Report on the Principal Adverse Sustainability Impacts - 2023

radicant SDG Impact Solution Fund - **Global Sustainable Equities**

Sustainability is at the core of radicant's business. We strive to generate a positive impact through the companies we invest in. However, investment decisions may cause, contribute to or be directly linked to effects on sustainability factors that are negative, material or likely to be material.
As part of the EU regulation, also known as SFDR (Sustainable Finance Disclosure Regulation), the Principal Adverse Impact (PAI) indicators are a set of mandatory indicators with the objective to show clients the negative impacts that investments may pose on sustainability factors. To give you the full transparency, we disclose these mandatory indicators as well as three additional indicators for our radicant SDG Impact Solution Fund - Global Sustainable Equities below.

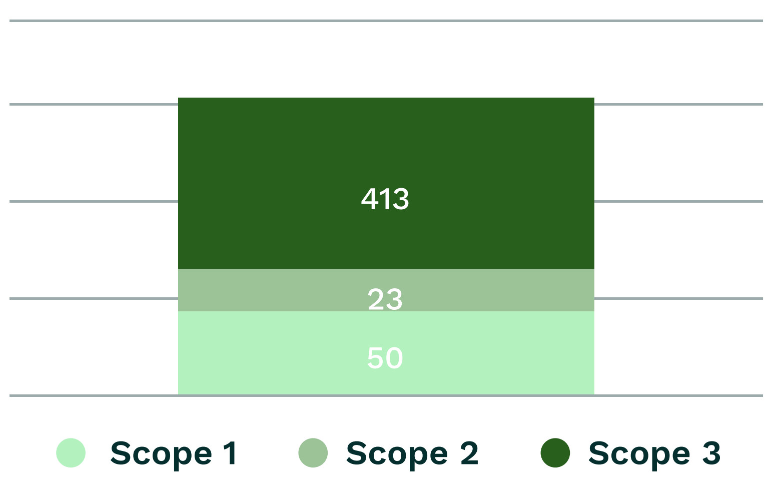
Please note that below the reported PAIs, we have included an explanation at a minimum for those showing a significant negative change when compared from year to year.

For more information about radicant SDG Impact Solution Fund - Global Sustainable Equities

Greenhouse Gas (GHG) Emissions

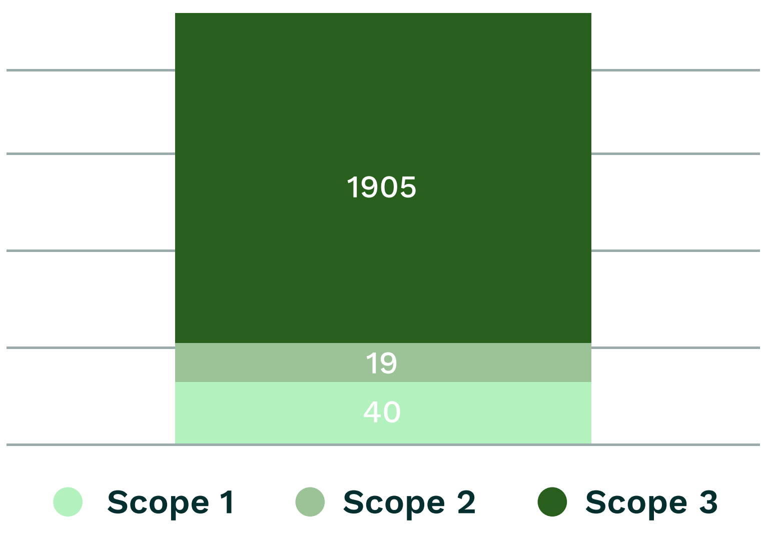
01 GHG emissions

GHG Emissions 2022
(in tonnes of CO2e per Mio EUR Enterprise Value)



Data availability: 100%

GHG Emissions 2023
(in tonnes of CO2e per Mio EUR Enterprise Value)



Data availability: 100%

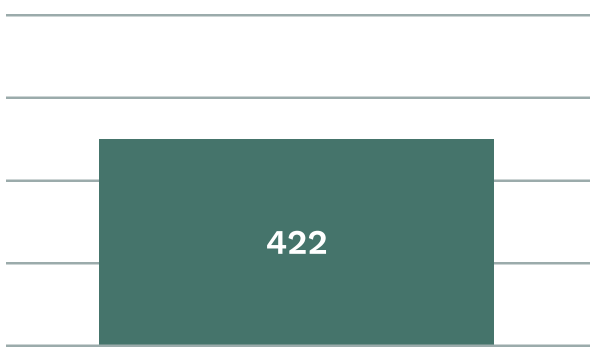
Greenhouse gas (GHG) emission scopes outline when emissions occur across the value chain of companies. They are divided into direct and indirect emissions and with three scopes:
- Scope 1: Direct emissions cover the emissions that occur during the production process in the entities directly owned by the company
- Scope 2: Indirect emissions cover the emissions that occur during the generation of purchased electricity, steam, heating and cooling consumed by the company in its upstream activities.
- Scope 3: Indirect emissions cover all the emissions resulting from the company's upstream and downstream activities, for example during the use of the products or services. They occur from sources not owned or controlled by the company.

