate Industry Association Assoimmobiliare, especially its Circular Economy Committee and Intermediaries and Supervised Trusts Committee.	Promoted by Lombardy Region Industrialists' Association Assolombarda, it supports open innovation as a means for encouraging businesses and start-ups to create new solutions and projects.

"Milano Smart City Alliance" was established to encourage businesses to cooperate to facilitate the smart development of the city of the future, through shared, innovative projects to the benefit of both companies and the general public.

COIMA has decided to join this alliance of businesses, which works closely with local institutions and stakeholders, and especially the City of Milan, to design catalyst projects and support initiatives that promote an urban development model based on innovation, sustainability and collaboration.

"Milano Smart City Alliance", promoted by Assolombarda and currently comprising a committee of nine companies - A2A Smart City, Accenture, ATM, Cisco, COIMA, Enel X, IBM, Siemens and TIM -, supports open innovation to encourage businesses and start-ups come up with new solutions and smart projects with a significant impact for the city in areas such as digitalisation, data security and use, the environment and energy, sustainable mobility and new ways of working.

This cooperation has led to the birth of projects such as "Near working communities", that facilitate work close to home; the creation of shared data platforms for the development of an innovative ecosystem that improves the area's attractiveness and the competitiveness of businesses, and "CyberSecureCity", run in partnership with the City of Milan to raise awareness of a culture of digital security.

Stakeholder map



Key 2020 events

2020 PARTICIPATION IN EVENTS

ULI Europe Conference Amsterdam	COIMA Real Estate Forum Rome
Catholic University, Milan: The government of Milan at the time of the great transformation Milan	Italy, a network of Resilient Cities Digital event
COIMA Macro & Real Estate Market Update - Q1 Digital event	COIMA ESG City Impact Fund Milan
Milano Capitali: Capital for Construction Projects Digital event	UniBicocca: Cost strategies of European Banks Digital event
Tall Buildings, Skyscrapers and Urban Habitats: new paradigms Milan	Finance Community Awards Digital event
COIMA Macro & Real Estate Market Update - Q2 Digital event	WiredScore launches in Italy Digital event
University of Milan: Measuring the urban circular economy Digital event	Utopian Hours Festival Digital event
UBS: A Dictionary of Sustainability, new scenarios Digital event	IX COIMA Real Estate Forum Rome
	ENPAIA: Illiquid investments in the post-Covid era Ladispoli

DIGITAL IDENTITY - SOCIAL MEDIA PRESENCE



7,680
Instagram



37,376
LinkedIn

Collaboration with Fondazione Riccardo Catella to enhance sustainable development and community relationships

The sustainability of urban development, driver of COIMA's strategy, is a central part of the Agenda 2030 promoted by the United Nations (UN) for development intended to ensure the prosperity of the global population. Amongst those called upon to contribute the Agenda's 17 goals (SDGs), is the private sector, who can play a fundamental role, as they are able to mobilise skills, resources and funding to enable effective progress towards achieving these targets. The UN also holds an annual event on sustainable urbanisation,

the World Urban Forum, the tenth edition of which took place in 2020. The Forum is the most important international event for the exchange of opinions and experiences around the issues involved in the development and transformation of our cities. For the first time, the edition held in Abu Dhabi in February 2020, with the slogan "Cities of Opportunities: Connecting Culture and Innovation", highlighted the role of culture as an integral part of the solution to overcoming the challenges of our era:

“

Culture is a vital component of local identity, including heritage, creativity and diversity. Urbanisation needs to be planned, designed and managed to enhance this. Indeed, culture can be considered as the fourth pillar of sustainable development.

COIMA is committed to supporting the communities within which it operates by contributing to a series of projects run by the Fondazione Riccardo Catella, a non-profit organisation

with the mission of promoting a culture of sustainability within the community and actively improving the quality of urban life through programmes that upgrade public areas and parks.





FONDAZIONE
RICCARDO CATELLA

Fondazione Riccardo Catella for a culture of sustainability

The Fondazione Riccardo Catella, established in 2005 and an accredited non-profit organisation, has been working for over fifteen years to promote territorial development using new models for smart, sustainable, inclusive societies. The Fondazione focuses in particular on environmental sustainability and social inclusion through civil-cultural and research activities that aim to engage with the public and raise awareness of the importance of green urban spaces, add value to public areas and promote sustainable, responsible property investment programmes.

Over the years, the Fondazione Riccardo Catella has sponsored a large number of initiatives, including the multiannual "I Progetti della Gente" programme of cultural and public space improvement activities originating from engagement with district communities; "Mi Coltivo, Orto a Scuola", which creates educational vegetable gardens for children attending state schools in the disadvantaged suburbs of Milan, and "Porta Nuova Smart Camp", an inclusive, innovative project that brings together children with disabilities or serious illnesses with their peers free from these problems.

As part of an innovative public-private partnership between the City of Milan and COIMA, through the BAM (Biblioteca degli Alberi Milano) project, the Fondazione has been responsible for the management, security, maintenance and cultural programme of the Porta Nuova public park since July 2019.

Building on the experience gained from the BAM pilot project at Porta Nuova, the Fondazione intends to draw up a model containing the guidelines for the innovative public-design and public-private management for public parks. This model's main characteristics will be sustainability, and the ability recreate the model at the national and international level in different contexts.

The Fondazione is headquartered in a late 19C building in the Porta Nuova innovation and sustainable urban development district in Milan, an example of industrial archaeology which was originally a railway depot but has become a film set and contemporary art workshop.

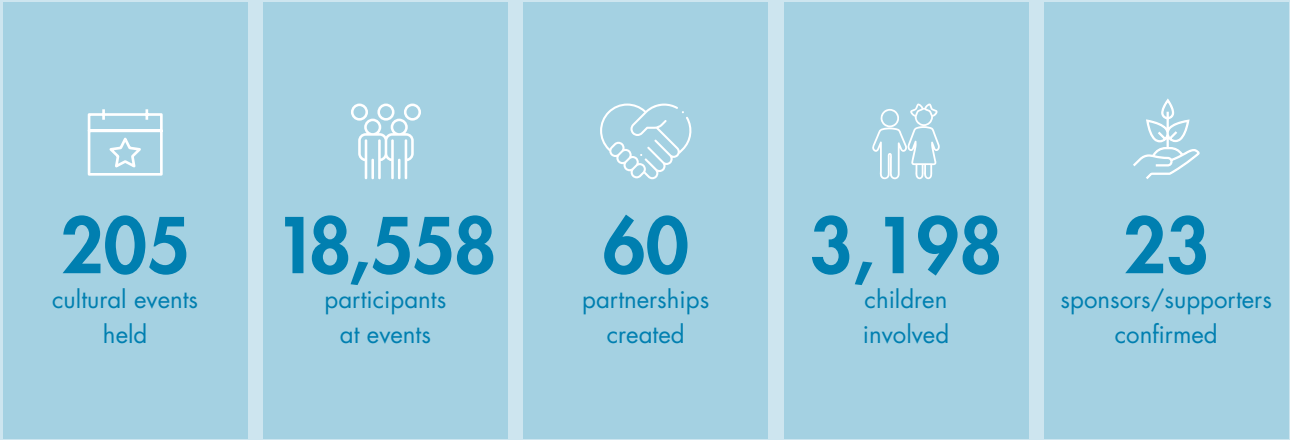
The restoration project has brought a fine piece of industrial archaeology back to the community: the exterior of the building was refurbished and its historic structure was retained with the addition of various functions.

The Fondazione Riccardo Catella is led by a Board of Directors, assisted by a Scientific Committee with specialist knowledge.

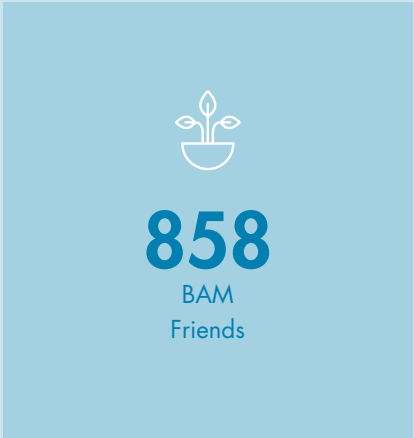
All the Fondazione's projects can be consulted at www.fondazionericcardocatella.org, while the BAM project has its own website at www.bam.milano.it

2020 Results

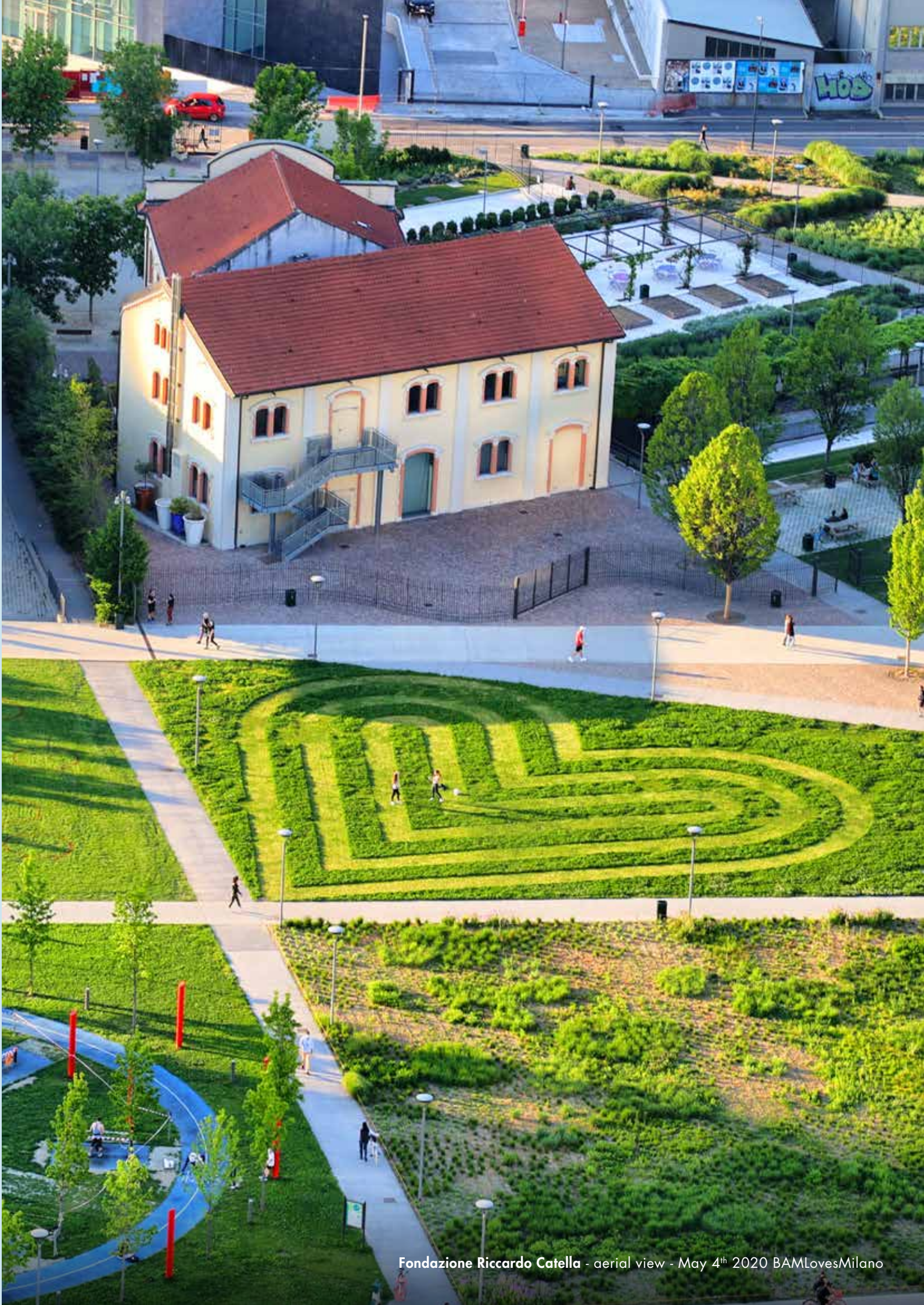
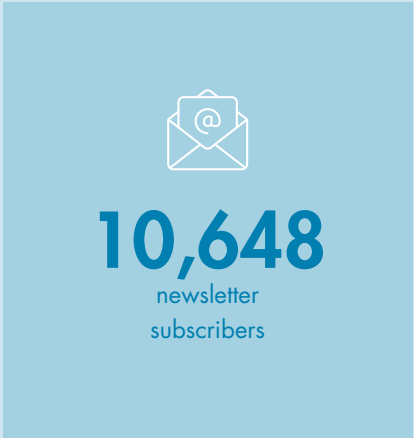
Although 2020 was a truly extraordinary year, the Fondazione reacted promptly and creatively through the BAM project and managed to continue to offer its community a schedule of 205 events, to build its relationships with the sponsor companies and to achieve its targets.



Community



Digital Community



Fondazione Riccardo Catella - aerial view - May 4th 2020 BAMLovesMilano



The programme continued to be built around 4 main themes, #Education, #Openairculture, #Wellness and #Nature, which have become the distinctive feature of the park's cultural offering, with the inevitable adaptation of the scheduling in response to the health emergency.

