



J. Safra Sarasin

Sustainable Investment Policy

February 2026



Sustainable Swiss Private Banking since 1841

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Introduction

As a sustainable, long-term-oriented asset manager, Bank J. Safra Sarasin Ltd (the “Bank”), believes that long-term thinking is the main condition for real and lasting economic success. This means investing in businesses that provide the right solutions, while avoiding companies that fail to capture and address important trends. At J. Safra Sarasin, it is a long-standing belief that incorporating a sustainability mind-set increases the quality of investment analysis and leads to better outcomes in the long-term by reducing risks and harnessing opportunities, and forms part of our fiduciary duty to clients and beneficiaries. As founding signatory of the UN Principles for Responsible Investments (PRI), J. Safra Sarasin is committed to integrating ESG factors into the investment analysis, decision-making processes and stewardship practices. By combining financial performance with ESG insights, the Bank strives to offer clients a range of sustainable investment strategies and to add value throughout the whole investment process.

This Sustainable Investment Policy outlines how the Bank approaches the integration of material Environmental, Social and Governance (ESG) considerations into the investment process for sustainable investment strategies from universe definition, to investment analysis and portfolio construction, to monitoring and our Stewardship endeavours.

The scope of this policy comprises all J. Safra Sarasin funds and mandates (together referenced as investment strategies) where environmental, social and governance aspects are an

important part of the investment process (in the sense of Art. 8 and Art. 9 EU Sustainable Finance Disclosure Regulation). The sustainable investment process described in this policy is applied across all sustainable asset classes, sectors and markets in which the Bank invests on behalf of the strategies and where a respective methodology is available. It is also relevant with regard to the classification and discussion of individual securities in a sustainability context. Strategy specific investment restrictions, including sustainability restrictions, are defined in the specific investment documents and apply as defined therein.

The Bank’s investment strategies fall into three sustainability approaches: Classic, ESG Consideration and ESG Contribution. ESG Consideration strategies integrate ESG factors in the investment process, improving the overall risk management of the strategy and supporting long-term value creation. ESG Consideration strategies can, in some cases and to a limited extent, invest in specific investment vehicles categorized as Classic that are approved by the sustainability research team. ESG Contribution strategies, on top of integrating ESG factors in the investment process, have an explicit sustainability objective by contributing to an environmental or social outcome (such as contributing to specific SDGs or pursue a specific decarbonization climate path). Strategies that do not explicitly incorporate ESG factors and do not follow a sustainable investment process are classified as Classic. Although not applicable to the strategies classified as Classic, parts of the policy may also be used for such offerings.

Investment Objectives

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. The following fundamental priorities drive our sustainable investment process: Reducing Risks and Delivering Returns, Fostering Change and Transition as well as Taking Responsibility as an active and engaged investor. The weighting of these priorities may vary in each strategy depending on the asset class, the investment universe and the respective investment objective.

Reduce Risks and Deliver 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, positive performance is likely to materialize either top-down, through thematic selection or specific regional and sector allocation, or bottom-up, through integrating ESG factors into security selection.

Generating Sustainable Outcomes: Fostering Change and Transition

With some of our strategies we aim at environmental or social 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.

Taking Responsibility as an Active and Engaged Investor: Stewardship Strategy

We aim to target positive outcomes by fostering robust corporate governance structures and shareholder rights and strong social and environmental performance. Stewardship 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. The Bank also engages with clients and the broader public to foster a change in behaviour towards sustainable practices.

Objectives

Depending on the characteristics of a specific investment strategy, the sustainability objectives of the strategy are:

- a) ESG Consideration: Integrating environmental, social, and governance (ESG) factors into the investment process to mitigating ESG risks and harnessing ESG opportunities and/or achieve an above-average ESG profile
- b) ESG Contribution: Intentionally targeting measurable positive environmental or social outcomes.

Sustainable Investment Process

We strive to include ESG factors throughout the entire investment process, from universe definition via investment analysis to portfolio construction and risk management and monitoring.

The first step of our sustainable investment process is defining the investment universe (the “Universe Definition”) in accordance with the ESG criteria as determined on the basis of our internal sustainability analysis. This stage comprises the exclusion of controversial activities as well as the positive and negative sustainability screening, i.e. either a best-in-class or a worst-out process. ESG key issues, revenues related to the UN Sustainable Development Goals (“SDG”), carbon metrics and other relevant sustainability-related data are sourced from a number of data providers and integrated into our proprietary database, where an industry and a company rating are calculated. A similar process is applied for country ESG ratings.