Enterprise value (EV) is the total value of a company, including both the current share price (market capitalization) and the cost to pay off debt (net debt, or debt minus cash), , without the deduction of cash or cash equivalents.

Explanation:
Our Total Carbon Footprint per Mio EUR EV increased due to a rise in Scope 3 emissions per Mio EUR EV. This increase occurred predominantly during Q3 2023 due to very high Scope 3 emissions from one specific company: Signify (a company offering lighting products and services worldwide). Furthermore, the company stock price largely decreased in Q2 2023, resulting in an unexpected rise in GHG emissions per Mio EV, ultimately affecting our total GHG emissions per Mio EV. Nevertheless, Signify has defined SBTi targets and commits to reducing its absolute Scope 3 GHG emissions from the usage of sold products by 30 % by 2030 from the 2015 base year.

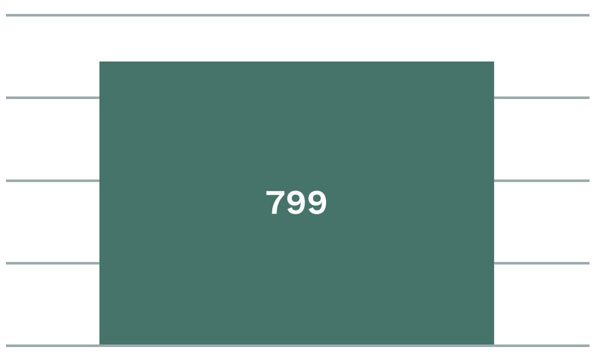
02 Carbon footprint

Total Carbon Footprint 2022
(in tonnes of CO2e per Mio EUR Enterprise Value)



Data availability: 100%

Total Carbon Footprint 2023
(in tonnes of CO2e per Mio EUR Enterprise Value)



Data availability: 100%

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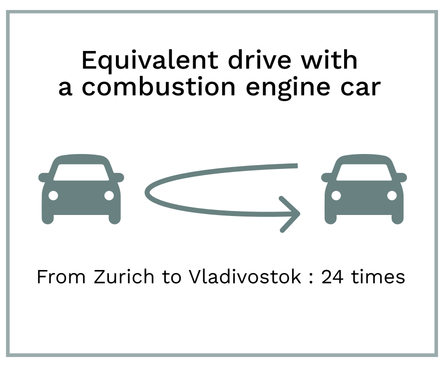
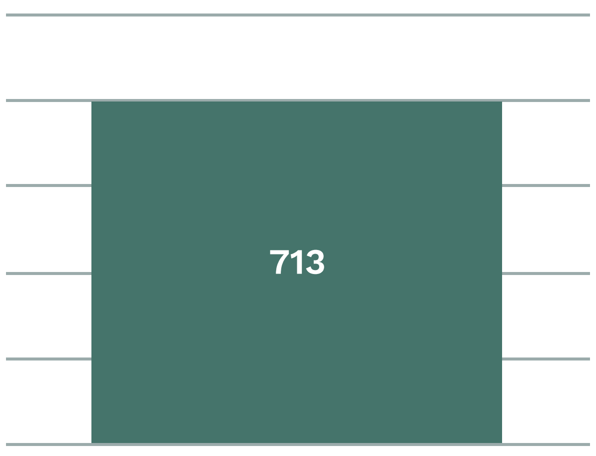


CO2e: GHG emissions are expressed in CO2 equivalents, a unit of measurement that is used to compare the emissions of various GHG emissions on the basis of their halflife in the atmosphere and as a result effects to global-warming.

Carbon Footprint is the total of all GHG emissions divided by the current value of all investments.

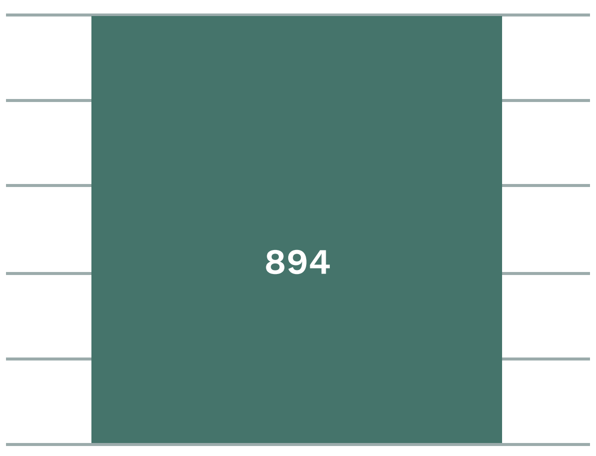
03
GHG intensity of investee companies

Total GHG Emissions Intensity 2022
(in tonnes of CO2e per Mio EUR Revenue)



Data availability: 100%

Total GHG Emissions Intensity 2023
(in tonnes of CO2e per Mio EUR Revenue)