From the outbreak of the pandemic, the specific needs of the community were carefully assessed, in order to produce a cultural and educational offering tailored to these demands, with the aid of the following strategies:

- 1 **Adaptation of the programme to make it digitally available immediately after the first lockdown (8.3.2020)**
BAM@Home, an alternative programme of 36 digital moments specifically created to be offered via the web, was launched from 21 March.
- 2 **Uninterrupted delivery of a quality programme to the community**
As well as the BAM@Home schedule of events, a further 169 live events, all free, were offered to the city, with 18,558 people attending. The BAM cultural programme successfully used the language of art to engage with 12 of the 17 sustainable development goals set by the United Nations within its Agenda 2030. Each event used unique, creative languages to take a fresh approach to 1 or more SDGs (Sustainable Development Goals).
- 3 **Communicating messages of support to the community**
The Fondazione worked to deliver messages of support to the community and to organise projects that conveyed a positive spirit of rebirth, helping to rise above the current difficulties. Examples include the mailing of seeds from the BAM flower meadows for the cultivation of home meadows, and the mowing of the message "BAMlovesMilano", clearly visible from above and widely shown across the press, into the grass of the park.
- 4 **Adoption of innovative safety measures**
Circles were marked on the grass (with environment-friendly paint) to aid social distancing, hand sanitiser dispenser and informative placards were installed in the park, and cleaning operations were intensified.
- 5 **Planning, creation and management of the BAM LIDO**
A special project was developed to offer a corner for relaxation in natural surroundings in the centre of the city, in the knowledge that summer 2020 was going to be an urban summer for many residents.
- 6 **Reinforcement of partnerships with the art schools and academies**
A programme was drawn up to encourage the birth of new opportunities for talented young artists and performers at a time when the arts and entertainment industry was particularly challenged.
- 7 **Increasing of activities for families and over 65s**
The offering was reviewed to concentrate on the sectors of the population hardest hit by the challenges of the pandemic.
- 8 **Guaranteeing remote access to BAM events**
The modes of participation at events were modified to allow people to attend via streaming.
- 9 **Sending a message of rebirth through the Back to The City Concert (12.9.2020) at BAM**
The Fondazione committed considerable organisational and financial resources to transforming the peak event of its cultural programme into an event that would embrace the entire community, especially the most vulnerable segments of the population. BAM invited the Orchestra I Pomeriggi Musicali, under the baton of Nathalie Stutzmann, and Coro Costanzo Porta di Cremona to perform Beethoven's Ninth Symphony in the park to mark the 250th anniversary of the German composer's birth. The event attracted more than 6,000 people to the park and was shown on screens set up at the Casa Vidas 20 hospice and the Casa Jannacci hostel for the homeless, as well as being streamed live online. The concert offered a message of joy and universal brotherhood to the whole city.

05

The processes that transform resources into value

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Anticipating a strong market growth we integrate best practices in the development of investment products that promote the integration of environmental and social objectives.



Investing to create impact



We launched the COIMA ESG City Impact Fund, the first fund classified article 8 according to SFDR, with the first closing of € 400 Mln from leading Italian institutional investors. This highlights that the capital markets are increasingly orienting their investment choices towards products that best complement ESG issues. COIMA is structured to be able to integrate these objectives, carefully evaluating ESG risks in the investment process.

Gabriele Bonfiglioli
Managing Director Investment management



The COIMA divisions that oversee value creation throughout the supply chain - Investment Management, Asset Management, Development Management and Property Management - operate in an integrated, synergistic manner, thus guaranteeing the achievement of targets over time, with the generation of stable, long-term value.

Sustainability and innovation are the main drivers of processes and the related activities, optimising risk management.

COIMA has developed an investment process in line with international best practices and inspired by principles of professionalism, transparency and the creation of value for all stakeholders. Investment operations focus on investing the institutional capital raised from domestic and international investors in projects that will create value in the long term and generate attractive returns appropriate to the risk profile, in line with the platform's vision and values.

COIMA's investment strategy is based on urban regeneration on the district scale and on a sustainable development model that integrates infrastructures, the environment and the

community, to create a positive impact on an area and its real economy. Sustainability values and criteria are an integral part of the investment process, with the aim of improving its risk/return parameters and generating long-term value in the social and environmental contexts, as well as achieving the financial returns established in the plan.

It integrates innovation and sustainability criteria in every phase of the development process, always bearing in mind the specific urban context of every asset, in order to guarantee the realisation of high quality property projects that will fit seamlessly into the surrounding environment, ensuring the coordination of the main activities through careful, effective management.

In its property management, COIMA guarantees the value of investments over time by promoting energy efficiency and the responsible use of natural resources, while simultaneously maximising the satisfaction and wellbeing of its tenants, by constantly developing solutions to improve quality of life inside the building, making it a quality interconnected space, ready to adapt to the changing needs of its users.

In the last three years, COIMA's attention has been focused on the areas that will catalyse its biggest urban regeneration projects: the northward expansion of Porta Nuova and the former Porta Romana and Farina railway yards. These areas are destined for redevelopment on the district scale, with the inclusion of sustainability, innovation and efficiency parameters.



Investment trends

COIMA's investment strategy is characterised by a proactive approach in a constantly changing market, as it works to identify and prepare for the relative trends ahead of time.

Today, investors are increasingly shifting their focus to the residential sector, which is not currently the target of professional players, and where the structural gap between demand and supply is greatest. There is also a growing interest in new residential solutions inspired by principles of space-sharing and flexibility, and in products designed to meet the needs of specific categories of the population, such as students and senior citizens.

Moreover, the inadequacy of Italian building stock in relation to the new demands of tenants and consumers, as well as today's socio-economic trends (such as the move towards big cities and the ageing of the population) creates major opportunities for the optimisation and regeneration of existing buildings.

This may offer an important opportunity at the Country level for the launch of a far-reaching property investment programme that targets the gaps in the market and current trends with operations that both generate good returns and contribute to Italy's growth and modernisation.



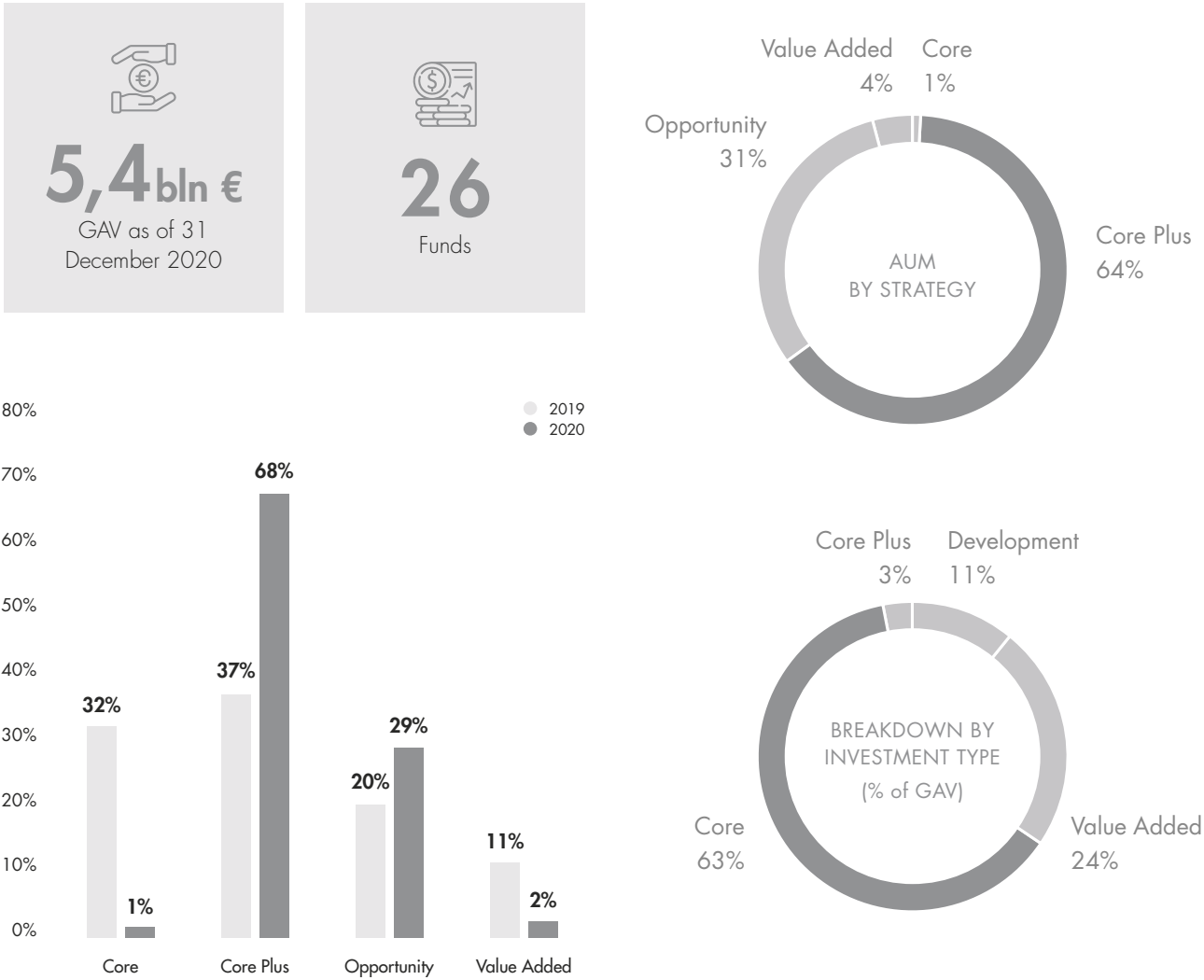
Investment management

COIMA SGR currently manages 26 property investment funds.

During 2020, COIMA raised approx. 900 million Euro from leading international and domestic investors. 70% of the acquisitions made were development and value-added opportunities, particularly in the residential and office sectors in Milan. Investments of these types enable projects which, once again, develop products inspired by the best sustainability and innovation standards in the context of urban regeneration at the district level.

A variety of tools enable the achievement of investment policy targets. Sustainability characteristics, including any improvement opportunities, are analysed by the Sustainability Checklist applied as part of the due diligence at the acquisition stage. The sustainability checklist covers Environmental, Social & Governance issues, detailing the information to be obtained and checked before completion of the bid. These include environmental and socioeconomic risk assessments and evaluations of energy and water efficiency and biodiversity.

COIMA SGR portfolio of assets under management



COIMA ESG City Impact Fund

Italy is uniquely rich in culture, history and natural beauty, is a strategic value on which investment must be targeted in order to drive the country's economic recovery. At the same time, the pandemic crisis has underlined that investments must aim to generate wider, sustainable prosperity.

The creation of the ESG City Impact Fund, launched by COIMA SGR in July 2020, is a genuine corporate and institutional contribution to the enablement of a new development model, promoting strategic investments with an effect on the real

economy, concentrated in hubs of excellence, meaning cities and districts with specialisms in Universities and research, culture, health and enterprise.

The new Fund's overall objective is to provide long-term capital growth while also promoting Environmental, Social & Governance characteristics and integrating sustainability risk in the investment process. The environmental and social impact generated will be monitored over time, taking as reference the achievement of four macro-goals:

- Sustainable requalification of existing building stock and the local area
- Creation of resilient, close-knit communities
- Health and wellbeing in buildings and the community
- Promotion of culture and education

The Fund's characteristics of environmental and social sustainability will be pursued through the ESG fund investment procedure, which includes additional sustainability criteria compared to those adopted for conventional funds.

In fact, the exclusion criteria applied during the selection of investment opportunities are reinforced with the further requirement of achieving a minimum ESG rating at the fund level, calculated using the "COIMA Charter" in-house assessment model. Both the COIMA Charter and the Sustainability Checklist are used during due diligence to identify the sustainability risks of the specific investment and assess their impact on the fund's profitability. In particular, the investment strategy will concentrate on operations structured at the district scale, as this is the dimension

that best allows the across-the-board application of innovation on mobility, energy and additional residential services. Furthermore it creates the opportunity to trigger changes that make cities more sustainable overall, thanks to a "domino" effect on the areas adjacent to the regeneration project. The sectors identified are residential and tourism, in accordance with the priorities of the national agenda, with a strong focus on product innovation.

The investment strategy will be monitored over time by the Fund Manager with support from the Sustainable Innovation Committee (SIC), which will approve the COIMA Charter before it is submitted to the Investments Committee. The ESG City Impact Fund complies with the requirements of Art.8 of Reg. EU 2019/2088.

FUND DURATION
20 years

RAISING OF CAPITAL
Target: more than 1 billion
€400 million raised with Cassa Forense, Cassa Nazionale Dottori Commercialisti and Inarcassa pension funds investing

RETURN
IRR over 10% in development phase
Dividend stabilised over 5% in operating phase

IMPACT
Goal of attracting investments of over 4 billion with ESG impacts on the territory and the real economy



Acquisition of former Porta Romana Railway Yard

The Porta Romana Fund, promoted and managed by COIMA SGR and with Covivio, Prada Holding S.p.a. and COIMA Esg City Impact Fund amongst its investors, was the successful bidder in the auction held by FS Sistemi Urbani Srl and Rete Ferroviaria Italiana SpA for the purchase of the former Porta Romana Railway Yard, at a price of 180 million euro. The area concerned is of about 190,000 m² and lies to the south east of Milan, in a dynamic zone adjacent to the city centre. The Master Plan which will underpin the development was selected by means of an international competition, and establishes the guidelines for a project comparable in scale, quality, size and aims with Europe's most ambitious urban development initiatives. The regeneration operation will enable the recovery and requalification of a disused area on principles of sustainability and innovation. The area will also host the Athletes' Village of the 2026 Winter Olympics, but the regeneration will reach far beyond the 2026 event, and will change the face of part of the city.

The physical barrier which the old yard has hitherto constituted will be overcome through easy routes through the park, which will be about 100,000 m² in size and will be surrounded by homes, offices, social and student housing and services interconnected with the entire metropolitan area via railway and metro stations.

The project will be regulated by the Planning Agreement signed in June 2017 by the City of Milan, the Lombardy Region and Ferrovie dello Stato, which allows buildings with gross floor area of 164,000 m² and stipulates that 50% of the yard must be allocated to parks and public spaces. Once the necessary administrative authorisations have been obtained, the first handovers are scheduled for 2025-2026. Within the former yard, COIMA SGR will develop the private and social housing component and the Olympic Village, which after the event will be transformed into student housing with accommodation for about 1,000 young people. Covivio will develop office and service functions, and Prada Holding S.p.A., interested above all in the quality of the park, will build a laboratory and office building to extend its existing activities in the area.



Sustainable development

With the support of COIMA REM, COIMA SGR oversees and manages the entire process, from research to technical and economic feasibility studies, from design to the award of planning permissions, through to construction and sale of the building.

Development policies are set by COIMA SGR, with guidelines defined by the Investment Fund strategies and then applied in greater detail in the individual projects. COIMA REM ensures the implementation of the development guidelines, by producing design ideas that adopt principles of technological innovation,

use sustainable building materials and technologies, and refer to the best international benchmarks derived from various contexts. COIMA REM also manages the works, monitoring the operations of the contractors and the construction site safety consultants.

Following the technical analyses and due diligence performed during acquisition, the risks and value added opportunities of requalification projects are identified, analysing the possible regeneration scenarios with the relative estimates of the development costs, the planning and administrative approval processes involved, and the overall time schedule.

