

# SUSTAINABILITY POLICY



RAM Active Investments

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# 1. INTRODUCTION

RAM Active Investments SA (hereinafter “RAM”) is committed to responsible investment.

As a legal entity within the Mediobanca Group, RAM's commitment to sustainability aligns with the Group's overarching strategy, which integrates ethics and profit, aiming for long-term economic growth alongside social and environmental progress.

The Group Sustainability Policy and the Group ESG Policy, applicable to the entire Mediobanca Group, define general principles and guidelines for identifying, assessing, preventing, and reducing direct and indirect impacts, particularly those arising from investment activities. These foundational policies are based on internationally recognized frameworks, including the Ten Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the Corporate Sustainability Reporting Directive (CSRD) emphasizing double materiality, and the European Taxonomies for sustainable investments.

RAM also adheres to the Group's priority areas in sustainability, which include measures to tackle bribery and corruption, human rights protection, financial health and inclusion, diversity and inclusion, and addressing climate change and environmental issues

## 2. OBJECTIVES

The Sustainability Policy (“the Policy”) has three **objectives**:

- i) to define a sustainable due diligence process for potential investments of the UCITS under management (hereinafter the “Funds”) and
- ii) 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.
- iii) 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.

Adherence to international standards and meaningful engagement with relevant stakeholders are also important elements to address potential adverse impacts on sustainability factors. Although RAM has a standalone *Voting and Engagement policy* accessible on [www.ram-ai.com](http://www.ram-ai.com), please refer to the section “Active Ownership” where the interaction with sustainability factors<sup>1</sup> is explained.

## 3. ORGANISATION

The **Responsible Investment Committee** (“RI Committee” or “RIC”) 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

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<sup>1</sup> ‘Sustainability factors’ mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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. The RI Committee's main functions are detailed below:

- 🌱 It defines RAM's approach towards sustainability and the best ways for implementation (for example, it monitors/excludes all relevant stocks and defines engagement targets)
- 🌱 It defines screening criteria for companies: screening criteria are applied through a systematic monitoring of companies to identify holdings for further assessment, engagement, and/or exclusion. Conjunctly, a discretionary approach can also be applied to exclude certain issuers which are associated to publicly available negative information.
- 🌱 It assists to exercise active shareholder stewardship.

Each SICAV's Board of Directors grants the following powers to the IR Committee (and/or individually to its members):

- 🌱 to represent the SICAV in ESG marketing activities;
- 🌱 to look into specific questions connected to ESG issues on behalf of the SICAV;
- 🌱 to report to the stakeholders on ESG matters and management of investments on behalf of the SICAV.
- 🌱 to provide clarifications on investments and strategies.

This Committee's scope is without limit with respect to the securities covered or the topics examined and discussed. Nonetheless, the SICAV's Board of Directors will ask it to focus on sustainable issues related to the Funds' portfolio, investment strategies, or companies' marketing activities.

The Committee is chaired by the Risk function, with representatives from the Compliance, HR and IT participating. The Compliance and Risk departments monitor and control that all sustainability requirements are met over time.

## 4. SUSTAINABILITY PROFILES

RAM recognises both the escalating environmental issues and the unique investment opportunities that sustainable factors create over the longer-term.

The evolving regulations on sustainable finance are also closely monitored to ensure compliance with the legal framework.

RAM's research has proved that the integration of sustainability factors brings a sustainable angle into the investment process making it more responsible and assisting to reduce long-term investment risk and to enhance returns in the strategy.

The integration of specific sustainability indicators into the investment process has a measurable positive impact on the sustainability factors included in the portfolios.

**Systematic Funds:** leveraging off RAM's *Deep Learning* platform, and by marrying structured and unstructured data, the strategy aims to identify the sustainable alpha opportunities in the Funds' dynamic universe of all-cap stocks.

**Non-systematic Funds:** depending on the type of investments performed by each article 8 Fund, the approach may be different. Funds use extensive ESG data in order to assess the eligibility of investments from a sustainable angle. ESG data integration into the investment

process comes after the filtering of companies passing RAM's responsible investment policy which applies exclusion based on value- and norm-based approaches.

