

TAGES CAPITAL SGR S.p.A.

ESG Policy

Corporate sustainability and Responsible Investment in
Tages SGR



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Our commitment to Sustainability

Sustainability is in the DNA of Tages SGR since its incorporation: sustainable finance helps to drive the future through responsible investments, in order to preserve the environment, improving and enhancing well-being, creating value for shareholders and stakeholders.

Tages' culture is based on attracting talents, both from the financial sector and the industry, in order to internalize all the skills essential to generate value.

We believe sustainability awareness and ESG factors' culture are essential drivers for our teams and they represent a remarkable common factor to thrive and meet the challenges posed by the evolving context.

In its operations, we focus on innovation and value creation and we foster the promotion of environmental, social and governance factors (together, ESG factors) in line with the highest international standards, in particular:

- Environmental: gradual reduction and avoidance of CO₂ emissions,
- Social: promotion of inclusion, diversity, and skills development,
- Governance: guarantee of transparency to our investors and all stakeholders.

Tages SGR's purpose is not only to meet market and investors' expectations on the integration of ESG factors, but also to make every effort to implement a continuous improvement on our ESG action plan, with the aim of becoming the best in class.

Tages SGR, also through ESG Policy, is focused on sustainability in the most measurable way, also through the definition of roles and responsibilities able to identify strategies and approaches to new sustainability challenges.

Sustainability targets must be continually reviewed, according to the European and national regulatory and market evolution context and shared at every level of the organization with the aim of being best in class both at corporate and product level, with open, measurable, and transparent communications to investors, business partners and stakeholders, increasingly integrating ESG communication into financial reporting.

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Roles and responsibilities

Tages incorporates ESG roles and responsibilities into its governance structure on three levels: Supervision, Coordination and Implementation.

The strategic supervisory role is assigned to the Board of Directors, which determines the strategic guidelines of the Company also in terms of sustainability promoting a culture of sustainability and responsible investment within the Company and towards its stakeholders. The Board of Directors has identified an internal Director responsible for overseeing ESG issues within the SGR (the "ESG Delegate").


The ESG Delegate plays a proactive role *vis-à-vis* the Board of Directors for the integration of ESG principles within corporate strategies and monitors and controls plans for the implementation of ESG policies and improvement initiatives, reporting to the Board of Directors on the state of their implementation.

The ESG vision and strategies set by the Board of Directors are implemented by the General Manager, who is supported by the Head of Investor Relations & Sustainability and by an interdisciplinary ESG Team, made up of delegates from key divisions involved in the investment selection, risk management, asset management process, operations, and investor relations, with the mandate to implement the Company vision and approach to Responsible Investment.

The Head of Investor Relations & Sustainability is also part of the ESG Team and is in charge of coordinating ESG initiatives and promoting sustainability and Responsible Investment within the Company.

The ESG Team reports to the General Manager.

The roles and responsibilities for sustainability and Responsible Investment are defined below.

Role	Responsibility
 <p>Board of Directors appointing a Board Member as:</p>	<p>Supervision Defining the strategic guidelines in terms of sustainability; Promoting a culture of sustainability and responsible investment within the Company and towards its stakeholders Approving the ESG Policy</p>
<p><i>ESG Delegate</i></p>	<p>Monitoring the implementation of the ESG Policy Reporting to the Board on progress and priorities</p>
 <p>General Manager</p>	<p>Coordination Implementing the ESG strategy defined by the Board Coordinating the ESG Team</p>
 <p>ESG Team Interdisciplinary cross-functional team including the:</p>	<p>Implementation Incorporating of ESG in the investment process & operations Collaborating with business partners and Operating Companies Drafting and data collection for the PRI Transparency Report</p>
<p><i>Head of IR & Sustainability</i></p>	<p>Promoting dialogue and communication on sustainability Overseeing the PRI Transparency Report drafting and submission</p>

Implementing Responsible Investment not only applies to ESG Team but is integrated into the activities of any role in the company. Tages defines an overall responsibility for all employees to support and align with the ESG Policy as part of their day-to-day role in the workplace.

