



Stewardship at LGT

2023



| Forward-looking
for generations



Cover image

Ferdinand Runk, detail from "Hadersfeld on the Danube", 1815
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LGT believes that through collaboration, investors can contribute to more efficient and impactful outcomes by having a stronger voice and more effectively expressing concerns to companies.

H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT

Foreword

Dear Reader,

The term “stewardship” is expressive of both of our responsibilities – to clients, as well as to the societies and environments which they live in. We believe stewardship is a necessary lever for sustainability and contributes to the goals of sustainable investing in a way that emphasises deep and prolonged efforts. An investor could conceivably brand themselves “sustainable” by discarding any investee companies that do not fit the criteria while having very little real-world impact. By contrast, stewardship approaches investment for the long-term, working with and influencing management to steer companies in a direction that is aligned with long-term value creation.

This is an approach that fits naturally with how my family has historically operated: thinking and planning for the long term, across generations. It is also a vital part of LGT Group’s identity and business activities. We strive to create, preserve and foster long-term value for our clients, recognising that a resilient global economy relies on a healthy planet and society.

This second global edition of our Stewardship Report provides an overview of LGT’s various engagement and voting activities, illustrated with examples. We seek to create transparency on our efforts and achievements, and provide insights into how we pursue stewardship.

One of our key themes in 2023 was collaboration. LGT believes that through collaboration, investors can contribute to more efficient and impactful outcomes by having a stronger voice and more effectively ex-

pressing concerns to companies. Over the last year, we joined collaborative engagements, partnered with investor initiatives to share insights and worked with our peers to promote more sustainable systems.

We are not alone in recognising the growing importance of stewardship. Last October, the Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF) released Switzerland’s first ever Stewardship Code, while in the UK, the Financial Conduct Authority (FCA) announced a specific sustainability label aimed at funds with strong stewardship credentials (Sustainability Improvers) the same year as the stewardship code reached 277 signatories. In Japan, investor engagement with ministry officials led to the Prime Minister announcing new diversity targets in his opening remarks for the Principles for Responsible Investment’s (PRI) conference, demonstrating the power of well-executed stewardship activities.

Progress on stewardship does not happen overnight. As long-term investors, we build long-term partnerships and relationships to enable us to push for further efforts on these important issues. We look forward to continuing our journey with you, our valued clients, business partners and other stakeholders, and tackling the global challenges together.

Kind regards,



H.S.H. Prince Max von und zu Liechtenstein
Chairman LGT

Stewardship at LGT

Stewardship in practice

Stewardship encompasses a multitude of approaches through which investors can influence and drive positive change to both the return and sustainability profile of an asset or company.

The typical mechanisms of stewardship stem from investors' unique position as providers of capital to their portfolio companies. By engaging directly with leadership, investors can seek to drive positive change; or they can exercise their voting rights to encourage companies to improve their management practices and impacts on the environment and society.

In addition to engaging directly with companies, investors can also use their credibility, expertise and resources to engage with a variety of stakeholders including policymakers, standard setters and peers to create a beneficial environment for sustainable investment practices.

Addressing global challenges

Stewardship is essential in supporting the transition to a low-carbon and resilient global economy. By working together, investors can intensify their influence, encouraging companies to address pressing sustainability issues such as global warming and biodiversity loss, and the protection of human rights.

By including stewardship in its Strategy 2030, LGT Group aims to shape outcomes that can contribute to a sustainable future for its clients and the generations to come.

LGT Group (LGT) assumes stewardship responsibilities via LGT Private Banking (LGT PB)¹ and its asset management arm LGT Capital Partners (LGT CP)² through engagement, collaborative initiatives, voting and public policy advocacy. LGT pursues a dialogue and an exchange with companies to incentivise activity that is in the best interests of clients, society and other stakeholders.

Stewardship

Stewardship is a vital tool that sits at the heart of LGT's sustainability strategy.

"Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society, on which returns, and client and beneficiary interests, depend."

This definition is based on the UK Stewardship Code and the definition used by the Principles for Responsible Investment (PRI), the world's leading proponent of responsible investment.

¹ This report mainly addresses LGT's stewardship activities in the EMEA region (LGT PB (EMEA)) and in the United Kingdom (LGT Wealth Management (LGT WM)). Passages in this report that refer to LGT Group or to LGT Private Banking as a whole are referred to by those names, or are referred to as LGT and LGT PB, respectively.

² This report provides information on stewardship activities of LGT Group. In addition to the information provided by LGT PB, the report includes select information from LGT Group's asset management business, LGT Capital Partners (LGT CP). Please refer to LGT CP's Active Ownership Report for comprehensive information on LGT CP's stewardship activities. This report also includes reporting from Lightrock, an impact investment platform backed by LGT, to illustrate how stewardship is applied across different asset classes.

Stewardship toolkit

Engagement

Engagement is a proactive or reactive dialogue with investee companies or fund managers that allows LGT to identify the long-term drivers of value and provide constructive feedback on how these players can improve their sustainable behaviour. Engagement can occur independently through strong relationships with businesses and managers, or collaboratively, relying on strength in numbers and a unified voice.

Voting

As part owners of publicly listed companies, shareholders are regularly invited to vote on management's plans and direction for the company at annual general meetings. Voting is a vital component of LGT's stewardship approach, as it allows investors to constructively work with boards to voice shareholder concerns and improve practices.

Public policy advocacy

As financial regulation tightens, investors are increasingly subject to new reporting requirements and practices implemented by policymakers. It is in LGT's interest, and the interest of its clients, to work together with policymakers, network groups and membership organisations to ensure that policies are designed and implemented to improve market practices on sustainability.

Highlights of LGT Group's stewardship journey

2012

- LGT CP introduces proxy voting

2013

- LGT CP begins engaging with companies on ESG matters

2019

- LGT CP joins Climate Action 100+

2020

- LGT CP introduces a proprietary engagement tool
- LGT WM develops a stewardship strategy
- LGT WM introduces proxy voting for its direct holdings

2021

- LGT PB and LGT CP communicate their net-zero goals

2022

- LGT WM joins the investor network FAIRR for a just transition in animal agriculture
- LGT PB develops its Sustainability Strategy 2030
- LGT PB (Europe) enters into an agreement with Columbia Threadneedle Investments
- LGT PB joins Climate Action 100+ and PRI's Advance initiative
- LGT PB signs Finance for Biodiversity Pledge

2023

- LGT PB (Europe) completes its first year of voting for the Focus Sustainability Fund
- LGT onboards the services of Esgaia, a leading third-party engagement and voting tracking platform
- LGT's Global Stewardship Committee approves a set of public voting guidelines to outline its approach to voting
- LGT PB expands its Stewardship Strategy on a global level
- LGT PB & CP join Nature Action

Stewardship at LGT Private Banking

Stewardship strategy

Through its global stewardship strategy, LGT PB aims to achieve two outcomes. First and foremost, the strategy supports the fulfilment of the bank's fiduciary duty to provide stable investment returns for clients in accordance with agreed contractual obligations, objectives, goals and parameters. Second, through the sound management of capital, LGT PB can help create a safer and more sustainable future for clients, their families and generations to come. LGT invests across asset classes, sectors and geographies, making the bank a universal owner. This diversity ensures that LGT's clients can benefit from the breadth of opportunities in the market, leaving them less affected by the performance of any one single investment.

However, this also means LGT is more exposed to systemic risks that impact the entire market or economy, such as climate change. Thus, by engaging with companies to address issues such as pollution or living wages, LGT's portfolio can benefit from any improvements that are achieved.

LGT PB's stewardship strategy therefore looks to address these interlinked issues globally, while incorporating local client, regulatory and social priorities. Through this united front and consistent voice, LGT PB can better leverage its assets. Working alongside peers, LGT can help direct regulators and investee companies to maximise risk-adjusted returns and generate positive real-world impact.

Governance for stewardship

LGT has a comprehensive and evolving governance structure in place to ensure the bank is well positioned to implement the Sustainability Strategy 2030.

Various sustainability committees (such as the Operations, Risk & Governance, Data & Reporting, and Clients & Investments sustainability committees) and their members are responsible for implementing the Sustainability Strategy 2030 at the operational level. They report to the Core Steering Committee, which meets regularly to discuss topics of strategic relevance.