Data availability: 98%

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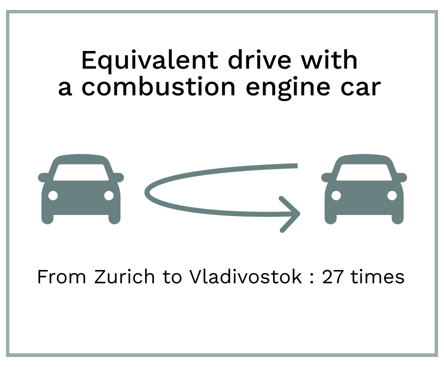


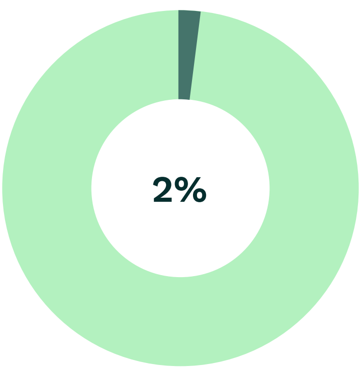
GHG Emissions Intensity is expressed as the total carbon emissions equivalent of the companies invested per million EUR of revenue.

04
Exposure to companies active in the fossil fuel sector

2022

Data availability: 100%

2023



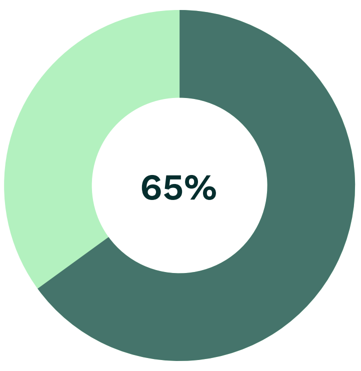
Data availability: 100%

Share of investments in companies active in the fossil fuel sector.

Explanation:
During 2023, three companies in our portfolio were involved in fossil fuel-related activities: Atmos and Holmen, which were incorporated in the fund during Q4 2023, and Weyerhaeuser Company, which has been in our portfolio since 2022.
Atmos Energy Corporation: The firm is exclusively engaged in transporting, storing, distributing, and selling natural gas. The company delivers natural gas to residential, commercial, public authority, and industrial customers in the southern US.
Weyerhaeuser Company: As the owner of mineral rights and interests, the company contracts with fossil fuel producers, granting them the rights to explore and sell energy and natural resources produced from its property in exchange for rents and royalties. The maximum percentage of revenues for the company's involvement in producing fossil fuels for extraction, processing, and electricity generation is 1%.
We exclude the mining and extraction, refining and production of conventional fossil fuels based on a revenue threshold of 5%. If green CAPEX and clean/green power production is above 50%, a 30% revenue threshold of 30% is applied. Furthermore, we exclude extreme fossil fuels extractions and productions such as arctic drilling, hydraulic fracturing (fracking) and oil sands based on a revenue threshold of 5%.

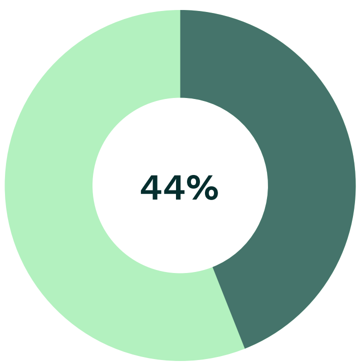
05
Share of non-renewable energy consumption and production

Non-renewable
energy consumption* 2022



Data availability: 33%

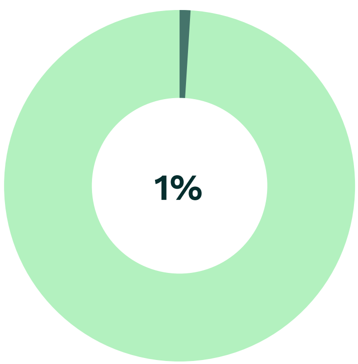
Non-renewable
energy consumption* 2023



Data availability: 78%

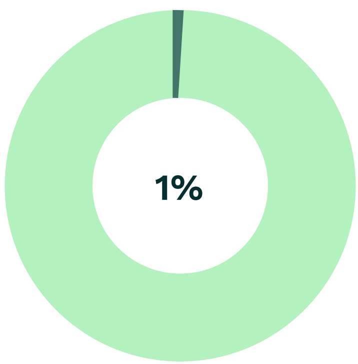
*Percentage of energy consumed by investee companies, which was generated from coal, nuclear, oil, natural gas, waste-to-energy, biomass or unclear energy sources.

