

Financial market participant

RAM Active Investments (Europe) SA – LEI: 2221009M60U7TLJFQI67

Summary

RAM Active Investments (Europe) SA (also referred as the “Management Company”)– LEI: 2221009M60U7TLJFQI67 considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of RAM Active Investments (Europe) SA.

The efforts to reduce principal adverse impacts on sustainability factors are jointly undertaken by RAM group which is RAM Active Investments (Europe) SA and RAM Active Investments SA based in Switzerland. Both entities are referred as ‘RAM’ in this document.

This statement on principal adverse impacts on sustainability factors covers the reference period from *1 January* to 31 December 2023.

Description of the principal adverse impacts on sustainability factors

The mandatory indicators defined by the SFDR are set out in Table 1 below. These indicators must be considered to ensure that adverse impact on key sustainability factors is taken into consideration. For each of these indicators, RAM has included information to describe the actions taken and planned to improve processes and better reduce the principal adverse impacts identified. RAM is convinced that this first assessment is useful to redefine more concrete targets and actions.

Information on the impact of RAM Funds’ investments on these indicators is also included in the Table 1 below. As the Management Company will be absorbed on 30th June 2024 with Mediobanca Management Company S.A.

The Management Company’s PAI statement for the first semester of 2024 will be published by Mediobanca Management Company S.A. by 30th June 2025.

Table 1: Statement on principal adverse impacts of investment decisions on sustainability factors

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Adverse sustainability indicator	Metric	2023	2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS.						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	7 293,51tCO2e	11 074 tCO2e	Coverage 81,7%	<p>General approach - In 2023, we continued our research on a tool to track companies' climate commitments using LLM techniques. We are partnering with ZHAW Zurich University of Applied Sciences and the University of Zurich on an Innosuisse-funded project. This initiative focuses on developing and improving methods for detecting greenwashing in corporate communications.</p> <p>RAM is a signatory to the United Nations Global Compact Principles, the Principle for Responsible Investment and the Climate Action 100+ and the Net Zero Asset Managers Initiative.</p> <p>The Net Zero Asset Managers initiative aims to galvanise the asset management industry to commit to a goal of net zero emissions.</p> <p>Engagement – Recognising the value of different forms of engagement, RAM AI prioritises collaborative engagement where possible and combines these with direct individual engagements.</p> <p>The 2023 Non-disclosure Campaign was supported by a record of 288 FIs representing nearly US\$29 trillion in assets, targeting 1,590 non-disclosing companies for engagement 317 companies disclosed after engagement by FIs in the 2023 campaign. RAM AI led the engagement on the several companies, emphasising the importance of</p>
		Scope 2 GHG emissions	6 120,36tCO2e	5 387 tCO2e	Coverage 81.7%	
		Scope 3 GHG emissions	81 232,34tCO2e	127 972 tCO2e	Coverage 57.9%	
		Total GHG emissions	95 507,70 tCO2e	145 118 tCO2e	Coverage 57.9%	
	2. Carbon footprint	Carbon footprint	368,55 tCO2e/million EUR invested	551 tCO2e/million EUR invested	Coverage 57.9%	
	3. GHG intensity of investee companies	GHG intensity of investee companies	551,67 tCO2e/million EUR invested	880 tCO2e/million EUR invested	Coverage 57,3 %	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	1,62% investments in fossil fuels	3,17% investments in fossil fuels	Coverage 85,7%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	71,24% non-renewable energy consumption and production	72,57% non-renewable energy consumption and production	Coverage 40,9 %	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee	GWh9/million EUR of revenue	0,7903 (total GWh9/million EUR of revenue)		
			Sector A: 0,80	Sector A: 0,0105	Sector A: 38,4%	

