

REYL IMPACT POLICY

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CONTENTS

1. Introduction	2
2. Regulatory, Guidelines & Group Policy Context	2
3. Core Principles & Practises	2
4. Governance Structure & Operational Responsibilities	4
5. Scope of Application	5
6. Partnerships	6
7. Annual Disclosures	6

1. INTRODUCTION

This policy sets out Reyl Intesa Sanpaolo's guiding principles and practises for addressing material sustainability **impacts** associated with its core business practises.

Sustainability impacts are defined as material environmental, social or governance issues which have the potential to adversely affect the operations or reputation of the Bank, the value of an investment, and the safe long term stable functioning of society and or the biophysical environment. Reyl takes a risk weighted approach to the consideration of sustainability impacts that incorporates the locus of control, scale, frequency and severity when assessing the materiality of an ESG issue. The policy is guided by the Regulatory requirements of its main areas of operation, Swiss best practise, and the Intesa Sanpaolo Group requirements.

The document is structured as follows:

1. **Regulatory, Best practice & Group Policy context**
2. **Governance structure & Operational responsibilities**
3. **Scope**
4. **Core Principles**
5. **Partnerships**
6. **Annual disclosure**

2. REGULATORY, GUIDELINES & GROUP POLICY CONTEXT

- 2.1 Reyl Intesa Sanpaolo (Reyl), a division of Fideuram Intesa Sanpaolo Private Bank ("Fideuram"), is a Swiss Private Bank authorized by the Swiss Financial Market Supervisory Authority (FINMA). The primary activities of Reyl include wealth management, corporate finance, asset management and asset services.
- 2.2 Reyl is guided by the applicable sustainability regulation of its core operational jurisdictions, In addition to Global regulations, Reyl's Impact policy is guided by best practise as defined by the Swiss Associations for Banking and Asset Management as well as FINMA. Lastly the applicable sustainability policies of Intesa Sanpaolo Group provide a foundational framework for the Reyl Impact policy.

3. CORE PRINCIPLES AND PRACTISES

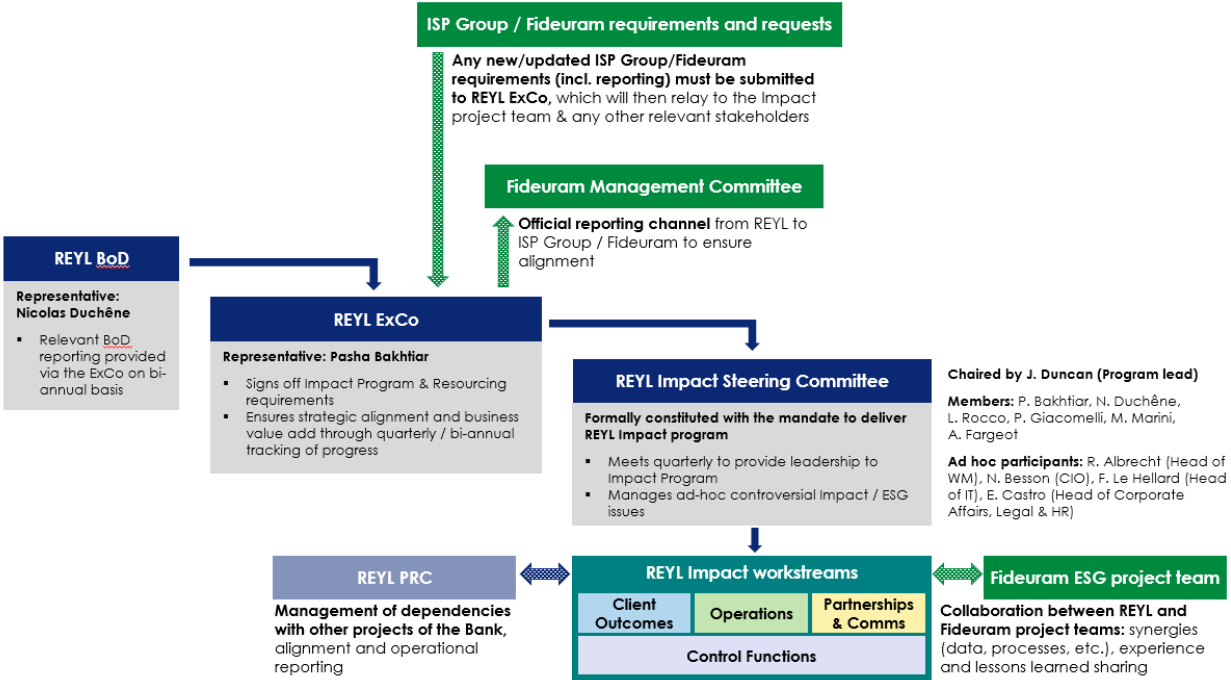
- 3.1 The REYL Group is committed to reducing the negative impacts of its activities on clients, staff, local communities, and the biosphere, as well as enhancing the potential for positive impacts.
- 3.2 The Group's approach to 'impact' is guided by a science-based 'systems view' of the world, informed by an in-depth understanding of the interconnection between society, the environment, and the markets. The Group foresees the future of capitalism increasingly being shaped by a transition to a low-carbon, socially inclusive & resource-efficient economic growth path – driven by the growing scientific consensus on the necessity to address biophysical and social risks, the rapidly shifting policy landscape, shifting consumer sentiment and the real implications for business competitiveness.

