European SRI Transparency Code

The European SRI Transparency Code (the Code) focuses on SRI funds distributed publicly in Europe and is designed to cover a range of assets classes, such as equity and fixed income.

All information pertaining to the European SRI Transparency Code can be found at the following website: www.eurosif.org. The Code comes with a Guidance Manual for fund managers on how to best use and respond to the Code. The present version of the Code was approved by the Board of Eurosif on February 19, 2018.

REVISION OF THE CODE

In 2017 the Code was updated to better reflect the continuing evolution of the European SRI market. A Working Group was set up to facilitate revision of the Code in line with the latest developments in the industry and in view of the latest work carried out by experts at the European and global level.

Applications to sign up to the Code will now be in line with key elements of the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), Article 173 of the French TECV Act and the latest recommendations made by the High-Level Group of Experts on Sustainable Finance (HLEG) in its final report published in January 2018. Questions that are specifically designed to reflect those recommendations/legislation are indicated in the Code with footnotes.

TWO KEY MOTIVATIONS UNDERPIN THIS CODE

1. The opportunity for retail SRI funds to provide clarification to investors and other stakeholders about their SRI approach in an easily accessible and comparable format.
2. Proactive strengthening of self-regulation to contribute to the development and promotion of SRI funds by setting up a common framework for transparency best practices.

GUIDING PRINCIPLE

Signatories to the Code should be open and honest and should disclose accurate, adequate and timely information to enable stakeholders, especially consumers, to understand the ESG policies and practices of the fund.

COMMITMENTS BY SIGNATORIES

- The order and exact wording of the questions should be followed;
- Responses should be informative and clear, and the resources and methodologies used should be described in as much detail and as precisely as possible;
- Funds should report data in the currency that they use for other reporting purposes;
- Reasons preventing the fund from providing all or part of the information to a given question should be clearly stated and, in such cases, signatories should state when they will be able to answer the question;
- Responses should be updated at least on an annual basis and should have a precise publication date;
- Responses to the Code should be easily accessible from the website of the fund and/or of the fund manager. In any case, signatories should make it clear where to find the information required by the Code;

- Signatories are solely responsible for the answers to the questions, and should state this in their response.

Statement of Commitment

Complete/modify the below section accordingly

Sustainable and Responsible Investing is an essential part of the strategic positioning and behaviour of Bank J. Safra Sarasin Ltd. We have been involved in SRI since 1989 and welcome the European SRI Transparency Code.
This is our seventeenth statement of commitment and covers the period 01.10.2022 to 30.09.2023. Our full response to the European SRI Transparency Code can be accessed below and is available on our website.

Compliance with the Transparency Code

Bank J. Safra Sarasin Ltd is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. Bank J. Safra Sarasin Ltd meets the full recommendations of the European SRI Transparency Code.

DATE 30.09.2022

Eurosif classification of Sustainable and Responsible Investment[1] strategies

Sustainability Themed Investment: investment in themes or assets linked to the development of sustainability. Thematic funds focus on specific or multiple issues related to ESG. Sustainability Themed Investments inherently contribute to addressing social and/or environmental challenges, such as climate change, eco-efficiency and health. Funds are required to perform an ESG analysis or screening of investments in order to come under this category.

Best-in-Class Investment Selection: approach according to which leading or best-performing investments within a universe, category or class are selected or weighted based on ESG criteria. This approach involves the selection or weighting of the best-performing or most improved companies or assets as identified by ESG analysis within a defined investment universe. This approach includes best-in-class, best-in-universe and best-effort.

Norms-Based Screening: screening of investments according to their compliance with international standards and norms. This approach involves the screening of investments based on international norms or combinations of norms covering ESG factors. International norms on ESG are those defined by international bodies, such as the United Nations (UN).

Exclusion of Holdings from Investment Universe: an approach that excludes specific investments or classes of investment from the investible universe, such as companies, sectors or countries. This approach systematically excludes companies, sectors or countries from the permissible investment universe if they

1 Sustainable and responsible investment ("SRI") is a long-term oriented investment approach which integrates ESG factors in the research, analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long-term returns for investors and to benefit society by influencing the behaviour of companies. Ref. Eurosif 2016

are involved in certain activities based on specific criteria. Common criteria include weapons, pornography, tobacco and animal testing. Exclusions can be imposed at the individual fund or mandate level, but also increasingly at the asset manager or asset owner level, across the entire product range of assets. This approach is also referred to as ethical or values-based exclusion, as exclusion criteria are typically based on the choices made by asset managers or asset owners.

Integration of ESG Factors into Financial Analysis: the explicit inclusion by asset managers of ESG risks and opportunities in traditional financial analysis and investment decisions based on a systematic process and appropriate research sources. This category covers explicit consideration of ESG factors alongside financial factors in the mainstream analysis of investments. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Engagement and Voting on Sustainability Matters: engagement activities and active ownership through voting of shares and engagement with companies on ESG matters. This is a long-term process that seeks to influence behaviour or increase disclosure. Engagement and voting on corporate governance are necessary, but are not sufficient in themselves for inclusion in this category.

Impact Investing: impact Investments are investments in companies, organisations and funds with the intention of generating a social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market-to-market rate, depending upon the circumstances[2]. Investments are often project-specific and distinct from philanthropy, as the investor retains ownership of the asset and expects a positive financial return. Impact investing includes microfinance, community investing, social business/entrepreneurship funds and French *fonds solidaires*.

Contents

[2] Global Impact Investing Network (GIIN), “What is Impact Investing?”, http://www.thegiin.org/cgi-bin/iowa/investing/index.html, 2012

1. *List of funds covered by the Code*

Names of the funds: **JSS Sustainable Bond - Emerging Markets Corporate IG** **JSS Sustainable Bond - Emerging Markets Local Currency** **JSS Sustainable Bond - EUR Corporates** **JSS Sustainable Bond - Global High Yield** **JSS Sustainable Bond - Global Short-term** **JSS Sustainable Bond - Total Return Global** **JSS Sustainable Bond CHF** **JSS Twelve Sustainable Insurance Bond** **Sarasin-Fairinvest-Bond-Fonds****					
Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	**Asset class**	**Exclusions standards and norms**	**Fund capital as at 31 Aug 2022 EUR m**	**Other labels**	**Links to relevant documents**
☒Best-in-Class Investment section ☐ Engagement & Voting ☒ ESG Integration ☐ Exclusions ☐ Impact Investing ☐ Norms-Based Screening ☐ Leading to exclusions ☐ Leading to risk management analysis/engagement ☐ Sustainability Themed	**Passively managed** ☐Passive investing – core benchmark: specify the index tracking ☐Passive investing – ESG/SRI benchmark: specify the index tracking **Actively managed** ☐ Shares in a euro area country ☐ Shares in an EU country ☐ International shares ☒Bonds and other debt securities denominated in euro ☒ International bonds and other debt securities ☐ Monetary assets ☐ Short-term monetary assets ☐ Structured funds	☒ Controversial weapons ☐ Alcohol ☒ Tobacco ☒ Arms ☐ Nuclear power ☒ Human rights ☒ Labour rights ☐ Gambling ☒ Pornography ☒ Animal testing* ☒ Conflict minerals* ☒ Biodiversity* ☒ Deforestation* ☒ CO2 intensive (including coal) ☒ Genetic engineering ☒ Global Compact ☒ OECD Guidelines for MNCs ☒ ILO Conventions ☒ Other (please specify): red flags (company specific)	See above 420.5 33.9 91.8 222.3 271.7 386.1 20.8 417.9 9.6	☐ French SRI label ☐ French TEEC label ☐ French CIES label ☐ Luxflag Label ☒ FNG Label (EUR Corp, Twelve) ☐ Austrian Ecolabel (For JSS Sust. Bond - EUR Corporates) ☐ Other (please specify)	https://product.jsafrasarasin.com/internet/product/en/index

*Animal testing, conflict minerals, biodiversity and deforestation are not explicit exclusion criteria, but serious violations of these standards and norms lead to exclusion.

** The following additional exclusions apply to the Sarasin FairInvest-Universal-Bond-Fund: chlorine (revenue threshold 5%), pesticides, fungicides and herbicides (5%), airlines, automobiles. For countries: expansion of nuclear energy or nuclear share of energy mix > 50%; ABC weapons, mines and cluster munitions; death penalty; non-ratification of the Convention on Biological Diversity; widespread corruption; non-free states; non-ratification of the Paris Climate Convention; warring states; money laundering and financing of terrorism.

Names of the funds: JSS Sustainable Bond - Euro Broad					
Dominant/preferred SRI strategy (Please choose a maximum of 2 strategies)	**Asset class**	**Exclusions standards and norms**	**Fund capital as at 31 Aug 2022 EUR m**	**Other labels**	**Links to relevant documents**
☒Best-in-Class Investment section ☐ Engagement & Voting ☐ ESG Integration ☐ Exclusions ☒ Impact Investing ☐ Norms-Based Screening ☐ Leading to exclusions ☐ Leading to risk management analysis/engagement ☐ Sustainability Themed	**Passively managed** ☐Passive investing – core benchmark: specify the index tracking ☐Passive investing – ESG/SRI benchmark: specify the index tracking **Actively managed** ☐ Shares in a euro area country ☐ Shares in an EU country ☐ International shares ☒Bonds and other debt securities denominated in euro ☒ International bonds and other debt securities ☐ Monetary assets ☐ Short-term monetary assets ☐ Structured funds	☒ Controversial weapons ☐ Alcohol ☒ Tobacco ☒ Arms ☐ Nuclear power ☒ Human rights ☒ Labour rights ☐ Gambling ☒ Pornography ☒ Animal testing* ☒ Conflict minerals* ☒ Biodiversity* ☒ Deforestation* ☒ CO2 intensive (including coal) ☒ Genetic engineering ☒ Global Compact ☒ OECD Guidelines for MNCs ☒ ILO Conventions ☒ Other (please specify): red flags (company specific)	See above 125.4	☐ French SRI label ☐ French TEEC label ☐ French CIES label ☐ Luxflag Label ☒ FNG Label ☐ Austrian Ecolabel (For JSS Sust. Bond - EUR Corporates) ☐ Other (please specify)	https://product.jsafrasarasin.com/internet/product/en/index

*Animal testing, conflict minerals, biodiversity and deforestation are not explicit exclusion criteria, but serious violations of these standards and norms lead to exclusion.