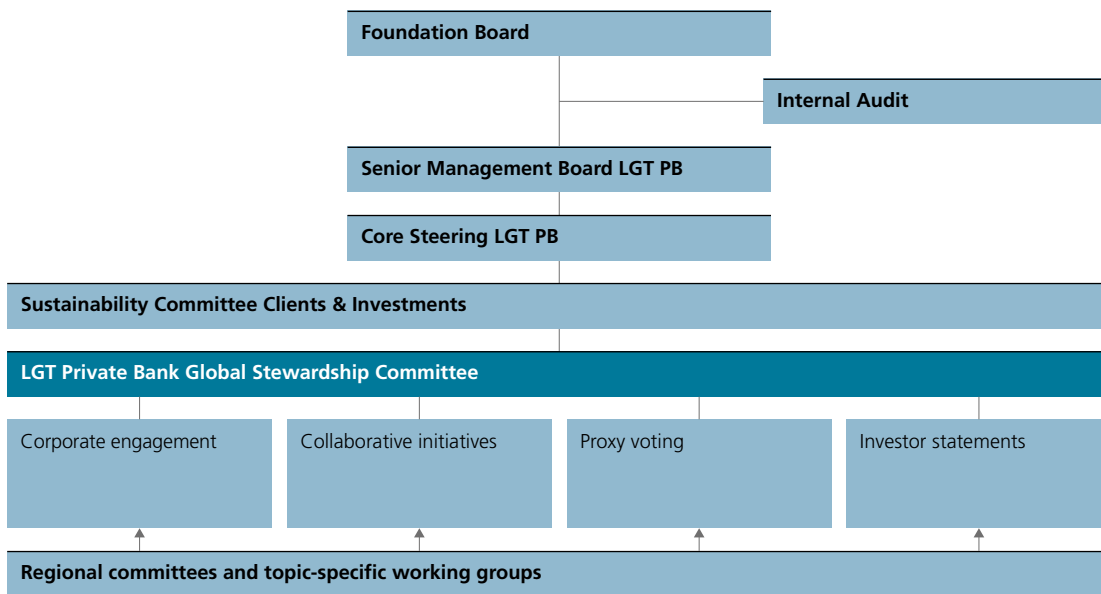
The Senior Management Board defines LGT's strategic direction and guiding principles with regard to sustainability. The Foundation Board of LGT is responsible for strategic oversight and supervision.

In May 2023, LGT amended this structure to more effectively embed stewardship into the bank's governance processes. The Global Stewardship Committee was established as a sub-committee to the Sustainability Committee Clients & Investments, and is responsible for strategic guidance on stewardship at LGT PB.

Universal ownership

This term, as defined by the UN-backed Principles for Responsible Investment (PRI) and UNEP Finance Initiative, refers to the concept that large investors effectively own a broad slice of the global economy through their diversified portfolios. These investors have a vested interest in the overall health and sustainability of the economic system, which their long-term returns are closely tied to. As universal owners, they are incentivised to promote sustainable business practices and address systemic issues like climate change.

LGT's sustainability governance structure



Stewardship priorities

LGT Private Banking’s Sustainability Strategy 2030 rests on three pillars: Clients and Investments, Business and Operations, and People and Society. Underpinning the strategy is LGT’s Climate Ambition for 2030. For more information, see Sustainability at LGT 2023.

As part of the Clients and Investments pillar, LGT aims to expand its stewardship activities through engagement and by proxy voting. Building on its Sustainability Strategy 2030 and Climate Ambition 2030, LGT PB has identified the following priorities: climate change, biodiversity and fairer societies, upheld by robust governance mechanisms.

While new or emerging issues can be explored and engaged upon, the four key stewardship priorities represent LGT PB’s understanding of the systemic issues which will affect portfolios.

LGT defines a systemic issue as one which could affect a large number of investible companies, including their supply chains. Due to this interconnectedness, action on one such issue could safeguard and affect more than one company’s performance.

Strong and robust governance practices

A strong governing mechanism is at the heart of any successful business or strategy. While LGT Private Banking reviews the governance of each company according to local best practices and examples of governance, certain principles are material for all companies. For example, LGT expects company boards and governing bodies to demonstrate:

- **Independence** – This can take various forms, depending on regional norms. However, the structure should be independent enough to ensure that no individual or group can control or dominate board decision-making processes.
- **Integrity** – Companies should have strong policies and practices to prevent conflicts of interest, and ensure they are not involved in corruption and that the overriding principle of independence is not compromised.
- **Relevant expertise** – In an ever-changing world, the role of boards of directors and trustees is constantly evolving. LGT believes that boards must be comprised of members with the skills needed to support their company’s long-term success.

Climate change

LGT Private Banking believes that the risks and opportunities associated with climate change can have a material impact on a company’s profitability, valuation and long-term value creation. Understanding the transition, physical and liability risks that businesses face as they move to a low-carbon economy is vital.

Task Force on Climate-related Financial Disclosures


LGT Private Banking is committed to reporting in line with the Task Force on Climate-related Financial Disclosures’ (TCFD) recommendations for assessing and disclosing climate-related financial risks. LGT has identified four key areas in its efforts to reduce financed and own greenhouse gas (GHG) emissions: client investments, own investments, credits and loans, and operations. The TCFD report provides information on how climate-related risk associated with these four areas has been embedded in LGT’s governance, strategy and risk management, and targets that have been set in these areas. LGT Private Banking’s TCFD report is part of the Sustainability information 2023 and can be downloaded at lgt.com/sustainability-report-2023

This enables LGT PB to understand managed and unmanaged risks, as well as the viability of entire sectors, business models and companies.


Through engagement, LGT reviews companies’ decarbonisation plans, emphasising the role of science in lowering emissions trajectories, as well as international disclosure standards such as the Taskforce on Climate-related Financial Disclosures (TCFD).

Corporate governance

At the helm of any successful business or strategy is a robust and strong governing mechanism.



Climate change
The risks and opportunities of climate change can have a material impact on the profitability, valuation and long-term prospects of a business.



Biodiversity & nature
LGT considers nature a tool for preserving the natural world and limiting the impacts of climate change.



Fairer societies
LGT’s longstanding reputation as a responsible employer extends to its supply chain and investee companies.

In addition, LGT recognises that climate change impacts both nature and humans, and believes in a just and fair transition with people at the centre. This people-first approach extends to LGT's understanding of energy systems as well as ensuring that labour forces are adequately skilled and remunerated for the shift towards a low-carbon economy.

Biodiversity

LGT recognises that biodiversity loss poses systemic risks. A 2021 World Bank report³ estimated that the collapse of ecosystem services such as wild pollination, provision of food from marine fisheries, and timber from native forests could cost roughly USD 2.7 trillion in global gross domestic product (GDP) per year by 2030. A growing number of stakeholders are demanding the large-scale creation and implementation of a nature-positive economy. LGT believes that one of its roles is to collaborate with companies to help them understand their nature risks and dependencies. This enables companies to build resilient supply chains and operations which minimise harm to precious resources.

Fairer societies

LGT advocates for fairer societies in which all humans are treated with dignity, despite widespread structural inequality and multifaceted social issues.

However, the realisation of wide-scale fairer societies is complex. Often, issues which appear to exist in isolation, such as labour exploitation, are emblematic of larger systemic issues affecting families, societies and populations. LGT believes that stewardship can contribute positively to mitigating these issues.

LGT's own longstanding reputation as a responsible employer extends to its supply chain and investee companies. It is a supporter of the UN Guiding Prin-

ciples on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises. LGT expects its investees to uphold the same principles on human and labour rights, and promotes stronger decent work practices, for example, in the areas of health and safety, and diversity, equity and inclusion, through its dialogue with companies.

In addition, LGT is a founding partner of Finance Against Slavery and Trafficking (FAST), and through this commitment endeavours to provide "access to remedy" for survivors and victims of modern slavery and human trafficking.

The Finance Against Slavery and Trafficking Initiative

Slavery is prohibited worldwide. Nevertheless, an estimated 40 million people live in modern slavery, and human trafficking is a billion-dollar business. Banks and financial institutions may be directly or indirectly involved in such activities through their lending or investments' value chains. For example, textiles, automotive, hospitality and construction are key sectors that the World Benchmarking Alliance has identified as at high risk of forced labour in their operational or value chains.

To actively support the UN in the fight against slavery and human trafficking, the government of Liechtenstein launched the Liechtenstein Initiative on Finance Against Slavery and Trafficking (FAST) in 2018.

FAST aims to raise awareness of these important issues in the financial sector and to combat slavery and human trafficking. As a socially responsible private bank, LGT has actively supported the FAST initiative since its inception.

³ Read the World Bank [press release on Protecting nature](#).