		companies, per high impact climate sector. ¹	Sector B: 1,10 Sector C: 0,78 Sector D: 16,79 Sector E: 0,68 Sector F: 0,21 Sector G: 7,87 Sector H: 0,73 Sector L: 0,18 GWh9/million EUR of revenue	Sector B: 0,0848 Sector C: 0,5964 Sector D: 0,0535 Sector E: 0,0092 Sector F: 0,0006 Sector G: 0,0168 Sector H: 0,0150 Sector L: 0,0034 GWh9/million EUR of revenue	Sector B: 66,7% Sector C: 86,3% Sector D: 61,2% Sector E: 68,3% Sector F: 61,3% Sector G: 81,8% Sector H: 76,2% Sector L: 68,5%	<p>answering the CDP questionnaire on Climate and Forest issues. (“the CDP Engagement Campaign”).</p> <p>Climate Action 100+ is an investor-led initiative to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change. Climate Action 100+ engagement focuses on 170 companies that are critical to the net-zero emissions transition. RAM continues its ongoing engagement through Climate Action 100 on key names within its portfolio. We are monitoring the progress of the engagement led by the Lead investors and participating in the preparation of the engagement for selected companies.</p> <p>In 2023, RAM has reinforced the individual engagements following controversies detected by internal systems with a double verification using third-party providers. Amongst all the individual engagements performed, one was linked to environmental issues and pollution. In 2023 RAM’s individual engagements included only Systematic Funds.</p> <p>For granular information on engagements, please refer to the “Engagement report” published on: Regulatory Information RAM Active Investments (ram-ai.com)</p> <p>Exclusions - Any company involved in a confirmed very severe environmental controversy that does not comply with the internal framework is excluded from the investment universe.</p> <p>Voting - In 2023 voting was performed systematically through Broadridge platform following MSCI ESG recommendations.</p>
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¹ A:Agriculture, forestry and fishing. B: Mining and quarrying. C: Manufacturing. D: Electricity, gas, steam and air conditioning supply. E: Water supply; sewerage, waste management and remediation activities. F: Construction. G: Wholesale and retail trade; repair of motor vehicles and motorcycles. H: Transportation and storage. L: Real estate activities.

					<p>As the votes performed during 2023 were <u>not</u> considered in favor of environmental values. In 2024, RAM has reviewed the proxy voting process and proxy voting provider to ensure consistency of votes with the environmental, social and governance-related values promoted.</p> <p>For granular information on engagements, please refer to the “Voting report” published on: Regulatory Information RAM Active Investments (ram-ai.com)</p> <p>Additional information - when performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects related to carbon emissions, intensity, carbon footprint and exposure to fossil fuels. Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
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<i>Biodiversity</i>	<p>7. Activities negatively affecting biodiversity-sensitive areas</p>	<p>Share of investments in investee companies with sites/operations located in or near biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.</p>	<p>0,48% with negative impact</p>	<p>0,34% with negative impact</p>	<p>Coverage 81,7 %</p>	<p>Engagements - CDP Engagement Campaign: RAM led the engagement on several companies, emphasizing the importance of answering the CDP questionnaire on Forest issues.</p> <p>Exclusions - Very severe controversies concerning biodiversity leads to the exclusion from the investible universe.</p> <p>Additional information - When performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects on biodiversity. As many indicators linked to biodiversity are still lacking, RAM will continue to monitor and research data availability and quality related to biodiversity. More data will allow RAM to take more concrete actions for this sustainability factor.</p> <p>Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
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Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average.	2 120,87 tonnes/million EUR invested	2 375 tonnes/million EUR invested	Coverage 3.6%	<p>Engagement - CDP Engagement Campaign: RAM led the engagement on several companies, emphasizing the importance of answering the CDP questionnaire on Water issues.</p> <p>Additional information - When performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects on water.</p> <p>As the data on this subject is still lacking, RAM will continue to monitor and research data availability and quality related to emissions to water. More data coverage will allow RAM to complete the process in place. Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average.	2,87 tonnes/million EUR invested	9 tonnes/million EUR invested	Coverage 43,7%	<p>When performing sustainable investments, RAM Funds commit to take potential negative effects on hazardous/radioactive waste into consideration in the investment decisions.</p> <p>Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1,57% involved in violations	0,35% involved in violations	Coverage 78,8%	<p>General approach - RAM adheres to the UN Global Compact principles.</p> <p>Engagement – there were several individual engagements related to social and governance controversies. RAM’s third-party data provider, as well as RAM’s own analysis of unstructured news-related data, identifies and assesses controversies that impact company operations and governance practices, highlighting products and services that allegedly violate national or international laws and regulations, and/or commonly accepted global standards.</p>

