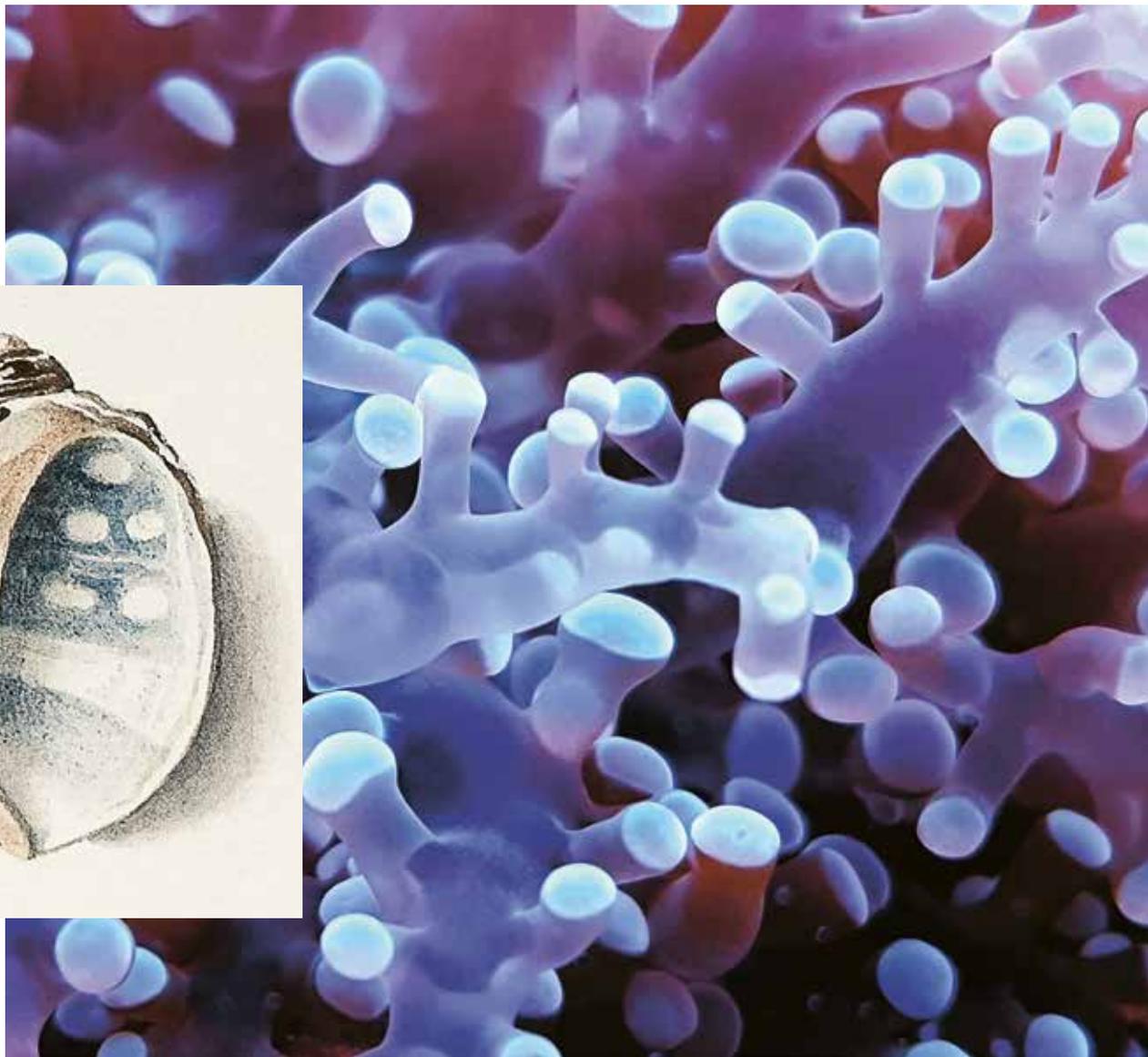


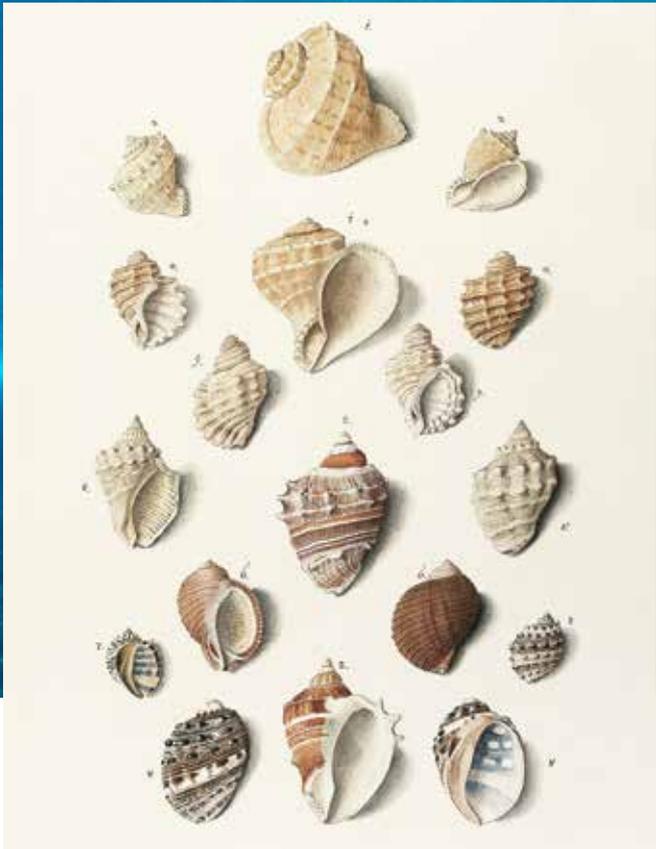
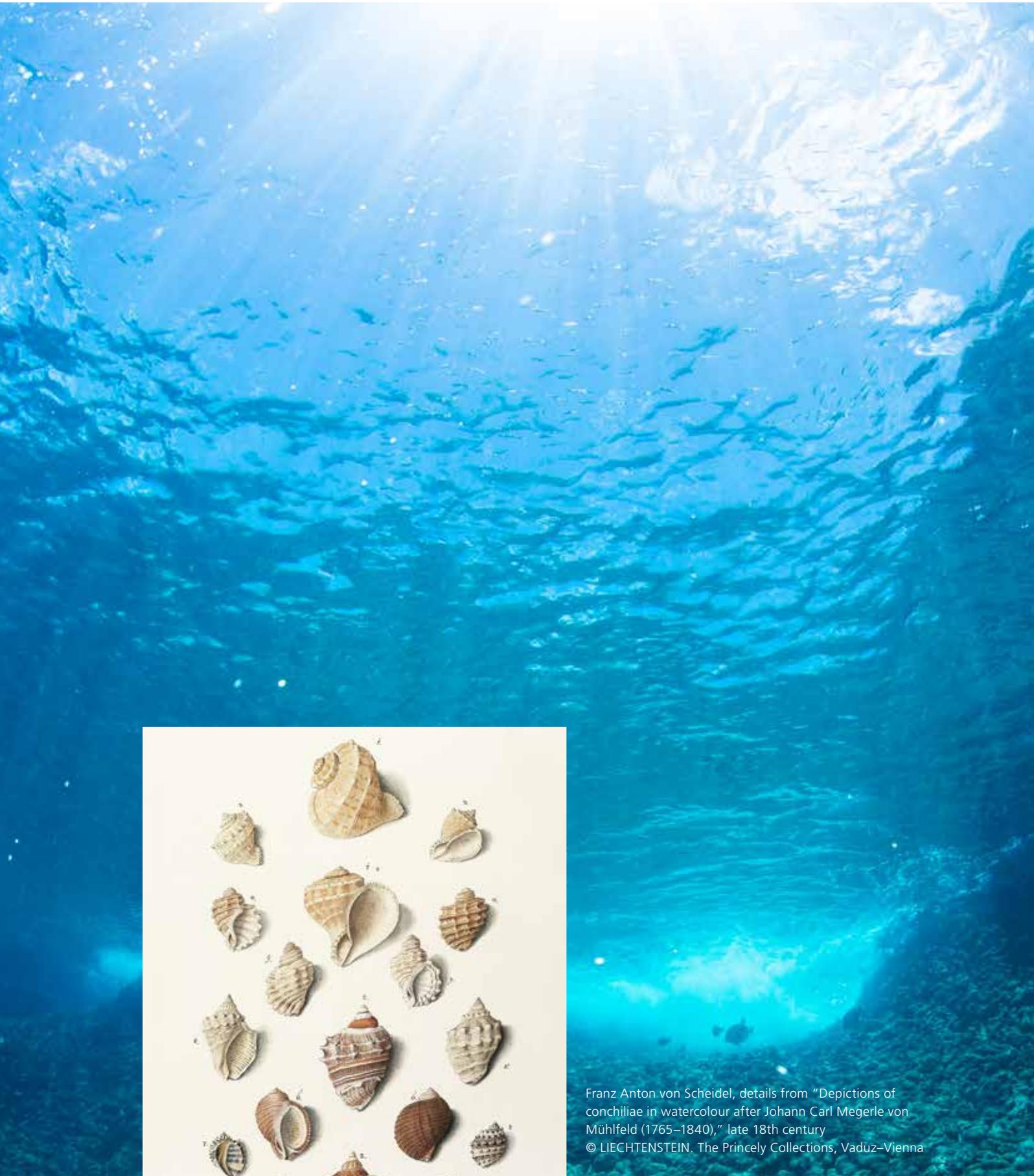


Non-Financial Report

2022



| Forward-looking
for generations



Franz Anton von Scheidel, details from "Depictions of conchiliae in watercolour after Johann Carl Megerle von Mühlfeld (1765–1840)," late 18th century
© LIECHTENSTEIN. The Princely Collections, Vaduz–Vienna



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We are convinced that being a responsible corporate actor towards society and the environment is good business.

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

Foreword

Dear Reader

In 2022, we saw a growing awareness of the need to think and act sustainably, as well as greater transparency in the reporting of these issues. In financial services, the latter is becoming more important due to clearer regulatory requirements – a development that LGT welcomes.

During the year under review, we also witnessed the tragic, costly human toll extracted by the war in Ukraine. This conflict exacerbated three existing challenges, namely guaranteeing energy security and affordability, and addressing climate change. In addition, the challenging issues we raised last year in our first non-financial report remain: the positive effects of the major technological advances are still tempered by the uneven and unsustainable distribution of value creation. This has led to a polarization of social and political discourse. Other worrying issues include a sharp rise in sovereign debt and the alarming destruction of our ecosystems.

This destruction is most concerning, as the natural world provides vital ecosystem services or “nature’s contribution to people”. Vibrant biodiversity underpins our livelihoods, wellbeing and key economic activities. Global biodiversity loss now represents a crisis equaling – or quite possibly surpassing – climate change.

We wish to play a proactive role in addressing these and other pressing global environmental, social and governance challenges. This is rooted in our conviction

that business has not sufficiently integrated the broader impact of its activities on society and the environment into value creation. The ensuing system flaw is a challenge that we must address collectively.

The means to do so lie with governments, companies and civil society – and with the ability of the three to collaborate to find constructive, workable solutions. As an intermediary between companies, governments and organizations seeking capital on one hand and investors on the other, the financial community also has a critical role to play. Banks, investors and investment advisors can and should therefore leverage this significant potential to act as a conduit for change.

We are convinced that being a responsible corporate actor towards society and the environment is good business. That is why we are committed to the principles of the UN Global Compact relating to human rights, labor standards, the environment and anti-corruption. We pledge to report, this year more broadly, on how we are helping to address the greatest challenges of our time. LGT Group Holding’s Non-Financial Report in accordance with the GRI Sustainability Reporting Standards is key for our sustainability efforts.



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

Long-standing tradition of sustainability

LGT Group Holding has a long tradition of contributing positively to the environment and society. Thanks to our owner, the Princely Family of Liechtenstein, sustainable and long-term thinking are part of the company's DNA. Supporting the achievement of the Sustainable Development Goals (SDGs) to the best of our ability is therefore in line with our company purpose and values. We do this by continuously developing and expanding our sustainability efforts both in our operating business and in our core business – private banking and asset management.

LGT Group Holding measures and reports transparently on the sustainability of its own operations and the sustainability of its investment solutions. LGT Group Holding is therefore publishing its Non-Financial Report in accordance with the GRI Standards in 2023 for the financial year 2022.

The organization and its reporting practices

2-1 Organizational details

LGT Group Holding (LGT), headquartered in Vaduz (Principality of Liechtenstein), is a leading international Private Banking and Asset Management Group.

Business areas

LGT Private Banking

LGT Private Banking (LGT PB), offers wealth management services for private clients, including:

- Investment advice and portfolio management
- Trading advice and execution
- Loan and credit facilities
- Philanthropy advisory and impact investing
- Wealth planning and family governance

LGT PB addresses the specific needs of wealthy private clients and offers access to state-of-the-art investment services. Although LGT PB has grown from a regional bank to an international private bank, it remains a family-owned company, and has been controlled by the Princely Family of Liechtenstein for more than 90 years.

LGT PB is present in Liechtenstein, Switzerland, Austria, Germany, the United Kingdom, Ireland, Hong Kong, Singapore, Bahrain, the United Arab Emirates, Thailand, India, Japan and Australia.

Throughout this report, we distinguish between:

- LGT PB (EMEA), which comprises our operations in Liechtenstein, Switzerland, Austria, Germany, Ireland, United Arab Emirates and Bahrain
- LGT Wealth Management (LGT WM, formerly LGT Vestra), which comprises our operations in the United Kingdom
- LGT PB (Asia) which comprises our operations in Hong Kong, Singapore, Thailand and Japan
- LGT Crestone, which comprises our operations in Australia
- LGT Wealth India, which comprises our operations in India

LGT Capital Partners

LGT Capital Partners (LGT CP), is a global asset manager and a leader in alternative investments and multi-asset strategies with an excellent track record spanning over 20 years. An international team of over 700 specialists manages the assets of more than 600 institutional investors including pension funds, insurance companies, sovereign wealth funds, banks and foundations. In addition to its headquarters in Pfäffikon, SZ, Switzerland, LGT CP is present in the United States, the United Kingdom, Ireland, France, Luxembourg, Liechtenstein, Germany, the United Arab Emirates, China, Hong Kong, Japan and Australia.

2-2 Entities included in the organization's sustainability reporting

The content of this report encompasses all entities of LGT. In 2022, the scope of the Non-Financial Report in accordance with the GRI Standards was broadened to LGT (see GRI 2-1), extending our reporting scope compared to the prior year's reporting, where only LGT PB was included.

2-3 Reporting period, frequency and point of contact

LGT has published a sustainability report since 2012. From 2012 to 2018, the LGT Sustainability Report was published every other year; since 2019, it has been published annually.

In 2022, LGT PB additionally published its first Non-Financial Report for the financial year 2021 in accordance with the GRI Standards, which is published annually. LGT's Non-Financial Report 2022 covers the reporting period 1 January 2022 to 31 December 2022 (in alignment with the financial report). The publication date of the Non-Financial Report 2022 is 10 May 2023.

The point of contact for inquiries regarding the reported information is:

Ursula Finsterwald

Head Group Sustainability Management

Telephone: +423 235 28 31

E-mail address: ursula.finsterwald@lgt.com

2-4 Restatements of information

Slight restatements of information are explained in the footnotes of the tables presented for GRI 404-1 (Average hours of training per year per employee) and for 403-10 (Work-related ill health).

2-5 External assurance

None

Activities and workers

2-6 Activities, value chain and other business relationships

LGT is a financial institution active in private banking and asset management and present in several locations worldwide. For more information, see GRI 2-1.

2-7 Employees

All employee data is provided in headcounts as per 31.12.2022 ¹		2022				2021		
		Total	LGT CP	LGT PB EMEA ²	LGT PB APAC ³	Total	LGT PB EMEA ²	LGT PB APAC ³
Employment contract								
Permanent	Male	2878	458	1715	705	2328	1950	378
	Female	2033	277	1036	720	1727	1137	590
Temporary	Male	131	7	103	21	105	105	0
	Female	117	4	96	17	109	106	3
Employment type ⁵								
Full-time	Male	2693	428	1567	698	2175	1801	374
	Female	1585	213	660	712	1349	762	587
Part-time	Male	219	64	148	7	153	149	4
	Female	414	30	376	8	378	375	3

¹ Data from new LGT PB entities (Australia, India and Germany) included. Cayman not included (0.05% of total LGT PB employees).

