



**GENERALI
REAL ESTATE**

GF PIERRE ESG ANNUAL REPORT



December 2021

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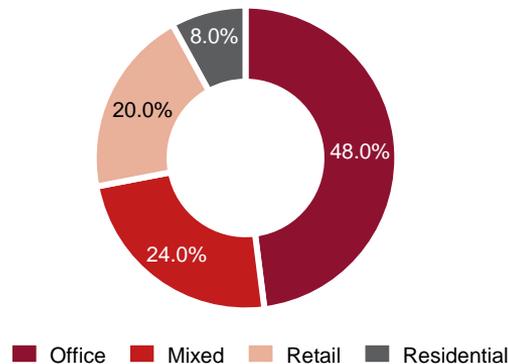
DETAILS

- At **Generali Real Estate (“GRE”)**, we aim at being proactive in **reducing of the environmental impact** of our portfolios as well as integrating **environmental, social and governance (ESG)** metrics into our business operations.
- This **annual report** describes our SRI approach, the tools we have implemented and the first results obtained for GF Pierre fund.

GF PIERRE FUND OVERVIEW

Number of assets	37 assets
AuM [at Q4 2021]	€ 1 100.8m
Fund threshold	35/100
Fund ESG score	47/100

GF PIERRE SECTOR BREAKDOWN [%]



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DETAILS

- > The **SRI scoring grid** has been developed by leveraging the expertise and track record of Generali Real Estate thanks to its internal **sustainability assessment tool (Sustainable Due Diligence tool)**. The scoring grid rates the asset according to different indicators on environmental, social and governance topics.
- > The SRI scoring grid is used to rate all the assets owned by GF Pierre fund.
- > The different categories of indicators included in the scoring grid are the following ones:

Environment

Building envelope
Certification
Heating
Cooling
Ventilation lighting / domestic hot water
Energy - management, performance and supply
Water
Wastes
Biodiversity
Pollution

Social

Accessibility
Territorial integration
Services and outdoor areas
Comfort

Governance

Tenants information
Engagement with stakeholders
Practices of services providers



DETAILS

- According to the **scoring grid methodology**, GRE priorities and in compliance with the SRI label requirement, a ponderation is assigned to each factor of the scoring grid.
In order to reflect Generali and GRE SGR commitments to contribute to fight against climate change, a relevant weight has been attributed to the environmental topic.

Topic	Weight	SRI Label requirements
Environment	45%	between 30% and 60% of the ESG rating
Social	30%	between 20% and 50% of the ESG rating
Governance	25%	between 20% and 30% of the ESG rating

- This scoring grid is used:
- to assess the extra-financial performance of all acquisitions made by GRE. Each new acquisition is subject to a documented ESG rating presented to the Investment Committee;
 - to assess and monitor the extra-financial performance of assets throughout their ownership and to adapt the management of the fund to the requirements of the SRI label (such as the annual asset assessment) and to GRE policy.
- This distribution aims at reflecting GRE engagement towards the environment and the relevance of climate change for the management company.



DETAILS

- **100% of GRE assets** are assessed with this scoring grid.
- A **threshold of 35/100** has been set for **GF Pierre fund**. If an asset does not reach the score of 35 after its first assessment, an **improvement plan** must be implemented. The aim of this improvement plan is to enable these assets to achieve the minimum rating over a three-year period.
- For GRE assets characterized by a score higher than the threshold, are expected to maintain the minimum score already achieved otherwise an improvement plan must be defined.
- Additionally, the assets can be classified in two categories:
 - **Best-in-class (BIC)** assets with a good extra-financial performance. These assets will aim at maintaining their ESG performance over time or even improve it if an opportunity arises.
 - **Best-in-Progress (BIP)** assets corresponding to assets with a rating below the threshold set for the fund. These assets will be subject to a **3-year improvement plan** to bring their ESG performance back to the level of this threshold or show a significant improvement of at least 20 points.

