Variopartner Sicav – Tareno Global Water Solutions Fund

Legal Document:
SFDR Website Disclosure for Article 9 financial products

Summary
The Sub-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.

The Sub-Fund aims to contribute with its security invests to the sustainable use and protection of water and marine resources.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

In order to attain the sustainable investment objective, the Sub-Fund invests in issuers that contribute to at least one of the 11 sub-indicators of SDG 6 through their products, services and solutions.

These Sub-Indicators are:
- Proportion of population using safely managed drinking water service
- Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water
- Proportion of domestic and industrial wastewater flows safely treated
- Proportion of bodies of water with good ambient water quality
- Change in water-use efficiency over time
- Level of water stress: freshwater withdrawal as a proportion of available freshwater resources
- Degree of integrated water resources management
- Proportion of transboundary basin area with an operational arrangement for water cooperation
- Change in the extent of water-related ecosystems over time
- Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan
- Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management

Such contribution is assessed either by way of achieving a certain level of revenues from water businesses or by reviewing the target issuer's position in its market.

Further, the Investment Manager incorporated ESG criteria into the investment process by way of (i) negative screening, (ii) an assessment of an issuer's level of ESG integration and engagement and (iii) active issuer engagement.

(i) Negative screening: The Investment manager applies a sustainability filter to exclude companies that:
  - do not have an ESG rating report from a third-party ESG rating provider;
  - generate any part of their sales from alcohol, tobacco, gambling, pornography, coal mining or armament dealing;
  - are not signatories of the UN Global Compact;
  - are involved in very serious controversies such as human rights violations.

(ii) Assessment of ESG integration and engagement: The Investment Management calculates an ESG score for each company in the universe using a proprietary model using qualitative and quantitative elements to evaluate a company. Core data includes aggregated ESG assessment parameters from ESG third-party researchers selected by the Investment Manager, that provide an overall assessment of the respective company and also takes into account a company's practice with sustainability management changes. In addition, the Investment Manager evaluates operational information on the companies as it relates to water management and corresponding performance reports and key figures, which are reported as part of the "Carbon Disclosure Project". The companies receive the final sustainability score using a rating model developed by the Investment Manager based on the criteria described above.

(iii) Active Engagement: The Investment Manager exercises voting rights it may have in the issuer, engages in direct dialogue with companies and participates in collaborative engagements aimed at promoting robust corporate governance structures and improved performance in social and environmental areas to foster long-term value creation

The securities will be analysed based on the binding elements prior to investment and monitored on a continuous basis. Each asset in the portfolio has their sustainability performance periodically revaluated using the above-described sustainability

framework. If a security does not comply with the criteria described above, the Investment Manager divests from such a security within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Variopartner SICAV may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted are as follows:

- The Sub-Fund only invests in companies which offer products, services or solutions that contribute positively to at least one of the 11 sub indicators of SDG 6. Companies must at least either generate the majority (>50%) of their revenues from economic activities that contribute to at least one of the sub-indicators or be a market leader (market share >20%) with the water products, services, or solutions they offer that contribute to at least one of the sub-indicators.
- The Sub-Fund excludes companies that do not have an ESG rating report from a third-party ESG rating provider.
- The Sub-Fund excludes any company that do not respect its exclusion list.
- The Sub-Fund excludes issuers that are exposed to severe controversies unless a positive outlook is identified.
- The implementation of the binding elements, as described above, leads to the exclusion of at least 20% of the investments considered prior to the application of the investment strategy (i.e. the global listed companies operating in the water sector).
- The ESG analysis covers 100% of the Sub-Fund's equity securities. The use of data may be subject to methodological limits.

Finally, in an effort to measure the attainment of each of the E/S characteristics promoted, the Sub-Fund will report on the following sustainability indicators as part of its annual periodic reporting:

- The Investment Manager's sustainability investment process consists of detailed, systematic qualitative and quantitative analysis of a potential investee. The Investment Manager uses the following sustainability indicators to measure the attainment of the Sub-Fund's sustainable investment objective:
- Percentage of investments considered as contributing to at least one of the sub-indicators of SDG 6 – Clean Water and Sanitation
- Percentage of investments in issuers involved in activities excluded by the Sub-Fund
- Percentage of investments in issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (without positive outlook)
- Percentage of investments in securities of corporate issuers that pass the minimum ESG score that has been set for this Sub-Fund–Percentage of investments in securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues
- Percentage of securities covered by ESG analysis.

