



**TARENO**  
Global Water Solutions Fund

# SUSTAINABILITY REPORT

as of 31.12.2024






■ RÉPUBLIQUE FRANÇAISE

# SUSTAINABILITY APPROACH

## Sustainable Investment Goal

The Tareno Global Water Solutions Fund invests in companies that develop and commercialize solutions for a more sustainable and efficient use of water. Thus, the fund addresses the **United Nations SDG 6** (Clean Water and Sanitation) as well as **Goal 3 of the EU Taxonomy** (Sustainable Use and Protection of Water and Marine Resources).

## Sustainability Approach

 SUSTAINABILITY FILTER	 ESG INTEGRATION	 PORTFOLIO MONITORING
<ul style="list-style-type: none"><li>▪ ESG Data</li><li>▪ Business Involvement</li><li>▪ Controversies</li></ul>	<ul style="list-style-type: none"><li>▪ ESG Score</li><li>▪ ESG Momentum Score</li><li>▪ Climate Score</li><li>▪ Water Score</li></ul>	<ul style="list-style-type: none"><li>▪ Controversies Monitoring</li><li>▪ Voting Rights</li><li>▪ Collaborative Engagement</li><li>▪ Direct Dialogue</li></ul>

### Sustainability Filter

While engagement is the fund manager's preferred approach to dealing with companies that lag in their sustainability performance, some minimum criteria regarding sector involvement and corporate practices are required to qualify for the investment universe.

### ESG Integration

In close collaboration with EGS Book, a proprietary sustainability scoring model tailored to the water universe was developed. The resulting Tareno Sustainability Rating includes a traditional ESG score based on the "SASB Materiality Map", an ESG momentum score which tracks the development of the ESG score, a climate score and a water score.

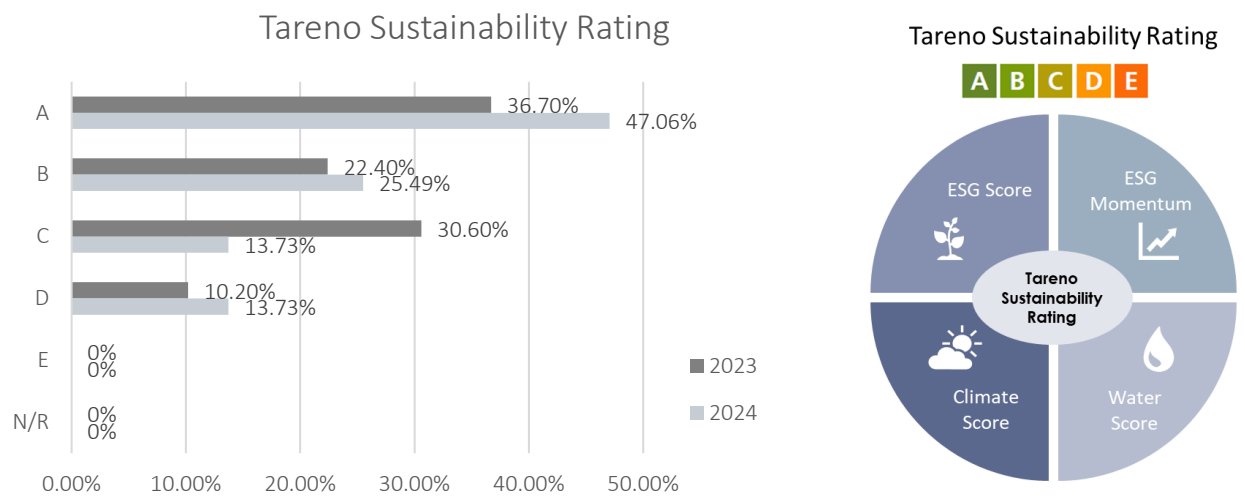
### Portfolio Monitoring

Voting rights for all portfolio holdings are regularly exercised by ISS Governance in accordance with their international [sustainability guidelines](#). Fund management reviews all voting intentions and has the authority to overrule them at any time. Direct dialogues with company representatives are held at least once a year. More intensive engagement is conducted with companies with low ESG scores, with a particular focus on environmental practices and reporting standards. Direct engagement tends to focus on smaller companies, while engagement with larger companies preferably takes the form of collaborative engagements coordinated by the UNPRI. Additionally, the ESG Book platform is used to directly request companies to disclose specific ESG data points.

