

SUSTAINABILITY – RELATED DISCLOSURES

SARASIN IE THEMATIC GLOBAL REAL ESTATE EQUITY

A. SUMMARY

Sarasin IE Thematic 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.

The Trust will assess and score the environmental, social and governance profile of each investee entity in the real estate sector, on the basis of their climate strategy, use of building materials, the ecological efficiency of its operations, and their management of biodiversity, using a variety of quantitative data inputs. Only those in the top 50% in this scoring, therefore considered to have an above average ESG profile relative to others in the real estate sector, will be considered eligible for the Trust to invest in.

Furthermore,

the Investment Manager makes its own, further assessment of the environmental and/or social impacts caused by each entity, relative to other entities in the real estate sector, using a variety of inputs, which are measured by the Investment Manager’s proprietary Sarasin Sustainability Impact Matrix (SIM); and will seek to engage with the board of directors and management of investee entities to encourage improvement of environmental and social behaviours, and governance practices.

Environmental factors assessed are:

- Climate Change: We consider the nature of the company’s business and the contribution it makes to climate change.
- Circular Economy: We consider the source and lifecycle of products, from raw materials, through processing packaging and pollution, to a product’s end of life.
- Land: We consider use of land resources and the resulting impact on territorial biodiversity.
- Water: We consider whether the company pollutes marine or other water ecosystems; damages water related biodiversity; or contributes to water stress.
- Air: We consider the major issues in air pollution, including nitrogen oxides (NOx), sulphur oxides (SOx) and particulates, in the context of the company’s business policies and practices.

Social factors assessed are:

- Suppliers: We consider how the company is checking for forced labour, working hours, fair living wages and compliance with International Labour Organisation (ILO) guidelines.
- Employees: We consider any unfair employment practices and whether the company references the fundamental conventions of the ILO.
- Customers: We consider whether the company’s products or services cause harm to customers, including ethical and health concerns.



- **Bribery & Corruption:** We consider any recent or outstanding bribery and corruption controversies which may be an indicator of poor practices, as might operations in certain geographies.
- **Cohesive Society:** We consider ways in which companies may abuse their position in society, including exploitation, lending scandals or avoiding tax.

A comprehensive assessment of the related risks and opportunities results in each factor being given a red, amber or green rating to reflect the materiality of the concern. with red being the most material and green the least.

Where, overall, significant environmental and/or social impacts are identified in the SIM, relative to other entities in the real estate sector, as reflected in a Red overall SIM rating, the financial product promotes changes in the activities of investee entities through engagement with the board of directors and management of the entity and we seek to ensure, where we are a shareholder, votes on routine items are aligned with our engagement priorities. Engagement and voting strategies may be entity-specific or follow an identified theme.

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.