According to the Sustainable Finance Disclosure Regulation 2019/2088 ("SFDR"), RAM Funds are classified either as article 6, 8 or 9. The categorisation of Funds is validated by different experts including RAM's ESG-Advisory committee, the RI Committee and the Board of Directors at RAM.

at RAM, there are 3 types of article 8 Funds promoting environmental or social characteristics.

SFDR	Environmentally sustainable investments	Social sustainable investments	Taxonomy aligned investments
8	Yes	No	Yes
	Yes	No	No
	No	No	No

Article 9 Funds have a sustainable investment objective. The Investment Manager seeks the optimal combination of ESG-related data and fundamental data to achieve its objective.

SFDR	Environmentally sustainable investments	Social sustainable investments	Taxonomy aligned investments
9	Yes	No	Yes

For Funds classified as article 6 of the SFDR, RAM deemed also necessary to apply a minimum set of ESG exclusion to the whole investment universe. There is no active sustainable integration into the investment process leading to a promotion of the sustainability factors. In this regard, RAM article 6 Funds neither consider the sustainability risks nor the principal adverse impacts of investments on sustainability factors.

The sustainable due diligence process may vary depending on the type of Fund and adapt to the different types of assets. Please refer to the section 4 below for further information.

## 5. ESG DUE DILIGENCE

The following section refers exclusively to article 8 and article 9 Funds.

### 5.1 EXCLUSIONS

RAM excludes a company when there is an important risk that it contributes to or is responsible for key ESG issues that RAM has identified as harmful or potentially harmful, in contradiction to RAM's fundamental values or against international laws, norms and conventions. RAM only excludes listed equities on the long side of the book and may short these names within the alternative strategies. However, coal and thermal coal are excluded from both long and short books.

The exclusion list is based both on data from external data providers and on RAM's own in-house analysis of companies. Companies can be excluded based on one or several criteria and issues identified. The decision to exclude a company is taken after an assessment of the issue by the [RAM RI Committee](#).

Please refer to the **Exclusion Policy** integrated in **ANNEX 1** which applies to all Funds to the share of corporate asset classes (listed equity and corporate bonds).

RAM broadly applies exclusions on business conduct and activities:

- Controversial business conduct which is against international norms or RAM AI's values
- Revenue generated from business activities that are harmful to society or the environment.

Three categories are considered:

- Weapons
- Consumer Products & Services
- Energy and Fossil Fuels

## 5.2 GOOD GOVERNANCE ASSESSMENT

SFDR specifies that the assessment of good governance practices forms an integral part of those financial funds that promote environmental or social characteristics, or that have sustainable investment as their objective.

RAM applies a multi-step governance process applying seven binary metrics reflecting the SFDR requirements and covering i) employee relations, ii) sound management structures, iii) tax compliance and iv) remuneration of staff.



A company that fails the good governance test is automatically excluded from the investable universe.

In case there is not sufficient information provided by companies to perform the above-mentioned assessment, remediation efforts may apply (global governance score, assessment of potential additional data sources, contact with data vendors etc.)

Supranationals are excluded from the good governance tests as those instruments are not related to a company.

## 5.3 PRINCIPAL ADVERSE IMPACT (“PAI”) CONSIDERATION

### a. Uses of principal adverse impacts

There are 3 different use cases of principal adverse impacts at product level.

1. To fulfil the *do not significantly harm* (“DNSH”) of SFDR. The use of PAI indicators to demonstrate that an investment qualifies as a sustainable investment. For this purpose the DNSH is based on 14 mandatory PAIs and 2 optional chosen by the Fund. The method to assess each PAI relies on one of the below approaches.

Value definition approach	Total exclusions	Exclusion of laggards
The DNSH test is performed against a given value for each principal adverse impact	No tolerance to the principal adverse impact	Companies creating the most intensive principal adverse impacts are excluded.

Investments in equities: PAIs are integrated when building the investable universe, and the process is applied in a systematic manner. Several processes have been deployed to identify PAIs as explained above.

RAM has developed a quantitative model of the PAIs. Each indicator must meet a constraint approved by the Responsible Investment Committee and reviewed periodically. For each company in the investable universe, a violation of the constraint results in the identification and subsequent exclusion of the company.

Investments in Funds: the Fund relies on the information provided by the underlying Fund.

2. To meet disclosure requirements as set out in Article 7 SFDR.  
Should a Fund decide to consider PAI, mandatory disclosure requirements apply.