Decarbonisation in property development

The growing importance of environmental performance in terms of the decarbonisation goals set by the European Union is particularly significant for projects currently under development. Buildings' lifecycle emissions include those related both to the materials used for their construction and to energy consumption during both construction and operation. The construction of a new building emits about 1,000 kg CO₂e/m² during the construction period (2-3 years), two thirds of which derive from the materials used for building the structures, meaning concrete and steel¹. Buildings with poor emissions performances are subject to a transition risk which becomes considerable for new projects, both renovations and new builds.

COIMA has launched a process of analysis, research and development to identify new construction materials and

methods to limit the adverse environmental impact of its new constructions. In particular, always bearing in mind that its development strategy is mainly concerned with the requalification of existing buildings, where this is not possible new buildings adopt the best possible technologies, to limit their impact. All new-generation projects will undergo in-depth analysis to measure buildings' future performance against the EU's decarbonisation goals. A thorough study was made of the emissions generated by the assets of the COIMA SGR Investment Funds during 2020. This study collected buildings' environmental data both for the emissions generated by the direct management operations (Scopes 1 and 2) and those generated by tenants (Scope 3). The analysis then provided input for developing a plan for the decarbonisation of the Investment Funds, to be applied in the coming years.

Development projects

COIMA is developing more than 20 projects of various kinds: residential, offices, mixed-use, hospitality and the requalification of entire districts, for a total area of over 730,000 m².



Pirelli 39

Pirelli 39 stands at the centre of the Porta Nuova Gioia area, in a strategic position between the Centrale Station to the east and the Farini railway yard to the west, and is the point of access to Porta Nuova when heading towards the city centre from the north. The requalification project involves the renovation of the tower which once housed the City of Milan offices, the proposal for the realisation of functions of public interest on the linking "bridge" and the construction of a residential building.

Objective: LEED, WELL and WiredScore Certification nZEB building



Valtellina

The project refers to an area of about 60,000 m² on Via Valtellina, currently occupied by Agenzia del Demanio (Public Property Agency), Guardia di Finanza (Finance Police) and Agenzia delle Dogane (Customs Agency) offices. The requalification project forms part of the Farini Railway Yard district, envisaging residential, retail and office mixed-use with a high proportion of public parks.

Objective: LEED, WELL and WiredScore Certification nZEB buildings, LEED & WELL for Community application

1 LETI EMBODIED CARBON PRIMER, JANUARY 2020 (WWW.LETI.LONDON)

Quality, transparency and construction site safety

COIMA's property development operations include projects with widely varying characteristics in terms of size, intended use and complexity. During the design and construction phase, the company holds architecture competitions and runs competitive bidding procedures to select the best professionals from Italy and abroad. In several cases, for new projects it has chosen to organise by-invitation or open architecture competitions, with a single phase or in two stages, pre-selection and actual competition, in which well-known international architecture firms compete with up-and-coming young professionals. This enables the choice to be made on a transparent basis with the highest quality standards ensured.

For the procurement of goods and services for regeneration and development processes, COIMA has built up a considerable network of qualified and reliable suppliers with whom it collaborates to achieve high quality and performance standards in its properties and maximise economies of scale, while also guaranteeing transparency and quality in procurement processes, by using its own digital platforms. The platform's supplier database contains information constantly updated by suppliers themselves on their general, financial, organisational and structural data, completed by reputational and performance rating values, set by COIMA itself, on which the initial prequalification and final post-acquisition assessment are based.



Construction site management during COVID-19

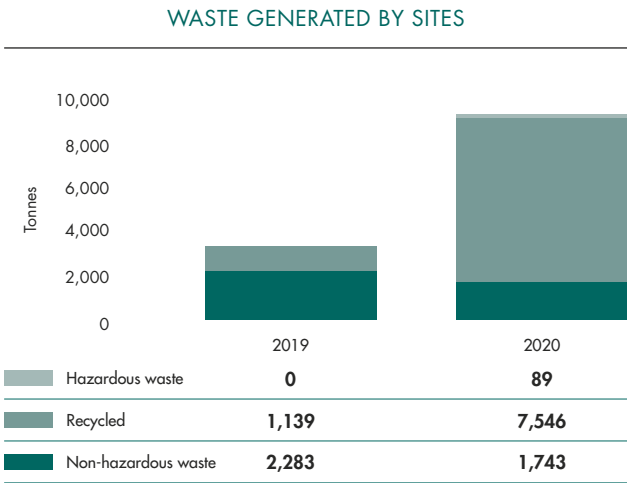
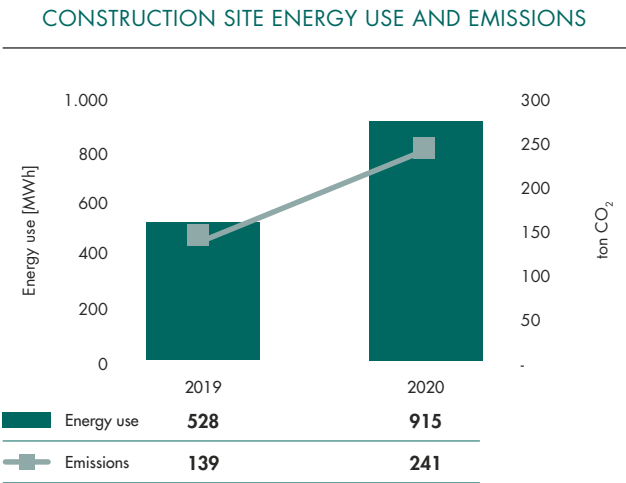
This year, due to the COVID-19 pandemic and the lockdown of all production activities imposed from 9 March, all the construction sites operated had to be totally or partially shut down from 13 March to 4 May. During this time, COIMA and its General Contractors adopted all necessary procedures to ensure safety at the various sites, keeping only security and emergency staff at work. The COVID-19 safety protocol was analysed in depth to

identify and implement all possible safety measures, as well as planning the restart of works as soon as possible, to limit delays and impact on construction processes. Routes and paths were added to construction site layouts with differentiated entrances and exits to minimise interactions and contacts between the various workers and avoid gatherings. Suitable spaces were also organised for refreshment areas, toilets and changing-rooms.

Construction site environmental data

In previous sections, we have underlined the fact that the environmental impact of the construction sector is a significant issue. Since 2018, COIMA SGR has begun the accurate monitoring of the emissions generated at construction sites (which currently do not include emissions for the production

of construction materials, defined in Scope 3). The graph below illustrates the annual energy consumption and emissions generated at construction sites. 2019 and 2020 saw the opening of major sites such as the Gioia 22, Pirelli 35 and Corso Como Place projects, amongst others.



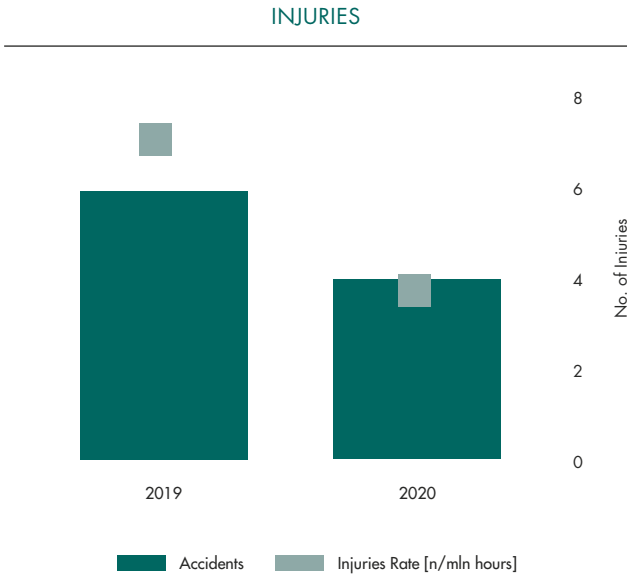
The management of construction waste is a significant factor for the sustainable management of the property requalification process. In 2020, as the graph shows, 80% of the waste generated (by weight) by the site was taken to recovery and recycling centres.

Health and safety on construction sites

The construction industry accounts for 18.3%¹ of work-related illnesses reported to the Italian INAIL occupational accident insurance authority by the industry and services sectors (total 49,277 reports), placing it immediately after manufacturing (21.2%; 10,460 cases) at second place in the list. This figure highlights the large number of workplace injuries and occupational illnesses affecting the industry.

Therefore, COIMA SGR and COIMA REM view the management of safety on construction sites as a matter of concern. All construction sites are managed by Works Managers and Safety Representatives, who perform the important activities required to safeguard workers' health.

2020 saw a sharp reduction in the injury rate, partly due to the introduction of site management protocols in response to the health emergency.



¹ INAIL FIGURES PUBLISHED IN AUGUST 2020

Real estate asset management



Sustainability for COIMA represents an essential element, not only for the development process of new buildings, but also in the management of the existing ones. Long ago we engaged in deep analysis on the managed portfolio, aimed at identifying the actions needed to achieve the European decarbonization objectives.

Matteo Filippo Ravà
Head of Fund & Asset Management - Fund & Asset Management



Technological innovation and high sustainability standards are now fundamental to property management - they require increasingly complex management, and include specialist areas such as energy management, the development of services for residents, and the development of IT assets capable of supporting this complexity (management software development, data collection, analysis and management, transition from BIM design to BIM management, selection and monitoring of KPIs).

With the aim of maximising assets' efficiency, COIMA is constantly working to introduce management solutions that have positive effects on reducing energy use. The reduction of environmental impacts is also a way of reducing buildings' operating costs and thus the overall cost of occupation.

The achievement of high energy and environmental performance delivers on economic targets, by reducing energy and other operating costs, and also extends the average lifetime of systems by reducing their wear over time. During 2020, priority was given to work to calibrate systems and to raise tenants' awareness regarding to their operating parameters, to ensure consumption levels remained commensurate with the number of people actually in buildings and their modes of use.

In response to changing needs with regard to both living and working spaces which will emerge in the light of the situation created by COVID-19, COIMA will increasingly make its skills and expertise available to implement innovative, effective solutions.

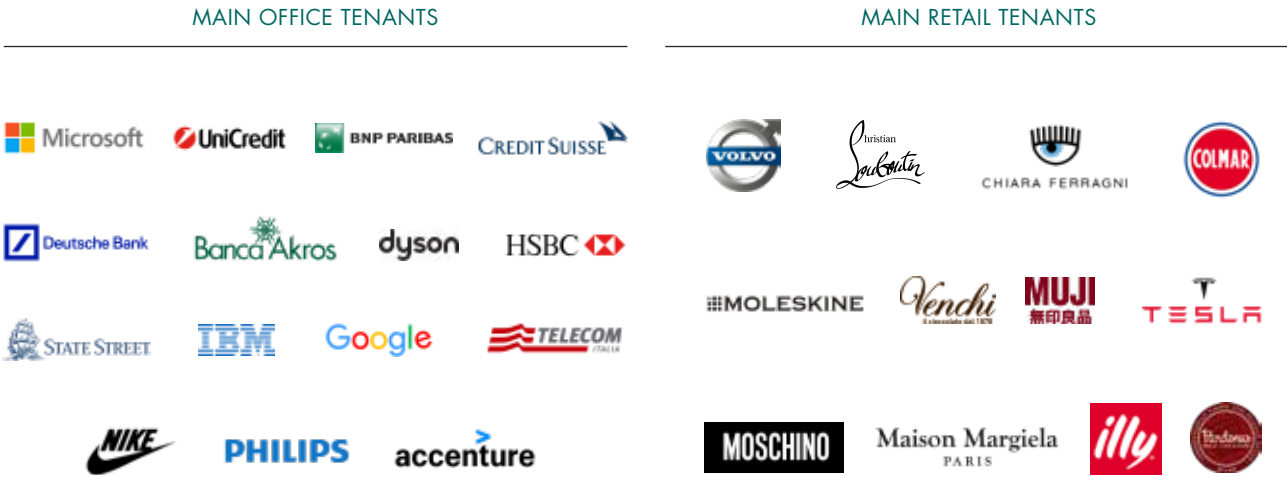
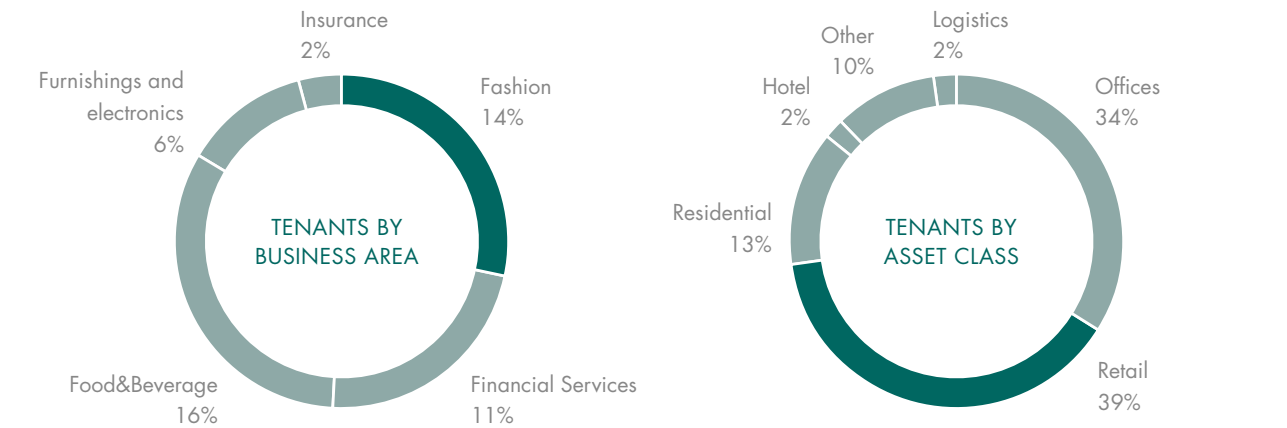


COIMA SGR receives the MSCI European Investment Award for the performance of the Porta Nuova Garibaldi fund

For the second consecutive year, Morgan Stanley Capital International (MSCI) has named COIMA SGR, as the independent company that leads the market in the asset management of property investment funds for institutional investors. COIMA received the European Property Investment Award for the Porta Nuova Garibaldi Fund as the best-performing specialist fund on the Italian market.

