FISCH » Asset Management

# » Exclusion policy - FISCH Convertible Global Sustainable Fund

as of April 2023

In addition to our firmwide standard exclusion approach (see ESG - Fisch Asset Management (fam.ch)), the FISCH Convertible Global Sustainable Fund adopts a stricter standard to ensure the highest level of sustainability into its portfolio positions.

## Exclusion criteria

The portfolio thus does not invest in:

**Human Rights Violations**

— Companies involved in severe violation of human rights as defined by international standards and principles (UN Global Compact, ILO, OECD and UNGP).

**Defense**

— Companies that are involved in the manufacturing of controversial weapons such as cluster munitions anti-personnel mines, white phosphorus, nuclear, biological and chemical weapons. (Full exclusion)

— Companies that derive 5% or more of their revenues from civilian firearms, conventional weapons (systems and critical components) and weapon support systems & services (Weapon control systems, target navigation systems, etc.).

**Tobacco**

— Companies that derive 5% or more of their revenues from the production or distribution of tobacco products.

**Energy**

— Companies that derive 5% or more of their revenues from the mining of thermal coal and its sale to external parties or from coal powered electricity generation activities.

— Companies that derive 5% or more of their revenues from the production of unconventional oil & gas such as oil sands, shale oil, shale gas and artic drilling.

— Companies that derive 5% or more of their revenues from the conventional oil & gas production or in oil & gas power production.

— Companies that derive 5% or more of their revenues from owning or operating nuclear power plants (utilities) and companies that supply key nuclear-specific product or services to the nuclear power industry (incl. uranium mining).

**Genetically modified organism**

— Companies that genetically modify organisms for agricultural use. (Full exclusion)

— Companies that are involved in reproductive human cloning. (Full exclusion)

**Adult Entertainment**

— Companies that derive 5% or more of their revenues from producing, directing, or publishing adult entertainment materials.

# Additional exclusions

In addition to the standard exclusion approach, any company can be excluded from the investment universe if assessed as incompatible with responsible and sustainable investment within our ESG integration approach. These exclusions are also subject to approval by the ESG committee and the Executive Board.

# Controversies

As part of the identification of ESG risks, Fisch regularly also identifies and monitors controversies, based on scores received from ESG data providers (e.g. MSCI) as well as Fisch's own research. The detection of severe controversies can lead to a limitation of exposure, disinvestment and/or exclusion of a company. The ESG assessment methodology of the ESG data provider typically takes into account the *UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Core Conventions, and the UN Global Compact*. The respective ESG data provider's methodology can be found on its webpage.

Follow-up and monitoring of the list of companies under severe controversies are managed by the portfolio management teams. The list of open exposures to severe controversies across the portfolios is reviewed on a regular basis by the Risk Management team and approved by the ESG committee.