SFDR	Consideration of PAI
FMP <sup>2</sup>	Yes
9	Yes
8	Yes
8	No

3. To measure the attainment of environmental or social characteristics (“sustainability indicators”).

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<sup>2</sup> Financial Market Participant

The achievement of the Fund's sustainable objective or the promotion of environmental / social characteristics can be measured through different sustainability indicators. Please refer to the section 4.5 for further details.

### b. Prioritization of PAI

Although RAM recognises that all PAI are harmful for the environment and the society, there is a general prioritization of environmental aspects specially linked to climate. Some examples are linked to **carbon emissions, carbon footprint, carbon intensity and fossil fuel**. However, please note that each Fund can prioritize different PAIs and accordingly it is advisable to refer to the Prospectus for further details.

The prioritization of PAI is mainly performed through the application of specific sustainability indicators and the DNSH. In addition, other metrics employed the Investment Managers in the active selection of investments may contribute to the prioritization of PAI.

### c. Governance

RAM regularly assesses the nature of the specific adverse impact and the context of the investments harming the relevant sustainability factor. The assessment is performed by a multi-disciplinary team and submitted to the RI Committee. RAM is closely monitoring PAI and aims to reduce them over time.

The RI Committee shall review the reports and is empowered to request further information or suggest specific actions. The RI Committee shall keep RAM's board of directors informed. RAM's board of directors is the ultimate responsible body to ensure that appropriate monitoring and actions are taken to deal with relevant PAI on sustainable factors.

### d. Mitigation measures

For that purpose, a combination of mitigation measures is applied to reduce the probability of occurrence and/or the severity of the impact. The mitigation measures mainly relate to engagement, voting and exclusions but also to the careful active sustainable selection of investments and measurable indicators.

In order to mitigate adverse impacts via:

- **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: i) controversial business conducts such as a breach of UN Guiding Principles or OECD Guidelines for Multinational Enterprises ii) revenues from business involvement with a high occurrence of adverse impact such as controversial weapons iii) negative screening or the avoidance of the lowest-scoring part of a metric related to a principal adverse impact indicator.



- **engagement**, RAM mainly applies collective engagements via [CDP](#) which has proved the most effective manner to enter into dialogue with companies given RAM's size. Individual engagement also contributes to the make companies accountable of potential actions and reinforces the due diligence process on companies.
- **voting**, it is RAM's policy to primarily vote on shareholder proposals following guidance from the proxy voting provider As You Saw,. The guidance captures a sustainable dimension aligned with RAM values. For more granular information, please refer to section below "Active Ownership" and to the "Engagement and Voting Policy" on the website.
- **active selection of investments**, after a careful due diligence process integrating good governance measures and sustainable criteria such as the use of **measurable indicators** conditioning the investment and the do not significantly harm test.

The mitigation measures shall be reviewed at least once a year to assess their efficiency and to adapt to potential changes.

#### e. 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.

## 5.4 SUSTAINABILITY RISK CONSIDERATION

Under SFDR, "sustainability risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Sustainability risk management is performed on two levels. Firstly, for article 8 and 9 Funds, it is integrated in the investment process and secondly, for all funds, the independent risk management function reviews and rejects or validates the execution according to the rules defined in the prospectus, the exclusion list and the respective risk profile of the Fund.

Please refer to the Sustainability Risk policy available on [the](#) website of the Management Company of the Funds

## 5.5 SUSTAINABILITY INDICATORS

Most Funds promote similar sustainability factors and are specially oriented to environmental matters. The measurement of the sustainability characteristics promoted or the achievement of the sustainable objective is done through a common set of indicators mainly represented by:

- Carbon Emissions, Intensity and Footprint (Scope 1, 2, 3)
- Fossil Fuel exposure,
- Exposure to activities with a significant impact on global warming such as coal, oil sands, shale gas and very deep water drilling.
- % of portfolio in violation of the UN Global Compact or the Universal Declaration of Human Rights.
- No exposure to controversial weapons

*\* Scope 1 GHG emissions: direct emissions from sources owned/controlled by the company*

*\*\* Scope 2 GHG emissions: indirect emissions resulting from energy purchased by a company, but whose source belongs to other entities*

*\*\*\* Scope 3 GHG emissions: indirect emissions (not included in scope 2) that the company cannot control (often a large part of a company's carbon footprint)*

Additional indicators are applicable for article 9 Funds.

