

*Information pursuant to Art. 10 of Regulation (EU) 2019/2088 - Transparency of the promotion of environmental or social characteristics on websites*

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Reserved closed-end real estate alternative investment fund called "FONDO INNOVAZIONE SALUTE" (the "Fund")

A. Synthesis

Section	Synthesis
A. Synthesis	The Fund set up and managed by Savills Investment Management – Società di Gestione del Risparmio S.p.A. (the "SGR" or the "Management Company"), is one of the products referred to in Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), i.e. financial products that promote, among others, environmental or social characteristics, provided that the companies in which the investments are made comply with good practices <i>governance</i> .
B. No sustainable investment objective	The Fund promotes environmental and social characteristics but does not invest in sustainable investments.
C. Environmental and social characteristics of the Fund	The Fund promotes (i) the environmental characteristic of climate resilience in terms of reducing carbon dioxide (CO <sub>2</sub> ) emissions and mitigating physical climate risks, and (ii) the social characteristic of carrying out social initiatives or achieving social certifications.
D. Investment strategy	The Fund's strategy is to postpone the <i>stranding year</i> of the property as much as possible and to ensure that at least 60% of the Fund's total assets (or GAV) are not <i>stranded assets</i> during the entire life of the Fund. The management company will carry out a physical climate risk assessment on all the Fund's properties to assess possible adaptation recommendations, justifying the reasons for the non-implementation in the event that it does not intend to comply with them. When adopted by the SGR, these recommendations will be included in the Fund's ESG budget management and monitoring tool. The SGR will collect energy data for at least 60% of the Fund's properties. In addition, at least 60% of the Fund's properties must have leases that contain 'green clauses'. To promote the social characteristic of the implementation of social initiatives and/or the achievement of social certifications, the SGR will use the indicator consisting in the acquisition of evidence of at least two of the certifications and/or social initiatives, which must be achieved and maintained annually by all tenants of the Fund's properties.
E. Share of investments	The Fund invests in real estate in compliance with the binding criteria of the ESG strategy, in order to meet the environmental and social characteristics promoted for a percentage of not less than 60% of total assets.
F. Monitoring of environmental and social characteristics	The environmental and social characteristics promoted by the Fund are monitored: (i) ensuring that at least 60% of the Fund's total assets are not stranded assets (ii) carrying out a physical climate risk ("PCR") assessment and obtaining a report containing the outcome of the analysis carried out on all the Fund's properties and any recommendations for adaptation; (iii) through the acquisition of evidence of at least two certifications and/or social initiatives to be achieved and maintained annually by all tenants.
G. Methodologies	The <i>stranding year</i> of the buildings is calculated using the Carbon Risk Real Estate Monitor ("CRREM") methodology, the physical climate risk is calculated through climate diagnostic models developed by specialized providers. Adaptation recommendations and related implementation activities are tracked through an ESG budget tool. In addition, the Management Company aims to: a) collect energy data for at least 60% of the

	Fund's properties; and b) stipulate/renege lease agreements that contain 'green clauses' for at least 60% of the Fund's properties and c) collection of evidence of at least two social certification and/or initiatives to be performed and maintained annually by all tenants.
H. Sources and data processing	The data used are mainly collected by using (i) automatic meter readings and/or tenants' energy bills (ii) transmission of data from previous owners and/or CRREM analyses already available (iii) analytics produced by specific software provided by specialized providers to carry out the PCR assessment (iv) for each tenant, collection of social certifications and/or documentation proving social initiatives in accordance with shared guidelines.
I. Limitations of methodologies and data	The limitations to the methodologies and sources used derive mainly from: incompleteness or lack of data on consumption, failure to comply with PCR assessment timeframe, lack of cooperation of tenants, lack or ineffectiveness of the improvement actions. However, the methodologies used follow the best market practices currently available and the Management Company does not expect these limitations to have a significant impact on compliance with the environmental and social characteristics promoted by the Fund.
J. Due Diligence	The SGR's investment process involves the carrying out of an environmental and ESG sustainability <i>due diligence</i> through specialized independent providers and consultants.
K. Engagement Policies	The policies of engagement with tenants are mainly represented by: (i) signing of Guidelines with which the latter commit themselves each year to achieve at least two standards of social certification and/or social initiatives and (ii) inclusion of green clauses in lease contracts.
L. Benchmark	A benchmark has not been designated to measure the achievement of the environmental and social characteristics promoted by the Fund.

