

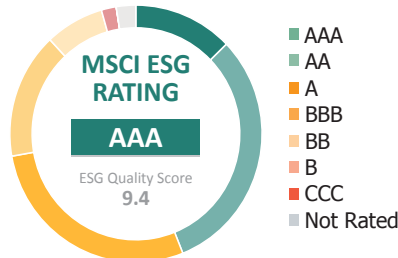
IST EQUITIES GLOBAL LOW VOL

IST Portfolio

Portfolio Manager	Robeco
ESG Rating ¹	AAA
SFDR Category ²	Art. 8
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



Yes. The portfolio manager is exercising the voting rights of foreign stock corporations.

Source: https://istfunds.ch/media/5354/exercise-voting-rights-foreign-equities_2021.pdf

Engagement



Yes.

Engagement activities by the portfolio manager through direct dialogue with investee companies.

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. Experts from our Sustainable Investing Center of Expertise are responsible for calculating the sustainability scores used in the portfolio construction model.

Best-in-Class



Yes. ESG Risk rating better than benchmarks.

Thematic/ Impact Investing

Not applicable

Portfolio manager: Robeco

Facts & figures

Assets under management	USD 218 bn
Whereof in sustainable investment strategies	USD 209 bn
Number of inv. profess.	720
Whereof dedicated to ESG	41
Signatory to UNPRI	Yes
UNPRI rating	A+
Memberships (selection only):	
<ul style="list-style-type: none"> Institutional Investors Group on Climate Change (IIGCC) Climate Action 100 Platform Carbon Accounting Financials (PCAF) 	<ul style="list-style-type: none"> Transition Pathway Initiative (TPI) Task Force on Climate-related Financial Disclosures (TCFD) Plastic Solutions Investor Alliance

<https://www.robeco.com/docm/docu-relevant-codes-and-memberships.pdf>

Consultant/ Partnerships

- Several data providers are used

<https://www.robeco.com/docm/docu-robeco-sfdr-data-disclosures.pdf>

Carbon Strategy

Carbon footprint is measured and Robeco has achieved CarbonNeutral® certificate in accordance with the CarbonNeutral Protocol.

Voting Activity

Yes, proxy voting report 2021 available

<https://www.robeco.com/en/about-us/voting-report/>

Engagement

Robeco publishes a quarterly Active Ownership report.

<https://www.robeco.com/en/insights/?t=Active+Ownership+Report>

Robeco's approach to sustainability

In 2021, we launched our Sustainable Investing Strategy 2021-2025 (SI strategy). Our strategy is to provide sustainable investing solutions for all clients, creating positive real-world impact. Climate change, biodiversity and human rights are our SI priorities. We aim to be net zero in 2050.

Our sustainable investing strategy consists of six strategic pillars:

1. Sustainable investing solutions for all clients:

Sustainable investing is a key business enabler for Robeco. We aim to grow our market share of sustainable assets under management in the wider fund management industry using a complete suite of profitable innovative products, ranging from thematic strategies offering sustainable solutions to specific Paris-aligned fixed income and equity strategies.

2. Expand sustainable investing research:

Robeco has practiced ESG integration since 2010 and now routinely integrates sustainability factors across the entire range of fundamental equity, fixed income, quantitative and more bespoke sustainable strategies. We will further enhance our sustainable investing approach with a specific focus on climate change, biodiversity, human rights and SDGs.

3. Create real world impact:

We aim to contribute to real-world positive impact, for example via our active ownership activities; with voting and engagement we encourage sustainable practices with our investee companies. We are continuously improving our approach and tools to measure both the positive and adverse impacts of investments by investee companies in the real world as well as our reporting.

4. Build partnerships:

We believe in collaborations and strategic partnerships to further sustainability goals, and we are active in key initiatives such as the Climate Action 100+ investor group which engages with the world's highest carbon emitters. We also build partnerships with a select group of clients, whereby we support clients on their sustainable investing journey. Through close collaboration and partnership with academia and NGOs, we aim to strengthen our proprietary research, for example on topics like climate change, biodiversity and SDGs.

5. License to operate:

To maintain our license to operate we aim to comply with continuously evolving regulation and the wider expectations of society. Preparing for and meeting the European Union's Sustainable Finance Disclosure Regulation (SFDR), which came into effect in 2021, has been a key focus. In addition, we have a strong focus on the quality, reliability and coverage of ESG data.

6. Walk the talk:

We believe we should live up to the same standards to which we hold others. Robeco 'walks the talk' by integrating sustainability in its own business operations. Via our SI Academy we increase the sustainability investing knowledge level, involvement and awareness of colleagues across the globe.

<https://www.robeco.com/en/about-us/sustainability-report.html>

Next steps and further developments

Robeco's aim is to be net zero by 2050.