² EMEA = Europe and Middle East

³ APAC = Asia-Pacific

⁴ Only permanent employees

2-8 Workers who are not employees

Workers who are not employees are consultants and work at project level. They are not included in this report as they are employed by an external company and do not have an employment contract with LGT. As at 31 December 2022, 820¹ workers (2021: 585²) were employed who were not salaried employees.

Governance

2-9 Governance structure and composition

Roles and responsibilities within the LGT Group Foundation are defined in a clear corporate governance structure. The Foundation Board of LGT Group Foundation is the highest governance body of LGT and is chaired by H.S.H. Prince Max von und zu Liechtenstein. The Foundation Board is comprised of four separate committees: the HR Compensation Committee, the HR Nomination Committee, the Risk Committee and the Audit Committee.

- The HR Compensation Committee reviews the compensation policy of the Group, discusses and determines amendments to, or the creation of, compensation plans and proposes the compensation of the Senior Management Board, our Executive Board.
- The HR Nomination Committee reviews the performance appraisal, development and succession plans of LGT PB's Executive Board, discusses and reviews the talent management situation and development of LGT, and reviews the personnel and Human Resources (HR) risk reporting of LGT.
- The activities of the Risk Committee include a periodic review of the general risk limits, risk strategy and framework, including an assessment of the risk tolerance/appetite as well as a regular assessment of the adequacy of the group-wide risk organization.
- The activities of the Audit Committee include reviewing financial information and monitoring the adequacy of the system of internal controls and the compliance framework, which management and the Board members have established.

The highest management body of LGT is LGT's Executive Management Committee, which is chaired by the CEO of LGT, H.S.H. Prince Max von und zu Liechtenstein. Further information about

the composition of the highest governance body and its committees can be found on our website and in the Annual Report, pages 6 and 11.

Sustainability is specifically addressed and discussed in the Executive Management Committee twice a year. Together with the Group Sustainability Manager of LGT PB and the ESG Officer of LGT CP, they form the Sustainability Board of LGT.

The Sustainability Board of LGT PB is chaired by Olivier de Perregaux, CEO of LGT PB, and includes representation of LGT PB's Executive Board and the heads of the sustainability committees. The Group Sustainability Manager of LGT PB reports to the Foundation Board once a year.

LGT CP's ESG Committee, which governs its ESG approach, coordinates the development of policies and procedures across investment management, reporting and client service.

2-10 Nomination and selection of the highest governance body

LGT Group Foundation is the holding company of LGT, a global financial services institution. The beneficiary of LGT Group Foundation is the Prince of Liechtenstein Foundation, whose beneficiary is the reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II von und zu Liechtenstein. The Prince of Liechtenstein Foundation appoints the Foundation Board of LGT Group Foundation, taking into account the following factors: competencies, diversity and independence. For more information, see the Annual Report 2022, page 12.

2-11 Chair of the highest governance body

H.S.H. Prince Max von und zu Liechtenstein, Chairman of LGT Group Foundation, is a senior executive within LGT. For more information, see his curriculum vitae. At the beginning of the meetings of the Foundation Board, any conflicts of interest are disclosed.

2-12 Role of the highest governance body in overseeing the management of impacts

The Foundation Board, LGT's highest governance body, is updated on all sustainability-related activities at LGT PB and LGT CP by the different sustainability committee heads at least once a year.

¹ Figure refers to LGT PB (including data from the new locations in Australia, India and Germany) and LGT CP.

² Figure refers to LGT PB.

Sustainability is specifically addressed and discussed in the Executive Management Committee twice a year. LGT’s Executive Management Committee consists of the Group CEO, the CEO of LGT PB, the CEO of LGT CP, the CFO of LGT PB and the Head Compliance & Risk of LGT CP. Together with the Group Sustainability Manager of LGT PB and the ESG Officer of LGT CP, they form the Sustainability Board of LGT.

The Sustainability Board of LGT PB is chaired by Olivier de Perregaux, CEO of LGT PB, and includes representation of LGT PB’s Executive Board and the heads of the sustainability committees. LGT PB’s committees are focused on sustainability issues relating to clients and investments, operations, risk and governance, diversity and inclusion (D&I), employee volunteering, data and reporting and carbon neutralization. The Sustainability Board sets the strategic direction and guiding principles for sustainability for LGT PB.

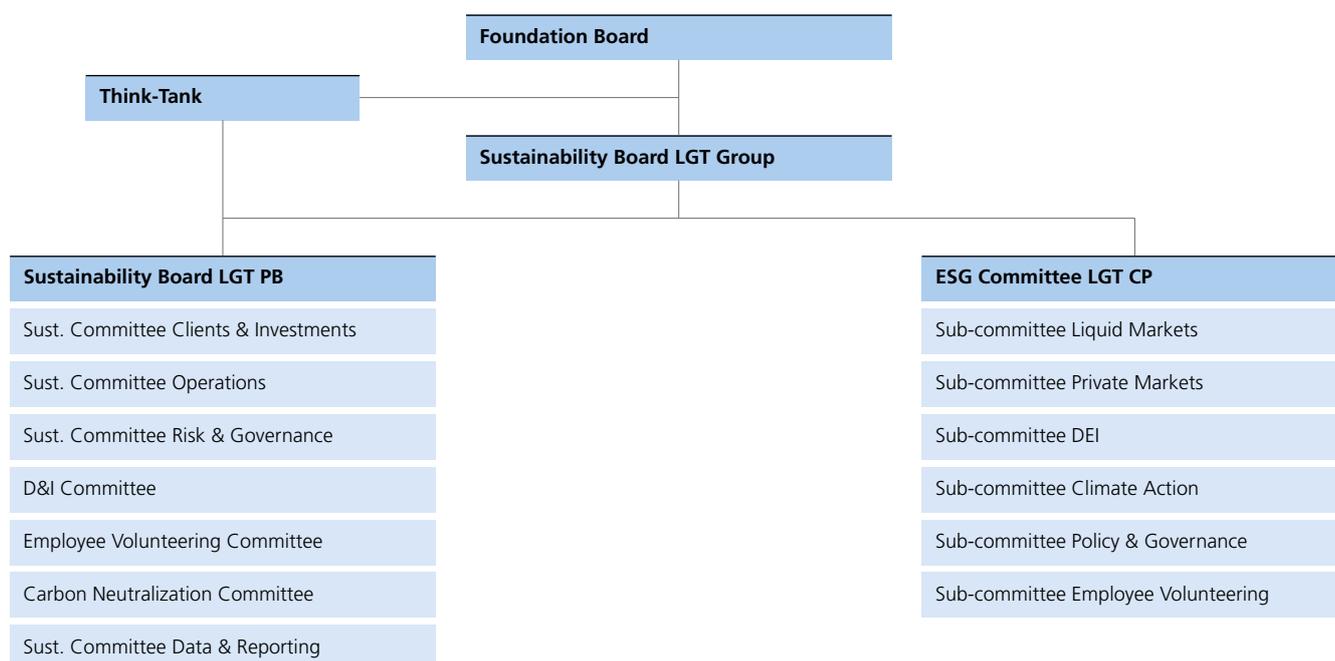
LGT CP’s Executive Committee is responsible for decisions on a company-wide level, for example, in the areas of business and recruitment strategy, asset planning, operations management and IT infrastructure. The Executive Committee consists of ten members from Private Markets, Liquid Markets, Finance and Operations who oversee the company’s business strategy. The

ESG Committee of LGT CP, which governs its ESG approach, coordinates the development of policies and procedures across investment management, reporting and client service. The ESG Committee members include two LGT CP managing partners (including the chief risk officer) and senior investment professionals from the firm’s various competence centers, and reports back to the Executive Committee. It has dedicated sub-committees that are focused on liquid markets, private markets, diversity, equity and inclusion (DEI), climate action, policy and governance, and employee volunteering.

The LGT Think-Tank regularly discusses current trends and developments. It consists of in-house experts from various divisions of our organization worldwide who work with external specialists and university representatives on a project basis. The Think-Tank also supports the Sustainability Boards in forming opinions.

Sustainability risks are included in the risk reports, which are reviewed by the Foundation Board’s Risk Committee and the entire Foundation Board. Environmental, social and governance (ESG) criteria that have been added to the compensation policy are considered by the Foundation Board’s HR Compensation Committee.

Sustainability governance structure at LGT Group



2-13 Delegation of responsibility for managing impacts

LGT's sustainability ambition is set by LGT's owner, the Prince-ly Family of Liechtenstein. The implementation/execution thereof is delegated by the Foundation Board to the Sustainability Board of LGT.

The Foundation Board receives regular updates from management, which is represented on the Sustainability Board of LGT (see GRI 2-12).

2-14 Role of the highest governance body in sustainability reporting

The Chairman of the Foundation Board reviews and approves the sustainability reporting, including but not limited to the Sustainability Report, the Non-Financial Report and the TCFD Report.

The materiality determination and the resulting materiality matrix was validated by the CEO and the Head Corporate Development & Transformation of LGT PB. For information about LGT CP's determination and validation of the material topics, see 3-2 on page 18.

The Group Sustainability Management department discusses further development and new requirements of sustainability reporting with the Chairman of the Foundation Board, the CEO of LGT PB and the Head Compliance & Risk of LGT CP twice a year.

2-15 Conflicts of interest

A directive at the LGT level specifies requirements concerning conflicts of interest. Based on this directive, various Group companies issue their own additional guidelines on this topic, which they adapt to local requirements in cases where local requirements are more extensive. As set out in the LGT Code of Conduct, all employees are obliged to involve their supervisor or the Compliance or Legal department in the event of potential conflicts of interest.

These directives include principles for the avoidance of conflicts of interest or, where that is not possible, measures to ensure conflicts of interest are identified and recorded at the earliest possible time so that they are dealt with promptly and appropriate solutions can be found in a fair, honest and transparent manner and future conflicts of interest can be avoided. Such conflicts of interest are monitored and documented on an ongoing basis and disclosed to the relevant persons if they cannot

be adequately resolved. LGT discloses organizational and specific measures it takes to avoid potential conflicts of interest (see section 2-16 "Communication of critical concerns").

2-16 Communication of critical concerns

Policies and responsibilities for receiving and reporting critical concerns include an online document on grievance management (Beschwerdemanagement), encouraging persons with complaints to submit reports and a whistleblowing function in the Internal Audit department. Complaints that are submitted require follow-up and are reported through Internal Audit to the Audit Committee. This includes quarterly reporting disclosing the number of reported and of closed cases. If reported concerns are deemed justified, results of investigations are documented in a separate case-related report.

2-17 Collective knowledge of the highest governance body

Three out of the seven members of the Foundation Board, including the Chairman, have specific knowledge on sustainability. Also, one of the Foundation Board members is the Chairman of the Liechtenstein Academy Foundation, which focuses on sharing knowledge and skills for taking responsible and long-term action.

In 2023, LGT plans to systematically and broadly enhance the knowledge of the Foundation Board on climate issues and sustainability risks.

2-18 Evaluation of the performance of the highest governance body

The performance of the Foundation Board in overseeing the management of the organization's impacts on the economy, environment and society is evaluated internally at least once a year by the Executive Board. This includes a self-evaluation by the Foundation Board.

2-19 Remuneration policies

LGT is a family-run company built on the values of long-term commitment, stability and independence. LGT relies on the skills, ideas and dedication of its employees to meet the needs of its clients and implement its business strategy. An appropriate, sustainable and market-based remuneration model forms a central part of the attractive and inspirational working environment that LGT offers.

For information about LGT's governance structure and the HR Compensation Committee, see GRI 2-9 and page 11 of the Annual Report.

The independent members of the Group Foundation Board are paid on a fixed pay basis only.

LGT's Executive Management Committee is subject to the Compensation Policy, i.e. the members of LGT's Executive Management Board are subject to the same remuneration plans and policies as any other employee. LGT's remuneration model is in line with market standards and consists of a fixed and a variable remuneration component as well as benefits.

- Fixed and variable pay: The fixed monthly salary is paid in cash and compensates employees for performing the tasks relating to their function, taking into account the relevant education, capabilities and skills and any managerial responsibility. Variable remuneration can be granted annually either directly as a cash bonus or as deferred variable compensation, in line with the applicable regulatory requirements.
- In new hire situations, exceptional one-off payments can be granted. They can take the form of guaranteed payments or replacement payments for lost or forfeited compensation with the previous employer. Such one-off payments may be granted in justified individual cases, provided they are not prohibited by law or any other regulation.
- LGT does not provide termination payments, such as golden parachutes or similar. Severance payments, typically ex-gratia payments, may be granted in justified individual cases, provided they are not prohibited by law or any other regulation. Such severance payments are awarded restrictively and must be approved by the respective LGT Executive Board and HR.
- Malus and clawback clauses are included in all deferred compensation payments to Identified Staff/Material Risk Takers, in line with the regulatory requirements under CRD V (Capital Requirements Directive), the BankV of Liechtenstein (Banking Regulation) and the ESMA Remuneration Guidelines. As such, all members of the highest governing body and executive management teams are subject to malus and clawback if certain conditions are met. LGT does not have clawback clauses on fixed pay.
- The retirement benefits scheme including contribution rates are the same for all employees, including senior executives.

2-20 Process to determine remuneration

LGT's remuneration policy is stipulated by and its implementation is monitored by the Foundation Board, supported by its committee – the Group Human Resources Compensation Committee (GHRCC). It is reviewed regularly, and its implementation is ensured, particularly with regard to the growth, suitability and composition of the total remuneration. The Foundation Board and GHRCC also ensure that the legal and regulatory requirements are met. At the subsidiary level, the remuneration principles are determined by the relevant Board of Directors, supported by the relevant Human Resources Compensation Committee (HRCC), based on the Group-wide remuneration policy. They report annually to the GHRCC and submit to it changes to the remuneration structure or models for approval. The total amount of remuneration paid by LGT is approved by the Foundation Board on the basis of a recommendation from the Group CEO and the GHRCC.

LGT's remuneration policy reflects the importance of the LGT Code of Conduct, including the sustainability risks it seeks to mitigate, by stipulating that failures or breaches of the LGT Code of Conduct or internal directives and instructions can – among other things – result in a reduction of variable compensation.

2-21 Annual total compensation ratio

As a privately held company, the annual total compensation ratio is confidential business information and thus not disclosed.

Strategy, policies and practices

2-22 Statement on sustainable development strategy

A statement regarding sustainable development by the Chairman of LGT, H.S.H. Prince Max von und zu Liechtenstein, can be found in the foreword.

2-23 Policy commitments

The LGT Code of Conduct sets out LGT's shared values as well as ethical and professional standards, which are binding for all employees and members of the supervisory and controlling bodies of LGT and its affiliated companies. To foster responsible business practices, the LGT Code of Conduct considers and references the sanctions programs of the United Nations (UN), the United States and the European Union. Moreover, the code sets a goal to align LGT's investments with the Paris Agreement to limit global warming. Our common goal is to use resources care-

fully and limit our consumption to the greatest extent possible. In addition, the LGT Code of Conduct sets out our goal of promoting the sustainable development of society and the environment. The principles contained in the LGT Code of Conduct are defined in more detail in internal directives and other rules and regulations. For more information, see Code of Conduct and the chapter "Ethics and integrity".

LGT has also introduced a Supplier Code of Conduct, which is an integral part of its contracts with suppliers and must be accepted by all suppliers. The LGT Supplier Code of Conduct requires that suppliers adhere to important standards and conventions, including the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the International Labour Organization (ILO) fundamental conventions and international labor standards, and the principles of the UN Global Compact (UNGC). LGT reserves the right to inspect documentation and ensure compliance. For more information, see Supplier Code of Conduct and GRI 407-1 in the chapter "Corporate culture".

The LGT Code of Conduct as well as the LGT Supplier Code of Conduct are approved by the Foundation Board.

2-24 Embedding policy commitments

Compliance with the LGT Code of Conduct is an integral part of the contractual relationship under employment law and the annual objective-setting and performance assessment of employees. Violations of the LGT Code of Conduct may be subject to disciplinary actions and measures under employment law, including dismissal without notice.