Other Funds, not fitting the above-mentioned description, are more oriented to the promotion of social factors and the indicators mainly refer to corruption, controversies, governance aspects, political stability and absence of terrorism.

In addition, the active selection of investments may involve other metrics such as ESG scores & ratings, sentiment and trends.

Please refer to the latest prospectus (including SFDR annexes) for further details.

## 5.6 ACTIVE OWNERSHIP

### ENGAGEMENT POLICY

RAM believes that the proper attention to corporate **governance, environmental and social** matters is key to a long-term value creation, in line with our fundamental approach to investing. As an institutional investor, RAM's fiduciary role is always to act in the best interest of investors and beneficiaries and to help clients harness the potential of markets to reach their respective goals.

RAM's engagement focuses on companies that severely and structurally breach principles of the [United Nations Global Compact](#) or of other international convention in the areas of human rights, labour, environment and anti-corruption.

RAM believes that a constructive dialogue with the companies in which the Funds invest is more effective than excluding companies from our investment universe. RAM maintains an internal log of engagements for submission to the RI Committee.

### DIFFERENT FORMS OF ENGAGEMENT

Recognizing the value of different forms of engagement, RAM independently carries out collaborative engagements with other investors or institutions.

Given the size and nature of RAM, the most effective manner to promote improved market practices is through active membership in collaborative platforms such as The Institutional Investors Group on Climate Change (IIGCC), United Nations Principles for Responsible Investment (UN PRI), and Carbon Disclosure Project (CDP), Access to Medicine Foundation, Climate Action 100+. For each of these platforms, RAM identifies and prioritizes its collaborative engagement activities within these memberships. Whilst RAM might use such platforms for collaborative engagement, RAM will not outsource its engagement responsibilities to third parties.

In addition, RAM performs punctual individual engagements when severe controversies are detected in companies. If the engagement does not lead to the desired change, the RI Committee can decide to exclude a company from the investment universe.

## VOTING

The voting scope is made up of companies for which aggregated positions meet one of the four following conditions: i) is a holding of the Article 9 SFDR fund(s) (systematic) or selected Article 8 SFDR fund(s) (case-by-case decision of voting); ii) qualitative evaluation on the relative importance of vote, iii) ad hoc demand or iv) local market regulation requirements.

These factors ensure that RAM concentrates its efforts on positions held in a wide proportion in our assets under management and participate efficiently and effectively at shareholders' meetings of companies in which RAM's collective investment schemes hold a significant proportion of the capital.

It is RAM's policy to primarily vote on shareholder proposals following guidance from *As You Saw*, the proxy voting advisor. The decision by RAM to retain the services of the proxy voting advisor is based principally on the view that the services provided, subject to oversight by RAM, generally will result in proxy voting decisions which serve the best sustainable economic interests of the holding and consequently the CIS and its investors.

Please refer to the *Voting Rights and Engagement Policy* and the latest *engagement and voting reports* published on the website for more information

## 6. ESG DATA SOURCES AND PROCESSING

RAM's ESG specialists follow an advanced research process to avoid unwanted biases and apply a multi-data provider approach to identify reliable sources of information and mitigate methodological biases. With time, a custom ESG database has been built, comprising historical data and live feed for an all cap, global universe (10K+ companies). It covers both Structured (numerical) and Unstructured Data (text).

RAM is leveraging on its data expertise to identify, test and integrate multiple ESG datasets from various data sources, including third party analysts (MSCI ESG Research, S&P Global Trucost), NGOs (CDP), ESG NewsFlow (StreetAccount), governmental data (Worldbank) as well as company financial and non-financial reports.

