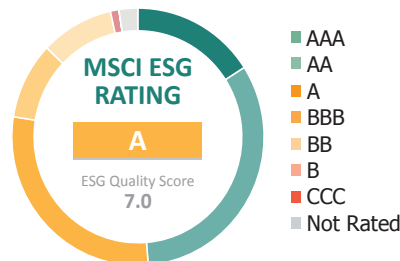


IST Portfolio

Portfolio Manager	Vontobel Asset Management
ESG Rating ¹	A
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:

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/en/nachhaltigkeit/>

Proxy Voting



Yes. IST has been independently voting since 2008 at Swiss listed companies' general assembly based on advice received by an external, reputable proxy advisor.

Source: https://www.istfunds.ch/media/5499/stimmrechtsausuebung_d_2022.pdf

Engagement



Yes.

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

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

ESG Integration



Yes. Implemented as part of the qualitative financial analysis in the investment process. Analysts evaluate different sustainability factors in Vontobel's quality filter (scoring between 1-6).

Best-in-Class

Not applicable

Thematic/ Impact Investing

Not applicable

Portfolio manager: Vontobel Asset Management

Facts & figures

Assets under management	USD 211.9 bn
Whereof in sustainable investment strategies	USD 26.9 bn
Number of inv. profess.	> 200
Whereof dedicated to ESG	> 10
Signatory to UNPRI	Yes
UNPRI rating	**** (Investment & Stewardship Policy)
Memberships (selection only):	
<ul style="list-style-type: none"> UN Global Compact CDP (Carbon Disclosure Project) Swiss Sustainable Finance Swiss Climate Foundation 	<ul style="list-style-type: none"> UK and Japan Stewardship Code Global Impact Investing Network

Consultant/ Partnerships

- ISS and Ethos (proxy voting)

Carbon Strategy

By 2030, we aim to be net-zero with our greenhouse gas emissions (GHG) in our operations and banking book investments. Additionally, we aim to be net-zero with our GHG emissions in our trading book bond investments by 2050.

Voting Activity

Yes, report available

<https://am.vontobel.com/en/esg-investing>

Engagement

Yes, report available

<https://am.vontobel.com/en/esg-investing>

ESG investment philosophy

Our ESG investment philosophy is the common ground of all our ESG and sustainable investment solutions and reflects our conviction about ESG. Our investment boutiques are highly specialized. Thus, the implementation of our ESG integration philosophy is tailored to our investment strategies.

1

We incorporate ESG considerations into our investment processes to **enable our clients** to better achieve their investment objectives.

2

As active managers, we leverage the tools of **engagement and voting**.

3

Our **investment teams are accountable** for the application of our ESG investment principles.

4

We are **committed to transparency** through disciplined disclosure, reporting and dialogue with all our stakeholders.

<https://am.vontobel.com/en/esg-investing>

Next steps and further developments

In 2021, Vontobel has expanded its sustainability positioning to include six commitments that set out its contribution to a more sustainable economy and society.

Our six Sustainability Commitments

Path to Net-zero

Achieve net-zero¹ by 2030 in our banking book investments and operations.

Equality, Diversity & Inclusion

Continue creating a great workplace where everyone can thrive.

Governance & Transparency

Empower our stakeholders to challenge us through governance and transparency.

Advice for Private Clients

Advise our private clients on the benefits, opportunities and risks of ESG investments.

Investment Solutions

Incorporate ESG consideration into active investment decisions.

Community Engagement

Be an active member of the local community.

¹ Net-zero means achieving a balance between emissions and removals of GHGs from the atmosphere (ISO IWA 42:2022), Scope 1-3 in our own operations and Scope 1-2 in our banking book. Our commitment is aligned with the 2015 Paris Agreement goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We will step up our efforts to reduce emissions and will neutralize residual emissions at the net-zero target year and any GHG emissions thereafter.