FUNDER
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Sustainability Policy and Principal Adverse Impact Statement

Radical Fund of Funds

November 2025

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Art. 8 Fund

Funder S.A. (the "**AIFM**") has categorised **Radical Fund of Funds** (the "**Fund**") as a financial product that promotes environmental or social characteristics (Article 8 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, in the following 'SFDR'). The fund promotes Environmental and Social characteristics, but will not make any sustainable investments.

Sustainability risks

Sustainability risks can arise from environmental and social impacts on a potential asset, as well as from the corporate governance of the lessee or seller of an asset. Examples include reputational damage and/or punitive measures, physical risks, and transition risks caused, for instance, by climate change. Sustainability risks may have a significant impact on the value and/or return of the assets concerned and, accordingly, on the Fund. Therefore sustainability risk are integrated in the investment process of the Fund.

ESG Commitments and Approach

The AIFM integrates ESG topics into the Fund's investment processes and internal operations to ensure robust risk management, and aligns its practices with responsible business standards. The ESG approach is structured around three pillars: Environment, Social, and Governance, guiding both investment decisions and daily activities in line with the AIFM's ESG Policy.

As a fund of funds, the Fund promotes environmental and social characteristics indirectly through investments in underlying investment schemes classified under articles 8 or 9 of the SFDR.

The Fund does not define proprietary ESG metrics but relies, on a best-effort basis, on the availability and quality of the ESG reporting provided by such investment schemes.

To measure the attainment of the promoted characteristics, the AIFM may monitor, subject to data availability, a set of sustainability indicators relating to the underlying investment schemes, such as:

<u>Environmental characteristics</u>

- % of total commitments invested in articles 8 and 9 SFDR investment schemes;
- % of investment schemes applying exclusion policies;
- % of investment schemes reporting PAI indicators or Taxonomy-related data;
- % of investment schemes with climate policies.

<u>Social characteristics</u>

- % of investment schemes with diversity and inclusion policies or KPIs;
- % of women among managers of underlying funds;
- % of investment schemes providing ESG training to investment teams.

Integration of ESG topics into the Investment Strategy

The investment process can be described across three main stages:

<u>Pre-investment</u>

During the selection and due diligence phase the AIFM, with the support of Radical Partners S.r.l. (the 'Advisor'), verifies that:

- the underlying fund qualifies as a product under Article 8 or 9 of the SFDR, their compliance with the SFDR by performing a purely formal check on the constitutive and offering documentation of such funds (on an ancillary basis the Fund may also contain vehicles qualified as products under Article 6 of the SFDR);
- the investment transaction complies with the Fund's policy on excluded sectors as set out in paragraph 4.9.5 of the relevant management rules, including sectors such as human cloning,

weapons, gambling, pornography and mining or mineral exploitation, exploration, processing, or refining of fossil fuels.

Ownership

Once invested, the AIFM, with the support of the Advisor, monitors the performance and reporting of the underlying investment schemes, using best efforts to ensure the receipt of ESG-related data and disclosures.

The AIFM, with the support of the Advisor, ensures investment schemes qualifying as products under article 8 or 9 of the SFDR require their portfolio companies to comply with good governance practices.

Divestment

Disinvestment operations are conducted in the exclusive interest of the Fund's investors, in accordance with the Fund's closed-end structure. The AIFM, with the support of the Advisor, manages exit processes in line with market opportunities and the strategic cycle of the Fund, ensuring that the divestment does not breach the ESG principles.

On a best effort basis, the AIFM, with the support of the Advisor, will undertake to request consolidated ESG documentation from the managers of the underlying funds at the time of liquidation of the underlying funds in question or, in any case, at the time of exit by the Fund.

Principal Adverse Impact Statement

The Fund does not take into account the Principle Adverse Impact Indicators on sustainability factors in accordance with Regulation (EU) 2019/2088. The rationale for this position is the limited availability of information and data necessary for proper evaluation and reporting in the manner required by the legislation.