



Sustainability
for a **better future.**

K-ESG

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2024

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ABOUT
US

- ↪ **VISION**
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Kervis is a Real Estate investment specialist established in **2011** that invests, develops, and manages investments across multiple asset classes on behalf of **international investors**.



Kervis team has over **30 years of investing experience** and has executed more than **€ 15 billion** of transactions in Italy.

ABOUT US



Kervis over the years **established several partnerships with international** private equity groups and institutional investors executing direct investments in **real estate** and **distressed credit** and **providing advisory** and **strategic oversight**.

Kervis professionals have an international background having managed transactions with main focus on **living, logistics** and **office**. **Kervis acts as a multi-strategy platform that identifies investment opportunities and executes complex repositioning projects creating value along the entire life cycle of the asset.**

VISION

Be the reference point
for **international investors**
in the Italian real estate market,
delivering best in class projects
combining performance,
innovation, and sustainability.



To maximize investment results for our partners and clients **leveraging on our market, product knowledge and ability to deliver successful projects** combining quality, efficiency, and positive contribution to local communities.

TIMELINE KERVIS SGR

INVESTMENTS

KREF 1

BGO Logistics

2019

Kervis started operating
as real estate manager
of Alternative Investments
Funds

2 funds

BCK 1

Olimpia

Logit Investment

KREF 2

Millione

2021

+ 5 funds  7

BCK 2

Blaze

Oceano

Innovazione

2022

+ 6 funds  11

7 investment
management mandates

2023

Establishment
of ESG Committee

Advisory Mandate
KAM --> SGR

+ 7 investments  18



LIVING

BUILD TO SELL
BUILD TO RENT
STUDENT HOUSING



WORKING



LOGISTICS



ALTERNATIVE

25 years

of experience
in the Real
Estate market
(Kervis group)

15 € billion

value of transactions
held in all asset classes

>1,5 € billion

AuM (Kervis SGR)

~ 40 professionals

(Kervis Group)

18 investments

under management
(of which 2 “ex. Art.8 SFDR”)

- ↳ **ESG ROLES AND RESPONSABILITIES**
- ↳ **CONTROL FUNCTIONS**
- ↳ **CASE INITIATIVE: K-ESG SCORE CARD**

GOVERNANCE

Kervis employs clear rules to encourage exemplary day-to-day behaviour and to enable innovation while managing risk in a stringent regulatory environment. Kervis has adopted both the Organizational Model (from DDL 231) and the Ethical Code. In addition, Kervis implemented adequate approaches to ensure sustainability factors are covered.

ESG ROLES AND RESPONSABILITIES

The ESG Committee **carries out investigative, propositive and advisory functions** towards the Board of Directors to promote the continuous integration of **national and international best practices** in the corporate governance of the SGR and the “ESG” factors (Environmental, Social & Governance) in **business strategies aimed** at achieving sustainable success. It is also responsible for monitoring the implementation of Kervis’ commitments.

ESG ROLES AND RESPONSABILITIES

STRUCTURE AND COMPOSITION OF THE COMMITTEE

Head
of Investment
Management,
as Chairman

Head of Risk
Management
and Compliance

Head of Legal
and Corporate
Affairs

ESG Specialist /
Cross functional

A “non-executive”
Board Member
of Directors
as an observer

TASK

- 1) New ESG Initiatives
- 2) Define continuous information processes to the Board and ESG Committee
- 3) ESG process monitoring

GOVERNANCE AND BUSINESS ETHICS

> ESG POLICY AND PROCEDURES

> CODE OF ETHICS

> DDL 231

SELF-REGULATION TOOLS/A

Aware that the objectives of growth and development and the protection of the resources can be combined with the highest values of civil action, we have developed a series of self-regulation tools through which we affirm the values, principles and behavioral standards that must inspire the actions of all the people who work in the interest of our company.



ETHICAL CODE

Legality and integrity: relations with SGR's stakeholders are based on criteria and behaviours of fairness, collaboration, loyalty and mutual respect.