The competition, now in its 22nd year, selects the European real estate funds that have performed exceptionally in the last 3 years, compared with the benchmark market: against an average return of 4.7% for the 27 funds assessed, Porta Nuova Garibaldi delivered a yield of 7.5%.

Proprieties under management



CASE STUDY



Gioia 22

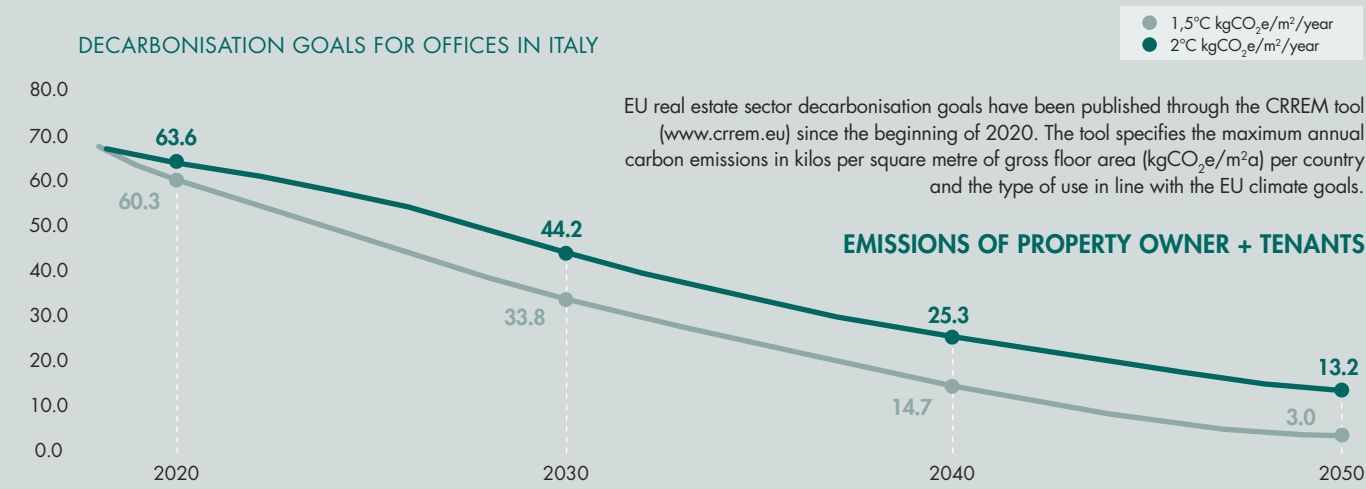
Gioia 22 is a 26-storey building with gross floor area of about 33,000 square metres, constructed after the demolition of the old INPS building, built in 1961 (disused since 2012) and a clean-up programme involving the removal of more than 200 tonnes of asbestos.

The building, designed by Pelli Clarke Pelli Architects, is the largest in Italy to have received Nearly Zero Energy Building (NZEB) certification, as well as qualifying for LEED, WELL and Cradle to Cradle certifications. Gioia 22 is fitted with more than 6,000 m² of photovoltaic panels integrated in its facade, and together with the use of groundwater, this will enable a reduction in energy use of about 75% compared to conventional buildings¹.

The electricity produced by the photovoltaic system is be sufficient to cover the energy needs of 296 homes². The building forms part of the north-eastern expansion of the Porta Nuova district, a major urban regeneration project managed by COIMA SGR just 10 minutes' walk from the Milan Centrale and Garibaldi high-speed train stations.

Reniforcing the project's sustainability credentials, tools for the dynamic simulation of the building's energy performance were used to assess its positioning with regard to the European Union decarbonisation targets. COIMA has begun to monitor its annual emissions per m² of floor area using CRREM (Carbon Risk Real Estate Monitoring). This tool supports the company in the comparison of buildings' environmental performances in line with the Paris Accords on decarbonisation and the energy reduction of its portfolio.

Thanks to the technological solutions adopted, the fact that no fossil fuels are used on site, the utilisation of renewable energy for heating and cooling and the electricity generated by the photovoltaic plant, the results of the simulation show emissions about 50% below the current limit set by the European Union. Moreover, emissions may fall even further over time as Italy's electricity generation is gradually decarbonised.



1 CONSIDERING TRADITIONAL BUILDING ENERGY CONSUMPTION OF 280 kWh/m²/YEAR
2 CONSIDERING AVERAGE ANNUAL HOUSEHOLD ELECTRICITY CONSUMPTION OF 2,450 kWh/YEAR



34.7
kgCO₂e/m²/year
Estimated carbon intensity of the building (2019)

63.6
kgCO₂e/m²/year
2020 carbon intensity limit - Ref. EU



Management of COVID-19

COIMA immediately made arrangements to treat the communal areas of all the properties managed - retail, offices or residential - in accordance with the cleaning, sanitisation and safety standards required by the health emergency. From 25 February, professionals specialising in the various issues were called in to assess the regulations in force and the best practices for the most effective measures to combat the spread of the virus.

The chemical products and ventilation system treatments recommended by the Ministry of Health and Higher Institute of Health were adopted, and all unnecessary services (such as the heating of empty buildings) were suspended during the lockdown period to prevent needless energy use. Activities were carried out in agreement with tenants, who often decided to undertake equivalent procedures within their rented areas.

Major actions were implemented in all the properties managed, including COIMA HQ, Bosco Verticale, Aria, Solaria, Solea, Diamantino, Fondazione Riccardo Catella, Feltrinelli Porta Volta, Corso Como Place, Sarca 235 and Monterosa 93.

From the onset of the COVID-19 health emergency the Property team, assisted by the Safety Management team, moved quickly to comply with regulatory requirements with a view to maximising prevention of the spread of COVID-19 for people using the Porta Nuova areas, to enable the continuation of ordinary activities as far as possible. The critical factor was the management of people flows entering and leaving the retail piazza in a way which would guarantee the social distancing.

The areas were constantly managed and the management protocols updated on the basis of changes to the regulations and the opening/closure of businesses.

Response times to Central and Regional Government measures

Decree Law no. 6/2020 P.M. Decree 2020.02.23-25	P.M. Decree 2020.03.01-04-08-09-11	P.M. Decree 2020.04.01-10-26	P.M. Decree 2020.05.17	P.M. Decree 2020.06.11	P.M. Decree 2020.07.14 P.M. Decree 2020.08.07	P.M. Decree 2020.09.07 P.M. Decree 2020.10.13
FEBRUARY	MARCH	APRIL	MAY	JUN	JULY AUGUST	SEPTEMBER OCTOBER
02.23 Notification of SM - State of Emergency 02.27 Brief outline of feedback of suppliers to owners	03.08 Notification of SM to suppliers - shared workplace protocols 03.17 Adoption of "Management of COVID-19 Risk Health Emergency" document	04.29 User Flow Study and Signage Design for consortium areas Coordination and alignment meetings	05.08 Placing of signs and sanitiser dispensers 05.29 Inspections throughout the month	06.16 Notification of SM - access authorisation procedures, self- declarations and registers	Monitoring of compliance with anti-COVID measures during maintenance works	09.02 Updating of anti-COVID-19 measures Monitoring of compliance of measures with regulations

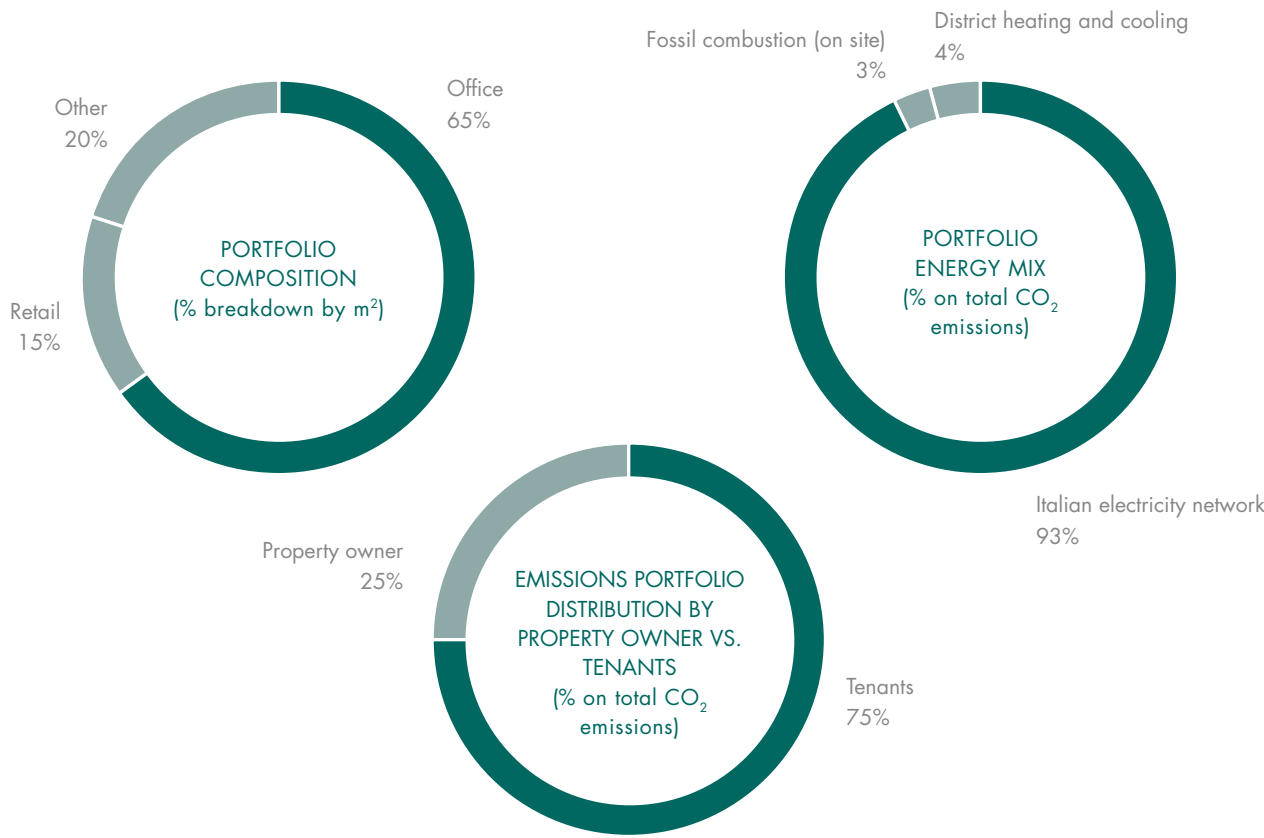
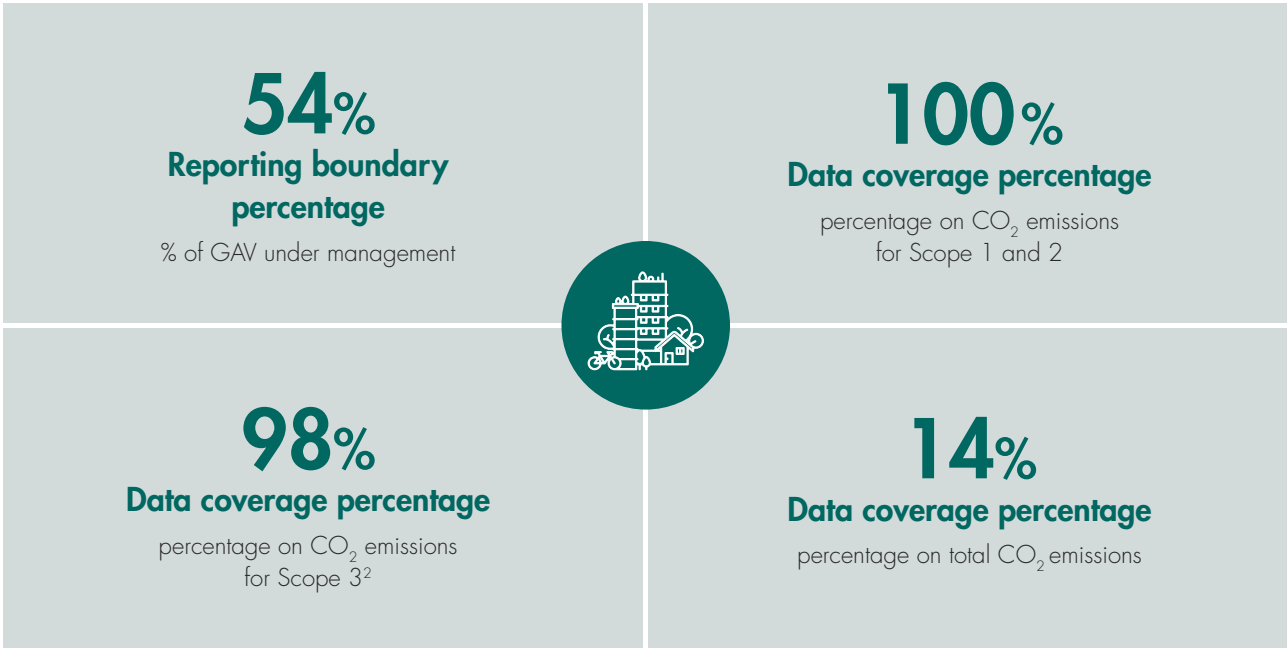
- 14 Safety Manager Notifications
- 6 COVID-19 risk protocols User flow study
- 91 Suppliers whose anti-infection protocols were checked
- 45 Sanitiser dispenser points installed
- 362 Guidance signs installed
- 173 Inspections to verify compliance with measures
- 32 Coordination meetings with suppliers, held remotely

