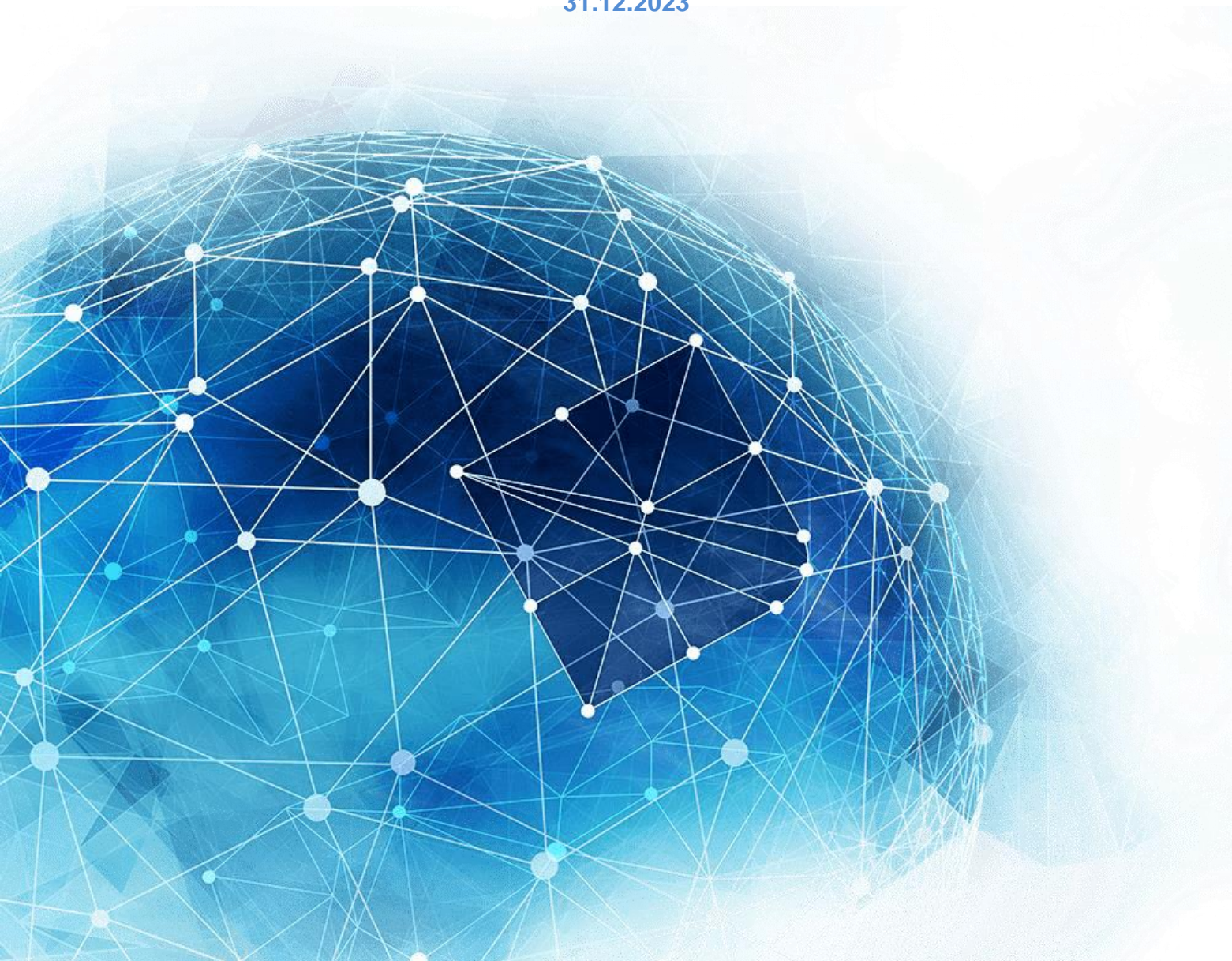


TAGES CAPITAL SGR S.p.A.

Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

31.12.2023



Tages Capital SGR S.p.A.

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Introduction

Tages Capital SGR S.p.A. considers the principal adverse impacts of its investment decisions on sustainability factors (“PAIs”).

