

Disclosure Web regarding Art.9 products pursuant to Art. 10 of Reg. (EU) 2019/2088. RTS Chapter 4 Art. 37-49 - Tages Helios Net Zero Fund

Information requested by RTS (SFDR)

1	Summary	<p>The Tages Helios Net Zero Fund (also referred to as "Fund") classifies as a financial product of article 9 of the EU regulation 2019/2088 (known as SFDR). Accordingly, it has a sustainable investment objective dedicated to enhancing energy transition. Therefore, the investments of Tages Helios Net Zero are primarily focused on companies that own, operate and/or develop facilities that produce energy from renewable sources or operate in other areas of the energy transition sector.</p> <p>Moreover, the fund's sustainable objective is reflected in the establishment of a minimum level of sustainable environmental investments equal to 80% of the total Fund's assets. Of the sustainable investment portion, the Fund commits to invest at least 2/3 of it in economic assets classified as aligned under the Taxonomy (EU Regulation 2020/852).</p> <p>To ensure these objectives, the Investments Team conducts rigorous due diligence practices combined with the use of a specific ESG tool adopted by the SGR to measure and monitor the achievement of the Fund's sustainable investment objective. This ESG tool takes into consideration a series of sustainability indicators suitable for the type of energy plants managed, mainly photovoltaic and wind plants. The data used for monitoring are provided by Delos Power (the operating company that manages the Fund's plants), which collects and processes data in real time through specific software. The data collected is specific and measured directly on site except for data relating to the amount of CO₂ avoided and of water used in washing the systems which are estimated. However, the estimation methodology does not affect the achievement of the objectives defined by the fund.</p> <p>In general, the SGR, as a signatory of the Principles for Responsible Investment (PRI) from the United Nations, is committed to respecting and promoting responsible investment practices within the SGR and the subsidiaries/investees of the managed funds.</p>
2	No significant damage to the investment objective	<p>The fund considers the negative effects on sustainable factors based on the indicators in Annex 1 of the RTS. The SGR ensures alignment with the internationally recognized fundamental principles of sustainable investing in regards to business conduct and respect for human rights by pursuing the Principles for Responsible Investments defined by the United Nations (Signatory member) and by directing investments towards sustainable investing.</p>
3	Sustainable investment objective of the financial product	<p>The Tages Helios Net Zero fund pursues a sustainable investment objective as it invests in projects aimed achieving energy transition. Specifically, the Fund invests, directly and indirectly, in target Companies that hold, manage and/or develop infrastructures that operate in the field of energy from renewable sources of all forms of energy generated from sources which, due to their characteristics, regenerate, are not exhaustible and whose use does not affect natural resources for future generations, such as the sun, wind, water, heat from the earth and the sea or operating in other sectors of the energy transition, or infrastructure that facilitates the growth, use, transport, and integration of renewable energy sources (as defined by the Regulation of the Fund). The Fund's investments dedicated to energy transition contribute to the achievement of two environmental objectives defined by the Taxonomy:</p> <ul style="list-style-type: none"> (i) mitigation (ii) adaptation to climate change <p>In promoting the energy transition, the Fund is committed to reducing greenhouse gas emissions to help achieve the Paris Agreement.</p>
4	Investment Strategy	<p>In order to pursue the energy transition, the Fund adopts a responsible investment strategy by incorporating ESG assessments into investment decisions. The main element of the investment strategy used to select investments is the belonging of the activity/project to the energy transition sector.</p> <p>In particular, the focus of the Fund is mainly reflected in equity investments in companies (especially in Special Purpose Vehicles - SPVs) that own, manage and/or develop plants that produce energy from renewable sources or operate in other sectors of the energy transition (Target Company).</p> <p>The ESG indicators assessed during the investment phase are then periodically monitored by the Investments Team which analyzes the changes and develops improvement actions.</p> <p>The investment process is formalized in the Fund's internal investment procedure which complies with the principles set out in the ESG Policy adopted by the SGR and available on the website: https://www.tagescapitalsg.com/responsible-investments/</p> <p>Overall, the Fund has a medium-low level of sustainability risk.</p>
5	Investment shares	<p>The minimum level of environmentally sustainable investments is 80% of the Fund's assets. The Fund intends to invest at least 2/3 of its environmentally sustainable investments in economic activities classified and aligned with the Taxonomy as defined at the time of drafting this disclosure.</p> <p>In particular, the Fund invests in the following taxonomy assets:</p> <ul style="list-style-type: none"> - Electricity production using photovoltaic solar technology (activity 4.1 of EU Reg. 2021/2139); - Electricity production starting from wind energy (activity 4.3 of EU Reg. 2021/2139). <p>The SGR has adopted a specific checklist to evaluate the alignment with the Taxonomy of the infrastructures of the invested companies, according to the art. 3 of EU Regulation 2020/852 (Taxonomy), both in the investment phase and in the monitoring phase. In this way, the SGR can verify that the investment concerns an eco-sustainable activity as it complies with the technical screening requirements, contributes to the achievement of at least one environmental objective, does not cause significant damage to the other objectives and respects the minimum safeguard guarantees under art. 18 of EU Regulation 2020/852 (Taxonomy).</p> <p>Investments aligned to the Taxonomy are not currently expected to be subject to external assurance.</p>
6	Monitoring of the sustainable investment objective	<p>In order to pursue the sustainable objective of energy transition, the SGR has defined in the Fund's internal investment procedure, which respects the principles set out in the ESG Policy (available on the website), the monitoring process that applies to all investments through specific activities. As prescribed in the investment procedure, the Investments Team periodically monitors the ESG indicators that define the sustainable objective through the monitoring tool. In addition, the Risk Management function carries out checks, through a special risk management platform, on the sustainability risks to which the investment objects are exposed.</p>
7	Methodologies	<p>In order to measure the achievement of the Fund's sustainable investment objective, the SGR has adopted the use of a specific ESG tool. The ESG tool takes into consideration a series of sustainability indicators suitable for the type of assets managed. Specifically, the indicators monitored for wind and photovoltaic plants are:</p> <ul style="list-style-type: none"> - energy consumptions of auxiliary plants (in MWh); - electricity production (in MWh); - water consumptions (in L); - tons of CO₂ avoided; - percentage of components reused; - surface area of occupied agricultural land (m²); - installed power (m²) or per turbine; - number of data breaches or cyber attacks; - number of complaints received from local communities; <p>Each indicator is continuously monitored for each plant.</p> <p>In addition, the following indicators are monitored at the level of the Invested Target Company:</p> <ul style="list-style-type: none"> - presence of model 231; - number of reports or complaints received per year; - presence of an auditing system.
8	Sources and Data processing	<p>The data used for monitoring and control are provided by Delos Power which collects and processes them with a specific software. All systems are equipped with sensors that provide data in real time, for example:</p> <ul style="list-style-type: none"> - energy production; - meteorology; - any operating problems; - any maintenance interventions. <p>The quality of the data is guaranteed by a constant transmission of the same from the systems distributed throughout the territory to the Delos offices, here the data is analyzed and aggregated to produce periodic reports returned to Tages. The data monitoring system is structured in such a way as to self-diagnose system malfunctions (e.g. malfunction of the single solar panel) or of the monitoring software itself (e.g. internet line problems).</p> <p>The software used by Delos is updated and improved frequently to ensure accurate data mapping. Furthermore, back-ups of the data saved on two separate clouds are continuously carried out to eliminate the risk of data loss and guarantee business continuity.</p> <p>Most of the data collected by the Delos software are punctual and measured directly on site, except for some meteorological data for which reference is made to the atmospheric forecasts of specialized public internet sites.</p> <p>Furthermore, Tages uses estimates for the calculation:</p> <ul style="list-style-type: none"> - the amount of water used for washing photovoltaic systems (based on the number of washings performed and an estimate of the average amount of water used) - the amount of CO₂ avoided. The data relating to the electricity produced represent the value from which the emissions of climate-changing gases (CO₂ equivalent) avoided are estimated with respect to the same quantity of electricity in the generic grid of the national electricity system. The methodology, for the purpose of constructing the benchmark value, envisaged the application of the location-based emission factor for Italy provided by ISPRA (Higher Institute for Environmental Protection and Research), which refers to the fuel mix and is confined to the emission sources in the electricity production phase. The emission factor considers the climate impact of the climate-altering gases CO₂, CH₄ and N₂O.

