

### Introduction

Tages Group (hereinafter “Tages”), operating through our asset management companies Tages Capital LLP and Tages Capital SGR S.p.A., is committed to responsible investment. This commitment incorporates transparency and fairness into all of our activities. To this end, Tages believes that an assessment of environmental, social and governance (ESG) issues is a crucial part of investment and operational risk management.

Tages’ initial due diligence process seeks to identify primary ESG factors and risks in each investment we make. This investment universe comprises a wide variety of investment managers, investment strategies, investment vehicles, direct property and infrastructure holdings. A common thread through each of these investments is the belief that mitigating ESG risks strengthens downside protection for returns and enhances the investment community’s reputation.

### United Nations Principles for Responsible Investment (PRI)

As an asset manager, Tages act in the best, long-term interests of our clients, and we believe that ESG factors can affect the performance of investment portfolios. In light of this, we became a signatory of the Principles for Responsible Investment (PRI) in May 2018 and have used the following six principles (Principles) as a framework to develop our ESG policy across all investment activities:

- We will incorporate ESG issues into investment analysis and decision-making processes
- We will be active owners and incorporate ESG issues into our ownership policies and practices
- We will seek appropriate disclosure on ESG issues by the entities in which we invest
- We will promote acceptance and implementation of the Principles within the investment industry
- We will work together to enhance our effectiveness in implementing the Principles
- We will each report on our activities and progress towards implementing the Principles

Tages reports to the UNPRI on the activities undertaken in each assessment year. The UNPRI Transparency Report on Tages will be available on the UNPRI website following each assessment.

### ESG Incorporation

#### 1. *Liquid Alternatives*

Tages incorporates ESG factors into its investment and operational due diligence processes into liquid alternatives. The ESG due diligence findings are formally documented within the research and due diligence reports produced for our Investment Committee, with potential concerns flagged for consideration. Moreover, ESG considerations can be hardwired into client investment mandates. For example, the exclusion of certain investment sectors.

An ESG assessment forms an important part of our investment and operational risk assessment conducted on each investment. Many ESG factors align with business best practices, highlighting the value creation potential of ESG considerations. For example, robust corporate governance and oversight will help to mitigate the risk of rogue activities or other unethical behavior. The ESG assessment will include, as appropriate, the following areas across our investment managers, investment strategies and underlying investment vehicles:

#### *Investment Manager ESG Assessment*

- Investment manager corporate governance
- Investment manager cash management and control policy
- Investment manager key support staff independence, reporting lines and escalation procedures
- Investment manager alignment of interests (for example, allocation to own investment strategies alongside external clients)
- Investment manager regulatory and compliance considerations
- Reference checks of the investment manager via Tages’ network of industry contacts
- Independently commissioned background checks on investment manager principals and entities
- Investment manager commitment to ESG standards, such as being a signatory to PRI

### *Investment Strategy ESG Assessment*

- Investment manager integration of ESG factors into their investment process and strategy
- Standalone ESG / responsible investment policy available for investors
- Designated responsibility for ESG aspects within the investment strategy
- Access to ESG data sets relevant to the investment strategy

### *Investment Vehicle ESG Assessment*

- Investment vehicle corporate governance
- Investment vehicle management and control policy
- Investment vehicle key terms consistent for all shareholders
- Investment vehicle independent administrator and track record verification

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### *2. Renewable Energy and Infrastructure*

Tages incorporates ESG issues into its investment decision making and ownership policies within renewable energy and infrastructure. Sustainability is a key factor at every stage of the investment lifecycle, and ESG issues are considered thoroughly during the acquisition process.

Through its alternative investment fund, Tages Helios, the firm is a long-term owner of assets and the prudent approach to investment and management of assets is paramount to its investment mandate.

Being one of the largest players in the Italian photovoltaic market, Tages is actively engaged, through its funds, in promoting sustainable and environment-friendly growth within the energy market.

In particular, the clean energy generated by the photovoltaic plants owned by Tages Helios saved over 150,000 tons of CO<sub>2</sub> emissions in 2017, which equals the amount of CO<sub>2</sub> absorbed by roughly 3.8 million trees. The electricity produced by our plant's portfolio in 2017 was equivalent to the power needs of over 100,000 households in Italy.

### *3. Ongoing Monitoring*

All investments by Tages are subject to varying degrees of ongoing monitoring. ESG factors, as outlined above, will form a part of all ongoing monitoring assessments. Any concerns regarding an ongoing ESG assessment will be raised to the relevant Investment Committee.

### *4. Monitoring and Evaluation*

Through an evaluation of our activities and by identifying new ways we can enhance our ESG risk management, Tages will review and improve our continued adherence to the PRI on a regular basis.

### Corporate Responsibility at Tages

Tages' commitment to corporate responsibility is applied both externally, as part of ESG incorporation into the investment process, and internally to promote a healthy, respectful and sustainable working environment. For example, investment in video conference facilities reduces the need to travel between company offices and lowers our carbon footprint.

Tages' business success and reputation are founded on integrity and trust in everything that we do. Our future success depends on our staff, and Tages recruits the best talent available in a highly competitive market as an equal opportunities employer. We take pride that our current staff members come from a variety of backgrounds, cultures and nationalities.

Tages operates in a highly regulated sector where governance matters are taken very seriously. We seek to meet the highest standards of corporate governance in all jurisdictions. Tages is committed to promoting best practice across the asset management industry and is a member of the Alternative Investment Management Association (AIMA).

Compliance with all applicable laws and regulations is of paramount importance. All Tages staff receive training in these areas on joining the firm and annually thereafter, including modules on anti-bribery and corruption, market conduct and information security.

In addition to our compliance training programme, Tages encourages ad hoc training to suit the needs of individual members of staff. We also support a number of employees who undertake studies for relevant professional qualifications, including CFA and CAIA.

The health and welfare of our employees is very important to us. All staff and their families have private medical insurance cover as part of their standard terms and conditions of employment. Subsidised fitness programmes are available, and employees are also provided with life insurance.

### Contact

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