2. General information about the fund management company

2.1. Name of the fund management company that manages the applicant fund(s)

Fund management company for Lux funds:

J. Safra Sarasin Fund Management (Luxembourg) S.A.
11-13, Boulevard de la Foire
1528 Luxembourg
Grand Duchy of Luxembourg
Tel. +352 26 25 21 - 1
Fax +352 26 25 21 - 49
Email: jssfml_info@jsafrasarasin.com
Internet: http://fundmanagement-lu.jsafrasarasin.com/internet/fmlu/fmlu_index

Fund management company for the Sarasin-FairInvest-Bond-Universal-Fund:

Universal-Investment-Gesellschaft mbH
Theodor-Heuss-Allee 70
60486 Frankfurt am Main
Deutschland
Tel. +49 69 7 10 43 - 0
Fax +49 69 7 10 43 - 700
Internet: www.universalinvestment.com

2.2. What are the company's track record and principles when it comes to integrating SRI into its processes?

The Bank is a pioneer in the field of sustainable financial investments, with around 30 years of experience:

1989	First asset management mandates based on ecological criteria
1994	World's first eco-efficient fund (today named JSS Sustainable Multi-Asset - Global Opportunities)
1998	Extension of sustainability analysis to small and mid-cap universe
2003	Introduction of sustainability ratings for government bonds and public sector bonds financial institutions
2006	Implementation of the first sustainable mandates for private clients and managed-fund portfolios
2008	Introduction of single and multi-thematic equity strategies
2009	Management of private client mandates according to sustainability criteria; launch of sustainable direct real estate funds
2010	Launch of sustainable emerging market funds
2013	Introduction of "Sustainable Investment 2.0" - implementation throughout the investment process
2014	New Corporate Sustainability Board chaired by a member of the Management Board; new external Sustainability Advisory Council
2015	International presence through events on PRI Research & Innovation and Responsible Investing Pension Fund Awards
2016	Introduction of ESG analysis & reporting for private and institutional client portfolios
2018	6 additional sustainable funds launched Joined the United Nations Global Compact
2019	1 additional sustainable themed fund launched Founding signatory of the UN Principles of Responsible Banking (PRB)
2020	Launch of our Climate Pledge: Reducing CO2-Footprint to Net-Zero Emission until 2035
2020	First Swiss signatory of the Finance for Biodiversity Pledge

The ESG philosophy of Bank J. Safra Sarasin is integrated into its CSR strategy. See Annual Report 2021, page 88 onwards:

https://www.jsafrasarasin.com/internet/com/jssh_annual_report_2021.pdf

2.3. How does the company formalise its sustainable investment process?

See Annual Report of J. Safra Sarasin Holding Ltd, 2020, pp. 88-126:
https://www.jsafrasarasin.com/internet/com/jssh_annual_report_2021.pdf
And also our brochure "Sustainable Investment Policy" pp. 8 and 9 as well as our Active Ownership Policy:
https://www.jsafrasarasin.ch/internet/ch/en/jss__sustainable_investment_policy.pdf
https://www.jsafrasarasin.com/internet/com/de/active_ownership_policy.pdf

2.4. How are ESG risks and opportunities – including those linked to climate change – understood/taken into account by company?[3]

For J. Safra Sarasin, Corporate Sustainability means responsible and proactive governance, considering and integrating the interests of all the Group's stakeholders into its decision-making process.

We are convinced that risks and opportunities stemming from climate change are material to our business and have set out to consider them throughout our sustainable investments approach. As a member of the UN Global Compact, we have not only decided to report on the Ten UN Global Compact Principles, but also on the Sustainable Development Goals (SDGs).

Our recent signing of the Principles for Responsible Banking (PRB) reinforces this commitment towards sustainability even further. From this understanding J. Safra Sarasin has developed five strategic Corporate Sustainability objectives:

1. We embed sustainability in our corporate strategy and governance
2. We incorporate sustainability considerations in our core investment offering
3. We live a sustainable corporate culture
4. We are part of the society
5. We manage resources efficiently

For more detailed information see the Annual Report 2020 of J. Safra Sarasin Holding, p. 108 onwards.

2.5. How many employees are directly involved in the company's sustainable investment activity?

J. Safra Sarasin has its own Sustainable Investment Research team in Asset Management. This department employs nine people whose task it is to assess companies, institutions, countries and real estate from an environmental, social and corporate governance (ESG) perspective.

The following portfolio managers/analysts are also involved in the process:

- Fixed Income (6)
- Fixed Income Emerging Markets (5)
- Fixed Income Total Return (1)

[3] Reference to Article 173 of the French TECV Act and the TCFD recommendations (risks and opportunities section)

2.6. Is the company involved in any RI initiatives?

General Initiatives	Environmental/Climate Initiatives	Social Initiatives	Governance Initiatives
☐ ECCR – Ecumenical Council for Corporate Responsibility ☐ EFAMA RI WG ☐ European Commission's High-Level Expert Group on Sustainable Finance ☐ ICCR – Interfaith Center on Corporate Responsibility ☐ National Asset Manager Association (RI Group) ☒ PRI - Principles For Responsible Investment ☒ SIFs - Sustainable Investment Fora ☒ Other (please specify) • Global Footprint Network • öbu-Network for sustainable business • Science Based Targets initiative (SBTi) • Sustainable Finance Geneva • Swiss Finance Institute • Swiss Sustainable Finance • UN Global Compact • UN Principles for Responsible Banking	☒ CDP – Carbon Disclosure Project (please specify carbon, forest, water etc.) ☐ Climate Bond Initiative ☐ Green Bond Principles ☒ IIGCC – Institutional Investors Group on Climate Change ☐ Montreal Carbon pledge ☒ Paris Pledge for Action ☐ Portfolio Decarbonization Coalition ☒ Other (please specify) • Business Energy Agency (EnAW) • CDP Water Disclosure Project • Climate Action 100+ • Finance for Biodiversity Pledge • Investor Decarboni-sation Initiative (ShareAction) • Investor Statement COP 26 Glasgow • Net Zero Asset Managers Initiative • Swiss Climate Foundation • Task Force for Climate-Related Financial Disclosures (TCFD) • UN Environment Programme Finance Initiative (UNEP FI)	☒ Access to Medicine Foundation ☒ Access to Nutrition Foundation ☐ Accord on Fire and Building Safety in Bangladesh ☒ Other (please specify) • FAIRR • UNEP FI Responsible Property Investment	☐ ICGN – International Corporate Governance Network ☐ Other (please specify)

2.7. What is the total number of SRI assets under the company's management?

Ca. EUR 46 billion (as of end of 2021. See Annual Report J. Safra Sarasin Holding Ltd., 2021, p. 127).

3. General information about the SRI fund(s) that come under the scope of the Code

3.1. <u>What is (are) the fund(s) aiming to achieve by integrating ESG factors?</u>

The Bank's primary objective is to deliver superior risk-adjusted investment performance to our clients by taking into account all relevant issuer-specific aspects, including environmental, social and governance (ESG) considerations into the investment analysis. To this end, the Bank also engages with investee companies, clients and the broader public to foster a change in behaviour towards sustainable practices.

The following three fundamental goals drive our sustainable investment process: Reducing Risks and Delivering Returns, Fostering Change and Transition. These fundamental goals are further strengthened by our Active Ownership. The weighting of these goals may vary in each strategy depending on the asset class, the investment universe and the respective investment objective.

Reducing Risks and Delivering Returns

By looking at risks using both financial and ESG metrics, we mitigate longer-term risks often overlooked in traditional investment approaches. Controversial business activities and practices that come with reputational risks are avoided. We see increasing academic evidence in historical data that the risk profile of investment portfolios can be improved if the lowest rated ESG companies are excluded. In our portfolio construction process we aim to reduce ESG and climate tail risks not only at the single security level but also at the portfolio level.

We invest in companies that operate with excellent ESG practices by harnessing long-term transformational trends to find attractive thematic opportunities. Depending on the focus of each investment strategy a positive performance contribution is likely to materialize either top down via a thematic selection or a specific regional and sectoral allocation. Furthermore, the integration of ESG factors in the bottom-up security selection strengthens the investment case and is also a potential source for alpha generation. The surging demand for sustainable investments and the regulatory changes which lead to a shift in capital to more sustainable issuers are likely to lead to a valuation premium for high quality ESG companies in the coming years.

Sustainable Outcomes: Fostering Change and Transition

With some of our strategies we aim at sustainable outcomes by positively contributing to one or several of the Sustainable Development Goals (SDG) established by the United Nations. Such contributions are targeted alongside financial returns and may be the result of an invested company's products and services, or best operational practice in the respective industry. We may also seek exposure to firms which are transition leaders in their respective field.

Active Ownership

We aim to target positive outcomes by fostering robust corporate governance structures and shareholder rights and strong social and environmental performance. Active ownership through engagement and voting gives us an opportunity to influence positively and to encourage transparency. Our direct company engagement is targeting a change in the behaviour of issuers in order to reduce the risks of the investment and improve the future prospects of the firm while reducing adverse impact on society and environment

Depending on the specific level of integration of ESG in each investment strategy, the sustainability objectives of the strategies are: (a) avoiding controversial exposures, (b) mitigating ESG risks and harnessing ESG opportunities (c) achieving above-average ESG profile, and (d) intentionally targeting measurable positive outcomes by investing in companies that promote sustainable products and services.

As an overarching target, the Bank has made a Climate Pledge with a net-zero target for JSS Asset Management by 2035. We are signatories to the Net-Zero Asset Management (NZAM) initiative and have established a climate policy with further details on our concrete approach. Furthermore, we are signatories to the Finance for Biodiversity Pledge with the goal to contribute to methodologies and solutions that address the increased risk of detrimental global biodiversity loss.

3.2. What internal or external resources are used for ESG evaluation of the issuers who make up the investment universe of the fund(s)?

J. Safra Sarasin has its own Sustainable Investment Research team in Asset Management. This department employs nine people whose task it is to assess companies, institutions, countries and real estate from an environmental, social and corporate governance (ESG) perspective. The analysts use aggregated sustainability data from renowned third-party providers, among other things, to form Bank J. Safra Sarasin's sustainable investment universe. These include MSCI ESG for environmental and social data, Governance Metrics International (GMI; now part of MSCI ESG) for governance data, ENCORE for biodiversity data and RepRisk for taking account company-specific reputational risks. We also use VigeoEiris to analyse environmental and social product and service information for the UN Sustainable Development Goals (SDGs). These data points are also used for the subsequent detailed company analysis. Data specific to the climate are collected through Carbon Delta. MSCI ESG also provides us with the current alignment of companies in relation to the Paris Agreement, as well as the effort necessary for each company in % to be in line with various scenarios (1.5°C, 2°C and 3°C). We chiefly use ISS for the operational execution of our voting rights by procuration and have access to their reports on voting by procuration and governance. We use this information to prepare an initiative to highlight the questions on Governance, particularly with regard to the detailed analysis of the subjects of remuneration of managers/advisors. The data from ISS can also be used as a starting point for our engagement dialogues with companies.

In addition, our sustainable investing specialists use a wide range of other sources:

- generally accessible company information and reports (e.g. annual report. sustainability report)
- company visits and management contacts

- systematic monitoring of the print media
- specialized electronic media and the Internet
- research reports
- contacts with non-governmental organisations

This information is interpreted by the respective analysts by means of a comprehensive catalogue of criteria. The results are scored for every individual criterion and entered into a proprietary database (Sustainable Value Builder). The data are then evaluated numerically. The analyst then assesses the results for plausibility and adjusts them if necessary. This is followed by a "peer review".

- management compensation

3.3. What ESG criteria are taken into account by the fund(s)?

The assessment criteria are categorized as follows and weighted differently according to industry:

- **environmental criteria:**
    - climate change
    - use of natural resources
    - pollution & waste management
    - environmental opportunities
- **social criteria:**
    - human capital
    - product liability
    - active influence of stakeholders
    - supply chains
    - social opportunities
- **governance criteria:**
    - ownership
    - directorate
    - board structure

3.4. <u>What principles and criteria linked to climate change are taken into account in the fund(s)?</u>[4]

One of the unique features of J. Safra Sarasin Sustainable Asset Management's claims is the objective to integrate sustainability into each step of the investment process. This is done by using the sustainable investment tools wherever they add value and help further the objectives of reducing risks, increasing returns and changing behaviour.

Our Sustainability Toolkit is embedded in each step of our investment process:

Where applicable, climate considerations may be embedded into each of these tools. The following chapter describes how this is done for each tool (from 1 to 8):

<u>1) Exclusions: smart divestment from coal</u>
The Bank's approach, based on companies' exposure to coal and their mitigation strategies, led it to formalise the exclusion of a number of firms from its investable universe. As a starting point, this entails screening the universe and identifying companies with a significant share of revenues and/or activity related to coal. A threshold of 20% has been set considering coal's current share in the global energy mix and its trajectory in a scenario below 2°C. In sectors such as mining, JSS SAM considers companies' sales exposure to coal, while the generation mix provides the best insight for utilities. The second step of our divestment process is a qualitative review of companies crossing the threshold. This involves analysing the importance of coal within a company's overall activity (a company may own a coal plant but it could represent only a small fraction of revenues), their exposure to renewable energies and, most importantly, their strategies to combat climate change.

