

# Environmental & Social Risk Policy

22 June 2026

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# 1 General

## 1.1 Scope and objectives

This policy applies to all investments of responsAbility Investments AG and its subsidiaries (“responsAbility”). The objective of this policy is to provide an overview of responsAbility’s approach to environmental and social (E&S) risk management.

As a specialised impact investment asset manager, E&S risk management is core to responsAbility’s investment activities. While all of responsAbility’s investments aim to achieve a positive impact, this does not negate the risk that investments may also have a negative effect on a portfolio company’s clients, employees, communities or the broader environment, also known as “inside-out” risk. For every investment, responsAbility will analyse and mitigate E&S risks during both pre-investment due diligence and post-disbursement monitoring.

This policy is subject to change and may be amended, supplemented, or superseded by one or more separate policies. Please note that details of responsAbility’s approach to sustainability risk, or “outside-in” risk can be found [here](#); responsAbility’s statement on Principal Adverse Impact risks (PAIs) can be found [here](#). While the E&S risk policy is at the same tier, it is not required under the Sustainable Finance Disclosure Regulation (SFDR), as illustrated below.

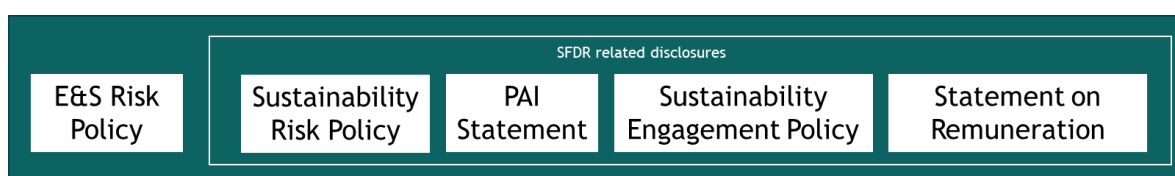


Figure 1.1 - Sustainability policies at responsAbility Investments AG

## 1.2 Definitions

In this Policy, the following key terms apply:

**E&S risk:** the risk that an investee may cause harm to its customers, employees, community and/or environment.

**ESMS:** Environmental and Social Management System. This is the combination of policies, procedures, tools and internal capacities within responsAbility to identify and manage exposure to the environmental and social risks of our clients/investees<sup>1</sup>.

**SFDR:** 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, including Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards.

**EU Taxonomy:** Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

# 2 Responsibilities and Accountability

## 2.1 Responsibilities

responsAbility’s Impact & ESG Department is responsible for ensuring that this policy is adequately applied. responsAbility will maintain adequate capacity and resources to facilitate the implementation of this policy.

## 2.2 Review of this Policy

The policy will be reviewed periodically by the document owner.

<sup>1</sup> “Managing E&S Risks”, IFC.

## 3 E&S Frameworks

### 3.1 Conceptual basis

responsAbility adheres to the following responsible business conduct codes and internationally recognized standards for due diligence and reporting:

- All applicable local laws and regulations
- International Finance Corporation (IFC) Performance Standards, 2012
- International Labour Organisation (ILO) Fundamental Conventions

Many of responsAbility's products are in scope of SFDR and the EU Taxonomy and may include additional requirements. The E&S policy integrates considerations arising from the Do No Significant Harm component of SFDR (and where relevant the EU Taxonomy).

### 3.2 Environmental and Social Management System (ESMS)

For each financial product that it manages or advises, responsAbility will establish and implement an ESMS. The ESMS manual details how the E&S policy (this document) is implemented by identifying, avoiding (and where avoidance is not possible, mitigating, managing and monitoring) and reporting E&S risks of potential investments. This is done via:

- An exclusion list<sup>2</sup> that defines the types of projects that responsAbility does not finance;
- Categorisation according to potential E&S risk profile<sup>3</sup>;
- Evaluation through an E&S due diligence or robust assessment;
- Management in order to mitigate negative issues and to favour positive outcomes;
- Monitoring on an ongoing basis throughout the investment period;
- Periodic reporting on E&S performance, based on each fund's specific requirements;

When required, the ESMS also includes investor requirements on E&S risk management.

## 4 Engagement

responsAbility's approach to stakeholder engagement is detailed within the [Sustainability Engagement Policy](#).

The complaints & independent redress mechanism can be found [here](#).

## 5 Conflicts of Law

This policy is intended to comply with the laws and regulations in the place of establishment and in the countries responsAbility operates.

In the event of any conflict between this Policy and applicable laws and regulations, the latter shall prevail.

## 6 Breaches of this Policy

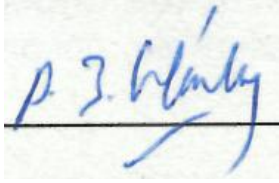
All breaches of this Policy must be escalated to Compliance.

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<sup>2</sup> Specific to each Fund within responsAbility.

<sup>3</sup> The assessment process defines a provisional E&S risk category for each proposed investment into high-, medium- (and for some products, medium-high), and low-risk depending on its profile. This risk category determines the level of E&S due diligence required and the actions that may be needed to minimize potential E&S impacts.

Signatures:

A handwritten signature in blue ink, appearing to read "P. J. Hailey", written over a horizontal line.

Paul Hailey, Head of Impact & ESG