Transparency and fairness in relations with the Public Administration: Employees, collaborators and anyone acting in the name and on behalf of the SGR are required, when dealing with public officials, to behave in a transparent and law-abiding manner.

Enhancement of human resources and protection of the integrity of the person: the SGR ensures its resources working conditions that respect individual dignity and personal safety. The management of employment and collaboration relationships is guided by a commitment to respecting workers' rights and promoting their professional development.

Impartiality and equal opportunity: Kervis is committed to providing an inclusive and non-discriminatory work environment where all employees are valued and empowered to succeed.

Prevention of conflicts of interest: Kervis operates in order to prevent situations where the parties involved in transactions are, or may appear, to be in conflict with the interests of the company itself.

Safety, health protection and working conditions: Kervis carries out its activities under technical, organizational and economic conditions that ensure a safe and healthy working environment.



WHISTLEBLOWING POLICY

Kervis encourages and protects employees, former employees, candidates, and parties with whom the SGR has a business relationship (such as contractors, subcontractors and suppliers) who speak up when they encounter behaviour by or within Kervis that is/seems unethical, illegal or goes against the values of our ethical Code.

The Whistleblower Policy pertains to any concerns regarding suspected or actual criminal conduct, unethical behavior, or other forms of misconduct, encompassing (suspected) breaches of (EU) law by or within Kervis, including but not limited to:

- **Accounting, internal accounting controls or auditing matters**
- **Money laundering or terrorist financing**
- **Human Rights Violation**
- **Environmental Crimes**
- **Market manipulation, Insider trading**
- **Confidentiality or privacy breaches**
- **Theft**
- **Fraud**
- **Bribery or corruption**
- **Undesirable behaviours**
- **Violations of any other laws, regulations or policies.**

Kervis whistleblowing channels can be used to raise these concerns (anonymously), without fear of retaliation. It alerts management to allegations of crimes or other suspected misconduct and helps ensure appropriate and adequate action is taken to address the situation.

CONTROL FUNCTIONS

Regarding sustainability, starting from the second half of 2023, the following tasks/responsibilities have been assigned to the Control Functions of the SGR:



Risk Management

Incorporates sustainability factors in the risk assessment and their monitoring, drawing up, for the corporate bodies, **periodic and exhaustive reports** on the type and level of materiality of the sustainability risks to which the SGR and the AIFs managed are exposed. In particular, Risk Management function **defines the sustainability profile of the AIFs managed** by referring to the information and characteristics of the properties, also inferred as a result of the **ESG Due Diligence activity**, and according to qualitative elements. In addition, starting from the second half of 2023, the SGR has included sustainability risk in the “Fund Risk Assessment” and “Project Risk Assessment” model among the risk factors and has declined the related key risk indicators.



Compliance Function

Ensures that **compliance risks arising from the application of sustainability rules and regulations**, applicable to the asset management company and the AIFs managed, are duly taken into account in all relevant processes. In addition, the Compliance provides support by drafting Offering Documents for managed funds required by Consob Regulation No. 11971/1999 and subsequent amendments.



Internal Audit

Verifies the adequacy of the **defenses and initiatives** adopted **for the identification and management of sustainability risks** applicable to the asset management company and the AIFs managed.

CONTROL FUNCTIONS

Real Estate is one of the most exposed to climate change risk.

Alongside physical risks that have a direct impact on buildings, it is important to monitor transition risks due, for example, to **the transformation of energy systems by increasingly using renewable sources**.

All this also exposes real estate assets to financial risks:

- loss of market value
- increase in insurance premiums
- inability to attract tenants or potential buyers



Kervis has therefore put in place tools aimed at: measure the exposure of properties to climate risks; estimate their impact in terms of costs.

In this sense Kervis operates on two fronts: undertakes mitigation actions by making investments in energy efficiency and low-emission technologies;

invests in adaptation actions to contain the depreciation of assets resulting from exposure to physical climate risks.