Non-renewable
energy production 2022



Data availability: 100%

Non-renewable
energy production 2023

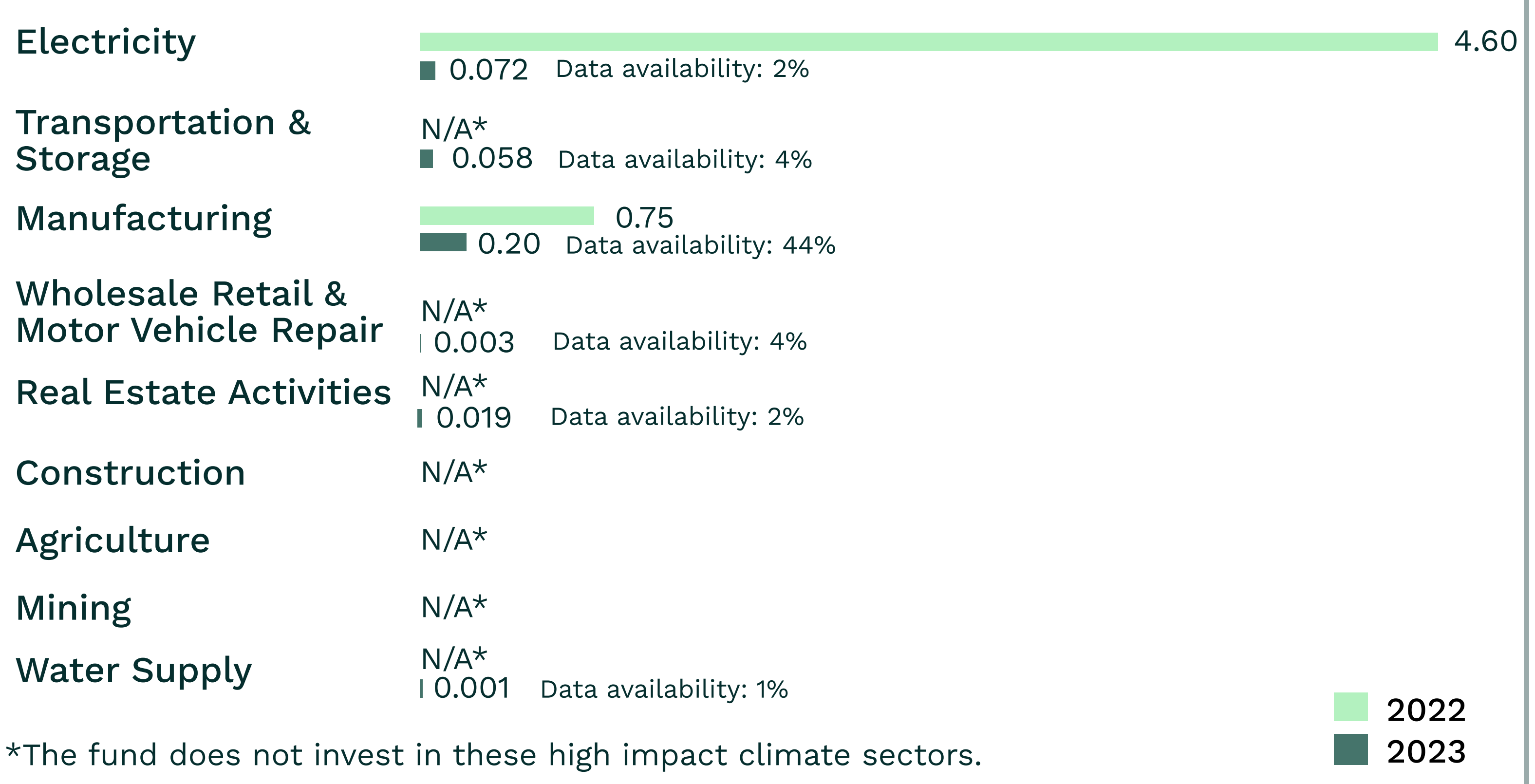


Data availability: 100%

06
Energy consumption intensity per high impact climate sector

High Impact climate sectors are the sectors listed in the table as defined by the European Parliament and of the Council establishing the statistical classification of economic activities NACE.

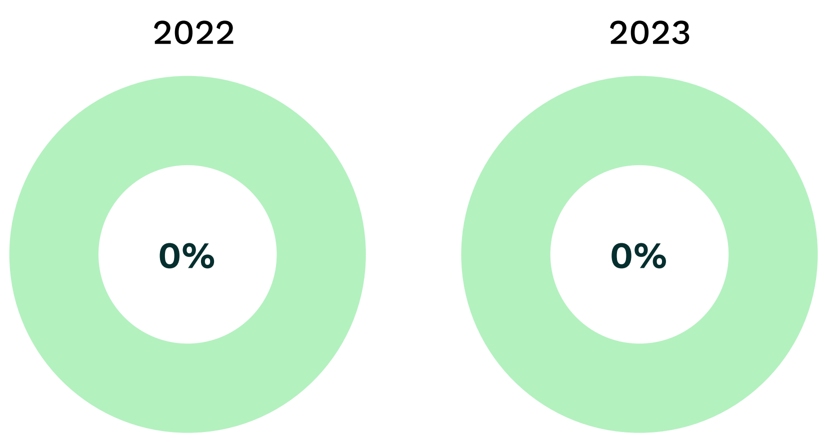
Energy consumption intensity per high impact climate sector*
(GWh per Mio EUR revenue)



*The fund does not invest in these high impact climate sectors.