					<p>Exclusions - RAM believes that excluding companies from the investable universe is an important step to avoid promotion of harming or potentially harmful entities. The exclusion list is dynamic and reflects sustainability values. An example of excluded companies: HAWAIIAN ELECTRIC INDUSTRIES and TOKYO ELECTRIC POWER.</p> <p>The exclusion policy covers very severe controversial business conducts such as a breach of UN Guiding Principles or OECD Guidelines for Multinational Enterprises.</p> <p>Additional information - Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>	<p>4,68% without policies</p>	<p>6,25% without policies</p>	<p>Coverage 60,9%</p>	<p>General approach - RAM adheres to the UN Global Compact principles.</p> <p>Engagement – several individual engagements related to social and governance controversies.</p> <p>When performing sustainable investments, RAM Funds commit to take potential negative effects on the lack of processes and compliance mechanisms into consideration in the investment decisions.</p> <p>Additional information - Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
<p>12. Unadjusted gender pay gap</p>	<p>Average unadjusted gender pay gap of investee companies</p>	<p>-16,64 % pay gap</p>	<p>-17,26 % pay gap</p>	<p>Coverage 4,2%</p>	<p>When performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects on gender pay gap in the investment decisions.</p> <p>As the data on this subject is still lacking, RAM will continue to monitor and research data availability and quality related to emissions to unadjusted gender pay gap. More data</p>

						<p>coverage will allow RAM to better take more concrete actions for this sustainability factor.</p> <p>Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	29,67% female directors/ total directors	30,12% female directors/ total directors	Coverage 8,9%	<p>When performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects on gender diversity.</p> <p>Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0% involvement	0% involvement	Coverage 85,7%	<p>Exclusions - RAM believes that excluding companies from the investable universe is an important step to avoid promotion of harming or potentially harmful entities. The exclusion list is dynamic and reflects sustainability values. The decision to exclude a company is taken after an assessment of the issue by the RAM RI Committee. The exclusion policy covers revenues from business involvement with a high occurrence of adverse impact such as controversial weapons. Companies with any exposure to controversial weapons are excluded. This condition applies to all investments, as a consequence it is also taken into consideration for sustainable investment. In October 2023, RAM AI integrated the exclusions linked to the Italian Law No. 220 of 9 December 2021, named <i>Measures to ban the funding of manufacturers of anti-personnel mines, cluster munitions and submunitions</i>. Examples of excluded companies are: BAE SYSTEMS, DAIKIN INDUSTRIES and LOCKHEED MARTIN CORP</p> <p>Additional information - Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>

INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

<i>Adverse sustainability indicator</i>		Metric	2023	2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
<i>Environmental</i>	15. GHG intensity	GHG intensity of investee countries	7,0	N/A	Coverage 34.2 %	Investments in sovereign and supranationals are relevant in 2023 because the sub-fund Global Multi-Asset Fund became article 8 SFDR in December 2023. RAM uses the World Bank dataset to track the GHG intensity for its sovereign investments. The data are updated on a yearly basis and don't cover Supranational emitters.
	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	0	N/A	Coverage 100 % [List of countries]	RAM believes divesting from the sovereign debt of countries which lack a good control of Corruption and/or with political instability. RAM uses the World Bank dataset, which is updated on a yearly basis. This exclusion policy applied to bonds emitted by a public entity, excluding Supranational entities. As of June 2024, excluded countries include Zimbabwe and Lebanon.
INDICATORS APPLICABLE TO INVESTMENTS IN REAL ESTATE ASSETS						
<i>Adverse sustainability indicator</i>		Metric	2023	2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
<i>Fossil fuels</i>	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.	N/A	N/A	N/A	N/A
	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets.	N/A	N/A	N/A	N/A

Description of policies to identify and prioritise principal adverse impacts on sustainability factors.