More detailed information about the fund's sustainability approach can be found in the [sustainability guidelines](#).

# SUSTAINABILITY PROFILE as of 31.12.2024

## Portfolio Rating Distribution



## Sector-Based Exclusions

Exclusion Criteria	Revenue Threshold	Portfolio % as of 31.12.2024
Adult Entertainment	0%	0%
Alcohol	5%	0%
Coal Mining	0%	0%
Coal Power	5%	1%
Conventional Weapons	5%	0%
Controversial Weapons	0%	0%
Fracking	5%	1%
Gambling	0%	0%
GMO	0%	0%
Nuclear Power	5%	1%
Oil Sands	5%	1%
Tobacco	0%	0%
Uranium Mining	0%	0%
Oil	10%	0%
Gas	50%	0%

# SUSTAINABILITY PROFILE as of 31.12.2024

## ESG Leaders

Company	Domicile	Sust. Rating	Comment
GEA Group	DE	A	<ul style="list-style-type: none"><li>GEA is recognized as an ESG leader with top-tier ratings, including an MSCI ESG AAA grade and a Sustainalytics “Low Risk” score. Its ambitious climate targets (net-zero by 2040, SBTi-validated) and resource-efficient innovations (e.g. “Add Better” products) earned GEA inclusion in Dow Jones Sustainability indices.</li></ul>
Geberit AG	CH	A	<ul style="list-style-type: none"><li>Geberit’s comprehensive sustainability program has earned an EcoVadis Gold rating (top 5% globally). High ESG scores (MSCI AA; Sustainalytics low-risk) reflect its strong environmental performance and social initiatives in water conservation and employee welfare.</li></ul>
Kurita Water	JN	A	<ul style="list-style-type: none"><li>Kurita is lauded for its sustainability governance and water-centric innovation. It is listed in all major ESG indices, signalling robust ESG practices (e.g. diversity and climate efforts). Kurita’s “CSV” business model delivers solutions that save water and reduce CO<sub>2</sub> for clients, underscoring its environmental leadership and earning it industry accolades in ESG rankings.</li></ul>

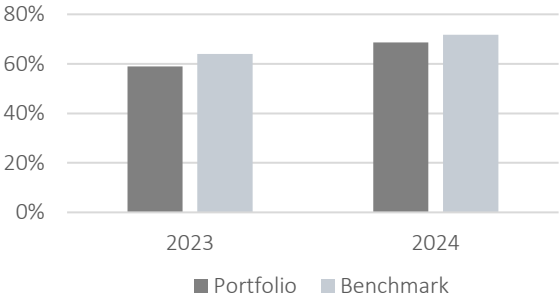
## ESG Laggards

Company	Domicile	Sust. Rating	Comment
Core&Main	US	D	<ul style="list-style-type: none"><li>Core &amp; Main’s sustainability approach is still developing. Its ESG reports outline commitments to water infrastructure and efficiency but lack long-term environmental targets. Sustainalytics rates its ESG risk as medium, indicating room for improvement. The company has started tracking greenhouse gas emissions and promoting water conservation, yet it has not set science-based climate goals or robust social reporting.</li></ul>
Idex Corp.	US	D	<ul style="list-style-type: none"><li>IDEX’s sustainability practices trail top performers in some respects. The firm has been slower to publicly commit to carbon reduction or diversity targets. It is now improving ESG transparency – for example, conducting full Scope 1 and 2 emissions inventories – and enhancing governance policies to address these shortcomings.</li></ul>
Gorman Rupp	US	D	<ul style="list-style-type: none"><li>Gorman-Rupp has only recently begun formal sustainability reporting (its first ESG report was in 2024). The company emphasizes basic initiatives (energy conservation, waste reduction), but needs more comprehensive strategy and transparency to catch up with industry ESG standards.</li></ul>

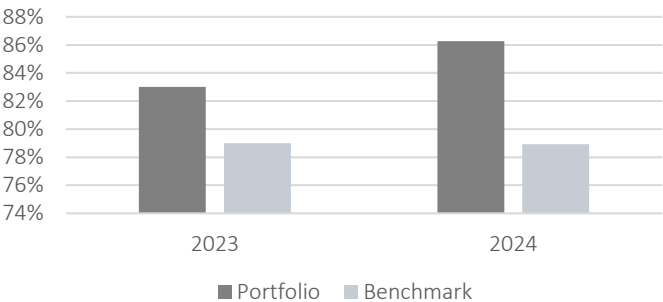
# SUSTAINABILITY PROFILE as of 31.12.2024

