

SUSTAINABILITY – RELATED DISCLOSURES

SARASIN IE SUSTAINABLE GLOBAL REAL ESTATE EQUITY

A. SUMMARY

Sarasin IE Sustainable Global Real Estate Equity (“the Trust”) promotes Environmental and Social characteristics but does not intend to make sustainable investments as defined by the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”). It also does not have sustainable investment as its objective.

The Trust seeks to achieve its investment objective mainly through investment in a broad portfolio of international real estate investment trusts (REITs), other closed-ended property related funds and companies whose activities are concentrated mainly in the real estate sector. Such companies will be involved in land development or will earn income from letting land or properties which take ecological and social sustainability issues into account in their business operations.

Furthermore, the J. Safra Sarasin ESG rating assesses issuers relative to their peers. The Trust invests in issuers with an above average Environmental, Social and Governance (“ESG”) profile when compared to other issuers in the global real estate sector.

The ESG profile is assessed according to the proprietary J. Safra Sarasin Sustainability Matrix (“the Sustainability Matrix”), which considers material ESG criteria for each industry. ESG criteria may include among others: greenhouse gas emissions restrictions, policies addressing climate change, health, safety and human rights provisions, and implementation of the Modern Slavery Act.

The Trust promotes environmental and/or social characteristics by investing in issuers that are setting industry-leading operational standards in an environmental and/or social key area that is material for the global real estate sector.

The Sustainability Matrix assesses issuers relative to their peers and applies an ESG rating for each. The rating ranges from A rated issuers, which are considered “best in class”, to D rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

The Trust’s attainment of the environmental or social characteristics promoted, is measured according to the percentage of A and B rated assets held in the Trust.

The Trust will only invest in A rated issuers according to the Sustainability Matrix. In addition, issuers with an E, S or G score smaller than -2 standard deviations away from the industry are excluded.

B. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

This financial product invests in issuers with an above average Environmental, Social and Governance (“ESG”) profile when compared to other issuers in the global real estate sector.



The ESG profile is assessed according to the proprietary J. Safra Sarasin Sustainability Matrix (“the Sustainability Matrix”), which considers material ESG criteria for each industry.

The Trust promotes environmental and/or social characteristics by investing in issuers that are setting industry-leading operational standards in an environmental and/or social key area that is material for the global real estate sector.

D. INVESTMENT STRATEGY

The Trust seeks to achieve its investment objective mainly through investment in a broad portfolio of international real estate investment trusts (REITs), other closed-ended property related funds and companies whose activities are concentrated mainly in the real estate sector. Such companies will be involved in land development or will earn income from letting land or properties which take ecological and social sustainability issues into account in their business operations. Furthermore, the J. Safra Sarasin ESG rating assesses issuers relative to their peers.

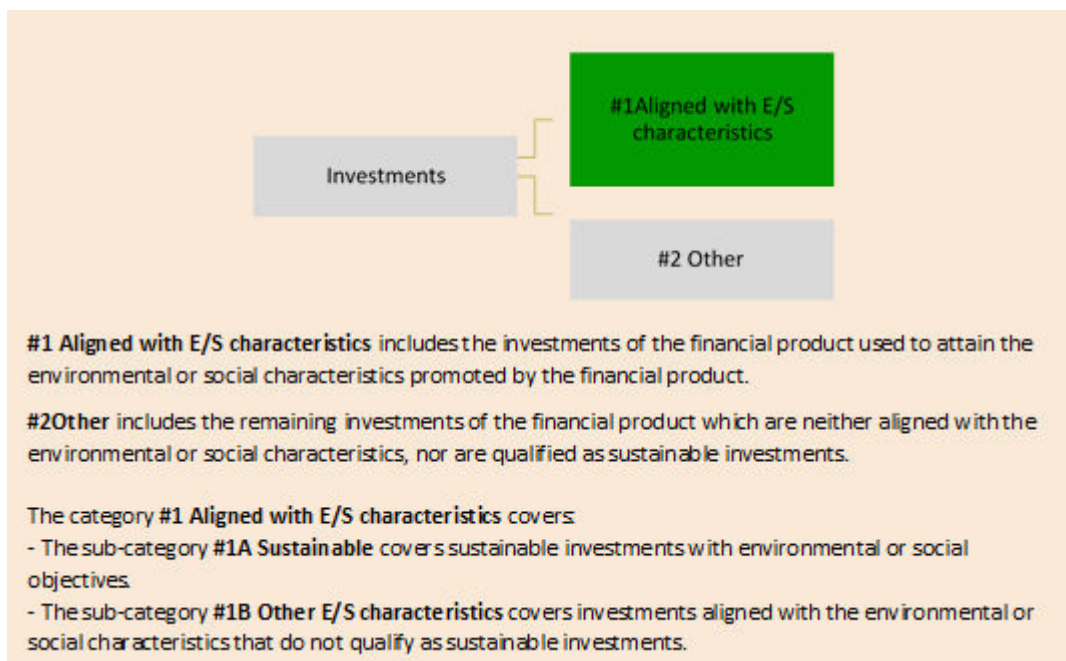
The Trust's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The Trust considers the following criteria in its strategy:

- (a) Achieving an above-average ESG profile. The Trust will only invest in A rated issuers according to the Sustainability Matrix.
- (b) Mitigating ESG risks. Issuers may be excluded if their E, S or G score is smaller than -2 standard deviations away from the sub-industry.

