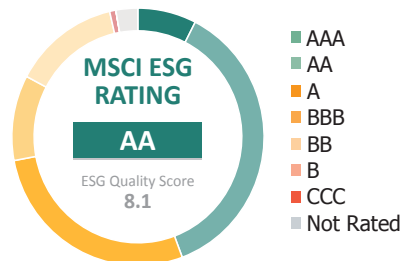


## IST Portfolio

Portfolio Manager	Vontobel Asset Management
ESG Rating <sup>1</sup>	AA
SFDR Category <sup>2</sup>	Art. 6
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://istfunds.ch/en/esg-ist/>

### Proxy Voting



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

Source: [https://istfunds.ch/media/5389/stimmrechtsausuebung\\_ase\\_d\\_2021.pdf](https://istfunds.ch/media/5389/stimmrechtsausuebung_ase_d_2021.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/5397/ist\\_d\\_engagementbericht-2021.pdf](https://www.istfunds.ch/media/5397/ist_d_engagementbericht-2021.pdf)

### ESG Integration



**Yes.** Implemented as part of the qualitative financial analysis in the investment process. Analysts evaluate different sustainability factors in Vontobel's quality filter (scoring between 1-6).

### Best-in-Class

**Not applicable**

### Thematic/ Impact Investing

**Not applicable**

# IST EQUITIES SWITZERLAND SMALL MID CAPS

## Portfolio manager: Vontobel Asset Management

### Facts & figures

Assets under management	USD 157.6 bn
Whereof in sustainable investment strategies	USD 38.6 bn
Number of inv. profess.	> 200
Whereof dedicated to ESG	> 30
Signatory to UNPRI	Yes
UNPRI rating	A+ (Strategy & Governance)
Memberships (selection only):	
<ul style="list-style-type: none"> <li>UN Global Compact</li> <li>CDP (Carbon Disclosure Project)</li> <li>Swiss Sustainable Finance</li> <li>Swiss Climate Foundation</li> </ul>	<ul style="list-style-type: none"> <li>UK and Japan Stewardship Code</li> <li>Global Impact Investing Network</li> </ul>

### Consultant/ Partnerships

- Responsible Engagement Overlay (reo®), ISS and Ethos (proxy voting)

### Carbon Strategy

Carbon footprint is measured and shall be reduced to net zero for its operations and own financial investments.

### Voting Activity

Yes, ESG integration and Stewardship report 2021 available

<https://am.vontobel.com/en/esg-investing>

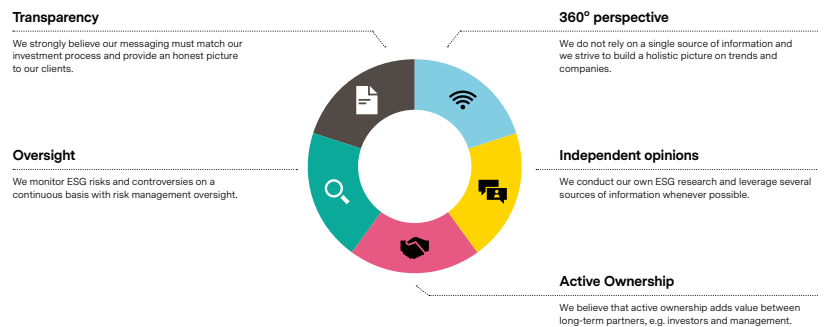
### Engagement

Yes, ESG integration and Stewardship report 2021 available

<https://am.vontobel.com/en/esg-investing>

### ESG investment philosophy

Our ESG investment philosophy is the common ground of all our ESG and sustainable investment solutions and reflects our conviction about ESG. Our investment boutiques are highly specialized. Thus, the implementation of our ESG integration philosophy is tailored to our investment strategies.



<https://am.vontobel.com/en/esg-investing>

### Next steps and further developments

In 2021, Vontobel has expanded its sustainability positioning to include six commitments that set out its contribution to a more sustainable economy and society.

#### Our six sustainability commitments

<b>Being a responsible citizen</b>  <b>Net-zero by 2030</b> In our own investments <sup>1</sup> and operations	<b>Partnering with our clients</b>  <b>Client Advisory</b> Advise clients about ESG opportunities
<b>Equality, diversity and inclusion</b> Implement practices advancing equality	<b>Providing ESG investment solutions</b> ESG offering across all Client Units
<b>Transparency</b> Transparent disclosures and reporting	<b>Emphasize ESG criteria in our investment decisions</b> ESG considerations implemented in investment process