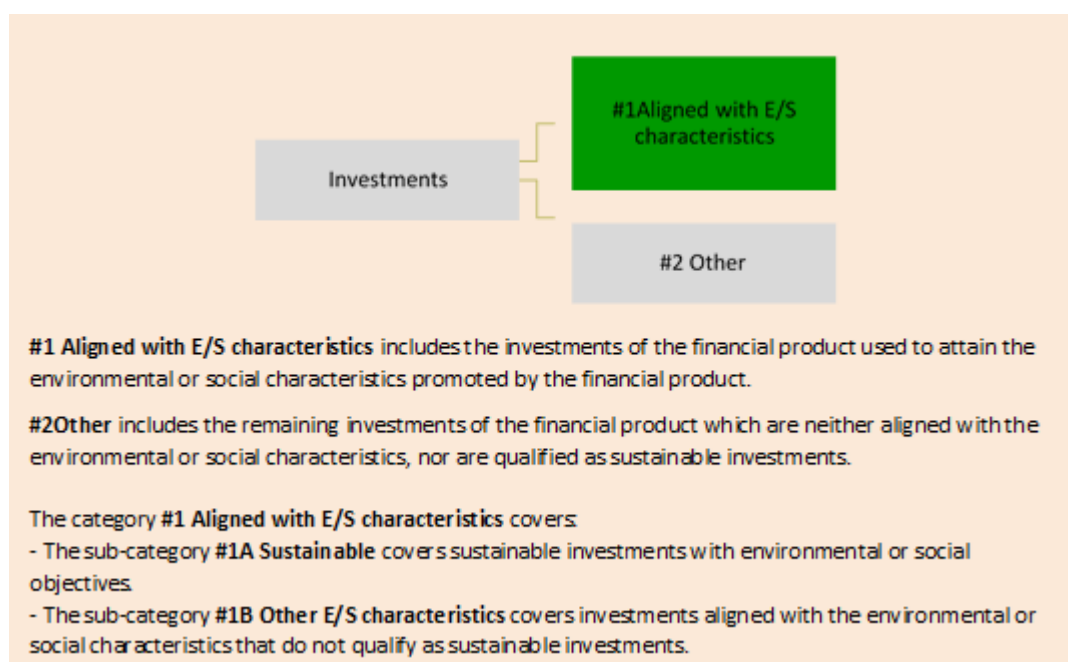
The Trust will assess and score the environmental, social and governance profile of each investee entity in the real estate sector, on the basis of their climate strategy, use of building materials, the ecological efficiency of its operations, and their management of biodiversity, using a variety of quantitative data inputs. Only those in the top 50% in this scoring, therefore considered to have an above average ESG profile relative to others in the real estate sector, will be considered eligible for the Trust to invest in. The Trust also promotes environmental and/or social characteristics by assessing and, where appropriate, encouraging an improvement of, the following environmental and social behaviours of investee entities.

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 which have an above average ESG profile, relative to others in the real estate sector. The ESG profiles of issuers in the real estate sector are determined by the Investment Manager's proprietary methodology which considers an entities climate strategy, use of building materials, the ecological efficiency of its operations, and their management of biodiversity, using a variety of quantitative data inputs. Only those in the top 50% in this scoring, therefore considered to have an above average ESG profile relative to others in the real estate sector, will be considered eligible for the Trust to invest in.

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 80% (#1 Aligned with E/S characteristics) which do not qualify as sustainable investments. Up to 20% of the investments of the Trust are not aligned with these characteristics (#2 Other). Cash and derivatives are included under #2 Other along with any investments that are no longer considered to have an above average ESG profile and are in the process of being sold. In order to avoid being forced to sell an investment that is no longer considered to have an above average ESG profile at a price that may not be conducive with the achievement of its investment objective, the Trust will have a period of three months to sell such assets from the point at which they are assessed to no longer have an above average ESG profile.



F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Investment Manager's proprietary methodology assesses issuers in the real estate sector relative to their peers on the basis of their climate strategy, use of building materials, the ecological efficiency of its operations, and their management of biodiversity, using a variety of quantitative data inputs. Only those in the top 50% in this scoring, therefore considered to have an above average ESG profile relative to others in the real estate sector, will be considered eligible for the Trust to invest in. The Investment Manager will conduct its assessment on a monthly basis.

The Trust's attainment of the environmental or social characteristics promoted, is measured according to the percentage of assets assessed to have an above average ESG profile held in the Trust.

G. METHODOLOGIES

The Trust's attainment of the environmental or social characteristics promoted, is measured according to the percentage of assets assessed to have an above average ESG profile held in the Trust.

Furthermore, the Investment Manager seeks to track how its engagements are responsible for improvements in an investee entity's environmental and/or social behaviours by recording all substantive interactions with the underlying investee company and the associated impacts.

H. DATA SOURCES AND PROCESSING

The Investment Manager uses ESG data provided from MSCI ESG Research. MSCI ESG Research uses data from multiple sources, including company direct disclosures (e.g., sustainability reports, annual reports, regulatory filings, and company websites) and company indirect disclosures (e.g., government agency published data; industry and trade association data; and third-party financial data providers).

Where company disclosure is unavailable, MSCI ESG Research may leverage a subset of suggested estimated metrics from MSCI ESG Research datasets. These datasets are built based on proprietary methodologies and informed by data from companies, market and industry peers, media, NGOs, multilateral, and other credible institutions.