## Climate-Related KPIs

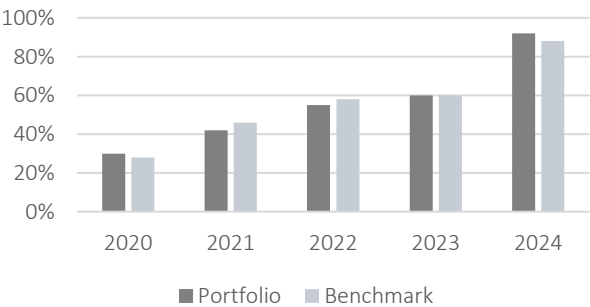
TCFD Signatory



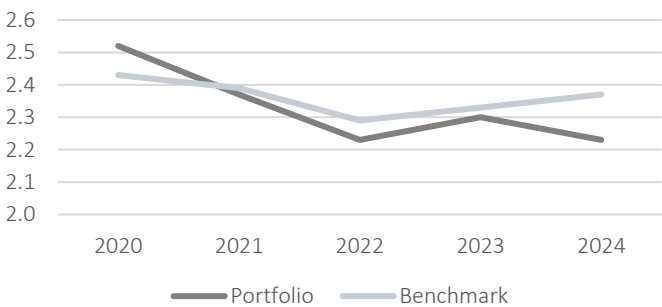
Emission Reduction Targets



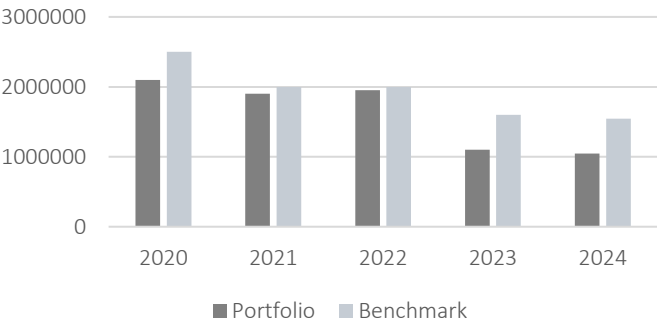
Disclosure of Scope 3 Emissions



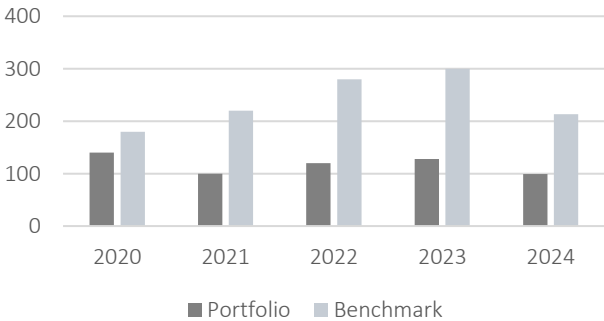
Average Far Term Temperature Score



Average Total Scope 1+2 Emissions\*

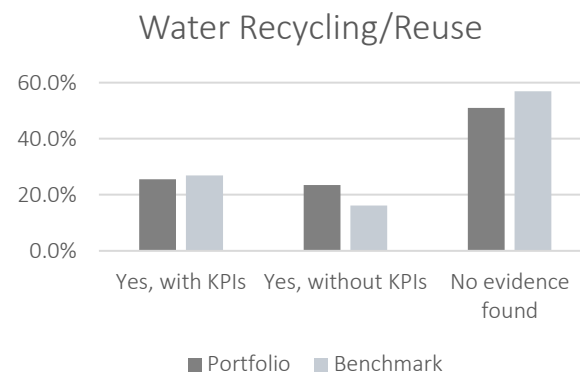
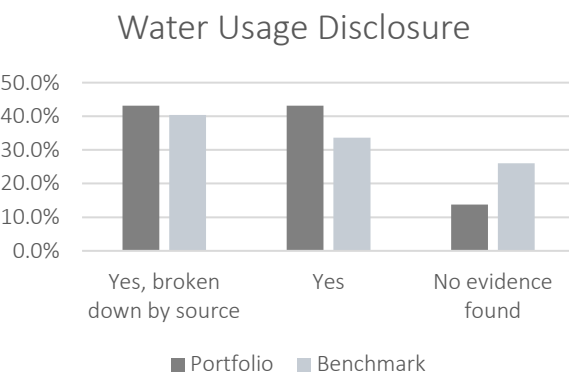
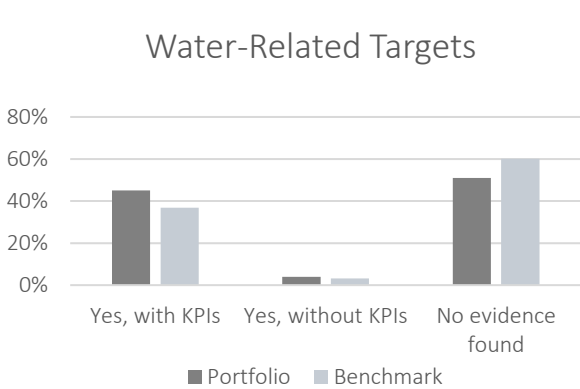
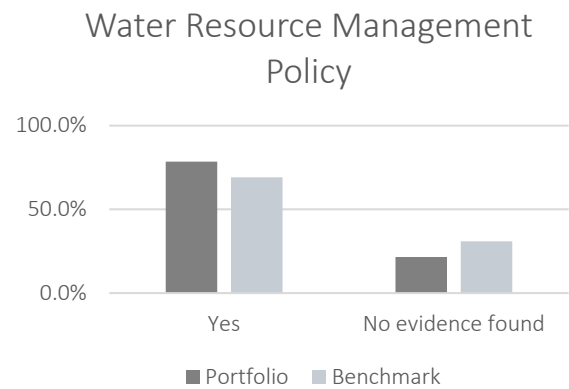


Average Carbon Intensity\*



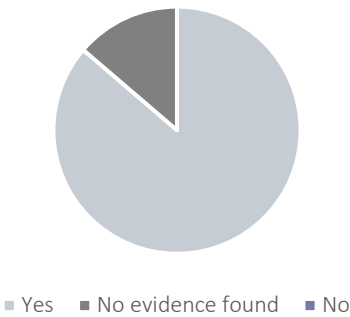
Sources: Tareno AG, ISS Datadesk  
Coverage: \*50-80%, 100% for all other data points  
Benchmark: Tareno Water Universe. The definition of the universe can be found in the [sustainability guidelines](#).

Water-Related KPIs

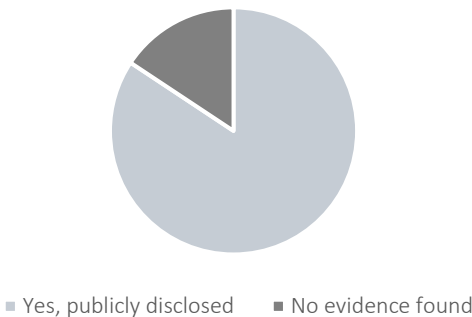


Social KPIs

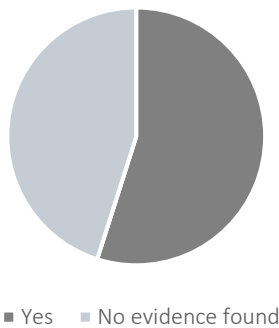
Human Rights Policy



Supplier Code of Conduct



