

# TAGES CAPITAL SGR S.p.A.

## ESG Policy

Corporate sustainability and Responsible Investment  
in Tages SGR



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## Tages SGR commitment to Sustainability

Since its creation, Tages SGR embodies sustainability helping to drive the future through responsible investments, preserving the environment, improving and enhancing well-being and creating value for shareholders and stakeholders.

In its operations, Tages SGR focuses on innovation and value creation and 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 CO<sub>2</sub> emissions,
- Social: promotion of inclusion, diversity, and skills development,
- Governance: guarantee of transparency to 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 become the best in class continuously improving its ESG action plan.

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 aiming to succeed 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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## Glossary

Term	Definition
<b>Brownfield and greenfield investments</b>	Brownfield investment refers to the purchase or lease of an existing facility whereas greenfield investment means that facilities are built by the company.
<b>Delos</b>	Delos Power S.r.l., Delos Power 2 S.r.l. and its subsidiaries including Delos Services S.p.A."
<b>ESG</b>	Environmental, Social and Governance factors
<b>KPI</b>	Key Performance Indicator
<b>KRI</b>	Key Risk Indicator
<b>PRI</b>	United Nations Principles for Responsible Investment
<b>SGR</b>	Tages Capital SGR S.p.A.
<b>SPV</b>	Special Purpose Vehicle
<b>Sustainability and sustainable development</b>	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs
<b>Sustainable investment</b>	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, labor relations, disadvantaged communities)
<b>Sustainability risk</b>	Environmental, social or governance event or condition that could cause an actual or a potential material negative impact on the value of the investment
<b>Target</b>	Companies in which Tages SGR funds could potentially invest (for the Credit Fund, a "target" represents a borrower).

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## References

The present ESG Policy has been written in line with the following regulations, principles and policies:

### External References

#### Regulations

- **Regulation (EU) 2019/2088** of the European Parliament and of the Council of 27 November 2019 on disclosures regarding sustainability in the financial services sector (the "**SFDR**").
- **Regulation (EU) 2020/852** of the European Parliament and of the Council of 18 June 2020 on establishing a framework for sustainable investments and amending the SFDR (the "**Taxonomy**").
- **Delegated Regulation (EU) 2022/1288** of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (the "**RTS**").

#### Principles

- **Principles for Responsible Investment** adopted by the United Nations in 2006 ("UN PRI" or "Principles").
- **Global Compact** and **Sustainable Development Goals** of the United Nations

### Internal references

#### Policies

- Risk Management Policy.
- Remuneration Policy.
- Ethical Code (available on Tages [website](#)).

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## Purpose and Scope of the document

The ESG Policy aims at settling Tages SGR overall ESG governance and processes which enable to identify long term strategies and to face sustainability challenges.

Moreover, it defines Tages SGR sustainable responsible investment approach, which applies to all funds, in order to underline the commitment both to long-term value creation for shareholders by also taking into account non-financial factors, and to transition towards cleaner energies promoting a better living world for all stakeholders. Indeed, Tages SGR applies two of the main ESG strategies which are focalization (most of the investments are focused on energy transition and efficiency) and green lending (for example, considering Tages Private Debt fund which offers sustainability-linked loans).

The ESG Policy is updated or reviewed when needed 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 amendments 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 available on Tages website, it is distributed internally and to external advisors, and, upon request, it is shared with Investors and/or stakeholders (e.g. investors members of the advisory board of a fund; trade associations).

The present document has been written in line with Tages' internal set of procedures and it follows the Principles for Responsible Investment guidelines.