[4] Reference to Article 173 of the French TECV Act see paragraphs 3 and 4 of Article D.533-16-1 of Chapter III of the French Legal Code): https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006072026&idArticle=LEGIARTI000031793697

2) ESG Screening Process

The ESG Screening Process is performed with the help of our proprietary Sustainability Matrix. It consists of two dimensions: the industry rating (x-axis) and the company rating (y-axis). The x-axis measures the sustainability of the industry by taking into account controversies, risk exposures but also positive and negative impacts. The carbon footprint of some industries is an important input in this rating. On the y-axis, companies are compared within their peer group on their ability to reduce their negative climate impact with a best-in-class approach (for JSS "enhanced" strategies). Companies that fare the worst on this metric are excluded from all sustainable investment strategies.

3) Long-term ESG trends

Climate Change is a long-term consideration. We analyse "green" activities to help portfolio managers get a better understanding of their holdings:

A "green", or environmentally sustainable, economic activity consists of the following 6 objectives:
1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection of a healthy ecosystem.

We use a number of data providers to assess the green revenues and complement the data after our own proprietary analysis.

4) ESG-Integration

The companies under coverage which comply with our sustainability criteria are then analysed further and material climate issues are being integrated into the financial analysis and, where applicable, financial modelling.

5 and 6) ESG and Climate Objectives

The net-zero ambition may also be explicitly reflected in the climate objectives for the respective strategies. This can be done by assigning an upper threshold for the carbon footprint of the portfolio. This enables the portfolio managers to reflect climate considerations in the portfolio construction process as well. The process by which climate objectives are assigned is discussed in more detail in the following chapter.

In addition, the following two objectives are tracked for each portfolio:

Temperature path

The aim of our approach is to estimate a climate trajectory for each company in our universe, measured in degrees Celsius, in order to determine whether the company is in line with the Paris agreement. A forward looking approach is used to account for specific targets and action undertaken by management. We have set up a system that allows us to assess the positioning of 6000 companies in relation to the Paris Agreement.

Stranded Assets
Stranded assets are defined as "assets on corporate balance sheets that rapidly lose their value as a result of forced writeoffs". Stranded assets currently mainly refer to utilities and exploration companies, where the traditional activities of finding and generating energy (fossil fuels) have come under pressure as a result of climate protection regulations.

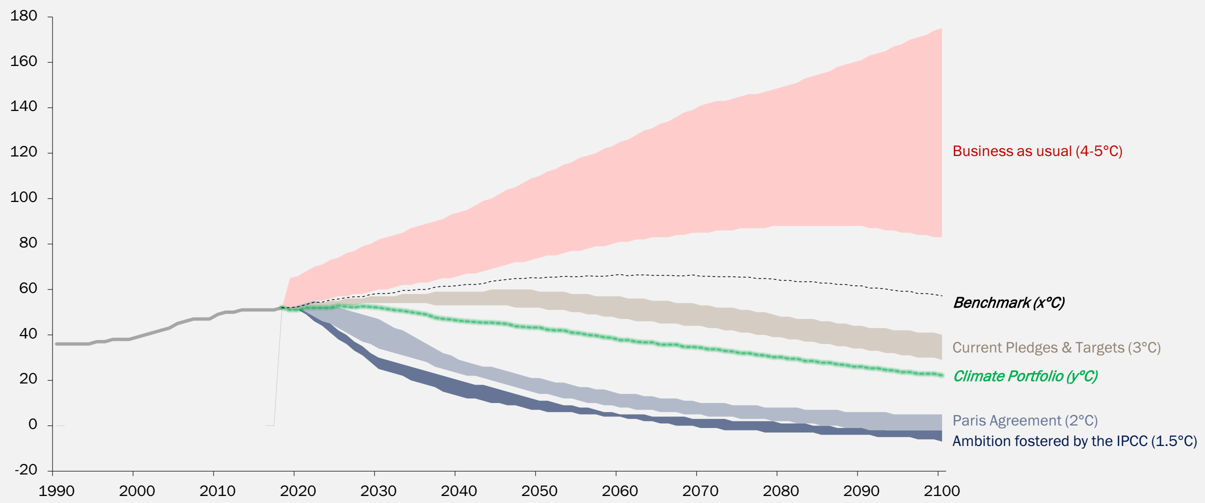
7) ESG Risk Reporting and Monitoring

J. Safra Sarasin Sustainable Asset Management offers an extensive reporting framework. This reporting is also used internally to monitor the ESG and climate performance of portfolios in the regular performance review meetings up to the Asset Management's Risk and Performance Committee.

8) Active Ownership

JSS Sustainable Asset Management engages with companies on a number of ESG considerations. One of them is to foster companies' efforts in aligning with a below 2°C world. The Asset Management sees this engagement as a dialogue between investors and companies with the dual objective of impacting how companies operate and enhancing shareholder returns.

Global Greenhouse gas emissions GtCO2e/year



Sources: CarbonTracker.org

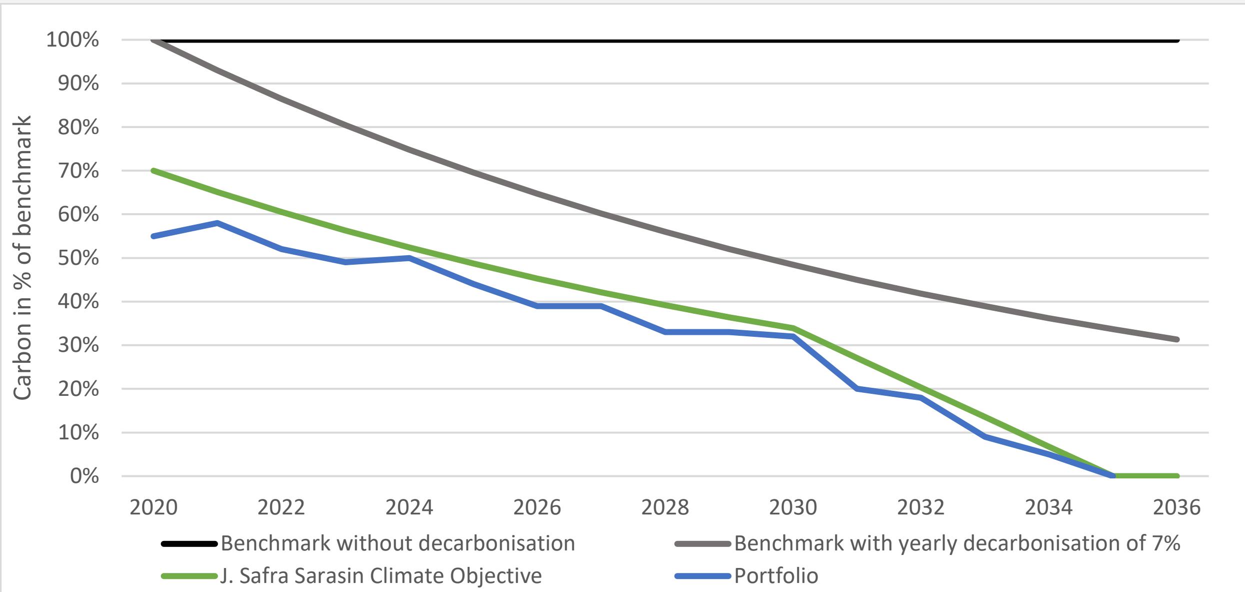
Setting climate objectives for portfolios
The core of the Climate Pledge is the voluntary commitment to achieve a carbon-neutral outcome in portfolios by 2035. A number of portfolios (in scope) may therefore be subject to the objectives such as to reduce their CO_2 footprint until 2035 to net zero. The CO_2 footprint is the Scope 3 emissions of the asset manager. Thus, each individual fund is being given a carbon footprint objective which for each year which is subsequently decarbonised/reduced each year.

The methodology for the climate objective is derived from the EU Benchmark Regulation of the EU Action Plan on Financing Sustainable Growth regulations on the Climate Transition Benchmarks. In the base year (defined as 2020), an upper threshold target for the CO_2 footprint is set. In each subsequent year this target is reduced by 7%. This means that the objective "decarbonizes itself" over time. This process is followed until 2030, after which the objective is reduced linearly until it falls to zero in 2035. For benchmark oriented strategies, the starting point is set at 30% below the benchmark. For non-benchmarked strategies, the starting point should be set at a fixed level, corresponding to the respective strategy. E.g. it may be set at 30% below a reference value relevant from a risk management perspective.

The methodology of climate alignment is constantly evolving and data limitations remain a significant obstacle. We ensure to take into account the latest standards. Three areas deserve special mention:

1. Traditionally, the carbon footprint is based on scope 1 and 2 emissions. The ambition is to phase in scope 3 emissions over time.
2. The new EU benchmark regulation acknowledges methodological limitations with regards to government bonds are excludes them from the calculation.
3. The treatment of Green-labelled bonds in the carbon footprint remains a subject of public debate. As we are committed to transparency, we will publish an explanation where applicable.

Self-decarbonising Climate Objective



Sources: J. Safra Sarasin, for illustrative purpose only

For a list of strategies currently in scope, see https://www.jsafrasarasin.com/internet/com/climate_pledge_appendix-2.pdf

3.5. What is the ESG analysis and evaluation methodology of the fund manager/fund management company (how is the investment universe built, what rating scale is used etc.)?

The foundation of our sustainable investment process is the universe definition. This stage comprises the exclusion of controversial activities, as well as the positive sustainability screening, which consists of both company (best-in-class) and industry (best-of-classes) level assessments.

Norms-based and controversial activity screening
Bank J. Safra Sarasin is a founding signatory of the UN Principles for Responsible Banking (PRB), which commits corporates to align their business with the global frameworks of the Paris Climate Agreement and the UN Sustainable Development Goals (SDGs). J. Safra Sarasin is also a founding signatory of the UN Principles for Responsible Investments (PRI) and is thus committed to integrating ESG factors into the investment analysis, decision-making processes and active ownership practices.

Certain business activities which are not deemed to be compatible with sustainable development lead to the exclusion of companies from the Bank's sustainable investment universe. Exclusions are determined based on whether they meet two fundamental conditions:

1. Whether general societal consensus exists on the activity, and
2. Whether the business is exposed to financial volatility risks.

   We base our Sustainable Investment Policy and strategy on international conventions and norms, including:

- The United Nations Global Compact,
- The OECD Principles of Corporate Governance,
- The OECD Guidelines for Multinational Enterprises,
- The Universal Declaration of Human Rights,
- The UN Guiding Principles on Business and Human Rights,
- The Children's Rights and Business Principles,
- The ILO conventions on labour standards,
- The Rio Declaration on Environment and Development,
- The UN Convention on Corruption,
- The Convention on Cluster Munitions

The screening is used to identify listed companies allegedly involved in breaches of international law, and norms on environmental protection, human rights, labour standards and anti-corruption. If a company is identified in this screening process, we will initiate an internal assessment process of the company and the incident. The norms based screening also identifies companies that are subject to exclusion based on our exclusion criteria below.

Controversial Weapons Guidelines of J. Safra Sarasin Group
J. Safra Sarasin actively meets its responsibility when it comes to controversial weapons, and has implemented a policy outlining the Group's principles in this area. Controversial weapons are types of weapons that are categorised as controversial because of their long-term humanitarian impact and/or the large numbers of civilian casualties they cause. They include biological, chemical and nuclear weapons, cluster munitions and anti-personnel mines. J. Safra Sarasin has

committed itself not to invest its treasury in companies that are active in the domain of controversial weapons.

List of exclusion criteria

The screening for controversial business activities and practices represent a preliminary step of the Bank's sustainability analysis. J. Safra Sarasin applies several standard criteria in order to exclude business practices which are in breach of global norms and/or highly controversial business activities. The standard set for controversial business activities screening is embedded in all our sustainable investment strategies.

