

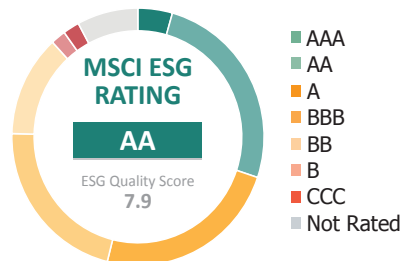
IST GLOBAL CORPORATES IG HEDGED CHF

IST Portfolio

| | |
|----------------------------|---------------|
| Portfolio Manager | Capital Group |
| ESG Rating ¹ | AA |
| SFDR Category ² | Art. 6 |
| 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 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



Yes. ESG considerations are an integral part of the investment process, guided by Capital Group's ESG policy. Relevant financial and non-financial (including ESG issues) are part of the fundamental research.

Best-in-Class

Not applicable

Thematic/ Impact Investing

Not applicable

Portfolio manager: Capital Group

Facts & figures

| | |
|---|--|
| Assets under management | USD 2'500 bn |
| Whereof in sustainable investment strategies | ESG integrated across all strategies |
| Number of inv. profess. | 383 |
| Whereof dedicated to ESG | 34 |
| Signatory to UNPRI | Yes |
| UNPRI rating | A+ (Strategy & Governance) |
| Memberships (selection only): | |
| <ul style="list-style-type: none"> International Corporate Governance Network (ICGN) Carbon Disclosure Project (CDP) Net Zero Asset Manager Initiative (NZAMI) | <ul style="list-style-type: none"> UK, Japan and Hong Kong Stewardship Code Task Force on Climate-related Financial Disclosures (TCFD) Farm Animal Investment Risk & Return (FAIRR) |

Consultant/ Partnerships

- ISS, Glass-Lewis (proxy voting)

Carbon Strategy

Carbon footprint is being measured since 2018. Committed to carbon neutrality by 2026 for its business operations.

Voting Activity

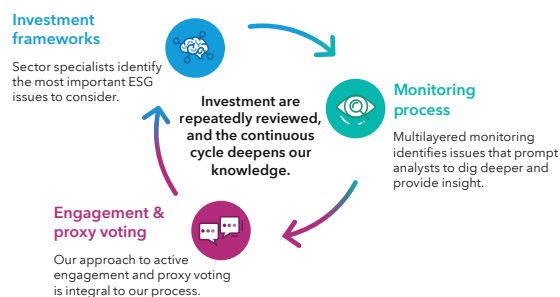
Yes, Proxy Voting reports are available
<https://www.capitalgroup.com/intermediaries/gb/en/about/proxy-voting.html>

Engagement

Yes. See below:
<https://www.capitalgroup.com/intermediaries/gb/en/about-us/esg/engagement.html>

ESG Integration

ESG is intrinsic to our investment process and is deeply woven into our fundamental, bottom-up research, due diligence and engagement; it is not a separate "add on." Every analyst and portfolio manager is responsible for contributing to integrating ESG into The Capital SystemSM.



Investment frameworks: Our equity and fixed income analysts have developed more than 30 sector-specific, proprietary ESG investment frameworks. These frameworks help our investment professionals analyze the most relevant and material long-term sustainability issues that could affect their investment thesis. Covering the majority of instruments in which we invest, the frameworks are refreshed annually based on what we learn through our other two ESG investment components: monitoring, and engagement and proxy voting.

Monitoring process: The ESG team monitors all of our equity and corporate bond holdings, as well as sovereign bond and structured issuers where data is available. The monitoring process is systematic and involves reviewing our holdings against third-party data from a range of providers to identify ESG risks and violations of international norms. Low-rated companies are flagged for review by the Investment Group. The most challenging issues are escalated to the Issuer Oversight Committee (IOC) for additional review.

Engagement: We believe engagement is a stronger tool than exclusion when it comes to achieving sustainable long-term results. Engagements are led by our investment professionals as a way to help minimize risks to our investments and encourage the responsible allocation and management of capital across the investment community. We engage management teams on topics that are informed by our investment frameworks and monitoring process, and we systematically document the goals we discuss with management teams and measure progress toward those goals.

Proxy voting: Voting proxy is an integral part of our investment process. We have investor-led proxy voting, with our in-house Global Stewardship & Engagement (GSE) team conducting analysis. Final proxy outcomes are decided by members of our investment units.

<https://www.capitalgroup.com/intermediaries/gb/en/about-us/esg/esg-approach.html>

Next steps and further developments

Capital Group joined the Net Zero Asset Managers Initiative (NZAMI) and is committed to become net zero by 2050 to limit the global temperature rise (i.e. well below 2°C).