SocialAlpha

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Sustainability Risk Policy

In accordance with: Article 3 of Regulation (EU) 2019/2088

This policy is published by SocialAlpha Investment Fund (SAIF) SICAV-SIF, a company organised as a société anonyme, société d'investissement à capital variable – fonds d'investissement spécialisé (the "Fund"), together with AlphaMundi Group AG, the appointed investment advisor (the "Investment Advisor") of the Fund, in accordance with Article 3 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"). '*Sustainability risk'* as defined by the SFDR 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 the investment*".

The Fund is exposed to sustainability risks in the form of environmental, social or governance (ESG) events and conditions that can have negative impacts on the assets, financial and/or earnings situation, or the reputation of the Fund. The Fund is exposed to sustainability risks primarily through its exposure to and ongoing association with impact ventures and the sustainability risks they are exposed to through their client/investee operations. This risk may be amplified by the potentially weaker degree of regulation, including environmental and social laws, and enforcement thereof in the countries in which the Fund operates, as described under Part A "General information relating to the Fund", Section "General risk considerations", sub-section B "Risks related to investments in emerging countries" of the private placement memorandum of the Fund. Investments in emerging countries face among others risks related to labour and working conditions including child labour, hazards to human health, safety and security, resource efficiency and pollution, land acquisition and (involuntary) resettlement, biodiversity, management of living natural resources, indigenous peoples and cultural heritage.

If not adequately managed, these risks can have a negative impact on the relevant impact venture's or investee's reputation, regulatory compliance and financial viability. Given the Fund's strategic focus, such negative impacts can in turn negatively affect the Fund's risk profile, reputation and/or its financial and/or earnings situation.

The Fund integrates sustainability considerations into decision-making and investee engagement throughout the investment process. The Investment Advisor's evaluation of impact ventures and other potential investees includes an ESG risk screening and an ESG due diligence, customized according to the risk profile of the impact venture. The Fund applies an exclusion list and refrains from financing activities with a high level of environmental risk (specifically tobacco, energy from fossil fuel (coal, oil, and gas) power plants, coal or uranium mining, produce or sell pesticides, make or sell products containing fur or specialty leather) and/or a significant negative impact on the environment or society, as more fully described in the environmental standards policy of the Fund.

Results of the ESG due diligence are presented to the Board of Directors for approval of investments. Where sustainability risks cannot be mitigated to a satisfactory extent, the investment will not proceed.

Engagement with impact ventures, including on ESG matters, is an integral component of the Fund's investment cycle and contribution to positive development impact.

Furthermore, sustainability risks are mitigated by the Fund's investment strategy on providing financing to impact ventures under strict diversification rules described under section "Investment Restrictions" of the private placement memorandum of the Fund.

Finally, remuneration of the Fund's or the Investment Advisor's Directors shall not favour excessive risk taking, not limited to but explicitly with respect to sustainability risks.

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