2023 milestones

While much of the focus last year was on harmonising policies and practices to ensure LGT PB takes a unified approach to stewardship, it also achieved a number of other important milestones.

In September, LGT PB onboarded the services of Esgaia, a leading third-party engagement and voting tracking platform. This has enabled LGT PB to consolidate engagement and dialogue data into one practical platform and eliminate information asymmetry. The addition of a new centralised engagement platform has also improved LGT PB's reporting capabilities to better serve its clients and stakeholders.

In October, LGT PB (EMEA) updated its voting policy with Institutional Shareholder Services (ISS), a leading proxy advisor, to align it with the sustainability policy of LGT WM, which has been in place since 2020. As a result, LGT PB now has a unified voice when voting on management or shareholder proposals.

In October, LGT PB's Global Stewardship Committee approved a set of voting guidelines which outlines an approach to voting on key topics such as board

and auditor elections, executive compensation and material ESG risks. The voting guidelines can be made available upon request.

Stewardship at LGT Capital Partners

Stewardship and active ownership have been a key element of LGT CP's sustainable strategies since they were first launched in 2009. As a result, the Sustainable Equity and Fixed Income investment teams now have well over a decade of experience in engaging with companies on ESG matters. In 2020, this was formalised in the form of a proprietary engagement tool built into the teams' research platform.

Stewardship at LGT Capital Partners in 2023

- **110** engagements in 2023
- **93** of those engagements resulted in a dialogue
- **>50** per cent of engagements were objectives-oriented and related to environmental topics
- **85** per cent were linked to the UN Sustainable Development Goals (SDGs)

Engagement theme 2020–2025: Climate action

For the five-year period from 2020 to 2025, LGT CP selected climate action as a thematic stewardship priority, which in turn is comprised of three pillars.



Achieving net zero by 2050 or sooner.

- Ambition to be 1.5°C aligned
- Setting science-based targets for the short, medium and long term
- Introducing credible transition plans
- Increasing transparent reporting across the value chain
- Supporting green and social financing



Fostering a circular economy.

- Promoting reusable/recyclable/compostable materials to limit waste
- Increasing share of recycled material used while reducing virgin material consumption
- Efficient use of materials with less waste across the value chain



Maintaining a responsible value chain.

- Identifying, monitoring and disclosing nature-related risks and dependencies such as deforestation and water pollution
- Policies and targets to protect and restore biodiversity and ecosystems
- Securing high-quality data and transparent reporting that spans the entire value chain
- Integration of social aspects, eg human rights and labour conditions, discrimination and harassment

LGT CP's stewardship activities include:

- Direct dialogue with companies
 - Proactive engagement to drive positive change and measurable outcomes
 - Research-related engagement
- Reactive engagement
 - Systematic monitoring of news on investee companies
- Investor collaboration
- Green and social financing engagements in fixed income investments

- Proxy voting for equity investments
- Engagement selection process
- Escalation process

More detailed information on LGT CP's engagement approach and outcomes can be found in its [Active Ownership report](#) and [Active ownership policy](#).⁴

⁴ LGT CP uses the term "active ownership" synonymously with "stewardship".

Voting at LGT

Voting is a vital component of stewardship, as it enables shareholders to voice concerns, improve practices and hold management to account. At LGT, voting is a central and increasingly important pillar of stewardship.

Shareholders can vote on proposals, recommending or requiring that a company or its board of directors take a particular course of action. Most proposals are put forward by management in order to adhere to regulations or garner broad understanding or support on a particular issue. However, shareholders can put forward their own proposals if they would like to solicit an action from management.

Voting at LGT Private Banking

Proxy voting is an avenue that is generally less frequently pursued in private banking than it is in the institutional investors segment. This is due to a number of regulatory hurdles imposed by custodians and companies in terms of consolidating shares or reporting on various metrics. However, LGT PB believes that facilitating the voting process for private clients is a significant opportunity to drive positive change.

LGT PB (EMEA) therefore introduced proxy voting for a number of fund structures in 2022, a step taken by LGT WM two years earlier. LGT PB works with its Sustainable Investing and its other investment teams to review voting recommendations and ensure alignment with long-term interests when voting at each

company. LGT utilises the research and implementation services of Institutional Shareholder Services Inc. (ISS) to facilitate the voting process.

Voting at LGT Private Banking in 2023

(for LGT PB (EMEA) and LGT WM combined)

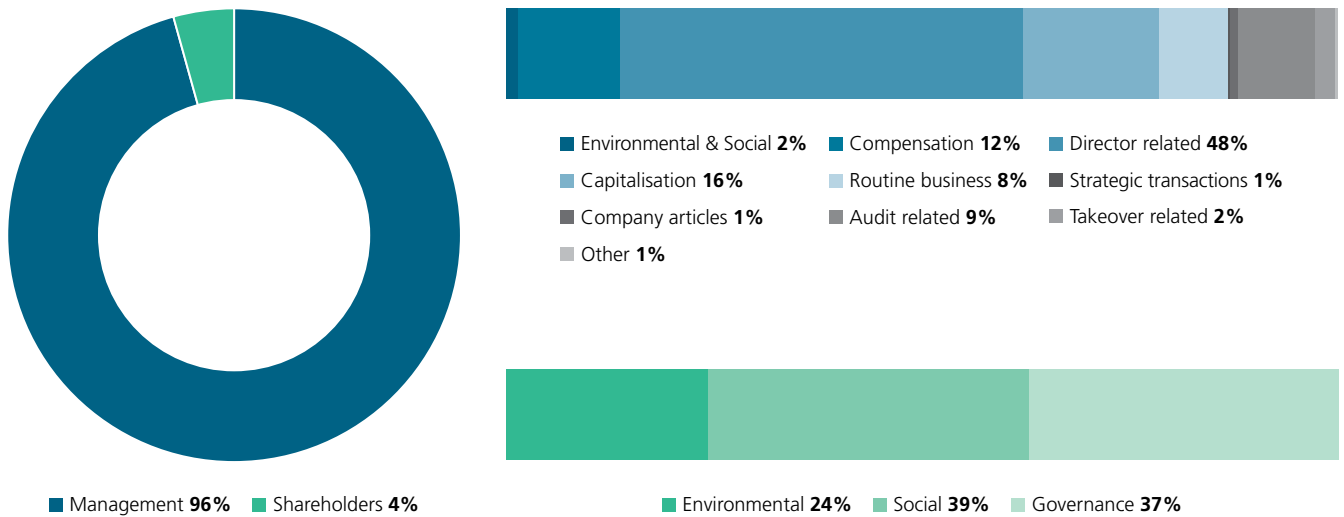
- **182** issuers voted
- **15** different markets
- **205** different meetings
- **>3600** proposals
- **95** per cent of which (3485) were brought by management

For LGT's equity holdings, the majority of proposals were put forward by management (95 per cent). These primarily addressed issues related to compensation, the board and corporate structure, and capitalisation. Shareholder resolutions totalled 157, or 5 per cent. While the majority of shareholder proposals are tabled in the US due to the more favourable filing environment and lower threshold for raising an agenda item, the practice is becoming more common at companies in Europe and the UK.

LGT Private Banking's voting decision-making process

LGT PB works with ISS to provide voting recommendations across 15 different markets in which LGT invests directly and in which company AGMs have taken place. To streamline the decision-making process, LGT PB has subscribed to the ISS Sustaina-

Proposal breakdown across LGT Private Banking voting



bility Policy, which allows it to highlight the importance of material sustainability issues with companies' boards and hold them to account on their sustainability ambitions.

Despite the ISS Sustainability Policy being the main policy, LGT PB does not always vote in line with ISS's recommendations. Each proposal is independently scrutinised to ensure it aligns with the broader strategy it is pursuing with the company, as well as to ensure there are no unintended outcomes.

This means that LGT PB does, on occasion, vote against ISS's recommendations if it comes to a different conclusion based on its in-house research and analysis.

Informed, independent scrutiny is essential for responsible stewardship at LGT PB. On occasion, rules-based approaches can fail to account for relevant nuances.

For example, a minimum level of gender diversity at the board level, expressed as a percentage, may not reflect the specific history of the company or the context of the sector. LGT PB must therefore conduct its own research and decide whether sufficient progress has been made on a case-by-case basis.