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ESG ANGLE OF GF PIERRE FUND

➤ The GF Pierre fund performance is the following:

BETTER PERFORMING 5 ASSETS BY ESG SCORE IN PORTFOLIO

#	Asset Name	Value [€ m]	ESG score
1	Bords de seine, 2	€ 91m – € 120m	62
2	Le carat	€ 61m – € 90m	60
3	Max&sophie	€ 91m – € 120m	52
4	31/33, Rue de la baume	€ 61m – € 90m	49
5	15, Montmartre	€ 11m – € 30m	46

ESG SCORE OF MOST RELEVANT ASSETS IN TERMS OF AuM

#	Asset Name	Value [€ m]	ESG score
1	Bords de seine, 2	€ 91m – € 120m	62
2	Max&sophie	€ 91m – € 120m	52
3	Le Carat	€ 61m – € 90m	60
4	31/33, Rue de la baume	€ 61m – € 90m	49
5	40, Notre Dame des Victoires	€ 31m – € 60m	43

LESS PERFORMING 5 ASSETS BY ESG SCORE IN PORTFOLIO

#	Asset Name	Value [€ m]	ESG score
1	14/16, Theophile gautier	€ 1m – € 10m	27
2	23, Bourgogne	€ 1m – € 10m	27
3	2,3-5, Rue des ternes	€ 1m – € 10m	28
4	7-9, Rue des ternes	€ 11m – € 30m	28
5	38-42, Wagram	€ 1m – € 10m	28



IMPROVEMENT PLANS DETAILS

14/16, THEOPHILE GAUTIER

Asset ID	1191
Unique Code	FR_1191
Reporting Country	France
Country of location	France
City	Paris
Predominant use (AT)	Retail
Surface (m ²)	~590

Actions of improvement plan	Cat. ESG
Collect energy bills	E
Collect water bills	E
Discuss with the tenant how to collect consumption data	E
Replace the electric convector in the basement	E
Track gas refilling	E
Replace the cooling system	E
Formalize a green annex in the lease contract	G
Establish a green committee with the tenant	G
Produce a good practice guide for the tenant	G
Redact a green worksite policy standard	G

23, BOURGOGNE

Asset ID	1212
Unique Code	FR_1212
Reporting Country	France
Country of location	France
City	Paris
Predominant use (AT)	Retail
Surface (m ²)	~361

Actions of improvement plan	Cat. ESG
Collect energy bills	E
Formalize a green annex in the lease	G
Establish a green committee	G
Produce a good practice guide for the tenant	G
Redact a green worksite policy standard	G
Diagnostics of the private sanitary facilities status	E
Carry out an inventory of waste during the green committee	E

2-3-4, RUE DES TERNES

Asset ID	1207
Unique Code	FR_1207
Reporting Country	France
Country of location	France
City	Paris
Predominant use (AT)	Retail
Surface (m ²)	~373

Actions of improvement plan	Cat. ESG
Energy collection mandates signed by tenants	E
Formalize a green annex in the lease	G
Establish a green committee	G
Produce a good practice guide for the tenant	G
Integration of ESG clause into the management mandate	G
Build an ESG activity report for asset tracking	G
Redact an ESG specifications for asset service providers	G
Formalize a reversibility and usage study	S



IMPROVEMENT PLANS DETAILS

7-9, RUE DES TERNES

Asset ID	1208
Unique Code	FR_1208
Reporting Country	France
Country of location	France
City	Paris
Predominant use (AT)	Retail
Surface (m ²)	~1.362

Actions of improvement plan	Cat. ESG
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Energy collection mandates signed by tenants	E
Formalize a green annex for in the leases	G
Formalize a green annex for in the lease	G
Establish a green committee	G
Produce a good practice guide for the tenants	G
Redact a green worksite policy standard	G
Diagnostics of the private sanitary facilities status	E
Carry out an inventory of waste during the green committee	E

38/42, WAGRAM

Asset ID	1214
Unique Code	FR_1214
Reporting Country	France
Country of location	France
City	Paris
Predominant use (AT)	Retail
Surface (m ²)	~219

Actions of improvement plan	Cat. ESG
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Energy collection mandates signed by tenants	E
Formalize a green annex in the lease	G
Establish a green committee	G
Produce a good practice guide for the tenants	G
Redact a green worksite policy standard	G
Diagnostics of the private sanitary facilities status	E
Carry out an inventory of waste during the green committee	E

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ESG INDICATORS

- SRI label requires to communicate on **8 mandatory indicators**. Those 8 indicators measure the impact of GF Pierre SRI management over time. The indicators are:
 - **Environment**
 - **Energy consumption** (kWh_{ef} / m²)
 - **Percentage of the portfolio covered by a green building certification**
 - **GHG emissions** (kgCO₂eq / m²)
 - **Water consumption** (m³ / m²)
 - **Social**
 - **Proximity to transport hubs**
 - **Percentage of assets covered by a system for measuring and improving indoor water quality**
 - **Governance**
 - **Percentage of service providers having signed an ESG charter**
 - **Percentage of assets covered by a monitoring and assessment system aimed at controlling risks related to the consequences of climate change likely to impact stakeholders**
- The results obtained for GF Pierre fund for the indicators are **compared to reference markets or internal benchmarks**. The perimeter for all the indicators is GF Pierre fund.