Inspections

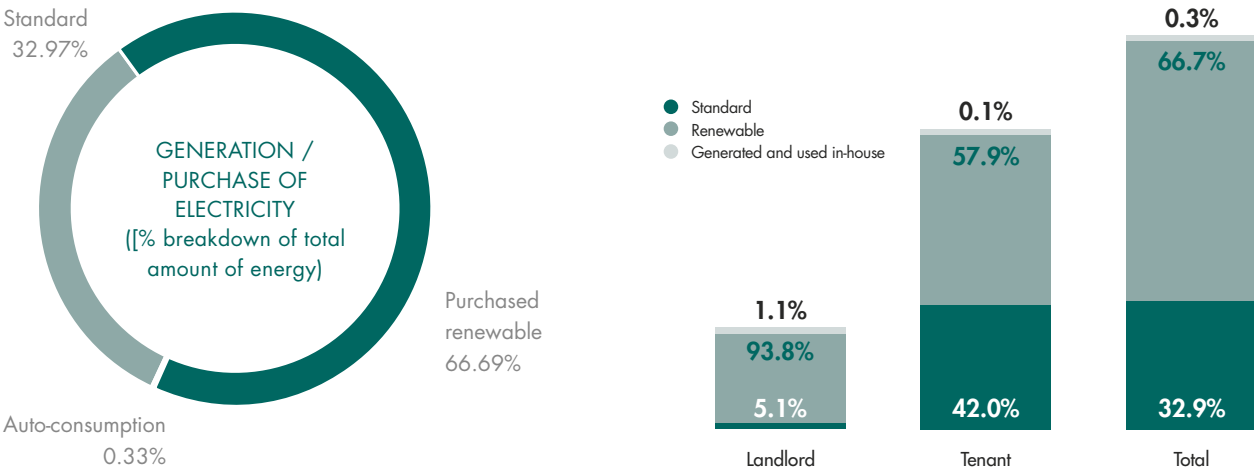


Corso Como Place - Milan - construction site

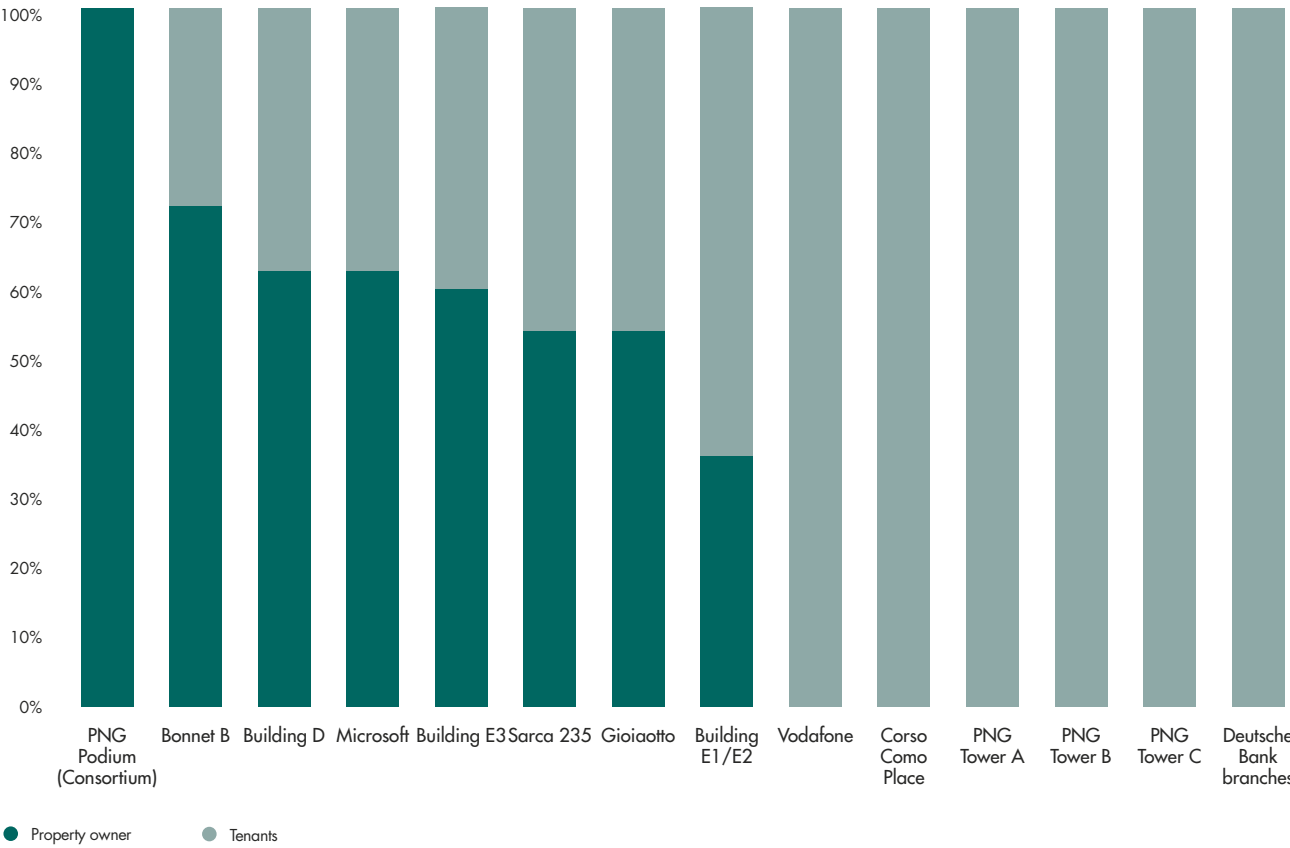
Main environmental data¹



¹ ENVIRONMENTAL DATA RELATING TO THE PORTFOLIO MANAGED BY COIMA SGR AND THE REPORTING BOUNDARIES SPECIFIED IN THE NOTE ON METHODOLOGY.
² CO₂ EMISSIONS DO NOT CONSIDER EMISSIONS RELATING TO DEVELOPMENT AND CONSTRUCTION SITE PHASES; THEY ONLY REFER TO OPERATIONAL PROPERTIES.

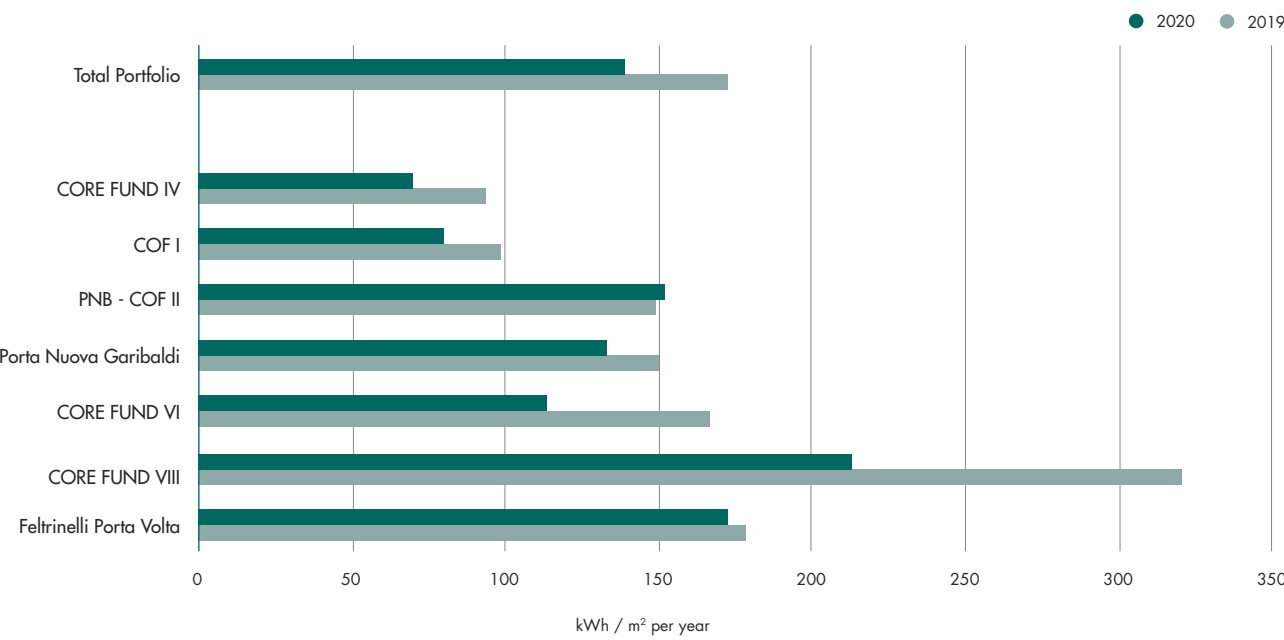


BUILDING EMISSIONS SPLIT¹ - PROPERTY OWNER VS. TENANTS



¹ THE BASIS FOR CALCULATION OF THE GRAPHS FOR THE INDIVIDUAL BUILDINGS USES ADDITIONAL ASSUMPTIONS COMPARED TO THE EPRA TABLES

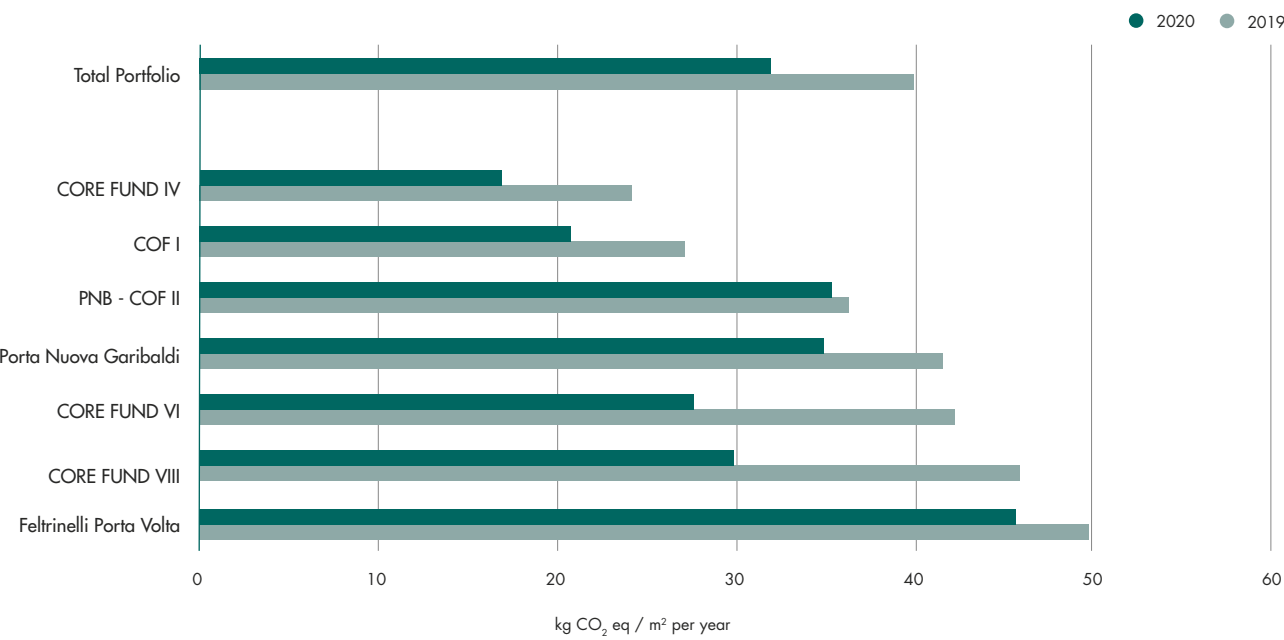
ENERGY INTENSITY



Energy consumption decreased significantly compared to 2019 figures, with an effect on the portfolio of 19%, which in turn led to a 20% drop on CO₂ emissions, largely due to the lower level of use of offices during the months from

March to June, when the health emergency was at its peak. Although partial, the return of staff to offices meant that systems were back in operation for the summer months, through to the second period of lockdown from November.

GREENHOUSE GAS EMISSION INTENSITY



During 2020, detailed studies were performed on a particularly energy-intensive part of the portfolio, and 2021 will see

the development of decarbonisation plans setting out the modifications to be made to the buildings in the coming years.





Sarca 235 - Milan

CASE STUDY



Sarca 235

The building at Viale Sarca 235 (in the Bicocca office district), which currently houses the Italian headquarters of Philips and other international corporations, was initially purchased by the COIMA Opportunity Fund I and underwent a thorough requalification during 2016-17 with a particular focus on energy performance, now shows very low energy usage (99 KWh/m² per year¹, compared to an average for the COIMA SGR portfolio of 173 kWh/m² per year²).

The high quality and flexibility of the building’s systems, which optimise energy use on the basis of the actual occupation of spaces, makes it one of COIMA’s best-performing assets. For example, the lighting system, developed with technical inputs from a tenant (Signify), uses extremely high-performance LED light fittings. The system is also controlled via a DALI system with movement sensors and sensors which measure natural daylight levels. Furthermore, a photovoltaic system and a system for harvesting and storing rainwater for flushing the building’s WCs have been installed on the roof.

The building does not use fossil fuels: the heat-pump heating and cooling system is powered by the national grid, which enables the property to benefit directly from the decarbonisation of the national electrical grid planned by the main energy producers. An analysis of 2019 consumption figures reveals that current emissions are about half the limit now set by the European Union³, and as a result of the actual and planned decarbonisation of the national grid, the building will continue to be within the European Union limits until 2043.