Investee companies are rated for governance aspects against a variety of factors including board structure, executive remuneration, tax compliance, and adherence to governance codes, in line with the Sustainability Matrix methodology. In addition, companies which are -2 standard deviations away from the industry standard are excluded from the investment process.

E. PROPORTION OF INVESTMENTS

The minimum proportion of the investments of the Trust that are aligned with the environmental and social characteristics promoted by the Trust is at least 95% (#1 Aligned with E/S characteristics) which do not qualify as sustainable investments. Up to 5% of the investments of the Trust are not aligned with these characteristics (#2 Other). Cash and derivatives are included under #2 Other.



F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Sustainability Matrix assesses issuers relative to their peers and applies an ESG rating for each. The rating ranges from A rated issuers, which are considered “best in class”, to D rated issuers which may engage in controversial business activities. As part of the sustainable investment process, issuers which are fundamentally misaligned with sustainability practices are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

The Trust’s attainment of the environmental or social characteristics promoted, is measured according to the percentage of A and B rated assets held in the Trust.

G. METHODOLOGIES

The Trust’s attainment of the environmental or social characteristics promoted, is measured according to the percentage of A and B rated assets held in the Trust. The Trust’s investments will all be in A rated issuers according to the Sustainability Matrix.

H. DATA SOURCES AND PROCESSING

J. Safra Sarasin uses publicly available data (e.g. company reports, press and internet search) as well as data from external ESG data providers (such as MSCI ESG, VigeoEiris, RepRisk, etc.) in the calculation of its ESG ratings. These external ESG datasets are received by J. Safra Sarasin and integrated into its internal systems on a monthly basis.

To ensure data quality, the data as well as the ESG reporting products are selectively checked for significant deviations during the integration process. In addition, the external ESG data providers apply their own controls to ensure data quality including engaging with companies for data verification and where appropriate, subjecting their ESG ratings to industry and market-led checks. External ESG data providers may apply estimates to interpolate missing data points and where data is found to be incorrect, incomplete or missing, J. Safra Sarasin may also complete their own ESG research assessment on these companies and may apply their own estimate. It is anticipated that a maximum of 2% of all data points may be estimated by J. Safra Sarasin.

I. LIMITATIONS TO METHODOLOGY AND DATA

While J. Safra Sarasin has endeavoured to create balanced and fair ESG ratings for each company, it cannot rule out faulty assessments or deviation of its ESG ratings from external data providers.

These may be caused by factors such as lack of regulatory standards on data collection and transformation; lack of corporate reporting standards on ESG; limited accuracy of ESG data due to self-reporting by firms with limited audits; faulty estimates by data providers if companies do not report ESG data; different views of data providers on material ESG key issues; and rating and other biases.

These potential limitations are addressed through measures taken to ensure data quality. Data coverage is considered to be an important criterion in the selection of ESG data points for investment purposes and selecting data points with sufficient coverage provides higher confidence in the resulting ESG metrics. As the ESG ratings incorporate a number of relevant environmental and/or social indicators, any potential limitations to specific data points are not considered to materially affect the overall rating and the product's attainment of the environmental and social characteristics promoted.

J. DUE DILIGENCE

ESG, and other relevant sustainability-related data are sourced from a number of data providers. Industry and company ESG ratings are calculated using the Sustainability Matrix. A similar process is applied for country ESG ratings. On a bi-annual basis, J Safra Sarasin conducts a due diligence process in order to identify the most suitable ESG data providers.

At investee company level, ESG key issues by sector are analysed together with the assessment of related risks. Adequate KPIs and weightings are identified for each industry and company-specific ESG data from external data providers are combined with industry weightings to derive the final investee company rating. In addition, media and stakeholder analysis is conducted that considers relevant business controversies and incidents involving the rated investee company. 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 investee company's reaction (transparency, pro-activeness, remediation effort) are systematically considered in the ratings process. Certain business activities which are not deemed to be compatible with sustainable development lead to the exclusion of companies from the sustainable investment universe.

The sustainability analysis and ESG rating is conducted in-house by J Safra Sarasin. 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 performed as needed. 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.

K. ENGAGEMENT POLICIES

Where possible, active ownership activities such as direct company engagement, collaborative engagement, public policy engagement, and proxy voting; which is undertaken by J. Safra Sarasin. Engagements are targeted to enhance long-term shareholder value by promoting sound corporate governance and strong shareholder rights, as well as good social and environmental performance of investee companies.

L. DESIGNATED REFERENCE BENCHMARK

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by this Trust.