No significant harm to the sustainable investment objective

The investment process includes the clear requirement that the business activities of the investee holdings shall not harm any other Sustainable Investment objectives (referred to as DNSH, do no significant harm). This aspect has been assessed via regular monitoring of critical business involvements and environmental controversies, whereby data points from an external ESG data provider serve as a guidance. Where no reliable third-party data is available, the Investment Manager may make reasonable estimates and assumptions.

Where the Investment Manager identifies an investment as critical in one of the considered principal adverse impacts areas, and where no signs of improvement have been observed, an action must be taken. Action mechanisms may include: exclusion, engagement, use of voting rights, tilting.

The Sub-Fund excludes companies that are evaluated to have failed international norms and standards. Third party analysis is used for this evaluation. The Sub-Fund has a controversy monitoring process in place, that among others takes into account the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Sub-Fund excludes issuers that are (i) in violation with the norms and standards promoted by the Sub-Fund or (ii) that are involved in severe controversies, including those related to governance matters. Unless, in either case, the Investment Manager has not identified a positive outlook (for example through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Sustainable investment objective of the financial product

The Sub-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 (SDG) 6 - Clean Water and Sanitation.
The Sub-Fund aims to contribute with its security invests to the sustainable use and protection of water and marine resources.

Investment strategy

In order to attain the sustainable investment objective, the Sub-Fund the Sub-Fund invest in issuers that contribute to at least one of the 11 sub-indicators of SDG 6 through their products, services and solutions.

These Sub-Indicators are:

- Proportion of population using safely managed drinking water service
- Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water
- Proportion of domestic and industrial wastewater flows safely treated
- Proportion of bodies of water with good ambient water quality
- Change in water-use efficiency over time
- Level of water stress: freshwater withdrawal as a proportion of available freshwater resources
- Degree of integrated water resources management
- Proportion of transboundary basin area with an operational arrangement for water cooperation
- Change in the extent of water-related ecosystems over time
- Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan
- Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management

Such contribution is assessed either by way of achieving a certain level of revenues from water businesses or by reviewing the target issuer's position in its market.

Further, the Investment Manager incorporated ESG criteria into the investment process by way of (i) negative screening, (ii) an assessment of an issuer's level of ESG integration and engagement and (iii) active issuer engagement.

1. Negative screening: The Investment manager applies a sustainability filter to exclude companies that:
   - do not have an ESG rating report from a third-party ESG rating provider;
   - generate any part of their sales from alcohol, tobacco, gambling, pornography, coal mining or armament;
   - are not signatories of the UN Global Compact;
   - are involved in very serious controversies such as human rights violations.

2. Assessment of ESG integration and engagement: The Investment Management calculates an ESG score for each company in the universe using a proprietary model using qualitative and quantitative elements to evaluate a company. Core data includes aggregated ESG assessment parameters from ESG third-party researchers selected by the Investment Manager, that provide an overall assessment of the respective company and also takes into account a company's practice with sustainability management changes. In addition, the Investment Manager evaluates operational information on the companies as it relates to water management and corresponding performance reports and key figures, which are reported as part of the "Carbon Disclosure Project". The companies receive the final sustainability score using a rating model developed by the Investment Manager based on the criteria described above.

3. Active Engagement: The Investment Manager exercises voting rights it may have in the issuer, engages in direct dialogue with companies and participates in collaborative engagements aimed at promoting robust corporate governance structures and improved performance in social and environmental areas to foster long-term value creation

The securities will be analysed based on the binding elements prior to investment and monitored on a continuous basis. Each asset in the portfolio has their sustainability performance periodically revaluated using the above-described sustainability framework. If a security does not comply with the criteria described above, the Investment Manager divests from such a security within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Variopartner SICAV may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

Exclusion approach:
The exclusion listed below is applied by the Investment Manager with the revenue thresholds indicated:

EXCLUSION	CRITERIA	EXCEPTIONS APPLIED?
Sector/business activity-based exclusions		
Adult entertainment	Production: 0% of revenues	No
Alcohol	Production: 0% of revenues	No
Conventional weapons, incl. firearms	Production: 5% of revenues	No
Coal (thermal)	Production: 5% of revenues	No
Coal power	Production: 5% of revenues	No
Gambling	Production: 5% of revenues	No
Gas extraction	Upstream: 5% of revenues Production: 5% of revenues Downstream: 5% of revenues	No
Gas Power	Upstream: 5% of revenues Production: 5% of revenues Downstream: 5% of revenues	No
GMO	Production: 5% of revenues	No
Nuclear energy	Production: 5% of revenues	No
Nuclear weapons	Production: 5% of revenues	No
Oil extraction	Production: 5% of revenues	No
Oil Power	Production: 5% of revenue	No
Other Fossil Fuel (i.e. Tar /Oil Sands…)	Production: 5% of revenues	No
Tobacco	Production: 0% of revenues	No
Unconventional / controversial weapons	Upstream: 0% of revenues Production: 0% of revenues Downstream: 0% of revenues	No