A recent example of this is Syncona, a FTSE 250 healthcare company in which LGT Wealth Management is an investor. ISS recommended against re-electing the Chair of Syncona's Nomination and Governance Committee, Melanie Gee, because the company failed to reach 33 per cent female board representation. LGT WM agrees with ISS's stance on diversity and inclusion, but in this case decided to eschew ISS's recommendation, as failing to re-elect Gee would have worsened gender representation on Syncona's board even further.

How LGT Private Banking voted

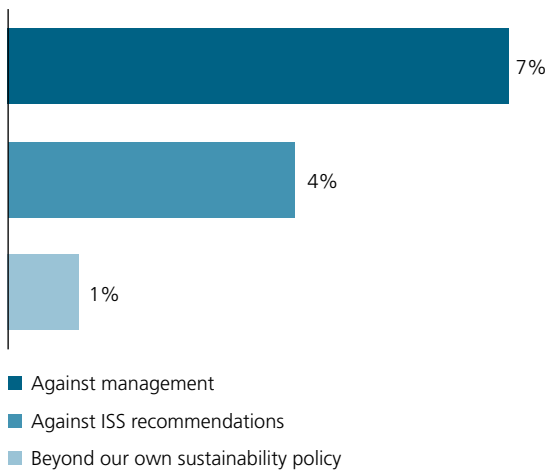
LGT PB voted against management 222 times in 2023, which amounts to around seven per cent of all votes. LGT PB voted against ISS recommendations in four per cent of cases, and went beyond its own sustainability policy in one per cent of votes.

Of the seven per cent of votes against management, most fell into one of two categories. The largest share pertained to director re-elections and addressed topics ranging from conflict of interest or disagreement over long-term strategic direction to leadership not

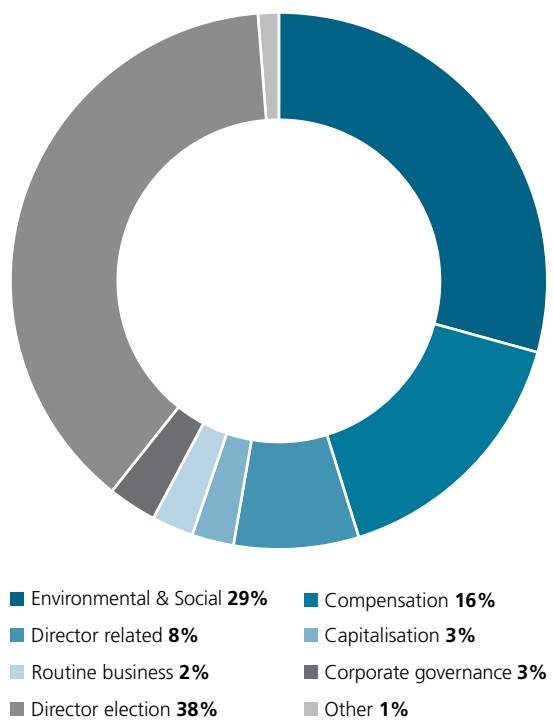
creating sufficient shareholder value. Each case was reviewed independently.

Environmental and social issues were the second most-frequent reason that LGT PB voted against management. Here, the specific topics addressed included plans relating to gender and ethnicity reporting, proposals for climate change transition plans and labour discrimination. LGT PB often votes in support of shareholder resolutions that are reasonable, address material sustainability issues and carry no unintended costs for the company.

Vote actions



Breakdown of votes against management

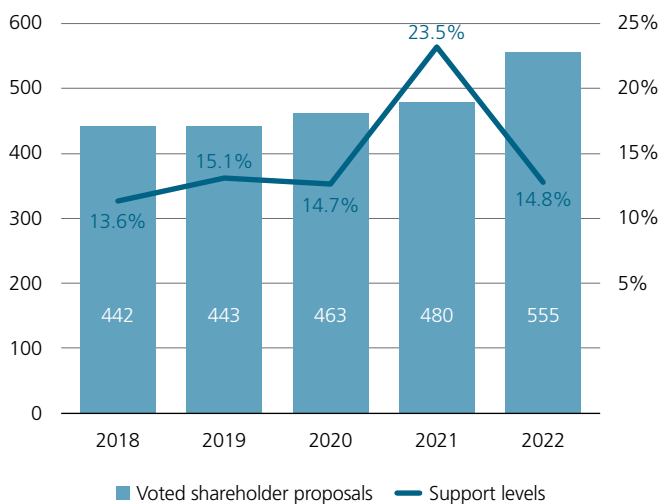


Key trend: The rise of shareholder proposals

The fact that 96 per cent of the proposals that LGT PB voted on in 2023 were put forward by management masks an important wider trend, namely that shareholder proposals (SHP) are on the rise.

For example, in 2022, a record 555 shareholder resolutions were put forward across the Russell 3000.⁵ However, that record was short-lived. It was beaten in 2023, when 616 resolutions were put forward. Shareholders appear to be more engaged than ever, with most resolutions focusing on reporting transparency – a relatively uncontentious topic which improves transparency without putting much strain on company resources.

Shareholder proposals and success rates at Russell 3000 companies



Source: Harvard Law Corporate Governance Review

Shareholder proposals in 2023

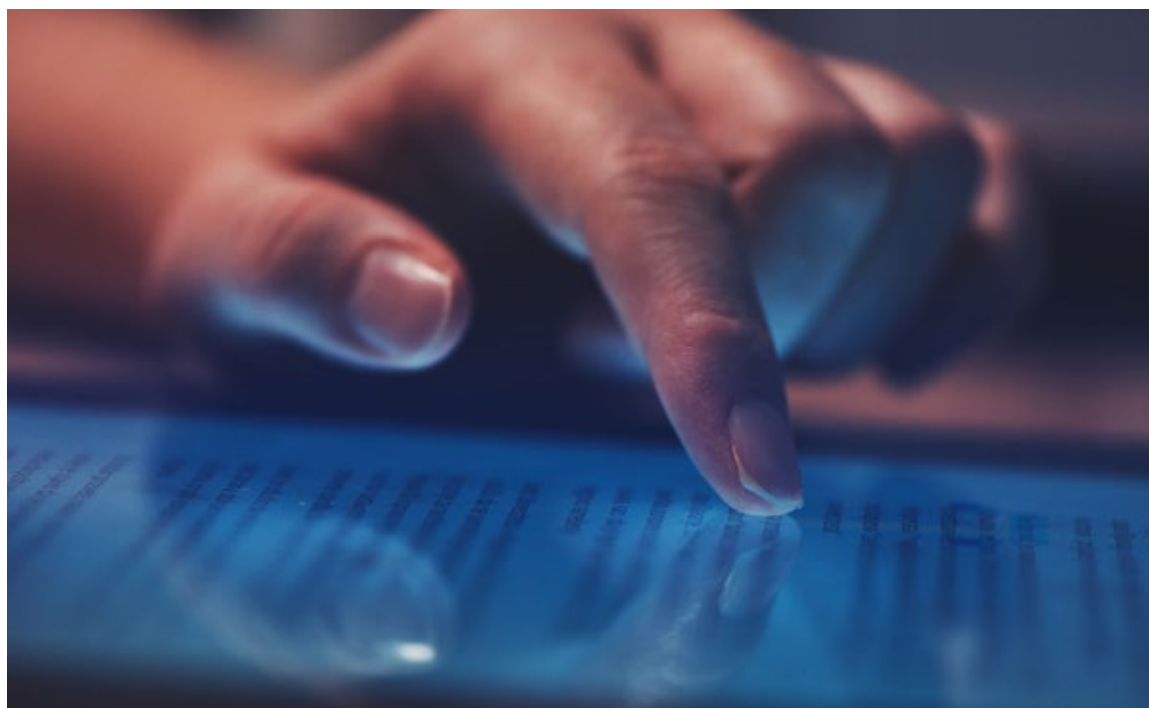
- SHPs at US companies increased **18** per cent to 616
- Support **decreased** for ESG SHPs proposals
- Environmental proposals increased by **11** per cent
- Social proposals increased by **3** per cent
- Governance proposals dropped by **14** per cent
- Executive compensation proposals increased by **108** per cent

⁵ The Russell 3000 Index measures the performance of 3000 stocks and includes all large-cap, mid-cap and small-cap US equities, along with some micro-cap stocks.