Our policies are integrated into our employee directives. We also adhere to numerous additional policies as a result of our business relationships (e.g. Liechtenstein Bankers Association (LBA),

Sustainable Finance Workgroup of the European Banking Federation (EBF), Chief Sustainability Officers Roundtable of the EBF, Liechtenstein Chamber of Commerce and Industry (LCCI), UN Global Compact (UNGC), Liechtenstein Initiative on Modern Slavery and Human Trafficking (FAST), Swiss Sustainable Finance (SSF) Association, the monetary authorities of Liechtenstein, Switzerland, Hong Kong and Singapore, Alliance of CEO Climate Leaders of the World Economic Forum (WEF), etc.). For more information, see chapter "Ethics and integrity".

2-25 Processes to remediate negative impacts

Our processes ensure that information on negative impacts is escalated to the Foundation Board. For more information on our communication on critical concerns, see GRI 2-16. The Foundation Board decides in which cases remediation of negative impacts is required and gives implementation orders to LGT PB's Executive Board and to LGT CP's Executive Committee.

2-26 Mechanisms for seeking advice and raising concerns

Seeking advice on implementing our policies and practices for responsible business conduct is part of all of our ongoing stakeholder engagements (for more information on our approach to stakeholder engagement, see GRI 2-29). In addition, we have established mechanisms for registering grievances (for more information on our communication of critical concerns, see GRI 2-16). For more information, see chapter "Ethics and integrity".

2-27 Compliance with laws and regulations

LGT is not aware of any cases of non-compliance with laws and regulations in the social and economic sphere, and received no fines in Liechtenstein in 2022. For more information, see chapter "Compliance".

2-28 Membership associations

LGT is committed to numerous international associations and organizations. Our most important memberships and partners include:

UN Principles for Responsible Investment (PRI)	Signatory (LGT CP, LGT PB), active in several working groups (LGT CP) and participant in collaborative engagements as part of the Advance Initiative (LGT PB)	The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. Launched in 2022, Advance is the new PRI-led stewardship initiative for human rights and social issues.
UNEP FI Principles for Responsible Banking (PRB)	Signatory (LGT PB)	Framework for a sustainable banking industry developed by banks worldwide and the United Nations Environment's Finance Initiative.
UN Net-Zero Banking Alliance (NZBA)	Founding member (LGT PB)	The industry-led, UN-convened NZBA brings together banks worldwide representing over 40% of global banking assets, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050.
UN Net Zero Asset Managers Initiative (NZAM)	Member (LGT CP)	NZAM is an international group of asset managers committed to supporting the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net-zero emissions by 2050 or sooner.
UN Global Compact (UNGC)	Participant (LGT), member of Board of the UN Global Compact Network Switzerland & Liechtenstein (LGT PB) and member of management committee of Global Compact Network Singapore (GCNS) (LGT PB Asia)	Worldwide pact between the United Nations and companies to make the globalized world more socially and ecologically responsible.
Institutional Investor Group on Climate Change (IIGCC)	Associate member (LGT CP, LGT PB)	The IIGCC is the European membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low-carbon future.
Climate Action 100+ (CA 100+)	Participant (LGT PB, LGT CP)	CA 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
Finance for Biodiversity Pledge	Collaborating member and member of various working groups (LGT PB)	Pledge signatories call on global leaders and commit to protecting and restoring biodiversity through their finance activities and investments.
Swiss Sustainable Finance (SSF)	Founding member and member of various working groups (LGT PB), member (LGT CP)	Leading association for all questions concerning sustainable financial services in Switzerland.
European Banking Federation (EBF)	Member of Chief Sustainability Officer Roundtable and member of Sustainable Finance Working Group (LGT PB)	The EBF is the voice of the European banking sector, bringing together national banking associations from 45 countries. The EBF is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem.
Liechtenstein Bankers Association (LBA)	Chair of Sustainability Committee and member of Sustainability Working Group (LGT PB)	The LBA is the domestic and international voice of the banks operating in and out of Liechtenstein.
Task Force on Climate-related Financial Disclosures (TCFD)	Supporter (LGT PB)	An initiative to develop voluntary, consistent climate-related financial risk disclosures for use by companies when providing information to investors, lenders and insurers.

Global Impact Investor Network (GIIN)	Member (LGT CP)	Non-profit member organization dedicated to increasing the scale and effectiveness of impact investing.
Green Bond Principles (GBP)	Member (LGT CP)	Formulated by the International Capital Market Association (ICMA), the GBP are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market.
Forum Nachhaltiger Geldanlagen (FNG)	Member (LGT CP)	The FNG is a professional association for sustainable investments in German-speaking countries (D, AT, CH).
Eurosif	Member (LGT CP)	Eurosif is the leading European association for the promotion and advancement of sustainable and responsible investment across Europe, for the benefit of its members.
Swiss Climate Foundation	Vice Chair of the Board of Trustees and Advisory Board (LGT PB), member (LGT CP)	The Swiss Climate Foundation is a voluntary initiative by business for business. The Foundation's mission is to promote climate protection and strengthen Switzerland and Liechtenstein as business locations.
Partnership for Carbon Accounting Financials (PCAF)	Participants in regional DACHLi group (LGT PB)	PCAF's mission: Facilitating financial industry alignment with the Paris Climate Agreement.
Liechtenstein Initiative on Finance Against Slavery and Trafficking (FAST)	Supporter (LGT)	The Liechtenstein Initiative on Finance Against Slavery and Trafficking (FAST) works to combat human trafficking and modern slavery, with financial assistance and network involvement.
Verband für Umweltmanagement (VfU)	Member (LGT PB)	Founded in 1995, the Verband für Umweltmanagement (VfU) is a network of sustainable finance professionals, aimed at promoting sustainable finance.
World Economic Forum (WEF)	Member of the Alliance of CEO Climate Leaders (LGT PB)	Associate Partner of the WEF since March 2017 with a focus on long-term investing infrastructure and development, and the Asia region. The purpose of the partnership is to connect the expertise of LGT in the field of sustainable and responsible investing with the WEF community, and to actively engage in the field of impact investing.
Liechtenstein Chamber of Commerce and Industry (LCCI)	Member of Expert Group on Sustainability and member of the Mobility Working Group (LGT PB)	The aim of the Liechtenstein Chamber of Commerce and Industry (LCCI) is to safeguard and further develop Liechtenstein as a successful business location, to focus on the concerns of LCCI member companies and to offer them professional services.
Monetary Authority of Singapore (MAS)	Participant in the Private Banking Industry Group ESG Taskforce and Participant in the MAS's Sustainable/Green Finance Working Group (LGT PB Asia)	The Monetary Authority of Singapore (MAS) is Singapore's central bank and integrated financial regulator. MAS also works with the financial industry to develop Singapore as a dynamic international financial center.
Asian Venture Philanthropy Network (AVPN)	Member of the Board (LGT PB Asia)	Network based in Singapore committed to building a vibrant and high-impact philanthropy and social investment community across Asia.
Wealth Management Institute (WMI)	Participation in expert panel for ESG and sustainable investing (LGT PB Asia)	The institute was established in 2003. Founded by GIC and Temasek, it is the leading training provider for wealth and asset management in Asia.
Private Wealth Management Association (PWMA)	Member of ESG Committee (LGT PB Asia)	Industry association based in Hong Kong committed to fostering the growth and development of the private wealth management industry in Hong Kong.
Farm Animal Investment Risk and Return (FAIRR) initiative	Member (LGT WM)	Investor network looking at the ESG risks faced by protein producers and their supply chains (i.e. anti-microbial resistance, biodiversity loss, pandemics, etc.).
30% Club	Member of the Investor Working Group (LGT WM)	The UK 30% Club Investor Working Group is a group of over 40 investors in the United Kingdom looking to engage beyond just the boards of UK companies to increase the number of women and ethnic minorities in leadership positions to 30% and more.

Women in Finance Charter	Member (LGT WM)	The Charter is a pledge for gender balance across financial services in the United Kingdom. Firms that sign up to this Charter are pledging to be the best businesses in the sector.
Responsible Investment Association of Australasia (RIAA)	Member (LGT Crestone)	The association champions responsible investing and a sustainable financial system in Australia and New Zealand.
100 Women in Finance	Global Corporate Sponsor (LGT CP)	100 Women in Finance is a non-profit organization for professionals who work in the alternative investment and broader finance industry. The organization aims to strengthen women's presence in the finance field by supporting women at each career stage to achieve their career goals.



Stakeholder engagement

2-29 Approach to stakeholder engagement

Stakeholder group	Examples of stakeholder engagement
Shareholder	<ul style="list-style-type: none"> ▪ Long-term strategic orientation ▪ Value creation ▪ Sustainability embedded into core strategy
Clients	<ul style="list-style-type: none"> ▪ Bespoke investment solutions ▪ Customer satisfaction surveys ▪ Offering of investments promoting environmental and/or social characteristics ▪ Philanthropy advisory ▪ Family governance
Employees	<ul style="list-style-type: none"> ▪ Ongoing learning and development ▪ Attractive working conditions ▪ Diversity and equal opportunities
Suppliers	<ul style="list-style-type: none"> ▪ Long-term collaboration ▪ Fair compensation ▪ Environmental protection
Communities	<ul style="list-style-type: none"> ▪ Venture philanthropy ▪ Sponsoring of events ▪ Volunteering programs

2-30 Collective bargaining agreements

We do not have any collective bargaining agreements for LGT PB in Liechtenstein, Switzerland, the United Arab Emirates, Hong Kong, Singapore, the United Kingdom, Thailand, Japan, Ireland, Bahrain, India or Australia. In these countries, we refer to the employment law. At LGT PB in Austria, 100 percent of employees are under a collective agreement.

We do not have any collective bargaining agreements for LGT CP in the United States, Ireland, Germany, the United Kingdom, France, Liechtenstein, the United Arab Emirates, China, Hong Kong, Japan or Australia.

Materiality assessment and list of material topics

3-1 Process to determine material topics

This Non-Financial Report is based on the materiality analysis that was carried out in 2021 by LGT PB for LGT PB's Non-Financial Report 2021.

- To determine its material economic, environmental, social and governance topics, LGT PB applied the process of “double materiality” of impacts and related topics. LGT PB's potential impacts on the economy, environment, society and governance were considered, as was their impact on LGT PB and of LGT PB's activities on these issues.
- The process began with the compilation of a longlist of LGT PB's potential areas of impact. A list of possible related topics was also compiled, including topics contained in the GRI Standards, the Commercial Banks and Asset Management & Custody Activities Standard of the Sustainability Accounting Standards Board (SASB) and the UNGC. Also included were areas of impact and corresponding topics discussed in the LGT Sustainability Report 2020 and considered pertinent by peers in the financial industry.
- The potential areas of impact and the related longlist of topics were then clustered into a shortlist of 24 potentially material topics. These were assessed in terms of significance and prioritized by LGT's Think-Tank, one of the key bodies in LGT's sustainability management and governance system (see organizational chart and description under GRI 2-12).

- These workshop discussions, which included representation from LGT PB's units responsible for sustainability management, sustainability investing and equity analysis, portfolio and investment advisory, business analysis, risk controlling and LGT Venture Philanthropy (LGT VP)³, drew on the participants' own expertise as well as their experience from day-to-day exchanges with relevant stakeholders and experts, rather than on direct stakeholder or expert surveys for prioritizing topics related to potential impact areas. When assessing impact significance and prioritizing topics, the participants considered the potential impacts and topics in the sustainability context of LGT PB and its activities as well as value chain relationships.

LGT CP, LGT's asset management arm, was included in the report for the first time in 2022. The materiality assessment was shared with and approved by LGT CP's Policy & Governance Sub-Committee, whose aim it is to coordinate, prepare and propose ESG policies and oversee ESG governance, including adherence and compliance to sustainable regulations. LGT CP's Policy & Governance Sub-Committee is composed of senior members of our Compliance & Risk, Liquid Markets and Private Markets departments.

LGT PB and LGT CP plan to provide a joint update of the materiality assessment in 2023.

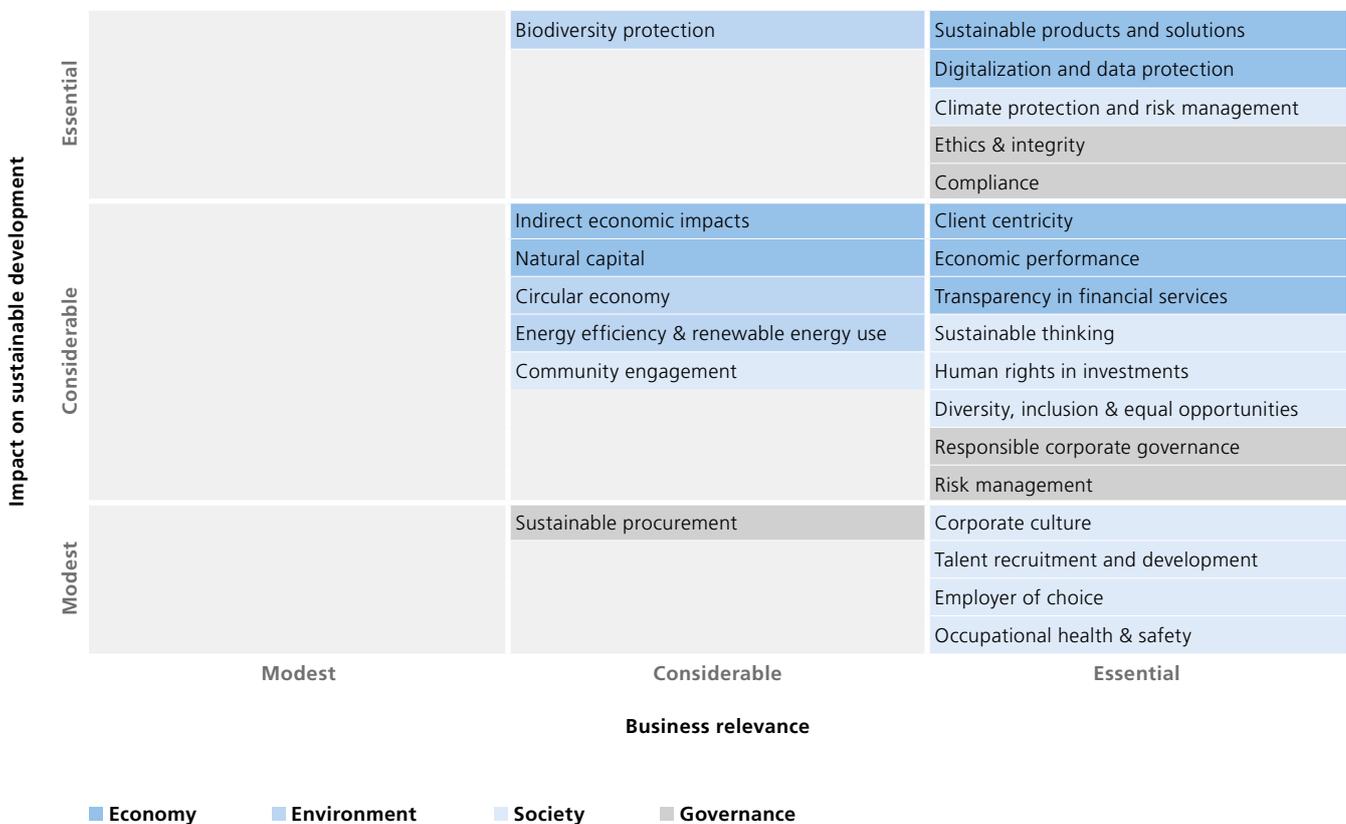
³ LGT VP is an independent charitable foundation established by the Princely Family in 2007 that strengthens the capabilities of locally rooted organizations that deliver effective, scalable solutions to systemic problems. LGT VP focuses on complementary solutions across health, education and the environment in Sub-Saharan Africa and India that directly contribute to the SDGs.

3-2 List of material topics

The economic, environmental, social and governance-related topics determined to be material for LGT are shown in the materiality matrix below. They form the basis of the scope of the information presented in this report. All topics determined to be either considerably or essentially relevant for impacts by LGT are included in the materiality scope. Exceeding the materiality

scope required for GRI reporting and in the spirit of double materiality, some topics that are only modestly relevant concerning impacts by LGT but determined to be essentially relevant for impacts on LGT have also been included. This means that all topics in the following graphic, with the exception of sustainable procurement, are considered to be material and are discussed in this report.

Materiality matrix LGT



Client centricity

Developments, achievements and/or challenges in the reporting year

LGT is committed to meeting its clients' needs at all times. In 2022, many pandemic-related developments continued to provide opportunities and pose challenges with regard to client relationships. We further invested in new digital services such as e-signatures, which allow us to interact even more efficiently with our clients. We remained in close contact with clients through video and phone calls, and via webinars and live-streaming events to ensure continued client loyalty. Advisory services were also increasingly provided virtually.