UN Global Compact Signatory

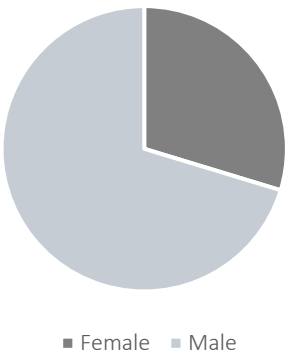


Violations of UN Global Compact

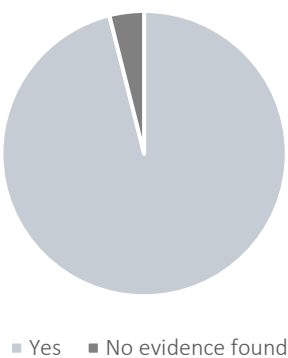
	Portfolio	Benchmark
No	100%	96%
Watchlist	0%	4%
Yes	0%	0%

Governance KPIs

Average Percentage of Females on Board



Anti-Bribery/Corruption Policy



Contribution to the UN Sustainable Development Goals (SDGs)



Contribution is measured on the basis of [ISS ESG's SDG Solutions Assessment \(SDGA\)](#) which measures the positive and negative sustainability impacts of companies' products and services using 15 distinct sustainability objectives. Each SDG has been mapped to one or several of those objectives. Scores range from -10.0 (100% of revenues from products/services with significant obstructing impact) to 10.0 (100% of revenues from products/services with significant contributing impact). The color shading is for illustrative purposes only and does not represent the exact percentages.