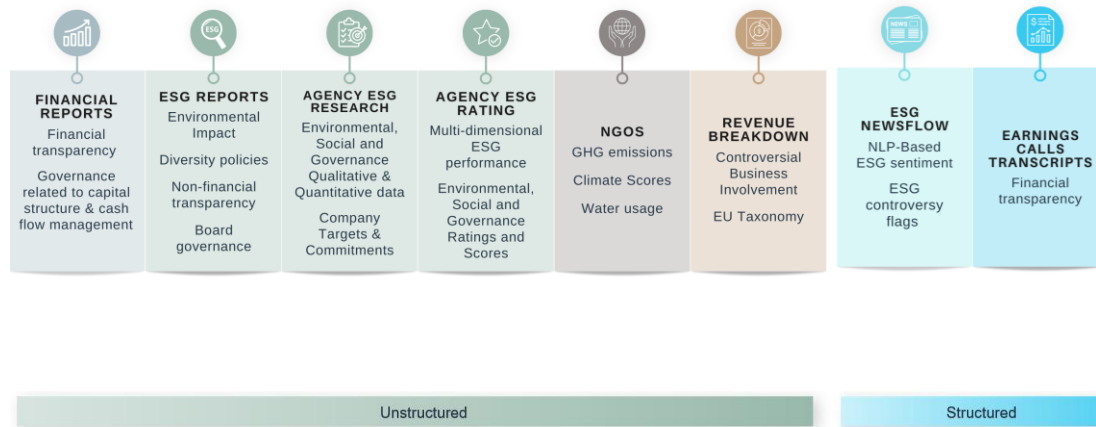
### ***For equities and corporate issuers:***

The growing number of ESG data sources are leveraged to create investment inputs that:

- measure clear ESG characteristics

- carry value-added information from traditional sources
- improve the Fund's return and volatility predictions.

Please refer to the diagrams below for further information.



RAM has robust data management processes to automate data feed and quality control. RAM maps each vendor's data to a common identifier to create consistent views that allow teams across the firm to access and use the data. Importantly, quantitative analysis is performed over time to detect outliers or other potential errors in incoming data sets. When such event happens, an engagement process with the relevant data vendor is initiated, resulting in potential adjustments.

Although RAM performs its best efforts to obtain reliable data, it is possible that some sources are not accurate, available or complete. RAM believes that data providers are currently developing more advanced tools to increase data availability and reliability to face a growing demand of data.

## 7. LABELS, CODES, INTERNATIONAL STANDARDS AND TRANSPARENCY INFORMATION

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 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 catalyzing growth. Furthermore, it is also a CDP investor member.

In 2021, RAM joined the Net-Zero Asset Manager's initiative and committed to meeting Net-Zero emissions by 2050. Staying on track requires setting and meeting interim targets — and we're pleased to confirm that we have already reached our 2025 goal of a 33% reduction in carbon emission intensity (scope 1 + scope 2), based on our 2019 baseline. Our next objective is a 50% reduction by 2030.

This reduction target covers our Systematic Fund range and the RAM Strata Credit Fund, which together represent over 80% of our current AUM. 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, from time to time, with non-for-profit organisation through:

- Publications
- Conferences/panels
- Joint research with universities
- Hackathons

## 8. APPROVAL AND EFFECTIVE DATE

The latest version of this Policy was approved on 27.07.2025 and it is immediately effective.

IMPORTANT INFORMATION

*This Policy does not represent neither an offer nor an invitation to buy or sell any RAM Funds and may not be interpreted as an investment advisory service. Publication is done for regulatory<sup>3</sup> and transparency purposes.*

*Opinions included in this material constitute the judgement of RAM Active Investments (SA) at the approval date of this Policy and may be subject to change without immediate publication on the website. In case of questions, investors are invited to contact RAM Active Investments via email or phone.*

*We understand that this material is solely for the attention of professional investors*

*RAM Funds are not offered for sale in the United States or its territories and possessions, nor to any US person (citizens or residents of the United States of America). The opinions expressed herein do not take into account each customer's individual situation, objectives or needs. Customers should form their own opinion about any security or financial instrument mentioned in this document. Prior to any transaction, customers should check whether it is suited to their personal situation and analyse the specific risks incurred, especially financial, legal and tax risks, and consult professional advisers if necessary. Investors are advised to base their decision whether or not to invest in fund units on the most recent reports and prospectuses.*

*The prospectus, constitutive documents and financial reports are available in English and French while IIDs are available in the relevant local languages. These documents can be obtained, free of charge, from the SICAVs' and Management Company's head office and [www.ram-ai.com](http://www.ram-ai.com), its representative and distributor in Switzerland, RAM Active Investments S.A. and the relevant local representatives in the distribution countries.*

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