



**TARENO**  
INDEPENDENT WEALTH &  
ASSET MANAGER

# Sustainability Policy



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# 1 Introduction

As one of Switzerland's largest independent asset management companies, we consider it our duty to act with integrity in every aspect of our business – as an investor, business partner, and employer. We firmly believe that corporate responsibility should be embedded in everything we do, from the way we run our own operations to the investments we make on behalf of our clients. This commitment drives us to uphold the highest industry standards and always act in the best interests of our clients and stakeholders.

Our goal is to invest our clients' capital responsibly. By focusing on sustainable, long-term value creation and incorporating ESG (Environmental, Social, Governance) criteria into our investment decisions, we aim to preserve value while enhancing returns. Our strategy prioritizes investments in companies that respect their stakeholders and the environment, both directly and indirectly, and ideally contribute positively to them.

This policy is designed to embed our values into our processes and workflows, ensuring that ESG criteria are consistently and meaningfully incorporated into our decision-making process. The policy is reviewed at least annually by the management of Tareno AG to ensure it remains aligned with regulatory developments, market best practices, and evolving sustainability standards.

## 2 UNPRI Commitment

To demonstrate our commitment to responsible investment, we have been a member of the UN Principles for Responsible Investment (PRI) since 2017. The six principles for responsible investment from the United Nations are aligned with recognized international conventions aimed at investment companies.

### **PRINCIPLE 1**

*We will incorporate ESG issues into investment analysis and decision-making processes.*

### **PRINCIPLE 2**

*We will be active owners and incorporate ESG issues into our ownership policies and practices.*

### **PRINCIPLE 3**

*We will seek appropriate disclosure on ESG issues by the entities in which we invest.*

### **PRINCIPLE 4**

*We will promote acceptance and implementation of the Principles within the investment industry.*

### **PRINCIPLE 5**

*We will work together to enhance our effectiveness in implementing the Principles.*

### **PRINCIPLE 6**

*We will each report on our activities and progress towards implementing the Principles.*

As a signatory, we report annually to the UNPRI on our activities and progress with regard to our responsible investments. Our annual report is publicly available.

Further information on the PRI can be found at [www.unpri.org](http://www.unpri.org).

## 3 Exclusion Policy

To ensure that our investments comply with our sustainability values, we apply an exclusion policy. We exclude companies for which revenues from controversial industries exceed our thresholds, or companies that are in violation of norm-based standards.

The exclusion policy applies to all direct equity investments in Tareno's discretionary mandates, as well as the following Tareno funds and products:

- Tareno Global Water Solutions Fund
- Tareno Health Care Funds
- Schweizer Aktienperlen Fund

The policy does not directly apply to advisory mandates, third-party products, bonds, alternative investments, other Tareno funds and products, or positions held on the basis of specific client instructions. Such investments may be subject to separate sustainability approaches, product-specific requirements or client-specific instructions.

### 3.1 Business sectors

Companies that generate revenues above the defined thresholds in the following business sectors are excluded:

Business Activity	Revenue Threshold
Coal Mining	5%
Coal Power	5%
Conventional Weapons	5%
Controversial Weapons	0%
Fracking	5%
Oil Sands	5%

For some Tareno Funds, stricter exclusion criteria may apply. More information on the exclusion policy of the Tareno Global Water Solutions Fund can be found in the fund's [Sustainability Guidelines](#). For the Tareno Healthcare Funds, please refer to the respective SFDR annex in the [prospectus](#).

#### 3.1.1 Policy on dealing with controversial weapons

Tareno actively assumes responsibility in dealing with controversial weapons. Controversial weapons include biological, chemical, and nuclear weapons, cluster munitions, and anti-personnel mines. The use of these types of weapons has serious humanitarian consequences for the civilian population. These devastating effects are not only felt during a conflict, but often for years afterward.

Tareno seeks to avoid companies that are actively involved in the field of controversial weapons. As part of the ESG framework, processes have been implemented to identify these companies and exclude them from investment.

### 3.2 Controversies

Controversies are actively tracked and monitored. If severe controversies have been identified, the Investment Manager assesses the situation and engages with the company's management to ensure that investments are not causing significant harm to social or environmental objectives. Where severe controversies are identified and the company is not willing to engage, the Investment Manager may choose not to invest in the company or to exit an existing holding.

### 3.3 UN Global Compact

Companies found to be in violation of the UN Global Compact principles are excluded based on systematic screening processes using third-party data. Being a UNGC signatory is not required.