Microsoft – proposal on navigating AI risks

Voting case study LGT WM

Sector	Technology
Country	USA
Related SDGs	SDG 8 – Decent work; SDG 9 – Innovation, industry and infrastructure
Status	Voted FOR
Background	<p>Shareholders brought nine proposals to the table at Microsoft’s Annual General Meeting (AGM) on 7 December 2023 – a 50 per cent increase versus the year before. Social issues dominated, including diversity and inclusion, equal pay and human rights.</p> <p>One proposal, put forward by impact investor Arjuna Capital, focused on the risks of artificial intelligence (AI). Noting “widespread concern” that generative AI “may dramatically increase misinformation and disinformation globally, posing serious threats to democracy and democratic principles”, mention was also made of the fact that ChatGPT is already under investigation by various regulators worldwide.</p> <p>Microsoft disbanded its AI ethics and society team in March 2023, with employees expressing “concern that this leaves Microsoft without a dedicated team to ensure its AI principles are closely tied to product design.”</p>
Action	<p>In its proposal, Arjuna Capital requested that the Board issue a report within one year of the AGM, assessing the risks posed both to the company’s operations and finances, and to public welfare, as well as Microsoft’s plans to address them.</p> <p>Though Microsoft has an excellent track record of AI leadership, including partnerships with the EU on disinformation codes and UNESCO on addressing AI misinformation, LGT considered this to be a justified proposal and voted in favour of it.</p>
Outcome	Over 21 per cent of investors supported the proposal. Though short of a majority, this is a significant level of endorsement for a proposal in its first year, and is well beyond the SEC’s five per cent threshold for future resubmission. These are compelling grounds for re-tabling the proposal in future.



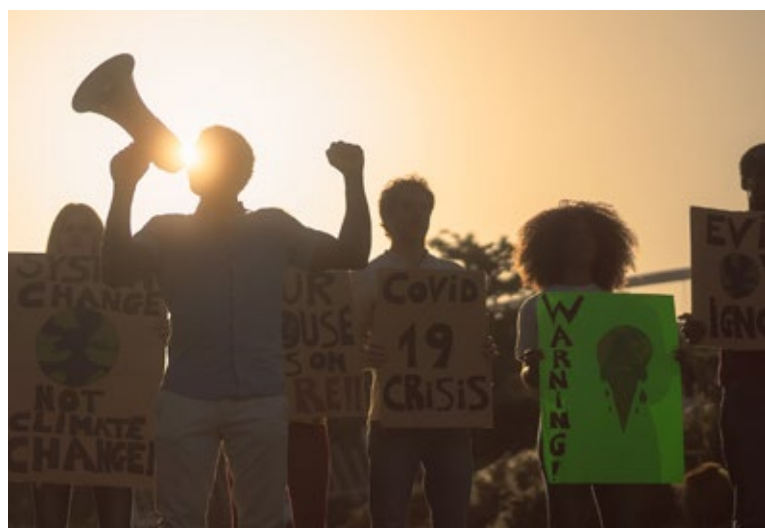
Key trend: AGMs attracting activists

At its recent AGM, South African chemical and energy company Sasol faced unforeseen disruption as Extinction Rebellion activists voiced their dissent, storming the stage during the chief executive's address and chanting "Sasol stinks". Ultimately, the disruption led to the cancellation of the meeting, incurring significant costs and inconvenience to the Board and shareholders alike.

The backdrop for the clash was that Sasol had put forward proposals to hold advisory votes on its decarbonisation plans, and to elect a new director to head the Safety, Social and Ethics Committee, which oversees the climate change plans.

However, two major institutional investors, Ninety One and Old Mutual, had expressed opposition to the proposals and announced their intention to vote against management. This was particularly notable given that Old Mutual is a traditionally conservative, 178-year-old South African insurer with a reputation for conducting engagement behind closed doors. The AGM quickly became a focal point for climate activists.

While Sasol may not be part of LGT PB's UK or EMEA core coverage list, the incident mirrors challenges faced by energy giants like Shell and BP in London, where climate protestors also made their voices heard.



This underscores a broader trend of AGMs evolving into strategic targets for activists and investors.

AGM research providers and facilitators are recommending that companies proactively address this trend by bolstering security measures, reviewing the chair's opening remarks and even blocking time in directors' diaries in anticipation of potential AGM postponements. As concern over environmental issues intensifies, companies globally are urged to be vigilant in navigating these increasingly contentious AGM landscapes.



Sun Life – proposal on fossil fuels

Voting case study LGT PB

Sector	Insurance
Country	Canada
Related SDGs	SDG 3 – Good health and well-being; SDG 7 – Affordable and clean energy; SDG 13 – Climate action
Status	Voted FOR
Background	<p>With USD 1.056 trillion in assets under management, Sun Life is a major financial institution that has also made a public commitment to “reducing the climate impact of the investments we own”, and described sustainability as “critical” to its “culture and strategy”.</p> <p>However, a shareholder proposal put forward at the 2023 AGM pointed to the fact that USD 11.9 billion of those investments are in companies on the Global Coal Exit List – making Sun Life the largest Canadian investor in such companies. A further independent study estimated Sun Life’s total financed emissions at 222 million tonnes of CO₂ equivalent – “nearly the combined entire emissions of Ontario and Quebec”.</p>
Action	<p>The proposal called for Sun Life to produce a report “documenting the health impacts and potential insurance implications of its investments in fossil fuels on its current and future client base”, to be reviewed by independent experts.</p> <p>LGT supported the proposal, reasoning that the resolution would support Sun Life in aligning with its own net-zero commitments, enhance shareholder insight as well as corporate transparency and accountability, and help address the potential business and reputational risks that stem from the discrepancy between the company’s stated purpose and its fossil fuel investments.</p>
Outcome	<p>Although the proposal received only 13.7 per cent support, LGT views this as encouraging for future advocacy efforts, demonstrating the potential to build more substantial support in the coming years.</p>

Voting at LGT Capital Partners

LGT CP has a fiduciary responsibility to influence companies and issuers of securities in order to serve the best interests of investors, and has been issuing proxy votes in line with the sustainability strategy for more than a decade. This entails exercising voting rights whenever possible in order to:

- Improve the level of reporting disclosures
- Align management compensation to key ESG performance indicators and emissions targets
- Support strategic measures to accelerate or adapt to a low-carbon business model

LGT CP closely follows ISS's Socially Responsible Investment (SRI) Proxy Voting Guidelines but retains the option to deviate from the recommendations when required.

A complete list of the proxy voting record is published and updated monthly on the LGT CP website, in addition to an annual report with detailed information on voting instructions and the rationale for all voting items. A complete list of all proxy voting activities in 2023 is available on the [LGT CP website](#).

Voting at LGT Capital Partners in 2023

- **99** per cent meetings voted
- **86** meetings voted at
- **66** per cent meetings with at least one vote against or decision to abstain/withhold
- **11** per cent votes against management
- **1370** items voted
- **39/66** shareholder proposals supported

Proxy voting with external managers

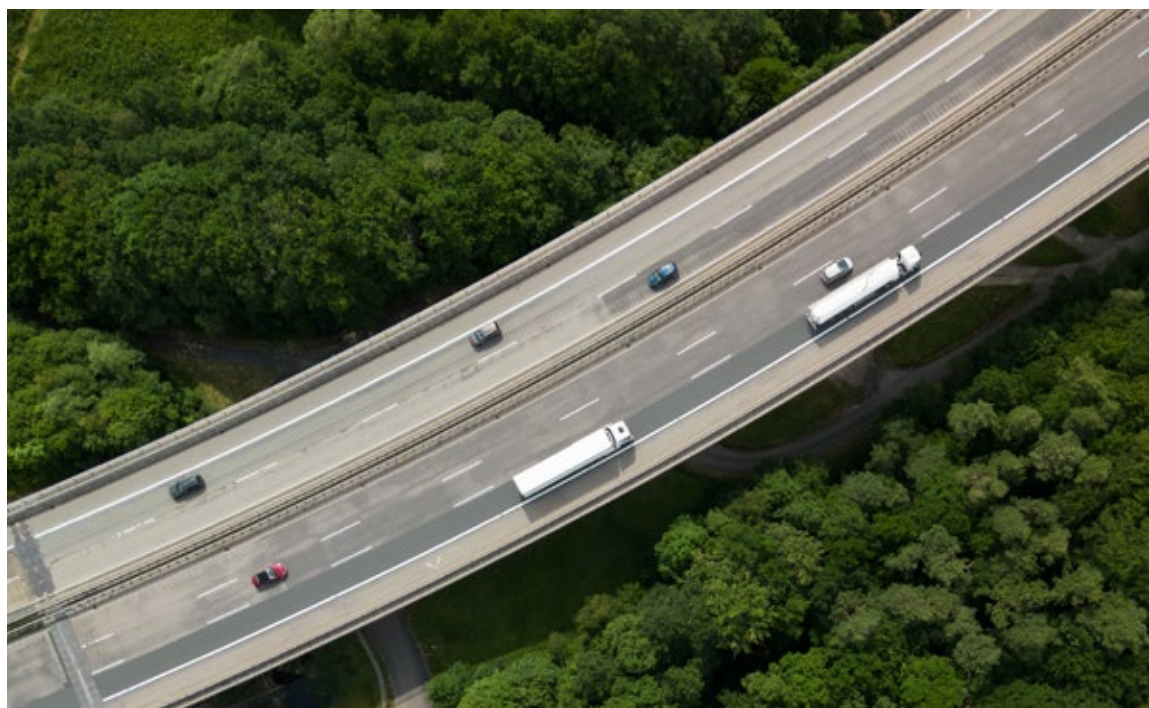
LGT CP asks the external managers it invests with to exercise voting rights on LGT CP's behalf. Managers are required to vote for any holdings above five per cent of the total assets held in the segregated account or in cases where the segregated account holds one per cent or more of the shares issued by a single issuer.