LGT has learned that the combination of personal and digital contact can be complementary and used to strengthen client relationships. Our clients welcomed the additional digital contact and we will therefore maintain this form of communication and further enhance it. However, although digital contact is important for driving innovation, personal contact will remain relevant for LGT.

In the future, we will focus on further harmonizing our digital and physical interaction with our clients, paying close attention to data security and potential risks related to cybercrime. We will implement and strengthen the necessary data protection measures to ensure a high standard of security (for more information, see chapter "Digitalization and data protection").

3-3 Management approach

a & b How our approach to client centricity contributes to sustainable development

Our most important duty is to manage our clients' assets diligently and conscientiously. As client centricity is crucial for the success of our business, we focus on integrating client centricity into our core values, business model and strategy.

c & d How we manage client centricity

Understanding and adjusting our products and services to clients' needs and personal situation is an important part of our approach to client lifecycle. We support our clients throughout the entire client journey – from initial contact to our service and product advisory services and ongoing communications.

Access to information is very important for our clients. To ensure they have the access they require, we developed a channel management strategy in 2021 and formed a dedicated team to implement the strategy in 2022. The goal of the strategy is to increase digital accessibility for our clients, ensuring they can easily access and read the desired content on our website on their electronic device. In addition, we regularly analyze the needs of our existing and potential clients to ensure we optimize LGT's entire products and services offering to meet these needs. Our channel management project will be expanded in the future and reflects our commitment to client centricity.

To ensure our clients are served professionally, we invest in developing the skills of our employees, who are ultimately our ambassadors. We have established employee training roadmaps around client centricity to enhance our employees' soft skills. Our employees also receive training tailored to their specific roles. For example, new employees in Switzerland, Liechtenstein, Austria and the United Arab Emirates must complete mandatory training to achieve the Swiss Association for Quality (SAQ) Certified Wealth Management Advisor (CWMA) certification. After the initial certification, which includes three written exams and one oral client meeting, a minimum of 24 hours of training must be completed every three years. LGT employees regularly exceed this minimum number of hours. While this type of standard certification has become common in many jurisdictions in the APAC and EMEA regions, training at LGT goes significantly further. LGT ensures that relationship managers' knowledge is kept up to date through regular training on core processes in client relationship management services (e.g. on investments promoting environmental and/or social characteristics, wealth planning and private equity). LGT regularly reviews and, if necessary, revises the education roadmap to constantly improve its training to the benefit of clients and employees (for more information, see chapter "Talent recruitment and development").

LGP CP has two workshops per year with the Business Development team, which is responsible for client relationships. Best practice is shared and discussions around how to improve client services take place. Client centricity is also part of the discussion at the Partner and Principal workshops that take place twice a year.

e & f How we track and provide information about the effectiveness of our management approach

To ensure the effectiveness of our activities relating to client centricity, LGT regularly conducts surveys and ad-hoc interviews with our clients.

At LGT PB, we conduct assessments of our products and services by subjecting them to tests such as mystery shopping.

At LGT CP, we build long-term partnerships with our clients. Any feedback from clients is taken into consideration and is discussed on a regular basis in the Business Development Committee.

Economic performance

Developments, achievements and/or challenges during the reporting year

Recent developments in the global economy and stock markets have impacted both how clients invest and how investments have performed. These developments also had implications for our financial results, and have given rise to both opportunities and challenges in terms of our long-term investments.

We are seeing an increasing interest from clients in the topic of sustainability. Thanks to the integration of sustainability-related aspects into our strategy, paired with our client-centric approach regarding information as well as processes and training, we are well-equipped to meet our clients' demands in this respect.

In 2022, LGT implemented a number of regulatory requirements and amendments, including EU regulations on sustainability disclosures and the EU Taxonomy. One of our biggest priorities at present is to address the future implementation of additional reporting requirements and to integrate climate-related risks into the business lines. Switzerland, Hong Kong and the United Kingdom's regulations follow a similar approach to climate-related disclosures as the TCFD. As a result, financial institutions must increasingly disclose how they deal with climate-related risks. LGT complies with regulatory requirements and informs its stakeholders about its current and future contributions to sustainable development and how these contributions relate to the company's economic performance (for more information, see chapter "Transparency in financial services").

3-3 Management approach

a & b How our economic performance contributes to sustainable development

Successful economic performance is our company's rationale for doing business. We define economic performance as how our company plans and implements growth, profitability and capital efficiency targets while ensuring financial stability, sustainable returns and economic value creation for all stakeholders.

We are committed to participating in the transformation toward a more sustainable future and believe that positive economic performance can accelerate this process. Good performance enables us to remain a strong player in the market and focus on investments in companies and organizations that support a sustainable future. By being an attractive and trustworthy partner and employer, our aim is to have a positive impact on our own operations and on the satisfaction of our clients and employees.

c & d How we manage economic performance

We have a clear strategy for economic performance – and we have been following this strategy since the beginning of the century. It includes a number of sub-strategies, for example, for sustainability and risk management.

We consider financial growth to be a major factor in economic performance. Our goal is to grow sustainably and not to focus merely on profit maximization. This is reflected, for example, in the fact that we have not only grown through acquisitions but primarily through organic expansion.

The Foundation Board provides guidance to support LGT's financial performance. LGT's Executive Management Committee develops long-term business plans and annual plans with a one-year budget cycle. The multi-year business plans define LGT's targets in terms of financial performance in the coming years.

e & f How we track and provide information about the effectiveness of our management approach

To measure and evaluate our economic performance, we issue multiple reports throughout the year. The reports provide information regarding budget, operations and specific KPIs. Monthly reports on financial performance are submitted to LGT PB's Executive Board as well as to the Executive Committee of LGT CP. Quarterly reports are shared with the Foundation Board.

Sustainability-related topics are evaluated and reported annually. LGT's Executive Management Committee, LGT PB's Executive Board as well as LGT CP's Executive Committee all assess LGT-related developments pertaining to sustainability at least every six months, while the Foundation Board assesses them at least once every year.

201-1 Direct economic value generated and distributed

LGT's profit increased by 19 percent to CHF 420.8 million in 2022 on the back of its higher asset base and strong investment performance. Assets under management were CHF 287.2 billion as at 31 December 2022, compared with CHF 285.8 billion as at 31 December 2021, with negative market performance and foreign currency effects offset by strong net asset inflows and asset growth of CHF 16.6 billion from the Crestone (now operating as LGT Crestone) and Validus Wealth (now operating as LGT Wealth India) acquisitions. LGT continued to grow profitably in 2022, against the backdrop of financial market uncertainty. With its presence in key international markets, broad investment expertise and strong focus on sustainable solutions, LGT is well positioned to continue to achieve profitable growth in 2023.

For further information, see pages 7–8 of the Annual Report 2022.

201-2 Financial implications and other risks and opportunities due to climate change

LGT believes that climate change gives rise to both risks and opportunities. We recognize that investments in climate-damaging activities are unsustainable in the long term and thus not economically viable. Through our group-wide exclusion policies on controversial weapons and thermal coal, we therefore avoid investing in sensitive industries ourselves and on behalf of our clients.

We do not consider LGT to be significantly exposed to physical risks, as none of our locations are in areas substantially affected by such risks. However, LGT's real estate investments may be affected by physical risks. LGT PB's risk metrics support LGT PB in closely monitoring the circumstances at our locations and assesses the probability of future physical risks (TCFD Report 2022, pages 27–32).

Transition risks could have a direct impact on our business. There are currently a number of new regulations being introduced regarding sustainability in the financial industry, and we will

implement these new (and existing) regulatory requirements carefully. Transition risks also affect other companies and industries, which in turn affects our investments.

Engaging in climate-friendly activities also gives rise to opportunities: we actively promote investments in innovative solutions with a positive impact by continuously expanding our offering and by helping companies in transition become more sustainable. Our clients follow this example.

LGT CP has implemented a climate action framework that is built around two core objectives: to drive the energy transition and decarbonization, and to build climate-resilient portfolios. The first objective is about measuring the GHG emissions for individual portfolio holdings and taking the necessary steps to decarbonize the portfolio over time, in line with the Paris Agreement. The second objective is more top-down in nature, as it focuses on identifying critical vulnerabilities within the strategy by stress-testing the investment portfolio against adverse future pathways. Based on this analysis, portfolio managers can reallocate capital, where necessary, in order to make the overall portfolio more resilient to physical and transition risks related to climate change.

Indirect economic impacts Developments, achievements and/or challenges in the reporting year

The escalation of the war in Ukraine and the connected surge in energy prices and the spike of global inflation were important topics for us in 2022, as it was for others. As a result of the international sanctions, business with clients domiciled in Russia and Belarus remains subject to strict limitations.

In 2022, LGT expanded its presence in Asia-Pacific with the acquisition of Crestone Wealth Management in Australia and Validus Wealth in India. During the reporting year, LGT PB established a subsidiary in Germany. In addition, LGT CP opened two new international locations last year, in the United States and in Luxembourg.

3-3 Management approach a & b How our indirect economic impacts contribute to sustainable development

As a leading international Private Banking and Asset Management Group, LGT makes a significant contribution to the

regional and local economy in Liechtenstein. We are an important employer at the local level due to our comparatively large size. LGT is also an important source of tax revenues for Liechtenstein – both through the corporate taxes it pays as well as the taxes paid by its employees.

In the other financial centers where we have a presence (e.g. Hong Kong, Singapore, Switzerland, the United Kingdom, the United Arab Emirates, Austria, Germany, India and Australia), we are perceived as an important financial market participant despite our relatively small size.

Our sustainability-related commitments and actions have a positive impact on our stakeholders. The fact that we set an example in this area is well-received by our employees, clients and other stakeholders.

c & d How we manage indirect economic impacts

Sustainability is regularly on the agenda of the meetings of LGT's Executive Management Committee, LGT PB's Executive Board, LGT CP's Executive Committee, Board of Directors at the entity level and the Foundation Board. This ensures that sustainability is treated as a priority at all management levels and incorporated into all our business activities (for more information, see chapter "Responsible corporate governance").

Local engagement is also becoming more important with regard to facility management, which relies on local resources. We prefer to work with local suppliers and manufacturers as we consider proximity to be an advantage. LGT PB implemented a sustainable procurement framework according to which our Supply Management and Group Sustainability Management work closely together. The procurement process has been systematically embedded in the sustainable procurement framework and is clearly aligned with ISO 20400.

e & f How we track and provide information about the effectiveness of our management approach

LGT PB is a participant in the dialogue surrounding the financial stability of Liechtenstein. The government and the members of the LBA have an interest in ensuring that Liechtenstein's three major banks deliver good financial performance, as they contribute significantly to a healthy society and environment in Liechtenstein and other locations.

203-2 Significant indirect economic impacts

We consider direct and indirect taxes (through wages) to be a source of our indirect economic impacts.

With our good reputation and status as an attractive employer, we serve as a stable and long-term employer that contributes positively to the economy. We also boost the local economy through our cooperation with local service providers and companies.

Natural capital

Developments, achievements and/or challenges in the reporting year

In 2022, LGT purchased emission avoidance credits from the Katingan Mentaya project in 2022. This forest conservation project protects local biodiversity, while allowing LGT to offset the operational emissions generated in the coming two to three years. This purchase reflects LGT's ongoing commitment to climate-neutral operations since 2010.

In addition to climate-neutral operations, LGT also offset the emissions of certain company events in 2022. To combine the offsetting of event emissions with emission reduction measures in the future, we have established a formal process for climate-neutral events to be implemented by event managers starting in 2023. According to this process, event managers who wish to organize a carbon-neutral event will internally disclose their efforts to reduce participants' emissions from mobility, food and accommodation, improve sustainability aspects in general and meet specific objective criteria. If the event manager discloses their efforts beforehand and commits to meeting the criteria, LGT will allow the event manager to use the label "carbon-neutral event" and the event emissions will be offset by LGT.

In 2022, we continued to evaluate how to neutralize our emissions by removing CO₂ from the air. After entering into a removal credit offtake agreement with the Swiss company Climeworks in 2021, we expanded our knowledge of carbon dioxide removal (CDR) technologies and projects of the various market participants in this space and of opportunities for sourcing further CDR credits in 2022. Underlining LGT PB's commitment to net zero and scaling up technological CDR solutions, LGT entered an offtake agreement with the recently founded NextGen CDR Facility as an anchor buyer in 2022. The facility aggregates the

demand of leading corporate buyers to provide an early market signal for high-quality, certified removals and the necessary financing for cutting-edge technologies to scale up in the future. Carbon credits procured from these and future offtake agreements will be used to neutralize our residual emissions and will support us in our efforts to reach our net-zero ambition by 2030. In the year under review, LGT Group Sustainability Management hired a sustainability manager with a specific focus on carbon net zero. This has strengthened our in-house expertise on this topic and CDR in particular, and will enable us to strategically source high-quality CDR certificates in the future.

For the strategic sourcing of future CDR certificates, we will avoid conflicts between carbon removal and natural capital, and target co-benefits to the greatest extent possible. For nature-based solutions in particular, we will aim to combine the effect on climate with biodiversity restoration. To ensure durability of carbon storage and positive impacts on biodiversity, we will be selective when determining our partners for future nature-based carbon removal, however, the data availability in this area poses certain challenges.

In 2022, LGT PB became a founding member of the Foundation for Biodiversity Pledge.

3-3 Management of material topic

a & b How natural capital contributes to sustainable development

We consider natural capital to be the world's stocks of natural assets, such as soil, air, water and ecosystems. LGT aims to capture the economic value of ecosystems, which goes beyond their traditional role as a passive natural resource. With the pricing of ecosystem services becoming more prevalent, we consider natural capital an important factor in LGT's business activities. We have the ability to support the protection of ecosystems through our investments. Many companies have an impact on the environment through their activities, including the use of natural resources. To assess this impact, a company's ecological footprint must be evaluated. Using our proprietary analysis tool, the LGT ESG Cockpit, we can demonstrate its impact on greenhouse gas (GHG) emissions, water use, waste generation, energy consumption, etc.

c & d How we manage natural capital

We analyze companies' ESG characteristics using the LGT ESG Cockpit, which allows us to identify and assess their positive or negative contributions to the SDGs (for more information, see chapters "Sustainable products and solutions" and "Transparency in financial services").

LGT Venture Philanthropy's (LGT VP) environment strategy focuses on community-based, marine and terrestrial ecosystem protection and regeneration solutions in biodiversity hotspots, including natural climate solutions. While the core focus is scaling local organizations, LGT VP also considers complementary, synergistic engagements, including areas such as policy and advocacy, data analysis and evaluation, innovative funding mechanisms and partnerships. The foundation's environment portfolio currently consists of 13 organizations. Since 2007, it has enabled 1.3 million people to benefit from improved ecosystem services and stored an additional 432 000 metric tons of carbon.

One of the projects supported by LGT VP is Pristine Seas, which is dedicated to protecting and preserving some of the most biodiverse marine environments on Earth through a combination of financial and strategic support. LGT VP provides funding for Pristine Seas' conservation and research efforts, as well as other operational costs. In addition to funding, LGT VP provides Pristine Seas with strategic support. It also uses its network to connect Pristine Seas with other stakeholders and decision-makers in order to help them achieve their goals. LGT VP also supports the Maasai Mara Wildlife Conservancies Association (MMWCA), a non-profit membership association acting as an overall umbrella body for the Mara community conservancies by providing strategic, finance and capacity-building assistance. This includes funding activities that promote conservation and community development. LGT VP also actively supports MMWCA in building partnerships with key industry players (stakeholders, decision-makers and experts) to amplify the conservation model to a wider audience.

In 2022, LGT PB's Carbon Neutralization Committee developed draft accounting rules for the removals from credits and investments. It also further developed minimum requirements for building a portfolio of CDR solutions. Assessing the portfolio in terms of its environmental and/or societal impacts is an important aspect thereof.

e & f How we track and provide information about the effectiveness of our management approach

In 2022, the LGT Think-Tank discussed natural capital in relation to conventional and unconventional oil and gas extraction and uranium mining. Following this discussion, LGT PB published an internal position paper on fossil fuels and nuclear power aimed at educating our employees on the environmental and social impact of both energy sources and providing front office staff with tools to answer clients' questions.