**B. No sustainable investment objectives**

The Fund promotes environmental and social characteristics, but does not aim at sustainable investing.

**C. Environmental or social characteristics of the Fund**

The Fund promotes the following environmental and social characteristics pursuant to art. 8 of Regulation (EU) 2088/2019 ("**SFDR**") (i) the environmental characteristic of climate resilience in terms of reducing carbon dioxide (CO<sub>2</sub>) emissions and mitigating physical climate risks; (ii) the social characteristic of the implementation of social initiatives or the achievement of social certifications by the tenants.

**D. Investment strategy**

The Fund will implement a specific ESG strategy aimed at promoting the above-mentioned environmental and social characteristics on an ongoing basis, i.e. at every stage of the life cycle of the properties: the renovation/construction phase, the acquisition phase and the asset management/holding phase.

With regard to climate resilience in terms of reducing carbon dioxide (CO<sub>2</sub>) emissions, the SGR will carry out the *Net Zero Carbon* ("**NZC**") assessment (i.e. an assessment of the property's ability to align with the CRREM target) following the analysis and methodology of the *Carbon Risk Real Estate Monitor 1.5°C decarbonisation pathway* ("**CRREM**" as defined in the "**CRREM-Risk-Assessment-Reference-Guide**" available on the following website: <https://www.crrem.eu/tool/reference-guide/>) to assess the *stranding years* of the portfolio.

For leased properties, the SGR will use a tool for the management and monitoring of the ESG budget (the "**Tool**") in order to track energy efficiency interventions and related CAPEX (with data collected at least three times a year). The update of the Tool will include the verification of the assumptions adopted

during the evaluation phase (e.g. the NZC assessment) after receiving the proposals made by the suppliers/contractors. If new NZC assessments are made, the Tool will need to be updated.

The aim is to postpone the *stranding year* of the property as much as possible and ensure **that at least 60% of the Fund's total assets (or GAV) are not among the so-called "stranded assets" during the entire life of the Fund.**

With regard to climate resilience in terms of mitigation of the Physical Climate Risk ("**PCR**"), the Management Company will carry out a PCR assessment on 100% of the number of properties in the Fund (i.e. properties directly or indirectly held by the Fund) to assess possible adaptation recommendations.

The adaptation recommendations (i) will be evaluated by the Management Company, which will justify the reasons for the non-implementation if it does not intend to comply with them (ii) when adopted by the Management Company, these recommendations will be included in the Tool. The latter will be updated regularly to monitor CAPEX and the progress of work related to planned energy efficiency interventions and potential adaptation recommendations related to physical climate risks, if applicable.

In order to pursue the characteristic of climate resilience, the SGR will proceed with the collection of energy data **for at least 60%** of the number of properties in the Fund that allow the SGR to (i) analyze the energy performance, trends and achievement of a possible reduction in energy consumption over the years and (ii) evaluate the adoption of specific actions to improve energy efficiency (to be measured in kWh) based on the findings from NZC reports.

In addition, again in relation to compliance with the environmental characteristics promoted by the Fund, the SGR will proceed to stipulate/renegotiate lease contracts in order to provide for the inclusion of 'green clauses' (i.e. a clause through which the parties undertake to cooperate in order to promote energy efficiency interventions, monitor energy consumption and collect energy data). **Specifically, at least 60% of the Fund's number of properties must have lease agreements that contain such green clauses.**