To ensure alignment with LGT CP's sustainability strategy and stewardship priorities, LGT CP recommends that managers apply the ISS SRI voting policy. However, equivalent policies, such as Glass Lewis, or internal voting policies that adequately account for ESG factors, can be accepted. LGT CP monitors voting activity on an ongoing basis, and conducts a full review on an annual basis.

PACCAR – proposal on climate lobbying

Voting case study LGT CP

Sector	Automotive, GICS: Industrials sector: Capital Goods
Country	USA
Related SDGs	SDG 13 – Climate action; SDG 15 – Life on land; SDG 16 – Peace, justice and strong institutions
Status	Voted FOR
Background	<p>PACCAR designs and manufactures premium light-, medium- and heavy-duty trucks, plus associated financing, IT and distribution activities under various brands.</p> <p>The group cites environmental responsibility as a core value, however, it is also a member of a trade association that has actively sought to impede proposed clean truck regulations.</p>
Action	In line with the Climate Action 100+ engagement objective, LGT CP voted in support of a proposal which would require the Board to conduct an annual evaluation and issue a report describing if, and how, Paccar’s lobbying activities are aligned with the Paris Agreement, and how they plan to mitigate the risks presented by any misalignment.
Outcome	The proposal was narrowly rejected, with 46.1 per cent voting in favour, 51.1 per cent against and 2.7 per cent abstaining. The closeness of the vote should help ensure continued scrutiny of lobbying practices in future.



Engagement at LGT

Engagement at LGT Private Banking

Engagement is both a proactive and reactive dialogue with investee companies and fund managers, conducted either directly or in conjunction with investors that share similar views. It is a crucial process for understanding the strategic priorities and motivations of investee companies, and serves as a complement to the efforts of LGT PB's research analysts.

LGT PB aims for engagement that is collaborative and constructive, in the belief that shared efforts can better aid progress on specific topics and initiatives. The first priority is always to ensure returns consistent with its clients' objectives and mandates. When issues arise, equity research teams can engage with management to gain a better understanding of the plans to mitigate risk, and of how these issues may impact the firm's strategy and therefore the company's valuation.

Internally, LGT PB splits engagements into two distinct categories: due diligence engagements and systemic engagements. In terms of the desired outcome, the first are engagements for a better portfolio, while

In 2023, LGT PB engaged on the following themes

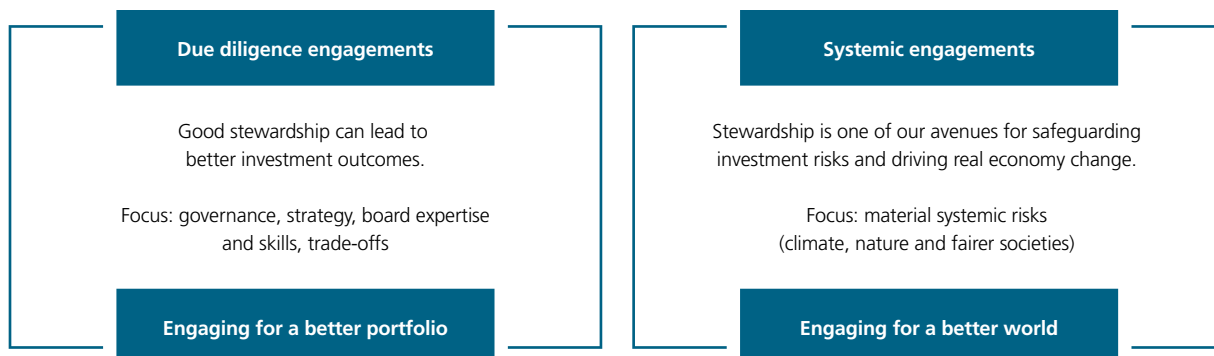
- Climate change policies and net-zero plans
- Nature-related risks
- Digital privacy
- Modern slavery & human rights
- Diversity, equity and inclusion

the latter are engagements as a universal owner. Both are essential components of good stewardship.

Engagement at LGT Capital Partners

As part of LGT CP's initial and ongoing qualitative ESG assessment, its sector specialists are in frequent dialogue with companies within its sustainable universe. They meet with companies to discuss current ESG efforts and identify any areas of further development, as well as companies that are performing well.

Holistic engagement framework at LGT Private Banking





Rio Tinto – critical minerals for the net-zero transition

Engagement case study LGT WM

Sector	Mining
Country	Australia
Related SDGs	SDG 5 – Gender empowerment; SDG 13 – Climate action
Status	Ongoing
Background	In March 2023, changes were made to Rio Tinto’s senior leadership on the back of a string of ESG controversies. Given the company’s position as a key supplier for the critical minerals that underpin the transition to net zero, LGT wanted to ensure the action taken was sufficient and effective.
Action	<p>LGT engaged directly with Rio Tinto on multiple ESG-related points.</p> <p>One point of engagement was Rio Tinto’s Everyday Respect programme. An independent review in 2022 – commissioned by Rio Tinto and carried out by Elizabeth Broderick, Australia’s former sex-discrimination commissioner, found “disturbing findings of bullying, sexual harassment, racism and other forms of discrimination throughout the company.” This was the basis for a discussion with Rio Tinto, during which LGT requested updates on the programme and pressed for assurances that measures are being taken to safeguard female employees, 28 per cent of whom had reported experiencing sexual harassment at work.</p> <p>LGT analysts also discussed Rio Tinto’s net-zero commitment as laid out in its 2021 climate transition plan. In LGT’s view, this commitment fell short. First, because it accounted only for Scope 1 and 2 emissions, omitting Scope 3. Second, the fact that the plan was only reviewed every three years meant that investors were unable to provide regulator input. As a result and in line with LGT’s voting principles, LGT informed Rio Tinto that it had voted against the plan in 2022 and wanted better insights into the capital allocation alignment with the Paris Agreement.</p> <p>In addition, LGT Wealth Management separately raised the issue of green steel. LGT was concerned that iron ore from Rio Tinto’s Pilbara operations may not be high enough grade to qualify for green steel production. Rio Tinto initially cited the Australian government’s reluctance to agree to favourable terms for power purchase agreements (PPAs) as the major barrier, but later conceded it could build more renewable generation capacity on site.</p>
Outcome	<p>In response to LGT WM’s analysts’ and the broader industry’s feedback, Rio Tinto detailed its Bystander to Upstander training, which had been rolled out across more than 90 per cent of business leaders at Rio Tinto, and was designed to empower employees to speak out about inappropriate behaviours. Rio Tinto also further described the HR systems put in place to manage the risk of rehiring former employees who had been made redundant due to harmful behaviour, as well as plans for a confidential whistleblower hotline.</p> <p>With regard to its net-zero commitment, Rio Tinto said that Scope 3 emissions would be a likely focus area for the next report, together with information on capital allocation alignment with the Paris Agreement.</p> <p>Another positive outcome was that Rio Tinto has now made a one gigawatt renewable energy commitment for the Pilbara site.</p>

Volkswagen – the benefits of engaging directly

Engagement case study LGT PB

Sector	Automotive
Country	Germany
Related SDGs	SDG 8 – Decent work and economic growth; SDG 10 – Reduced inequalities; SDG 13 – Climate action
Status	Closed
Background	MSCI's 2022 ESG report included allegations that Volkswagen had engaged in forced labour at the SAIC Volkswagen (Xinjiang) automotive plant – a joint venture with Chinese auto manufacturer SAIC. These severe allegations led MSCI to add Volkswagen to its United Nations Global Compact Exclusion List.
Action	<p>At the time, LGT's investment thesis on Volkswagen was positive given its strong electrification strategy in the context of climate change and the shift to electric vehicles. However, the severity of the allegations could not be ignored.</p> <p>In response to the allegations, LGT first contacted MSCI to better understand the rationale behind the decision, before engaging directly with Volkswagen. During these discussions, Volkswagen explained the results of a recent site visit by a Board member, as well as its negotiation efforts with the Chinese government to allow an independent audit to increase transparency and establish the facts of the case. Given this proactive, positive stance, LGT decided not to exclude Volkswagen as a sustainable investment, and instead to monitor the actions it had taken as a result of the issue.</p>
Outcome	Late in 2023, Volkswagen announced the results of the independent facility audit, which allowed MSCI to remove the company from its exclusion list. By engaging with Volkswagen directly instead of immediately excluding its shares, LGT was able to better understand the situation and maintain an investment that is important from a climate change perspective, while encouraging management to urgently tackle human rights issues.