CASE INITIATIVE K-ESG SCORE CARD

Kervis has developed an **internal scorecard for monitoring the ESG status** of assets in portfolio:

1) By assigning an ESG score from 1 to 100, Kervis designed a **questionnaire** that can investigate both **key environmental KPIs** and more **qualitative aspects** related to **sociality and governance**.

The K-ESG scorecard is divided into 5 categories and is also used to monitor the ESG risk situation of each asset.

2) The tool provides a **measurable and comparable overview** of the ESG situation of Kervis managed portfolio.

3) The Score Card is used both during acquisition due diligence process and as a semi-annual monitoring tool for the assets under management; the tool can monitor **the evolution of different projects from a sustainability perspective**.

CASE INITIATIVE: K-ESG SCORE CARD

The Score Card is structured into the following relevant categories:

SCORE ESG 70/100		
1	Physical risks 100/100	To investigate the environmental compliance of the property i.e. the presence of any pollutants in the building or in the subsoil, and the physical risk related to the probability of adverse natural or climatic events in a specific location
2	Transition risks 30/100	To monitor the energy and water efficiency of the property and the alignment to carbon reduction policies
3	Sustainability 100/100	To check the presence of energy certifications and the alignment with the European taxonomy
4	Social Impact 50/100	To monitor the characteristics of the social context in which the property is inserted, the presence of services accessible to users, and the quality of the environment and social context in which the property is located
5	Stakerholder n.a.	To monitor the ESG commitment of the stakeholders involved, from the use of sustainable policies by construction companies to the signing of green contracts with new tenants

Every 6 months, the ESG committee recommends any room for improvement based on the results obtained.

J3

OUR PEOPLE
AND WORK
ENVIRONMENT

- ↪ **DIVERSITY INCLUSION AND EQUAL OPPORTUNITIES**
- ↪ **TRAINING**
- ↪ **REMUNERATION POLICY AND WELFARE**
- ↪ **EMPLOYEE MOBILITY**
- ↪ **OFFICE ESG**

OUR PEOPLE AND WORK ENVIRONMENT



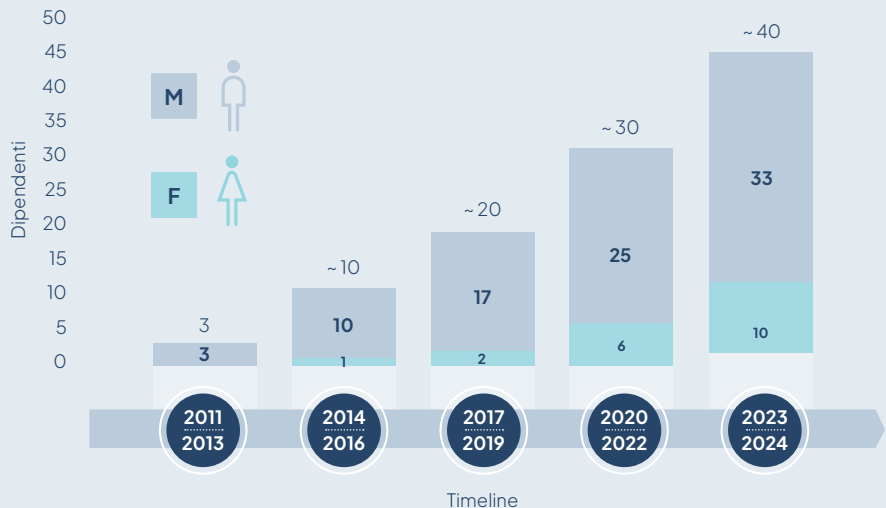
Kervis values its employees highly and fully recognizes that maintaining a driven, committed and engaged workforce is essential in delivering continued success.

K-ESG

DIVERSITY INCLUSION AND EQUAL OPPORTUNITIES

Kervis encourages a **respectful, inclusive culture** where different perspectives are heard and supported, and its employees feel comfortable expressing all aspects of their identity at work.