A list of exclusion criteria is applied to strategies that integrate ESG aspects. They reflect the relevant ethical and financial risks. Companies with the following activities are excluded from the investment universe:

Exclusion overview

Criterion	Short description	Revenue Threshold
Coal	Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy	5% mining 20% thermal
GMO – Agriculture	Companies that genetically modify organisms for agricultural use	0%
GMO – Medicine	Human cloning and other manipulations of the human gene line	0%
Defence and Armament	Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems & services (e.g. weapon control systems, target navigation systems, etc.)	5%
Tobacco	Producers of tobacco products	5%
Adult Entertainment	Producers of adult entertainment materials	5%
Violation of Human Rights	Companies involved in severe violations of human rights. This criterion takes into account established international standards and principles (e.g. UN Global Compact)	0%

The FNG Label exclusions apply to the Euro Broad and EUR Corporates strategies.

The Sustainable Investing Advisory Council and the Bank's Corporate Sustainability Board govern the definition and application of this Exclusion Policy and any security-specific exclusion lists created as a result thereof, subject to the annual review and approval of the J. Safra Sarasin Asset Management Board, unless a specific event necessitates an out-of-cycle review.

For client-specific mandates we occasionally receive requests to screen out certain industries or securities from the investment universe of that client-specific mandate. Examples of client-specific exclusions that we have been asked to apply are alcohol and gaming stocks, home country stocks or stocks in which the investor has an economic interest. These requests are considered on a case-by-case-basis and generally accommodated for client-specific mandates. In these instances the exclusions will be incorporated into the mandate investment guidelines.

Positive Screening and Negative Screening

In the ESG screening process we perform a sustainability analysis for each covered company in order to define the investable universe for each strategy. The main result of this analysis is the definition of a best-in-class and a worst-out universe. The ESG screening analysis of a company is composed of two elements, Company Rating and Industry Rating. ESG key issues, SDG-related revenues, carbon metrics and other relevant sustainability-related data are sourced from a number of data providers (such as MSCI ESG, VigeoEiris, ENCORE and RepRisk) and integrated into J. Safra Sarasin's proprietary database, where an industry and a company rating are calculated and displayed in the "Sustainability Matrix". A similar process is applied for country ESG ratings.

Company Rating:

- We analyse the relevant ESG key issues by sector
- As an integral part of our company rating, we conduct a media analysis through which we analyse relevant controversial cases with the respective company's involvement. We base our analysis, which is incorporated in the sustainability company rating, on public non-company related sources. The news value (influence of the source, severity of criticism, newness of the issue) as well as the news intensity (frequency and timing of the information) is systematically taken into account.

Industry Rating:

- The industry rating is based on a proprietary input-output model that analyses the relative ESG risks faced by different industries. The relevant externalities are classified into ESG-themes and underlying issues. The assessment takes into account direct and indirect impact.
- The calculation of our industry ratings is reviewed by the Sustainable Investment Analysts on a bi-annual basis.
- The industry ratings are compared with other available data and rating sources, i.e. MSCI ESG industry risk intensity scores, to ensure accountable and credible industry score results.

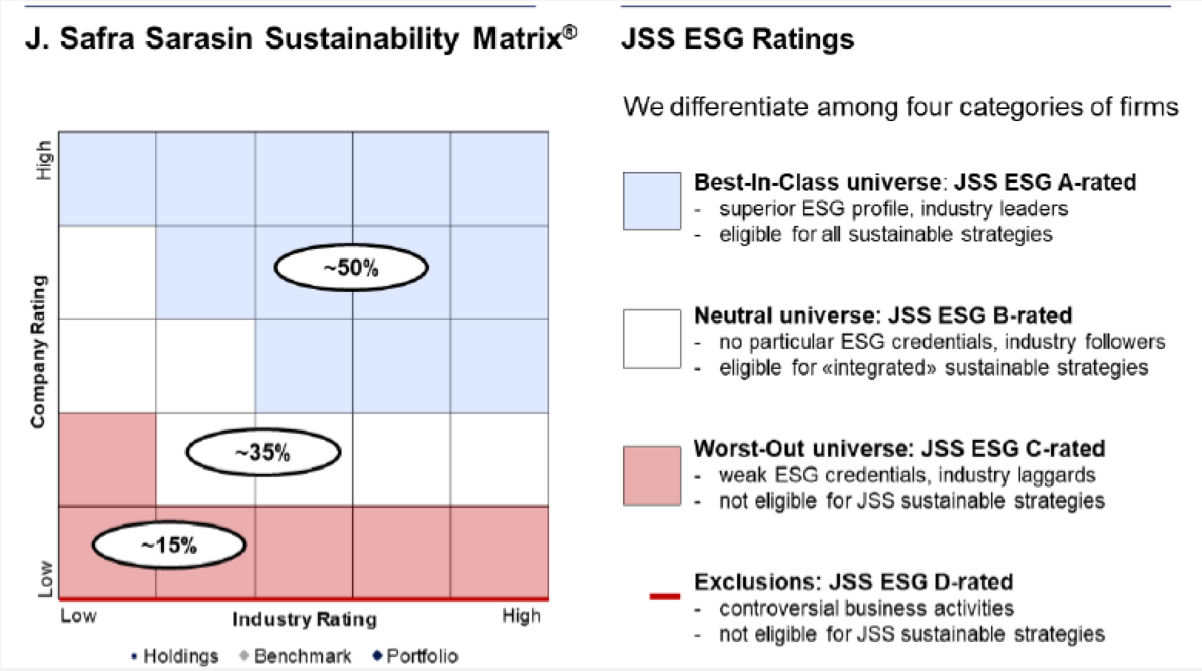
In a subsequent step of the Sustainability Analysis, the two scores (company ratings and respective industry ratings) are combined and displayed in our proprietary J. Safra Sarasin Sustainability Matrix, the key output of our Sustainability Analysis. In exposed sectors with low ratings (e.g. oil & gas, materials) companies must achieve a high company rating to be included in the best-in-class investment universe, whereas in less exposed sectors (e.g. telecommunication, IT) companies must only achieve an average company score to be included. In our Sustainability Matrix, the x-axis displays the industry rating score between 0 (low) and 5 (high). The y-axis displays the company score between 0 (low) and 5 (high). The output of the sustainability analysis is the investable universe.

The sustainability analysis and rating is conducted in-house by our Sustainable Investment Research team. The analysis is performed in an annual, automated and systematic process. Manual ratings and ad-hoc reviews of the sustainability rating of individual companies are done as needed. They are performed by the respective ESG sector analyst, taking into account the input from the portfolio manager/financial analyst. These reviews can be triggered by an IPO of a security, information/data on sustainability key issues from providers or engagements or a spike in new controversies.

ESG A-rated (best-in-class) companies are investable without any restriction in all strategies. ESG B-rated (neutral) companies are only investable in JSS ESG “integrated” strategies. In these strategies, the relevant ESG risks must be addressed in the investment case, i.e. in research, investment case, portfolio construction and ESG performance monitoring. In addition, an engagement strategy is recommended if applicable. ESG C- rated firms are lagging their industry peers, exhibit specific sustainability concerns, raise questions in terms of the do-no-significant-harm principle, or show a weak performance against important industry-specific standards. Companies can also be C-rated after an unsuccessful engagement initiative to address identified weaknesses. Finally, companies on our exclusion list are D-rated. C- and D-rated companies are not eligible for JSS sustainable investment strategies. In case of a passive breach after a rating deterioration, an adequate grace period for divestment applies to protext clients’ best interest.

The definition of the A-rated universe ensures that of the entire global investment universe of issuers for which ESG data are available, at least half (50%) of the number of issuers are excluded. JSS ESG “integrated” strategies that allow investments in the A- as well as B-universe encompass about 85% of a global investment universe. The C universe (worst-out), which is not eligible for our sustainable investment strategies, consists of about 10-15% of issuers, with the remaining part forming the exclusion list (D-rated universe).

We aim to have the highest possible coverage of securities in every investment strategy. Nevertheless there may be some investment strategies where the coverage is not sufficient. In that case a certain maximum amount of allocation in non-rated securities (ESG N-rated) will be allowed and defined in the Product Restrictions and Positioning (PRP) document of such a strategy.



A-rated companies are investable for all strategies.

B-rated companies are investable for:

- JSS Sustainable Bond - Total Return Global
- JSS Sustainable Bond - Global Short-term
- JSS Sustainable Bond - Emerging Markets Corporate IG
- JSS Sustainable Bond - Emerging Markets Local Currency.

The fully integrated sustainable investment approach is not limited to corporations, but also extends to countries: as issuers for sovereign bonds, they collectively account for more than a quarter of all debt issued on international capital markets. Bank J. Safra Sarasin measures the sustainable economic performance of a country based on the availability of natural resources and the efficiency with which these resources are put to use. Here the availability of natural resources provides the foundation for sustained economic growth (illustrated on the horizontal axis in the next figure).

These include four key elements and one forward looking key risk:

- Water: including freshwater availability and water stress
- Land & Biocapacity: including availability/use of forests and arable land, biodiversity
- Energy: including renewable energy quota and energy efficiency
- External environmental costs: including environmental pollution and physical risk of climate change

Forward looking key risk:

- Climate transition and nature protection: How well equipped is a country to transition out of a fossil fuel economy and how well it does in conserving nature?

The other dimension, resource efficiency and management, is illustrated on the y-axis in our matrix. It includes the assessment of economic, social and political aspects, and general conditions which, building on the available resources, are required to expedite sustainable development. Resource efficiency covers seven key elements and two forward looking key risks:

- Basic human capital: including population structure and basic education
- Knowledge Capital: including higher education, R&D and technological readiness
- Overall economic conditions: including infrastructure, unemployment and business climate
- Basic rights and equality: including distribution of income and human rights
- Financial governance: including level of debt and foreign trade
- Political governance: including institutions and corruption
- Environmental governance: including environmental pollution and emissions

Forward looking key risks:

- Social stability & unrest potential: How stable is a country resulting from wealth equality and liberal freedoms?
- System stability & effectiveness: Is a country’s governmental system effective and stable thanks do democratic processes or is it undermined by corruption?

Bank J. Safra Sarasin plots 181 analyzed countries across the two dimensions resource availability and resource efficiency on the Sarasin Sustainability Matrix®. The countries in the shaded area are relatively better positioned and can be invested in, while the countries in the white area are not investable (as of September 2021).

Bank J. Safra Sarasin’s sustainability rating for countries is based over 100 data points from publicly available sources, including Amnesty International, United Nations, World Bank, Economist Intelligence Unit, Freedom House, IMF, OECD and the US Central Intelligence Agency.

The main benefit of the sustainability rating to the client is the ability to identify structural changes at an early stage. Although the country rating serves as a complimentary tool for credit ratings based on financial criteria, it is not a substitute for them.

In the case of national and supranational institutions that issue bonds, the sustainability of the performance mandate on the one hand and the sustainability of the implementation of the performance mandate on the other hand are assessed according to the criteria that are also applied in the sustainable corporate rating. In the case of public-sector Pfandbriefe used to finance public-sector loans, the portfolio of the cover pool is analyzed on the basis of the sustainable country ratings.

3.6. <u>How often is the ESG evaluation of the issuers reviewed? How are any controversies managed?</u>

The research methodology procedures are reviewed once a year and adjusted and updated as necessary. In the revision of the methodology, the data sets of the UN SDG-oriented revenues and the average carbon footprint were added to calculate the industry rating in order to strengthen the impact component.

Depending on emerging controversies, results from exposures or other important ESG-related developments, the rating of a security issuer may also be adjusted during the year. If a security is found to violate our sustainability criteria, it is removed from the sustainable investment universe and must be sold within two weeks.