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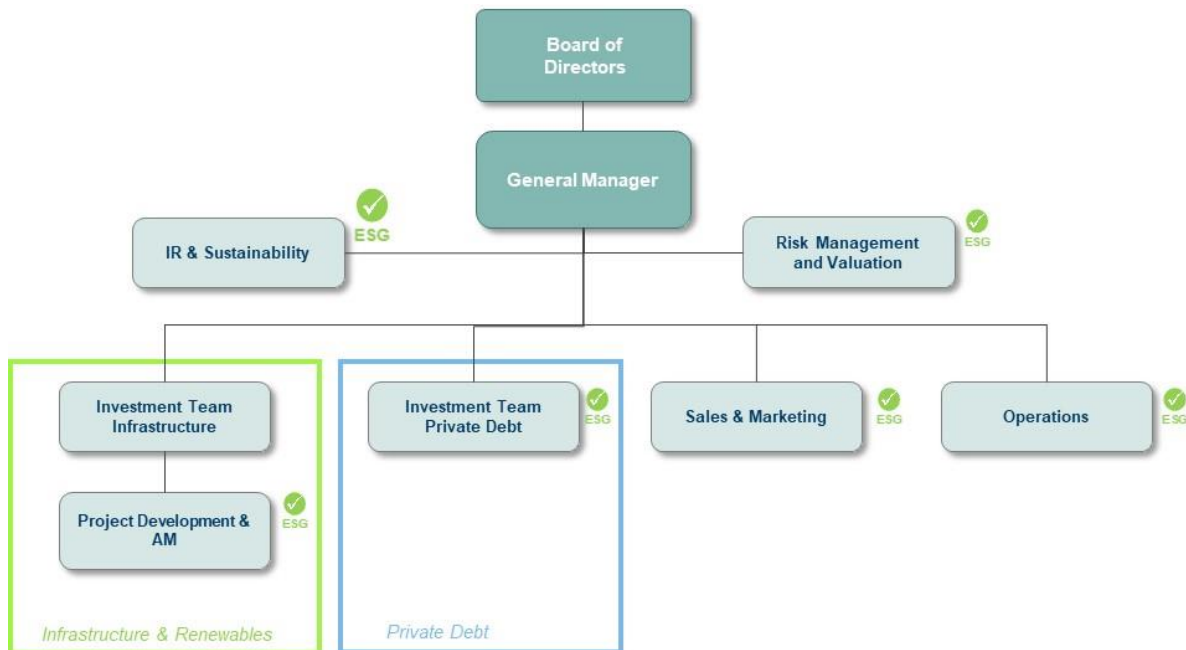
## ESG Governance

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 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. She/he monitors and controls the implementation of the ESG policy framework, while promoting improvement initiatives. The ESG Delegate periodically reports to the Board of Directors on the state of ESG implementation within the SGR.

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


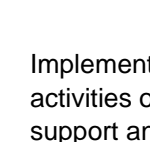


The Head of Sustainability is also part of the ESG Team and is in charge of coordinating ESG initiatives and promoting sustainability and Responsible Investment within the Company. She/he is the key contact point for all matters related to sustainability. She/he provides advice and supports, when needed, on strategic and operational ESG matters and decides who to involve on more specific/technical ESG matters.

The ESG Team reports to the General Manager.

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

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

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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## Corporate Sustainable Responsibility

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 the SGR does.

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 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. Tages SGR also adopted an **Organizational, Management and Control Model** pursuant to Legislative Decree 231/2001.

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 the SGR compliance training program, Tages encourages ad hoc training to suit the needs of individual members of staff.