The UN Global Compact is a United Nations initiative encouraging companies worldwide to pursue sustainable and socially responsible policies and fulfil their fundamental responsibilities towards people and the planet. It is based on ten principles that define a company's value system and business approach. By excluding companies that violate these principles, we ensure that we do not invest in companies that fail to respect human and labour rights, environmental standards, or anti-corruption principles.

## 4 ESG integration

A company's environmental, social, and governance practices can have a significant impact on its financial performance. Integrating ESG criteria into the investment process can help identify the underlying risks and opportunities for the company while also having a positive impact on society and the environment.

Our proprietary ESG model helps us monitor the ESG performance of all companies in our equity investment universe. This assessment, together with our fundamental and technical analyses, enables us to identify companies that we believe have sound and sustainable business models and the ability to create long-term value for investors.

We use both qualitative and quantitative metrics to calculate a company's ESG score. For certain strategies, we also take into account changes in how the company deals with ESG challenges in practice.

Each company in the investment universe is then assigned an ESG score based on the above criteria.

## 5 Impact Investing

Impact investing goes one step further than ESG investing. It focuses not only on practices within a company, but also on the products and services it offers and their positive impact on society or the environment. We pursue this approach with two of our funds, the Tareno Global Water Solutions Fund and the Tareno Impact Healthcare Fund.

### Tareno Global Water Solutions Fund

The Tareno Global Water Solutions Fund aims to contribute to a more efficient and sustainable use of water by investing in securities issued by companies operating in the water sector that offer products, services or solutions with a positive contribution to the UN Sustainable Development Goal 6 - Clean Water and Sanitation. As such, the fund makes an important contribution to Goal 3 of the EU Taxonomy (Sustainable Use and Protection of Water and Marine Resources) and is categorized under Article 9 SFDR.

The water investment theme is based on long-term structural developments such as population growth, climate change, urbanization, and technological change. Sustainability is integrated into all levels of the fund's investment process. The definition of the universe is directly based on companies' contribution to SDG 6. Once the universe is defined, a sustainability filter is applied to make sure investments are only made in companies without significant harm on society or the environment. A bespoke sustainability score has been developed and is integrated into the valuation model, having a direct impact on portfolio construction. Finally, active ownership is used to further strengthen ESG practices at the invested companies and promote the fund's sustainability objectives.

The fund's sustainability approach has repeatedly been recognized by sustainability labels such as FNG (Forum Nachhaltige Geldanlagen) as well as ISR (investissement socialement responsable).

More information can be found in the fund's [Sustainability Guidelines](#).

## Tareno Impact Healthcare Fund

Despite considerable advances, huge healthcare inequalities still persist worldwide and new lifestyle diseases have emerged. These challenges often appear less attractive to large healthcare companies and investors which focus on large markets, low-risk and fast-to-market considerations. This leaves not only substantial funding disparities but also untapped opportunities to drive transformation of healthcare systems, as well as a need for solutions for underserved populations. Based on the Healthcare Team's proprietary developed Theory of Change, the Fund's goal is to contribute to the achievement of the healthcare-related SDGs, support innovative solutions which address global health challenges and help signal/highlight funding disparities by focusing on three key investment themes: "Access & Affordability", "Prevention" and "Innovation". Investments are selected based on a fundamental, bottom-up analysis by the Healthcare Team

- Access and Affordability: the goal is to tackle health challenges in underserved geographies and populations by providing access to basic healthcare services and products at affordable prices.

- Prevention: nowadays, the patient care continuum is extended beyond the traditional view that people only be provided with healthcare when necessary, to the modern view that healthcare providers should follow a patient from preventive healthcare through to medical incidents, rehabilitation and maintenance. Healthcare ecosystems therefore increasingly focus on preventive services, such as healthy lifestyle, comprehensive check-ups, etc. The investments under this theme are selected because of their focus on expanding quality healthcare service provision and thereby supporting prevention strategies in emerging markets, as well as the development of a healthcare workforce.

- Innovation: investments under this theme are aimed to seize the opportunities provided by the recent technological breakthroughs, such as AI, advancements in digital and micro electronics for medtech, genomics and bioengineering, and impact effective treatment of non-communicable diseases that are widely common in high-income countries.

## **6 Climate and environment**

Climate change is undoubtedly one of the greatest threats to the environment and society. Mitigating climate change and reducing greenhouse gas (GHG) emissions is a major global challenge that can only be overcome if governments, companies, and investors take responsibility and push for and support the transition to a low-carbon and climate-resilient economy.

We expect companies to reduce their negative impact on the environment as much as possible and to disclose their direct and indirect GHG emissions. We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are committed to continuing to advocate for greater transparency and contributing to best practices in the industry. We also strive to minimize our own environmental footprint.