Sources: Tareno AG, ISS ESG



Selected Companies Contributing to SDGs

Company	SDGA Score	Description
Kurita Water Industries	+10	Kurita Water supports the SDGs through its specialized water treatment solutions. Its technologies enable clients to reduce water consumption and pollutant discharge, directly advancing SDG 6 (Clean Water and Sanitation). Kurita is a founding member of the Water Resilience Coalition in support of SDG 6, collaborating to reduce global water stress in 100 water basins by 2030. These efforts, along with Kurita’s investments in water recycling and community projects, exemplify a broad positive impact on sustainable water management and industrial efficiency (SDG 6, SDG 9, SDG 12).
Sabesp	+10	São Paulo’s water utility is a major contributor to SDG 6. It supplies treated water to ~28 million people and sewer service to ~25 million, reaching 98% water and 93% sewage coverage in its region. This expansion of sanitation access improves public health (aligning with SDG 3) and drastically reduces waterway pollution (SDG 14). Sabesp also invests in resilient infrastructure and water storage to combat droughts and climate risks (supporting SDG 9 and SDG 13).
United Utilities	+10	United Utilities (UK) drives multiple UN SDGs through its water and wastewater services. It provides safe, affordable water to millions, lifting 84,000+ customers out of water poverty (supporting SDG 1). The company ensures clean water and sanitation for all (SDG 6) by tackling leakage and ecosystem protection. It has committed to carbon neutrality by 2030 (SDG 13) with science-based targets and achieved zero serious pollution incidents in recent years (protecting life below water, SDG 14)..

Contribution is measured on the basis of [ISS ESG’s SDG Solutions Assessment \(SDGA\)](#) which measures the positive and negative sustainability impacts of companies' products and services using 15 distinct sustainability objectives. Each SDG has been mapped to one or several of those objectives. Scores range from -10.0 (100% of revenues from products/services with significant obstructing impact) to 10.0 (100% of revenues from products/services with significant contributing impact). The color shading is for illustrative purposes only and does not represent the exact percentages.

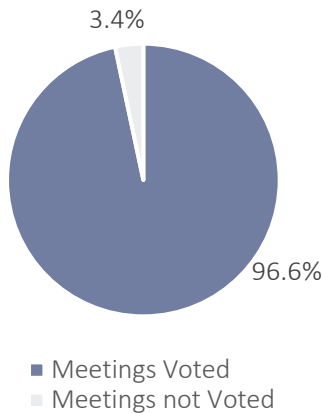
Sources: Tareno AG, ISS ESG

# ACTIVE OWNERSHIP – VOTING RIGHTS

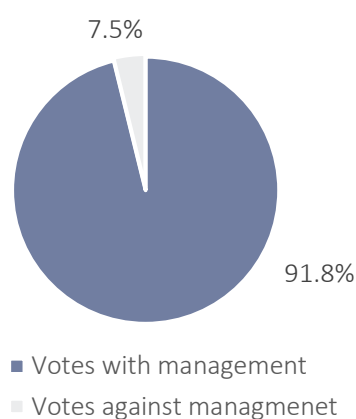
Voting rights are regularly exercised and used to promote sustainable practice at the companies the fund invests in. Execution follows the [international sustainability guidelines by ISS](#), which advocate for stewardship of environment, fair labor practices, non-discrimination, and the protection of human rights.