Employees growth: total and by gender



Women employees growth



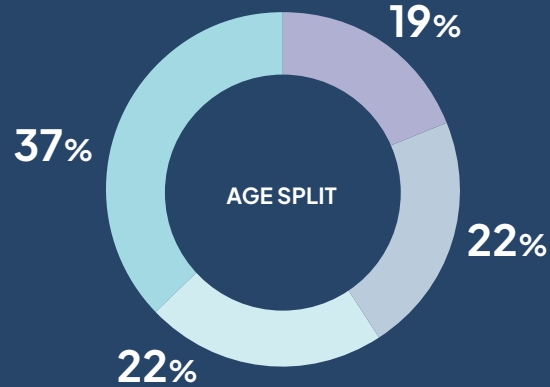
*data referring to Kervis Group

DIVERSITY INCLUSION AND EQUAL OPPORTUNITIES

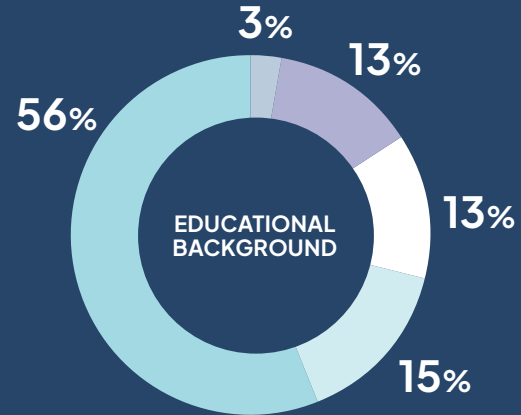
J3

OUR PEOPLE
AND WORK
ENVIRONMENT

Age and educational background (degrees and master)



<30 30-40 41-50 >50



Architecture Business & Finance Law
Engineering Other

Kervis will educate and enable its employees to adhere to and support the company sustainability strategy, as well as ethics and culture. **Courses** provided spread over the following **typologies**:



Courses
on regulatory
matters



ESG
training



Soft skill
courses



Tax & Admin

REMUNERATION POLICY AND WELFARE

J3

OUR PEOPLE
AND WORK
ENVIRONMENT

The remuneration and incentive system is aimed at **attracting, retaining and motivating staff**, without encouraging the taking of inappropriate risks for Kervis, the FIAs or the related investors. Performance against all objectives is reviewed annually through a **performance and development review appraisal process**.

Employee remuneration is based on the following components, with different remuneration packages and pay mixes determined by virtue of the **role** held and the **responsibilities** attributed:

Gross salary: an annual amount based on the technical, professional and managerial skills of the employee.

Bonus: an additional compensation, above and beyond the gross salary, is granted to employees who achieve specific and predetermined targets. The bonus pool is subject to the annual financial results of Kervis. The bonus is determined in relation to the ESG criteria.

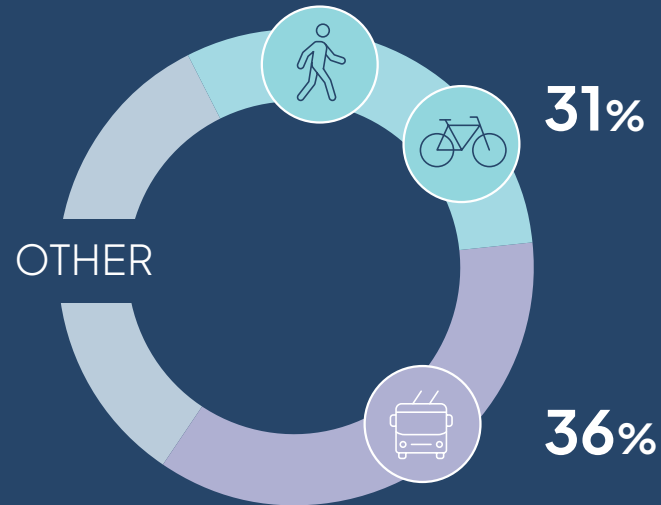
Corporate Welfare Program, designed as a companion to the variable remuneration, aimed at the needs and well-being of employees and their families, which allows the purchase of dedicated services such as **travel, health and daily expenses** reimbursements, leisure **experiences and vouchers**.