26

kgCO₂e/m²/year

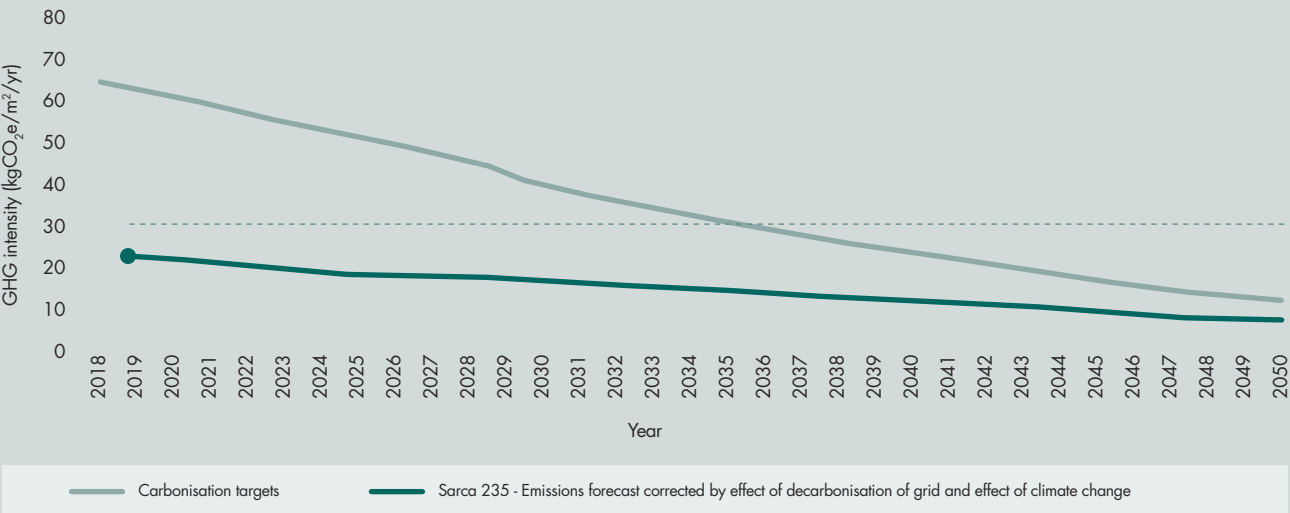
Carbon Intensity of the building (2019)

63.6

kgCO₂e/m²/year

2020 carbon intensity limit – Ref. EU

CARBON INTENSITY OF SARCA 235 BUILDING VS DECARBONISATION CURVE

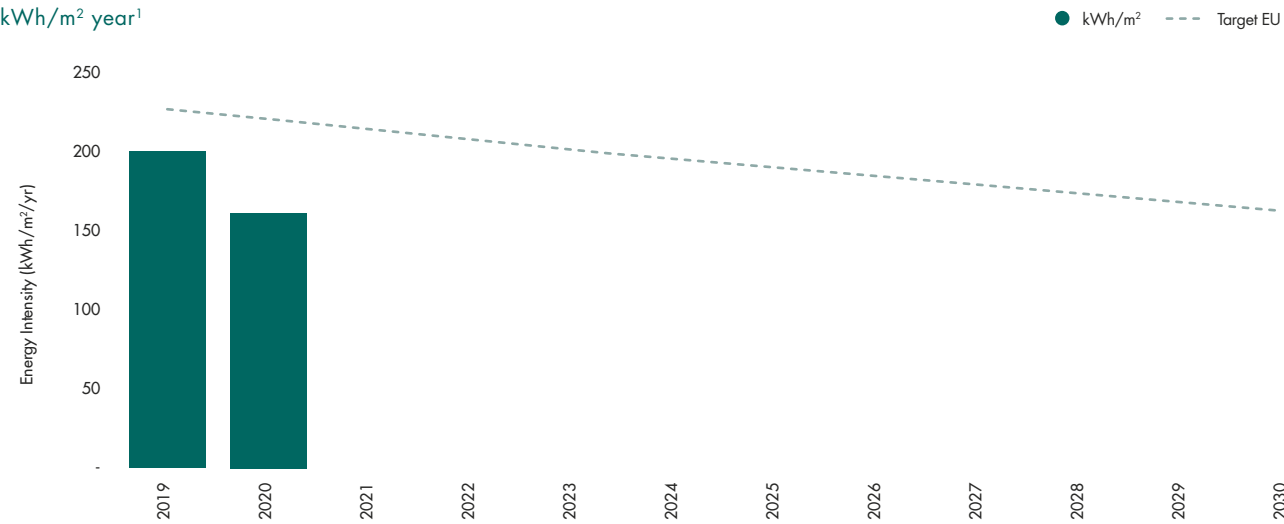


1 2019 FIGURE, LAST REPRESENTATIVE PRE-COVID PERFORMANCE FIGURE.
2 2019 FIGURES, LAST REPRESENTATIVE PRE-COVID PERFORMANCE FIGURES.
3 REFERENCE TO CRREM v 1.4, "2°C PATHWAY" CURVE.

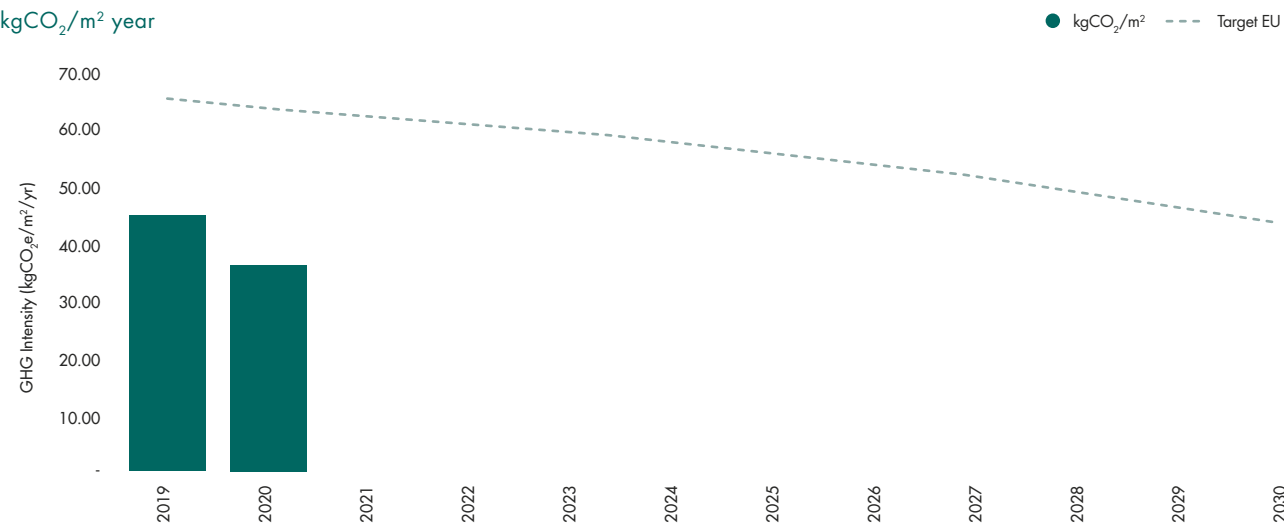
Environmental performances

OFFICES

PORTFOLIO ENERGY INTENSITY VS EU DECARBONISATION TARGETS



PORTFOLIO CARBON INTENSITY VS. EU DECARBONISATION TARGETS



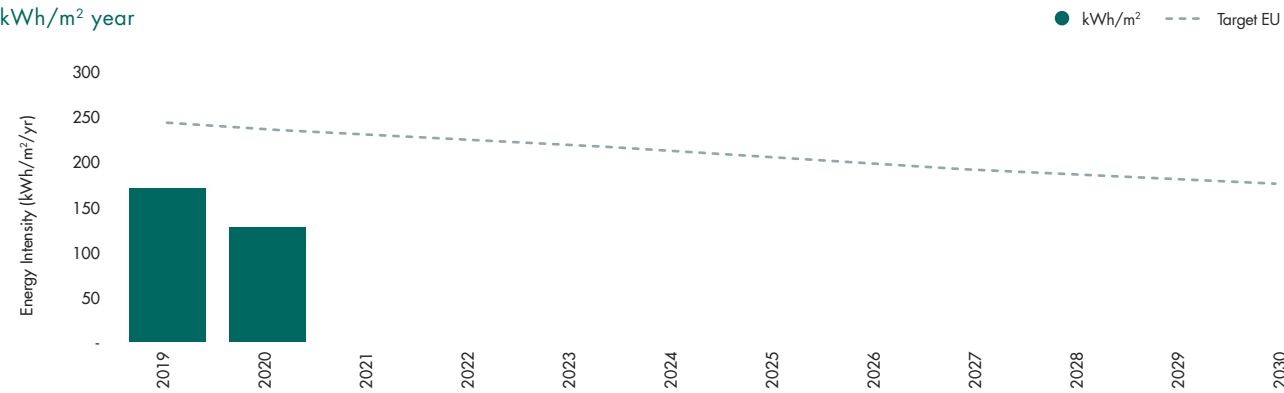
The analysis of the portfolio's CO₂ emissions shows that it is compliant with EU limits, this includes 2019, which as already stated is the most meaningful reference year. It is important to emphasise that the best-performing buildings benefit from strategies which exclude the use of fossil fuels in favour of

other solutions such as heat pumps. In the future, the scheduled decommissioning of heating systems coupled with the further decarbonisation of the national grid will lead to further optimisation and thus of emissions, also bearing the plans for the decarbonisation of the national electrical grid in mind.

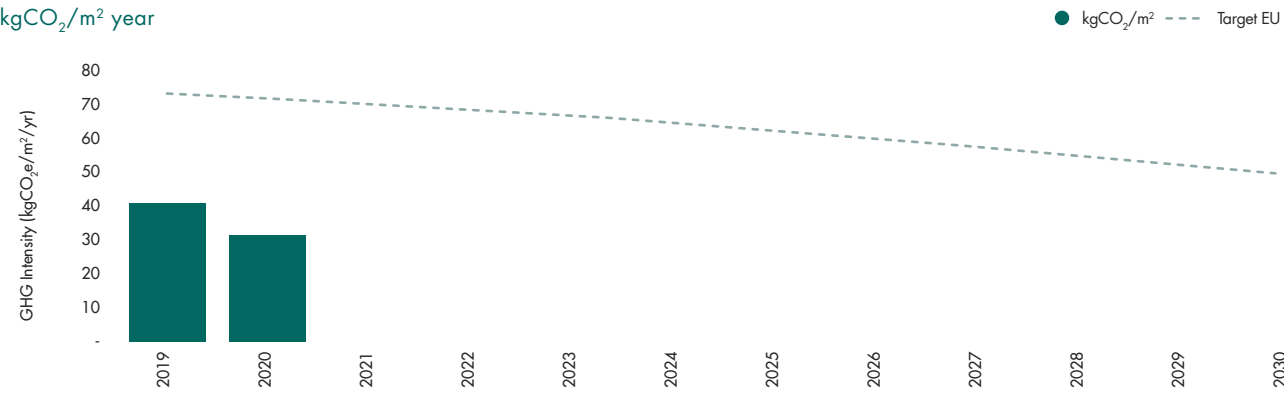
1 WHEN ASSESSING THE MEAN ENERGY INTENSITY OF THE OFFICE PORTFOLIO, THE SIGNIFICANT REFERENCE VALUE IS STILL THAT FOR 2019 (FOR FULL OPERATION) RATHER THAN FOR 2020, WHEN FOR THE REASONS ALREADY MENTIONED THE VALUE FALLS WELL BELOW THE REFERENCE THRESHOLD ALIGNED WITH THE PARIS ACCORD.

RETAIL¹

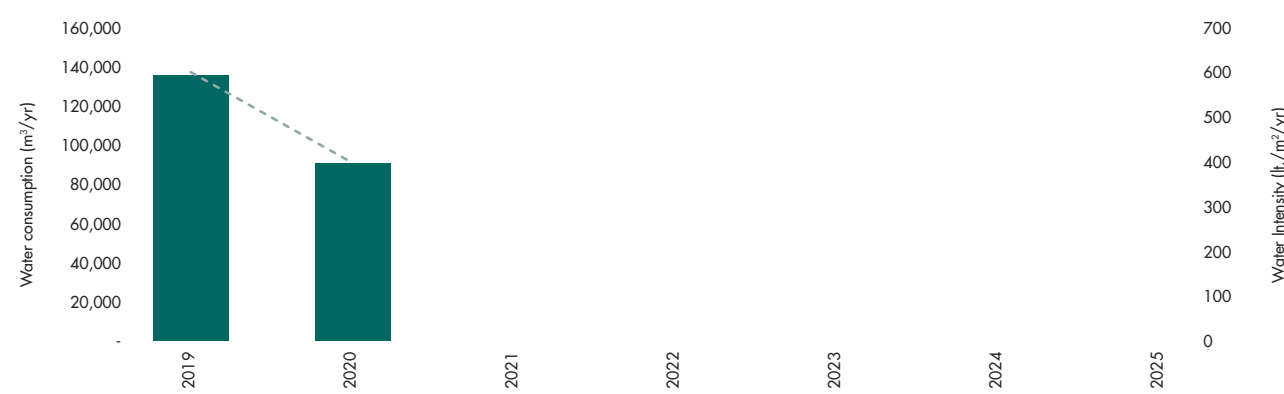
PORTFOLIO ENERGY INTENSITY VS EU DECARBONISATION TARGETS



PORTFOLIO CARBON INTENSITY VS. EU DECARBONISATION TARGETS



TOTAL POTABLE WATER CONSUMPTION (m³/year) VS. WATER CONSUMPTION INTENSITY (l/m² year)



The effect of the low level of building occupancy during 2020 is particularly clear in the findings for drinking water consumption, which show a reduction of 29% compared to 2019.

1 THE VALUES INCLUDE THE DEUTSCHE BANK BRANCHES

06

Annexes

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Note on Methodology

General background and reporting guidelines applied

This document reflects significant changes in approach and reporting perimeter compared to previously published Reports. The performance and impacts reported in it, in fact, no longer concern the entire COIMA platform but focus on the activities of COIMA SGR. Where deemed appropriate and significant, however, information relating to management processes shared with other companies operating within the platform has also been reported, in continuity with the previous Reports.

The structure of the report has been drawn up using as a methodological reference the Standard GRI published by the Global Reporting Initiative, applied according to the “In accordance-core” level, as well as some specific indicators

taken up by the Construction and Real Estate Sector Disclosure sector supplement. The list of GRI Standards applied is given in the correlation table published from p. 110 to 113. In addition, this year the report setup was revisited inspired by the integrated reporting framework published by the International Integrated Reporting Council (IIRC).

For a correct reading of the Report, and in particular of the indicators of environmental performance of buildings, it is necessary to consider the absolute exceptionality of the year 2020 which, due to the effects of the health emergency, has seen a reduced attendance of offices and, at the same time, the relocation of a significant share of work activities in private homes, in smart working mode.

Reporting boundaries and process

This document reports related data and information to fiscal year 2020, with a photograph at 31 December.

The limits of environmental data has been reconfigured compared to previous reports, and includes only assets held in the COIMA SGR portfolio for which COIMA has the management, and for which a level of completeness has been achieved, in data collection, both at the landlord and tenant level, more than 80% of the area. The environmental performance related to the COIMA headquarters building, located in Milan in Piazza Gae Aulenti, is also reported. In total, the limit of environmental data for 2020 refers, therefore, to 73 properties, for which it was possible to collect data both for landlords and tenants (for tenants it was not always possible to obtain complete data), for a corresponding area of over 350 thousand square meters, excluding the related

parking spaces, compared to a total portfolio that consists of about 170 properties and properties for a total area of about 1 million square meters¹.

The data and information reported in the document were collected by the company's various departments in association with COIMA REM and the other entities which perform property management services on behalf of COIMA SGR on the buildings managed.