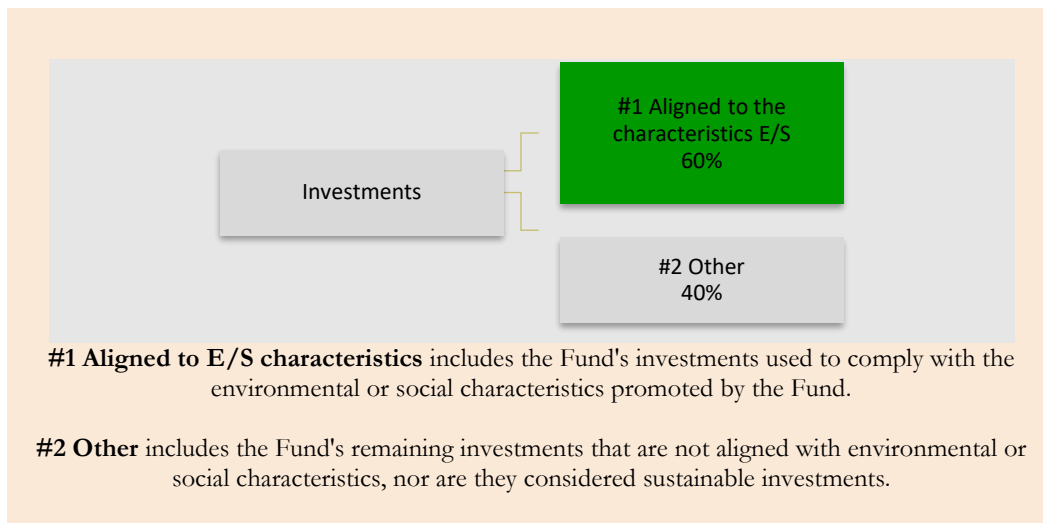
In order to promote the social characteristic of the implementation of social initiatives and/or the achievement of social certifications, the Management Company will use the indicator consisting in the acquisition of evidence **of at least two of the certifications and/or social initiatives, which must be achieved and maintained annually by all tenants of the Fund's properties.**

In order to ensure compliance with this characteristic, the SGR will formalize with each tenant the so-called "S.p.A." "Guidelines for Tenants on Social Initiatives" (the "**Guidelines**") with which the latter undertake to implement at least two of the outlined options each year, choosing between certification standards and social initiatives. The list of options may be supplemented, subject to the consent of the tenants, with further social initiatives and/or social certifications, updating the aforementioned Guidelines accordingly.

As part of its responsible investment approach, the Fund will also adhere to an exclusion policy of tenants for new leases.

If the Fund invests in participation vehicles, *good governance* practices are guaranteed by the Management Company's code of conduct currently in force, by the above-mentioned driver exclusion policy (which also applies to the investee companies, where existing) and by the Management Company's responsible investment policy.

#### E. Share of investments



The Fund invests in real estate in accordance with the binding criteria of the ESG strategy, in order to meet the environmental and social characteristics promoted by the Fund for a percentage of not less than 60% of the Fund's total assets (or GAV).

The investments mainly included in item #2 Other are real estate that is not aligned with environmental and social characteristics, money market instruments, readily liquidable securities and bank deposits, as well as cash and derivative instruments exclusively for hedging purposes. There are no minimum guarantees of environmental or social protection with respect to investments included in the "#2 Others" category.

#### F. Monitoring of environmental or social characteristics

In order to promote the environmental characteristic of climate resilience, the SGR will use the following indicators:

1. at least 60% of the Fund's total assets (or GAV) must not be among the so-called "*stranded assets*" (i.e. those properties that will not meet future energy efficiency standards and market expectations and that will be increasingly exposed to the risk of early economic obsolescence in the near future), after having carried out the NZC assessment following the analysis and methodology of the CRREM pathway.
2. Evaluation of the PCR conducted on all the properties of the Fund containing the outcome of the analysis and any recommendations for adaptation, which the SGR will have to evaluate (justifying the reasons for the non-implementation in the event that it does not intend to comply with it).
3. In order to promote the social characteristic of the implementation of social initiatives and/or the achievement of social certifications, the Management Company uses the indicator consisting in the acquisition of evidence of at least two of the certifications and/or social initiatives listed below, which must be achieved and maintained annually by all tenants of the Fund's properties:
  - compliance with the international standard on the design and delivery of services: UNI EN, ISO 9001:2015: Quality management;
  - compliance with the international standard on social responsibility: SA 8000:2014: Social responsibility;
  - adoption and reporting of a corporate social responsibility strategy;
  - provision of specific treatments for chronic-degenerative diseases;
  - employee training programs;
  - allocating a percentage of net income to fund philanthropic initiatives;

- community involvement: events organized and documented with the community of reference.

The above list may be supplemented, subject to the consent of the tenants, with further social initiatives and/or social certifications, consequently updating the Guidelines agreed with each tenant.

