**NOTICE PURSUANT TO ART. 3, 4, 5 of Regulation 2088/19 (SFDR)**

## Introduction

Kervis SGR S.p.A. (the “SGR” or the “Company”) since ever shares and promotes ethical principles of legality, integrity, and non-discrimination, as well as a commitment to sustainable development and responsibility towards the community.

Responsible investment management must take into consideration the growing importance of sustainability issues, and therefore requires that so-called sustainability factors be appropriately taken into account in investment decisions and investment management.

The sustainability factors to be considered are usually indicated with the acronym ESG, i.e. Environmental, Social and Governance: by way of example, as regards the SGR's business sector from an environmental point of view, best practices include control of greenhouse gas emissions, waste, the efficient use of energy and water (practices that are often reflected in real estate certifications issued by third-party professional bodies), while from a social and governance point of view, these best practices relate to issues such as inclusion, collaboration with communities linked with the managed properties, and corporate governance issues that deal with matters of conflicts of interest and the promotion of ethical codes of conduct.

## Transparency of sustainability risk policies (art 3. SFDR)

The company, as manager of real estate AIFs, has always considered that all its operating decisions have environmental and social implications and believes that a rigorous approach to so-called ESG issues is in the best interests of all stakeholders (shareholders, investors, partners, associates, tenants and in general all parties in relation to the company's business and the managed real estate investments) and more generally of the community.

In relation to the foregoing, the SGR has adopted company policies that consider aspects of “Social and Governance” (Code of Ethics, Conflict of Interest Management Policies, etc.), with the aim of promoting ethical behavior by personnel and suppliers and enhancing the working environment and protecting the health and well-being of employees.

As regards “environmental” factors, adaptation to environmental legislation and improving the energy efficiency of assets is a key aspect in defining the strategies for the maintenance and requalification of AIFs properties.

In this regard, for all investment decisions, as required by the internal procedures, the SGR carries out assessments on the related environmental impacts of the assets, also taking into account scheduled maintenance interventions and/or building requalification.

In order to align with market best practices in terms of managing ESG risks, from FY 2020 the Company, supported by external international consultants, launched a structured process for including ex post analysis and measurement of ESG factors in the context of its activity as a real estate manager. This process will lead to the redefinition and possible adaptation of the internal procedural corpus, with the aim of integrating and/or improving the documentation of the analysis of ESG factors in the activity and their impact in company decisions, as well as to quantify better the effects of investment decisions, particularly at the environmental level.

**Transparency of adverse sustainability impacts at entity level (art. 4 SFDR)**

KSGR, in compliance with Art. 4 of the SFDR, concerning sustainability disclosures in the financial services sector, has decided to adopt an "explain" approach to the consideration of the main adverse impacts of its investment decisions on ESG sustainability factors.

Although KSGR takes into consideration the main adverse impacts of its investment decisions on sustainability factors, it is not currently able to provide the information required by Art. 4, paragraph 1 a) of the SFDR - as detailed in Art. 4, paragraph 2 - because it is not currently possible to verify the degree of probability of the manifestation as well as the intensity and possible irreversible nature of these factors, due to the lack of precise indicators and metrics.

**Transparency of remuneration and incentive policies in relation to the integration of sustainability risks (art. 5 SFDR)**

Kervis' Remuneration Policy (the “Policy”) is a fundamental instrument to support the SGR's medium and long-term strategies and is based on the following principles:

- **fairness and consistency**: the Policy is proportionate to the role held, the responsibilities delegated, and the skills and abilities actually demonstrated by the resources, ensuring the consistency of the remuneration values of similar positions;
- **alignment with the corporate strategy and the market**: the Policy ensures that the remuneration of Personnel is aligned with the objectives of the SGR and the AIFs, as well as with the reference markets;
- **competitiveness**: the Policy aims to attract, motivate and retain key resources for value creation over time;
- **enhancement of merit and performance**: the Policy is linked to the results obtained and the behaviours put in place to achieve them, in order to reward performance and discourage risk-taking;
- **sustainability**: the Policy is in line with the SGR's medium and long-term strategies and objectives and annual objectives, is compatible with the current financial situation and does not limit the SGR's ability to maintain or achieve an adequate level of capitalization with

respect to the risks assumed. The Policy also takes due account of sustainability risks and ESG issues;

- **prevention of conflicts of interest**: the Policy is aimed at preventing actual or potential conflicts of interest risk among all interested parties;
- **compliance with the regulatory environment**: the Policy is consistent and compliant with relevant regulatory framework.

Kervis is committed to ensuring that its staff take ESG aspects into account through the adoption of an incentive system that also links remuneration to sustainability objectives. In fact, Kervis believes that these objectives can positively influence the realization of its strategic goals, and for this reason it incentivizes their achievement by also considering sustainability risk profiles and ESG issues.