Biodiversity

07
Activities negatively affecting biodiversity-sensitive areas

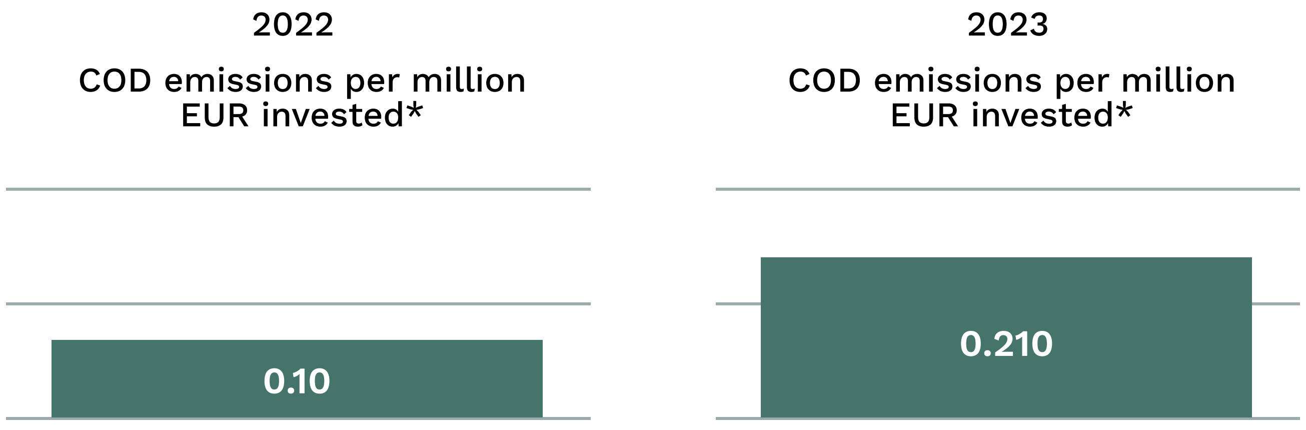


Data availability: 100% Data availability: 100%

Share of companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas

Water

08
Toxic emissions to water



Data availability: 11% Data availability: 13%

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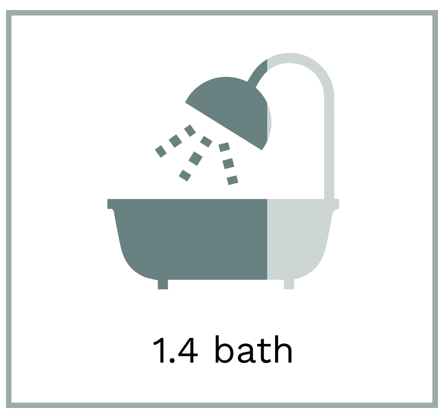


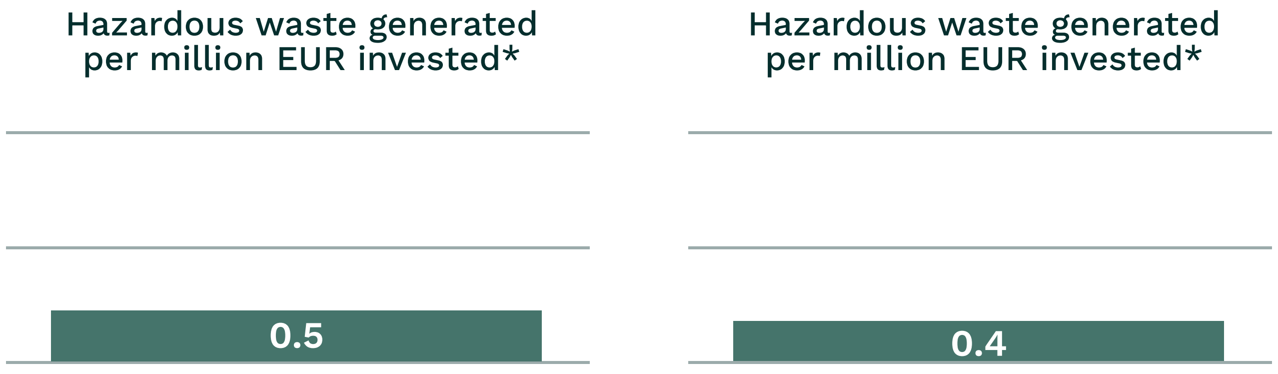
*Tonnes of chemical oxygen demand (COD) emissions to water generated by companies per million EUR invested (expressed as a weighted average)

Chemical oxygen demand (COD) emissions is used as an indicator of organic pollution in surface wasters or wastewater treatment plants. COD is an indicative measure of the amount of oxygen required to chemically oxidize the organic materials and inorganic nutrients present in water.

Explanation:
During 2023, we made new investments in materials companies such as Holmen (Paper Products), Smurfit Kappa (Paper Packaging), and Billerud (Paper Packaging). Overall, these companies have a positive impact on the SDGs. Nevertheless, their production processes generate toxic emissions into water, which they also monitor and report on. We will continue to monitor their toxic emissions into the water and assess their evolution.

