ESG Policy

Prepared by:	Compliance
Prepared on:	16 January 2025
Approved by:	Board of Managers
Approved on:	20 January 2025

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1. Introduction

SAMAG Europe S.à r.l ("SAMAG") deems Responsible Investment ("RI") is of importance; to ourselves, to our stakeholders and investment partners and to the communities we operate in overall. Responsible investment is an approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance factors, and of the long-term health and stability of the market as a whole. It recognizes that the generation of long-term sustainable returns is dependent on stable, well-functioning and well governed social, environmental and economic systems. RI includes Environmental, Social and Governance ("ESG") factors in the investment processes as well as in the relationships with our stakeholders and partners. Ultimately, we recognize that good ESG in our investment practices and investee assets are likely to contribute positively to overall investment performance and sustainability thereof, over time.

2. Scope of this Policy

The SAMAG sustainability policy sets the framework for dealing with sustainability. It explains SAMAG's strategies for dealing with the topic of sustainability and the strategies for including sustainability risks in investment decision-making processes. Sustainability risk is an environmental, social, or governance ("ESG") event or condition, the occurrence of which could have an actual or potential material adverse impact on the value of an investment.

According to Article 4(3) of (EU) 2019/2088 on sustainability-related disclosures in the financial services sector , Adverse impacts of investment decisions on sustainability factors are not considered because it is not mandatory for companies to consider these with less than 500 employees.

3. Legal Framework

- REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector

- Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

- Commission Delegated Regulation (EU) of 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector

- COMMISSION DELEGATED REGULATION (EU) 2023/363 of 31 October 2022 amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in pre-contractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

4. The 3RI Pillars

Responsible Investment includes Environmental, Social and Governance (ESG) factors into investment processes:

4.1. Environmental responsibility

SAMAG is aware of the importance of environmental aspects of investing. These environmental aspects consist, inter alia, of energy and water consumption, waste production and waste management, the use of hazardous material during production processes and any pollution caused by production processes — and measures taken to minimize these impacts.

4.2. Social reponsibility

SAMAG acknowledges the importance of the implementation of proper health & safety measures, of enhanced product safety, of sound employment practices, of acting in accordance with a Code of Conduct & Ethics and of promoting a socially sound corporate behaviour. Furthermore, SAMAG considers attention to human rights as a key element of sustainable investing.

4.3. Corporate responsibility

SAMAG acknowledges that the implementation of good corporate governance structures, of accounting and valuation in accordance with internationally recognized standards, the implementation of independent compliance and internal audit functions as well as of proper anticorruption measures and good employer practices are important to building and maintaining a sustainable business.

5. Application of the 3 RI Pillars to Investments

5.1. Classification of the managed funds

SAMAG has currently classified the funds Green Utility SICAV-RAIF and VWDA AIF SCS RAIF as Article 6 Funds. Usually, Article 6 is the default classification for funds, and the one most appropriate for those with no ESG focus. This means funds that neither have a sustainable investment objective, nor do they embrace investment in assets with environmental or social benefits.

However, for example, Green Utility SICAV-RAIF does have a sustainable investment objective. The Fund aims to set up a "green utility", i.e. to build up an independent energy and heat supply on the basis of renewable energies through targeted investments exclusively in project companies. The concept of investments in project companies is intended to achieve the greatest possible decoupling from the effects of the capital market.

As the Funds are not being distributed and have only one shareholder, which does not need a higher classification, the funds are classified as Article 6 on the request of the sole shareholder in order to save the costs (reporting, auditor, DD, human ressources, sytems) which would be imposed for a higher classification (Article 8/Article 9).

5.2. Investment process for Fund of Fund Investments

As a large portion of investments made by SAMAG are fund investments, SAMAG is not able to screen a prospective Fund Investment for all Sustainability Risks due to their nature: a Fund Investment is an investment into a fund managed by a manager over whom SAMAG does not and cannot exert control or influence. Additionally, such funds would not have made any or many investments at the time of the Managed Fund´s investment therein and such fund would also invest in a range of underlying portfolio companies. The result of this is that at the time of the investment, SAMAG would not be able to undertake a quantitative assessment of risk of any Sustainability Risks arising.

Therefore, SAMAG will foster the awareness of RI by raising and discussing the topic with the GPs of such target funds.

5.3. Investment process for Infrastructure Assets (Direct Investments)

Sustainability risks are included in the investment decision making process and the impact of sustainability risks on fund returns are assessed during the initial due diligence phase.

Inter alia, the following sustainability risks are considered:

Category of risk	Type of risk	Description
Sustainability risk	Environmental risk	The risk that commissioned work or construction work will affect the environment negatively.
	Environmental risk	The risk that in the production process of electrical energy, the environment will be negatively affected (e.g. greenhouse gases)
	Environmental risk	The risk that defective modules will have a negative impact on the environment after replacement (e.g. "lead")
	Environmental risk	Due to climate change, there is the risk of a fire breaking out especially in some regions of Italy and having negative impact on the environment.
	Environmental risk	There is an Environmental risk due to the subcontractors traveling long distances to the plant.
	Social risk	The risk that the plants included in the portfolio have relevant impact on cultural heritage.
	Social risk	On-site security risks on the Fund's Investments.
	Governance risk	The risk, that a business partner or subcontractor does not comply with local laws and regulations. In this case, there is a risk that money invested by the fund will be lost.
	Governance risk	Risk of corruption of persons acting within the investment companies.

5.4. Internal governace

SAMAG does include the sustainability risk in its internal governance. For example, the sustainability risk is included in

- The risk management process
- The internal audit plan
- The compliance monitoring plan

6. Implementation of the Policy

This policy has been implemented by the Board of Managers of SAMAG Europe Sarl and will be reviewed at least annually.