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ESG performance indicators (2/6)

ENVIRONMENT (1/2)

GHG EMISSIONS IN RELATIVE (kgCO₂eq/m²)

	GF Pierre Value	Benchmark OID FR 2021
Residential FR	11	41
Retail	7	12
Office	9	16

GHG EMISSIONS IN RELATIVE (kgCO₂eq/m²)

	GF Pierre Value	Benchmark Vonovia 2019 (GE)
Residential GE	3	47

ENERGY PERFORMANCE (kWh_{ef}/m²)

	GF Pierre Value	Benchmark GRESB global 2020
Residential FR	190	148
Residential GE	43	148
Retail	109	196
Office	137	204



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ESG performance indicators (3/6)

ENVIRONMENT (2/2)

ANNUAL WATER CONSUMPTION (m³/m²)

	GF Pierre Value	Benchmark OID FR 2021
Residential FR	0.23	-
Residential GE	0.32	1.98

ANNUAL WATER CONSUMPTION (m³/m²)

	GF Pierre Value	Benchmark GRESB global 2020
Retail	3.17	0.55
Office	0.17	0.50

BUILDING WITH AN ENVIRONMENTAL CERTIFICATION¹

	GF Pierre Value	Benchmark GRESB global 2020
Residential	-	17%
Retail	-	32%
Office	43%	29%

1. Please refer to the Glossary page for the definition of "Building with an Environmental Certification".



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ESG performance indicators (4/6)

SOCIAL

MOBILITY ANALYSIS - BETTER THAN AVERAGE MOBILITY^{1,2}

	GF Pierre AuM	Benchmark MSCI - Universe
Residential FR	15%	2%
Residential GE	6%	0%
Retail	14%	1%
Office	33%	5%

DISTANCE TO PUBLIC TRANSPORT

	GF Pierre Value % on AuM
Less than 200 m	75%
Between 200 m and 500 m	19%
Between 200 m and 1 km	6%

ASSETS COVERED BY A SYSTEM FOR MEASURING AND IMPROVING INDOOR WATER QUALITY

GF Pierre coverage	Internal benchmark
32%	9%
65% in AuM	7% in AuM
43%	30%

1. Please refer to the Glossary page for details on the definition of "Mobility analysis - Better than average mobility"; 2. According to the MSCI mobility analysis, 68% of GF Pierre fund AuM have better than average mobility, for the factor area well connected or not to public transport. To complete this analysis, here the results of GF Pierre asset distance to public transport, which confirms MSCI analysis.



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ESG performance indicators (5/6)

GOVERNANCE

SUPPLY CHAIN

	GF Pierre Coverage	GF Pierre internal benchmark
Service providers having signed an ESG charter¹	73%	0%

RESILIENCE

	GF Pierre Coverage
Coverage in number of asset	100%
Coverage in AuM	6%

ASSET COVERED BY A MONITORING AND ASSESSMENT SYSTEM AIMED AT CONTROLLING RISKS RELATED CLIMATE CHANGE LIKELY TO IMPACT STAKEHOLDERS²

GF Pierre	MSCI Benchmark ³
0.74 €	1.38 €

1. By value of contracts over total fund expenses or in number a coverage of at least 70%; 2. Please refer to the Glossary page for details on the definition of "Asset covered by a monitoring and assessment system aimed at controlling risks related to the consequences of climate change likely to impact stakeholders"; 3. The benchmark is built on a comparison of amount in Euro to spent to overcome climate change for GF Pierre fund assets and MSCI benchmark assets.



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ESG performance indicators (6/6)

COVERAGE RATE OF ESG INDICATORS

➤ The **GF Pierre fund coverage rate**, for each mandatory indicator, is the following one:

	Energy performance (kWh/ef/m ²)	GHG emissions in relative (e.g. kgCO ₂ e/m ²)	Annual water consumption (m ³ /m ²)	Building with an environmental certification	Distance to public transport (metro, train, tram, bus) ¹	Asset annual water analysis	Service providers having signed an ESG charter	Asset covered by a monitoring and assessment system aimed at controlling risks related to climate change likely to impact stakeholders
Coverage in number	13	13	26	4	34 ¹	11	119 ¹	34
Coverage in percentage	38%	38%	76%	12%	100% ¹	32%	73% ¹	100%
Coverage in value under management	87%	87%	96%	43%	100% ¹	65%	N/A ²	100%

1. Indicators for which a GF Pierre asset has performed better than the reference benchmark; 2. This indicator is not expressed in value under management.