The Report was approved by the COIMA SGR Board of Directors on 24th June 2021 and, for the first time, has also received compliance approval from KPMG S.p.A., in limited assurance audit form. For an in-depth analysis of the subject of the audit and the procedures followed by the independent auditor, reference should be made to the report published from page 116 to 118.

List of buildings withing environmental data boundaries

FUND	STRATEGY	PROPERTY
Coima Core Fund IV	CORE	Other
Coima Core Fund VI	CORE	COIMA REM
Coima Core Fund VIII	CORE	COIMA REM
Coima Opportunity Fund I	CORE	COIMA REM
Coima Opportunity Fund II	DEVELOPMENT	Other
Feltrinelli Porta Volta	CORE	COIMA REM
Porta Nuova Bonnet	DEVELOPMENT	COIMA REM for Bonnet Ed. B
Porta Nuova Centrale	DEVELOPMENT	Other
Porta Nuova Garibaldi	CORE	COIMA REM
Porta Nuova Gioia	DEVELOPMENT	Other

1 As well as COIMA SGR, the environmental data boundaries in the 2019 report also embraced the properties managed by third parties for which COIMA REM provides property management services, together with the building occupied by the Fondazione Riccardo Catella, owned by Milan City Council and managed by COIMA REM. The 2019 boundaries therefore included a total of 35 buildings and an area of more than 560 thousand m².

Data and Indicators

GRI		U.M.	2019	2020
102-8	STAFF NUMBERS			
	Employees as of 1/1	n	58	70
	Arrivals	n	22	14
	Departures	n	10	9
	Employees as of 31/12	n	70	75
102-8	STAFF BREAKDOWN			
	By gender			
	Males	n	38	43
	Females	n	32	32
	By type of employment			
	Part-time	n	1	1
	- of whom males	n	0	0
	- of whom females	n	1	1
	By contract type			
	Permanent	n	64	71
	- of which males	n	36	41
	- of which females	n	28	30
	Fixed term	n	6	4
	- of whom males	n	2	2
	- of whom females	n	4	2
	Internship / Induction	n	1	3
405-1	EMPLOYEES BY AGE CATEGORY			
	Age under 30 years	%	21	24
	Age between 30 and 50 years	%	69	67
	Age over 50 years	%	10	9
	AVERAGE YEARS' SERVICE WITH THE COMPANY			
	Total	n. years	4.7	4.8
405-1	EMPLOYEES BY RANK AND GENDER			
	Managers	n	13	13
	- of which males	n	9	9
	- of which females	n	4	4
	Mid-level managers	n	25	26
	- of which males	n	15	16
	- of which females	n	10	10
	Office workers	n	32	36
	- of which males	n	14	18
	- of which females	n	18	18

GRI	U.M.	2019	2020	
405-1	EMPLOYEES BY RANK AND AGE			
	Managers	n	13	13
	Age under 30 years	n	0	0
	Age between 30 and 50 years	n	11	11
	Age over 50 years	n	2	2
	Mid-level managers	n	25	26
	Age under 30 years	n	0	0
	Age between 30 and 50 years	n	20	21
	Age over 50 years	n	5	5
	Office workers	n	32	36
	Age under 30 years	n	15	18
	Age between 30 and 50 years	n	17	18
	Age over 50 years	n	0	0
401-1	ARRIVALS			
	By age category			
	Age under 30 years	n	9	8
	Age between 30 and 50 years	n	12	6
	Age over 50 years	n	1	0
	By gender			
	Males	n	12	9
	Females	n	10	5
	By rank			
	Managers	n	2	2
	Mid-level managers	n	6	2
	Office workers	n	14	10
401-1	ARRIVAL RATE			
	By age category			
	Age under 30 years	%	60	44
	Age between 30 and 50 years	%	25	12
	Age over 50 years	%	14	0
	By gender			
	Males	%	32	21
	Females	%	31	16
	By rank			
	Managers	%	15	15
	Mid-level managers	%	24	8
	Office workers	%	44	28

GRI	U.M.	2019	2020	
401-1	DEPARTURES			
	By age category			
	Age under 30 years	n	3	3
	Age between 30 and 50 years	n	5	6
	Age over 50 years	n	2	0
	By gender			
	Males	n	3	4
	Females	n	7	5
	By rank			
	Managers	n	0	2
	Mid-level managers	n	3	1
	Office workers	n	7	6
401-1	DEPARTURE RATE			
	By age category			
	Age under 30 years	%	20	17
	Age between 30 and 50 years	%	10	12
	Age over 50 years	%	29	0
	By gender			
	Males	%	8	9
	Females	%	22	16
	By rank			
	Managers	%	0	15
	Mid-level managers	%	12	4
	Office workers	%	22	17
404-1	TRAINING AND DEVELOPMENT			
	Total hours of training administered	n	2,423	898
	- of which to males	n	1,373	573
	- of which to females	n	1,050	324
	Average hours of training administered per employee	n	41	12
	- of which males	n	47	13
	- of which females	n	36	10
	Average hours of training administered by rank			
	Managers	n	23	12
	Mid-level managers	n	33	11
	Office workers	n	41	12
	Employees attending at least one training course	%	100	100
404-3	EMPLOYEES ATTENDING ANNUAL FEEDBACK INTERVIEWS			
	Employees attending annual feedback interviews	%	100	100

GRI	U.M.	2019	2020	
102-41	COLLECTIVE BARGAINING			
	Employees covered by National Employment Contracts	%	100	100
401-3	PARENTAL LEAVE			
	Employees who took parental leave	n	4	6
	- of whom males	n	0	1
	- of whom females	n	4	5
	Employees who completed their parental leave and returned to work during the year	n	1	4
	- of whom males	n	1	1
	- of whom females	n	0	3
405-2	PAY DIFFERENTIAL (BASIC PAY)			
	Managers	%	57	56
	Mid-level managers	%	92	85
	Office workers	%	90	75
405-2	PAY DIFFERENTIAL (TOTAL COMPENSATION)			
	Managers	%	57	10
	Mid-level managers	%	92	83
	Office workers	%	90	37
403-2	HOURS OFF WORK			
	Illness	n	3,322	876
	- of which males	n	1,072	304
	- of which females	n	2,250	572
	Accidents	n	0	0
	- of which males	n	0	0
	- of which females	n	0	0
	Maternity	n	3,328	5,488
	- of which males	n	0	32
	- of which females	n	3,328	5,456
	Paid leave	n	440	516
	- of which males	n	212	292
	- of which females	n	228	224
	Unpaid leave	n	128	0
	- of which males	n	0	0
	- of which females	n	128	0
	Other	n	240	88
	- of which males	n	14	8
	- of which females	n	226	80
	Total hours off work	n	7,458	6,968
	- of which males	n	1,298	636
	- of which females	n	6,160	6,332

GRI	U.M.	2019	2020	
403-9	HEALTH AND SAFETY			
	COIMA SGR work-related injuries			
	Total injuries	n	0	0
	Contract staff work-related injuries			
	Total injuries	n	6	4
	Fatalities	n	0	0
	Serious injuries	n	0	0
	Hours worked	n	853,352	1,089,184
	Contract worker injury rate (per million hours worked)	n	7	4
	Contract worker fatality rate (per million hours worked)	n	0	0
	Rate of high-consequence contract worker injuries (per million hours worked)	n	0	0
	Near misses	n	11	6
306-2	WASTE			
	Hazardous waste			
	Total hazardous waste produced	t	0	88.9
	- of which produced on construction sites	t	0	88.9
	- of which produced in corporate activities (COIMA SGR office)	t	0	0
	Breakdown of total produced by disposal method			
	- recycling, reuse and energy recovery	t	0	0
	- landfill disposal or other method	t	0	88.9
	Non-hazardous waste			
	Total non-hazardous waste produced	t	3,435	9,302
	- of which produced on construction sites	t	3,422	9,289
	- of which produced in corporate activities (COIMA SGR office)	t	13	13
	Breakdown of total produced by disposal method			
	- recycling, reuse and energy recovery	t	1,139	7,554
	- landfill disposal or other method	t	2,291	1,748
303-5	WATER AND EFFLUENTS			
	Water consumption			
	Total water consumption	l	211,351	922,664
	- of which water consumed on construction sites	l	4,151	765,503
	- of which water consumed in buildings in portfolio	l	204,754	157,161
	- of which water consumed in corporate activities (COIMA SGR office)	l	2,446	2,506
302-1	ENERGY CONSUMPTION WITHIN COIMA SGR			
	Consumption from primary sources			
	Diesel (company fleet)	Mwh	69	52
	Petrol (company fleet)	Mwh	8	7

GRI	U.M.	2019	2020
Energy purchases			
Electricity (Piazza Gae Aulenti headquarters)	Mwh	231	215
- of which from renewable sources	%	100	100
Generated and used in-house			
	Mwh	26	22
- of which from renewable sources	%	100	100
Total energy consumption			
	Mwh	334	296
- of which from renewable sources	%	77%	80%
302-2 ENERGY CONSUMPTION (OUTSIDE COIMA SGR)			
Natural gas (buildings managed - tenants - not including COIMA SGR office quota)	Mwh	1,559	1,284
Natural gas (buildings managed - communal parts)	Mwh	461	519
Electricity (buildings managed - tenants - not including COIMA SGR office quota)	Mwh	36,845	29,676
Electricity (buildings managed - communal parts)	Mwh	10,541	9,630
Energy produced in-house from renewable sources (and consumed) on buildings		148	133
District heating (buildings managed - tenants)	Mwh	12,277	7,993
District heating (buildings managed - communal parts)	Mwh	0	0
Energy consumed on construction sites	Mwh	528	915
Total energy consumption	Mwh	62,359	50,150
305 CARBON FOOTPRINT			
305-1 CO ₂ emissions (scope 1)	t CO ₂	14	11
305-2 CO ₂ emissions (scope 2 – location based)	t CO ₂	60.84	56.66
305-2 CO ₂ emissions (scope 2 – market based)	t CO ₂	0	0
305-3 CO ₂ emissions (scope 3)	t CO ₂	14,491	11,481
203-1 INVESTMENTS IN THE COMMUNITY			
By type			
Charitable donations	euro	10,736	38,387.5
Investments in the community	euro	42,550	15,200
Sponsorships	euro	13,933	66,891
Total investments	euro	67,219	120,479
By area			
Education and youth development	%	31	13
Health	%	0	32
Environment	%	6	10
Culture of sustainability	%	7	0
Art and Culture	%	56	0
Economic development	%	0	12
Other	%	0	33



Environmental performance of assets under management

INDICATORS	EPRA	UNITS OF MEASUREMENT	OFFICES						RETAIL					OTHER					PORTFOLIO					ESTIMATE
			2019	COVER	2020	COVER	CHANGE		2019	COVER	2020	COVER	CHANGE	2019	COVER	2020	COVER	CHANGE	2019	COVER	2020	COVER	CHANGE	
Total electricity consumption	Elec-Abs	Annual MWh - tenant	29,171	100%	24,302	100%	-17%		7,271	98%	5,214	82%	n.a.	634	91%	375	88%	n.a.	37,076	99%	29,891	96%	n.a.	15%
		Annual MWh - landlord	5,146	100%	4,840	100%	-6%		476	100%	456	100%	-4%	4,918	100%	4,334	100%	-12%	10,541	100%	9,630	100%	-9%	
		Annual MWh - totals	34,317	100%	29,143	100%	-15%		7,748	98%	5,670	83%	n.a.	5,552	99%	4,708	99%	n.a.	47,617	99%	39,522	97%	n.a.	
		% from renewable sources	62%	100%	67%	100%	7%		42%	98%	50%	83%	n.a.	80%	99%	85%	99%	n.a.	62%	99%	67%	97%	n.a.	
Total electability consumption: Like-for-like	Elec-LFL	Annual MWh - tenant	29,171	100%	24,302	100%	-17%		6,798	97%	5,214	82%	n.a.	634	91%	375	88%	n.a.	36,604	100%	29,891	96%	n.a.	15%
		Annual MWh - landlord	5,146	100%	4,840	100%	-6%		476	100%	456	100%	-4%	4,918	100%	4,334	100%	-12%	10,541	100%	9,630	100%	-9%	
		Annual MWh	34,317	100%	29,531	100%	-14%		7,275	97%	5,670	83%	n.a.	5,552	99%	4,708	99%	n.a.	47,144	100%	39,522	97%	n.a.	
Energy consumption from district heating and cooling	DH&C-Abs	Annual MWh	10,818	100%	7,384	100%	-32%		1,459	100%	609	100%	-58%	0	100%	0	100%	0%	12,277	100%	7,993	100%	-35%	0%
		% from renewable sources	0		0		0%		0		0		0%	0		0		0%	0		0%		0%	
Energy consumption from district heating and cooling: Like for like	DH&C-LFL	MWh	10,818	100%	7,384	100%	-32%		1,459	100%	609	100%	-58%	0	100%	0	100%	0%	12,277	100%	7,993	100%	-35%	0%
Total fuel energy consumption	Fuels-Abs	Annual MWh	494	100%	561	100%	14%		765	100%	706	100%	-8%	763	100%	536	100%	-30%	2,022	100%	1,803	100%	-11%	0%
		% from renewable sources	0%	100%	0%	100%	0%		0%	100%	0%	100%	0%	0%	100%	0%	100%	0%	0%	100%	0%	100%	0%	
Total fuel energy consumption: Like-for-like	Fuels-LFL	Annual MWh	494	100%	561	100%	14%		587	100%	706	100%	20%	763	100%	536	100%	-30%	1,844	100%	1,803	100%	-2%	0%
Energy intensity of buildings ¹	Energy-Int	KWh/m²	201	100%	163	100%	-19%		168	98%	129	86%	n.a.	89	99%	75	99%	n.a.	173	100%	140	98%	n.a.	14%
Direct greenhouse gas emissions (total) Scope 1 ²	GHG-Dir-Abs	tCO ₂ e	92	100%	104	100%	13%		0	100%	0	100%	0%	0	100%	0	100%	0%	92	100%	104	100%	13%	14%
Indirect greenhouse gas emissions (total) Scope 2 ²	GHG-Indir-Ab	tCO ₂ e (location based)	1,429	100%	1,275	100%	-11%		132	100%	120	100%	-9%	1,365	100%	1,141	100%	-16%	2,926	100%	2,536	100%	-13%	
Other indirect greenhouse gas emissions - Scope 3	GHG-Indir-Abs	tCO ₂ e	8,810	100%	6,892	100%	-22%		2,263	98%	1,555	86%	n.a.	253	96%	153	95%	n.a.	11,327	100%	8,600	97%	n.a.	
Intensity of greenhouse gas emissions from buildings ¹	GHG-Int	tCO ₂ e/m²	0.045	100%	0.036	100%	-20%		0.040	98%	0.031	87%	n.a.	0.023	99%	0.018	99%	n.a.	0.040	100%	0.032	98%	n.a.	
Total water consumption	Water-Abs	m³	134,874	100%	95,229	100%	-29%		53,317	87%	47,459	89%	n.a.	16,562	100%	14,473	100%	-13%	204,754	97%	157,161	97%	n.a.	25%
Idric consumption: Like-for-like	Water-LFL	m³	134,874	100%	95,229	100%	-29%		51,969	86%	47,459	89%	n.a.	16,562	100%	14,473	100%	-13%	203,406	96%	157,161	97%	n.a.	25%
Intensity of water consumption in buildings ¹	Water-Int	m³/m²	0.59	100%	0.42	100%	-29%		0.90	87%	0.87	89%	n.a.	0.23	100%	0.21	100%	-12%	0.57	97%	0.45	97%	n.a.	25%
Total waste produced ³	Waste-Abs	ton	3,073	100%	3,073	100%	0%		378	51%	371	54%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,451	72%	3,073	72%	n.a.	100%
		% recycled	61%		61%		0%		61%		61%		0%	n.a.		n.a.		n.a.	61%		61%		0%	
Total product waste: Like-for-Like	Waste-LFL	ton	3,073	100%	3,073	100%	0%		371	54%	371	54%	0%	n.a.	n.a.	n.a.	n.a.	n.a.	3,444	73%	3,444	73%	0%	100%
		% recycled	60%		61%		3%		61%		61%		0%	n.a.		n.a.		n.a.	60%		61%		3%	
Type and number of properties certified	Cert-Tot	% of sqm of portfolio	97%	100%	97%	100%	0%		43%	100%	48%	100%	9%	10%	100%	10%	100%	1%	71%	100%	72%	100%	2%	0%

