

Principal Adverse Sustainability Impact Statement

This statement applies to responsAbility Investments AG and its subsidiaries (“responsAbility”). The objective of this statement is to provide information on responsAbility’s approach regarding the principal adverse impacts on sustainability in accordance with the sustainability indicators identified by the European Union.

responsAbility strives to generate positive impact as well as minimize the negative impacts and ESG risks of its investments and considers adverse sustainability indicators both before investing, and throughout the entire investment process. Since inception, responsAbility has been defining, collecting, and disclosing positive impact indicators. These indicators can be found in responsAbility’s [Annual Impact Reports](#).

Description of principal adverse sustainability impacts

As all products and investee companies of responsAbility have an impact on the environmental and social level, they need to report on their principal adverse impacts on sustainability. These impacts are defined by the European Union as “negative, material, or likely to be material effects of investment decisions on sustainability factors.”

The indicators responsAbility uses refer to standard environmental, social and governance (ESG) factors, such as carbon footprint, share of non-renewable energy consumption or activities negatively affecting biodiversity-sensitive areas (E), board gender diversity, unadjusted gender pay gap, due diligence over human rights (S) and the businesses effort to work against corruption, including extortion and bribery (G).

responsAbility collects and discloses the adverse sustainability indicators on an annual basis. The collection of indicators is based on a systematic process.

Description of policies to identify and prioritize principal adverse sustainability impacts

All investments by responsAbility are being carefully screened against eligibility criteria, that are linked to positive sustainability impacts. The investments are moreover screened against negative indicators as outlined in responsAbility’s ESG frameworks, specific to each product.

Each of the indicators mentioned in the Annex of this statement will be collected directly from investee companies. For each of the indicators the values and numbers will be analysed individually, based on best industry practice. Where data cannot be provided directly from the investee companies, responsAbility ensures that needed data and information is collected and assessed to ensure the disclosure of the indicators.

Principal adverse impacts are addressed through active engagement and investment restriction activities as described in responsAbility’s “Policy on principal adverse impacts of investment decisions on sustainability factors”.

Engagement policies

responsAbility is actively engaging with its investee companies to encourage the adoption of better management practices on environmental and social issues when risks or principal adverse sustainability impacts are identified.

References to international standards

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

- IFC performance standards
- UN PRI (United Nations Principles for Responsible Investment)
- IFC operating Principles of Impact management
- IRIS (by the Global Impact Investing Network)

- Global Impact Investing Network (GIIN)
- SPTF (Social Performance Task Force)
- IFC exclusion list
- CDP (carbon disclosure project)
- SASB (sustainability accounting standards board)
- GRI (Global reporting initiative)
- HIPSO (harmonized indicators for private sector operations)
- GIIRS

Annex: Description of mandatory and additional principal adverse sustainability impacts

Mandatory climate and other environment-related indicators

No	Adverse sustainability indicator	Metric
1	GHG emissions	Scope 1 GHG emissions Scope 2 GHG emissions Scope 3 GHG emissions (From 1 January 2023) Total GHG emissions
2	Carbon Footprint	Carbon Footprint
3	GHG intensity of investee companies	GHG intensity of investee companies
4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
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
6	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
7	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
8	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
9	Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average

Table 1.1: Climate and other environment-related indicators

Mandatory indicators on social and employee, respect for human rights, anti-corruption and anti-bribery matters

No	Adverse sustainability indicator	Metric
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
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	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
12	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
13	Board gender diversity	Average ratio of female to male board members in investee companies

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
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Table 1.2: Indicators on social and employee, respect for human rights, anti-corruption and anti-bribery matters.

Additional indicators for climate and the environment and for social and employee, respect for human rights, anti-corruption and anti-bribery matters

No	Adverse sustainability indicator	Metric
15	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement
16	Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters

Table 1.3: Additional indicators for climate and the environment and for social and employee, respect for human rights, anti-corruption and anti-bribery matters