



Positioning with regard to sustainability in investment decisions

Sustainable investments should enable investors to support environmentally friendly and social projects. The aim is to support companies and sectors that are committed to climate protection or the expansion of green and renewable energies. Sustainable investments should not only offer returns and security, but also pursue ecological, ethical and social goals. A sustainable investment should add these aspects to the traditional criteria of profitability, liquidity and security.

The EU has defined various categories for sustainable investments. The EU's Sustainable Finance Disclosure Regulation (SFDR) aims to promote and define appropriate standards for the comparability of financial products in the EU.

'ESG' - Environmental / Social / Governance: An investment is considered sustainable if the underlying economic activity contributes to the achievement of an ESG objective without violating another ESG objective. ESG objectives or criteria include, for example, resource-efficient use of energy, biodiversity, circular economy, combating inequality, promoting social inclusion and similar. The aim of the 'Principal Adverse Impacts' (adverse sustainability impacts) is to prevent negative effects of an investment. There are indicators for adverse sustainability impacts for all three ESG areas.

However, many details are not yet clearly regulated. There are now a large number of categorisations as well as various ESG ratings. The definition of these ratings does not always make comprehensible inclusions or exclusions and currently still appears to be inconsistent. In this respect, TARENO (Luxembourg) S.A. is currently not in a position to carry out or offer a comprehensive and documented review of all respective ESG characteristics and an investment strategy based on these with products with an ESG label

Due to the ongoing clarification of regulatory requirements and the current degree of maturity and availability of consistent data, we therefore do not currently offer a management option that guarantees an ESG-compliant composition of the portfolio.

This does not preclude TARENO (Luxembourg) S.A. from revising its decision regarding the consideration of negative impacts on sustainability factors at a later date. This will be possible when new regulations are established and when the data required for the assessment of the negative impact and the corresponding calculation methods are mature enough to allow a more stable investment process for the client. As a principle, TARENO (Luxembourg) S.A. has an interest in fulfilling its responsibility as a financial services provider and helping to ensure that investment decisions do not have a negative impact on society.