

Sustainability Questionnaire Toolkit Instructions



Adviser interpretation guide & key to EQ portfolios

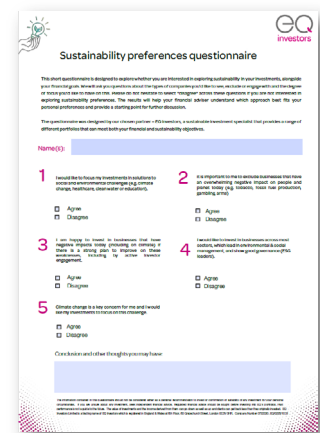
These instructions are intended to support you as an adviser in assessing your client's response to the Sustainability Preferences questionnaire & how best to use the interpretation guide.

How to use the questionnaire:

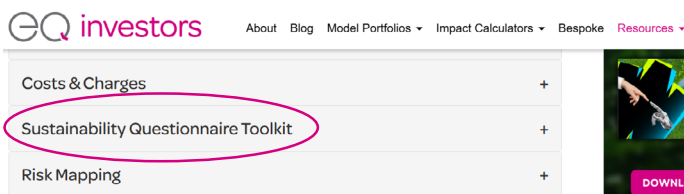
A regulated firm must obtain sufficient information about a client to form a personal recommendation as part of the 'Know your Customer' requirements. This sustainability questionnaire is designed to prompt discussions and understand client priorities from a sustainability standpoint. In turn this will help make informed decisions when recommending investments that meet the customer's needs, circumstances, and investment objectives. It is the responsibility of the advice firm therefore to ensure that they fully understand how the questionnaire works and its limitations. You should only use the questionnaire if you are satisfied it is appropriate and fit for purpose for your firm and your clients.

The outcomes of the sustainability questionnaire are a starting point for a detailed discussion with your client and should not be relied upon as the sole means for assessing the client's sustainability preferences.

You can access our Sustainability Questionnaire Toolkit under the Adviser Resources section on our website.



Client-facing editable PDF (or print)



Scoring methodology

EQ has developed this sustainability questionnaire to focus on three pillars of sustainability (**ESG Leaders**, **Climate Focus**, **Impact Solutions**), each of which have the potential to score equal points across the questions. The questions are developed to allocate points based on "agreed" answers only. Point scores are allocated based on the degree of alignment with the question's objective and the sustainability pillar, ranging from (0) no or low alignment, (5) medium alignment, (10) high alignment.

Some of the questions refer to one or more of EQ's model portfolios, and the reasoning behind this has been reflected and explained in the "guidance for adviser" notes, within the **Interpretation Guide**.

After inputting the client responses into the **Interpretation Guide**, the spreadsheet will calculate a clients' alignment score per sustainability pillar. The maximum score per pillar is 20 points, and the highest scoring pillar(s) describe the client's sustainability preferences best.

Interpretation Guide

Client answers are translated here:

Five questions that aim to explore different sustainability preferences

Question	Weight	Agree	F. AGREE	EQ Leader	Climate Focus	Impact Solution	EQ Sustainable World
1. I would like to invest in companies that address or contribute to environmental challenges (e.g. climate change, biodiversity, clean water or air quality)	1		F. AGREE	0	0	10	0
2. It is important for me to invest in businesses that have an excellent reputation for people and planet today (e.g. tobacco, fossil fuel production, gambling, etc.)	1		F. AGREE	5	0	10	0
3. I would like to invest in businesses that have excellent reputation today (measured by others) in terms of a company's reputation on human rights, including by multi-lateral organisations	1		F. AGREE	0	10	0	0
4. I would like to invest in businesses whose most common, well-known, and well-covered ESG issues are related to social management, and their good practices (GRI 400 issues)	1		F. AGREE	10	0	0	0
5. Climate change is the most serious for me and I would like to invest in companies that have no climate change	1		F. AGREE	5	10	0	0
			TOTAL	00	00	00	

Helpful guidance per question & their match to EQ Model portfolios. Can be used in formulating a recommendation and to assist with further discussion

Result of scoring per pillar

Key to match results to EQ MPS

The maximum score per pillar is 20 points, and the highest scoring pillar(s) describe the client's sustainability preferences best.

Zero scores may indicate a preference for a portfolio without explicit sustainability preferences. Other traditional portfolio mandates should be discussed.

Higher scores indicate interest in exploring sustainable portfolios. The greater the scores, the greater the alignment of client's preferences to the respective sustainability pillar.

Impact solutions	ESG Leaders	Climate focus	High and fairly equal scores across the three pillars indicate the client's preferences for sustainable investment are there, but might not be specific. EQ Sustainable World portfolio may be the most relevant option. EQ Future Leaders is relevant if costs are a priority.
Impact Solutions	ESG Leaders	Climate Focus	High scores relating to "Impact Solutions" align to the core objectives of the EQ Positive Impact mandate. EQ Sustainable World targets this though 1 of 3 lenses, EQ Future Leaders has some sustainable themes.
ESG Leaders	ESG Leaders	Climate Focus	High scores relating to "ESG Leaders" align to the core of the EQ Future Leaders mandate. EQ Sustainable World targets this though 1 of 3 lenses, EQ Positive Impact has an indirect approach to this.
Climate Focus	ESG Leaders	Climate Focus	High scores relating to "Climate Focus" align to the objectives of the EQ Sustainable World mandate, implemented through the "climate focus" lens (1 of 3). EQ Positive Impact and EQ Future Leaders have indirect approaches to this.

Disclaimer: The outcome of the scoring system should not be considered either as a personal recommendation to invest or confirmation of suitability of any EQ model portfolio solution. It is designed to help with the 'know your client' process, and through discussion, to assist in identifying potentially suitable sustainable solutions.

Past performance is not a guide to future performance. The value of investments and the income derived from them can go down as well as up, so you could get back less than you originally invested.



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