Sustainable products and solutions

Developments, achievements and/or challenges in the reporting year

LGT PB helps clients optimize their portfolios not only in terms of risk and return but also impact, thereby enabling them to address environmental and/or social challenges while achieving attractive financial returns. To develop the best possible investment solution for our clients, we must understand their sustainability preferences. In 2022, to support us in this, we defined four profiles to capture the different sustainability preferences of our clients: Traditional, Basic, Enhanced and Enhanced Plus, with the latter representing the highest standard of sustainability. This categorization which applies to both LGT PB's portfolio management and portfolio advisory mandates, allows LGT PB to recommend the investment solution that best aligns with our clients' investment goals and values.

In 2022, LGT PB (EMEA)'s portfolio management mandate "Focus Sustainability" once again saw a significant rise in assets under management (AUM) inflows. We apply comprehensive sustainability criteria for this mandate, including:

- Product⁴ and conduct⁵-based exclusions of corporate issuers
- Exclusions of sovereign issuers for not signing international conventions on controversial weapons and because of UN sanctions, lack of political rights and civil liberties
- Better ecological footprint on asset-weighted basis of the portfolio vs. MSCI ACWI⁶ is pursued in four dimensions: GHG emissions, energy use, water withdrawal, waste generation
- Assessment of good governance practices⁷

⁴ Tobacco, gambling, armaments, pornography, nuclear power

⁵ UN Global Compact violation

⁶ MSCI All Country World Index

⁷ Sound management structures, employee relations, remuneration issues and tax compliance

- Good sustainability profile and positive overall contribution of the portfolio companies to as many of the 17 SDGs as possible

During the reporting year, we enriched the mandate with a strategy focused on pursuing an active dialogue with investee companies to improve their environmental, social and governance practices. Since September, the "Focus Sustainability" portfolio management strategy has been made available in the form of retail funds to increase accessibility for a greater number of clients.

Moreover, in 2022, we expanded our offering of light green⁸ portfolio management mandates by upgrading the mandates "Classic", "Swiss Domestic" and "High Conviction" to light green. Such mandates focus on promoting environmental and/or social characteristics and apply several exclusion criteria, pay particular attention to a lower environmental footprint (greenhouse gas emissions and water withdrawal) compared to the benchmark and consider good governance in accordance with the SFDR definition. At present, about 80% of the AUM in the portfolio management mandates of LGT PB (EMEA) meet the criteria of SFDR Art. 8.

In 2022, we launched LGT PB (EMEA)'s offering of portfolio advisory mandates promoting environmental and/or social characteristics, thereby expanding our existing offering to meet the different sustainability preferences of our clients. The aforementioned profiles Traditional, Basic, Enhanced and Enhanced Plus allow us to recommend investment opportunities that align with our clients' investment goals and values.

Developed and launched in 2021, the LGT PB sustainability thematic framework outlines six key areas of focus with regard to long-standing sustainability themes, with each theme clearly mapped to the relevant SDG it addresses. With this framework,

⁸ A key pillar of the EU Sustainable Finance Action Plan is the Sustainable Finance Disclosure Regulation (SFDR), which came into force on 10 March 2021. Based on the extent to which sustainability is taken into account in the strategy of a financial product, it is categorized into one of three classes that correspond to articles 6, 8 and 9 of the regulation. LGT PB's "Focus Sustainability" portfolio management mandate has been classified as an Article 8 product within the meaning of the SFDR ("light green") since March 2021. Since 2022, LGT PB's mandates "Classic", "Swiss Domestic" and "High conviction" meet the comprehensive criteria of Article 8 of the EU SFDR as well and are thus classified as "light green" within the meaning of the SFDR.

we aim to further strengthen our pioneering role with regard to sustainability and to present LGT PB’s sustainability efforts and investment expertise to our clients and other stakeholders in a clear manner. The framework allows LGT PB (EMEA) to integrate our clients’ values and convictions into the investments. The

themes covered are: Social Well-being People Empowerment, Circular Economy, Climate Action, Biodiversity and Digitalization/ Technology, each of which makes specific environmental and/ or social contributions to the SDGs.

LGT Private Banking sustainability thematic framework

Societal well-being	Fulfillment of basic human needs such as access to drinking water and sustainable food sources, establishment of social security systems and good-quality healthcare	   
People empowerment	Promotion of equality and quality of education and reducing inequality within and among countries, as well as job creation and living standard improvement	   
Circular economy	Consumption and production patterns that respect the natural boundaries of resources in order to protect, restore and promote sustainable ecosystems	  
Climate action	Actions taken to mitigate or adapt to climate change and to minimize its negative impact on the environment and society	  
Biodiversity	Maintenance of an intact biodiversity and thus preservation of diverse animal and plant species to ensure provision of vital natural products and services	 
Digitalization/ technology	Technological advancement that enables productivity, efficiency and positive impacts regarding human rights, societal well-being, people empowerment, circular economy, climate action and biodiversity, and that itself is sustainable	 
Human rights	Protection of inherent human rights, incl. fundamental (the right to life) and civil, political, economic, social and cultural legal rights, regardless of gender, age, religion, nationality, ethnic background or other characteristics	

The LGT Private Banking sustainability thematic framework outlines six long-term themes at the intersection of selected global megatrends, the UN Sustainable Development Goals (SDGs) and LGT Private Bank’s high-conviction sustainability themes.

LGT PB (Asia) covers similar themes in the Investing for Tomorrow investment ideas paper, which includes recommendations of investments that promote positive environmental and/or social characteristics.

In 2022, LGT PB (EMEA) continued to expand the offering of third-party funds/ETFs promoting environmental and/or social characteristics. Both the number of sustainable passive ETFs and actively managed funds have increased. Additions include engagement funds, net-zero-2050-aligned and other low-carbon products, a responsibly sourced gold ETF, additional thematic solutions and more core building blocks with a focus on environmental and social characteristics (e.g. ESG versions of core indices like MSCI World, etc.). We have also added several actively managed funds with an ESG focus to our recommended universe, both within fixed income and equities. In fixed income, for example, we initiated coverage of the GSS segment (green, social and sustainability bonds) and continued to enrich more traditional fixed income building blocks like very flexible Total Return strategies with more sustainable alternatives. In equities, we added the first fund with a strong focus on engagement. Beyond that, more sustainable thematic funds have been added and additional sustainable products for core building blocks like Equity Asia have been approved by our fund selection unit.

LGT PB (Asia) currently offers three mandates promoting environmental and/or social characteristics. In 2022, LGT PB (Asia) introduced the Sustainable Global Equity fund, enriching the already existing range of portfolio management mandates (Sustainable Balanced Range, Sustainable Global Equity and Sustainable Investment Grade Bond). The new fund made it possible for more clients to invest due to the low minimum investment requirements.

LGT PB clients' interest in Private Equity strategies focusing on the subsegment Growth Impact continued to increase in 2022. The strong collaboration of LGT with our partner company Lightrock enables us to offer our clients exclusive and innovative private equity impact solutions (funds or direct investments) through which they can make a positive measurable contribution to people and planet while generating financial returns.

In early 2022, LGT PB distributed the Crown Impact fund, an impact fund managed by LGT CP addressing critical social and environmental challenges by investing in businesses that offer

lasting scalable solutions. This is a global best-in-class portfolio of co-investments complemented by impact primaries and secondaries.

After the successful launch of the Lightrock Evergreen fund in June 2021, a second subscription window over the summer months in 2022 attracted strong demand and we registered a three times oversubscription of the available capacity. Another offering from Lightrock that was distributed to LGT PB's clients in 2022 was the Lightrock Climate Impact Fund. The fund provides exposure to a European-focused growth portfolio of climate-impact businesses that drive distinct, measurable greenhouse gas avoidance. The key impact themes are energy transition, decarbonizing industries, sustainable transportation, sustainable food and agriculture, and enabling technologies. The fund saw high demand from LGT PB's clients, whose subscription volume accounted for a significant part of the total fundraising for the fund.

In the second half of 2022, we were able to secure a single co-investment opportunity in Mainspring Energy for our clients alongside Lightrock. This US company has developed a disruptive technology protected by patents combining the best engines, generators and fuel cells. Their power generators create clean energy at lower cost and avoid the intermittency challenge of traditional green energy sources like solar and wind.

Both the Lightrock Climate Fund and the investment opportunity in Mainspring Energy were popular among clients based in Asia, with the majority of the allocation going to clients of LGT PB (Asia).

In 2022, LGT PB further expanded the LGT Philanthropy Advisory offering through which we support our clients in their philanthropic engagements. The offering consists of three pillars.

- Advisory: During tailored advisory sessions and workshops based on the LGT Guide to Strategic Philanthropy launched in 2022, we guide Ultra-High-Net-Worth Individuals (UHN-Is) on their journey to strategic philanthropy.
- Education: We engage in thought leadership on topics at the forefront of philanthropy through studies and events. In October 2022, together with the Cambridge Centre for Strategic Philanthropy, we published a pioneering study on philanthropic giving in the Middle East, "Giving in the Gulf Cooperation Council (GCC): Evolving towards strategic

philanthropy". We also organized a series of philanthropy events for UHNW philanthropists with peers, experts and partners, giving them the opportunity to learn, network and exchange best practices. To further enhance the possibility of online and in-person networking with peers, a community of UHNW philanthropists hosted by LGT was developed in 2022 and will be launched in early 2023.

- **Implementation:** We offer support in finding and establishing structures for philanthropic giving with trusted partners. New partnerships have been established, for example, with "Fondation des Fondateurs", a dedicated provider for donor-advised fund solutions. We also continue to offer vetted and impactful co-funding opportunities with LGT Venture Philanthropy.

We are seeing a continued increase in EU sustainability regulations. With the MiFID II amendments, for example, we are required to be more transparent with regard to our offerings' ESG disclosures and to ask our clients for their sustainability preferences. We have been applying the Sustainable Finance Disclosure Regulation (SFDR) since 10 March 2021 and follow its disclosure requirements.

In 2022, LGT WM made a series of upgrades to the internal sustainability scoring tool S-Max. The tool originally covered companies and funds on 30+ ESG indicators such as water stress, product toxicity, labor management and board diversity based on sector materiality. In 2022, the team decided to include new data sources in the tool as well as refresh existing metrics to include more indicators. The team did this by incorporating NGO and academic data (e.g. German Watch, Freedom House and the World Bank indicators) to support the new sovereign debt ratings as well as including data points from FAIRR (the Farm Animal Investment Risk and Return Initiative) for certain companies. Furthermore, the integration of controversy data became more sophisticated, as we developed an internal methodology to capture the salience, and status and outcome of the flagged risk, allowing us to better capture the importance and frequency of controversies in our portfolios on a more regular basis.

In 2022, LGT CP published its tenth ESG report, which analyzes the activities of 392 managers globally and their improvements in the area of sustainability, and explores the topic of climate change. We also published our second ESG report specifically dedicated to the Princely Strategy.

LGT CP closed its first private equity impact fund and continued to work on net-zero alignment across the company and in certain products, such as the multi-asset portfolio Princely Strategy. In addition, we strengthened our engagement efforts, which included updating our engagement tool and hiring an additional specialist (for more information, see LGT CP's Active Ownership Report 2023).

Within LGT CP's direct portfolios, we are raising the sustainability bar. For example, in private equity, we have joined the ESG Data Convergence Project, an industry-wide initiative to accelerate the reporting on specific key performance indicators (KPIs) at the portfolio company level. In private debt, we have fully integrated climate resilience as a risk factor in our investment process to enable deeper insights and to ensure more robust portfolios. For our public equity strategies, we have further refined our approach to carbon budgeting to help achieve net-zero emissions by 2050. Meanwhile, in our fixed income portfolios, we are increasing our focus on sustainable-linked bonds to broaden the investable opportunity set, while also applying an in-depth ESG assessment of sovereign issuers in emerging markets.

In 2022, we also implemented the EU sustainable regulation, thus fulfilling SFDR criteria for Article 8 and 9 funds.

For more information, see LGT CP's ESG Report 2023.

3-3 Management of material topic

a & b How our sustainable products and solutions contribute to sustainable development

At LGT we have defined a framework that enables our clients to access investment solutions aimed at generating attractive financial returns while making a positive contribution to society and the environment.

For LGT PB, sustainable products and solutions are material for financial reasons. ESG factors are included in the investment process and portfolio construction of these offerings. We use three approaches to contribute positively to people and planet while avoiding negative impact and potential risks:

- **Exclusions:** By applying exclusion criteria, we avoid investments that have a significant negative impact on society and the environment. For all of its investments group-wide, LGT excludes companies that manufacture controversial weapons and that are involved in mining thermal coal used in energy

production, as well as utilities with a high carbon intensity. For our investment solutions promoting environmental and/or social characteristics, we apply further product or conduct-based exclusion criteria to corporate and to sovereign issuers. The extent to which exclusion criteria are applied depends on the sustainability profile (e.g. stricter criteria are applied to “Enhanced plus” profiles).

- ESG integration: We systematically consider environmental, social and corporate governance (ESG) criteria in LGT PB’s offerings that promote environmental and/or social characteristics. To this end, we assess the sustainability quality of investments (i.e. whether they have a high or low ESG performance) consistently and comprehensively with our proprietary analysis tool, the LGT ESG Cockpit, in use at LGT PB (EMEA), LGT PB (Asia) and LGT CP. The tool, which has been continuously developed since its inception, assesses the sustainability quality of companies and countries based on ESG criteria and methodology defined by LGT CP, integrating raw data from several ESG data providers. Company- and country-specific raw data from six providers of ESG data are incorporated into the assessment process. One of the tool’s important outputs is the LGT Sustainability Rating, a quantitative rating applied to a large number of investment instruments. In a second step, which involves the selection of investments for sustainable portfolios, our experts additionally conduct a detailed qualitative sustainability analysis of individual companies and issuers. This provides a comprehensive view of the risks and opportunities associated with the investments. Through this process, portfolio managers and portfolio advisors are able to identify companies whose business models are more resilient, are better positioned for future growth opportunities and whose products and services contribute to the SDGs. We aim to focus on companies with an overall positive contribution to one or more of the 17 SDGs. This approach aims to improve the risk-return characteristics of portfolios while simultaneously investing in companies that contribute to a sustainable future. LGT WM utilizes its own proprietary sustainability ratings tool, S-Max, which is used to rate companies, funds and portfolios on over 30 environmental, social and governance data points as well as on impact. The ESG assessment is calculated from a number of individual ESG data points including metrics such as operational carbon emissions, water consumption and waste management, as well as product safety, management of the

workforce and board structure. The impact score looks at the products and services of a company and whether revenue streams are contributing to the SDGs or contravening them. This impact score is an absolute score and not sector-relative (unlike the ESG score). Both elements are then captured and rolled into one score from 1–10, which is easy to explain to clients and other stakeholders.

- Stewardship: Stewardship allows investors to use their influence by actively engaging with investee companies and exercising their voting rights – with the aim of improving ESG practices, real world outcomes and public disclosure. We believe that stewardship offers investors a way to positively impact companies’ ESG activities and position, and a new lens through which to scrutinize companies’ sustainability commitments. Through stewardship activities, we aim to shape outcomes that will safeguard economic systems and ensure positive results, such as a just transition to net-zero emissions. LGT PB engages with companies in different ways, primarily through collaborative engagements and through cooperation with a recognized provider that engages in an active dialogue on our behalf with selected investee companies. In 2022, we joined Advance, a UN PRI initiative to engage on human rights and social issues. LGT has also joined collaborative engagement programs such as Climate Action 100+ to drive positive change on behalf of our clients. For more information, see LGT’s Stewardship Report 2022.

LGT CP’s long-term focus and ESG integration are core elements of our corporate culture and our investment beliefs. We are convinced that investing successfully requires a long-term approach, which includes a strong commitment to environmental, social and governance (ESG) principles. This applies to the investment solutions we deliver to our clients as well as to our business overall. LGT CP takes a holistic approach to integrating ESG considerations across asset classes and focuses on selecting investments that reflect the firm’s commitment to high standards on ESG. Our investment teams take ESG considerations into account when performing due diligence on investments. Any pursued opportunity is generally vetted for certain ESG issues. These assessments provide important input for the portfolio manager, and they influence the Investment Committee discussions. We continuously monitor portfolios for a broad range of risks, including ESG risks, and we engage with managers to encourage further integration of ESG issues.

For LGT CP's direct investments, we consider a company's ESG performance through its operations, its products and services and ESG controversies. Together, these dimensions provide a holistic ESG overview that identifies both risks and opportunities. We believe this is important, as we want to avoid investing in companies that have a positive impact with their products, but are poorly run, and vice versa.