During the “Investment Analysis” the portfolio manager/analyst enhances the financial assessment with ESG, SDG, climate and other sustainability performance data to get a holistic view of the investment case in order to make a better informed decision. Sustainability data and analysis can be used both to generate investment ideas from sustainability trends and also to make the investment case more robust.

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In the third step “Portfolio Construction” portfolio managers monitor the ESG ratings and climate-related metrics of their investment strategies and compare them with the assigned official benchmark or a reference market in their risk management systems on an ex-ante basis. For a number of strategies, we assign ESG and climate objectives which the portfolio managers have to adhere to. Climate objectives often relate to the carbon footprint of the strategies against their benchmark. Certain sub-funds may aim at explicit environmental or social outcomes for example by positively contributing to one or several of the Sustainable Development Goals (SDG).

In the fourth step of the investment process “Monitoring”, our ESG key performance indicators are used ex post in order to monitor ESG and climate risks in performance review meetings and in the Bank’s Risk and Performance Committee. All sustainable strategies are in scope of our Stewardship Policy.

The Sustainable Investment Process features different tools (1-8):



Universe Definition

The foundation of our sustainable investment process is the universe definition for the respective sustainable investment strategy. This stage comprises the exclusion of controversial activities, as well as the sustainability screening, which consists of both company (best-in-class) and industry 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). Certain business activities which are not deemed to be compatible with sustainable development therefore 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 ILO conventions on labour standards,
- The Convention on Cluster Munitions

The controversy 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 Weapon 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 and chemical weapons, nuclear weapons from countries that do not follow the non-proliferation

treaty (NPT), 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 standard 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. They reflect the relevant ethical and financial risks. The list of all standard exclusions can be found in the "Sustainable Investment Policy – Exclusion Sub-Policy", available on the website¹.

The Bank's Corporate Sustainability Board governs the definition of the exclusion criteria and any security-specific exclusion lists created as a result thereof, subject to the annual review and approval of the ESG Committee, 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 JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers, which are considered best in class, to D-rated issuers which

¹ www.jsafrasarasasin.com

may engage in controversial business activities. The JSS ESG rating 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, S&P Global Trucost, 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 together with the assessment of related risks. Adequate KPIs and weightings are identified for each industry. Company-specific ESG data from external data providers are combined with our industry weightings to derive the final company rating.
- As an integral part of the company rating process, we also conduct a media and stakeholder analysis that takes into account relevant business controversies and incidents involving the rated company. Controversies and incident-related information is reflected in the company's sustainability rating and is based on non-company issued information that is in the public domain. The news value (influence of the source, severity of criticism, newness of the issue), news intensity (frequency and timing of the information), as well as the company's reaction (transparency, pro-activeness, remediation effort) are systematically taken into account in the ratings process.

Industry Rating:

- The industry rating is based on a proprietary input-output model that analyses the relative ESG risks and opportunities faced by different industries. The relevant externalities are classified into ESG-themes and underlying issues. The assessment takes into account direct and indirect impact along the value chain and in relation to the UN Sustainable Development Goals.
- 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 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.

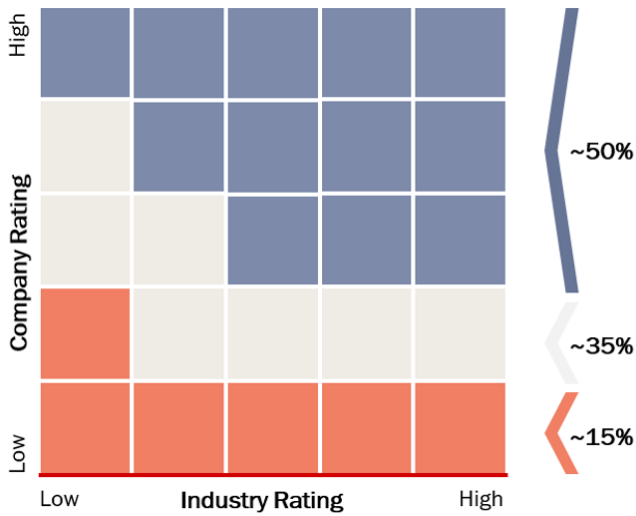
Assets managed by J. Safra Sarasin Sustainable Asset Management generally use the J. Safra Sarasin Sustainability Matrix® as a foundation for the ESG information used in the investment process. Sustainable strategies can only invest in A- and B-rated companies, excluding C-rated companies due to their poor ESG performance and D-rated companies due to their involvement in business practices that are part of the standard exclusion list (negative screening). Companies can also become C-rated after an unsuccessful engagement initiative to address identified weaknesses.

