

Approved by the Foundation Board, 16 September 2025 – replaces version 21 Sept 2021

## **DROSOS FOUNDATION Strategy for Sustainable Investment Management**

DROSOS FOUNDATION has been entrusted with financial capital from its founder. We are dedicated to using this capital effectively to promote the foundation's purpose and making a positive change in the world towards the Sustainable Development Goals. We do this in two ways: by implementing the Foundation's core activities, most notably projects and programmes in line with the Foundation's vision and mission, and also by investing in financial instruments according to our sustainability strategy in line with environmental, social and governance principles (ESG).

### **INVESTMENT BELIEFS**

At DROSOS FOUNDATION we are convinced that by investing the capital in a responsible and sustainable manner, it will both increase risk-adjusted returns in the long term as well as support the Foundations mission and positively impact society. The sustainability strategy is guided by

- The Foundation's purpose
- The UN Sustainable Development Goals (SDGs)
- The UN Global Compact
- ESG principles (environmental, social and governance) and related best practices for investments

### **WAYS OF INVESTING**

In investing its financial assets, we at DROSOS pursue the following approaches:

- **Exclusion:** We want to earn returns in accordance with the Foundations beliefs and therefore apply criteria to exclude investments in companies and sectors with negative impacts on the SDGs and/or with adverse behaviors (UN Global Compact).
- **Signalling:** We believe that the way we invest has signaling effects to the markets, other investors and on the issuers of financial instruments. We prefer active investment strategies which go beyond a passive exclusion strategy and increasingly pursue approaches that signal the need for change, including best in class and improvers / best efforts strategies.
- **Impact:** We look for opportunities and seek to invest in companies and strategies which through their business and/or behaviour aim at making a positive change in the world towards the Sustainable Development Goals and/or support the Foundation's mission and vision.

- **Engagement:** We use the dialogue with companies and market players to promote positive change in the world. In particular, DROSOS FOUNDATION
  - exercises its voting rights for shares listed in Switzerland
  - may exercise its voting rights for shares listed outside Switzerland, taking into consideration cost-benefit aspects
  - engages with partners to multiply its influence on issuers of financial instruments. In particular, DROSOS FOUNDATION has joined Ethos Foundation as a member in 2021.

The possibilities of sustainable investing are evolving. Therefore, in our asset management activities we continuously assess advanced approaches and best practices to support the SDGs and the Foundation's purpose, aiming to increase the impact of the investment strategy.

## SELECTION OF ASSET MANAGEMENT PARTNERS AND SERVICE PARTNERS

We at DROSOS FOUNDATION are convinced that the partners we work with have influence on achieving our goals. We therefore

- select only partners and service providers, including asset managers, custodians and consultants, and enter only into memberships with organisations that are equally committed to sustainability principles and have integrated ESG aspects into their own processes
- request a sustainability reporting from each of our asset managers and monitor their adherence to DROSOS requirements
- monitor our investment partners, service providers and memberships on an ongoing basis and initiate a change if their approach does no longer meet best practices and DROSOS requirements

## MEMBERSHIPS

DROSOS is a member of Ethos Foundation

<https://www.ethosfund.ch/>



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