The document represents the consolidated statement on the principal adverse impacts on the sustainability factors of Tages Capital SGR S.p.A. (“**Tages Capital**” or “the **SGR**” or “**Tages**”), during the reference period from the 1st of January 2023 to the 31st of December 2023.

Tages Capital considers principal adverse impact (“PAI”) as part of its investment due diligence process and procedures. At entity level, the SGR considers PAIs by measuring and monitoring the aggregated negative impact of its investments on sustainability factors. Tages considers the mandatory principal adverse impact indicators and two voluntary indicators defined by the Regulation (EU) 2019/2088 - Sustainable Finance Disclosure Regulation (“**SFDR**”): PAI 4 (Environment) - Investment in companies without carbon emission reduction initiative and PAI 1 (Social) - Investment in companies without workplace accident prevention policies.

The statement includes the following infrastructure funds managed by Tages Capital in 2023 (**Tages Credit Fund**, the private debt fund, classified under article.8 of the SFDR and managed by the SGR entered in operation in January 2024):

- **Tages Helios**: a closed-end reserved real estate alternative investment fund focused on solar plants, fully invested (vintage 02/12/2015);
- **Tages Helios II**: a closed-end reserved real estate alternative investment fund focused on solar and wind plants, fully invested (vintage 31/07/2018);
- **Tages Helios Net Zero**: a closed-end Private Equity alternative investment fund focused on renewable energy and energy transition. Tages Helios Net Zero Fund (“THNZ” and together with Tages Helios and Tages Helios II, the “Energy Funds”) is classified as a financial product that, under article 9 of the “SFDR. THNZ 2023 data are partially available because portfolios acquired in 2023 were subject to handover to Delos Service S.p.A. (the operating company 100% owned by the Energy Funds that provides services to the Energy Funds, “Delos Service”) in December 2023. THNZ reports PAIs also at fund level, according to its pre-contractual disclosure.

Principal adverse impact assessment is further described in Tages policies related to identifying and prioritizing the principal adverse impacts on sustainability factors and in the active ownership and engagement policies and processes.

Description of principal adverse sustainability impacts (“PAIs”) on sustainability factors

Table 1

Adverse sustainability indicator		Metric	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	Not available	n/a	A data collection system from the portfolio companies (SPV) of the Energy Funds is being implemented for the purpose of emissions calculation. Data will be available in 2024 and will refer retroactively to 2023.
		Scope 2 GHG emissions	Not available	n/a	A data collection system from the portfolio companies (SPV) of the Energy Funds is being implemented for the purpose of emissions calculation. Data will be available in 2024 and will refer retroactively to 2023.
		Scope 3 GHG emissions	Not available	n/a	A data collection system from the portfolio companies (SPV) of the Energy Funds is being implemented for the purpose of emissions calculation. Data will be available in 2024 and will refer retroactively to 2023.
		Total GHG emissions	Not available	n/a	A data collection system from the portfolio companies (SPV) of the Energy Funds is being implemented for the purpose of emissions calculation. Data will be available in 2024 and will refer retroactively to 2023.
	2. Carbon footprint	Carbon footprint	Not available	n/a	A data collection system from the portfolio companies (SPV) of the Energy Funds is being implemented for the purpose of emissions calculation. Data will be available in 2024 and will refer retroactively to 2023.
	3. GHG intensity of	GHG intensity of investee	Not available	n/a	A data collection system from the portfolio

Adverse sustainability indicator		Metric	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	investee companies	companies			companies (SPV) of the Energy Funds is being implemented for the purpose of emissions calculation. Data will be available in 2024 and will refer retroactively to 2023.
	4. Exposure to companies active in the fossil fuel sector	Share of companies active in the fossil fuel sector	0%	In 2023 THNZ (only fund still in investment phase) did not invest in companies active in the fossil fuel sector.	Initiatives in energy transition must provide evidence that the transition investments are in fact making a positive environmental contribution.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0%	The consumption of auxiliary equipment is insignificant compared to the production of renewable energy.	The goal is to minimise non-renewable energy consumption. If this is not possible, we will consider the possibility of green supplies (100% green electricity) and/or offsetting emissions generated by auxiliary systems consumption.
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Not applicable	n/a	Not applicable, as all the assets in the portfolios are either photovoltaic (PV) or wind power plants.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0%	Assets in portfolios are not located in biodiversity sensitive areas.	Tages Capital carries out technical due diligence for each infrastructure investment, excluding sensitive areas. In addition, the ESG monitoring tool measures the agricultural area occupied in m ² to demonstrate the low impact of PV plants on the land.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Not applicable	n/a	There are no water-related emissions caused by the assets held.

