

CASTELLO SGR S.p.A.

- ESG STRATEGY -

Approved by the Board of Directors on 16 December 2021

1. Foreword









Castello SGR S.p.A. (hereinafter referred to as "Castello" or "SGR") is aware of the growing importance of environmental, social *and governance* (hereinafter also referred to as "*Environmental, Social and Governance*" or "ESG") issues in the economic context and of the urgency of defining concrete strategies of commitment in this regard.

In order to make its commitment to these issues tangible, Castello has embarked on a process of progressive integration of ESG principles into its strategy and investment activities, based on the regulatory framework and *best practices* in sustainable finance.

This document illustrates the strategic sustainability objectives adopted by the SGR and forms an integral part of the broader *framework* it intends to adopt, as described in the ESG Policy approved on 16 December 2021.

2. Sustainability objectives




Through its investment activity, the SGR intends to actively contribute to the achievement of the following Objectives set by the United Nations for sustainable development (the so-called Sustainable *Development Goals* or "*SDGs*").

	Objective 3 'Support the health and well-being of the community'.
	Objective 5 "Promote gender equality and inclusion".
	Objective 7 "Ensure access to affordable, reliable, sustainable and modern energy for all".
	Objective 8 "Protect labour rights and promote a safe and secure working environment for all workers".
	Objective 9 'Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation'.
	Objective 11 'Make cities and human settlements inclusive, safe, durable and sustainable'.
	Objective 12 "Ensure sustainable consumption and production patterns".
	Objective 13 "Take urgent action to combat climate change and its consequences".

3. ESG strategy of the SGR

With a view to contributing to the **SDGs**, Castello has defined the **Objectives** it intends to pursue in relation to each pillar of sustainability and the **Actions** to be implemented to effectively integrate ESG principles into its investment and *asset management* activities.

The **ESG strategy** defined by Castello is structured as summarised below.

Objectives	Actions
<p>ENVIRONMENT</p>  <p><i>Combating climate change and achieving 'net zero' emissions by 2050</i></p>	<ol style="list-style-type: none"> 1. Favouring investment projects aligned with the 2050 decarbonisation target (i.e. NZEB) 2. Improving energy efficiency and reducing emissions from portfolio properties, including through the use of renewable energy sources 3. Collecting data on environmental performance and digitising the property stock 4. Spreading the culture of reduced consumption and recycling 5. Safeguarding biodiversity, nature and cultural resources when defining development and redevelopment measures
<p>SOCIAL</p>  <p><i>Promoting community development, inclusion and well-being</i></p>	<ol style="list-style-type: none"> 1. Favouring investment projects that contribute to collective well-being (e.g. <i>social, senior and student housing</i>) 2. Generating a positive impact on local communities through urban regeneration projects 3. Providing environments that ensure accessibility, comfort, health and safety 4. Ensuring health and safety in property development projects and on construction sites 5. Enhancing skills and contributing to staff development and training on ESG issues
<p>GOVERNANCE</p>  <p><i>Being transparent and creating shared value with stakeholders</i></p>	<ol style="list-style-type: none"> 1. Strengthening <i>governance</i> and integration of ESG factors into business processes 2. Promoting diversity of all genders, equal opportunities and actively involving <i>stakeholders</i> on ESG issues 3. Promoting sustainable standards and practices in the <i>supply chain</i> 4. Comply with European sustainability and ESG risk management regulations 5. Measuring and communicating ESG objectives and performance according to international sustainability standards (e.g. PRI, GRES)

The ESG Strategy will be implemented on the basis of a **Road Map** that will set **interim targets** consistent with the goal of contributing to the achievement of **climate neutrality by 2050**.

4. Monitoring of objectives

In order to verify the correct implementation of the ESG Strategy and the achievement of the sustainability objectives described above, also with a view to compliance with the SFDR regulations, the SGR identifies specific **key performance indicators** (so-called "ESG KPIs") to be measured and monitored on a pre-established periodic basis.

Below is a general indication of the "**ESG KPIs**" that the SGR proposes to adopt. The set of indicators may be modified and integrated over time in consideration of the evolution of the ESG Strategy of the SGR and of the single funds under management, as well as of the availability of accurate data functional to the measurement of the same.

Pillar	Activities	KPIs
Environment	Portfolio energy consumption	kWh/sqm per year per energy carrier
	Portfolio CO2eq emissions	kg/sq.m. year
	Portfolio water consumption	l/sq.m. year
	Production from Renewables	% energy from renewable sources
	Certified buildings	% properties with sustainability certifications
Social	Social investments	% asset value dedicated to social investments
	Skills development	% of employees who have received ESG training
	Employee satisfaction	% degree of employee satisfaction
	Working conditions	Number of accidents per year Absenteeism Lost working days
Governance	Inclusivity and diversity	Distribution by age group Distribution by gender Gender paygap