- 3.3 The Group anticipates the green economy transition will take time, will be volatile, and will have varying impacts on the historical risk return profile across different economic sectors, asset classes and regions. Therefore, Reyl takes a data-driven and evidence-based view on impact, ensuring a balanced, client-led approach to the consideration of material impact issues in its products and services as well as its business operations.
- 3.4 Reyl integrates material environmental, social and governance issues into its approach to the selection of third-party asset manager funds, in house selection of stocks & bonds and in its Actively Managed certificates. The form of the ESG integration will vary depending on the security type and investment process. The process of ESG integration will be supported by both qualitative and quantitative inputs from proprietary analysis, broker reports and ESG data and reports from MSCI.
- 3.5 In respect to asset management activities Reyl applies the Fideuram defined exclusion criteria and operating limits as follows:
- 3.5.1 Exclusion of companies involved in the production, maintenance, sales and storage of weapons of mass destruction (WMD), i.e. nuclear, biological, chemical and radiological weapons (NBCR)⁷, including those which are excessively harmful and indiscriminate as identified by the United Nations Convention on Certain conventional Weapons (CCW);
 - 3.5.2 Exclusion of companies involved in the production of electricity connected with thermal coal this applies to issuers with at least 25% of their revenues from these activities.
 - 3.5.3 Exclusions include the following operating limits: for products using a benchmark, the maximum permissible exposure is equal to the issuer's weight on the benchmark.
 - 3.5.4 The exclusion criteria are applied to investment products managed directly by Reyl and thus 3rd Party funds are not in scope.
 - 3.5.5 Reyl will apply exclusion criteria as defined by clients within their specific mandates.
- 3.6 Reyl will assess client preferences in the fulfilment of advisory and portfolio management practices. Aligned with regulatory guidance client sustainability preferences will be considered as secondary to the clients' personal investment objectives.
- 3.7 As a part of the Reyl credit risk practices the Fideuram ESG sectorial risk map will be used to track and report the level of ESG risk across the credit book.
- 3.8 Recognizing its privileged position, Reyl promotes values of generosity and care and is committed to contributing to the community through partnerships with leading development organizations and through encourage staff volunteerism.
- 3.9 Reyl implements a progressive approach to human capital management that includes access to training opportunities, health and wellbeing, and the application of Fair-ON-Pay standards of the Swiss Federal Office for Gender Equality and the Social Partnership Centre for Equal Pay in the Banking Industry (SoParCEB)
- 3.10 In respect to day-to-day operations Reyl targets resource efficiency through energy, water, and waste management in its facilities.