Adverse sustainability indicator		Metric	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Not available	n/a	A data collection system from the portfolio companies (SPV) of the Energy Funds for waste type differentiation will be in place. PV solar panels dismissal is regulated by Italian law.
Social and employee matters	10. Violations of UN Global Compact principals and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	The funds managed by Tages Capital do not invest in companies that have been involved in violations of the UNGC Principles or the OECD Guidelines for Multinational Enterprises.	Participation to the UN Global Compact is under evaluation.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises)	0%	n/a	Tages Capital for each investment checks that the investments do no significant harm to any of the social objectives by carrying out assessments of the adverse impacts on sustainability factors and assessing alignment with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	-0,67%	The ratio in the previous column refers to Delos Service the only company with employees. The methodology used is as follows: [(average male earnings - average female earnings) / average male earnings] x 100.	The goal for the next reporting periods is a balanced gender pay gap.

Adverse sustainability indicator		Metric	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	0%	Board gender diversity is represented by the ratio of female directors to total directors, expressed as a percentage. The ratio was calculated for the company Delos Service, whose board is made up of only three men.	Delos Service firmly believes that the dissemination of a corporate culture of sustainability is essential to achieve ambitious goals, even at the governance level.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,00	The investment strategy of the Energy Funds does not include investments in companies involved in the production and sale of controversial weapons.	n/a

Other indicators for principal adverse impacts on sustainability factors

In addition to the indicators set out above, we consider the two additional indicators included in the tables here below:

Table 2

Adverse sustainability indicator		Metric	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	0%	It is confirmed that all the underlying investments of the funds managed by the SGR have in place initiatives to reduce carbon emissions	n/a

Table 3

Adverse sustainability indicator		Metric	Impact [2023]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	0%	The portfolios do not include companies that do not adopt policies for the prevention of injuries at work	n/a

Description of policies related to identifying and prioritizing the principal adverse impacts on sustainability factors

ESG Policy

The ESG Policy aims at settling Tages Capital 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 Capital applies two of the main ESG strategies which are thematic (infrastructure funds investments are focused on energy transition and renewables) and sustainable lending (for example, considering Tages Credit Fund which offers sustainability-linked loans).

Tages Capital 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, control functions, asset management process, operations, and investor relations, with the mandate to implement the Company vision and approach to Responsible Investment. The ESG Team reports to the General Manager.

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.

According to the corporate sustainability commitment described in the ESG Policy, in 2023 the first Carbon Footprint report was drawn up on 2022 data, developed in collaboration with the Design Department of the Polytechnic of Milan. In particular, the Carbon Footprint considered the smart working policies adopted by the company, as well as the 100% renewable supply contract for the Milan offices. The report will also be developed for the next few years and extended to Delos Service, with the aim of identifying any further areas of emission reduction. Where it is not possible to reduce emissions through internal continuous improvement actions, we will offset the Carbon Footprint with voluntary credits, as already done in recent years.

Investment Policy (Infrastructure Funds) and Risk Management

During the investment phase Tages Capital SGR S.p.A. puts safeguards in place that ensure that the investments do no significant harm to any of the environmental or social sustainable investment objectives, and that there is alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Specifically, dedicated due diligence is performed by the Fund in investment phase to ascertain the compliance of the assets with the following criteria:

- the substantial contribution, do no significant harm and minimum safeguards set out by the EU Taxonomy for environmentally sustainable activities;
- the presence of data collection and management systems to measure and address relevant principal adverse impacts; and
- the presence of data collection and management systems to measure and address dedicated internal sustainability indicators (e.g. installed capacity, cybersecurity, local communities).

