



# radicant's Exclusion Policy

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## 1. Rationale

radicant bank ag (radicant) believes that certain business activities and practices are not compatible with the UN Agenda 2030 for sustainable development and the respective 17 Sustainable Development Goals (SDGs). To exert a zero-tolerance policy for such activities and practices, radicant excludes issuers (e.g., companies) involved in these activities and practices from its sustainable investment universe. Hence, we screen companies for controversies against international norms (norm-based exclusions) and involvement in certain activities (activity-based exclusions). Both are outlined below.

## 2. Norm-based controversies and minimum social safeguards

We base the norm-based screening on the following globally endorsed standards:

- The United Nations Global Compact (UNGC)
- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights

which translate the following principles of international law for businesses:

- The International Covenant on Civil and Political Rights (ICCPR)
- The International Covenant on Economic, Social and Cultural Rights (ICESCR)
- The Geneva Conventions
- International Labour Organization (ILO) Conventions
- The Rio Declaration on Environment and Development
- The Convention on Biological Diversity
- The UN Framework Convention on Climate Change
- The Paris Agreement
- The UN Convention against Corruption
- among others

radicant screens issuers for alleged breaches of international law or norms on human rights, labour standards, anti-corruption, and environmental protection. Issuers with verified breaches or signals of multiple breaches are excluded from our investment universe.

Our norm-based exclusions ensure that all issuers within our investment universe are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

### 3. Excluded Activities and Thresholds

Activities are excluded above a specific revenue threshold of an issuer. The activities and applicable revenue thresholds at which activity-based exclusions apply are outlined below. Issuers with revenues from relevant activities that exceed the below-mentioned thresholds are excluded from radicant's sustainable investment universe.

Activity	Short Description	Threshold of maximum share of revenue:
Conventional Fossil Fuel (incl. power production)	mining/extraction, refining, processing, and power production of conventional oil, gas, coal and peat.	5%, unless >50%, green CAPEX & clean/green power production, then a 30% share of revenue applies
Extreme Fossil Fuel	arctic drilling, hydraulic fracturing (fracking), exploration and production of oil sands	5%
Nuclear Power	nuclear power production and uranium mining	5%
Controversial Weapons	production of biological weapons, chemical weapons, cluster munition, depleted uranium, incendiary weapons, nuclear weapons, and white phosphorus weapons – enabling equipment not included	0%, any involvement
Conventional Weapons	production, distribution and services of civilian firearms and ammunition, military equipment and services	5%
Private Correctional Facilities	operation of private correctional facilities (private prisons)	5%
Gambling	production and distribution of gambling	5%
Highly Hazardous Pesticides	verified involvement in the production of pesticides with technical grade active ingredients classified by the world health organisation (who) as “extremely hazardous” or “highly hazardous”	5%
Unsustainable Palm Oil	production (grower or processor) of palm oil	5%, unless >95% of palm oil is Roundtable on Sustainable Palm Oil (RSPO) certified
Pornography	production and distribution of pornography	5%
Tobacco	production and distribution of tobacco and tobacco products (incl. vaping and e-cigarettes)	5%

Note: We selected 5% as the revenue threshold, as 0% would give a false sense of security. No data provider, including ourselves, is able to assure 0% participation with confidence and they typically do not offer thresholds lower than 5%.