Engagements via LGT PB's dedicated service provider Columbia Threadneedle reo®

Engagements are long-term commitments and require dedicated resources. There is therefore a limit to the scope and breadth of engagements that LGT PB's in-house teams can manage while ensuring quality. In order to expand and accelerate its engagement efforts, LGT PB (EMEA) in 2022 entered into an agreement with Columbia Threadneedle Investments for its reo® engagement services.

Through these services, LGT PB (EMEA) is represented as part of a pool of USD 1.1 trillion externally managed client assets under management, collectively presenting one powerful voice of capital to promote positive change. LGT PB (EMEA) benefits from the expertise of a team of over 45 members, each with sector or issue-specific knowledge, with a combined average engagement experience of 22 years.⁶

In 2023, the services were expanded to clients invested in the retail funds of LGT PB's dedicated sustainable portfolio management strategy and to portfolio advisory clients with the sustainability profile Enhanced Plus.

Engagement at LGT Private Banking in 2023

- **392** total engagements
- **89** climate-focused engagements
- **113** human rights and labour standards engagements
- **42** public health engagements
- **101** corporate governance engagements



⁶ Read about Columbia Threadneedle and its reo® service [here](#).



Johnson & Johnson – litigation risks

Engagement case study LGT PB via Columbia Threadneedle

Sector	Healthcare
Country	USA
Related SDGs	SDG 3 – Good health and well-being; SDG 12 – Responsible consumption and production
Status	Ongoing
Background	Johnson & Johnson (J&J), the pharmaceutical giant, has been grappling with claims that its talc products can contain cancer-causing asbestos. In the US, the company faces more than 38 000 lawsuits and says the costs have already reached about USD 4.5 billion.
Action	<p>J&J's Company Secretary and Senior Director of Sustainability and Engagement met with investors to address concerns regarding the litigation, as well as drug pricing and ESG metrics.</p> <p>Alongside other investors engaging via Columbia Threadneedle's reo®, LGT pushed for greater transparency and communication from J&J around corporate practices and the process put in place to mitigate current and future harm from the litigation. In doing so, J&J should be able to demonstrate greater protections for both itself and its customers.</p> <p>Additionally, the group pushed for greater transparency on drug price increases to better understand how they align with input costs and patient value. Drug pricing is a delicate balancing act and openness is required to ward off accusations of unjustified increases.</p>
Outcome	J&J appeared open to the recommendations put forward and is expected to increase disclosure in the near future as a result. Future dialogue with the company will continue to focus on access to medicine and litigation, as well as Board remuneration and climate disclosure.

Reckitt Benckiser – prioritising pollution for end-of-life products

Engagement case study LGT CP

Sector	Health and hygiene
Country	UK
Related SDGs	SDG 12 – Responsible consumption and production; SDG 14 – Life below water; SDG 15 – Life on land
Status	Ongoing
Background	Downstream pollution from end-of-life products is a major environmental issue, with the effects of small particles (eg microplastics) and solids (eg cleansing wipes and packaging) attracting growing attention. LGT CP has prioritised this topic, pushing companies to improve relevant disclosures and increase environmental ambitions.
Action	The household and personal care sector is a major contributor to this type of pollution, and downstream visibility of the waste is generally low. LGT CP therefore engaged with Reckitt Benckiser to understand what the company is doing to improve disclosures, check progress on actions to reduce its non-safe chemical footprint and clarify whether it planned to expand the scope of its chemical footprint target.
Outcome	<p>By engaging with the Sustainability and Investor Relations teams, LGT CP was able to establish that Reckitt Benckiser has a number of relevant initiatives in play.</p> <p>Reckitt Benckiser aims to reduce its chemical footprint by 65 per cent by 2030 versus 2020 levels, and started reporting on its progress in 2023. Currently, this objective only covers the production phase, with Reckitt Benckiser exploring bio-based and synthetic alternative ingredients in new products, which are evaluated using an internal sustainable innovation calculator.</p> <p>In future, Reckitt Benckiser will have to contend with the more challenging end-of-life phase. However, for now it has demonstrated increased transparency and commitment to exploring solutions via initiatives such as the Chemical Footprint Project and in partnership with the University of Oxford. Together, these steps suggest to LGT CP that Reckitt Benckiser is on the right path, and that progress will be closely monitored in the years to come, with an increased focus on the impact of products in the use and end-of-life phases.</p>





LVMH – assessing animal cruelty

Engagement case study LGT CP

Sector	Luxury goods
Country	France
Related SDGs	SDG 8 – Decent work and economic growth; SDG 12 – Responsible consumption and production
Status	Ongoing
Background	<p>With 75 luxury brands, LVMH is dealing with an increasingly complex network of supply chains, creating more potential for exposure to controversies in areas such as labour, human rights and animal cruelty.</p> <p>One such example is a 2023 report issued by People for the Ethical Treatment of Animals (PETA) about animal cruelty. The report addressed issues at a cashmere-producing goat farm in Mongolia involving LVMH alongside other luxury goods companies.</p>
Action	<p>LGT engaged with LVMH to understand the company’s perspective, its policies, the corrective action taken and how LVMH interacts with the organisation that certified the farm in question.</p> <p>In September 2023, LVMH communicated that it was not sourcing from the farm accused of wrongdoing by PETA. LGT requested additional information, and its ESG Quantitative team gave a presentation to LVMH about LGT CP’s ESG processes in order to convey the investor point of view, which helped better inform LVMH’s own internal ESG committee.</p>
Outcome	LVMH’s ESG committee has scheduled multiple internal meetings over the coming months to discuss the issues raised by LGT CP, and the dialogue between the two companies is set to continue in 2024.

Lightrock's impact engagement

LGT collaborates closely with Lightrock, a global investment platform founded by Prince Max von und zu Liechtenstein dedicated to building a sustainable future. The private equity impact investments made by Lightrock funds support high-growth companies that deliver significant societal and environmental benefits. LGT's private banking clients can invest in these funds through LGT vehicles, and back impactful investments alongside institutional investors and the Princely Family.

Given its impact mission, engagement is central to Lightrock's investment strategy and value creation efforts. Before Lightrock funds invest, the company conducts thorough impact and ESG assessments using proprietary frameworks and tools. These assessments form the basis for setting engagement goals for portfolio companies, ensuring they can demonstrate progress over time.

Post-investment, Lightrock engages in a regular dialogue to identify and pursue opportunities for value creation with a particular focus on improving investee companies' impact and sustainability performance.

The following are just a few examples of Lightrock's engagement activities across 2023:

- [Distribusion](#) is a technology platform providing access to ground transportation worldwide, enabling a better and more sustainable travel experience from search to settlement. Lightrock supported the team in identifying and prioritising initiatives for improving sustainable and responsible business practices. Lightrock also assisted the company with building its first sustainability roadmap.

- [Satispay](#) is a European payment network aiming to revolutionise mobile payments. Lightrock helped the company assess and understand the value of ESG to its business, advised on the right organisational set-up for its ESG function and supported it in hiring its first ESG lead. This year, Lightrock intends to enhance these efforts by assisting the company in developing its inaugural ESG strategy and supporting the company's preparations for the EU's Corporate Sustainability Reporting Directive (CSRD).
- [Dr Consulta](#) is a chain of primary healthcare clinics serving Brazil's low-to-middle-income population in the greater São Paulo area. Lightrock's local investment team assisted the company across negotiations with prospective investors in support of the company's successful Series D fundraising in 2022/2023.