Voting Summary 2024		Total	in %
Votable Meetings		58	100%
Meetings Voted		56	97%
Number of Meetings with Votes Against Management		27	47%
Votable Proposals		720	
Voted FOR		654	91%
Voted AGAINST		44	6%

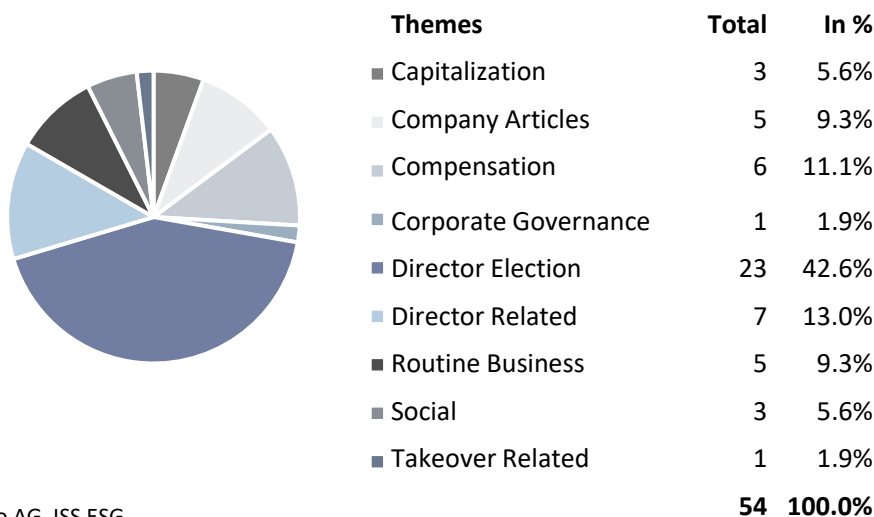
Voting rights exercised 2024



Votes against management



Votes against management - Themes

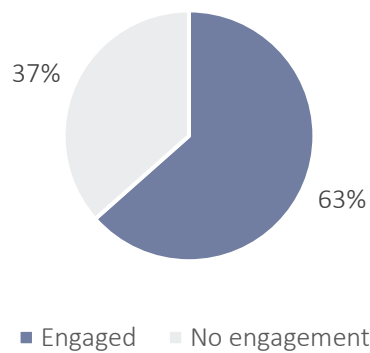


Sources: Tareno AG, ISS ESG  
More detailed information on all voting rights exercised in the past year can be found [here](#).

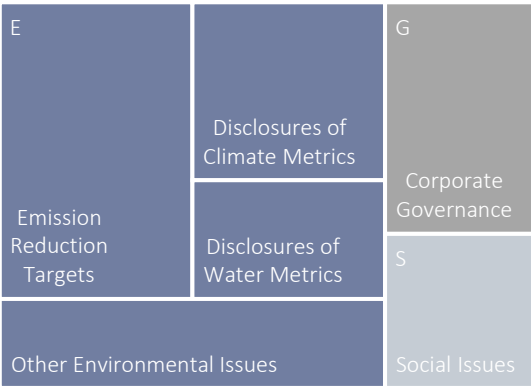
# ACTIVE OWNERSHIP – ENGAGEMENT

## Engagement Overview

Engagement Activities 2024



Engagement Themes



## Selected Engagement Cases

### AO Smith

A. O. Smith, a 150-year-old water technology company, has made notable strides in ESG reporting over recent years. Having published four sustainability reports in the past six years, the company has transitioned from basic corporate responsibility updates to more comprehensive, biennial sustainability disclosures. The most recent report, released in November 2024 and covering performance across 2022–2023, marks a significant step forward, featuring a consolidated ESG scorecard with 2019 baselines, current performance indicators, and 2025 targets. Importantly, A. O. Smith introduced its first enterprise-wide water conservation target in 2024, aiming to save 40 million gallons annually by 2030—reflecting an expanded commitment beyond emissions and product stewardship to include direct water resource management.

Despite this progress, A. O. Smith’s ESG strategy and reporting still show room for improvement compared to best-in-class peers. As long-term investors, we view A. O. Smith as a stable performer with strong cash flow, yet also as a company at an ESG inflection point. Having already implemented foundational practices and achieved early wins through operational efficiencies, the next step is to address more complex ESG challenges—such as Scope 3 emissions, climate resilience, and diversity and inclusion—with greater ambition.

To support this evolution, we encourage A. O. Smith to increase the frequency and depth of its disclosures, ideally moving toward annual reporting. Our engagement aims to help the company shift from being a responsible ESG reporter to becoming an ESG leader—by setting more ambitious long-term goals, aligning with global frameworks, and leveraging its position in the growing water sustainability megatrend.