LGT CP focuses on selecting the best managers that share our commitment to high standards on ESG issues. As part of our due diligence process, we assess a manager's overall commitment to ESG and whether the manager has institutionalized ESG processes or a willingness to improve in this area.

c & d How we manage sustainable products and solutions

LGT PB's EMEA-based Sustainable Investing (SI) team promotes investments promoting environmental and/or social characteristics, ensures that LGT PB offers a growing number of credible sustainable products and provides education and information on sustainable investing topics. Furthermore, it coordinates LGT PB's strategy on investments promoting environmental and/or social characteristics, which is defined by the Sustainability Committee Clients & Investments, in close collaboration with the SI experts sitting across the different investment functions (e.g. portfolio management, portfolio advisory and research), and with the local SI expert teams of the different regions and Group Sustainability Management. The aim of this collaboration is to achieve LGT PB's shared sustainability goals. In total, LGT PB has 38 sustainability experts with over 250 years of combined experience in investing in products and solutions promoting environmental and/or social characteristics. This contributes to LGT PB expanding its offering and education on such investments.

On the investment side, we are integrating sustainability-related regulatory requirements into the respective portfolio management and advisory policies. The LGT ESG Cockpit makes it possible to conduct tailored assessments according to a broad range of requirements. For example, when evaluating companies, the set of indicators and their weighting are adjusted to the sector in which a company operates. This is important since, for example, CO₂ emissions are a crucial indicator for utilities but play a rather minor role for financial services companies. The LGT ESG Cockpit also gathers data for environmental performance in ar-

reas such as GHG emissions. Since these figures are available for both individual investments and for entire portfolios, we are able to calculate the CO₂ emissions of our investment portfolios. LGT uses the LGT ESG Cockpit to analyze over 10 000 companies and around 200 countries, and we are steadily increasing the scope, in particular for investment funds. Since its launch in 2009, the LGT ESG Cockpit and its rating methodology have been further developed on an ongoing basis. The proprietary scoring resulting from the LGT ESG Cockpit is integrated throughout LGT's⁹ investment process. For more information, see section "How our sustainable products and solutions contribute to sustainable development".

In 2021, LGT PB pledged to achieve net-zero emissions by 2030. This will continue to drive our product development ambitions in the coming years. LGT PB is a founding member of the UN Net-Zero Banking Alliance (NZBA), a member of UNEP FI's Principles for Responsible Banking (PRB) and a participant in the UNGC. During the reporting year, we became a signatory to the UN Principles for Responsible Investment (UN PRI) and committed to the International Investor Group on Climate Change (IIG-CC) and Climate Action 100+.

At LGT CP, we invest in a multitude of different assets and asset classes (which include but are not limited to equities, fixed income, private equity, hedge funds and insurance-linked securities (ILS), and need to adapt our general approach to ESG and sustainability according to the specifications and requirements of each asset class. We implement our investments through a direct investment approach or in partnership with a selected number of third-party managers/general partners, which results in differing transparency and access levels to the underlying exposures. This requires us to use different methodologies for the implementation of our ESG/sustainability criteria.

e & f How we track and provide information about the effectiveness of our management approach

In 2011, LGT PB established Group Sustainability Management, a center of competence for sustainability. It sets the sustainability agenda, defines the sustainability strategy, identifies key opportunities and developments, and empowers LGT in mitigating social and environmental challenges. We also established Sustainable Investing departments in the United

⁹ LGT PB (EMEA), LGT PB (Asia), LGT CP

Kingdom, and the EMEA and APAC regions focusing on enhancing LGT's offering of investments promoting environmental and/or social characteristics. Group Sustainability Management works closely with the different Sustainable Investing departments as well as with LGT CP.

Each investment function has its own controls and processes specific to the sustainability offering they manage. For example, portfolio advisory solutions for clients with an "Enhanced Plus" profile are subject to strict sustainability standards related to exclusion criteria. The share of four and five star-rated instruments (LGT Sustainability Rating) included and their contribution to the SDGs through a sustainability thematic focus are also actively considered.

The LGT ESG Cockpit is used to track whether the portfolio is in line with the investor profiling and the rules we established are being fulfilled. For more information on the LGT ESG Cockpit, see section "How we manage sustainable products and solutions".

LGT CP has an ESG Committee in place to govern its ESG approach. The LGT CP ESG Committee is responsible for coordinating key and strategic ESG topics at LGT CP and for the governance thereof. Committee decisions must be reached unanimously; if no agreement can be reached, matters are escalated to the Executive Committee of LGT CP. The ESG Committee consists of six subcommittees, including Policy & Governance, Liquid Markets, Private Markets, Climate Action, Diversity Equity & Inclusion and Employee Volunteering. All the sub-committees report to the ESG Committee. The Executive Committee of LGT CP is informed on a monthly basis of ESG developments and potential issues.

Transparency in financial services

Developments, achievements and/or challenges during the reporting year

For LGT, communication regarding our products and services is an important part of how we strengthen our relationship with clients. In 2022, we continued to engage with our clients through online interactions. In addition, we published content on sustainability and investments promoting environmental and/or social characteristics on our website and in press releases, as well as on social media. LGT was mentioned in the press throughout 2022.

In terms of regulatory requirements, LGT PB worked to fulfill the EU SFDR level 1 and 2 requirements¹⁰ for portfolio management mandates and portfolio advisory services. More specifically, we published information about sustainability risks and pre-contractual disclosures for our Article 8 products. The first periodic report for these products will be sent to our clients for the first time in early April 2023.

LGT CP has equally worked on the implementation of the EU SFDR level 1 and 2 requirements. We have published information about sustainability risks and pre-contractual disclosures for our Article 8 and Article 9 products.

The LGT Sustainability Rating has been integrated into the statements of assets of all clients of LGT PB (EMEA) since 2018. It covers equities, bonds and funds/ETFs, thus giving clients a holistic view of the financial and sustainability quality of their investments (for more information, see chapter "Sustainable products and solutions"). Since November 2022, portfolio thematic exposure reporting on the six sustainability themes of the LGT PB sustainability thematic framework has been available to all LGT (EMEA) advisory clients in their statements of assets. The LGT ESG Cockpit and the rating methodology have been continuously developed since the LGT ESG Cockpit's launch in 2009. For more information on the LGT ESG Cockpit, see chapter "Sustainable products and solutions".

In 2022, LGT PB (EMEA) integrated strategic elements of its LGT ESG Cockpit into its online banking tool, "Smart Banking Pro", which serves as the trading platform, portfolio analysis and reporting system for over 500 external wealth managers. In addition, LGT PB developed benchmarking and reporting capabilities through this tool, which enable a wide range of wealth managers to measure and report to their clients on their sustainability performance and environmental footprint. Through this offering, which was made available to all of our external asset management clients, LGT has significantly broadened access to ESG assessments for private clients and has enabled many wealth managers to integrate and report on ESG and sustainability metrics for the first time.

¹⁰ The level 1 disclosures require financial market participants to publish a statement on their website regarding principal adverse impact (PAI) and due diligence policies. These are supplemented by the level 2 disclosures, which specify a set of indicators that focus in particular on climate and environment, as well as (human rights) and anti-corruption as social negative impacts.

3-3 Management of material topic

a & b How our transparency in financial services contributes to sustainable development

Although clients are becoming increasingly aware of sustainability-related topics, there is no global standard definition of sustainability. LGT PB (EMEA) has therefore defined four profiles to meet the different sustainability preferences of our clients: “Traditional”, “Basic”, “Enhanced” and “Enhanced Plus”. Our relationship managers talk to their clients about the level of sustainability they would like to achieve in their investment strategy and which aspects are most important to them.

LGT PB also educates clients and relationship managers on different sustainability topics. In 2021, for example, LGT PB (EMEA) launched different Client Book Initiatives (CBI) on sustainability topics including water, good health and well-being, as well as the circular economy (for more information, see chapter “Circular economy”). These initiatives continued throughout 2022 and consist of several publications on these topics, containing recommendations for suitable investment opportunities via LGT and third-party instruments (e.g. equities and funds). Relationship managers and clients were then informed thereof in publications, on the intranet and in meetings. The publications are updated on a regular basis by the Research team. In addition, LGT PB conducted various client events on sustainable fashion, energy security, climate change, biodiversity, etc. We are also ambitiously working to foster greater understanding of these topics and to trigger a change of mindset among our employees. Transparency in financial services has also become more important from a regulatory point of view. For example, in the EU Action Plan, the European Union introduced specific regulations on disclosure requirements, such as the EU SFDR and the Taxonomy. LGT PB adheres to these regulatory requirements where applicable and incorporates EU regulations into its directives accordingly.

LGT CP aims to have an overall high degree of transparency, including sustainability topics. We inform our clients about the work we do via different publications, including the annual ESG report. We also conduct a large number of calls and meetings with our clients to go through the details of our ESG and sustainability processes and frameworks. In our annual conference we dedicated half a day to the topic of sustainability and impact investing, further sharing our knowledge. For 2023, we are also launching a new initiative, the ESG Academy – investing with

outcomes. For the ESG Academy we will invite investors for a 1.5 day deep dive into different ESG and impact topics, like investing with outcomes, climate action and impact investing.

c & d How we manage transparency in financial services

The LGT ESG Cockpit aims to increase the transparency of companies’ ESG quality and support our clients in making more informed investment decisions. LGT PB derives the LGT Sustainability Rating from the LGT ESG Cockpit. The rating indicates the sustainability quality of individual equities, bonds, funds/ETFs and the overall portfolio. The rating considers three dimensions: the ESG assessment of a company’s operations, controversies relating to the company and the (positive or negative) impact of a company’s products/services on the SDGs. The individual investment instruments are awarded one (poor) to five (excellent) stars for their sustainability quality, based on the score achieved. In 2022, LGT PB (EMEA) enhanced the LGT Sustainability Rating with the addition of an LGT ESG Rating for gold.

Since 2018, LGT PB’s private clients have received regular reporting on the sustainability quality of their investments. The reporting scope was expanded significantly in 2022. We enhanced and broadened our sustainability and environmental footprint reporting (greenhouse gas, energy, water, waste) to include LGT PB (EMEA) client portfolios. In addition, for clients with sustainability profiles, LGT PB (EMEA) now also provides information on both the positive and the negative contribution of portfolios to the 17 SDGs. In addition, LGT PB introduced a “sustainability health check”, which shows clients whether their portfolio complies with relevant regulatory requirements.

In line with the MiFID II amendment, LGT PB determines clients’ preferences regarding investments promoting environmental and/or social characteristics. In 2022, LGT PB (EMEA) introduced four profiles based on our client’s sustainability preferences (for more information, see chapter “Sustainable products and services”), to ensure that these preferences are taken into consideration during the investment advisory and portfolio management processes. During the reporting year, LGT PB (EMEA) worked on reprofiling the portfolios according to the sustainability preferences.

LGT CP has developed processes to integrate ESG principles according to the specific requirements of various asset classes and investment structures, demonstrating our ability to apply ESG

to a diverse set of investment strategies. For our private equity, hedge fund and multi-manager long-only portfolios, we focus on assessing the ESG practices of our managers and engaging with them to raise standards. We have further developed our own ESG frameworks for assessing any direct investment opportunity. For our public equity and fixed income portfolios, we focus on ESG factors of individual securities, as we have the added benefit of having considerably more information available for making an ESG assessment. The LGT ESG Cockpit enables us to utilize this breadth of available data for identifying and assessing the ESG risks and opportunities of each holding. This in turn is reported to our clients in either quarterly ESG reports for specific strategies or in our annual ESG report publication.

e & f How we track and provide information about the effectiveness of our management approach

We track and provide information about transparency in financial services through our reporting measures. LGT PB signed the UN Principles for Responsible Investment (UN PRI) in 2022, and in 2024, will publish the PRI Transparency Report for the first time. In 2020, LGT PB signed the PRB. As a signatory to the PRB, LGT PB ensures that it is aligned with the vision of the SDGs and the goals established under the Paris Agreement. Through our impact assessment and target setting within the context of the PRB, we create more transparency (for more information, see LGT PB's PRB Report 2022). LGT PB is also a founding member of the Net-Zero Banking Alliance (NZBA) and committed to the Partnership for Carbon Accounting Financials (PCAF). It is a signatory to the International Investor Group on Climate Change (IIGCC) and Climate Action 100+. In 2022, LGT PB published its first report based on the standards set by the Task Force on Climate-related Financial Disclosures (TCFD) for the 2021 financial reporting year to better identify and increase transparency on its environmental risks, in particular climate risks.

LGT CP has been a member of the PRI since 2008 and provides input for the PRI Transparency Report on an annual basis. Since 2018, it has also been represented on the Board of the PRI. LGT CP signed the Net Zero Asset Managers Initiative in 2021. In 2022, LGT CP published the target disclosure information for the first time. It is also a member of IIGCC and Climate Action 100+.

In addition, the LGT Compliance department, which serves as our second line of defense, monitors our first line of defense's adherence to regulatory requirements according to a risk-based approach. Regular audits are conducted with a view to ensuring the proper implementation of transparency criteria.

417-1 Requirements for product and service information labeling

As a wealth management service provider and regulated asset manager, products and services offered by LGT PB and LGT CP are subject to regulatory requirements. Our organization ensures compliance in general as well as specifically with regard to product labelling.

417-2 Incidents of non-compliance concerning product and service information labeling

Our product approval process covers the above-mentioned labeling criteria. We are not aware of any incidents of non-compliance concerning product and service information labeling in 2022.

417-3 Incidents of non-compliance concerning marketing communications

Our marketing material is reviewed by various instances including the Legal and/or Compliance departments. We are not aware of any incidents of non-compliance concerning marketing communications in 2022.

Digitalization and data protection

Developments, achievements and/or challenges in the reporting year

Data protection and digitalization are high priorities for LGT. Virtual communication with our clients has become widespread, meaning that the risks related to data security have increased. At LGT, we are committed to defending our business against all forms of cybercrime. In 2022, we continued to develop, update and review our cybersecurity and digitalization strategy and implemented a corresponding roadmap. For example, we focus on protecting against digital risks and monitor our digital assets outside of LGT. As an additional security measure, we have created and are continuously enhancing the group-wide Cyber Defense Center (CDC) to improve our capabilities to detect, analyze and respond to information security issues and cyber threats. We also actively commission external assessments to gain further insights into our data protection measures.

Digital innovations and new technologies have also been introduced in the workplace. We have implemented various new technologies and improved our IT infrastructure. For example, we further improved our Cloud Competence Center to use cloud services efficiently and securely.

LGT PB is also continuously expanding its e-banking services for clients. LGT PB uses the "Trend radar" to monitor trends in order to uncover opportunities and challenges relating to digitalization and data protection. "Trend radar" is an internal instrument that experts use to present and evaluate digital trends and concepts (e.g. digital lending, embedded finance and open banking). In 2022, we initiated a collaboration with the trend scout e foresight to provide us with an external perspective. e foresight monitors innovation signals in banking, analyzes their effects and recommends actions to be taken, thereby supporting financial service providers in their decision-making.

During the reporting year, LGT CP participated in the Data Convergence Project with the goal of increasing and standardizing data within private markets.

LGT will continue to balance innovative developments and careful risk management in the coming years to ensure that our client information and business operations have the highest level of data protection in full compliance with the applicable data protection regulations.

3-3 Management of material topic

a & b How digitalization and data protection contribute to sustainable development

As LGT is expanding into new markets, compliance with data protection rules and regulations is becoming increasingly important. By complying with regulatory requirements (e.g. of financial market authorities) and taking data protection seriously, we uphold our reputation as a trustworthy partner to our clients and stakeholders.

We see digitalization as an evolutionary process rather than a revolution. LGT closely follows and evaluates digital trends while acting in the best interests of its clients. We carefully select technologies and ensure sufficient maturity before introducing them.

c & d How we manage digitalization and data protection

Data protection is included in our LGT Code of Conduct, thus ensuring that the topic is embedded throughout our company.

Our Information Security Management System (ISMS), which is based on ISO standards, defines the overarching governance structure relating to information security processes. The system enables us to identify risks and act accordingly.

We have a cybersecurity strategy in place, which is reviewed annually to ensure alignment with our business requirements. The review identifies actions, projects and measures to address potential gaps. This supports us in taking the necessary cyber defense measures to achieve continuous improvement. The roadmap derived on this basis contains strategic initiatives that are part of the operationalization of the strategy.

Our relationship managers are the interface between LGT and our clients, and are therefore a focal point in our efforts with regard to digitalization. For example, we involve them in projects for accelerating digitalization and implementing new digital products. We offer tailored solutions and innovative products both in-person and through digital channels, thereby giving our clients greater flexibility.

