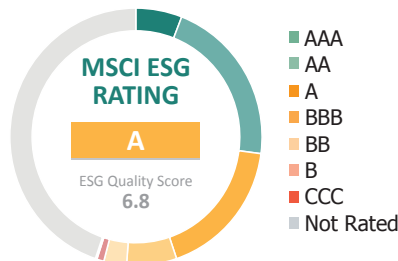


## IST Portfolio

Portfolio Manager	IST Investmentstiftung
ESG Rating <sup>1</sup>	A
SFDR Category <sup>2</sup>	Not applicable
Investment strategy	Active

<sup>1</sup> MSCI ESG Report: [www.msci.com](http://www.msci.com)

<sup>2</sup> 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"> <li>– Nuclear weapons</li> <li>– Cluster munitions and anti-personnel mines</li> </ul>	<ul style="list-style-type: none"> <li>– Coal mining and power generation (turnover &gt; 25%)</li> </ul>	<ul style="list-style-type: none"> <li>– UN Security Council Arms Embargo</li> <li>– OFAC</li> <li>– Swiss sanctions</li> </ul>	<ul style="list-style-type: none"> <li>– Exclusion of non-cooperative companies</li> <li>– Violation of internationally acceptable standards</li> </ul>

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

### Proxy Voting



**Yes.**

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

**Foreign Equity:** The portfolio managers are exercising the voting rights of foreign stock corporations.

Source: [https://www.istfunds.ch/media/5499/stimmrechtsausuebung\\_d\\_2022.pdf](https://www.istfunds.ch/media/5499/stimmrechtsausuebung_d_2022.pdf)

Source: [https://www.istfunds.ch/media/5790/exercise-voting-rights-foreign-equities\\_2022.pdf](https://www.istfunds.ch/media/5790/exercise-voting-rights-foreign-equities_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"> <li>– High ESG risk: Material Risk Engagement (MRE)</li> <li>– Thematic engagement (e.g. sustainable forests)</li> </ul>	<ul style="list-style-type: none"> <li>– Definition of firm ESG-goals in cooperation with investee company</li> </ul>	2 possible outcomes: <ul style="list-style-type: none"> <li>– Objective achieved («case resolved»)</li> <li>– Objective not achieved resp. company is not cooperative *</li> </ul>

\*Assessment to consider adding to exclusion list

Source: [https://www.istfunds.ch/media/5539/ist\\_d\\_engagementbericht-2022.pdf](https://www.istfunds.ch/media/5539/ist_d_engagementbericht-2022.pdf)

### ESG Integration

Partly applied by external Managers.

### Best-in-Class

Partly applied by external Managers.

- Selection of external Managers

**Best-in-class criteria** are applied in the manager selection and monitoring process. ESG-criteria are considered.

### Thematic/ Impact Investing

**Not applicable**

## Portfolio manager: IST Investmentstiftung

### Facts & figures

Assets under management	USD 10 bn
Number of inv. profess.	23
Whereof dedicated to ESG	2
Signatory to UNPRI	External managers are signatories
UNPRI rating	Not applicable
Memberships (selection only):	
• ASIP	• Swiss Sustainable
• KGAST	Finance (SSF)

### Consultant/ Partnerships

- zRating/Inrate for proxy voting
- Sustainalytics for Engagement

### Carbon Strategy

Carbon footprint is being measured since 2019.

### Voting Activity

Yes, report on exercise of voting rights is available

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

### Engagement

Yes, Engagement report for 2022 is available.

Source: [https://www.istfunds.ch/media/5539/ist\\_d\\_engagementbericht-2022.pdf](https://www.istfunds.ch/media/5539/ist_d_engagementbericht-2022.pdf)

### Investment Approach and Sustainability

The individual MIXTA OPTIMA investment groups are structured as funds of funds and differ only in the standard ratios and bandwidths for the investable asset classes. The broadly diversified investments are implemented almost entirely by means of IST and IST2 investment groups, supplemented in individual cases by complementary strategies.

With few exceptions, the management of the investment groups is in the hands of external portfolio managers. Their selection is based on IST's broad best-in-class approach, which has proven its value over many years. This focuses not only on performance and risk indicators, but also on the successful and seamless integration of ESG criteria into the investment and risk control process of the external asset managers. These criteria are analyzed in a detailed Operational Due Diligence („ODD“) prior to mandating the portfolio manager and are regularly monitored onwards. Since 2013, a basic prerequisite for the award of a mandate has been the signing of the UNPRI by the portfolio manager.

As described, ESG inclusion takes place at portfolio manager level, but also at IST level. As a company, IST accepts its responsibility towards all stakeholders and has enshrined aspects of sustainability in its mission statement and corporate strategy. As an investor, IST illustrates this, among other things, by consistently exercising voting rights for its equity investments in Switzerland and abroad. This approach is supplemented by engagement where necessary. The approval of IST's ESG policy and its implementation are the responsibility of the Foundation Board Committee „Corporate Strategy & Organization“ (STRA-UO).

IST publishes its own sustainability report on an annual basis.

Source: [https://istfunds.ch/media/5671/web\\_1\\_34\\_ist\\_d\\_nachhaltigkeitsbericht-2022.pdf](https://istfunds.ch/media/5671/web_1_34_ist_d_nachhaltigkeitsbericht-2022.pdf)

### Next steps and further developments

IST timely implements new regulatory requirements respectively industry standards and continuously enhances its ESG reporting - on a corporate but also on a product level.