# ACTIVE OWNERSHIP – ENGAGEMENT

## Selected Engagement Cases

### China Water Affairs

Following our previous engagement, where a lack of sustainability disclosure was explained by its limited perceived relevance for local investors, we have since seen notable progress. In early 2023, we submitted a request for specific climate and water-related data, which was fully addressed by the company. While the disclosure of this data helped improve transparency and expand coverage for the fund’s sustainability reporting, we emphasized in our December 2023 meeting that these metrics should also be made publicly available through the company’s sustainability reporting.

During a personal meeting with the company on site in Hong Kong, an extensive dialogue was again held on the topic of sustainability.

One of the key improvements since then is the inclusion of comprehensive greenhouse gas (GHG) emission data, now covering Scope 3 emissions. Importantly, CWA engaged SGS to conduct an ISO 14064 verification of their carbon footprint. This third-party verification significantly enhances the credibility of their GHG inventory.

In addition, CWA has succeeded in keeping its water leakage rate below 15% across the entire network – a positive operational achievement.

Looking forward, we continue to see room for further progress. Specifically, the introduction of interim emission reduction targets for 2030 and 2035 would help to solidify the company’s long-term climate commitments. Furthermore, clear timelines for scaling up renewable energy usage would provide valuable insights into their transition strategy.

All in all, CWA is clearly making strides in improving its sustainability reporting, and we welcome their continued efforts in this area.



# ACTIVE OWNERSHIP – ENGAGEMENT

## Selected Engagement Cases

### Mueller Industries

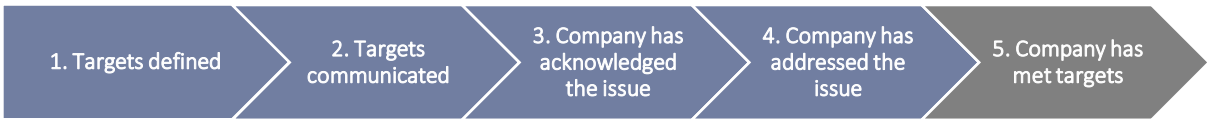
Mueller Industries has demonstrated solid corporate governance and relatively strong labor management practices. However, in terms of sustainability reporting, the company has historically lagged behind its peers. While it began publishing an annual sustainability report in 2021, early reports lacked detailed information and omitted specific environmental targets. Since then, Mueller has taken steps to reduce its emissions and now discloses more comprehensive data on emissions, energy consumption, water use, and waste generation. Notably, the company recently began reporting on Scope 3 emissions—one of the initial goals of our engagement.

In its 2024 report, Mueller disclosed that it had obtained third-party verified Life Cycle Assessments (LCAs) for selected products and is in the process of pursuing Environmental Product Declarations (EPDs). These efforts signal an important step forward, as they allow Mueller to evaluate the full environmental impact of its products’ life cycle and provide transparency that ultimately benefits its customers.

Despite these advances, a major gap remains: the absence of actual quantitative ESG targets. Mueller has not yet publicly committed to specific reduction goals for greenhouse gas emissions, energy use, water consumption, or other critical metrics. While the 2024 report acknowledges this and states that the company is still in the data collection phase, this ongoing “work in progress” should evolve into clear, time-bound commitments.

Although the company is working on a roadmap toward decarbonization, the lack of clarity regarding how this roadmap will be implemented and monitored is concerning.

For the 2025 report, we would like to see Mueller announce interim emissions reduction targets and report on its progress toward the roadmap. These steps are essential for building credibility, demonstrating accountability, and aligning with best practices in sustainability reporting.



# ACTIVE OWNERSHIP – ENGAGEMENT

## Selected Engagement Cases

### Andritz

Andritz is a global company operating in sectors such as pulp & paper, metals, hydropower, and environmental technologies. It benefits from macro trends like decarbonization, circular economy, and infrastructure investments. Despite challenges like economic uncertainty and market fluctuations, its diversified portfolio provides resilience. The company is well-positioned to capitalize on upcoming opportunities in renewable energy, sustainability, and green technologies.

Andritz has long been a company that quietly performed well on many ESG-related fronts but was reluctant to communicate its efforts publicly. This has begun to change, particularly following recent management changes and the addition of dedicated Investor Relations and ESG personnel.

Over the past two years, Andritz has made significant strides in its sustainability reporting. Notably, ESG progress was given high visibility at the company’s Capital Markets Day in January 2024. One key development is the integration of ESG targets into executive compensation, with the 2025 remuneration policy directly linking performance on sustainability KPIs to management incentives—an important step in reinforcing accountability.