#### G. Methodologies

With regard to the indicator referred to in paragraph F, point 1 – climate resilience in terms of CO2 emission reduction - the Management Company will carry out the NZC assessment using the CRREM analysis (the methodology of which is reported at link <https://www.crrem.eu/tool/reference-guide/>) to assess the *stranding years* of the portfolio. In particular, with regard to the phases of the life of the property, the methodology involves the following steps:

1. Renovation/Construction Phase: The NZC valuation will be carried out at the end of the works and after 1 year of full operation of the property.
2. Acquisition phase: CRREM analysis will be carried out on 100% of the properties during the due diligence process, prior to the acquisition.
3. Management phase/holding period of the properties: for investment properties, subject to energy efficiency interventions, the NZC assessment will be carried out after the end of the interventions, once energy data has been collected for a period of at least 1 year. The Management Company will have to verify that the *stranding year* has been postponed as a result of the interventions. In the absence of specific interventions aimed at improving energy efficiency, the Management Company will carry out an NZC valuation every 3 years during the period of possession of the asset.

With regard to the indicator referred to in paragraph F, point 2 - climate resilience in terms of mitigation of the PCR - the Management Company will carry out a PCR assessment on 100% of the number of properties in the Fund (i.e. the properties directly or indirectly held by the Fund) to assess the possible adaptation recommendations to be implemented. This assessment calculates the PCR of a property using climate diagnostic models developed by specialized providers. Regarding the life cycle stages of the property:

1. Renovation/Construction Phase: The PCR assessment will be carried out within 3 years of acquisition and, where possible, before the completion of the design phase. The PCR assessment should include adaptation recommendations whose feasibility is assessed, if possible, during the design phase.
2. Acquisition phase: The pre-assessment of the PCR (physical climate risk assessment in which physical climate risks related to the location of the asset are identified without the adaptation recommendations), will need to be carried out during the due diligence process prior to the acquisition.
3. Management phase/holding period of the property: The PCR valuation with adaptation recommendations must be carried out within 1 year of acquisition.

The adaptation recommendations (i) will be evaluated by the Management Company, which will justify the reasons for the non-implementation in the event that it does not intend to comply with them (ii) when adopted by the Management Company, these recommendations will be included in the Tool and monitored over time.

To promote climate resilience and enable the measurement of the identified indicators, the SGR aims to:

- a) **collect energy data for at least 60% of the number of properties in the Fund** that allow the SGR to analyze energy performance, trends and the achievement of a possible reduction in energy consumption over the years and assess the adoption of specific actions to improve energy and reduce CO2 emissions in relation to the results of the NZC assessments;
- b) stipulate/renegotiate lease contracts that contain **'green clauses' for at least 60% of the number of properties in the Fund.**

To promote the social characteristic of the implementation of social initiatives and/or the achievement of social certifications referred to in paragraph F, point 3, the Management Company will use the indicator consisting in the acquisition of evidence **of at least two of the certifications and/or social initiatives, which must be achieved and maintained annually by all tenants of the Fund's properties.**

## H. Sources and processing of data

The data sources used to meet the environmental and social characteristics promoted by the Fund are listed below.

In particular, in relation to the NZC assessment aimed at promoting climate resilience:

1. Renovation/construction phase: after completion of renovation works, collection Of 1 year of data on energy consumption during operation by means of automatic meter readings or tenants' energy bills;
2. Acquisition phase: historical data on energy consumption provided by the previous owner or CRREM analyses already available or to be carried out during due diligence;
3. Management phase/period of holding of the property: (i) in the case of energy efficiency interventions, at the end of the same, data on energy consumption will be collected for 1 year of operation, through the automatic reading of the meters or the energy bill of the tenants; (ii) an assessment of the energy efficiency recommendations set out in the NZC report will be carried out.

In relation to the PCR assessment aimed at promoting climate resilience, the SGR will make use of analyses produced by specific software developed by specialized providers. The output includes the issuance of an PCR report that includes recommendations for adaptation to climate change. The software is based on diagnostic-statistical models that identify exposures to physical climate risks of buildings based on their geographical coordinates, considering current risks and future projections based on modelled scenarios and time series relating to extreme weather events.

In relation to the social characteristic of the implementation of social initiatives and/or the achievement of social certifications, the Management Company must collect (i) annually, for each tenant, social certifications of the tenants and/or documentation proving the social initiatives undertaken and (ii) Guidelines countersigned by each tenant.

The quality of the data referred to in this letter H) is guaranteed by the Management Company through the application of the relevant policies and internal procedures on data processing. The data are processed by the Management Company in line with the provisions of the legislation on the processing of personal data in force, as set out in the privacy policies and procedures adopted by the same. The Management Company determines the achievement of the environmental and social characteristics pursued by the Fund based on the objective data found as indicated above.