Waste

09
Hazardous waste ratio



Data availability: 15% Data availability: 54%

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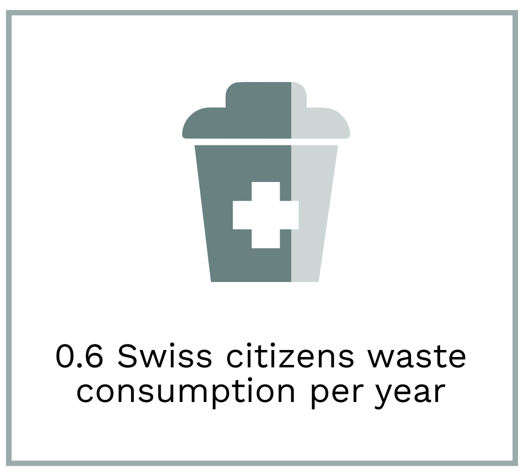
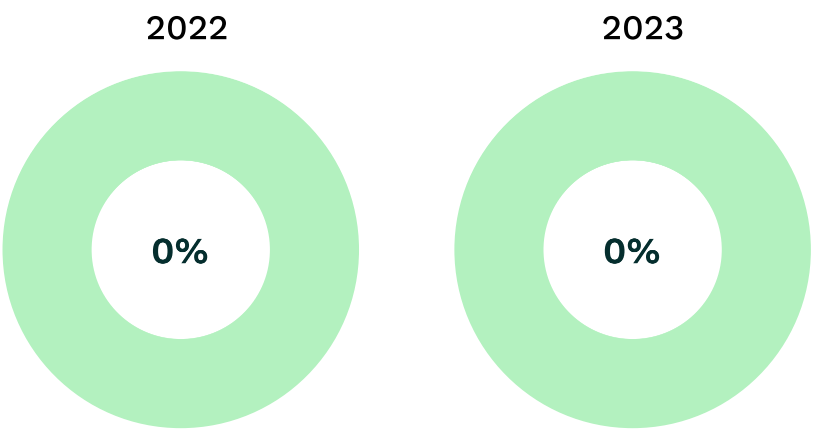


*Tonnes of hazardous waste generated by companies per million EUR invested, expressed as a weighted average

Social & employee matters

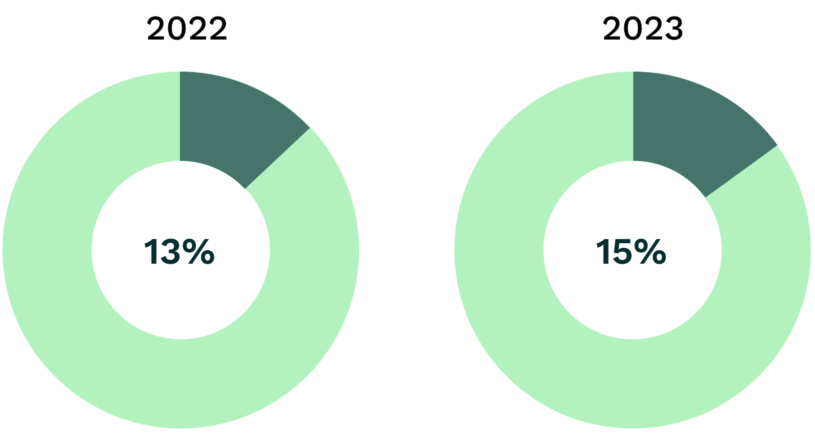
10
Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises



Data availability: 100% Data availability: 100%

Share of investments in companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises

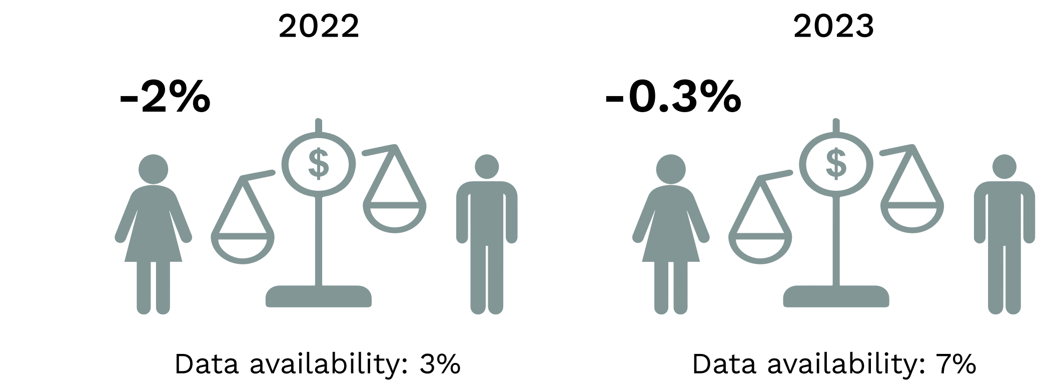
11
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and the OECD Guidelines for Multinational Enterprises