4. *Investment process*

4.1. <u>How are the results of the ESG research integrated into portfolio construction?</u>

Portfolio Construction

ESG Profile and risk assessment
For the majority of investment strategies the portfolio construction process relies on a quantitative multi-factor risk model (Bloomberg PORT) to construct portfolios and to control for external risks. The (ex-ante) risk attribution and the (ex-post) performance attribution are based on the same multi-factor model.

The following inputs are imported into our portfolio construction system:

- The universe of the investment strategy and the benchmark index (if available)
- The sustainability rating of the company/security as well as specific sustainability risk factors
- The «upside/downside to fair value» estimate/score from our Investment Analysis
- The sustainability rating of the company as well as specific sustainability risk factors
- SDG revenue percentage
- The exposure of client-specific restrictions such as tracking error and exposure constraints can be monitored, and
- Specific factor risks can be analysed to ensure adherence to positioning.

The implementation of a change in holdings into the portfolio usually follows an iterative process: the portfolio manager simulates the implications of implementing a new position. He takes into consideration the impact on portfolio factor exposures, risk measures, and restrictions and implements the changes in the portfolio only if they improve the risk/return profile and if they do not breach any constraints. The change in ESG profile and the ESG tail risk assessment is also taken into consideration.

Certain Sub-Funds may use outcome-oriented data on SDG-related corporate revenues in the idea generation part of the investment process. They may have explicit targets in relation to the percentage of those SDG-related revenues versus overall revenues of the Sub-Fund's holdings

Climate profile and risk assessment
Climate risk analysis focuses on long-term and tail risks arising from climate change and the respective changes in the regulatory environment. By using specific data, such as CO2-footprint or stranded asset exposure, these risks are identified and measured within a portfolio context. Again the focus of the analysis is to highlight and to reduce tail risks.

In the portfolio construction step of the investment process any change in the investment portfolio will be analysed with reference to the change in the climate profile (ex ante). For some strategies specific climate objectives are defined at the portfolio level. The adherence will be ensured in the portfolio construction process.

Climate Pledge

For a number of strategies, we assign climate objectives which the portfolio managers have to adhere to and which are monitored and reported independently. Climate objectives often relate to the carbon footprint of the strategies against the benchmark. The objective-setting process is described in the Climate Pledge of JSS Sustainable Asset Management.

4.2. How are the criteria specific to climate change integrated into portfolio construction?

Please see above, 3.4.

4.3. How are the issuers that are present in the portfolio, but not subject to ESG analysis evaluated (not including mutual funds)?

We ensure at all times that 100% of the invested securities have a sustainability rating. Otherwise, no investments may be made.

4.4. Has the ESG evaluation or investment process changed in the last 12 months?

The most important changes were the introduction of sustainability objectives for the Euro Broad, EUR Corporates and Sustainable High Yield strategies (decarbonization target and portfolio average sustainability rating above the benchmarks'). Since August 1, the Euro Broad strategy has its sustainable objectives aligned with Art. 9 of the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"). Until the effective date, the fund had promoted environmental and social characteristics according to Art. 8.

As a result, the fund's sustainable investment objectives are aligned with Art. 9 SFDR, the Paris Agreement and J. Safra Sarasin's corresponding Climate Pledge to achieve carbon neutrality in portfolios by 2035. The fund intends to contribute to the environmental objective of climate change mitigation and to the social objective of enhancing social cohesion on fund level. In particular, the fund's net assets are at least invested in 30% labelled (green, social, and sustainable) or sustainability-linked bonds, whereas these 30% constitute at least of:

- 10% green labelled bonds
- 10% either social or sustainable labelled bonds.

4.5. Is a part of the fund(s) invested in entities pursuing strong social goals/social enterprises?

Yes, a certain part of the funds invests in such enterprises.

4.6. Does (do) the fund(s) engage in securities lending activities?

No.

4.7. Does (do) the fund(s) use derivative instruments?

Yes, we use derivative instruments to optimize our portfolio management. Each portfolio has gross and net exposure limits based on the commitment approach. Derivatives inherit the same sustainability rating of the underlying issuer/company, e.g. a US treasury bond future would have the rating of the US. Thus, derivatives do not alter the sustainability of the portfolio.

4.8. Does (do) the fund(s) invest in mutual funds?

No.

5. *ESG controls*

5.1. **What internal and/or external control mechanisms are in place to ensure compliance of the portfolio with the ESG rules on managing the fund(s) as defined in section 4?**[5]

Bank J. Safra Sarasin's Sustainable Advisory Council, an external Advisory Board for sustainable investments, provides advice for the further development of our sustainable investment products and, when necessary, our corporate sustainability. The permanent members are Dr Wolfgang Engshuber und Dr Andreas G. F. Hoepner, both proven and internationally renowned experts in the field of sustainable investment, who are joined by other external experts or organizations, depending on the thematic focus.

A department organizationally separate from Asset Management (Risk Office) checks whether the invested securities are rated "sustainable", using the database provided by the Sustainable Investment Research Team. If this is not the case, titles must be sold immediately.

In the case of Funds domiciled in Luxembourg the custodian additionally monitors compliance with sustainability criteria.

6. *Impact measures and ESG reporting*

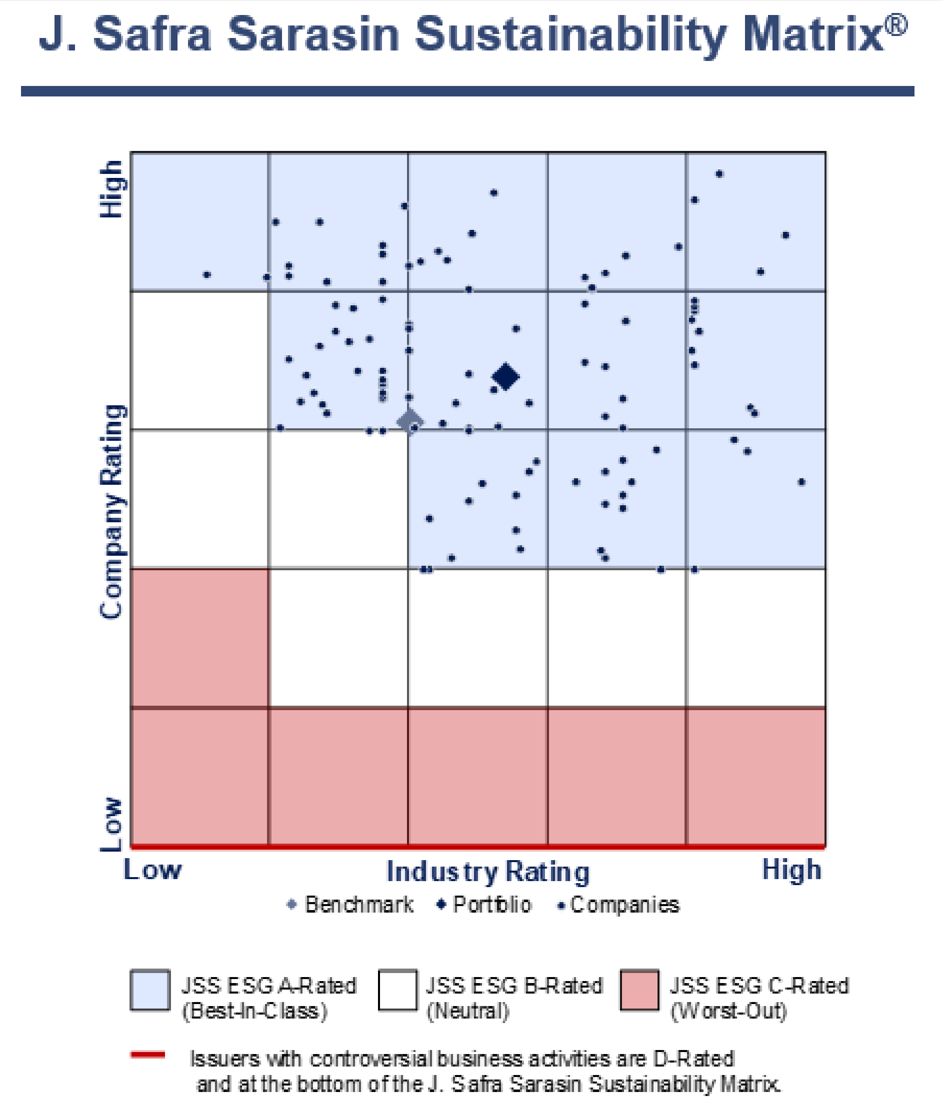
6.1. **How is the ESG quality of the fund(s) assessed?**

Our ESG portfolio analysis shows relevant company-specific environmental (E), social (S) and corporate governance (G)-related portfolio indicators. The analysis identifies strong and weak ESG performance and identifies possible alternatives. Our ESG portfolio reporting summarises the analysis and graphically presents our investment universe.

[5] Reference to Article 173 of the French TECV Act

Issuers and Industry Ratings

Using our proprietary sustainability rating methodology, all holdings are rated on selected environmental, social and governance KPIs. In this way, the portfolio can be mapped onto the Sarasin Sustainability Matrix®. The following illustration shows this for a model portfolio:

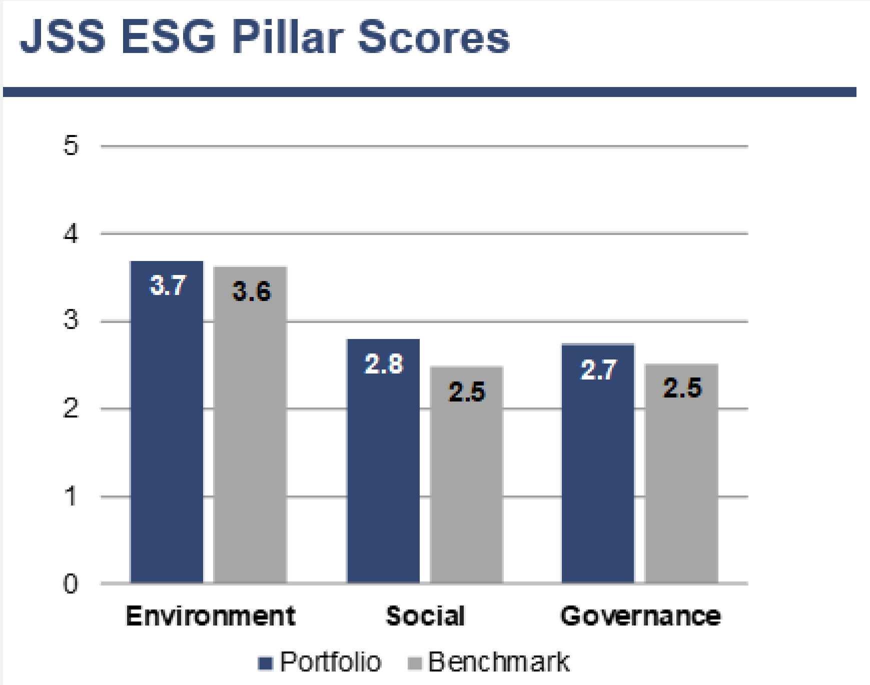


Sources: Bank J. Safra Sarasin Ltd; Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission

Allocations and underlying holdings may change without notice.

Explanation: the portfolio performs better than the benchmark on company and industry sustainability measures on an asset weighted basis. All holdings plot in the upper right of the Sarasin Sustainability Matrix® and are eligible for the sustainable investment universe.

Pillar Scores



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Allocations and underlying holdings may change without notice.

Our proprietary sustainability ratings assess the financially material issues emanating from environmental, social and governance (ESG) aspects and reputational risks of each issuer in comparison with its peer group. The issuer rating can be broken down into three E, S and G pillar scores. Each pillar score is made up of several underlying ESG KPIs. The weighting of the ESG KPIs is consistent across all issuer within the same peer group. For companies, the peer group is within the same sub-industry.