To this end, the Company encourages continuous training of its staff, also in relation to ESG topics providing the organization of internal training and/or selecting best in class external providers.

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Document scope and management

The ESG Policy is updated or reviewed to reflect changes in the regulatory and market context, or in the priorities of Tages SGR on ESG issues and Responsible Investment. The Board of Directors has the ultimate responsibility on the approval of any changes/integration in the ESG Policy or in the ESG integration in the investment and corporate processes.

The ESG Team can propose revisions or updates to the Board of Directors and is responsible to communicate the content of the new policy within the organization and among stakeholders. The ESG Policy is made public through Tages SGR website and other media channels.

The main recipients of this ESG Policy include the top management, employees, and members of the ESG Teams, with specific reference to the responsibilities defined for each in the document itself. The ESG Policy is distributed internally and to external advisors, when appointed, and, upon request, to Investors and/or stakeholders recognized best in class on ESG issues (e.g. investors members of the advisory board of a fund; trade associations).

Glossary

Term	Definition
SGR	Tages Capital SGR S.p.A.
PRI	United Nations Principles for Responsible Investment
ESG	Environmental, Social and Governance factors
Sustainability and sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs
Sustainable investment	Investment in an economic activity that contributes to an environmental objective as measured by key indicators or to a social objective (e.g. support to social cohesion, labour relations, disadvantaged communities)
Sustainability risk	Environmental, social or governance event or condition that could cause an actual or a potential material negative impact on the value of the investment

Commitment to the UN Principles for Responsible Investment

Tages SGR became a signatory of the PRI in June 2018, through its holding company Tages S.p.A. (formerly Tages Holding S.p.A.), and committed to the following six principles as a framework across all investment activities:

1. Incorporate ESG issues into investment analysis and decision-making processes;
2. Be active owners and incorporate ESG issues into our ownership policies and practices;
3. Seek appropriate disclosure on ESG issues by the entities in which we invest;
4. Promote acceptance and implementation of the principles within the investment industry;
5. Work together to enhance our effectiveness in implementing the principles;
6. Report on our activities and progress towards implementing the principles.

Tages Capital reports to the PRI on the activities undertaken in each assessment year through the PRI Transparency Report, available on the PRI website following each assessment.

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ESG factors in investments

Tages SGR places ESG factors at the core of its business model, product governance and investment strategy. Through its funds and business partners, the SGR operates by identifying and developing investment opportunities that generate positive environmental and social value, in addition to providing reliable and attractive returns for investors.

Challenges and developments in sustainability in the global and national context have transformed ESG topics into powerful drivers of risk and opportunity, and Tages SGR, through its asset allocation and investment strategy, strives to capture and leverage these drivers.

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

As part of its commitment to responsible investment, the SGR incorporates sustainability factors into its investment decision making and ownership policies, with the aim of managing risks and impacts and generating real-world value in addition to financial returns.

Owing to its investments in the renewable energy sector, sustainability is at the forefront of investment and decision-making by the SGR, and is integrated throughout internal processes and operations, starting with technical and legal due diligence, and including management, monitoring and periodic reporting, and the same approach is adopted for the development of any new investment initiatives.

Furthermore, by integrating sustainability factors into its investment processes, including a technical due diligence of environmental, landscape, hydrogeological constraints and restrictions, the SGR is able to identify and consider the adverse impacts that its investments could generate.

Placement of third-party products

In the distribution of third-party funds Tages SGR commits to analysing the offering documents and the due diligence reports produced by the fund's investment managers, also with reference to ESG aspects, in order to better define the target market and to adequately inform investors and prospective investors.

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Tages SGR adopts dedicated strategies to integrate ESG factors throughout the investment process, implemented via appropriate tools and procedures.

Evaluation of ESG characteristics

In-depth assessment process including a legal Due Diligence on compliance with environmental requirements and a technical evaluation according to the Equator Principles (EPs) and aligned with sector leading practices, including to International Finance Corporation (IFC) standards and principles, in order to categorize the social and environmental risks and impacts of each project.

