

Taking responsibility

As private bankers with unlimited liability and a family-owned business, “taking personal responsibility” has always been central to us: taking responsibility for our own actions and omissions.

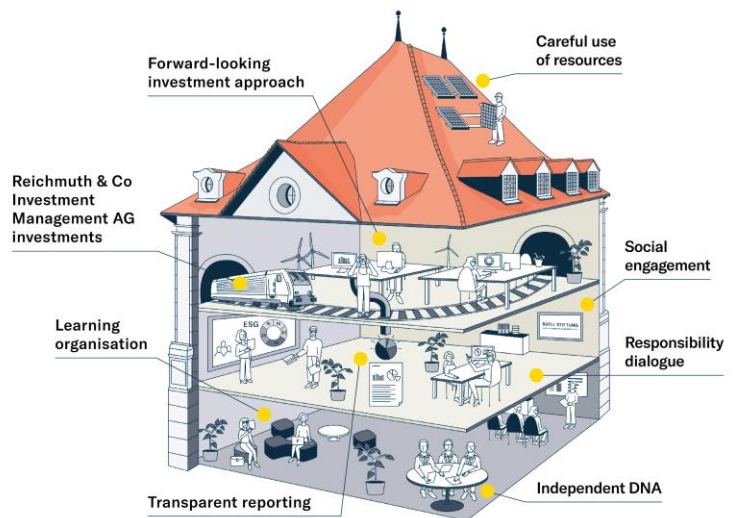
«Action is louder than words.»

We align people and money. This includes responsible corporate management, equality, and a mindful approach to resources. The term ‘sustainability’ omnipresent in this context, is imprecise. Therefore, we speak of ‘responsibility’ and aspire to uphold it with our values.

Responsibility means starting with oneself, making individual decisions, and bearing the consequences. ‘Say what you think, do what you say, and be what you do’ is central to us when addressing ecological and social challenges.

We understand different perspectives. Rigidity in sustainability is foreign to us. Therefore, our clients independently determine what aligns with their personal values and how they want to embrace responsibility in wealth management. At Reichmuth & Co, we stand as sparring partners by their side.

For years, our bank and our employees have been committed to society, culture and science in many places. As a family-owned private bank, we are proud to contribute to the community. Examples of our concrete applications:



Environment

Using resources sensibly in daily operations in order to be CO2 neutral by 2028:

- Sending documents electronically
- Using FSC paper
- Full CO2-offsetting for air travel & postal delivery
- Cutting down on PET bottles
- Switching to energy-saving LED lighting
- Investing in infrastructure facilities such as solar power plants, wind farms, etc.

Social

Rütli Foundation (since 2000)

The umbrella foundation for charitable causes is perfectly placed for supporting and achieving personal engagement with a direct impact.

PensExpert (since 2001)

Co-founder and pioneer of self-directed pension provision

Employees

Promotes equal opportunities, opportunities for getting involved, and training & further education

Governance

Owner-managed family business with the Reichmuth family as anchor shareholder guided by their values and value retention. This means, among other things

- Unlimited liability of the partners for a responsible corporate strategy
- Long-term alignment of the owners' interests
- Employees as shareholders and co-entrepreneurs
- Independent Board of Directors
- We invest in what we ourselves recommend.

ESG-oriented investment policy at Reichmuth & Co

As part of individual asset management and portfolio-related investment advice, our clients decide on an investment strategy. For private and institutional clients, we also offer to take ESG criteria into account as part of the chosen investment strategy. We take ESG factors into account in our investment policy for several important reasons:

- 1. Long-term corporate orientation:** The integration of ESG criteria supports the long-term strategic orientation of companies. By promoting sustainable business models and responsible practices, companies should not only maximize profits in the short term, but also pursue stable and sustainable growth strategies.
- 2. Minimization of «Stranded Assets»:** Stranded assets are assets that lose value due to market changes or regulatory requirements. As a result of our long-term investment horizon, we focus on the long-term value of the company, whereby the risks of stranded assets are considered with the aid of Refinitiv data. By investing in environmentally friendly and sustainable projects, Reichmuth & Co aims to ensure that the assets remain valuable in the future and are not devalued by environmental or legal changes.
- 3. Promotion of ethical behavior:** Companies that adhere to high standards in terms of the environment, social responsibility and corporate governance contribute to positive social change. Transparency, integrity and fairness strengthen the trust of investors and the public.
- 4. Risk minimization:** Taking ESG criteria into account enables potential risks to be identified and mitigated at an early stage. This includes ecological risks such as climate change and environmental pollution, social risks such as working conditions and human rights as well as governance risks such as corruption and a lack of transparency. An ESG analysis supports well-founded investment decisions and ensures the stability and ESG orientation of the portfolio.

Refinitiv as a data basis

The ESG-oriented investment policy at Reichmuth & Co is based on an analysis that builds on the independent Refinitiv database. This database provides detailed ESG data, which serves as an extended basis for key financial figures. Companies are classified by Refinitiv in the categories A+ (leader) to D- (laggard). We do not pursue a systematic exclusion approach, but allow discretionary leeway for flexible and well-founded decisions. Legal regulations are always observed. Third-party funds as well as our own funds are rated accordingly based on the ESG information provided by the respective fund provider.