9	Limitations of methodologies and data	<p>The estimated data, in regards to "Limitations of methodologies and data", concern the amount of CO2 avoided and the water used in washing the systems.</p> <p>a) CO2 avoided: The calculation of the climate-changing gas emissions avoided, as mentioned above, provides for the application of an emission factor subject to periodic updating on the basis of the technological progress observed on the plants connected to the network. Therefore, the trend in the value of CO2 avoided will not be comparable in absolute terms, but must be interpreted in the light of the above. The underlying methodology does not prejudice the achievement of the objectives defined for the Fund.</p> <p>b) Water used: The data relating to the quantity of water used in washing the systems does not have a direct correlation with the achievement of the sustainability objectives defined for the Fund and, therefore, the underlying methodology does not affect the achievement of the objectives themselves.</p>
10	Due diligence	<p>To integrate sustainability factors into investment processes, the SGR also carries out a technical due diligence on environmental, landscape and hydrogeological constraints, in doing so it is able to identify and consider the negative impacts that its investments could generate. The investment and monitoring process is defined in the internal investment procedure which complies with the principles set out in the ESG Policy (available on the website). As described in the investment procedure, the Investments Team periodically monitors the adequacy of investments with the fund's sustainable objective through the ESG indicators monitoring tool. Furthermore, the Risk Management function carries out controls relating to sustainability risks through a specific risk management tool.</p>
11	Engagement Policies	<p>As a signatory of the Principles for Responsible Investment (PRI) from the United Nations, Tages SGR compromises to respect and promote responsible investment practices also towards the subsidiaries/investees of the managed funds. This commitment is particularly reflected in principles 2 and 3: "Be active shareholders and incorporate ESG criteria in policies and procedures" and "Request adequate disclosure on ESG issues from investee entities". Furthermore, Tages constantly oversees the operations of Delos and organizes monthly meetings to ensure the good management of the plants and review sustainable management. In addition, it has revised its ESG Policy in order to include Delos in the responsible management process. This policy is adopted by Delos, which incorporates its principles.</p>
12	Achievement of the sustainable objective investment	<p>Not applicable at present as there is no benchmark index for this sector. The achievement of sustainable investment objective is pursued through ongoing measurement and monitoring of the ESG performance of portfolio companies using the ESG tool.</p>