Consistent with the requirements established by the SFDR, Kervis takes into account sustainability risks within the remuneration system.

K-ESG

EMPLOYEE MOBILITY

Kervis implements best practice standards of accessibility and **encourages walking or cycling** (currently 31% of the employees) to and from the headquarter and ensure people can find out how to get there using **public transport**, currently used by 36% of the employees.



ESG AT WORKPLACE

J3

OUR PEOPLE
AND WORK
ENVIRONMENT

Kervis employs clear rules to encourage a sustainable and exemplary day-to-day behaviour of his employees at the workplace and to enable training and innovative solutions at office. Here some examples:



Waste sorting



Use of EU Ecolabel
recyclable paper



Plastic free as a target
no plastic bottles



100% renewable
energy



-4,93% energy consumption
(in kwh 2023 vs 2022)
and -13,71% 1st quarter 2024
vs 1st quarter 2023

J4

MANAGEMENT
OF OUR
ENVIRONMENTAL
IMPACT

- ↳ **ENERGY MANAGEMENT**
CLIMATE CHANGE MITIGATION
WASTE MANAGEMENT
POLLUTION PREVENTION
WATER EFFICIENCY
BIODIVERSITY & HABITAT
CERTIFICATIONS
- ↳ **CASE INITIATIVES:**
 - **LIVING: KREF 2**
 - **OFFICE: BiM**
 - **LOGISTICS: SETTIMO TORINESE**

MANAGEMENT OF OUR ENVIRONMENTAL IMPACT



Kervis promotes a meaningful engagement with his stakeholders on key issues, to help build an inclusive, sustainable society.

The stakeholders (internal and external) are considered as key players in the achievement of sustainability goals.

MANAGEMENT OF OUR ENVIRONMENTAL IMPACT

J4

MANAGEMENT
OF OUR
ENVIRONMENTAL
IMPACT



ENERGY MANAGEMENT

Kervis understands and acknowledges the reality of human-induced **climate change** and is taking action to de-carbonise and adapt managed AIFs real estate portfolios. This involves working to design and develop highly **energy-efficient buildings**, taking into account the energy efficiency criteria for nZEB buildings (nearly Zero Energy Building). More than 50% of assets in portfolio have achieved or are targeting a APE certification greater than A level.



CLIMATE CHANGE MITIGATION

Kervis aims at reducing its carbon footprint, in relation to direct and indirect greenhouse gas emissions associated with both the company's activities and those of the assets in its portfolio to be developed or redeveloped. In this context, **Kervis supports initiatives to reduce environmental impacts of its offices and activities, promoting an environmental culture between its stakeholders.**



WASTE MANAGEMENT

Kervis recognizes its role in reducing the waste generated during real estate developments and by managed AIFs building users. **Kervis will implement, where possible, waste management infrastructure, and is committed to reduce the volume of waste sent to landfill and increase the proportion that is recycled** or composted, aspiring to support the creation of a 'circular economy' in the use of materials. For all assets in the portfolio, the selection of general contractors is carried out considering the adoption of waste management policies, preferring companies with achieved certifications related to environmental management (ex. ISO 14001).



POLLUTION PREVENTION

Kervis is committed to pollution prevention and will support the transition to non-polluting transport by providing, for example, charging **points for electric vehicles**. Where practical, indoor air quality data is tracked and, in future, a report on performance will be provided. Our logistics projects include the creation of electric charging stations and the measurement of indoor quality data.

K-ESG

MANAGEMENT OF OUR ENVIRONMENTAL IMPACT



WATER EFFICIENCY

Kervis will improve water efficiency by reducing wastage and harvesting or reusing water where practical. Where practical, water use is tracked and, in future, a report on performance will be provided.



BIODIVERSITY & HABITAT


Kervis will use native and locally adapted plants in landscaping to create habitats that support and respect local biodiversity. Where feasible, simple biodiversity plans will be established for real estate developments and biodiversity factors will be taken into account in redevelopment projects. Finally, Kervis is committed not to develop in protected natural areas.