Notes: The reporting perimeter as of December 31st, 2020 and like-for-Like 2019-2020 is specified in the methodological note. Consumption data (except waste) have been provided by the respective Property Managers and include data for which they directly purchase electricity and natural gas or water management. In addition, the consumption of electricity for which the tenants are directly responsible is also accountable. The reference area of consumption is considered gross, i.e. including common spaces and parking lots, as COIMA SGR is responsible for consumption in these areas. The 2019 data has been integrated with respect to the Sustainability Report 2019 with the additional information made available after publication. Compared to previous reports, greenhouse gas emissions have also been reclassified for Scope 1, 2 and 3 as detailed below. Emissions related to Scope 1 are direct emissions generated by fossil fuel related to Landlord area; emissions related to Scope 2 are the indirect emissions generated by electricity consumption of the Landlord; emissions related to Scope 3 are the emissions generated by tenant consumption and related to every kind of energy source.

Coverage: the level of coverage (expressed as a percentage) is given by the ratio of square meters covered by the indicator to the total square meters owned by the portfolio. In particular, with regard to the coverage represented compared to Offices, Retail and Other, this is calculated with respect to the corresponding square meters of the different type of asset considered. In the case of the coverage of greenhouse gas emissions (Scope 1-2-3), the coverage is given by the average of the different coverage of each energy source, weighted by the reference square meters. The information related to the certification of the properties has been calculated compared to the total square meters of the properties in the portfolio as of December 31st, 2020.

Estimates made: Estimates had to be made for information on the waste produced. In addition, the electricity consumption related to some tenants for Gioiaotto, Bonnet B, Sarca, a few months of Vodafone complex, E1E2, E3East, Corso Como. The photovoltaic production of Gioiaotto has been estimated. Drinking water has been estimated for the Vodafone complex, Gioiaotto, the retails of Tower C, one tenant of Building D and the month of December 2020 for Sarca. Electricity consumption for the extraction of groundwater serving the heating and cooling systems of the buildings of Porta Nuova Garibaldi were considered within the Podio (PNG Consortium).

The percentage of renewable energy consists of the share of electricity coming from supply contracts with guarantee of origin (GO certifications) divided by the total consumption of electricity; in case of GO certificates, electricity is considered 100% renewable, otherwise 0%.

Estimation criteria: As far as data estimation is concerned, the calculation was based on a series of assumptions. If data for 1-2 months (Nov-Dec 2020) are missing, they are estimated to be the same as the last available month; if there are 3 months or more left, the average monthly consumption extends to the missing months; if the entire year of the tenant is missing, but you have the historical data, the data of the known year (previous year) is taken, and if possible it is disproportionate according to the multi-year trend of consumption of known tenants. Finally, in the case of multitenant buildings, in case the tenant data is completely unknown, the weighted average of kWh/sqm of the known tenant data (tenant consumption sum/tenant sqm sum) is calculated: this coefficient is then multiplied by the square meters of the tenant being estimated.

n.a. = not applicable

1. Energy intensity, carbon intensity and water intensity were calculated using impact data (energy consumption, total emissions and water consumption) as a numerator and the area of the relative property square meters as the denominator. The efficiency indicators were separately calculated by type of building (offices, retail and more) and also for the entire portfolio.

2. CO₂ conversion factors shall be taken respectively from the “Ministerial Table of National Standard Parameters for the Monitoring and Reporting of Greenhouse Gases” (Update 2019) with regard to Scope 1 emissions, and from the table “Production emission factors and consumption elettricità_2020” published by ISPRA with regard to Scope 2 emissions.

3. COIMA SGR does not monitor the delivery of waste, the disposal of which is managed directly by the reference municipalities. The average coefficients (kc and kd) made available by the Municipalities of Rome and Milan and the respective average percentages of separate collection obtained from the ISPRA waste land registry were used for the calculation.

GRI Table 2020

GRI DISCLOSURE	DESCRIPTION OF THE INDICATOR	REFERENCES	NOTE
GRI 102 - GENERAL INFORMATION			
102-1	Name of your organization	Cover	
102-2	Brands, products and services	14-15	
102-3	Location of headquarters	The headquarters is in Piazza Gae Aulenti 12, Milan	
102-4	Location of operations	17	
102-5	Owner structure	14	
102-6	Markets served	17	
102-7	Size of your organization	50	
102-8	About employees and other workers	101-103	
102-9	Supply chain	82	
102-10	Significant changes in the organisation and its supply chain	100	
102-11	Precautionary principle or approach	44-46	
102-12	External initiatives	61	
102-13	Membership of associations	61	
102-14	Statement by the main decision-maker	4-5	
102-16	Values, principles, standards and rules of conduct	Ethical Code	
102-18	Structure of government	20-23	
102-40	List of stakeholder groups	62	
102-41	Collective labour agreement		100% of employees are covered by CCNL, classified within "Aziende del terziario della distribuzione dei servizi"
102-42	Identification and selection of stakeholders	62	
102-43	Approach to stakeholder engagement	60-64	
102-44	Key issues and main concerns	39	
102-45	Entities included in the consolidated financial statements	100	
102-46	Defining report content and themes limits	100	
102-47	List of material themes	39	
102-48	Redefining information	100	
102-49	Changes in reporting	100	
102-50	Reporting period		The report is referred to the period from January 1 st , 2020 and December 31 st , 2020
102-51	Most recent report date		Sustainability Report as of 31.12.2019
102-52	Reporting frequency	Annual	

GRI DISCLOSURE	DESCRIPTION OF THE INDICATOR	REFERENCES	NOTE
102-53	Contacts related to requests on the report		Stefano Corbella Sustainability Officer stefano.corbella@coima.it
102-54	Declaration of compliance with the GRI Standard	100	
102-55	GRI Index	110-113	
102-56	External assurance	116-118	
GRI 200 - ECONOMIC			
203 - Indirect economic impacts			
103-1/103-2/103-3	How to manage it	33, 61, 67	
203-1	Infrastructure investment and financed services	64-68	
205 - Anti-corruption			
103-1/103-2/103-3	How to manage it	20-21	
205-3	Proven corruption incidents and actions taken		During 2020 there were no established cases of corruption, nor any reports received about
206 - Anticompetitive Behavior			
103-1/103-2/103-3	How to manage it	20-21	
206-1	Legal action for anticompetitive behaviour, antitrust and monopolistic practices		During 2020, there were no established cases of breaches of competition rules and no action was taken on
GRI 300 - AMBIENTAL			
302 - Energy			
103-1/103-2/103-3	How to manage it	30, 74	
302-1	Energy consumed within the organization	105-106	
302-2	Energy consumed outside the organization	106	
302-3 (CRE1)	Energy intensity	7	
303 - Water and Water Discharges			
103-1/103-2/103-3	How to manage it	30, 74, 84	
303-1	Interacting with water as a shared resource	74, 84	
303-2	Management of impacts related to water discharge	74, 84	
303-5	Total water consumption	105	
305 - Emissions			
103-1/103-2/103-3	How to manage it	37, 74, 84	
305-1	Direct GHG emissions (Scope 1)	106	
305-2	Indirect GHG emissions from energy consumption (Scope 2)	106	
305-4 (CRE4)	GHG emission intensity	108-109	
306 - Waste			
103-1/103-2/103-3	How to manage it	39	
306-2	Waste by type and method of disposal	105	

GRI DISCLOSURE	DESCRIPTION OF THE INDICATOR	REFERENCES	NOTE
307 - Environmental compliance			
103-1/103-2/103-3	How to manage it	39	
307-1	Non-compliance with environmental laws and regulations		During 2020 no penalties were recorded pecuniary and non-fines significant monetary value referring to non-conformities with laws and regulations in environmental matter.
GRI 400 - SOCIAL			
401 - Employment			
103-1/103-2/103-3	How to manage it	39, 52-54	
401-1	New hires and turnovers	53, 102-103	
401-3	Parental leave	104	All employees have access to parental leave in accordance with applicable regulations.
403 - Health and safety at work			
103-1/103-2/103-3	How to manage it	30-31, 52, 84	
403-1	System for the management of health and safety at work	83	
403-2	Hazard identification, risk assessment and accident investigations		Managed according to the indications of Legislative Decree 81/08
403-3	Occupational health services		Managed according to the indications of Legislative Decree 81/08
403-4	Worker participation and consultation and communication on health and safety at work		Managed according to the indications of Legislative Decree 81/08
403-5	Training of workers in the field of health and safety at work		Managed according to the indications of Legislative Decree 81/08
403-6	Promotion of workers' health		Managed according to the indications of Legislative Decree 81/08
403-7	Prevention and mitigation of health and safety impacts at work within trade relations	83, 88	
403-8 (CRE-6)	Workers covered by a system of health and safety at work management		There are procedures health management and work safety that you apply to all workers
403-9	Accidents at work		During the last three years there have been no accidents of employees
403-10	Occupational illnesses		During the last three years, no cases of occupational illnesses have been recognised and no complaints have been lodged about

GRI DISCLOSURE	DESCRIPTION OF THE INDICATOR	REFERENCES	NOTE
404 - Formation and Education			
103-1/103-2/103-3	How to manage it	54-55	
404-1	Average hours of annual training per employee	103	
404-2	Employee skills update programs and transition assistance programs	54-55	
404-3	Percentage of employees receiving a periodic evaluation of performance and professional development		100% of employees are subjected to an annual feedback interview
405 - Diversity and Equal Opportunity			
103-1/103-2/103-3	How to manage it	39, 52-53	
405-1	Diversity in governing bodies and among employees	22, 101	
405-2	Ratio of women's basic salary and pay to men	104	
406 - Non-Discrimination			
103-1/103-2/103-3	How to manage it	37, 52-53	
406-1	Discrimination and corrective measures taken		During 2020, no incidents related to discriminatory behaviour were reported
413 - Local Communities			
103-1/103-2/103-3	How to manage it	39	
413-1	Activities involving local communities, impact assessments and development programmes	64-68	
416 - Customer Health and Safety			
103-1/103-2/103-3	How to manage it	37	
416-1	Assessment of health and safety impacts by product categories and services.	88	
416-2	Non-compliance incidents regarding health and safety impacts of products and services	88	
CRE8	Type and number of building sustainability certifications	18	
418 - Privacy of the Clients			
103-1/103-2/103-3	How to manage it	59	
418-1	Proven complaints about customer privacy breaches and customer data loss		During 2020, no complaints were filed for breach of privacy policy or related to loss of sensitive data
419 - Economic Socio-Compliance			
103-1/103-2/103-3	How to manage it	20-21	
419-1	Non-compliance with social and economic laws and regulations		During 2020, no cases of non-compliance with socio-economic legislation were established



Independent auditor’s report



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(Translation from the Italian original which remains the definitive version)

Independent auditors’ report on the sustainability report

To the board of directors of
Coima SGR S.p.A.

We have been engaged to perform a limited assurance engagement on the 2020 Sustainability report (the “sustainability report”) of Coima SGR S.p.A. (the “company”).

Directors’ responsibility for the sustainability report

The company’s directors are responsible for the preparation of a sustainability report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued by GRI - Global Reporting Initiative (the “GRI Standards”), as described in the “Non-financial reporting methodology” annex to the sustainability report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the company’s objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors’ independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Coima SGR S.p.A.
Independent auditors’ report on the sustainability report
31 December 2020

Auditors’ responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by “International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information” (“ISAE 3000 revised”), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent’s personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

- analysing the reporting of significant aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally;
- comparing the financial disclosures presented in the sustainability report with those included in the company’s financial statements;
- understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the company’s management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the company’s business and characteristics:

- a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report;
- b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- c) we held videoconferences with the company’s management to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

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Coima SGR S.p.A.
Independent auditors' report on the sustainability report
31 December 2020

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2020 Sustainability report of Coima SGR S.p.A. has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Non-financial reporting methodology" annex to the sustainability report.

Milan, 25 June 2021

KPMG S.p.A.

(signed on the original)

Maurizio Guzzi
Director of Audit



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**SUSTAINABILITY
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2020



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