By investing in A-rated companies only, the investment strategy adopts a Best-in-Class investment approach, investing only in companies with an above average ESG profile within its industry. If a strategy invests in A- and B-rated companies, the investment strategy avoids companies with weak ESG credentials (C-rated, worst-out universe) and adopts a Positive Screening approach. In this case, an additional sustainability approach such as fundamental ESG integration, ESG outperformance (ESG score of the portfolio higher compared to the benchmark), climate alignment (reducing the strategy's GHG emissions over time) or stewardship is required to be classified as ESG Consideration. In case of a passive breach after a rating deterioration, an adequate grace period for divestment applies to protect 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, about half (50%) are in the other categories B, C and D. 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 ESG data coverage of securities in every investment strategy. Nevertheless there may be some investment strategies where the data coverage is insufficient. In these cases a certain maximum allocation of non-rated securities will be allowed and defined in the product restrictions of the strategy.

Universe Definition

J. Safra Sarasin Sustainability Matrix®



J. Safra Sarasin ESG Rating

We differentiate between four types of ratings

- A** **JSS ESG A-rated: Best-In-Class universe**
 - superior ESG profile, industry leaders
 - eligible for all sustainable strategies
- B** **JSS ESG B-rated: Neutral universe**
 - no particular ESG credentials
 - industry followers
- C** **JSS ESG C-rated: Worst-Out universe**
 - weak ESG credentials, industry laggards
 - not eligible for JSS sustainable strategies
- D** **JSS ESG D-rated: Exclusions**
 - controversial business activities
 - not eligible for JSS sustainable strategies

Source: Bank J. Safra Sarasin, MSCI ESG, 2025. For illustrative purposes only.

Numbers are based on a global equity universe and may vary for product specific investment universes

Inclusion of PAIs

JSS sustainable investment strategies consider principal adverse impacts (PAI) by means of our proprietary ESG scoring approach (ESG Matrix), by mandatory exclusions or through targeted Stewardship activities (voting and engagement). Further details on our handling of PAI are defined in the Principal Adverse Impacts statement.

Investment Analysis

The investment analysis builds on the identification of long-term sustainable trends that shape industries and create new opportunities. These structural developments inform both top-down allocation and bottom-up security selection, helping to form a more forward-looking and comprehensive view of each investment case.

Integration of long-term sustainable trends: idea generation for allocation and selection

In the top-down allocation process, sustainable trends can determine the definition of structural over- or underweights with regard to regional or industry allocation in a specific strategy. Sustainable trends can also have an impact of selection investment themes or clusters in specific strategies.

In the bottom-up process, sustainable trends will have an impact on the expectations for revenue growth, margins and profitability in specific markets. One specific area where we expect above average structural growth are companies creating products and services necessary for the achievement of the United Nations Sustainable Development Goals. As we expect investors to increasingly allocate capital towards the achievement of the SDGs, the companies will have higher growth, valuation support from investor demand, and will create positive externalities exceeding the initial investment. There may be also other aspects such as green revenues which could be intentionally targeted from a bottom-up perspective.

ESG Integration into financial analysis and investment cases

In the bottom-up security selection, ESG factors are combined with traditional financial data in order to get a holistic view of an investment case. In strategies in which we build detailed

financial models, financially material ESG factors have an impact on the determination of the fair value of a security. This process also includes the definition of sustainable key performance indicators for each investment case.

In the investment analysis, portfolio managers/analysts have access to the proprietary ESG and Carbon Risk Tool. The tool allows for comparison of any company with its peer group in a specific industry or region on various ESG factors. Investment cases are discussed in the respective investment teams and also regularly reviewed by sustainability analysts.

Examples of ESG factors that the Bank's investment teams may consider as part of its company and industry analysis include:

- Corporate governance (e.g. Board structure, executive remuneration, governance codes)
- Changes to regulation (e.g. greenhouse gas emissions restrictions)
- Physical threats (e.g. climate change)
- Brand and reputational issues (e.g. health & safety, cyber security)
- Supply chain management (e.g. lost time injury rates, fatalities, labour relations)
- Work practices (e.g. health, safety and human rights provisions, Modern Slavery Act).

Portfolio Construction

Portfolio construction integrates multiple ESG inputs, including sustainability ratings, climate metrics and risk assessments, into the quantitative framework used to build portfolios. Changes in holdings are evaluated for their impact on risk/return characteristics as well as on defined ESG and climate objectives to ensure alignment with the strategy's sustainability profile.