CERTIFICATIONS

Kervis is convinced that Real Estate operations must pursue the values of sustainability environment. This is why the Group is committed to reduce impact and emissions through construction of certified buildings with the highest ESG standards, protecting the environment thanks to also to the reduction of material waste and the minimisation of land consumption. 25% of our assets targets the obtainment of a high-level green certification. We are currently proceeding for the LEED Platinum certifications for the logistics hubs in Castelguefo and Trecate and for Milan office buildings in Piazza Trento and Viale dell'Innovazione/Bicocca, and LEED Gold certification for the logistics warehouse in Vigasio.

Living
Case Initiative:
KREF II Fund



AL30 Ampère Living | Domenichino 5
16 Isola Living | Tortona 37

Since 2015 Kervis has already completed 4 urban regeneration schemes through the conversion of unused or abandoned properties, from office to residential for a total of **170 apartments**. Within the city of Milan, Kervis is now active in several living projects that will contribute to the redevelopment of the urban fabric by offering solutions to meet the growing demand for housing. **The goal is to improve the quality of life**

of people and communities through the creation and redevelopment of strategic buildings, according to a better living logic. The areas on which the interventions of Kervis, will benefit from the construction and/or renovation of buildings with high aesthetic and architectural value, designed to achieve the highest standards of energy efficiency and environmental and social sustainability.

AL30 Ampère Living



Domenichino 5



16 Isola Living



Tortona 37



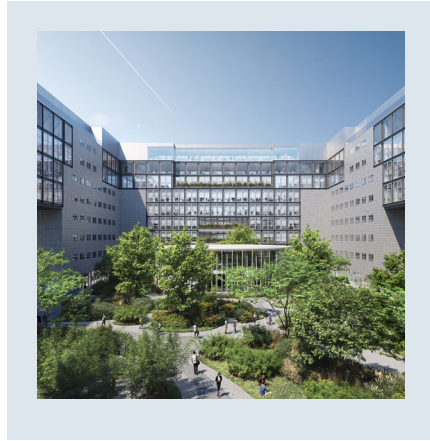
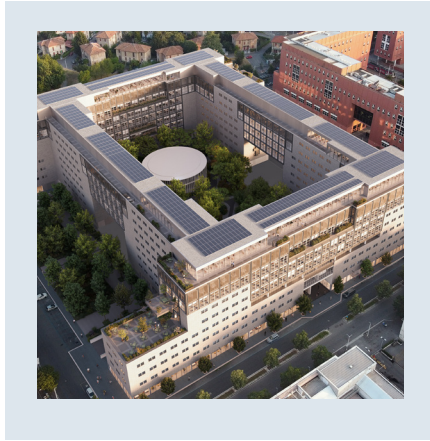
Office
Case Initiative:
Innovazione
Fund



BiM

Bicocca Incontra Milano BiM is the urban redevelopment project promoted by Kervis in the Bicocca area. It is proposed as a **model of sustainable urban regeneration** in the Milanese urban context. The work program is aimed at the regeneration of an existing building to become Green+ offices, with the highest **ESG specifications**. The building is also designed to achieve the most important international green certifications, including **LEED Platinum, BREEAM Excellent, Well Gold and WiredScore enabled**. The BiM project is also an innovative model of “give back” for the

neighborhood, able to enhance the “waiting period” of the construction site and transform it into an opportunity for citizens. Throughout the construction of the complex, the spaces of BiM have become a theater of sociality with a dense cultural programming. The just launched “Bicocca Pavilion” will host an innovation hub where the Bicocca University competences will interact with students start ups and companies. Thanks to these initiatives, BiM contributes immediately to generate a networking space integrated into the urban fabric of the Bicocca district.



