

radicant bank ag Principal Adverse Sustainability Impacts Statement

radicant bank ag (radicant) considers the Principal Adverse Impacts (PAI) of its investment decisions on sustainability factors. This principal adverse sustainability impacts statement aims to provide information on our approach to the principal adverse sustainability impacts of our investments.

1. Description of principal adverse sustainability impacts

Principal adverse impacts on sustainability are understood as the impacts of investment decisions that result in negative effects on sustainability factors. Investment decisions may cause, contribute to or be directly linked to effects on sustainability factors that are negative, material or likely to be material.

2. Consideration of principal adverse sustainability impacts at radicant

Sustainability is at the core of radicant's business and we strive to generate a positive impact, minimize the negative impacts and sustainability risks of investments and consider adverse sustainability indicators throughout the entire investment process.

We monitor the net alignment of our investments with the UN Sustainable Development Goals ("SDG") using our proprietary SDG rating methodology. We focus our investments on investee companies, supranational and governmental organisations with a net positive contribution to the SDGs and, as such, our investment decisions are based on a net overall positive effect on one or more sustainability factors. Investee companies with significant adverse impacts are by default excluded from our universe of investment.

3. Description of policies to identify and prioritise principal adverse sustainability impacts and indicators

radicant considers and manages relevant principal adverse impacts of our investment decisions that might have a relevant material impact on sustainability factors. For that we apply various methods which include, but are not limited to:

- consideration of possible adverse impacts of our investments on the environment and social aspects during our selection of investee companies and issuers
- proprietary radicant SDG rating
- systematic exclusion of controversial business activities.

The raw data is systematically collected by our external sustainability data provider. Subject to data availability, we are committed to report on an annual basis the PAIs of our investments through the indicators listed in the table below:

Mandatory PAI indicators applicable to investments in companies:

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric
Greenhouse gas emissions	GHG emissions
	Carbon footprint
	GHG intensity of investee companies
	Exposure to companies active in the fossil fuel sector
	Share of non-renewable energy consumption and production
	Energy consumption intensity per high impact climate sector
Biodiversity	Activities negatively affecting biodiversity-sensitive areas
Water	Emissions to water
Waste	Hazardous waste ratio

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and the OECD Guidelines for Multinational Enterprises
	Unadjusted gender pay gap
	Board gender diversity
	Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons)

Additional indicators applicable to investments in companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Natural species and protected areas	Share of companies with controversies affecting threatened species.
Green securities	Share of bonds not certified as green

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Rate of accident	
Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers

Mandatory indicators applicable to investments in sovereigns and supranationals

Environmental	GHG intensity
Social	Investee countries subject to social violations

Additional indicators applicable to investments in sovereigns and supranationals

Green securities	Share of bonds not certified as green
Governance	Average corruption score

4. Engagement policies

The investment universe radicant consists of investee companies and organisations with net positive contributions to the Sustainable Development Goals. We fully support the principle of collaborative engagement and, in case shortcomings are identified, may actively engage with these listed companies.

5. References to international standards

At radicant, sustainability is an integral part of our culture and values.

Our proprietary SDG score focuses not only on the positive impact of the products and services offered by investees but also the consideration of the operational factors and controversies, such as violations of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

6. Historical comparison

Not applicable yet.