Explanation: Similarly, the holdings attain consistently slightly higher average scores across the environmental, social and governance pillars versus the benchmark. This results in a globally lower sustainability risk profile of the portfolio.

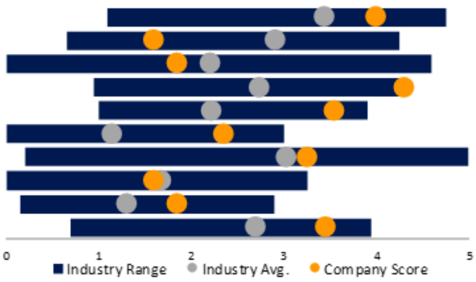
Key Issues Methodology

We present selected sustainability KPIs for the top 10 most heavily invested companies to illustrate specific input variables for the environmental, social and governance components of each company rating.

Example (model portfolio):

Top 10 Issuers and Their Most Important ESG Key Issue

Name	Industry	Key Issue
Deutsche Bahn Finan...	Railroads	Carbon Emissions
Medtronic Global Ho...	Health Care Equipment	Product Safety & Quality
Johnson & Johnson	Pharmaceuticals	Product Safety & Quality
Unibail-Rodamco-Wes..	Retail Reits	Opportunities in Green Building
Landesbank Baden-Wu	Special Banking Institutio...	Financial Product Safety
Amadeus It Group Sa	Data Processing & Outsourc...	Human Capital Development
Assicurazioni Gener...	Multi-Line Insurance	Insuring Health & Demographic Risk
Phoenix Group Holdi...	Life & Health Insurance	Insuring Health & Demographic Risk
Telefonaktiebolaget...	Communications Equipment	Human Capital Development
E.On Se	Multi-Utilities	Human Capital Development



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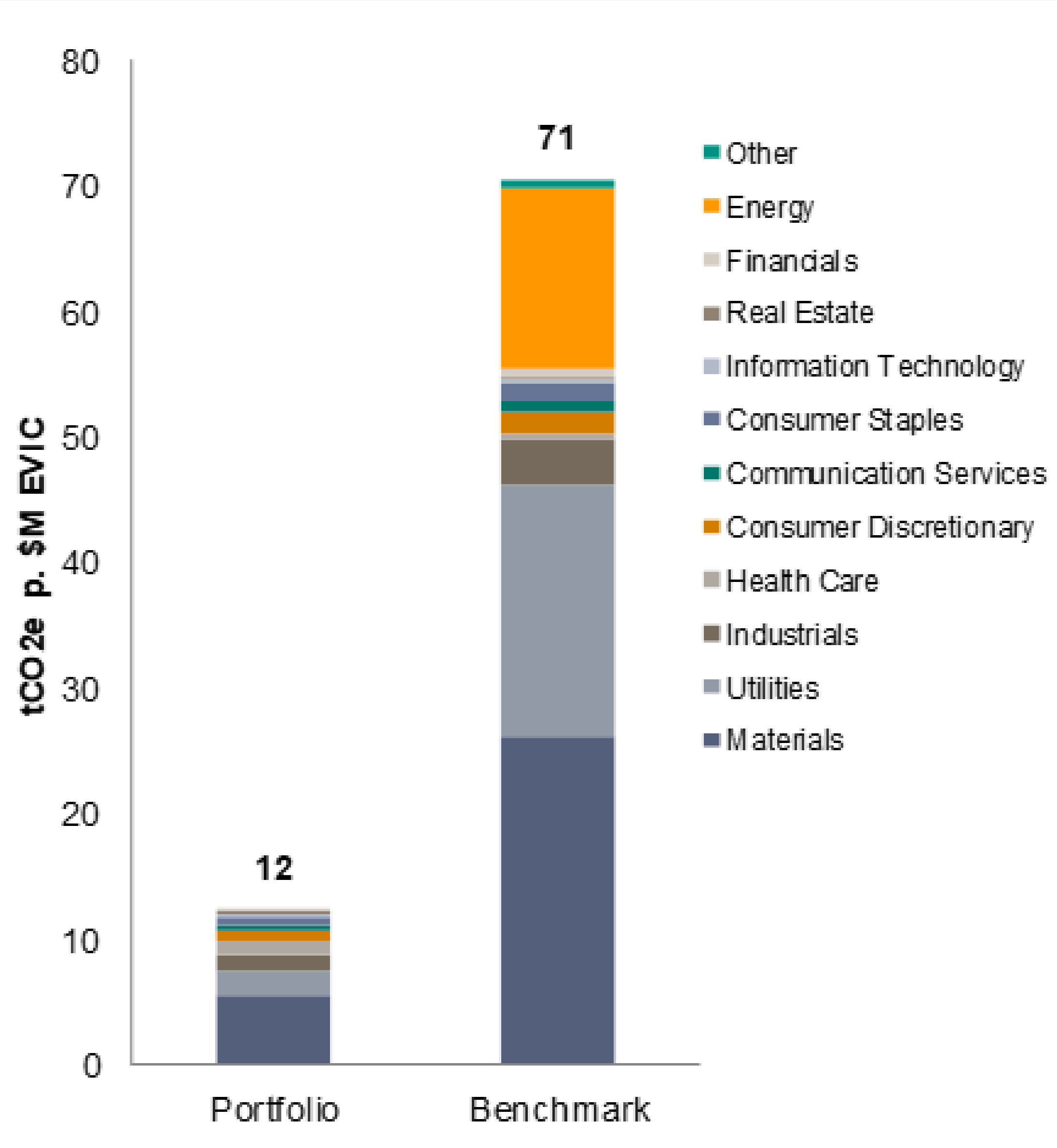
Allocations and underlying holdings may change without notice.

Further, we calculate the portfolio's (Scope 1+2) carbon footprint based on the investors claim on each company's assets, and allocate the carbon emissions reported from those assets to the invested capital.

Example (model portfolio):

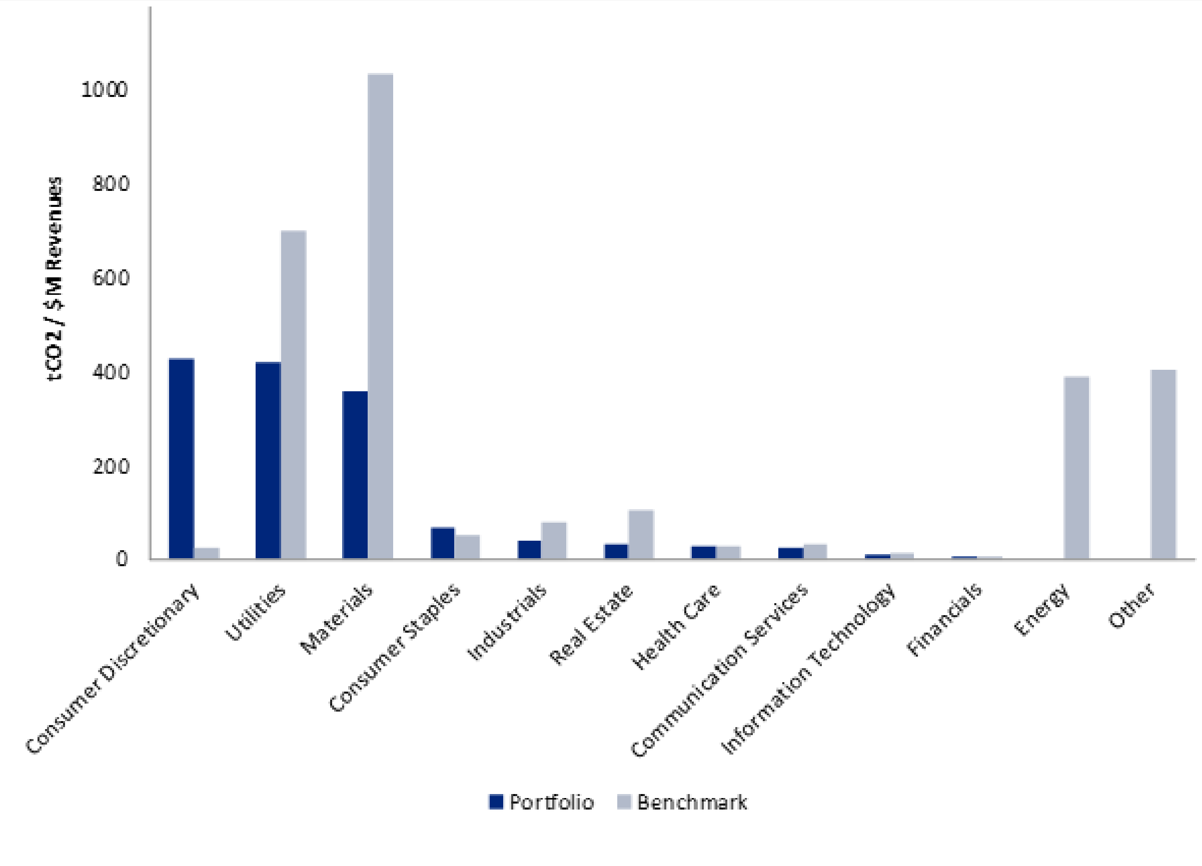


Sources: Bank J. Safra Sarasin Ltd; Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission

Allocations and underlying holdings may change without notice.

Explanation: the portfolio has a significantly lower carbon footprint compared to its benchmark. This results mainly from investment decisions with regards to the Utilities, Materials and Energy sectors.

To illustrate the role of carbon efficient company selection over sector allocation we calculate the weighted average emissions per unit of company sales for the portfolio and benchmark in each sector. Model portfolio:



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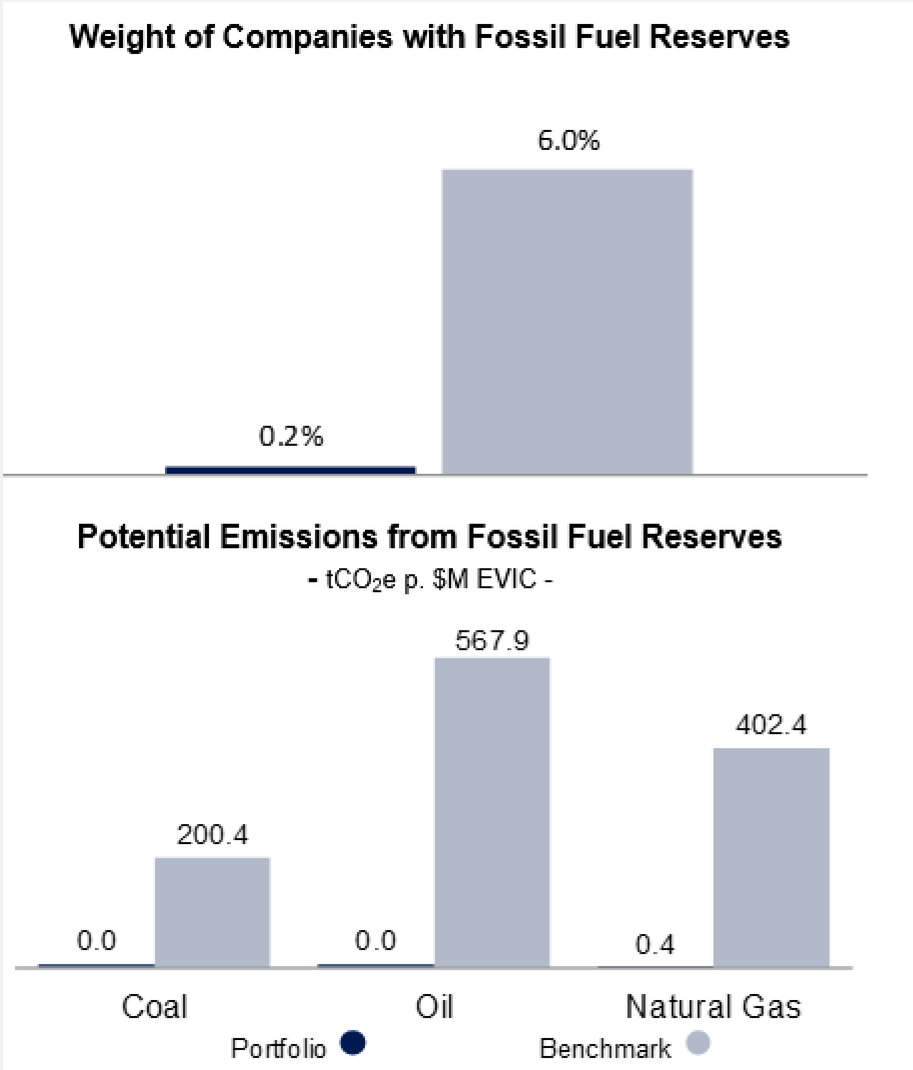
Allocations and underlying holdings may change without notice.