Data availability: 100% Data availability: 100%

Share of investments in companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations

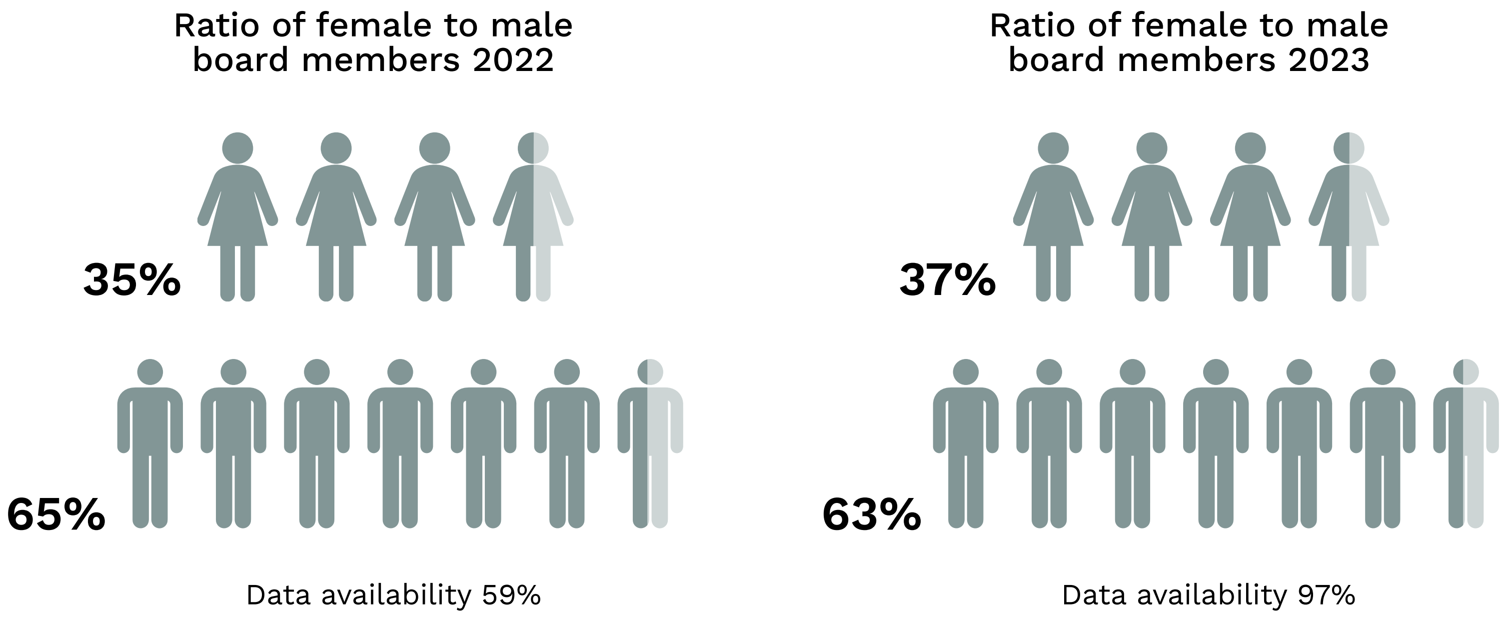
12
Unadjusted gender pay gap



Women earn on average 0.3% less than men.

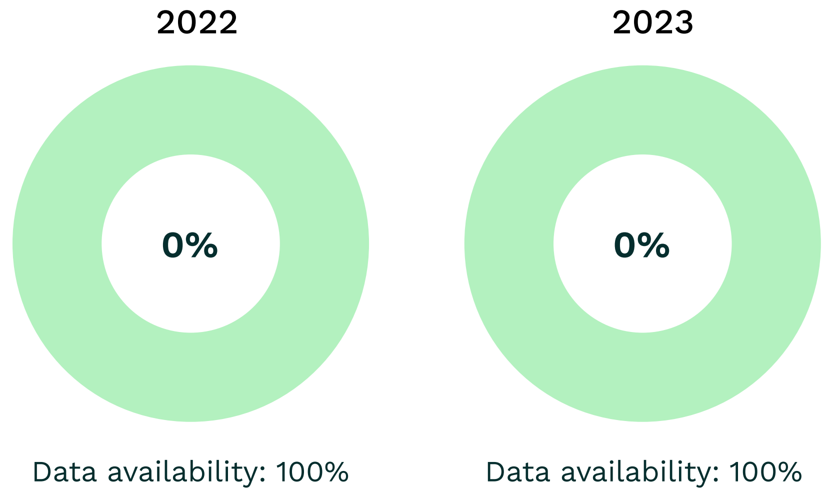
The unadjusted gender pay gap represents the average difference in pay between all men and women employees within the companies invested.
The data availability of this indicator is very low and therefore the value is not meaningful.

13
Board gender diversity



Explanation:
As part of our active ownership strategy, Gender Equality belongs to our focus engagement themes. We started to address this topic by exercising our voting rights at AGMs. Please refer to our Active Ownership Engagement Policy for more details.

