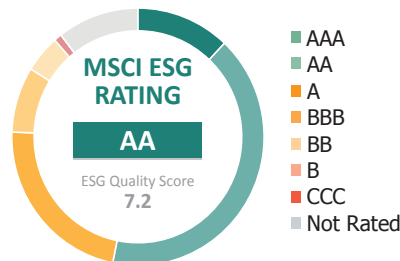


IST Portfolio

| | |
|----------------------------|-----------------------------|
| Portfolio Manager | Swiss Life Asset Management |
| ESG Rating ¹ | AA |
| SFDR Category ² | not applicable |
| Investment strategy | Active |

¹ MSCI ESG Report: www.msci.com

² SFDR: The Sustainable Finance Disclosure Regulation is a European regulation introduced to improve transparency in the market for sustainable investment products. <https://www.eurosif.org/policies/sfdr/>



| ESG Quality Score | ESG Rating |
|-------------------|------------|
| 8.6–10 | AAA |
| 7.1–8.6 | AA |
| 5.7–7.1 | A |
| 4.3–5.7 | BBB |
| 2.9–4.3 | BB |
| 1.4–2.9 | B |
| 0.0–1.4 | CCC |

Applied ESG Approaches

Exclusion



Yes. IST exclusion list and process is applied. In addition, Portfolio Manager applies its own exclusion list.

| Composition of IST exclusion list | | | |
|---|--|---|---|
| SVVK-ASIR | THEMATIC / SECTOR EXCLUSION | COUNTRY EXCLUSIONS | ENGAGEMENT / VIOLATIONS OF NORMS |
| <ul style="list-style-type: none"> – Nuclear weapons – Cluster munitions and anti-personnel mines | <ul style="list-style-type: none"> – Coal mining and power generation (turnover > 25%) | <ul style="list-style-type: none"> – UN Security Council Arms Embargo – OFAC – Swiss sanctions | <ul style="list-style-type: none"> – Exclusion of non-cooperative companies – Violation of internationally acceptable standards |

Source: <https://www.istfunds.ch/nachhaltigkeit/>

Proxy Voting

Not applicable

Engagement



Yes. Engagement activities by the portfolio manager: both collective (Climate Action 100+) and individual engagements. Engagement activities by IST in collaboration with Sustainalytics:

| CRITERIA | DIALOG / GOAL DEFINITION | TERMINATION OF ENGAGEMENT |
|---|---|--|
| <ul style="list-style-type: none"> – High ESG risk: Material Risk Engagement (MRE) – Thematic engagement (e.g. sustainable forests) | <ul style="list-style-type: none"> – Definition of firm ESG-goals in cooperation with investee company | 2 possible outcomes: <ul style="list-style-type: none"> – Objective achieved («case resolved») – Objective not achieved resp. company is not cooperative * |

*Assessment to consider adding to exclusion list

https://www.istfunds.ch/media/5539/ist_d_engagementbericht-2022.pdf

ESG Integration



Yes. As part of the credit analysis, the impact of ESG factors is considered both on the top line and on the bottom line. MSCI ESG data is integrated Swiss Life Asset Management's software system and considered in the investment decision process.

Best-in-Class

Not applicable

Thematic/ Impact Investing

Not applicable

Portfolio manager: Swiss Life Asset Management

Facts & figures

| | |
|---|--|
| Assets under management | USD 271.3 bn |
| Whereof in sustainable investment strategies | Not reported |
| Number of inv. profess. | > 150 |
| Whereof dedicated to ESG | 40 |
| Signatory to UNPRI | Yes |
| UNPRI rating | 82/100 (Investment & Stewardship Policy) |
| Memberships (selection only): | |
| <ul style="list-style-type: none"> Global Real Estate Sustainability Benchmark (GRESB) Swiss Sustainable Finance (SSF) Net Zero Asset Manager Initiative (NZAMI) | <ul style="list-style-type: none"> Institutional Investors Group on Climate Change (IIGCC) Climate Action 100+ Task Force on Climate-related Financial Disclosures (TCFD) |

Consultant/ Partnerships

- ISS (proxy voting)

Carbon Strategy

Committed to Paris Agreement and seeking engagement with clients.

Voting Activity

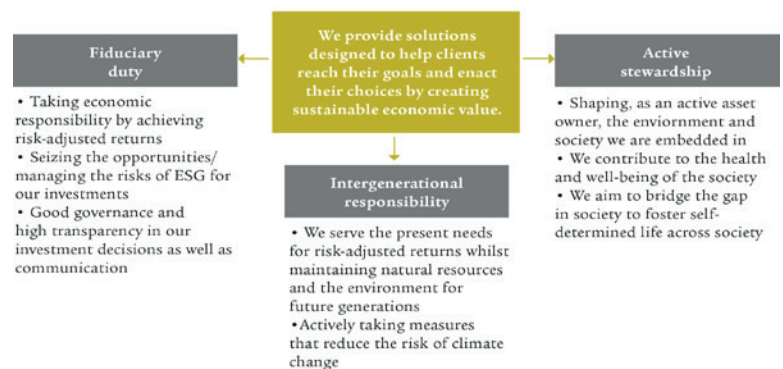
Yes, Responsible Investment Report 2022 available.
www.swisslife-am.com/rireport

Engagement

Yes, Responsible Investment Report 2022 available.
www.swisslife-am.com/rireport

Sustainable Investment and ESG Integration

Swiss Life Asset Managers' long-established tradition of sustainable investment is firmly rooted in our corporate DNA. Over recent years, we have enhanced and consolidated these values to create a comprehensive approach to responsible investment. This means an explicit ESG concept, built on three pillars of corporate responsibility: fiduciary duty, intergenerational responsibility and active stewardship:



The ESG rule book aims to address Swiss Life Asset Managers' sustainability priorities, such as reducing climate and biodiversity risks, empowering people and promoting business integrity, while at the same time complying with recent regulatory and market developments in sustainable finance. The ESG rule book covers both securities and real assets. It serves as a framework for the company to address sustainability in a comprehensive and structured manner. Given that SFDR is a disclosure regulation and not a labelling ambition of financial products, Swiss Life Asset Managers identified that there is a need to establish clear rules to implement to be able to demonstrate to external and internal stakeholders the understanding and the methodologies to measure ESG and impact products. By being transparent on the level of ESG integration while disclosing details on the internal set of rules, Swiss Life Asset Managers increases its credibility as a responsible investor.

For securities, a key target of the "Swiss Life 2024" programme, and in line with the International Capital Market Association (ICMA) Principles, is to invest CHF 2 bn in green, social and sustainable bonds until 2023. By the end of 2022, we already achieved CHF 1.9 bn in investments. Swiss Life Asset Managers further continues to refrain from investments in companies that derive more than 10% of their revenues from thermal coal. In the reporting year, we ran a thorough revision of our internal ESG rules and processes for our funds to comply with the latest developments related to SFDR and Regulatory Technical Standards (RTS) regulations and standards (see chapter "Proprietary Principal Adverse Impact (PAI) scoring model and ESG Rule Book for Securities")

Next steps and further developments

In April 2022, Swiss Life Asset Managers joined the initiative and is publicly committing to "support the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°Celsius." Swiss Life Asset Managers also commits to support its clients investing aligned with net zero emissions by 2050 or sooner.