Explanation: The portfolio has a lower carbon intensity than the cap weighted sector benchmark average in most sectors. Clear positive results can be again found in the Utilities and Materials sectors.

Using our comprehensive carbon emissions and reserves database of over 8500 issuers we can estimate portfolio exposure to potentially stranded fossil fuel reserves. We are also able to estimate an investors claim on the volume of reserves, and calculate the future emissions based on emissions per unit of fuel. Model portfolio:



Sources: Bank J. Safra Sarasin Ltd; Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission. Allocations and underlying holdings may change without notice.

Explanation: Portfolio holdings have far lower fuel reserve ownership stakes vs the benchmark and in particular no coal or oil exposure. This is notably due to Bank J. Safra Sarasin's Climate Pledge; one of the means to address climate change challenges.

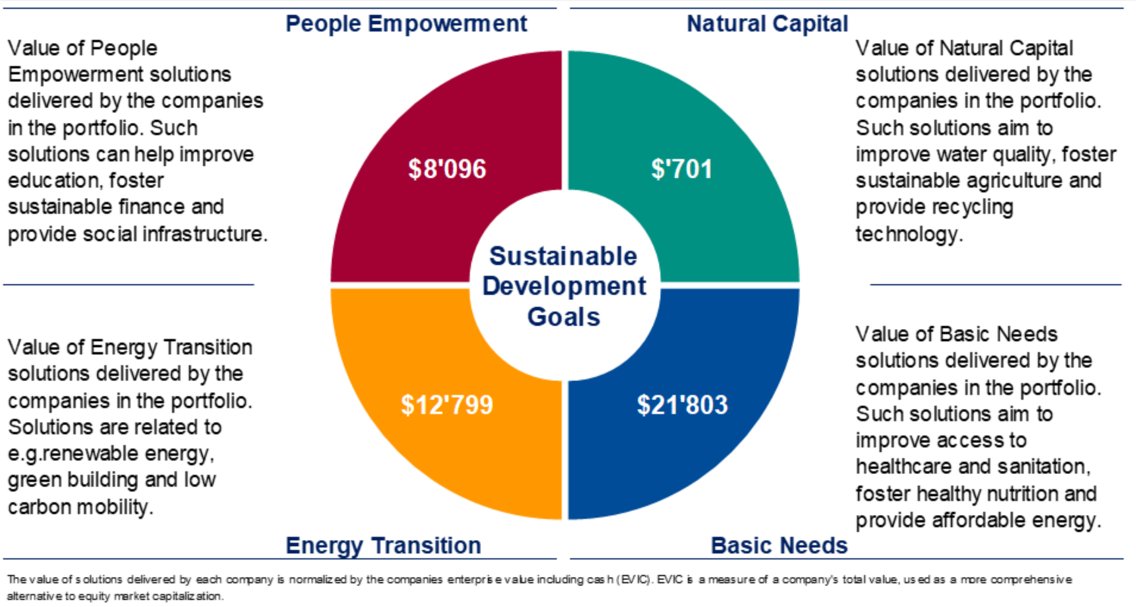
In addition, we present the top 10 holdings in terms of contribution to the portfolio's carbon footprint along with the adequacy of their efforts to mitigate related risks and impacts (policies, measures incl. efficiency, abatement and performance). This illustrates the gap that can exist between the CO2 intensity nature of specific companies' activities and the measures these companies take to reduce their footprint. Indeed, a relatively high footprint is not necessarily the result of a lax approach to climate issues. With impact in mind, through our methodology, we value companies that demonstrate the strongest efforts in addressing climate challenges that are specific to their business. Model portfolio:

Top 10 Contributors to the Portfolio CO2 Footprint

Name	Industry	Contribution in % to CO2-Footprint	Mitigation Efforts
Imerys Sa	Construction Materials	16.6	Above Average
Ds Smith Plc	Paper Packaging	16.5	Average
Metsa Board Oyj	Paper Products	12.9	Average
Apa Infrastructure Limited	Gas Utilities	7.9	Below Average
Accor Sa	Hotels, Resorts & Cruise Lines	5.5	Above Average
Sse Plc	Electric Utilities	4.8	Above Average
Merck Kommanditgesellschaft A.	Pharmaceuticals	3.9	Average
East Japan Railway Company	Railroads	3.6	Above Average
Telenor Asa	Integrated Telecommunication S...	2.1	Above Average
Anheuser-Busch Inbev Nv	Brewers	1.8	Above Average

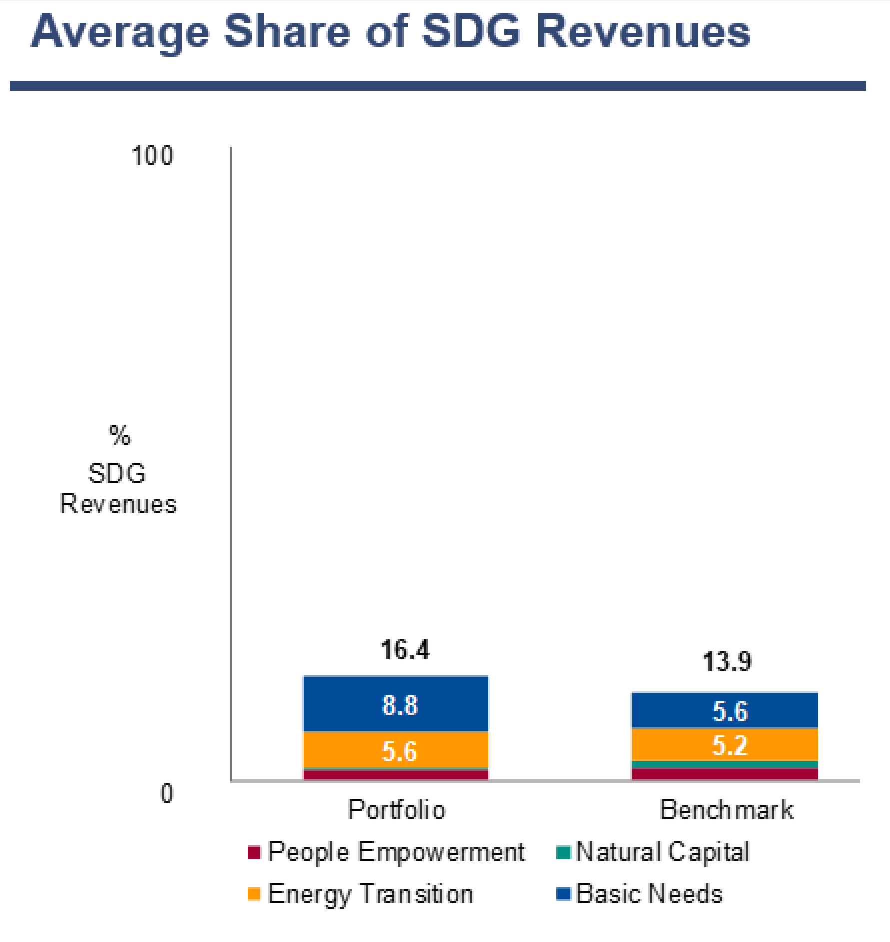
Further, our SDG monitor shows the value of solutions delivered in SDG-related areas per million invested, the proportion of holdings offering impact solutions, the number of products and services offered by holdings to address SDGs and their according shares of revenue, as well as company examples with relevant SDG product/services involvement.

Examples for the model portfolio:



Sources: Bank J. Safra Sarasin Ltd; Vigeo Eiris

Allocations and underlying holdings may change without notice.

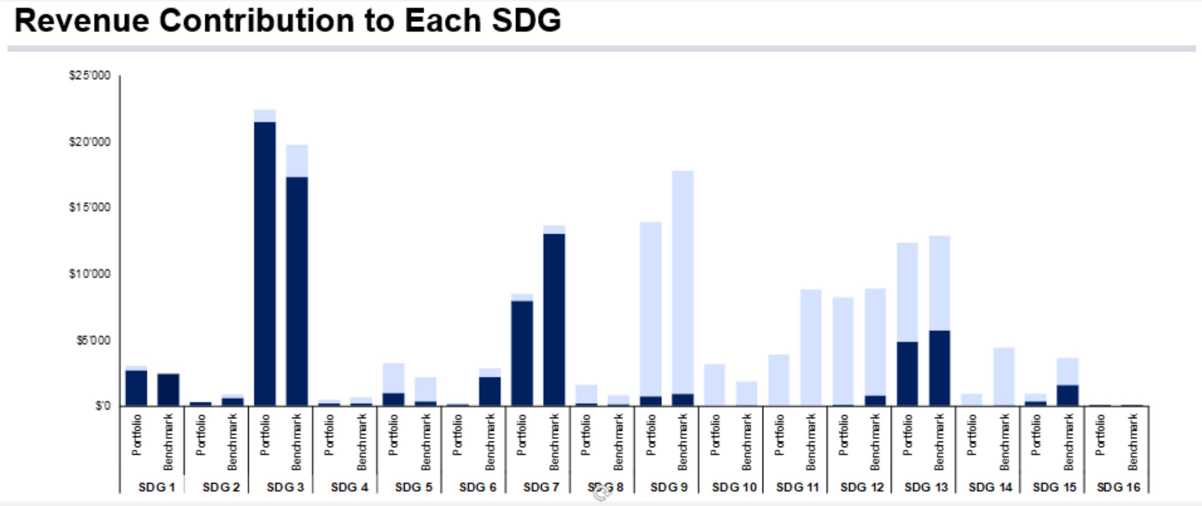


Sources: Bank J. Safra Sarasin Ltd; Vigeo Eiris. Reproduced by permission
Allocations and underlying holdings may change without notice.

Methodology: Share of SDG Revenues

- We track revenues of portfolio companies from products & services which contribute to the 17 UN Sustainable Development Goals of the Agenda 2030 (UN SDGs) and their underlying targets.
- We group the SDGs in four investable themes: **Basic Needs**, **Energy Transition**, **People Empowerment** and **Natural Capital**. This allows us to avoid double counting.
- The portfolio weighted average share of SDG revenue is an indicator on how much portfolio companies are contributing to the UN SDGs and can potentially benefit from their exposure.

Further, using a specialized data provider and in-house research we are able to identify which portion of a companies revenue contributes to the SDGs. In this chart we weigh each company's contribution by its weight. We distinguish between a high (dark) and medium (light) link. The revenue contribution by each company is normalized by the companies enterprise value including cash (EVIC). EVIC is a measure of a company's total value.
Model portfolio:



Sources: Bank J. Safra Sarasin Ltd; Vigeo Eiris
Allocations and underlying holdings may change without notice.