The binding elements used to select the investments to attain the sustainable investment objective are:

- The Sub-Fund only invests in companies which offer products, services or solutions that contribute positively to at least one of the 11 sub indicators of SDG 6. Companies must at least either generate the majority (>50%) of their revenues from economic activities that contribute to at least one of the sub-indicators or be a market leader (market share >20%) with the water products, services, or solutions they offer that contribute to at least one of the sub-indicators.
- The Sub-Fund excludes companies that do not have an ESG rating report from a third-party ESG rating provider.
- The Sub-Fund excludes any company that do not respect its exclusion list.
- The Sub-Fund excludes issuers that are exposed to severe controversies unless a positive outlook is identified.
- The implementation of the binding elements, as described above, leads to the exclusion of at least 20% of the investments considered prior to the application of the investment strategy (i.e. the global listed companies operating in the water sector).
- The ESG analysis covers 100% of the Sub-Fund's equity securities. The use of data may be subject to methodological limits.

Policy to assess good governance practices of the investee companies[1]:
The investment process includes an evaluation of the holdings' minimum social and good governance requirements. Third party analysis is used for this evaluation. The Sub-Fund excludes issuers that are (i) in violation with the norms and standards promoted by the Sub-Fund or (ii) that are involved in severe controversies, including those related to governance matters. Unless, in either case, the Investment Manager has not identified a positive outlook (for example through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Consideration of Principal Adverse Sustainability Impacts:
Principal adverse impacts on sustainability factors ("PAIs") are considered in the due diligence procedures for investment selection and ongoing monitoring. This process is based on third party data and may be complemented by the Investment Manager own ESG research capabilities. The investment selection process including the exclusion and ESG integration approach enables the Sub-Fund to avoid investments in the worst in class companies on ESG performance and in companies involved in controversial activities that are harmful for environment and society. Severe controversies as well as breaches of international norms which are often related to Principal Adverse Sustainability Impacts are constantly monitored. Where the Investment Manager identifies an

[1] including with respect to sound management structures, employee relations, remuneration of staff and tax compliance

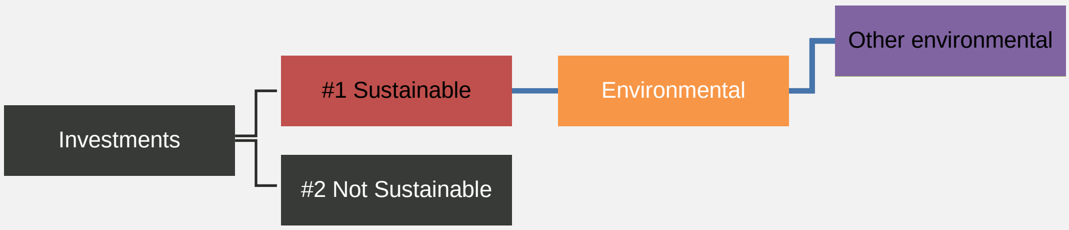
investment as critical in one of the considered principal adverse impacts areas, and where no signs of improvement have been observed, an action must be taken. Action mechanisms may include: exclusion, engagement, use of voting rights, tilting.