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

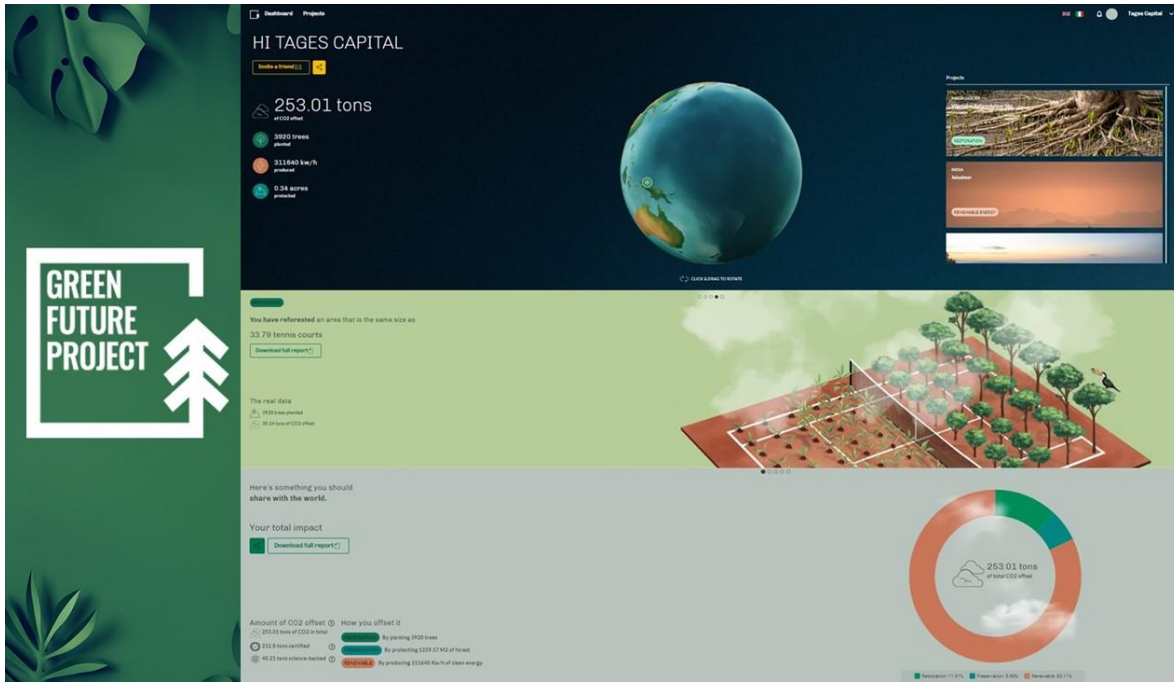
Tages is committed to **reducing** its Milan office **Carbon Footprint** launching a proprietary model for calculating CO<sub>2</sub> emissions to target specific areas of improvement. The SGR takes actions in reducing office emissions by eliminating the use of plastic, introducing limits on printing, paper use, and promoting proper waste disposal, as well as limiting aircraft transfers within Italy. In addition, Tages SGR offices are powered by renewable energy.

Tages has signed a **partnership** with **Green Future Project**, an innovative platform that offers individuals and businesses the opportunity to actively participate in climate change mitigation through an accessible and modular service, investing in activities that reduce the environmental impact generated by CO<sub>2</sub>, such as tree planting and protection of forests all over the world, or the development of wind farms.

Thanks to this initiative Tages has become carbon neutral. The project plans to identify the 'band' of each employee based on the pollution produced by his work trips based on a model developed together with the University of Oxford and the consequent commitment of the company to invest economic resources in green projects for the compensation of polluting emissions.

Among the projects funded are the reforestation of the west coast of Madagascar to restore terrestrial and marine biodiversity, the preservation of the biodiversity of the Amazon rainforest and the development of the Jaisalmer wind farm in India to generate 50 GWh of clean energy per year.

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### Remuneration policy

The remuneration policy of Tages SGR is inspired by the principles of fairness, motivation and competence and is developed in line with the strategies, priorities and vision of the SGR, which holds sustainability as a driver of its business model.

The SGR includes, in the assessment of individual performance, the consideration of sustainability issues and the promotion of the UN PRI among the professional goals of all ranks and functions. Tages has also started a process to define actionable qualitative responsible investment objectives within individual performance measurement.


Furthermore, the remuneration policy reflects and promotes sound and effective risk management and does not encourage the assumption of incongruous risks, which is aligned with the approach of the investment team to the consideration and management of sustainability risks.


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Support to the UN Sustainable Development Goals





Tages supports the Sustainable Development Goals of the United Nation, and more especially:


- 


“Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” offering training to all staff;
- 


“Achieve gender equality and empower all women and girls” since Tages promotes women presence in managerial position;
- 

“Ensure access to affordable, reliable, sustainable and modern energy for all” thanks to its key position on the renewable energy production market in Italy;
- 

“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” through the adoption of a fair remuneration policy;
- 

“Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” thanks to the adoption of cleaner and more efficient energy production technologies;
- 

“Reduce inequality within and among countries” through its Code of Conduct which promotes non-discrimination;
- 

“Ensure sustainable consumption and production patterns” since Tages is committed to reduce its carbon footprint and is actually carbon neutral;
- 

“Take urgent action to combat climate change and its impacts” mainly through CO2 emission avoidance and awareness raising trainings for staff.