In addition to engaging with portfolio companies, Lightrock also collaborates with co-investors that share its impact ambitions. This includes sharing company impact data through the Novata platform and supporting fellow investors with their own reporting and disclosures.

Learn more about Lightrock's approach to impact management and value creation in its [Disclosure Statement 2023](#).



Collaborative engagements

LGT takes an active role in a number of collaborative, industry-leading initiatives focused on engagement.

Climate Action 100+

Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change in order to mitigate financial risk and to maximise the long-term value of assets. The initiative focuses on 170 of the world's biggest corporate emitters, and its members control approximately USD 68 trillion in assets under management.



LGT PB has been a member of Climate Action 100+ since 2022, and is part of the engagement team for Holcim, a major cement manufacturer. LGT PB's engagement focuses on Holcim's integration of a just transition into its decarbonisation strategy and its setting of net-zero targets.

In 2022, LGT CP joined a collaborative effort of Climate Action 100+ with the aim of ensuring the world's largest corporate greenhouse gas emitters take necessary action on climate change. As part of this commitment, LGT CP is engaging with Paccar, with a focus on fleet electrification and climate policy engagement.

IIGCC

The Institutional Investors Group on Climate Change (IIGCC) is a membership organisation focused on bringing the investment community together to make significant progress towards a net-zero and climate-resilient future by 2030, in line with the goals of the Paris Agreement.



LGT PB became a member of IIGCC's Net Zero Engagement Initiative (NZEI) in 2022, engaging with DS Smith, one of 107 companies under engagement.

In 2023, LGT CP joined NZEI with a focus on fostering credible corporate net-zero transition plans. LGT CP has taken a lead engagement role with Geberit and Knorr-Bremse.

Nature Action 100

Nature Action 100 is a global investor-led engagement initiative focused on supporting greater corporate ambition and action to reverse nature and biodiversity loss.



LGT PB has been a member since 2023 and works with Nestlé and Novartis, which have been identified as major drivers of nature loss due to their large impact on habitat loss and overexploitation of resources.

In 2023, LGT CP joined engagement groups for Danone, Kellanova and L'Oréal.

Mining 2030

The Global Investor Commission on Mining 2030 is a collaborative investor-led initiative seeking to define a vision for a socially and environmentally responsible mining sector overall by 2030, and to develop a consensus about the role of finance in realising this vision.



LGT PB has been a signatory since 2023. No specific target companies have been defined as of yet, and LGT PB will engage where it sees fit, following best practice standards set by the initiative.

Advance

Advance is a PRI-led collaborative initiative where institutional investors seek to advance human rights and positive outcomes for people through investor stewardship.



LGT PB has been a signatory since 2022. Engagement is currently underway with companies in the metals and mining, and renewable sectors. LGT PB is part of the engagement team for NextEra Energy and has been focusing on its solar supply chain, its human rights policies and practices, and indigenous rights across its US sites.

In 2023, LGT CP joined as an endorser and is currently on the waiting list for its chosen engagement companies.

Find It, Fix It, Prevent It

Find It, Fix It, Prevent It is an initiative started by CCLA Investment Management

that aims to bring the investment management industry together to push for meaningful, effective corporate action to end modern slavery.



LGT WM became a signatory in 2022, followed by LGT PB in 2023. LGT WM is engaging with companies in the construction sector, including Redrow, Taylor Wimpey and Marshalls.

The 30% Club

The 30% Club is a business-led campaign to boost female representation at board and C-Suite level in the world's biggest companies.



LGT WM has been a member of the Investor Working Group since 2022. The group consists of over 40 investors in the UK looking to engage beyond just the boards of UK companies to increase the number of women and ethnic minorities in leadership positions to 30 per cent and more. No specific target companies have been defined, and LGT WM will engage where it can within its Investment Trust universe.

Fund manager engagement

As a wealth manager and allocator of capital in the UK, many of LGT WM's assets are invested in the products of third-party fund managers.

It is vital that LGT's stewardship priorities, and the values of its clients, are reflected in LGT's relationships with the managers it works with and the investments they hold.

After initiating formal fund manager engagement in 2022, LGT WM in 2023 conducted its second due diligence survey. Participants were surveyed on seven key issues: ESG approach, stewardship, climate change, biodiversity, net zero, diversity and inclusion, and human rights.

The results of the survey give LGT WM a more detailed understanding of the strengths and weaknesses of fund managers with regard to sustainability, and enable it to track their progress.

Key survey figures in 2023

- **109** respondents analysed, up from 81 in 2022.
- **65** per cent of fund managers had net zero by 2050 commitments that extend to their client

assets. However, 66 per cent do not have interim 2030 targets.

- Diversity across managers' organisations decreased from 40 per cent women to **39** per cent, however, investment team diversity went up from an average of 25 per cent women to **28** per cent women.
- Biodiversity advanced on managers' agendas, with **53** per cent publicly supporting the Taskforce on Nature-related Financial Disclosures (TNFD).
- Memberships in support of sustainable investment grew, with **99** per cent of managers now signatories to the PRI, the world's leading responsible investment body. A further **80** per cent are IIGCC members, and **78** per cent are members of Climate Action 100+.

Read LGT WM's [Fund Sustainability Engagement Report 2023](#).

Public policy advocacy

Sustainable investors are only as good as the environment they work in. LGT therefore considers actively informing and driving change in relevant regulations and policies to be part of its stewardship responsibilities.

Together with its international partners and networks, LGT contributes to practitioner working groups, becomes a signatory to investor statements and responds to consultations.

The following are a few examples of LGT's industry involvement:

LGT Private Banking (EMEA)

In collaboration with Swiss Sustainable Finance (SSF), LGT PB (EMEA) continues to address key voting-related challenges faced by private banks. In October of 2023, SSF and the Asset Management Association Switzerland (AMAS) published the first Swiss Stewardship Code, a pivotal step in addressing the need for a greater focus on voting in this market.

As a founding member of the Net-Zero Banking Alliance, LGT PB has been an active member in the initi-

ative's working groups, helping to set the standard for decarbonisation across mortgages and lending activities.

LGT Wealth Management

As a wealth manager, LGT WM's voice differs to the usual feedback regulators receive from banks and asset managers. It uses opportunities to advocate for its intermediaries (independent financial advisers, or IFAs) and to share the concerns and interests of private clients.

- This year, LGT WM responded to the Financial Conduct Authority's consultation on vote reporting and anti-greenwashing rule and guidance as part of the Sustainability Disclosure Regime.
- LGT WM also co-chaired the IIGCC's Net Zero Funds Working Group, working with other asset owners and fund of fund managers to extend the Net Zero Investment Framework to cover the selection, appointment and monitoring of third-party managers in line with net zero.
- LGT WM is a member of the PRI's Global Policy Reference Group and the UK Regional Policy Reference Group, sharing views on upcoming policies and regulations in those markets. Recently, LGT

WM was involved in shaping the response to the UK's call for evidence on the effectiveness of Modern Slavery Act Statements as well as feeding back into the EU Policy Roadmap for 2024.

LGT Capital Partners

- LGT CP joined the Net Zero Asset Managers initiative in March 2021. The initiative aims to galvanise the asset management industry to commit to a goal of net-zero emissions by 2050 or sooner, in order to halt global warming at 1.5°C. Membership involved disclosing the proportion of assets to be managed in line with net zero, as well as LGT CP's methodology for the Paris Alignment and interim targets for emission reductions.
- Tycho Sneyers, Managing Partner and Chairman of LGT CP's ESG Committee, has served on the UN Principles for Responsible Investment's (PRI) Board of Directors since 2018. He was elected to this role twice by asset management peers. As a Board member, he has helped shape the priorities of the PRI. In doing so, Sneyers has served as a voice for the alternative assets community on the Board, and has also worked to increase the PRI's focus on the SDGs by chairing the SDG Advisory Committee.
- In 2021, LGT CP joined the ESG Data Convergence Project. The initiative aims to create a critical mass of meaningful, performance-based ESG data from private companies by agreeing on a standardised set of ESG metrics.
- LGT CP has published its third global ESG survey of investors in alternatives, collating the views of 230 participants from 28 countries who invest in private equity, real estate, private debt, infrastructure and hedge funds. The 2022 report, "The changing landscape of ESG and sustainable investing", explores how investors are addressing diversity, equity and inclusion, climate change, the SDGs and ESG overall. Read the [report by LGT CP](#).

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