K-ESG Facts
& Figures

Logistics
Case Initiative



Settimo Torinese

Logistics Case initiative: Settimo Torinese (LEED Gold)

The “**Sale & Leaseback**” transaction carried out by Kervis in Settimo Torinese involved the purchase of a plot of land located along the A4 motorway towards Turin, within a former industrial area. In the first place, a phase of complete **regeneration of the land took place** and, after the completion of the **soil remediation operations**, the **process of creating a modern hub for logistics**, for a total area of about **50,000 square meters**.

Once the logistic platform was built, the property was leased entirely to a leading player in the automotive sector. The entire remediation process and the simultaneous construction of the building have been carefully monitored and this in order to obtain the **Leed Gold sustainability certification** for the structure, successfully achieved at the end of the work.



J5

OUR COMMITMENT
TO A SUSTAINABLE
SOCIETY

← **HEALTH & WELLBEING**
TRANSPORT
SUPPLY CHAIN TRACEABILITY
CULTURE & COMMUNITY DEVELOPMENT&SUPPORT

Kervis promotes a meaningful engagement with his stakeholders on key issues, to help build an inclusive, sustainable society. The stakeholders (internal and external) are considered as key players in the achievement of sustainability goals.



HEALTH & WELLBEING

Kervis will work to identify and effectively manage **safety, physical and mental health to protect all involved communities, employees, contractors, tenants and investors, and continually improve his processes.**

A key issue for Kervis is to provide the best indoor environmental conditions for managed AIFs tenants to support their wellbeing. Where practical, **Kervis will track indoor air** quality data and, in future, report on performance.



TRANSPORT

Kervis will implement best practice standards of accessibility and support the **transition to non-polluting transport** by providing, for example, **charging points for electric vehicles where practical.**

More than 60% of AIFs assets is located in urban areas provided with traditional and alternative mobility services within 500mt (i.e. subway, train, bike sharing, cycle paths, etc)



SUPPLY CHAIN TRACEABILITY

Kervis will strive processes to minimize ESG-related risks in its supply chain, and strive for best practice in its procurement with the aim of making all managed AIFs assets free of, or safe from, hazardous materials and identifying and addressing the risk of human rights abuses including modern slavery, child labour and working conditions.



CULTURE & COMMUNITY DEVELOPMENT & SUPPORT

The communities relationship is a key element for urban regeneration projects. Kervis is committed to maintaining a constant dialogue with all its stakeholders and to promote services and activities on the territory aimed at improving the life of neighborhood communities **The majority of assets in portfolio is located in urban areas that promote social inclusion, with high variety of services available to users and green public areas (85% of our assets).**

J6

NEXT STEPS
AND COMMITMENT

← **ESG 24-27 THREE YEAR PLAN**

ESG 24-27 THREE YEAR PLAN

J6

NEXT STEPS
AND
COMMITMENT

Governance
and Organisation

Business Model
and Strategy

Processes

Risk Management

Disclosure

The plan aims to further strengthen the ESG positioning by formalizing strategic actions considering climate and environmental risks.

The Plan includes:



The self-assessment of the degree of alignment of business practices with the expectations of **monitoring climate and environmental risks**.



The **definition of the priorities and time needed to complete the various initiatives**, taking into account the intensity of risk exposure and the size and complexity of the business.



The identification of the specific **measures to be taken to fill the gaps** identified.

ACTION PLAN ON CLIMATE AND ENVIRONMENTAL RISKS (2023-2025)

Governance and Organisation

ESG Committee

Periodical training for team & Board members

Periodical ESG reporting to Board Members

Business Model and Strategy

Internally developed an ESG Scorecard as part of investment process Due Diligence

Tracking of assets energy consumptions

Processes

ESG commitments included in the full set of internal management procedures

Gift and Travel Policy adopted

Risk Management

Integration of ESG risk factors in the Risk model

Disclosure

ESG fact-sheet annual release

The logo for KERVIS features a stylized blue icon on the left, resembling a four-pointed star or a compass rose with rounded corners. To the right of this icon, the word "KERVIS" is written in a bold, blue, sans-serif typeface. The background is a light, neutral color with soft shadows of green foliage cast across it.

KERVIS