

About the asset manager

Assets under management	CHF 5 bn, USD 2 bn according to ESG principles
Number of inv. profess.	18
Number of inv. profess. dedicated to ESG	8
Participation in shareholder meetings	Yes
ESG rating	No
ESG consultant	Internal ESG specialists
External data sources	<ul style="list-style-type: none"> • Ethos • Inrate • ISS ESG • MSCI ESG Research

Memberships

Signatory to UNPRI	No
UNPRI rating	No
Others	<ul style="list-style-type: none"> • Swiss Sustainable Finance (SSF)

Voting activity

Exercise of voting rights	Yes
ESG consultant	Third party (proxy)-voting providers
Voting report	Yes

Decision making process for exclusion decisions

Our «ESG»-Exclusion Policy is based on multi-dimensional analyses. We apply negative screening / exclusion strategies at different levels

Firm wide exclusion policies

We at Swiss Rock have a corporate exclusion policy across all fund mandates. We follow the recommendations of the Swiss association for responsible investments (SVVK-ASIR). The list contains issuers who are involved with anti-personnel mines, cluster munitions, nuclear weapons outside NPT, etc.

Further exclusion policies

Each of our fund and investment mandates can incorporate further adjustments by applying a combination of exclusion criteria and controversies. In terms of exclusions, our general policy is to avoid the companies with a below average ESG score. ESG scores are derived based on a company's performance vs. industry specific key ESG issues. Companies are rated relative to their industry peers. The entire investment universe is translated into a rating scale: from the weakest («CCC») to the strongest («AAA») ESG-companies; no industry will be excluded.

We invest in companies, which are premier in their field of business and best-in-class with regards to sustainability. The ESG rating is BBB or better. We exclude companies with problematic moral and ethical business activities. Excluded industries are military weapons, alcohol, tobacco, nuclear power, gambling and adult entertainment. When defining the involvement of a company in one of these specific activities we will look at their revenue share of these specific industries. We distinguish different exclusion thresholds depending on the industry.

In terms of controversies, incidences or persistent conditions with material negative impact on the environment and society caused by companies. Metric for controversies measures:

- how well does a company adhere to international norms and principles
- what is the level of involvement in major ESG controversies in areas such as environment, human rights, working rights and governance

Companies which are often mentioned in public ESG debates and carry the lowest controversy scores are excluded from the investment universe.

Client led exclusion

For segregated mandates, we are able to incorporate further exclusions and adjustments in line with client requirements.

Consultant for investment guidelines and exclusion criteria

Swiss Rock Asset Management defines the ESG philosophy and policy and determines the framework. For segregated mandates we are able to integrate client specific ESG requirements into our investment process. For example Ethos, Inrate, ISS ESG, MSCI ESG etc.

Decision making process for exercising voting rights

We receive daily alerts of upcoming company meetings along with a voting recommendation from third party (proxy)-voting providers, based on standardized policies agreed by Swiss Rock Asset Management and/or the client. The portfolio managers reviews the voting decision and if they agree no further action is required. If they disagree, which may occasionally happen if the standard recommendation does not match the portfolio managers and/or client's in depth knowledge of a company and its management, the portfolio manager can change the vote directly within the online proxy voting platform.



IST EQUITIES SWITZERLAND SPI PLUS

Engagement

Engagement	Yes
Consultant	Third party providers

ESG consultant for engagement activities

For Swiss Rock Asset Management is engagement any constructive communication with companies where we use our status as equity owners to encourage them to improve their performance.

A significant element of our activities is transparency to enhance our understanding of a company's sustainability, to identify gaps and practice and to improve our investment decisions. We also use this to encourage companies to improve their disclosure. This process creates a positive feedback loop, enhancing the quality and robustness of our data, which subsequently benefits our investment strategies.

IST portfolio

Portfolio overview

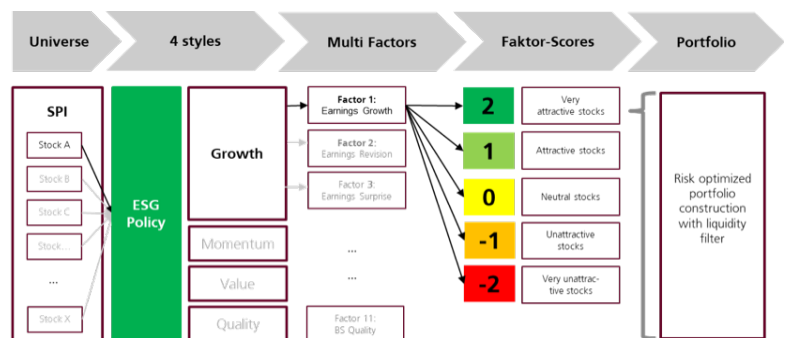
ESG rating	Yes
Application of an exclusion list	Yes, completed by SVVK criteria (provided by IST); additionally no investments in thermal coal are permitted (turnover >50% of a company)
Exercise of voting rights	Yes, exercised by IST for Swiss equities

Additional information

<https://www.svvk-asir.ch/en/about-us/>

Incorporation of ESG factors into the investment process

Our factor based approach incorporates ESG criteria directly and indirectly. First, we use the SVVK-ASIR ESG exclusion list to define our investible universe. Second, our factor based investment approach indirectly increases ESG exposure as for example the quality factor is highly correlated with ESG criteria. That is, for example, our approach favors firms which are profitable with a good corporate governance score.



Identification of companies excluded

Swiss Rock Asset Management has a corporate exclusion policy across all our funds/Mandates. We follow the recommendations of the Swiss association for responsible investments (SVVK-ASIR). The list contains issuers who are involved with anti-personnel mines, cluster munitions, nuclear weapons outside NPT, etc.