

KIEGER

dare to care



**Sustainable Investment Policy –
Appendix
Kieger AG**

March 1st, 2023

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1 Introduction

1.1 Scope of this Appendix

This Appendix ("**Appendix**") is an Appendix to the Sustainable Investment Policy and shall give guidance to all employees ("**Employees**") of Kieger AG ("**Kieger**").

Any capitalised terms used but not defined in this Appendix shall have the same meaning as attributed to them in the Sustainable Investment Policy.

1.2 Purpose

This Appendix has been prepared for the purpose of meeting the disclosure requirements in various requirements set out in the EU Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088, "**SFDR**"), specifically Article 4 SFDR, that is, specifically, the disclosure requirements applicable to us as a firm with regard to whether/how Kieger consider principal adverse impacts ("**PAI**") of investment decisions on sustainability factors.

2 Identification and prioritisation of principal adverse impacts of investment decisions on sustainability factors

Kieger does not consider PAI at entity level in accordance with Article 4 of SFDR. Kieger acting as Investment Manager integrates ESG factors into the investment process for some Sub-Funds. It does not currently consider the PAI of the investment decisions it takes across all its clients for the purposes of the SFDR because access to the relevant ESG data, and the quality, consistency and coverage of ESG data, remains challenging. Kieger will keep this decision under review.

Kieger acting as Investment Manager compiles data on the PAI indicators through a combination of its own research, reliance on third party data providers (such as ISS, ESG MSCI, and Sustainalytics amongst others), and engagement with investee companies to solicit the necessary data to the extent required to fulfil its duties under SFDR. The PAI regime was introduced only recently and thus there are challenges in collecting the data necessary for a full and accurate assessment of the PAI indicators. Most companies are not, as yet, accustomed to publishing data relevant to the PAI indicators. The Investment Manager monitors the progress in data availability and in the interim some of the Sub-Funds will report on PAI on a best-efforts basis.

Kieger as Investment Manager will consider the PAI indicators of individual investments, and where it determines that an investment is causing or is likely to cause significant harm to the sustainable objective of the Sub-Fund, Kieger may choose not to invest or to exit an existing holding. The Investment Manager also utilizes an exclusions list to avoid investment in companies that could be deemed to be causing significant harm.

The PAI is considered at the level of a Sub-Fund that is qualified as Sustainable Investment Fund. Kieger's initial assessment of whether to invest in a given company includes a consideration of the PAI of such investment, to the extent ascertainable, as part of the Investment Manager's evaluation of whether the investment would cause significant harm to the sustainable finance objective of a Sustainable Investment Fund. The investment team analyses quantitative and qualitative aspects including mandatory PAI indicators for which data is available and additional PAI indicators relevant for the healthcare industry.

At the level of the Sub-Fund some mandatory, and some of the optional, PAI indicators included in annex I to the Regulatory Technical Standards supplementing the SFDR are used for the following purposes:

- (i) in identifying potential investments, Kieger as Investment Manager assesses the PAI indicators for an individual company to the extent ascertainable, and considers such an assessment as essential to determining if an investment in that company would comply with the `do not significantly harm` principle, which is part of the Investment Manager's assessment of whether an investment would qualify as a sustainable investment.
- (ii) in respect of the Sub-Fund's investments, Kieger as Investment Manager will carry out a formal assessment of PAI on an annual basis. Where the PAI indicators indicate that an investment is causing, or will cause, significant harm to the sustainable investment objective of the Sub-Fund, the Investment Manager will take appropriate action, either by engaging with the company to verify whether the Investment Manager's initial PAI assessment is correct, or to determine if measures can be taken by the company to reverse or mitigate the adverse impact, or by divesting from such an investment if the Investment Manager determines that continued investment would cause significant harm to the sustainable investment objective of the Sub-Fund or is not satisfied that the harm identified will be rectified or mitigated.

3 Final provisions

This Appendix remains valid until withdrawn by the Board of Kieger.

This Appendix was approved by the Board of Kieger on **March 1st, 2023**.

Kieger AG

Name **Andrea Broggin**

Function Chair Board of Directors

Name **Veronika Schachenmayr-Schlick**

Function Vice Chair Board of Directors