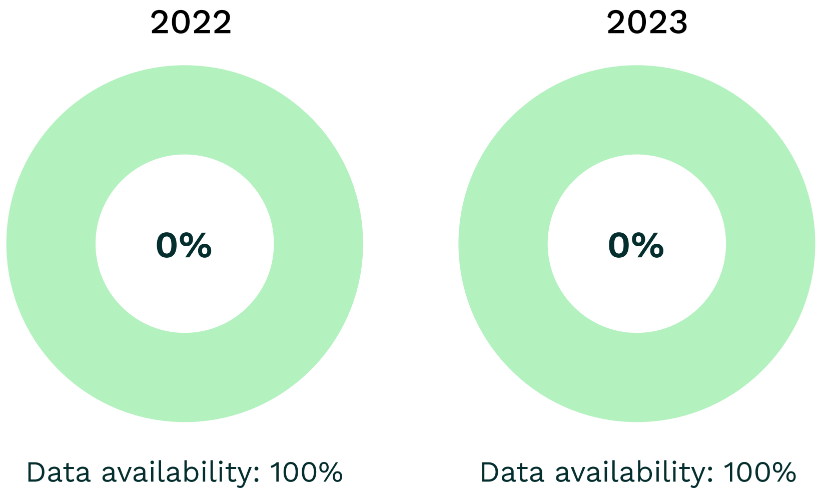
14
Exposure to controversial weapons



Share of investments in companies involved in the manufacture or selling of controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)

Natural species & protected areas

15
Share of companies with controversies affecting threatened species

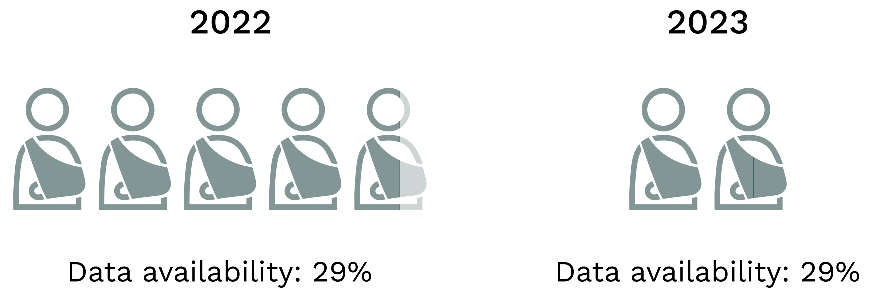


Share of investments in companies whose operations affect threatened species

'Threatened species' means endangered species (flora and fauna) listed in the European Red List or the IUCN (International Union for Conservation of Nature) Red List.

Rate of accident

16
Rate of accidents in investee companies expressed as a weighted average

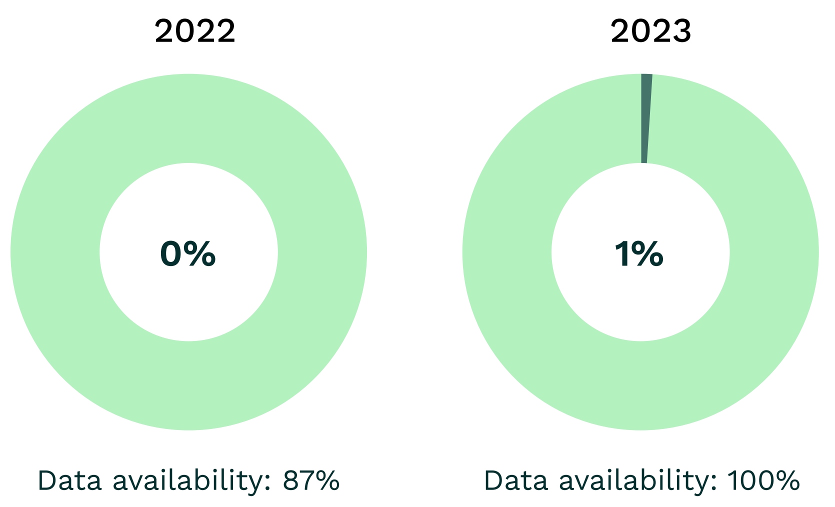


2.0 accidents for 1000 employees working full time for a year

Insufficient whistleblower protection

17

Share of investments in entities without policies on the protection of whistleblowers



Disclosure of confidential hotline/ protection of whistleblowers

Actions taken & planned, and targets set for the next reference period

Our radicant SDG Impact Solution Fund - Global Sustainable Equities invests in companies providing solutions to reach the Sustainable Development Goals. Through our SDG-aligned investment methodology, we focus on products and services and strive to ensure that all holdings have a net positive contribution to the SDGs.

Please note that below the reported PAIs, we have included an explanation at a minimum for those showing a significant negative change when compared from year to year. As our fund was launched in 2022, we start by observing the negative effect of our investments on sustainability factors, and then will define our targets to tackle those areas where progress is most needed.

Disclaimer