Our climate-friendly investment solution invests in companies that are aligned with the goals of the Paris Climate Agreement. In the long term, we want to align our portfolios with the goals of the Paris Agreement in order to protect our own assets and those of our clients from climate-related financial risks and contribute to the transition to a low-carbon economy.

## **7 Active ownership and engagement**

We strive to be active owners by exercising our voting rights and engaging in dialogue with the companies in which we invest. Our activities aim to promote robust corporate governance structures and improved social and environmental performance in order to ensure long-term value creation and protect our own investments from reputational risks.

### **7.1 Voting**

We exercise our voting rights for the Tareno Global Water Solutions Fund, the Tareno Sustainable Healthcare Fund and the Tareno Impact Healthcare Fund through ISS in accordance with their sustainability policy. Voting rights for our clients' investments can be exercised upon request.

### **7.2 Individual engagement**

The investment team is in regular contact with many of the companies in which we invest. The feedback and information we receive through this form of two-way communication is combined with our existing knowledge and experience, which ultimately determines our prioritized engagement activities. The engagements are mainly carried out by the investment team. In selected cases, we may use external providers.

### **7.3 Collaborative engagement**

As responsible and collaborative shareholders, we strive to work with our colleagues and partners in the industry to promote joint engagement. For this reason, we see great value in the cooperation of several shareholders for, e.g., coordinated by the UNPRI.

## 8 Reporting

Tareno AG's annual reporting to UNPRI is available on the PRI data portal. The reporting also includes engagement activities (e.g., company visits, voting, engagements).

We report regularly to the Board of Directors on our activities and our progress with regard to ESG.

For the Tareno Funds, comprehensive sustainability reporting is publicly available on the [website](#).

### 8.1 EU regulatory information

In accordance with SFDR Article 13, Tareno AG ensures that all marketing communications relating to its financial products are consistent with the sustainability-related disclosures made under SFDR. Marketing materials do not contradict the information disclosed in pre-contractual documents, website disclosures, or periodic reports.

In accordance with SFDR Article 5, Tareno AG maintains remuneration policies that are consistent with the integration of sustainability risks. The remuneration structure does not encourage excessive risk-taking with respect to sustainability risks and ensures that the assessment of employee performance includes consideration of compliance with this Sustainability Policy and adherence to responsible investment principles.

## 9 Corporate responsibility

We are convinced that, as a responsible player in the financial industry, we must demonstrate our commitment. We achieve this through responsible action and the implementation of ethically sustainable practices, both in our investments and within our own organization.

### 9.1 Environment

To minimize our environmental footprint, we will:

- reduce our consumption of paper and other office supplies
- eliminate the use of single-use plastics and recycle waste
- reduce greenhouse gas emissions caused by our business travel

### 9.2 Social

Our employees are our most important resource. To protect and preserve this resource, we will:

- Promote diversity and equal opportunities, regardless of gender, age, culture, or religion
- Support the health, safety, and well-being of our employees
- Offer part-time positions and flexible working hours
- Support and promote training and continuing education
- Create a work environment in which the contribution of each employee is recognized, respected, and rewarded

### 9.3 Corporate governance

A good corporate governance structure is crucial for the efficient management of our company. To ensure this, we will:

- Comply with all applicable laws and regulations and adhere to the highest industry standards
- create a culture of ethical and responsible behavior
- Separate execution and decision-making functions ("segregation of duties")
- establish internal control and risk management systems
- identify potential conflicts of interest and try to avoid them

## 10 Research

When it comes to research, we rely on trusted partners with extensive expertise and experience. Our primary data provider is ISS ESG, a leading provider of corporate governance and responsible investment solutions for institutional investors.

In our valuation models, we incorporate data from a range of external providers to ensure a robust and well-rounded analytical framework. This includes market and company data from established sources such as Bloomberg, alongside other specialized data providers contributing both quantitative and qualitative inputs.

## 11 Use of derivatives

Derivatives and structured products can be used to hedge special topics in both the interest rate and equity sectors. For hedging purposes, investments can also be made in derivative financial instruments such as forwards and mini-futures.

Transparency, valuation, and tradability play a key role in the use of derivatives and structured products. The fee structure, functionality, reporting, creditworthiness of the issuer, pricing, product components, liquidity, and spread between the bid and ask prices are all examined. In addition, both the underlying asset and the issuer are assessed for their sustainability performance, using criteria similar to those for direct investments. Where appropriate, products are launched that are individually tailored to clients. The best possible terms are ensured in cooperation with various brokers.

## 12 Change Log

December 2025	Addition of EU regulatory information
December 2025	General update of the Sustainability Policy
April 2026	Inclusion of new Tareno funds
June 2026	Update of the Exclusion Policy



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