TABLE	#	PRINCIPAL ADVERSE IMPACT INDICATOR	CONSIDERATION
ENVIRONMENTAL ASPECTS			
	Greenhouse gas emissions		
1	1	Total GHG emissions (scope 1 and 2)	Component of Temperature Score
1	1	Scope 1 GHG emissions	Component of Temperature Score
1	1	Scope 2 GHG emissions	Component of Temperature Score
1	2	Carbon footprint (scope 1 and 2)	Component of Temperature Score
1	2	Carbon footprint (scope 1, 2 and 3)	Component of Temperature Score
1	3	GHG intensity of investee companies (scope 1 and 2)	Component of Temperature Score
	Other emissions related aspects		
2	2	Emissions of air pollutants	Component of Bespoke Score
2	4	Investments in companies without carbon emission reduction initiatives	Component of Temperature Score
	Energy		
1	4	Exposure to companies active in the fossil fuel sector	Component of Exclusion Screen
1	5	Share of non-renewable energy consumption and production	Component of Bespoke Score
1	5	Share of non-renewable energy consumption and production	Component of Bespoke Score
1	6	Energy consumption intensity per high impact climate sector	Component of Bespoke Score
	Biodiversity		
1	7	Activities negatively affecting biodiversity-sensitive areas	Component of Bespoke Score
	Water		
1	8	Emissions to water	Component of Bespoke Score
2	6	Water usage and recycling	Component of Bespoke Score
2	7	Investments in companies without water management policies	Component of Water Score
2	8	Exposure to areas of high water stress	Component of Bespoke Score
	Waste and resources		
1	9	Hazardous waste ratio	Component of Bespoke Score
SOCIAL ASPECTS			
	Controversial weapons		
1	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Component of Exclusion Screening
	Social and employee rights		
1	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Component of Controversies Monitoring
1	11	Lack of processes and compliance mechanisms to monitor UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	Component of Controversies Monitoring
3	1	Investments in companies without workplace accident prevention policies	Component of Bespoke Score
	Human rights		
3	9	Lack of a human rights policy	Component of Bespoke Score
3	10	Lack of due diligence	Component of Bespoke Score
3	12	Operations and suppliers at significant risk of incidents of child labour	Component of Controversies Monitoring
	Anti-corruption and anti-bribery		
3	15	Lack of anti-corruption and anti-bribery policies	Component of Controversies Monitoring

Proportion of investments

INVESTMENTS	PERCENTAGE (OF NET ASSETS)	TYPE OF EXPOSURES
1. Sustainable investments	At least 75%	Only through direct exposures
1.1. Environmental objective	At least 75%	Only through direct exposures
1.1.1. Other environmental	At least 75%	Only through direct exposures
2. Not Sustainable	Up to 25%	Only through direct exposures

The Sub-Fund will make a minimum of 75% in sustainable investments with an environmental objective (#1 Sustainable).



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In the part "#2 Not Sustainable", the Sub-Fund may hold ancillary liquidity (cash) to serve the payment of fees and expenses, payment of purchased securities, subscription monies, serve redemption requests and fixed-income securities and money market instruments for liquidity management. The Sub-Fund may also, for the purpose of hedging (incl. currency hedging) and the efficient management of the portfolio, make use of derivative financial instruments

These instruments are not expected to detrimentally affect the delivery of the sustainable investment objective.

No minimum social and environmental safeguards are applied to these investments.

Monitoring of sustainable investment objective

The attainment of the environmental and social characteristics is measured through the following list of sustainability indicators:

- Percentage of investments considered as contributing to SDG 6 – Clean Water and Sanitation
- Percentage of investments in issuers involved in activities excluded by the Sub-Fund
- Percentage of investments in issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (without positive outlook). Such controversies may be related to environmental, social or governance issues.

The information used for the implementation of the ESG framework, and consequently the attainment of the sustainable investment objective, are reviewed on a regular basis.

If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Investment Manager may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

Monitoring of severe controversies:

The Sub-Fund also has a controversy monitoring process in place, that among others takes into account the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This process is based on third party data and may be complemented by the Investment Manager own ESG research capabilities.

Methodologies

Thematic approach:

To qualify for an investment, companies must either generate the majority (>50%) of their revenues from their water business or be a market leader (market share >20%) with the water products, services, or solutions they offer. To link companies to SDG6, the Investment Manager looks at the 11 sub-indicators of SDG6. Each company needs to contribute to at least one of these sub-indicators in order to qualify for the investment universe. Potential issuers that qualify according to these criteria represent the starting universe.

Exclusion approach:
The Investment Manager retains data from third party data provider in order to analyze an issuer's exposure to activities excluded by the Sub-Fund, based on pre-defined thresholds. In order to qualify for initial investment, the issuer must not breach any of these exclusion criteria.