ESG Profile and risk assessment

For the majority of investment strategies the portfolio construction process relies on a quantitative multi-factor risk model 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 considered in our portfolio construction process:

- The universe of the investment strategy and the benchmark index (if available)
- The ESG rating of the company/security as well as specific sustainability risk factors
- SDG revenue percentage

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.

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.

Contribution targets

With some of our strategies we aim at positive environmental or social outcomes by contributing to one or several of the Sustainable Development Goals (SDG) established by the United Nations, by investing in sustainable or sustainability-linked bonds with clear environmental or social outcomes or by aligning with a defined temperature pathway.

Certain strategies therefore may use data on SDG-related corporate activities for idea generation in the investment process. Some may have explicit targets in relation to SDG contribution besides financial objectives. The Bank has developed a robust framework to translate the 17 SDGs and its 169 sub-targets into quantifiable and actionable investment cases by regrouping them into four areas – two for the people: Fulfilling Basic Needs and Empowering People, and two for the planet: Preserving Natural Capital and Achieving the Energy Transition (together referenced as Green Revenues). The alignment of a strategy with the SDGs is for instance measured by the percentage of revenues generated by products and services which support the individual SDGs and the average percentage of SDG revenues is calculated at the portfolio level.

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 Policy](#) document of JSS Sustainable Asset Management.

Monitoring & Stewardship

Monitoring and stewardship ensure that sustainability considerations remain embedded throughout the investment cycle. ESG restrictions and climate metrics are regularly reviewed, while stewardship activities support sustainable development, strengthen risk management, protect shareholder value and aim to reduce negative impacts on society and the environment.

ESG Risk Monitoring and Reporting

The “Risk and Performance Committee” (RPC) reviews performance and risk figures for each investment strategy compared to its predefined benchmark, strategic asset allocation or peer group. This monitoring includes the defined ESG and climate factors and respective targets. Large deviations are discussed and explained in the RPC.

In the Bank’s ESG portfolio reporting framework, we aim to provide more concrete insights about the ESG portfolio and holdings profile of the investments. It provides a relative and absolute assessment of aggregate portfolio ESG performance on a range of strategically relevant metrics and key insights about why particular companies are eligible for a sustainable investment portfolio.

The ESG reporting includes among others the following elements:

- Portfolio and positioning in the J. Safra Sarasin Sustainability Matrix® compared to the benchmark
- Aggregate Environmental, Social and Governance sustainability scores compared to the benchmark
- Top 10 holdings and selected ESG key issues
- Climate
 - Portfolio Carbon Footprint (per sector)
 - Portfolio Carbon Footprint (top contributor holdings and their mitigation efforts)
 - Carbon Intensity (per sector)
 - Stranded Assets Risk (fossil fuel reserves exposure and claim on coal, oil and natural gas emissions)
 - Implied Temperature Rise (ITR)
- SDG monitor: value of solutions delivered in SDG-related areas per million invested, proportion of holdings offering impact solutions, number of products and services offered by holdings to address SDGs and their according shares of revenue, company examples with relevant SDG product/services involvement

Stewardship

The Bank’s stewardship 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 negative impact on society and the environment and to promote sustainable growth. Stewardship tools include proxy voting, attending annual general meetings (AGMs) when appropriate and engagement with companies.

Engagement is both applied proactively and reactively with companies and other stakeholders on behalf of the Bank’s funds where the Bank acts as asset manager and where environmental, social and governance aspects are an important part of the investment process. Engagement provides an opportunity to improve our understanding of companies that we are invested in and by working individually or collectively with other investors we try to influence companies and promote better sustainable growth.

The following represent the guiding principles of J. Safra Sarasin’s sustainable investment activities and stewardship 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.

The Bank believes a sound corporate governance structure is essential for creating long-term shareholder value. The board of directors and senior management are accountable to investors for protecting and generating value over the long term. The expectation is that the board of directors of investee companies oversees and monitors the effectiveness of the company’s governance of environmental, social and business ethics-related issues and risk, and protect shareholder rights. J. Safra Sarasin engages with investee companies and uses its vote on numerous issues, including shareholder rights, board composition, remuneration and risk management.

