Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: JSS Sustainable Bond - Total Return Global

Legal entity identifier: 222100J1DCHVW8IPFU12

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

[ ] Yes	[X] No
[ ] It will make a minimum of **sustainable investments with an environmental objective:** __%	[X] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[X] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[X] with a social objective
[ ] It will make a minimum of **sustainable investments with a social objective:** __%	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

This product considers environmental, social and governance aspects ("ESG") along the investment process with the aim to reduce controversial exposures, to align the portfolio with international norms, to mitigate sustainability risks and to harness opportunities emanating from ESG trends and to get a better-informed perspective of portfolio holdings. The social characteristics promoted by this financial product include various aspects such as tackling inequality, fostering social cohesion, social integration and labour relations, and investing in economically or socially disadvantaged communities. This product´s sustainable investment process starts with the universe definition in accordance with the ESG criteria as determined by the investment manager on the basis of the sustainability analysis performed by Bank J. Safra Sarasin AG and its affiliates ("JSS"). The universe definition comprises the following norms-based exclusions and controversial business activities which are not deemed to be compatible with sustainable development and lead to the exclusion of companies from the sustainable investment universe which is based on the following exclusion criteria (with revenue thresholds) (“JSS Exclusion Policy”):

- Controversial Weapons: 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, chemical and nuclear weapons, cluster munitions and anti-personnel mines (revenue threshold: 0%);

- Defense and Armament: Producers of civilian firearms, conventional weapons (systems and critical components) and weapon support systems and services (e.g. weapon control systems, target navigation systems, etc.) (revenue threshold: 5%);

- Coal: Companies that simultaneously have a significant involvement in the coal business and lack a solid transition strategy towards a low-carbon economy (5% revenue thresholdfor for coal miners, 10% for coal power generation and 10% for the sum of both);

- Genetically-modified organisms in agriculture: Companies that genetically modify organisms for agricultural use (revenue threshold: 0%);

- Genetically-modified organisms in medicine: Human cloning and other manipulations of the human gene line (revenue threshold: 0%);

- Tobacco: Producers of tobacco products (revenue threshold: 5%);

- Adult Entertainment: Producers of adult entertainment materials (revenue threshold: 5%);

- Violation of Human Rights and other Global Compact Principles: Companies involved in severe violations of human rights or other breaches of the UN Global Compact Principles, in line with established international standards (revenue threshold: 0%);

- Palm Oil: Companies with palm oil exposure without sufficient levels of certification by the Roundtable on Sustainable Palm Oil ("RSPO") are excluded (5% revenue threshold for palm oil producers if less than 75% of the sites are certified by RSPO).

The product invests in issuers that meet minimum requirements in terms of ESG profile. The ESG profile is assessed according to the proprietary JSS 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. Issuers that promote environmental and/or social characteristics either provide products or services relevant for the UN Sustainable Development Goals ("SDG revenues") or are setting industry-leading operational standards in an environmental and/or social key area that is material for the respective industry. A reference benchmark has not been designated for the purpose of attaining the product's environmental or social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

  The product's attainment of the environmental or social characteristics promoted, is measured according to the proportion of A- and B- rated assets, as determined by the JSS Sustainability Matrix. A-rated issuers are considered to have a superior ESG profile, are industry leaders and are eligible for all sustainable strategies. B-rated issuers are eligible for all sustainable strategies.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

  The sustainable investments of the product contribute to one or more environmental and/or social objectives. These objectives may include among others, reducing carbon emissions, increasing biodiversity, tackling inequality, and facilitating social cohesion.

  An issuer can contribute to an environmental or social objective if its products facilitate the achievement of one or more of the UN Sustainable Development Goals as determined by a proportion of the issuers' revenues (at least 5%) that align with one of the environmental or social goals, or if the issuer achieves operational excellence as determined by outperforming at least 85% of its peers on at least one strongly material environmental or social indicator, or if the issuer has set a carbon emissions reduction target that has been approved by the Science Based Targets initiative ("SBTi"). In addition, for bonds, the security also passes if it is a sustainable or sustainability-linked bond in the environmental or social category.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

  The do no significant harm ("DNSH") test excludes issuers which are fundamentally misaligned with sustainability practices and/or that fail to meet minimum thresholds for adverse impact indicators. An issuer passes the DNSH test, if it is A or B rated according to the JSS Sustainability Matrix. In addition, if the issuer is active in the fossil fuel sector, it needs an approved SBTI target to pass. Fossil fuel related activities include extraction, processing, storage and transportation of petroleum products, natural gas and thermal and metallurgical coal.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The investment manager is required to consider the negative consequences of their investment decisions as indicated by adverse impact indicators, as part of the investment process. This is achieved through the exclusion of investments which do not meet minimum environmental or social thresholds and through engagement. At entity-level, a detailed approach to each of the 14 mandatory principal adverse impact indicators will be available on the website by 30 June 2023 at the latest. At product level, this will be included in the annual report from 2023 onwards.

- **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The ESG screening and universe definition are based on the JSS Sustainable Investment Policy and strategy which integrate the principles of several international conventions and norms, including:

The OECD Guidelines for Multinational Enterprises,

The UN Guiding Principles on Business and Human Rights,

The United Nations Global Compact,

The OECD Principles of Corporate Governance,

The Universal Declaration of Human Rights,

The Children's Rights and Business Principles,

The ILO conventions on labour standards,

The Rio Declaration on Environment and Development,

The UN Convention on Corruption,

The Convention on Cluster Munitions.