Screening:
The Investment Manager conducts the ESG analysis and calculates a rating for potential investments. This rating is based on a third party ESG data provider rating, namely ESG Book. The Investment Manager and ESG team have worked together to create a Bespoke Score for the Sub-Fund. This score provides a sector-specific analysis of a selected company's performance in financially material ESG issues. The applied materiality considerations stem from the Sustainability Accounting Standards Board. The Bespoke Score for a company has two measures, the ESG Score and the ESG Momentum Score. This provides a comprehensive view of the current and past sustainability performance of a company, thereby permitting the Investment Manager to identify not only current leaders and laggers, but also trends in company ESG performance. Companies which do not publish enough data to calculate the Bespoke ESG Score are excluded from an investment. Additional factors relating to water and climate are considered and aggregated into a Climate and a Water Score respectively. The Climate Score consists of several metrics calculated by ESG Book in the scope of their Temperature Score. The Temperature Score measures GHG emissions and maps them to temperature categories with the help of the concept of emissions intensity ratio (EIR). This metric quantifies the degree of coupling between economic growth and GHG emissions and is calculated as the GHG emissions per unit of gross value added. Additional indicators like emissions target, emissions trend and Scope 3 reporting are considered along with the temperature categories. The Water Score includes the assessment of whether a company has its own water management policy and as well as the company's performance on the CDP Water Security questionnaire.

Monitoring of severe controversies:
The Sub-Fund promotes the adherence with certain international norms and standards by excluding issuers that are (i) in violation with these norms and standards or (ii) that are involved in severe controversies (such controversies may be related to environmental, social and/or governance issues). Issuer's exposure to violations of these international norms or involvement in severe controversies is analyzed by the Investment Manager based on third-party data providers, namely ESG Book. The Investment Manager may, upon detailed review, disagree with their evaluation. Additionally, the Investment Manager may not exclude the issuers if a positive outlook has been identified, for example through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes.

Data sources and processing
The following data sources are used for the implementation of the investment process:
- External ESG data providers: ESG Book, Bloomberg, Refinitiv, CDP
- Information directly provided by the issuers

In order to ensure data quality, the Investment Manager:
- Regularly reviews data
- Uses multiple data sources
- May directly engage with the issuers when data gaps occur

The data sources mentioned above are used in order to implement the following approaches: SDG evaluation, exclusion approach, screening, monitoring of severe controversies, partial investments in issuers that provide solutions to environmental or social challenges.

The Investment Manager may make reasonable estimates, when data is lacking. Additionally, third party ESG data provider may use estimates themselves. The proportion of data that is estimated by the Investment Manager is indicated to be low to medium, depending on the data type.

Limitations to methodologies and data
In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the financial product could have indirect exposure to issuers who do not meet the relevant criteria. This poses a significant methodological limit to the ESG strategy of the financial product. Neither the financial product, nor the management company nor the investment manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of an assessment of ESG research and the correct execution of the ESG strategy.

In order to maintain confidence that social and environmental characteristics are met, the investment manager may also engage with investees in order to fill data gaps or may use complimentary data from additional providers or directly from investee disclosures.

Due diligence
In order to qualify for initial investment, the investments aligned with the environmental and social characteristics must comply with the binding elements applied by the Sub-Fund. This compliance has to be ensured by the Investment Manager. For the elements that are in scope of the Sub-Fund's investment guidelines and subject to investment controls, the internal Investment Control unit has pre-trade checks mechanisms in place. The pre-trade checks allow portfolio managers to simulate trades and check each trade against restrictions, prior to placing orders, in order to prevent the occurrence of breaches. When submitting orders a check of the investment guidelines restrictions is performed, generating a warning to the portfolio managers, highlighting potential breaches that would materialize in case the orders would be executed.

Screening:
The Investment Management calculates an ESG score for each company in the universe using a proprietary model using qualitative and quantitative elements to evaluate a company. Core data includes aggregated ESG assessment parameters from ESG third-party researchers, that provide an overall assessment of the respective company and also takes into account a company's practice with sustainability management changes. In addition, the Investment Manager evaluates operational information on the companies as it relates to water management and corresponding performance reports and key figures, which are reported as part of the "Carbon Disclosure Project". The companies receive the final sustainability score using a rating model developed by the Investment Manager based on the criteria described above.

Engagement policies

The investment team is in regular contact with all companies in which the fund has invested in. Inputs and information received from this form of communication are combined with existing knowledge and experience, ultimately deriving the prioritized engagement activities. A value-at-risk approach is applied to identify key exposures in the portfolio. The engagements are conducted through internal resources (Investment Team and Advisory Board). In selected cases, where appropriate, external providers are used.

Attainment of the sustainable investment objective
Not applicable. The Sub-Fund has not designated a reference benchmark for the purpose of attaining sustainable investment objective nor a carbon reduction target.