Moreover, using our comprehensive carbon database covering over 8’500 issuers, company level business and geographical information, country level commitments (NDCs) following the Paris Agreement and climate scenario data from scientific and academic sources, we are able to:

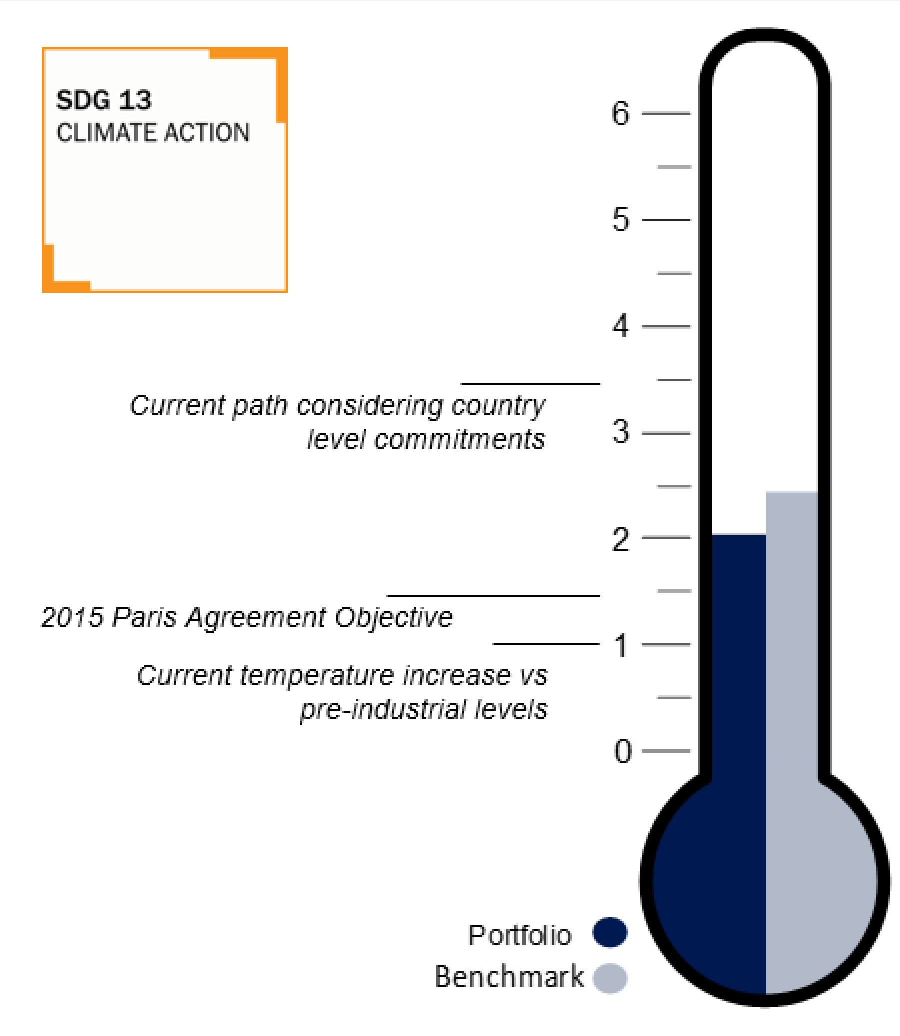
…estimate the required carbon emissions reduction per industry and per company under a given climate scenario.

…assess the credibility of companies’ own carbon reduction targets.

…define a climate scenario alignment level and thus a warming potential for every holding.

We consolidate this information at portfolio level and for the benchmark on a weighted average basis.

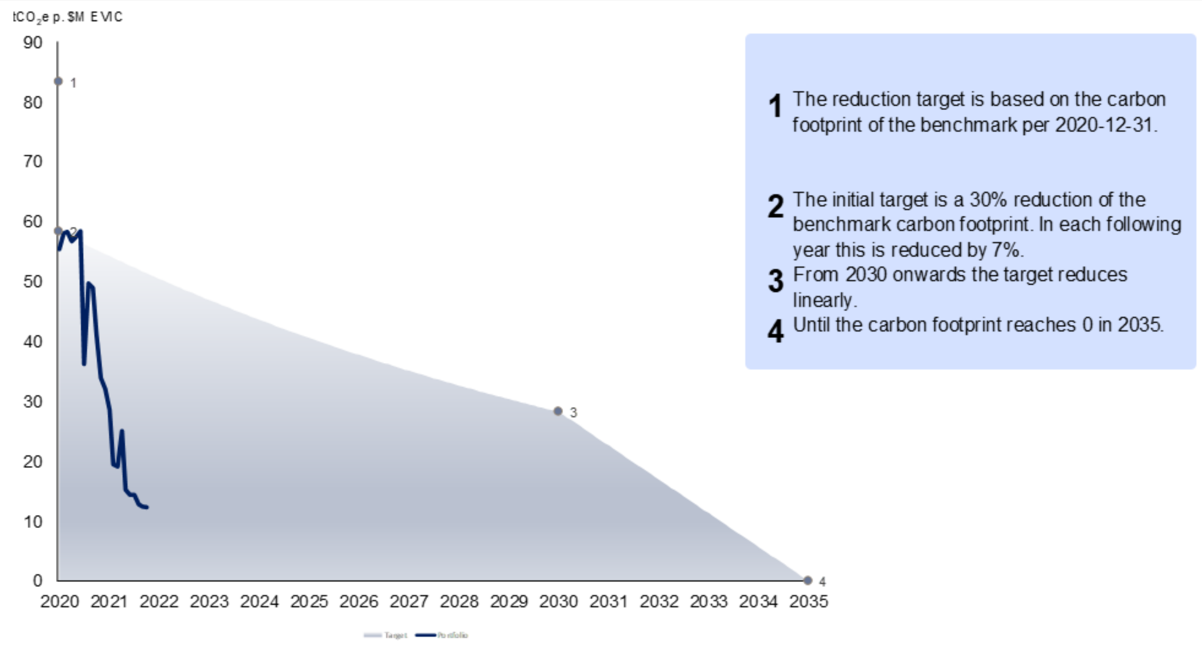
Model portfolio:



Sources: Bank J. Safra Sarasin Ltd; Carbon Delta. Reproduced by permission

Allocations and underlying holdings may change without notice.

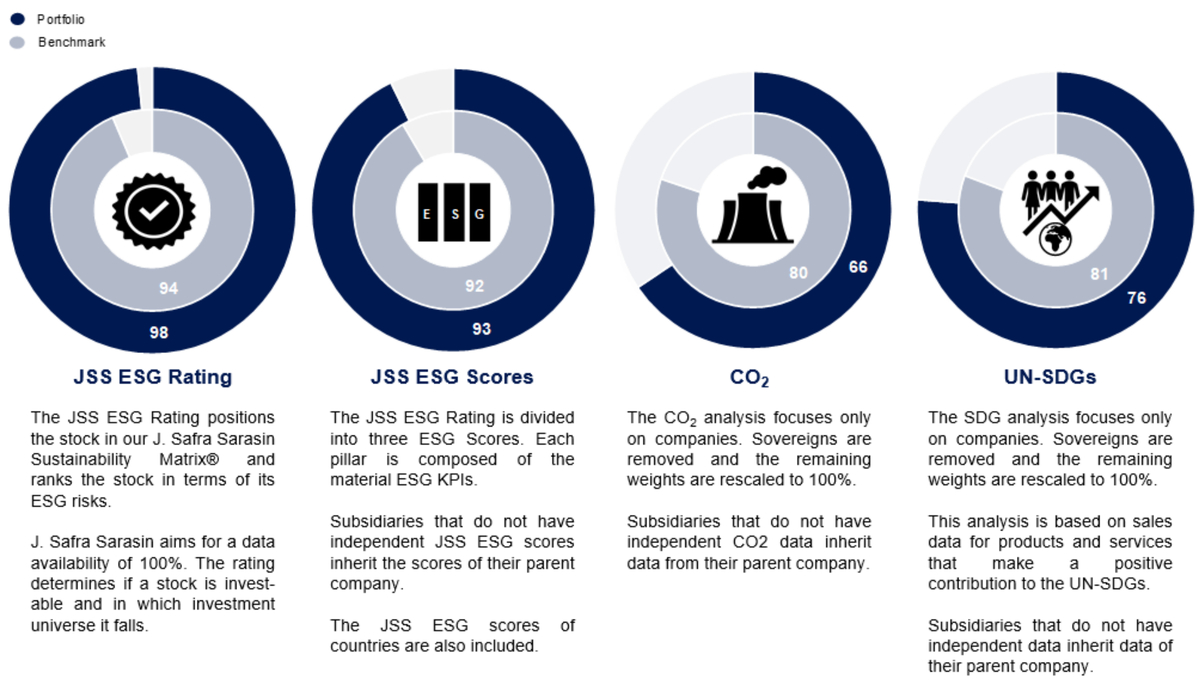
Finally, we show the Climate Target & Decarbonisation Pathway.
Model Portfolio:



Dark grey shaded: target; blue line: portfolio.

Sources: Bank J. Safra Sarasin Ltd; Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission
Allocations and underlying holdings may change without notice.

We also show the data coverage for both the portfolio (dark blue) and the benchmark (grey).
Model portfolio:



Sources: Bank J. Safra Sarasin Ltd; Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission; Vigeo Eiris
Allocations and underlying holdings may change without notice.

6.2. What ESG indicators are used by the fund(s)?[6]

Methodology, Ratings, ESG Scores, Impact Estimates, Commentaries: Bank J. Safra Sarasin, Sustainable Investment Research
Sustainability Criteria Scores: MSCI IVA
CO2-Data: MSCI Carbon Metrics
Data on reputational risks: RepRisk
Data related to the SDGs: VigeoEiris.
Climate and CO2-Data: MSCI Carbon Metrics
Biodiversity: ENCORE

6.3. What communication resources are used to provide investors with information about the SRI management of the fund(s)?

The following information about our sustainable funds is available:

- Company sustainability profiles upon request
- Sustainability report in the Annual Reports
- Bank J. Safra Sarasin's Sustainable Investment Policy https://www.jsafrasarasin.ch/internet/ch/en/jss__sustainable_investment_policy.pdf
- Regular sustainability publications on: https://am-ch.jsafrasarasin.com/internet/amss-ch/amss-ch_index/amss_insights.htm?tab=1
- ESG information on fund factsheets
- ESG portfolio analysis upon request

Some of these documents are available here: https://product.jsafrasarasin.com/internet/product/en/index

6.4. Does the fund management company publish the results of its voting and engagement policies?[7]

The documents described for this section are openly available to all investors:
https://www.jsafrasarasin.com/internet/com/de/com_index/sustainability/com_sustainable_investment/com_our_active_ownership_approach.html
The basics are found in the Active Ownership Policy. This in turn is reflected in the guidelines for exercising voting rights.
The results of the exercise of voting rights are reported in two ways:
At the individual share level, a function is available at the top of the homepage showing our votes per share.
At the level of the entire bank, we also publish an annual Active Ownership Report there, which summarizes the results.

The Bank's active ownership approach is to support long-term, sustainable development and to promote sustained profitability and risk management in portfolio companies in order to protect shareholder value and enhance long-term results. The Bank seeks to reduce the

[6] Reference to Article 173 of the French TECV Act
[7] Reference to Article 173 of the French TECV Act and the HLEG recommendations on GOVERNANCE

negative impact on society and the environment and to promote sustainable growth. Active ownership tools include proxy voting, attending annual general meetings (AGMs) when appropriate and engagement with companies.

The following represent the guiding principles of J. Safra Sarasin's sustainable investment activities and Active Ownership approach:

- Promoting good corporate governance and strong social and environmental performance enhances long-term shareholder value.
- Strengthening the investment process and supporting investment decisions positively influence long-term value creation for shareholders.
- Acknowledging that voting rights carry economic value and exercising them accordingly.