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## Responsible Investment Approach

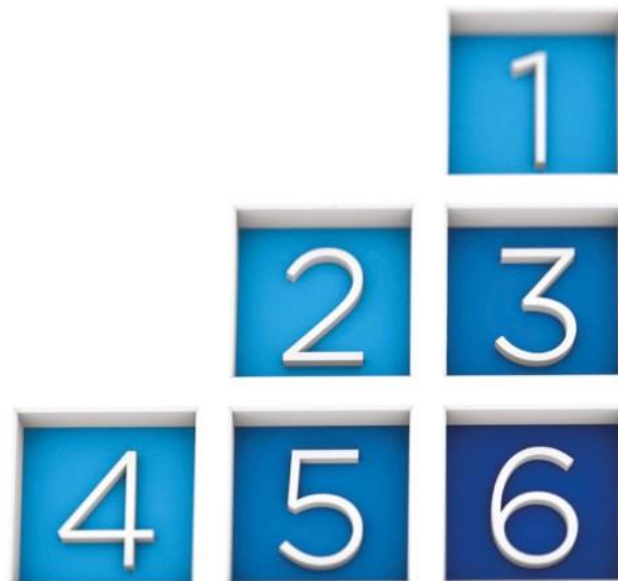


### Commitment to the UN Principles for Responsible Investment

Tages SGR became a signatory of the PRI in June 2018, originally 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:

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.

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



### Integration of ESG factors in the investment process

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.

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.

Sustainability is at the heart of Tages business model since investments are mainly focused on the transition toward a cleaner energy system. Indeed, 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.

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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.

## ESG Risk Management

Tages SGR assesses risks, in line with Alternative Investment Fund Managers Directive (2011/61/EU), through a dedicated risk management platform which also includes Environmental, Social and Governance risks. Risk assessment also takes into consideration climate-related risks such as floods and fires.

ESG risks are monitored on a continuous basis thanks to qualitative and quantitative Key Risk Indicators (KRIs) at both fund and asset levels.

The input data related to assets (photovoltaic panels and wind plants) is provided by Delos whereas input data related to potential targets and investee companies is directly provided by those latter. Data is then analyzed by the Risk Manager function and manually inserted into the platform.

Delos also ensures continuous monitoring of assets through a proprietary software and performs maintenance works in order to mitigate direct and indirect risks (direct risks include physical risks that could affect the good functioning of the assets whereas indirect risks concern financial loss due to a lack of production).

Delos monthly reports such information to Tages SGR.

## Responsible asset management

### Energy & Infrastructure

The energy infrastructure funds contribute to the transition to a sustainable energy system and thus directly contribute to climate mitigation. Indeed, most of the funded activities falls under EU Taxonomy since the funds mainly invest in electricity generation using solar photovoltaic technology and from wind power.

#### Tages Helios I and II:

Tages Helios and Tages Helios II are closed end funds which are dedicated to the renewable energy sector (photovoltaic panels and wind plants, all brownfields) in Italy. Although they are not classified under SFDR, they promote environmental characteristics including renewable energy production and global GHG emission reduction.

Helios and Helios II Funds purchase the property of plants and then lease them to special purpose vehicles ("SPVs") controlled by Delos Power and Delos Power 2 S.r.l.

#### Tages Helios Net Zero:

Tages Helios Net Zero Fund is classified as Art. 9 product under SFDR since it has a sustainable investment objective, namely the energy transition. The fund's investment universe is composed of companies (mostly SPV) owning wind and photovoltaic plants, or operating in sectors related to energy transition (such as storage systems, gas-linked transition assets, hydrogen production and district energy systems).

Tages has developed a tool to monitor ESG Key Performance Indicators specific for this fund.

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### Asset management from Delos

Delos Services acts as the operating company for Tages energy production plants. Its activities include:

- Assistance and support for the SPVs owned, in the ordinary and extraordinary management of the Plants, for the sale of electricity generated by the plants and collection of the relative GSE incentives;
- Preparation of possible SPV purchase; including the preliminary due diligence, and overseeing the due diligence performed by third parties;
- Monitoring renewable energy production and optimizing plant management applying sector best practices.
- Data collection and analysis (including avoided CO<sub>2</sub> emissions). For this purpose, Delos has developed a tool to collect real time data from the assets;
- Monthly reporting to Tages SGR. Moreover, in case of extraordinary events, Tages is informed by the Head of Project Development and Asset Management, who is also Delos Board Member;
- Periodical on-site visits;
- Management of insurance contracts and administrative procedures;
- Management of HSE standards;
- Administrative management and legal and corporate affairs.