The SFDR defines sustainability factors as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. Principal adverse impact (PAI) is generally understood to mean the negative impact, caused by an investment decision on these factors.

Funds under management which are Art.8 or 9 considering PAI ('RAM Funds') use specific processes to identify and mitigate principal adverse impacts where possible. The following art.8 and 9 RAM Funds consider PAI:

RAM (LUX) SYSTEMATIC FUNDS		
	Emerging Markets Equities	Art.8 SFDR
	European Equities	Art.8 SFDR
	Global Equity Income	Art.8 SFDR
	Global Market Neutral Equity	Art.8 SFDR
	European Market Neutral Equity	Art.8 SFDR
	Stable Climate Global Equities	Art.9 SFDR
	Global Multi-Asset	Art.8 SFDR since 18 th December 2023
RAM (LUX) TACTICAL FUNDS		
	Flexible Fund	Art.8 SFDR
	Flexible Nextgen TMF*2028	Art.8 SFDR

When applicable, ESG safeguards include application of exclusion lists, norm-based screening, and integrating consideration of PAI in the investment-decision making process. By applying general screening criteria pre-investment, RAM aims to limit investing into companies with negative impact on sustainability factors. Identification of high negative impact on environmental and social factors results in further analysis and may be a driver for active ownership activities. High negative impact on sustainability factors may ultimately lead to divestment. Monitoring of principal adverse impact is subject to data availability and quality. Internal processes are evolving to better adapt to the new requirements and needs.

Concerning policies, RAM has in place a sustainability-related policy including the exclusion policy applied to all article 8 and 9 SFDR funds. The Engagement and Voting Policy describes the processes in place to support the sustainability framework and limit the principal adverse impacts. Other policies, such as the conflicts of interest or the remuneration policies have also some provisions to integrate a sustainable dimension.

The Sustainability Policy has three objectives:

- to define a sustainable due diligence process for potential investments of the UCITS under management (hereinafter the 'Funds') and
- to improve RAM's knowledge regarding the identification and measurement of adverse impacts on the environment and the society caused by investments. The ultimate objective is to avoid or reduce such adverse impacts through different actions which may be defined out of the scope of this Policy. Preventing and mitigating adverse impacts may in turn also help RAM to maximise positive contributions to the environment and society while improving stakeholder relationships and protecting reputation.
- to provide more transparency about the processes undertaken.

Based on RAM's size, business model and range of Funds, RAM may apply the proportionality principle without damaging the key objectives of this Policy.

RAM considers PAI at entity level by measuring and monitoring the aggregated negative impact on sustainability indicators of funds' investments for those funds classified as article 8 and 9 which themselves consider PAI2. This second version of PAI Statement shows an improvement of most indicators although coverage is not always increasing.

Exclusions:

RAM applies an exclusion criteria, so that instruments affected by at least one of these criteria are not considered when evaluating investment opportunities.

- Companies generating part of their income from activities: i) related to controversial consumer products and services ii) related to the manufacture of illegal or controversial weapons iii) with a significant impact on global warming
- Companies exposed to controversies that violate one of the key3 international standards:
- Companies exposed to sanctions
- Companies suspected of accounting fraud and corruption.

Identification and assessment of PAI

The PAI below are integrated into the investment process which means that adverse impacts are assessed before performing any investments. Zero tolerance or a threshold approved by the RI Committee determines if the investment is excluded from the investable universe:

(1) Greenhouse gas emissions (GHG): Scope 1/2/3 and total GHG emissions (2) Carbon footprint 1/2/3 (3) GHG intensity 1/2/3 (4) Exposure to fossil fuels (7) Activities with an adverse impact on biodiversity-sensitive areas (10) Violations of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises (14) Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (14 optional) Number of identified cases of severe human rights issues and incidents.