Flexibility and individual assessment

The aim of our ESG-oriented investment policy is not to invest in companies with a Refinitiv rating lower than C. In the case of smaller Swiss companies, the often poor data situation can lead to a systematically lower rating. In such cases, we attach particular importance to long-term contact with the management and direct communication, which are weighted higher than the ratings in the Refinitiv database. In the case of third-party funds, the aim is not to invest in instruments with an inadequate rating.

On request, we can exclude investments in harmful activities that are not compatible with ethical principles when implementing them in the portfolio. This includes investments in alcohol, adult entertainment, genetic modification, gambling, nuclear energy, tobacco, animal testing or weapons production.

Pension or private clients who pursue an active ESG approach can also conclude a mandate with selected collective investments. These collective investments are classified in accordance with SFDR Art. 8 and 9 and only invest in companies that pursue a clearly defined ESG approach.



Traditional company analysis with an ESG component as an extended objective

The broader aim of our investment policy is to add the ESG component to traditional company analysis. In this way, we can identify companies that pursue a long-term orientation and ESG-oriented business approach. In doing so, it is important to us to identify and mitigate ESG risks that could negatively impact the portfolio. Overall, the integration of ESG factors helps to create long-term value, minimize risks and promote ethical behavior - ultimately leading to a more ESG-oriented and responsible investment strategy.

With the so-called best-in-class approach, every sector - including the oil industry, for example - remains investable and the least ESG-oriented companies in their group are excluded. With negative screening, on the other hand, companies that do not meet certain criteria are excluded from the stock recommendations. In addition, we select investments that have structural support from (social) megatrends. When making our product recommendations, we specifically ensure that the investment vehicle complies with the Bank's ESG guidelines.

During implementation, ESG criteria must always be considered as part of the risk distribution. "ESG risks" are events or conditions in the areas of the environment, social affairs and corporate governance that could have a negative impact on the economic viability, costs, reputation and therefore the value of the company and the price of financial instruments, for example, now or in the future. Further information on this can be found on our website (<https://www.reichmuthco.ch/fulleg/>) in section 1.6 of the brochure "Risks in Trading Financial Instruments".

Implementation of the ESG criteria

ESG criteria are considered for each asset management or investment advisory client (portfolio) in accordance with the guidelines of the Swiss Bankers Association (SBVg).

Neutral (Standard)	Interested	Very interested
ESG criteria are applied as standard in our investment policy. But financial instruments are used regardless of their ESG rating.	ESG criteria are applied as standard in our investment policy. We focus on financial instruments with an ESG rating of "excellent", "solid" and "adequate".	ESG criteria are applied as standard in our investment policy. We focus on financial instruments with an ESG rating of "excellent" and "solid" and take into account the desired exclusions.

When determining the personal investment objectives with an investor profile, the client relationship managers also record the client's individual ESG preferences and ensure that only investment solutions that are aligned with these ESG preferences are used. As standard, we transparently show an ESG rating for each position on the statement of assets, if available.



ESG definitions and implementing provisions

Preference survey	The preference survey is included in the investor profile survey and aligned with the investment objectives. This is based on the guidelines for financial service providers on the inclusion of ESG preferences issued by the Swiss Bankers Association. Customers who do not provide any information are classified as neutral by default.
ESG Ratings	Reichmuth & Co uses ESG ratings from the provider Refinitiv for equities and bonds in its financial analysis and client reporting, where these are available. Refinitiv carries out a comprehensive assessment of companies based on ESG criteria, for example with regard to working conditions, efficient use of resources or corporate governance with integrity. The classification is based on A, B, C, D (incl. subratings) as well as exclusion criteria, such as the identification of companies with business activities that contradict sustainability, such as manufacturers of weapons or tobacco.
ESG Assessment	For individual investments (equities and bonds), the ESG ratings from Refinitiv are used for the ESG assessment where available. For collective investments on the recommendation list, Reichmuth & Co carries out a qualitative assessment taking into account the various sustainability approaches and defines the ESG assessment.
Exclusion criteria	Negative screening with "exclusions" is carried out for individual securities in accordance with the instructions in the investor profile (e.g. no weapons). The prerequisite for the exclusion criteria is available refinitive data. The client manager periodically checks the financial instruments against the specifications and informs the client of any deviations.
Monitoring Matching	Reichmuth & Co carries out periodic monitoring of the ESG assessment per position with the desired ESG preference. For "interested" clients, a relevant portion of the investments must be held in "excellent", "solid" and "sufficient"; for "very interested" clients, a relevant portion must be held in "excellent", "solid" and none in "insufficient". In the event of deviations from these guidelines, the client manager defines measures and informs the client depending on the deviation. In the case of portfolio investment advisory mandates, the client relationship manager agrees with the client before purchasing the investment instrument if the ESG preference cannot be met within the quota, provided an assessment can be made.
Reporting	Refinitiv ratings are displayed by default where available.