MSCI ESG Research also uses derived data based on its proprietary datasets, including, for example: MSCI Business Involvement Screening Research, MSCI ESG Ratings, MSCI ESG Metrics, MSCI Climate Solutions, and MSCI ESG Controversies. Additional information on MSCI's SFDR Adverse Impact Metrics mapping is also available to clients through the MSCI client support site.

MSCI ESG Research looks at a broad range of dimensions when defining quality: completeness, exhaustivity, timeliness, accuracy as well as traceability back to source (evidence).

The automated and manual quality checks conducted by MSCI ESG Research address the key aspects of data consistency and data accuracy. Its model is built on query extracts from internal database and flag the whenever pre-specified conditions relating to score changes are triggered, or in case of any suspect values. The data that does not meet the quality standards is subject to further review and correction.

The measures that MSCI ESG Research applies on the data that feeds into MSCI's SFDR module include, for example: dual vendor validation quality assurance to validate data against alternate source using Natural Language Processing (NLP) or AI-driven extraction; keyword scan for disclosure detection/coverage; change based (outlier)/range-based quality assurance on all quantitative data to check large variations, anomalies; negative disclosure checks for qualitative datapoints; data validation and constraints implemented on data input to ensure data consistency and completeness; and validation for consistency on unit of measurements. Through MSCI's proprietary Issuer Communications Portal, issuers can provide feedback to the underlying data along with the link to a publicly disclosed source. MSCI data teams evaluate and apply quality checks to issuer-provided data prior to publication.

Relevant data is accessed by the Investment Manager and retrieved via MSCI's platform.

MSCI ESG Research uses estimated data on a limited basis in cases where the issuer does not directly disclose the data. As at June 2022, the proportion of companies that disclosed data relevant to some Principal Adverse Impact Indicators was as low as 2% of the MSCI All Countries World Index which covers more than 9,200 large, mid and small-cap companies in 23 developed and 24 emerging markets. For example, MSCI ESG Research uses estimated data related to GHG/CO2e emissions in cases where the issuer does not directly disclose, or has limited disclosure of, carbon emissions data.

I. LIMITATIONS TO METHODOLOGY AND DATA

The main limitation of MSCI's PAI and EU Taxonomy data is based on the level of publicly available disclosures. MSCI covers around 10,000 issuers. However, not all of them publicly disclose specific indicators that are needed. Such gaps are driven by many reasons, including lack of regulatory requirements (not subject to EU Disclosure regulations), lack of relevance (e.g., disclosure of toxic emissions and biodiversity protection policies is not relevant for Health Insurance companies), and lack of clear definition (SFDR metrics referring to undefined concepts such as violations of global norms). An underlying objective of EU Sustainable Finance regulatory efforts is to facilitate transparency and disclosure. For this reason, at this stage of the regulation roll-out, MSCI is deliberately focusing on companies' disclosure as a key input with minimal reliance on estimates.

Furthermore, MSCI does not currently include all transitional, hard-to-abate activities in our MSCI Sustainable Impact Metrics Methodology (used for estimating Taxonomy alignment). We aim to monitor these activities for companies with potential alignment but currently there are no set plans to add new activities. Having said this, MSCI will collect company reported Taxonomy eligible and aligned KPI's and include all activities, low carbon, enabling, transitional activities in the data collection efforts as disclosed by companies.

J. DUE DILIGENCE

ESG, and other relevant sustainability-related data are sourced from a number of data providers. Company ESG profiles are calculated using the Investment Managers proprietary methodology.

K. ENGAGEMENT POLICIES

Where, overall, significant environmental and/or social impacts are identified in the SIM, relative to other entities in the real estate sector, as reflected in a Red overall SIM rating, the financial product promotes changes in the activities of investee entities through engagement with the board of directors and management of the entity and we seek to ensure, where we are a shareholder, votes on routine items are aligned with our engagement priorities. Engagement and voting strategies may be entity-specific or follow an identified theme.

The Investment Manager is also a member of the Global Real Estate Engagement Network which is a not for profit engagement network of global institutional investors in the real estate industry. The network aims to ensure that the industry reaches the Paris Agreement's goals on climate change.

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.