## I. Limitations of methodologies and data

The following are the limitations of the methodologies and data sources set out in points G and H above in relation to the NZC assessment:

- Lack or incompleteness of historical energy consumption data;
- Lack of detailed recommendations on efficiency actions;
- Presence of inadequate and/or ineffective efficiency recommendations.

The following are the limitations of the methodologies and data sources referred to in points G and H above in relation to the PCR assessment:

- Failure to meet the deadlines within which to carry out the PCR assessment;
- Failure to include physical climate risk mitigation actions in restructuring plans;
- Absence of mitigation recommendations in PCR assessment reports.

The following are the limitations of methodologies and data sources in relation to energy data collection: (i) lack Of energy consumption data due to malfunction of automatic meters (e.g. IT problems with the data collection platform, data synchronization); (ii) failure to communicate with tenants; (iii) limits on data sharing between tenants and owner; (iv) limits in the sharing of data between the Management Company and the previous owner during the due diligence phase for the acquisition.

The following are the limitations of the above methodologies and data sources in relation to the use of the Tool: (i) technical proposals from suppliers/contractors that are not aligned with the parameters and values

estimated during the assessments (e.g. NZC); (ii) the need to revise energy savings estimates and stranding years after receipt of technical proposals from suppliers/contractors; (iii) failure to share technical proposals by suppliers/contractors; (iv) where tenants are in charge of the work, the limitations in relation to the exchange of data are potentially greater.

The following is a list of the limitations of the above methodologies and data sources in relation to the social characteristic of the implementation of social initiatives and/or the achievement of social certifications: (i) insufficient data provided by the tenant, (ii) tenants unable to maintain their commitment.

The limitations of the methodologies described above derive mainly from the difficulty in finding data and from the possible anomalies of the data collection tools currently on the market. However, the methodologies used follow the best market practices currently available and currently the Management Company does not expect these limitations to significantly affect compliance with the environmental and social characteristics promoted by the Fund. When acquiring new properties, the tools available for the collection of data necessary to promote the environmental and social characteristics adopted by the Fund will be carefully evaluated.

#### J. Due diligence

In assessing the investment opportunities identified for the Fund and the properties in its portfolio, the Management Company acts in accordance with its own internal policies and procedures specifically adopted for investment and property management.

The investment process involves, before execution of each purchase transaction, the conduct of in-depth *due diligence* activities in various areas including the environment and sustainability. The technical-environmental analysis is carried out by independent consultants and has the purpose of (i) verifying the structural condition of the building, plant and machinery as well as compliance with the relevant legislation, (ii) assessing any environmental and safety issues arising from the building materials used or previous uses of the land, (iii) assessing environmental/climate risks, (iv) analyze the environmental performance of the plants (use of energy, waste collection, air conditioning and heating) and emissions, waste collection methods, type of fixtures, etc. The Management Company operates within the framework of a responsible investment policy to integrate environmental, social and governance issues into the decision-making process and management of real estate investments, in order to ensure responsible investment practices. The outcome of the due diligence is reported in the *due diligence summary* submitted to the decision-making bodies and contains the following considerations:

- Physical and climate risk assessment
- Use of the CRREM model (or equivalent) and/or evaluation of EPC ratings
- *Net zero carbon* commitments or tenant targets
- presence of BREEAM/LEED or equivalent certifications
- Environmental impact
- Presence of green clauses in existing leases
- Social and community impact.

It is the responsibility of the *portfolio management* function to ensure and oversee the appropriate application of ESG sustainability in the processes relating to each AIF and the underlying investments with the support of the *property managers* or other specialized advisors appointed for this purpose.

#### K. Engagement Policies

The SGR carries out a series of *engagement* initiatives towards its *stakeholders* and, in particular, (i) the Management Company will formalize with the Fund's tenants the Guidelines with which the latter undertake to implement at least two of the options indicated therein each year, choosing between certification standards and social initiatives (ii) the Management Company will proceed to stipulate/renegotiate lease contracts so that they contain 'green clauses' (clauses through which the parties undertake to cooperate in order to promote energy efficiency interventions, monitor energy consumption and collect/exchange energy data).

#### L. Benchmark Index

A benchmark has not been designated to measure the achievement of the environmental and social characteristics promoted by the Fund.