To ensure that we embrace technology while mitigating potential risks, we offer a range of employee training in this area (e.g. on IT, information security and General Data Protection Regulation training).

We believe that internal collaboration leads to great outcomes. For example, LGT PB created the LGT Kickbox initiative for employees to introduce transformative ideas that uncover “blind spots” and advance innovation. Finalists can pitch their ideas to LGT PB’s Executive Board, which decides whether the idea will be implemented.

e & f How we track and provide information about the effectiveness of our management approach

Although we recognize the benefits of digitalization, we believe that personal contact with our clients remains fundamental. We consider the individual needs of our clients and adjust the extent of digital interactions accordingly.

As part of our revised digitalization strategy, we further improved our digital transformation set-up at an organizational level by establishing a new virtual innovation team. This team is well connected internally and externally and is responsible for

further boosting LGT’s innovative power. By networking with our peers (e.g. Bankenclub) and relevant providers (e.g. Avaloq interest group), we gather ideas about digitalization projects, methods and trends, which helps us stay abreast of current developments and make decisions about digitalization.

To monitor and evaluate our management processes relating to digitalization and data protection, we conduct internal and external security assessments (e.g. IT research and advice in the area of change management). We also look at peer benchmarks and introduce measures as appropriate to safeguard our high standards. In addition, mandatory internal and external information security audits are executed periodically.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

In 2022, there were no complaints concerning breaches of customer privacy and/or loss of customer data.

Climate protection and risk management

Developments, achievements and/or challenges in the reporting year

LGT strives to be a sustainability leader in the financial industry. LGT PB's sustainability strategy, which was finalized in 2022, contains a range of 2030 emissions reduction targets:

- 100% renewable electricity and renewable heating source or district heating
- 90% reduction of Scope 1 & 2 emissions by 2030 (baseline year 2019)
- 50% reduction of flight emissions per FTE (baseline year 2019)
- 50% reduction of paper consumption per FTE (baseline year 2019)

In LGT PB's new Sustainability Strategy 2030, LGT PB also committed to setting up a portfolio of high-quality carbon removal credits to neutralize any residual emissions within the net-zero scope.

In 2022, LGT PB published its first report in line with the TCFD to inform our stakeholders (e.g. shareholder, clients, regulators) about developments at LGT PB relating to climate protection and climate risk management transparently. Furthermore, an external consultant supported LGT PB with a gap analysis aimed at improving the quality of our disclosure in preparation for the second TCFD report for the financial year 2022, which will be published in 2023.

In 2022, we further invested in strengthening LGT PB's risk management for climate change by employing a Senior Sustainability Risk Controller. This will help us strengthen our sustainability risk management framework (for more information, see chapter "Risk management").

LGT PB also became a member of the IIGCC, a network of investors taking an active role in investee companies and working to ensure these companies transition towards a low-carbon future. In addition, we engaged in the Climate Action 100+ initiative (for more information, see chapter "Sustainable products and solutions").

LGT PB signed the PRB in 2020, and ensures that it is aligned with our vision of the SDGs and our goals established to reach the Paris Agreement. In LGT PB's PRB Report 2022, we published the results of the impact assessment required by PRB, based on

which two targets were set (for more information, see LGT PB's PRB Report 2022).

In 2022, LGT PB (EMEA) started offsetting the greenhouse gas emissions¹¹ from the staff restaurant Bendura in Liechtenstein in collaboration with the Swiss climate protection organisation myclimate.

In March 2021, LGT CP joined the NZAM initiative. As part of the initiative, we disclosed our commitments in the Target Disclosure Report released in May 2022. A number of our strategies are aligned with the goal of net-zero greenhouse gas emissions by 2050, including our climate action strategy, which has three main pillars:

- Mitigation: tackling the causes and minimizing the possible impacts of climate change
- Adaptation: taking advantage of any opportunities that arise
- Integration: considering climate-related factors across decision-making levels

LGT CP placed an emphasis on ESG-related initiatives in 2022. For instance, in January the firm joined the Swiss Climate Foundation, and in April we became a member of the Swiss Sustainable Finance network. In September, we published the ESG Report 2022, which highlighted that climate action was one of the top concerns among investors. In the most recent Target Disclosure Report released in May 2022, we disclosed that USD 18.8 billion of our assets under management are initially committed to be managed in line with net-zero 2050.

3-3 Management of material topic

a & b How our climate protection and risk management contribute to sustainable development

Climate change impacts our environment and society, and therefore also LGT's business operations. We believe that financial markets have a role to play in fighting climate change, and have therefore combined our climate protection-related capabilities with our risk management capabilities to illustrate that investments promoting environmental and/or social characteristics and financial returns complement one another. Our systematic approach to risk management helps us identify climate

¹¹ The calculation includes all climate-impacting emissions (e.g. also the amount of methane or nitrous oxide emitted) along the life cycle of the products used, from the production of the raw materials to the disposal of the product.

risks and assess potential consequences for investments or our operations, and supports us in setting priorities and defining measures to mitigate these risks.

LGT's internal trainings ensure that our employees are sensitized on the topic of sustainability and of investments promoting environmental and/or social characteristics. In these trainings, we place a special focus on the topic of climate (for more information on our trainings on sustainability, see chapter "Circular economy").

By considering risk management and climate protection jointly, we are able to monitor risks that arise from climate change and mitigate such risks accordingly. We consider transition risks to be particularly important for LGT, especially with regard to investments, as the underlying companies may be negatively affected by increasingly stringent policy and regulation, changes in technology and business models, or shifts in consumer or investor sentiment. Regulatory changes are also relevant for LGT's assets and investments as well as our clients' investments. We adapt quickly to new regulations that are intended to promote a more climate-friendly financial industry (e.g. the EU Action Plan). We consider physical risks to be less relevant for LGT PB (for more information, see LGT PB's TCFD Report 2022).

Our aim is to have a positive impact on the environment and society by directing capital flows to businesses that contribute to climate protection. With the help of the LGT ESG Cockpit, we direct capital from our own investments into sustainable products. With the transparency provided by the LGT Sustainability Rating, LGT PB encourages clients to do the same (for more information, see chapter "Transparency in financial services").

LGT CP takes concrete action, either bottom-up through stringent security selection or top-down through the reallocation of capital between asset classes. We support the Paris Agreement to limit global warming to 1.5 degrees above pre-industrial levels. To that end, we have developed a framework to directly assess whether our portfolios are aligned with the goals of the Paris Agreement. The goal is to bring them to net zero by 2050. With our approach, we aim to make a meaningful contribution to mitigating the damaging effects of climate change, while also enabling investors to benefit from attractive opportunities that arise from the ensuing changes to the global economy. LGT CP

manages a range of products targeting net-zero by 2050, thereby inviting investors to align their investments with net-zero targets.

c & d How we handle climate protection and risk management

In 2020, LGT implemented a group-wide exclusion policy on thermal coal and in 2022, LGT PB published a position paper on biodiversity. We believe that biodiversity loss and climate change are interdependent, and that biodiversity loss will pose an even bigger challenge for humankind.

LGT PB's Sustainability Strategy 2030 rests on three pillars: Clients & Investments, Business & Operations and People & Society. For more information, see the Sustainability Report 2022.

As part of the strategy, we continuously seek to strengthen sustainability across all of our business decisions, operations and product range. We are committed to reducing our net operational emissions to zero by 2030. We also aim to reduce net emissions from our own investments and the lending portfolio to zero by 2030. In our Sustainability Strategy 2030 we defined that we want to collaborate with clients with the goal of managing 80 percent of their assets sustainably.

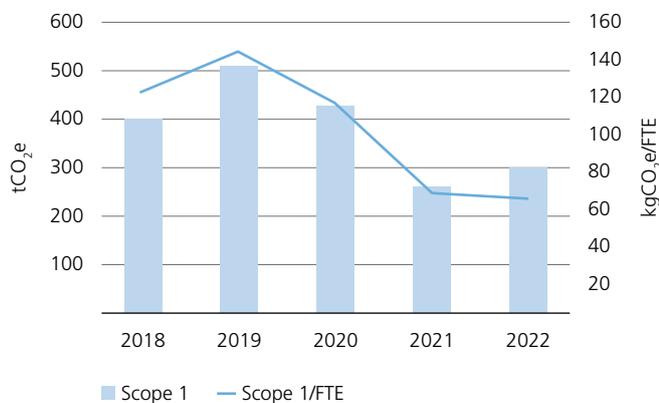
How LGT PB handles climate protection and risk management is addressed in depth in the Risk Management section of LGT PB's TCFD Report 2022.

LGT CP has a Climate Action sub-committee which reports to the ESG committee. Members consists of experts on the topic from different business areas. They are responsible for defining methodologies and frameworks as well as coordinating and monitoring the climate action efforts of investment teams. In addition, they are developing climate action content that can be shared internally and externally.

e & f How we track and provide information about the effectiveness of our management approach

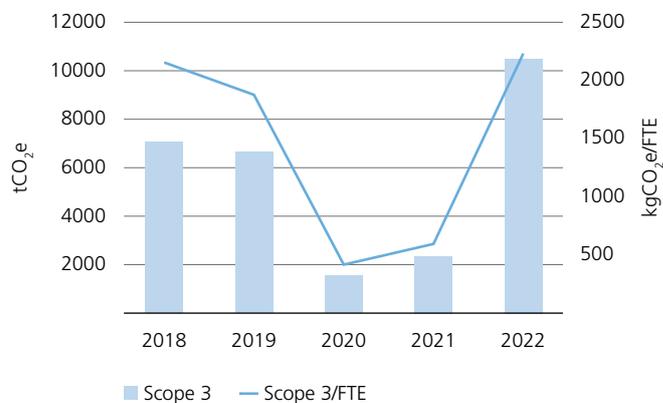
We actively conduct a review of our peers and competitors and, if needed, adapt our management approach accordingly. We review our net-zero strategy every three years and assess whether we are on track to reach our goals.

305-1 Direct (Scope 1) GHG emissions^{1,2}



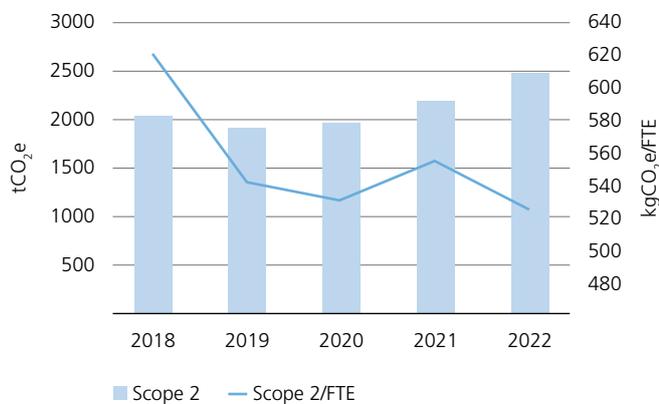
¹ All greenhouse gases included (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃)
² Data from 2021: Retroactive correction due to more accurate data basis

305-3 Other indirect (Scope 3) GHG emissions^{1,2,3}



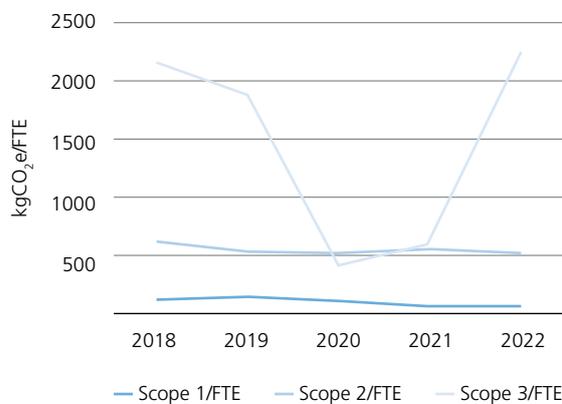
¹ Business activities included: Purchased goods and services, Fuel- and energy-related activities, Waste generated in operations, Business travel and Employee commuting. In 2022, Employee commuting was assessed for the first time.
² All greenhouse gases included (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃)
³ Data from 2018–2021: Retroactive correction due to more accurate data basis

305-2 Energy indirect (Scope 2) GHG emissions^{1,2}



¹ Emissions calculated with the market-based approach.
² All greenhouse gases included (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃)

305-4 GHG emissions intensity



Energy efficiency and renewable energy use Developments, achievements and/or challenges in the reporting year

The war in Ukraine has exacerbated the triple challenge of guaranteeing energy security and affordability, and addressing climate change. LGT PB recognizes the importance of energy independence and of accelerating the deployment of renewables. That is why, as part of our Sustainability Strategy 2030, we have committed to having 100% renewable electricity and 100% renewable heating or district heating by 2030. In addition, we aim to reduce energy consumption per FTE by 30% by 2030 compared to 2019.

A large portion of our electricity consumption stems from the use of servers. All of our locations regularly analyze how they can contribute to our Sustainability Goals 2025 (for more information on the three pillars of the Sustainability Strategy 2025, see our Sustainability Report 2021), particularly our operational CO₂ emissions reduction goals.

In terms of energy efficiency, we are currently benefiting from measures implemented in previous years. In 2022, we planned the design of a new LEED platinum-certified office building in Vaduz, which is to be built in the coming years. We have also decided to connect all the buildings in Vaduz to district heating. The new heating system will become operational in the next few years. In response to the energy crisis, LGT PB (EMEA) in 2022 implemented the following additional short-term energy-saving measures in our locations in Switzerland and Liechtenstein:

- reduction of room temperatures
- deactivation of cooling (with the exception of the data center in Bendern)
- reduction of hours that outdoor lighting is on
- conversion of lighting in offices and corridors to emergency lighting

LGT WM's offices are powered by renewable energy and energy-saving measures are in place.

During the reporting year, LGT PB (Asia) worked to secure renewable energy certificates for Asia to be used from 2024 onwards. In Singapore, starting from April 2022, we allowed staff that is required to work on Singapore public holidays to provide support from home, which enabled us to save on that day's office air conditioning/electricity. There have been a total of seven public holidays since April, which resulted in savings of 2450KWh.

We strive to reduce LGT PB's overall business travel by reducing flight emissions/FTE by 50 percent by 2030 (compared to 2019). Since 2010, we have offset the emissions from our operations (including business travel). In 2022, we included commuting data in our operational emissions calculation for the first time. For more information, see Sustainability Report 2022.

In 2022, LGT CP's focus was to reduce overall energy consumption. For example, all IT and server room temperatures were adjusted and overall office temperatures were decreased by one degree to save electricity. We also adjusted cooling and ventilation times so they started slightly later in the day and switched off earlier in the evening, and thus better aligned with office hours. In addition, we adjusted all cooling and ventilation during public holidays and on weekends. We also further reduced energy consumption by decreasing the number of lights used in parking garages from three to two. And finally, we installed motion detectors and adjusted total run time of ancillary lighting (staircases, washrooms, store rooms, etc.).

3-3 Management of material topic

a & b How our energy efficiency and renewable energy use contributes to sustainable development

By contributing to energy efficiency and renewable energy use, we can set an example for our peers and society while also reaping benefits for LGT. These contributions enable us to reduce the costs for overall energy use and fees for offsetting carbon emissions. By using energy from renewable sources, we increase the demand for such energy and contribute to the growth of the market for energy from renewable sources.

Going forward, LGT will further assess and invest in measures to increase energy efficiency and renewable energy use.

c & d How we manage energy efficiency and renewable energy use

In LGT PB's Sustainability Strategy 2030, we committed to reducing energy consumption per FTE by 30% (baseline 2019) and to consuming 100% renewable electricity, as well as 100% renewable heating or district heating, both by 2030.

In 2023, LGT PB will develop a checklist for standard energy and resource efficiency measures (LED lights, water-saving taps, etc.) that will be tested per site and implemented where possible. We will update the checklist every three years with new technical measures and innovations. Additionally, we will closely examine the possibility of installing renewable energy solutions per location and, where possible and reasonable, pursue suitable projects. Where this proves difficult, we will assess potential providers of renewable energy certificates.

At LGT PB, the Sustainability Committee Operations presented in GRI 2-12 is responsible for managing energy efficiency and renewable energy use.