The Due Diligence may take into account ESG factors as appropriate to each project's characteristics and risks, including:

- **E**nvironmental issues: Biodiversity and habitat; Climate/climate change adaptation; Energy consumption/management; Environmental attributes of building materials; GHG emissions/management; Waste management; Water consumption/management;
- **S**ocial issues: Child labor; Diversity and equal opportunity; Forced or compulsory labor; Occupational safety; Employee health & well-being; Customer and community health & well-being; Labor-management relationships; Employee performance and career development; Stakeholder engagement; Worker rights
- **G**overnance issues: Bribery and corruption; Data protection and privacy; Employee remuneration; Executive compensation; Fraud; Political contributions; Shareholder rights.

Active management

Active engagement with business partners to ensure correct management of the assets, including technical, operational, financial aspects and ESG aspects.

Engagement with communities

Presence on the territory and commitment to evaluate and improve interactions and initiatives with local communities and stakeholders, also through its business partners, in particular with regard to environmental issues, the relationship with local workers and business partners, training projects for schools, transparency with public administrations, charitable activities, etc.

Ongoing monitoring

Real-time assessment of assets via a proprietary monitoring system, available on mobile via an APP and/or PC for all Tages Team members. Promotion of this good practice by encouraging and adopting, wherever possible, the use of any digital applications in order to constantly monitor the performances any kind of investment and in particular EGS KPIs.

Communication and reporting

Monitoring of ESG KPIs from investment assets are measured, wherever possible, in real time and reported to Investors on a quarterly or at least half-yearly basis.

ESG aggregated figures publicly available on the Company website.

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Tages SGR's commitment in addition to investments

Tages commitment to corporate responsibility is applied both externally, as part of ESG factors' incorporation into the investment process, and internally, to promote a healthy, respectful and sustainable working environment. Tages' business success and reputation are founded on integrity and trust in everything that we do.

Tages operates in a highly regulated sector where governance matters are taken very seriously and compliance with all applicable laws and regulations is of paramount importance. In order to meet the highest standards of corporate governance in all jurisdictions and, the SGR adopts a comprehensive Code of Conduct, and commits to operating with fairness, transparency and accountability throughout its business and to promoting best practices across the industry.

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.

Our future success depends on our staff, and Tages aims to attract talents in a highly competitive market through a combination of values in a dynamic, stimulating work context. Tages gives its staff the opportunity to contribute to Company success, encouraging diversity and sense of responsibility.

Related to respect for the working environment, all staff is aware and actively committed to recycling, the low consumption of materials (sustainable printing), and correct disposal of waste, energy and water savings.

In addition, the electricity supply of Tages SGR's headquarter relies entirely on renewable sources and a "plastic free" approach is progressively implemented thanks to the installation of purified water dispensers. Moreover, all correspondence takes place digitally and any document deliveries are made, where possible, using bicycle couriers or electrically powered vehicles.

Communication

Tages delivers prompt communication related to its promotion of sustainability through its social media (dedicated website page and social media) and/or business partners/trade associations channels.

The Head of Investor Relations & Sustainability is the focal point for the communication with investors and stakeholder, also on a one to one basis. He is responsible for internal communications on ESG factors' integration, in order to strengthen awareness and knowledge of all teams.

Tages engages on a regular basis with its investors, through Investor calls or meetings: any ESG factors' integration update is shared during these touchpoints.

Tages also dedicates part of its quarterly Fact Sheets and financial reports on sustainability topics, when considered of material importance for its investment products and at corporate level.

Communications contents aims to increasingly integrate ESG factors into financial reporting, as they are considered an essential part of the company's corporate business and product performance.

For more information on our approach to Responsible Investment and sustainability related disclosure, please visit our dedicated Webpage [here](#).

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Contacts

Angela Maria Racca

Head of Investor Relations & Sustainability

Tages Capital SGR S.p.A.

T: +39 02 87337 458

angela.racca@tagescapital.com

www.tagescapital.com



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