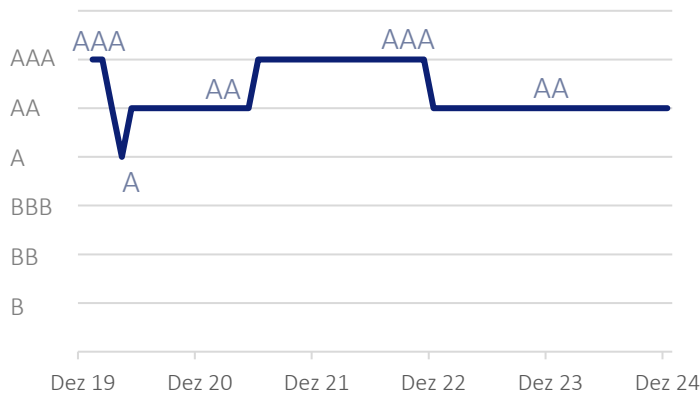
The company’s disclosures have become more robust, now including EU Taxonomy data and showing readiness for upcoming CSRD compliance. However, despite these improvements, Andritz has yet to receive stronger recognition in external ESG ratings. This represents a clear opportunity for the company to further align performance and communication.

Given these developments, we view Andritz as a strong candidate for engagement in 2025. Our focus would be to encourage the company to set long-term climate targets—such as 2030 goals and a clear roadmap to net-zero emissions by 2050—while also improving engagement with ESG rating agencies to address potential data gaps. Continued enhancement of ESG communications will be key to fully reflecting the company’s efforts and achievements.



# EXTERNAL SUSTAINABILITY ASSESSMENT

MSCI ESG Fund Rating History



Source: yourSRI.com



- Awarded with the French sustainability label «ISR» since 2023



- FNG label since 2019
- 3 out of 3 stars



- ESG Investing Award category «natural ressources» runner-up in 2024, winner in 2023




- Classified according to SFDR Article 9

# IMPACT SHARE CLASS - OVERVIEW

## Direct and Measurable Impact

6

CLEAN WATER AND SANITATION




In the Impact share class of the Tareno Global Water Solutions Fund, 25% of the management fee\* goes to charitable projects that give people in developing countries access to clean drinking water.

In addition to the financial return, investors can thus make a direct and measurable contribution to Goal 6 of the UN Sustainable Development Goals.


## Key Performance Indicators as of 31.12.2024

9



Financed projects

11'500




People with access to clean water

85'000

CHF

Total of accrued donations

87'800



Litres of water treated per day

## Project Locations



\* The management fee for the share class is 0.9% (instead of 0.825% as for the regular I share classes), the investor donates 0.075%. Tareno donates twice the amount, i.e. 0.15%. Together this results in 0.225% p.a. with which the investor and fund manager make a valuable contribution to the fight against the global water shortage.



# IMPACT SHARE CLASS – PROJECTS

## Project Oswe Girls High School Tanzania

**Project partner:** Waterkiosk Foundation

**Location:** Ihanda, Tanzania

**Goal:** The drinking water system at a school in Tanzania is part of a larger project to establish an independent water supply. An existing SoWaDis system with a 1,000-liter tank has now been supplemented with three accessible taps.

**Implemented:** September 2023

**Number of beneficiaries:** 500

**Litres of water:** ca. 700l per day



# IMPACT SHARE CLASS – PROJECTS

## Project ECCA Safe Drinking Water Program, Nepal

**Project partner:** ECCA

**Location:** 4 schools in Chitwan, Nuwakot, Jajarkot and Bhojpur, Nepal

**Goal:** Improvement of the hygienic conditions at 4 schools, through installation of water filters as well as training of the beneficiaries

**Implemented:** December 2024

**Number of beneficiaries:** 3'400

**Litres of water:** ca. 2'100l per day





# IMPACT SHARE CLASS – PROJECTS

## Project Drinking water system, Nah Chuwua, Guatemala

**Project partner:** Verein Tamahú Guatemala

**Location:** Nahchuwa Community, San Pablo Tamahú, Alta Verapaz Guatemala

**Goal:** A gravity-based drinking water system was introduced in the community of Nah Chuwua (Tamahú Guatemala) to provide 90 families with safe water and reduce water-related diseases.

**Implemented:** December 2024

**Number of beneficiaries:** 500

**Litres of water:** ca. 50'000l per day

**Verein Tamahú  
Guatemala**



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