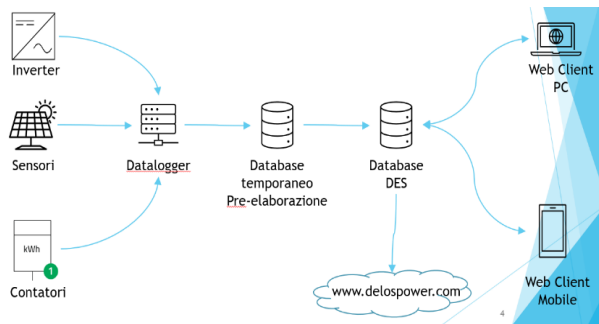
Delos has also adopted an Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 and has approved a Code of Conduct.

Delos has developed a real time monitoring system enabling to check performance indicators for each power plant, to compare cluster of plants, to open and manage tickets and alarms, improving overall availability and delivering consistent outperformance compared to market standard. This system also enables to reduce operational costs and to increase revenues through improved effectiveness.

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**PANNELLO DI MONITORAGGIO**



 297 N° IMPIANTI	 7 TECNICI NEI SITI	 MAPPA POSIZIONE IMPIANTI
 ALLARMI TUTTI GLI ALLARMI	 622 MW POTENZA PORTAFOGLIO	 418 GWh PRODUZIONE ANNUA
 -7 % PR PORTAFOGLIO	 198.005 t EMISSIONE CO2	 154.945 FAMIGLIE SERVITE
 OPZIONI	 INVIA LETTURE	 NUMERI UTILI
 LOGOUT		

**Private Debt**

Tages Credit Fund is classified as Art. 8 product under SFDR since it promotes ESG characteristics. From the beginning, the investment process for the fund has been defined in line with responsible practices including:

- A dedicated exclusion policy that prohibits investments in companies not respecting human rights, involved in illegal activities such as human cloning, and in those operating in an unethical business sector (for example, weapons, tobacco, gambling, and pornography) (“ESG negative screening”);
- ESG positive screening of the Target based on public available information and on the information package provided by the Target;
- ESG due diligence process with the attribution of an overall ESG score to the Target and identification of areas of improvement based on sector relevance;
- Definition of quantitative ESG Target KPIs to be monitored periodically.

**Placement of third-party products**

In the distribution of third-party funds Tages SGR commits to analyzing 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 current and prospective investors.

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## Active ownership and engagement

Tages promotes active management with best in class business partners to ensure correct management of the assets including technical, operational, financial aspects and ESG aspects. In the appointment of providers and outsourcers, Tages carefully evaluates their professional and organizational capacities, track record and references and any implications deriving from potential situations of conflict of interest; it also verifies the suitability of them outsourcer to guarantee the scope of work.

Moreover, Tages' examples of active ownership are visible in the proprietary monitoring system developed in the Energy& Infrastructure business and also in the sustainable-linked loans that are defined within the framework of the Credit Fund: by definition, the sustainable-linked loans set ESG KPIs that the borrower must respect in order to get a discounted interest rate.

Tages has not adopted an Engagement Policy in accordance with article 124-quinquies of TUF, as the investment policy of its managed funds is not oriented towards investment in companies with shares admitted to trading on an Italian regulated market or one of another EU Country. Furthermore, as of the date of publication of this announcement, Tages Capital SGR S.p.A. and its managed funds do not have companies with shares admitted to trading on an Italian regulated market or on another Member State of the European Union in their portfolio. It will be Tages Capital SGR's responsibility to draft and publish an Engagement Policy should the context change (e.g. launch of a new fund focusing on companies listed on regulated markets, changes in the Fund Rules of the existing funds regarding the investment in companies listed on regulated markets or changes in the liquidity management of funds).

## Communication

Tages ensure continuous compliance with SFDR at both entity and product levels. Sustainability-related disclosure can be found on pre-contractual and periodic documents of the funds classified as Art. 8 and Art. 9 SFDR products and Tages dedicated website page.

Tages also 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. She/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.

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

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