

Principal Adverse Impacts Statement

1. Summary

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, J. Safra Sarasin Fund Management (Luxembourg) SA (“JSSFML”) as part of the J. Safra Sarasin Group (“the Group”) considers principal adverse impacts on sustainability factors as part of its investment decision making process.

2. Description of principal adverse sustainability impacts

Principal adverse impacts (“PAI”) are negative, material or likely to be material effects on environmental, social and employee matters that are caused, compounded by or directly linked to investment decisions and advice performed by Group internal or external investment managers.

3. Description of policies to identify and prioritize principal adverse sustainability impacts

Identification and Prioritization of Principal Adverse Impacts

Adverse impacts are prioritized according to their materiality and type as well as the investment strategy, ESG priorities and sustainable objective of the investment product. An adverse impact on sustainability factors is considered to be principal where it has a material, negative impact on efforts to accelerate transition to a low carbon economy and/or to advance inclusive growth. The methodology used to incorporate the consideration of potential adverse impacts into the investment process is described in the Group Sustainable Investment Policy.

Further information about the Group’s policies or an investment manager’s policy to identify and prioritise principal adverse sustainability impacts will be published following the finalisation of the applicable European Commission Delegated Regulation.

Methodologies & Data Sources

External data sources, publicly available information and own proprietary tools and frameworks are used to identify, assess and monitor adverse impacts. Where data is insufficient, an alternative approach is used including direct company engagement and estimation methods (industry average).

4. Engagement Policies

The Group’s engagement and voting approach are detailed in its Active Ownership Policy and Proxy Voting Guidelines and its activities are reported in the annual Active Ownership Report. In addition, JSSFML maintains its own Voting Rights and Engagement Policy in alignment with the Group’s engagement and voting approach.

5. References to International Standards

The Group is a founding signatory of the Principles for Responsible Banking and the Principles of Responsible Investing, and is a member of Swiss Sustainable Finance, the Swiss Climate Foundation and the Global Footprint Network. Furthermore, the Group adheres to a number of international norms, including the OECD Guidelines. The group transparently reports on its progress in the annual Sustainability Report aligned with the Task Force on Climate-Related Financial Disclosures (“TCFD”).

The Group is committed to contributing to the achievement of society’s goals as expressed in the Sustainable Development Goals (SDGs) and the Paris Agreement. This commitment is underpinned by the J. Safra Sarasin Sustainable Asset Management Climate Pledge, which aims for a carbon-neutral outcome in assets under management by 2035.