

Tages Capital SGR S.p.A. (also “**Tages Capital**” or the “**Company**”), in compliance with the applicable regulations, must adopt appropriate internal rules according to the dictates of the Italian Law No. 220 of December 9, 2021, which identifies the “*Measures to counter the financing of companies producing anti-personnel mines, cluster munitions and submunitions*” (hereinafter, the **Law**), issued to implement the Ottawa Treaty drafted on September 18, 1997 (ratified by the Italian Law No.106 of March 26, 1999) and the Convention on Cluster Munitions of May 30, 2008 signed in Oslo (ratified by the Italian Law No. 95 of June 14, 2011), which introduced “*the total prohibition on the financing¹ of companies of any legal form, based in Italy or abroad, which, directly or through subsidiaries or affiliates pursuant to Article No.2359 of the Italian Civil Code², engage in the construction, production, development, assembly, fix, preservation, use, storage, holding, promotion, sale, distribution, import, export, transfer or transport of anti-personnel mines, cluster munitions and submunitions, of any nature or composition, or parts thereof. It is also prohibited to carry out technological research, manufacture, sale and transfer, for any reason whatsoever, export, import and holding of cluster munitions and submunitions, whatever their nature or composition, or parts thereof*”, hereinafter also “**controversial weapons production**”.

GOVERNANCE

In order to ensure the proper implementation of the adopted measures, Tages Capital SGR has defined the following governance system by identifying the areas of responsibility of each body and management/function involved as represented below: (i) **Board of Directors**, which defines and approves the adopted measures and the subsequent revisions of the relevant internal regulations, and periodically verifies their proper implementation based on the monitoring carried out by the Compliance Function; (ii) **ESG Team**, which performs an assessment of the risk arising from the operations of the Company, and conducts propositional, evaluative, and monitoring activities for the checklists to be adopted; (iii) the **Investment Teams** of the funds within the scope of observation, which activate the screening and monitoring process mainly through the analysis and the mapping of companies receiving investment/financing from the funds; (iv) **Sales & Marketing Team - IR & Client Support**, which periodically monitors the presence of the names included in the mapping on the checklists adopted by the SGR; (v) **Compliance Function** which is mainly in charge of monitoring activities, notify any violations and reporting to the corporate bodies (vi) **Chief Operating Officer**, which is responsible for promptly notifying the Bank of Italy of any violations of the prohibition provided for by Law 220/2021, together with the results of the checks conducted and the following measures taken to tackle them.

¹ Any form of financial support carried out also through subsidiaries, whether based in Italy or abroad, including but not limited to the granting of credit in any form, the issuance of financial guarantees, the taking of equity investments, and the purchase or subscription of financial instruments.

² **Subsidiaries** are:

- 1) companies in which another company has a majority of the votes that can be exercised in the ordinary shareholders' meeting;
- 2) companies in which another company has sufficient votes to exercise a prevailing influence in the ordinary shareholders' meeting;
- 3) companies that are under the dominant influence of another company by virtue of special contractual ties with it.

For the purpose of the application of numbers 1) and 2) of the first paragraph, votes held by subsidiaries, trust companies and third parties are also counted; votes held on behalf of third parties are not counted.

Companies over which another company exercises significant influence are considered **affiliates**. Influence is presumed when at least one-fifth of the votes can be exercised in the ordinary meeting, or one-tenth if the company has shares listed on the stock exchange

PUBLIC LISTS AND LISTINGS/REPORT OF PRIVATE DATA PROVIDERS.

Tages Capital conducts name screening either by making use of public directories or lists/reports created by private data providers, deemed by the ESG Team to be sufficiently reliable and up-to-date.

ASSESSMENT OF LISTS/REPORTS OF PRIVATE DATA PROVIDERS CHOSEN BY THE COMPANY

Drafting and updating the list of parties to be screened

The Investment Teams of the funds within the scope of observation, each within their respective areas of responsibility, are in charge of preparing and updating the list of “funded entities to be screened” in application of the criteria established by the Company.

Monitoring frequency

Correspondence checks on the lists/reports of private data providers chosen by Tages Capital are carried out before the Company approves the acquisition of an equity investment as part of the investment/financing process and automatically after the investment/financing has been approved using the “Daily Control” monitoring system. If this system is not available, a check is still carried out by consulting lists and reports made available by private data providers, which are considered sufficiently reliable and updated by the ESG Team. In such circumstances, the frequency of checks is increased in case of detection of anomaly indicators such as the sector to which the firms under observation belong (i.e. (i) aerospace, (ii) industrial vehicles, (iii) shipbuilding, (iv) electronics, and (v) information technology, or engaging in activities such as, but not limited to, manufacturing of components like electrical and electronic equipment, metalworking, and precision mechanics) or the country in which the company is based (i. e. Armenia, China, North Korea, South Korea, Cuba, India, Iran, Myanmar, Pakistan, Russia, Singapore and Vietnam, Israel and the United States, Brazil, Egypt, Greece, Poland, Romania and Turkey).

Reporting of violation cases

In case the correspondence checks yield a positive result, this event is promptly reported to the Corporate Bodies so that the remedial measures to be taken can be defined, taking into consideration the overall applicable regulatory framework and regulatory and contractual constraints, as well as to the relevant Authorities.