Concerning sustainable investments, the do not significantly harm test (DNSH) applies strict criteria to identify any PAI on the sustainability factors. There is a check for significant harm to environmentally and socially sustainable investment objectives (DNSH), the 14 main mandatory negative impacts are included, as well as two optional ones. Each indicator must meet a constraint approved by the responsible investment committee and reviewed periodically. For each company in the investable universe, violation of the constraint results in identification and subsequent exclusion.

Governance in relation to policies

RAM has mapped the different areas of ESG responsibility across the group and assigned them to the relevant persons and teams. First line of reporting and escalation is to the Responsible Investment Committee (described below). The Responsible Investment Committee shall keep RAM's board of directors informed. The Board of Directors has the ultimate responsibility to define the overall approach to ESG/sustainability and ensure that appropriate monitoring and actions are taken to deal with the relevant principal adverse impacts on sustainability factors.

Our responsible investment, active ownership and engagement framework is updated at least on an annual basis.

- The Responsible Investment Committee ('RI Committee') meets at least quarterly to cover all environmental, social and governance ('ESG') aspects from a compliance, commercial and operational standpoint. Experts from different teams integrate the RI Committee to deal with the evolving ESG challenges. Key ESG decisions are reviewed and validated by the RI Committee before approval of the Board of Directors. To ensure consistency across decisions, members from other committees (such as the Product Committee, Risk Committee or Compliance Committee) are part of the RI Committee.

² It should be noted that the level of principal adverse impact consideration may differ depending on the financial product's strategy.

³ - The Universal Declaration of Human Rights

- The ILO Declaration on Fundamental Principles and Rights at Work

- The United Nations Global Compact

- The OECD Guidelines for Multinational Enterprises

- The ESG Advisory Committee operates within RAM SICAVs (the ‘SICAVs’). The ESG Advisory Committee was formed to advise and inform the members of each SICAV’s Board of Directors on environmental, social and governance issues in relation to the Funds’ activities, and primarily on portfolio strategies and positions.

Margin of error with our methodologies

Not all investee companies are within the coverage of all third-party data providers. Investee company’s extra-financial reports still lack transparency, but RAM expects the situation to improve after the implementation of CSRD. RAM’s sustainability methodology aims to mitigate those limitations by combining the following approaches:

- Focusing on widely available metrics across region and industries, such as carbon emissions.
- A multi data provider approach, with different coverage characteristics
- The use of company’s self-reported data
- A proprietary NLP pipeline that can extract ESG information from less conventional sources with high coverage, such as news flow

Quantitative figures used in this PAI Statement refer only to funds which have committed to PAI.

Data sources

RAM has adopted a multi-provider approach to data sourcing which reduces the margin of error when assessing PAI. PAIs calculation is currently based on MSCI ESG Research, CDP, S&P Global, World Bank and companies’ non-financial reports. Data sources shall be regularly reassessed to ensure that data needs are appropriately covered not putting at risk any process. Finally, more information regarding data management processes and quality control can be found in the section of this policy related to ESG data sources and processing. Methodologies and actions foreseen may evolve to adapt to the evolving risks, regulations and ESG data landscape. As a result, the process to identify PAIs is ongoing, responsive, and changing. RAM aims to progressively improve its systems and processes to reduce ESG risks and better tackle the principal adverse impacts of the investments.

Engagement policies

RAM has adopted an engagement policy in line with the requirements of the CSSF Regulation 10-04. The purpose of the engagement policy is to describe how RAM applies effective and sustainable shareholder engagement and protect shareholder’s rights.

Shareholder engagement is generally understood as the active monitoring of companies by shareholders, engaging in a constructive dialogue with the company’s board to improve the governance and financial performance of the company. The engagement process is launched whenever RAM is aware that any invested company is object of any relevant controversy.

Controversies related to the environment, society or the governance of a company as well as any breach to key conventions result in engagements. Very severe breaches to key conventions result in excluding a company from the investment universe. Key conventions are: the principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption, ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, OCDE Guidelines for Multinational Enterprises controversies.