4. GOVERNANCE STRUCTURE AND OPERATIONAL RESPONSIBILITIES

4.1 Oversight for the Impact Policy is provided by the Reyl Board of Directors while the Reyl Executive Committee defines the strategic focus and ensures implementation. Progress reporting on the implementation of the Reyl Impact program is provided by the Executive committee to the Reyl Board biannually. Implementation of the impact program is led by the Reyl Chief Impact officer with support from the Reyl Impact Steering committee. Figure 1 below provides a summary of the governance structure and reporting lines.

Figure 1: Reyl Impact Program Governance Structures and reporting lines



4.2 Roles and responsibilities

In order to promote the implementation of this Policy, Reyl involves the following corporate bodies and structures:

4.2.1 Board of Directors.

Approves the strategic direction and Group policies with respect to sustainable banking and investment practices based on proposals made by the Reyl Executive Committee. The Board of Directors oversees the proper implementation of the Impact Policy. In exceptional cases, after receiving prior opinion from the Impact Steering Committee, the Board is entitled to approve possible Investment cases proposed by the Bank.

4.2.2 Executive Committee.

The Executive committee (Exco), under the leadership of the Chief Executive Officer and supported by the Impact Steering Committee, holds responsibility for the formulation of the Reyl Impact program including its appropriate resourcing and implementation. The Exco is required to periodically monitor the activities of the Impact Steering Committee, the implementation of the Company's Impact Policy using the reporting provided to the Exco.

4.2.3 Impact Steering Committee.

The Impact Steering Committee is an advisory body supporting the Exco in (i) defining the Reyl Impact strategy and policy (ii) implementing the impact program across the Reyl Group, (iii) ensuring appropriate monitoring of core client exposures to material impact criteria, (iv) monitoring the escalation processes relating material impact issues.

The Committee shall meet at least four times a year. In case specific needs arise, further meetings can be initiated by way of exception.

4.2.4 Compliance Function.

The Compliance function is responsible for ensuring the compliance risk, with reference to the regulatory perimeter of the Reyl Group Impact program. This task is also carried out by ensuring compliance with this Policy, supervising the correct application of the controls covered by external and internal regulations and providing the necessary support to the internal structures.

4.2.5 Risk Management Function.

The Risk Management function is responsible for monitoring material impact risks and for ensuring the compliance of all individual portfolios management mandates with the investment limits as proposed by the Impact Steering Committee and approved by the Board of Directors. In line with the operating model in place, the execution of the related daily ex-ante compliance controls is delegated to Reyl Risk Management department while the portfolio management responsibility is retained by the Reyl Investment team, and to the delegated investment managers otherwise. The Risk Management function oversees the compliance with the decision-making process and operating limits aimed at containing risks, including reputational risks, related to impact issues.

4.2.6 Investments, Credit, Risk

The Investments, Credit and Risk functions are collectively responsible for ensuring the implementation of the principles of sustainable investment by integrating environmental, social and governance factors into the investment and credit decision making processes. Each team will maintain documented approach to the specific ESG integration processes.

5. SCOPE OF APPLICATION

- 5.1 This policy applies to the wealth management, corporate finance, asset management and asset service practises of Reyl Group.
- 5.2 In scope Wealth management practises includes provision of credit facilities, discretionary portfolio management and advisory services, execution only practises are out of scope. Reyl operates with an open architecture approach to asset management and thus in scope activities include selection of 3rd party asset manager products, in house selection of single stock/ bond opportunities as well as fund management (Actively Managed Certificates). In

respect of Corporate Finance practises, in scope activities include transaction advisory and execution services, noting that traditional project finance activities are not provided by Reyl and are thus out of scope.

- 5.3 This policy additionally applies to the material sustainability impacts associated with day-to-day operations of the Bank, including, staff wellness, supply chain management, facilities management, and staff travel.

6. PARTNERSHIPS

- 6.1 To foster collaboration across the industry Reyl will maintain active partnership with industry associations and initiatives. In respect of this Reyl is member of the Swiss Banking Association, Swiss Asset Manager Association and Sustainable Finance Geneva.

7. ANNUAL DISCLOSURES

- 7.1 Internal quarterly reporting is provided by the Impact Steering Committee to the Reyl Board. The Reyl Annual report will provide disclosure on the progress made with the implementation of the Group Impact Policy and program.