The ESG screening helps identify listed companies allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Such companies are not deemed to be compatible with the above principles and excluded from the JSS sustainable investment universe.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

[X] Yes. Principal adverse impacts are considered in the investment process and are integrated through the exclusion of investments which do not meet minimum environmental or social thresholds. The investment manager aims to manage all of the 14 mandatory principal adverse impact indicators and the most relevant indicators for each industry and sector are assessed. Issuers which fail to consider the most significant negative impacts of their activities on environmental or social factors are excluded. Adverse impacts may also be addressed through engagement activities and active ownership. Further information about the consideration of principal adverse impacts will be available in the annual report published after 1 January 2023.

[ ] No

What investment strategy does this financial product follow?

This financial product seeks to minimize the risks and exploit the opportunities associated with sustainability megatrends such as resource shortages, demographic change, climate change, accountability, etc. The financial product aims to deliver superior risk-adjusted investment performance by taking into account all relevant issuer-specific aspects, including ESG factors, in the investment analysis. The JSS ESG rating assesses issuers relative to their peers. The rating ranges from A-rated issuers 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 and hence likely to cause significant harm are rated C (worst performing relative to industry peers) or D (excluded due to controversial business activities).

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

  The product's investment strategy follows a strict process whereby ESG considerations are integrated throughout. The investment manager applies the following binding criteria in its strategy:

  (a) Excluding investments in controversial business activities according to the JSS Exclusion Policy;

  (b) Achieving an above-average ESG profile. This product will not invest in C- or D-rated issuers.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

  The investment manager’s ESG approach reduces the investment universe of issuers for which ESG data is available by at least 20%.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

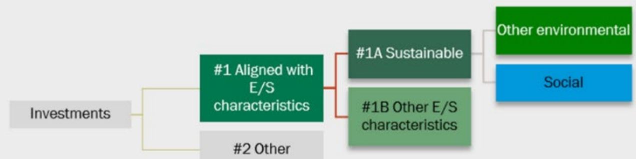
- **What is the policy to assess good governance practices of the investee companies?**

  Investee companies are rated for governance aspects against a variety of factors including board structure, tax compliance, executive remuneration, and adherence to governance codes, in line with the JSS sustainable investment methodology. Over 70 KPIs are included in the governance rating methodology and are weighted per industry. In order to pass the specific good governance test, in addition to achieving a JSS ESG rating of A or B, companies must not score ≤1 in any of the five relevant MSCI Key Issue scores (if available). The rating ranges from 0 to 10, with 0 being the worst and 10 being the best possible rating.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The minimum proportion of the investments of the financial product that are aligned with the environmental and social characteristics promoted by the financial product i.e. that have been assessed according to the JSS sustainable investment process and have achieved a JSS ESG rating of A or B is at least 90%. The category "#1 A Sustainable" covers a minimum of 10% of sustainable investments with environmental and/or social objectives. Cash and derivatives are included under "#2 Other". The minimum share of sustainable investments consists of at least 1% of environmentally sustainable investments and at least 1% of socially sustainable investments. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
  Not applicable

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Until data coverage for the assessment of the EU Taxonomy alignment is broader and more reliable, the investment manager cannot accurately calculate to what extent the sustainable investments with an environmental objective are aligned with the EU Taxonomy therefore, the current alignment is 0%. As data availability improves, it is expected that this calculation will become more accurate and hence more meaningful information will be made available to investors in the coming years. Such data will therefore be integrated in a future version of this document.

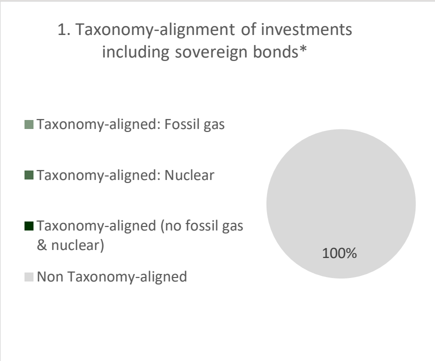
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[22]?**

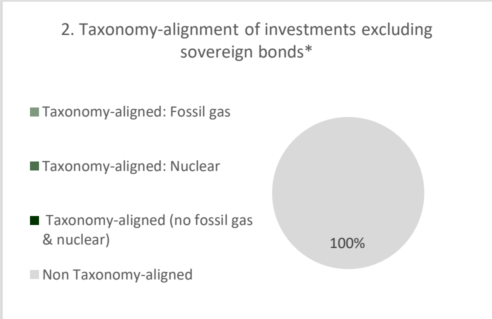
☐ Yes

☐ in fossil gas ☐ in nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

*** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.**

To comply with the EU taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What is the minimum share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities.

[22] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is a minimum share of 1% of investments with an environmental objective that are not aligned with the EU Taxonomy. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

What is the minimum share of socially sustainable investments?

There is a minimum share of 1% of investments with a social objective. The percentage share of sustainable investments above that minimum amount can be distributed in any ratio between environmentally or socially sustainable investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product's cash balance and derivatives are included under "#2 Other" the primary purpose of which is to hedge risks. There is currently no agreed methodology to consider ESG criteria for these asset classes. Also included are investments that cannot be assessed as aligned with E and S characteristics due to insufficient data. As a minimum safeguard, these investments comply with the JSS exclusion policy and do not breach defined revenue thresholds.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
  Not applicable
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
  Not applicable
- **How does the designated index differ from a relevant broad market index?**
  Not applicable
- **Where can the methodology used for the calculation of the designated index be found?**
  Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://product.jsafrasarasin.com/internet/product/sfdr_website_disclosures.pdf