Bank J. Safra Sarasin sees its role as a sustainable asset manager with a long-term perspective. The Bank’s approach is not only designed to encourage robust corporate governance

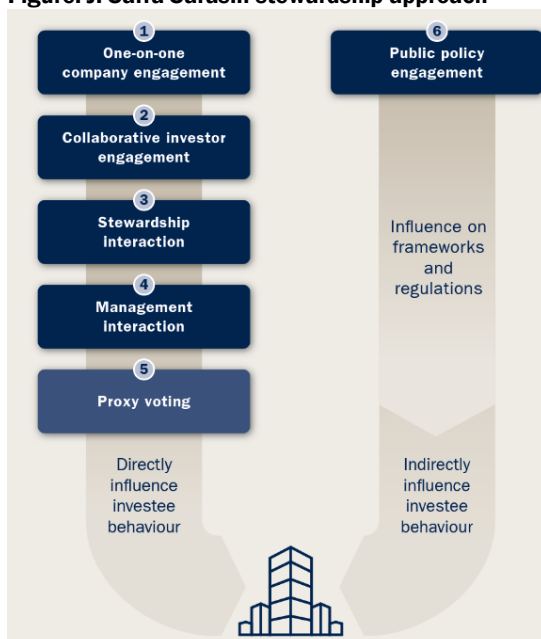
Monitoring & Stewardship

structures but also to ensure that the rights of shareholders are protected. In the same vein, it aims to encourage forceful initiatives in the social and environmental domain, together with greater transparency, so as to produce a positive impact.

The Bank pursues six types of stewardship activities:

1. One-on-one company engagement
2. Collaborative investor engagement
3. Stewardship interaction
4. Management interaction
5. Proxy voting
6. Public policy engagement

Figure: J. Safra Sarasin stewardship approach



Source: Bank J. Safra Sarasin Ltd, December 2025

One-on-One Company Engagement

By entering into a direct dialogue with investee companies, the Bank aims to increase the long-term value on behalf of clients. The Bank's investment professionals discuss company-specific matters, including strategy, capital structure, financial and non-financial risk and strategic ESG considerations directly with top management and thereby aim to strengthen the investment cases. Defined by a long-term discussion with a company, consisting of multiple interactions, one-on-one company engagements aim at initiating a change in a company's behaviour or practice. These discussions include time-bound and one or multiple outcome-oriented objective(s) to ensure that progress can be monitored and reported on a regular basis.

Collaborative Investor Engagement

Bank J. Safra Sarasin collaborates with other investors in order to engage with companies about ESG practices and maximise the impact of engagement. This approach is particularly effective around ESG issues that affect an industry as a whole, e.g., human rights, natural resource management, climate change,

etc., where approaching companies with a unified voice is likely to enhance the impact of the engagement activity. For collaborative investor engagement activities, the Bank is active through different organisations such as the PRI and Carbon Disclosure Project (CDP), among other.

Stewardship interaction

Stewardship interactions are one-time or short-term exchanges without a defined objective to change a behaviour or practice. This can be to clarify an open question and/or seek specific information. Stewardship interactions may lead to a long-term one-on-one engagement with a defined objective if the interaction has not led to a desired outcome.

Management Interactions

These discussions relate to regular management interactions with our investment teams to discuss operational or financial issues including ESG-related topics. They typically refer to broader relevant topics, such as climate and company business-specific ESG risks and opportunities.

Proxy Voting

The Bank considers proxy voting the second component of its Stewardship approach (besides Engagement) and exercises voting rights for all sustainable investment funds on behalf of clients. The Bank has its own, customised Proxy Voting Guidelines ([Proxy Voting Guidelines](#)) that reflect the overall sustainable investment approach and research methodology and systematically incorporates ESG considerations identified through internal and external research. Based on this approach, a set of key aspects determine the Bank's in-house proxy voting activities. The majority of proxy votes comprise corporate governance issues that have been identified through in-house and external research. There is evidence to suggest that the appropriate consideration of such issues reduces the overall risk profile of a portfolio holding significantly. Proxy votes are exercised with the intention to incorporate and emphasise these identified aspects.

Public Policy Engagement

Bank J. Safra Sarasin actively participates in political dialogue in various ways. Through involvement in leading sustainable investment initiatives and organisations, including Swiss Sustainable Finance (SSF). Public policy engagement seeks to foster contacts with politics and other stakeholders to promote consideration and integration of relevant ESG themes on a regulatory level. It is the Bank's belief that public policy strongly affects the sustainability and stability of financial markets and plays an important role in regulation, as well as in the relationship between companies, investors and society in general.

The Bank's detailed Stewardship approach, including its alignment with current regulation, can be found in the Bank's [Stewardship Policy](#). The Bank also regularly reports about its stewardship activities in its [Stewardship Report](#). Both documents and additional resources related to stewardship can be found on the Bank's website.

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