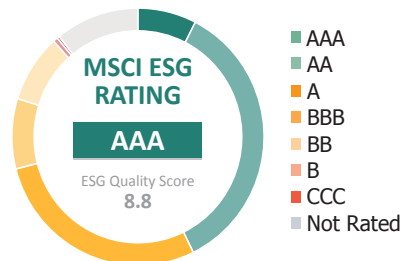


IST Portfolio

Portfolio Manager	Swiss Life Asset Management
ESG Rating ¹	AAA
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://istfunds.ch/en/esg-ist/>

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

Source: https://www.istfunds.ch/media/5397/ist_d_engagementbericht-2021.pdf

ESG Integration

Source: https://www.lazardassetmanagement.com/docs/-m0-/669/SustainableInvestmentAndESGIntegration_en.pdf



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



Yes. Objective to achieve a better ESG score than the benchmark and preferred investments into ESG leaders.

Thematic/ Impact Investing

Not applicable

Portfolio manager: Swiss Life Asset Management

Facts & figures

Assets under management	USD 303.2 bn
Whereof in sustainable investment strategies	USD 272.8 bn
Number of inv. profess.	> 150
Whereof dedicated to ESG	25
Signatory to UNPRI	Yes
UNPRI rating	A+ (Strategy & Governance)
Memberships (selection only):	
<ul style="list-style-type: none"> Global Real Estate Sustainability Benchmark (GRESB) Carbon Disclosure Project (CDP) 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

Carbon footprint is being measured and shall be continuously reduced.

Voting Activity

Yes, Responsible Investment Report 2021 available.

<https://www.swisslife-am.com/en/home/funds-invest/responsible-investment.html>

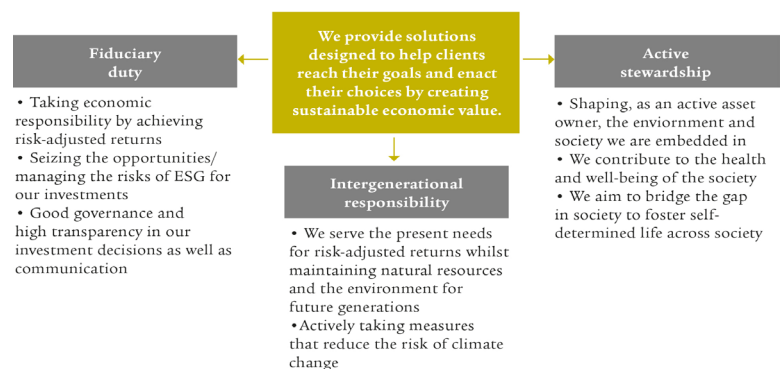
Engagement

Yes, Responsible Investment Report 2021 available.

<https://www.swisslife-am.com/en/home/funds-invest/responsible-investment.html>

Sustainable Investment and ESG Integration

Swiss Life Asset Managers' core purpose is to support our clients in achieving their goals by creating long-term, sustainable economic value. Our responsible investment approach is deeply embedded in our core processes, notably in controlling risk, portfolio management, investment choices as well as all core supporting functions. Three pillars have been identified to coordinate and align the implementation of ESG in all processes and teams:



We integrated quantitative and qualitative ESG assessment based on external ESG data into our credit analysis and introduced ESG thresholds to exclude positions with very low ESG ratings and severe controversies from our investment universe.

We have launched a green investment programme in the area of securities. Our aim is to increase the share of investments in green bonds to CHF 2 billion by the end of 2023, in line with the ICMA Green Bond Principles. We have also formalised a thermal coal phase-out strategy for the bond portfolio, contributing to the transition towards a more sustainable and low-carbon economy and avoiding the risk of stranded assets. Over the past year, we reduced our exposure to companies that derive 10% or more of their revenues from thermal coal (either from mining or by selling it to external parties) to 0%.

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.