The results of the due diligence are carefully considered in the selection of investment portfolios and in the definition of remediation actions to be implemented and monitored in the post-acquisition phase.

By integrating sustainability factors into its investment processes, including a due diligence review on the environmental, landscaping and hydrogeological constraints upon infrastructure that is the subject of acquisition, Tages is able to identify and consider the adverse impacts that the investments could produce. The SGR shall in accordance with the terms of the SFDR produce the disclosures regarding how adverse impacts upon sustainability factors are taken into consideration and monitored in the form set forth in Annex I to Regulation (EU) 2022/1288.

Tages checks that the investments do no significant harm to any of the environmental or social objectives by carrying out assessments of the adverse impacts on sustainability factors and assessing alignment with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights.

As part of its approach to sustainable investments and to compliance with the Principles for Responsible Investment laid down by the United Nations (to which it subscribes), the SGR ensures that there are suitable measures in place to ensure alignment with the internationally recognized fundamental principles on business practice and compliance with human rights.

ESG risks are incorporated into the risk management framework. In this sense, the integration of ESG risk into the overall risk evaluation occurs by integrating this risk within the risks to which the fund is exposed to; it substantially means that when the overall risk indicator is computed, it also includes the ESG risk. Considering that the overall risk can be interpreted as an average of any single risk, ESG risk has the same relevance and weight of the other risk types (market risk, liquidity risk, operational risk...), therefore it has an impact on the overall risk evaluation of all the investments. Moreover, the integration is complemented with the due diligence process, where it is thoroughly analysed the environmental aspects of potential investments through the legal and technical due diligence. This analysis helps to identify and evaluate the ESG risks associated with each investment opportunity.

Data source

In relation to the ESG KPIs used to calculate the PAIs, it is specified that the input data, where available, were provided directly by Delos Service, without the aid of external info-providers. Consistency checks were carried out by Tages ESG team. The methodology used to calculate the PAI indicators is in line with the provisions of Annex 1 of Delegated Regulation (EU) 2022/1288; in order to ensure full transparency, below are some methodological clarifications on the reporting methods adopted by the SGR or any scope limitations that characterize the indicators reported.

Table	PAI	Priority indicator	Reason for selection
1	5	Non-renewable energy consumption and production	Data provided by Delos Service, based on non-renewable electricity consumption reported on bills.
1	12	Unadjusted gender pay gap	The methodology used is as follows: $\frac{\text{Average male compensation} - \text{average female compensation}}{\text{Average male salary}} * 100$

Active ownership and engagement policies

Tages Capital promotes active management with best-in-class business partners to ensure correct management of the assets including technical, operational, financial 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 their 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.

Tages has not adopted an Engagement Policy in accordance with article 124-quinquies of TUF ("Testo Unico della Finanza"), the main Italian regulation on finance and financial intermediation, 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).

Nonetheless, due to the ownership of Delos Service by the Energy Funds, Tages incorporates stewardship guidelines within its internal policies including: Investment Policy and ESG Policy.

Tages implements engagement in daily operations in the management of its Funds' assets through a proprietary monitoring system developed by Delos Service. This unique operating model drives operational & financial oversight; asset performance is communicated in monthly meetings and real-time plant assessment. Tages and Delos Service work together on investment monitoring and financing. ESG KPIs monitoring, including PAIs, is conducted by a dedicated team in Delos Service, in daily contact with Tages ESG Team.

Reference to international standards

Tages Capital SGR supports the Sustainable Development Goals of the United Nation, and more specifically the SDG principles regarding:

- Quality Education (SDG 4)
- Gender Equality (SDG 5)
- Affordable and Clean Energy (SDG 7)
- Decent work and Economic growth (SDG 8)
- Industry, Innovation and Infrastructure (SDG 9)
- Reduced Inequalities (SDG 10)
- Responsible Consumption and Production (SDG 12)
- Climate Action (SDG 13)

Tages Capital is also signatory of the United Nations Principles for Responsible Investment (UN PRI) protocol. With reference to the 2023 reporting cycle (Transparency Report UN PRI 2022), Tages Capital achieved an overall score of four stars (out of five), positioning itself in the 65-95% range on all modules of the Report.