Given RAM’s size and the fact that it is a minor shareholder in companies, excluding companies from our investment universe is prioritized over engagements. When RAM detects any controversy, RAM shall take any of the following three approaches:

- decide to exclude a company from its investment universe.
- engage with the company and, depending on the severity of the breach, allowing a temporary regime so that the company takes actions and improves its behavior.
- seeking collective engagement.

Recognizing the value of different forms of engagement, RAM independently aims to carry out different forms of engagements (individual as well as collaborative engagements with other investors or institutions). Since end of 2022, a dedicated working group follows the engagement process to ensure close oversight. Finally, the engagement policy is reviewed on a regular basis by the Responsible Investment Committee.

References to international standards

RAM's responsible investment guidelines are framed within the UN-backed Principles for Responsible Investment, which RAM signed in 2015. The six Principles for Responsible Investment offer a menu of possible actions for incorporating ESG issues into investment practice. RAM Active Investments SA is also a member of Swiss Sustainable Finance (SSF) that aims to strengthen the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalysing growth. Furthermore, it is also a CDP investor member. In 2021, RAM joined the Net-Zero Asset Manager's initiative and committed to meeting NetZero emissions by 2050. To stay on the Net-Zero path it is important to set interim goals: we have committed to reducing the carbon emission intensity by 33% as of 2025 and by 50% as of 2030. 68% of our AUM would be managed under this commitment. To meet these targets, we apply three approaches: allocation, engagement and divestment. Knowledge Transfer: RAM aims to contribute to the global effort for transitioning toward a more sustainable financial industry. As quantitative researchers/investors, we believe that the most impactful approach is to share internal ESG research and collaborates with non-for-profit organisation through:

- Publications
- Conferences/panels
- Joint research with universities
- Hackathons (in 2022)

Historical comparison

Changes at sub-fund level and coverage function may have an impact on the values. Please refer to the above-mentioned list and consider that an additional sub-fund (Global Multi-Asset) became article 8 in December 2023. Most indicators are considered less negatively impactful in 2023 than in 2022 due to continuous integration of the following 8 PAI within the fund range:

- (1) Greenhouse gas emissions (GHG): Scope 1/2/3 and total GHG emissions
- (2) Carbon footprint 1/2/3
- (3) GHG intensity 1/2/3
- (4) Exposure to fossil fuels
- (7) Activities with an adverse impact on biodiversity-sensitive areas
- (10) Violations of the UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- (14) Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

(14 optional) Number of identified cases of severe human rights issues and incidents. However, the indicator number 6 "Energy consumption intensity per high impact climate sector" and the number 10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises" have not improved. The main reasons are PAI 6: The PAI 6 is calculated but not considered as an investment criterion except for the sustainable investments. Consequently, the intensity is subject to change through time. PAI 10. In 2023, the Risk department have implemented an exit rule for companies involved in violation. The position can be sold over a 40 business days window. This can lead to temporary increase in exposure on company in breach of UNGC and OECD, but it helped mitigate market impact resulting from aggressive exit of a position.

Table 2: Additional climate and other environment-related indicators

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006	0,04%	0,13%	Coverage: 85,7%	<p>Engagement – there was an individual engagement related to pollution from chemicals.</p> <p>Additional information - When performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects on the climate/environment related to the investments in companies producing chemicals.</p> <p>Please also refer to the section <i>Description of policies</i> to identify and prioritise principal adverse impacts on sustainability factors.</p>

Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis.	0 cases	0 cases	Coverage: 87,2%	<p>Engagement – several individual engagements related to moderate and severe human rights controversies.</p> <p>Exclusions - any company involved in a confirmed very severe controversy related to human rights which does not comply with the internal framework is excluded from the investment universe.</p>

						Additional information - when performing sustainable investments, RAM Funds commit to take into consideration the potential negative effects on the society related to the severe human rights issues and incidents.
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