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Generali Real Estate

Stakeholder engagement policy

DETAILS

- The **interaction** between GRE SGR and its stakeholders is based on **its historical involvement with stakeholders in the sector**. For purposes of the SRI Policy, the key stakeholders for Real Estate are grouped into the following categories:
 - **property managers**;
 - **facility managers**;
 - **the main service providers** (developers, project management, delegated project contracting only); and
 - **tenants**.

- The ESG charter is intended for Property Managers, Facility Managers and Service Providers but can be shared with other stakeholders to assess working relationships. The purpose of this Charter is to support the implementation of guidelines that our stakeholders should follow. It is part of a committed and responsible approach and aims at being a vector of progress and innovation for everyone. The target is to sign 100% of this charter with 100% of property managers, facility managers and service providers within 3 years.

Up to date, the **result of the stakeholder engagement** is:

Number of providers	164
Number of signed ESG	119
% of coverage	73%

- A green lease is signed with tenants for assets with a surface area above 2,000 square meters. Up to date, **8 green leases have been signed**.

Building with an environmental certification = means a certification provided by a reputable third-party organization such as LEED, DGNB, BREEAM, HQE or other similar entities.

Mobility analysis – Better than average mobility = analysis run in conjunction with a primary international information provider in the real estate industry and aimed at determining the concentration of real estate investment, as a % of the market value, in areas well connected in terms of transport. The concentration is expressed as the market value in a specific segment, in relation to the overall value of the sample or universe considered. The benchmark based on observations provided by the info provider and corresponding to > € 180bn in the French real estate assets value and > € 13bn in the German residential real estate asset value

Asset covered by a monitoring and assessment system aimed at controlling risks related to the consequences of climate change likely to impact stakeholders = analysis run in conjunction with a primary international information provider in the real estate industry and aimed at determining the estimated economic impact due to climate change. The economic estimated is divided into two different sub estimates: economic costs due to expected physical damages caused by extreme events such as extreme heat, extreme cold, flooding etc. and due to expected transition risk caused by the regulation and convergence towards sustainable targets such as Paris Agreement.

# Asset name	MV @31.12.2021 [€ m]	MV in ownership @31.12.2021 [€ m]
1 31-33 Baume	76,2	76,2
2 18 Duphot	37,1	37,1
3 15 Montmartre	26,4	26,4
4 100 Saint Honoré	18,8	18,8
5 105 Achille Peretti	1,0	1,0
6 Le Carat	80,6	80,6
7 33 Galilée	39,3	39,2
8 40 NDV	52,7	52,7
9 LEVALLOIS PERRET WILSON PLAZA	24,2	24,2
10 7/9 TERNES	19,5	19,5
11 221 HONORE	7,6	7,6
12 95 RENNES	6,6	6,6
13 4 CDT RIVIERE	6,7	6,7
14 2/3/5 TERNES	5,2	5,2
15 38/42 WAGRAM	4,7	4,7
16 3/7 CDT RIVIERE	4,8	4,8
17 155 COURCELLES	4,0	4,0
18 14/16 THEOPHILE GAUTIER	4,3	4,3

# Asset name	MV @31.12.2021 [€ m]	MV in ownership @31.12.2021 [€ m]
19 10 CDT RIVIERE	4,4	4,4
20 195 ST HONORE	3,7	3,7
21 12 PONCELET	5,6	5,6
22 121 WAGRAM	3,3	3,3
23 9/11 GOUNOD	3,1	3,1
24 2 GOUNOD	2,9	2,9
25 12 CDT RIVIERE	2,3	2,3
26 23 BOURGOGNE	2,0	2,0
27 217 HONORE	1,8	1,8
28 7 GOUNOD	1,5	1,5
29 6 CDT RIVIERE	1,3	1,3
30 3 GOUNOD	0,8	0,8
31 8 GOUNOD	0,9	0,9
32 4 GOUNOD	0,5	0,5
34 Bords de Seine 2	197,4	98,7
35 Max & Sophie	200,4	95,1
36 Zeppelinhaus	77,3	77,3
37 Monoprix portfolio ¹	594,1	93,9

1. The Monoprix portfolio is comprised of 31 retail assets located in France. GF Pierre has a 15.9% share in this portfolio.

Those information relate to **GF PIERRE**, a Société civile à capital variable, with a minimum share capital of 8,000 Euros, whose registered office is at 2 rue Pillet Will - 75009 Paris, registered at the Commercial and Companies Registry of Paris under the number 784 333 973.

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