At LGT CP, the COO office, which reports to the EC, is responsible for managing energy efficiency and renewable energy use. They are in the process of defining a framework, including commitments and targets for future energy reduction. For example, they are already planning on connecting the headquarters in Switzerland to central heating, as well as expanding our e-car charging systems.

e & f How we track and provide information about the effectiveness of our management approach

To ensure steady progress on energy efficiency and renewable energy use, we assess our performance against our energy targets annually in the Sustainability Committee Operations and, if needed, create new or adjust existing measures. Each office location must document and report its progress on energy efficiency and the use of energy from renewable sources.

302-1 Energy consumption within the organization [MWh]¹

	2022	2021	2020	2019	2018
Total energy consumption of LGT	18 363	16 476	16 458	16 335	15 771
Fuel consumption (non-renewable)	1324	11 173	2 090	2493	1960
Fuel consumption (renewable)	891	1294	505	617	407
Electricity consumption	13 914	12 191	11 787	11 626	11 790
Of which renewable	9 287	8 262	8 392	8069	7 807
	67%	68%	71%	69%	66%
District heating	2181	1 777	2 020	1533	1546
Solar thermal heating	54	41	56	66	68
Electricity sold	1	3	4	7	12

¹ Data from 2018–2021: Retroactive correction due to more accurate data basis

302-3 Energy intensity^{1, 2}

	2022	2021	2020	2019	2018
Energy intensity [MWh/FTE]	3.89	4.16	4.46	4.62	4.80

¹ Energy intensity was calculated using electricity, heating and cooling within the organization.

² Data from 2018–2021: Retroactive correction due to more accurate data basis

Biodiversity protection**Developments, achievements and/or challenges in the reporting year**

At the UN Biodiversity Conference (CBD COP 15) in December 2022, a historic agreement for biodiversity-related financial decision-making was reached: the Kunming-Montreal Global Biodiversity Framework (GBF), which aims to stop and reverse biodiversity loss by 2030. This framework, which adopts a similar strategy to the Paris Agreement, establishes a clear mandate for private financial flows to align with the 2050 Vision of “Living in harmony with Nature”.

LGT recognizes the importance of the topic of biodiversity and places particular emphasis on education (for more information, see chapter “Talent recruitment and development”). In 2022, sessions on biodiversity were held at our Drive4Impact Academy. To further educate internal staff, we dedicated a session in our learning lunch series to biodiversity (for more information, see chapter “Sustainable thinking”). To raise our clients’ awareness on the topic, LGT WM held its first biodiversity client event in October, with over 60 participants, centered around the importance of soil health and quality.

In 2021, LGT PB developed its thematic framework, of which one of the topics is biodiversity. We currently use the thematic framework as a basis for strengthening our pioneering role in the area of sustainability and present LGT’s sustainability efforts and investment expertise to our clients and other stakeholders.

LGT VP’s environment strategy focuses on community-based, marine and terrestrial ecosystem protection and regeneration solutions in biodiversity hot spots including Natural Climate Solutions (for more information, see chapter “Natural capital”).

In 2022, LGT PB published a whitepaper on biodiversity with the support of an external consultant. It defines what biodiversity encompasses, and outlines how it is measured, which drivers are causing it to be lost and why it matters, as well as mentioning the relevant global initiatives to reverse biodiversity loss. It also outlines the activities LGT PB is undertaking in this area with regard to own operations, investments and philanthropic activities. The paper is designed to help people understand the challenges posed by biodiversity loss and will enable LGT to address the issue more strategically in the coming years.

In 2022, LGT PB also signed the Finance for Biodiversity Pledge, which calls for action and collaboration among financial institutions to reverse nature loss this decade. As a collaborating member, LGT PB committed to collaborate with the other signatories, and to engage with investee companies, getting them to reduce their negative impact on nature. Through the Pledge, we have also committed to assessing our impact on biodiversity and setting relevant targets, as well as tracking and reporting the progress towards them. Moreover, we are actively participating in working groups set up by the Finance for Biodiversity Foundation.

In 2022, LGT WM tested a demo version of the LGT Wealth Biodiversity impact tool. Using a mix of external data at the company, supplier and government level, LGT WM is now beginning to assess the possible impacts and dependencies of companies on nature.

Over the last year, LGT WM integrated the approach to engaging on biodiversity into LGT WM's voting patterns. For example, in 2022, we voted against the re-election of the Chair and two other members of the public responsibility committee at a consumer staples company for failure to enact their "no deforestation" policy.

At LGT PB (Asia) we held a Learning Lunch on ocean literacy and sustainability, which was attended by 35 employees. During the event, the innovative non-profit organization Ocean 3C (O3C)¹² discussed the importance of the ocean and marine life and presented solutions for tackling plastic waste. As part of the Learning Lunch session, we supported a beach clean-up, where LGT PB (Asia) staff and their family members gathered garbage on the beach. They kept a record of the number of plastic bottles, bottle caps and fishing nets they collected for reporting to the Hong Kong government, as O3C strives to sensitize Hong Kong citizens to marine pollution and local waste issues. In connection with the Environmental Protection Department's (EPD HK) Cleanshorelines, O3C regularly organizes beach clean-ups and recycling events not just to collect waste, but also to educate people on the necessity of changing habits on land and reducing consumption of single-use plastics. Approximately 100kg of plastics and 43kg of fishing nets were collected on the beach.

¹² The non-profit organization uses data from every beach clean up to inform their communications with the Hong Kong government on environmental measures.

LGT CP closely monitors companies operating in industries that could damage biodiversity. In the sustainable labeled strategies, companies involved in big biodiversity-related controversies are excluded through our UNGC Violator framework. LGT CP also measures the impact of companies on the 17 SDGs, of which two goals explicitly focus on terrestrial and on marine ecosystems: SDG 14 Life below water and SDG 15 Life on land. The impact of a company's products, services and operations on the SDGs are quantitatively covered.

Biodiversity is also included in LGT CP's engagement framework, being a topic we frequently engage on. The engagements can be either reactive following an event or proactive, where we for example identify biodiversity-related risks for a certain sector.

3-3 Management of material topic a & b How biodiversity protection contributes to sustainable development

We believe we are responsible for contributing to biodiversity protection, and can have a significant impact on biodiversity conservation through our investments, as identified, for example, in LGT PB's impact assessment in our PRB disclosure. For more information, see LGT PB's PRB Report 2022.

We want to raise awareness of this topic among our clients, employees and society, and contribute to the dialogue on biodiversity protection.

In addition, we expect that biodiversity-related aspects will increasingly be covered by regulation. For example, the EU Taxonomy with the objective on biodiversity came into force as of 1 January 2023, and the Taskforce on Nature-related Financial Disclosures (TNFD) recently published their proposal for developing and delivering a risk management and disclosure framework for organizations to report and act on evolving nature-related risks.

c & d How we manage biodiversity protection

Using the LGT ESG Cockpit, we measure the impact of our investments on the SDGs. Biodiversity protection (SDG 14 Life below water and SDG 15 Life on land) is an important element in this assessment (for more information, see chapter "Transparency in financial services"). To foster biodiversity protection through our investments, we engage with companies we are invested in to help them act in a way that is more climate and biodiversity friendly.

In accordance with the biodiversity mitigation hierarchy¹³, a widely accepted framework designed by the Biodiversity Consultancy, LGT WM first focuses on avoiding harm by monitoring its investee companies on issues linked to biodiversity (e.g. waste management, water stress and management, product toxicity) to assess whether these invested companies have better credentials than their peers. In addition, LGT WM looks to invest in companies that are minimizing harm by changing their practices (e.g. by restoring sourcing areas through reforestation). LGT WM monitors all companies monthly on the aforementioned data points. We also routinely review controversies and will engage with the companies should a material controversy around biodiversity arise. Over the last year, we integrated our approach to engaging on biodiversity into our voting patterns.

Through Group Sustainability Management, LGT PB will eventually look to support net positive impact on biodiversity through carbon credits.

At an operational level, we implement various measures to support biodiversity protection. For example, we have created generous green spaces around our office buildings in Bendern, Liechtenstein. For our efforts in this area, we received a certificate from the Natur&Wirtschaft foundation that is valid for five years. We are the first company in Liechtenstein to have received this certificate.

e & f How we track and provide information about the effectiveness of our management approach

Due to our more recent focus on biodiversity protection and the complexity of the topic, the related data collection and monitoring of our impacts still pose a challenge at this stage. However, we are working to enhance the measurement of our activities to track and provide information on the effectiveness of our management approach to biodiversity protection.

Since LGT PB's commitment to the Finance for Biodiversity Pledge in 2022, LGT PB started looking into tools to conduct the

required impact assessment. During the process, we identified a trade-off between accuracy and coverage. Tools that include geospatial data, indicating the threat status of species and nature-related risks in specific locations are not ideal to performing an aggregated assessment of the impact of a portfolio of different companies, given the limited information available on their activities. However, we expect the quality of biodiversity data that will be available for us to use to increase in the future. On the other hand, more generic tools quantifying biodiversity impact based on sector averages can aggregate the impact on portfolio level, but it is questionable how accurate these tools are at reflecting the physical impact on biodiversity. We will be looking into solutions to tackle this issue in 2023.

304-2 Significant impacts of activities, products and services on biodiversity

Through its investments, LGT indirectly impacts biodiversity. Using the LGT ESG Cockpit, we assess companies' impacts on the environment, and the findings of these assessments in turn flow into our investment decisions.

For more information about the significant impacts of our activities, products and services on biodiversity, see our management approach to the topic "biodiversity protection" (a-f).

Circular economy

Developments, achievements and/or challenges in the reporting year

In its sustainable advisory offering, LGT PB (EMEA) places a special focus on six sustainability themes when making recommendations, one of which is "Circular Economy".

In 2022, LGT PB (EMEA) updated the Client Book Initiative (CBI) on the circular economy. The publication explains why and how circular economy models can help to better align economic value creation with long-term ecological well-being and proposes attractive investment opportunities in circular supply, functional economy and resource recovery models (for more information on CBI, see chapter "Transparency in financial services").

LGT PB's Sustainable Procurement framework is based on the ISO 20400 standard, is co-developed by our Supply Management and Group Sustainability Management departments and implemented by Supply Management. In 2022, we further strengthened the framework, placing greater focus on durabil-

¹³ We will evolve our thinking as investors continue to define strategies around biodiversity measurement, impact and how to become net-nature positive. In this first instance, LGT WM has been guided by the Biodiversity Consultancy's framework on becoming net positive, as it was one of the first public tools (<https://www.thebiodiversityconsultancy.com/our-work/our-expertise/strategy/mitigation-hierarchy/>).

ity, repairability and the separation of recyclable materials by including specific sustainability requirements for IT hardware in a questionnaire. Moreover, we are close to finalizing factsheets for other items, such as office supplies and textiles, which will provide guidance for the Procurement department. On the operational level, we aim to increase the use of recycled paper at all our locations.

LGT works to increase awareness of the circular economy. For example, the circular economy is an important topic in our Academy courses and our internal training, thus helping our employees increase their knowledge and expertise in this area. In 2022, LGT PB held a training session on the circular economy as part of the Sustainability Learning Lunches series, in which a renowned expert introduced our employees to the topic and informed them about the latest developments in this field. At LGT PB (Asia), we continued to raise awareness on plastic pollution.

The special focus topic of LGT CP's 2021 Active Ownership Report published in 2022 was the circular economy. We see this as an important agenda applicable across a wide range of firms and would like to see companies go further and progress from recycling to more circular designs and processes. We seek to identify leaders and laggards and to use our engagement to positively influence corporates in their circular economy-related activities. We expect companies to commit to this and partner across the value chain as well as with peers, governments and NGOs. In total, LGT CP engaged with 13 companies across different sectors on this topic.

3-3 Management approach

a & b How a circular economy contributes to sustainable development

With LGT PB's wooden building in Bendern, Liechtenstein, which does not require active ventilation or cooling thanks to a 50m² clay wall and roof covered with plants, we aim to inspire others to build sustainably. Similarly, our wooden building in Vaduz, Liechtenstein, which is the first Minergie® A and P ECO¹⁴-certified building in Liechtenstein, and our ongoing construction project in Vaduz, which has strict specifications in line with LEED requirements, are all based on an approach that fac-

tors in circular economy aspects. We also encourage suppliers to embed sustainability in their processes. And we do the same, because by embedding the concept of a circular economy in our corporate culture, we positively impact the day-to-day behavior of our employees.

c & d How we manage the circular economy

Launched in 2021, the LGT PB sustainability thematic framework outlines our key areas of focus with regard to long-standing sustainable themes, of which the circular economy is a key component. The framework serves as an overarching guideline to support LGT PB in focusing on its key priorities and strengthening its commitments around these themes. In the context of the circular economy, we identify and strengthen consumption and production patterns that respect the natural boundaries of resources in order to protect, restore and promote sustainable ecosystems, both at an operational and investment level (for more information on the sustainability thematic framework, see chapter "Sustainable products and solutions").

The circular economy is an important pillar of the LGT PB sustainability thematic framework. "Circular economy" is one of the sustainability thematic investments offered to our clients in our advisory offering promoting environmental and/or social characteristics and is embedded in the LGT ESG Cockpit, which serves as the basis for the LGT Sustainability Rating. We measure the impact of our investments on the SDGs, including the contributions of our investments to SDG 12 (responsible consumption and production). The LGT Sustainability Rating for equities considers the sustainability quality of the respective company. In the case of bonds, the sustainability of the underlying issuer (i.e. company, country or supranational organization) is assessed (for more information, see chapters "Sustainable products and services" and "Transparency in financial services"). For instance, the LGT ESG Cockpit provides us with the data related to the various SDGs for many companies. The larger the share of a company's activities that support the circular economy (e.g. recycling services, construction of machines needed for recycling, creation of products based on recycled input materials, etc.), the higher the respective rating.

For clients in Europe, the LGT Sustainability Rating is integrated into the LGT SmartBanking platform (for more information, see chapter "Transparency in financial services").

¹⁴ Swiss certification for sustainable construction. The factors tested are the final energy consumption, health (daylight, pollution, low noise and radiation levels) and ecology (readily available raw materials, low environmental impact during production, deconstructability).

The circular economy is also part of the sustainable Client Book Initiative (CBI) (for more information, see section “Developments, achievements and/or challenges in the reporting year”). Through this CBI, LGT PB disseminates knowledge and raises awareness about the importance of circular economy practices, both among employees and clients.

In our daily operations, our processes have been adapted to foster responsible consumption. For example, employees must request folders rather than being provided with them automatically, leading to a considerable reduction in folder consumption. Furthermore, we seek out high-quality equipment during the procurement process to ensure a longer lifespan for LGT appliances. Additionally, our waste equipment (e.g. hardware) is passed on to third-party suppliers in Liechtenstein and Switzerland when possible. LGT PB Asia has donated 89 desktops, nine notebooks and three mobile phones to the NGO Caritas Computer Workshop for re-distribution to students from low-income families.

LGT CP considers the circular economy an important part of the ESG agenda and engaged with companies from different sectors on this topic (for more information, see section “Developments, achievements and/or challenges in the reporting year”).

e & f How we track and provide information about the effectiveness of our management approach

Measuring and monitoring the impact of a circular economy is a challenge, and we are eager to find solutions to improve data collection in this area. From an investment point of view, identifying companies that engage in a circular economy is also challenging.

We track and monitor our waste recycling as part of an environmental performance evaluation. As waste creation at our operational level has a smaller impact than at the investment level, LGT does not have a systematic approach in place for collecting data on the amount of waste that is recycled. LGT has therefore not defined company-wide KPIs in this area.

Talent recruitment and development

Developments, achievements and/or challenges in the reporting year

In 2022, LGT PB focused on developing our talent recruitment process by creating an Employer Branding & Recruiting strategy, featuring a dedicated internal sourcing function. We also enhanced our presence on digital platforms (i.e. our website and social media). With these measures, we can react to the local talent shortages that the market is currently facing. We are working to steadily enhance our workplace and increase flexibility (e.g. remote work options or shared-desk office spaces in some areas).

In April 2022, LGT PB started to transparently inform employees of specialist career paths tailored to their aspirations. Employees can also describe their career and relocation interests in our HR system and are encouraged to discuss these with their line manager.

In Singapore, LGT PB (Asia) conducted a lunch and learn session to raise awareness on “The Participation Gap” and how we can include people with additional needs in the workplace.

LGT Crestone has a talent development program in place that has identified key talent across the organization and embarked on a series of leadership programs in 2022 aimed at different stages of experience. Also, we conduct regular online training on risk and compliance matters (Thomson Reuters), cyber security (mimecast) and mandatory continuing education for advisors (Kaplan). Other ad hoc face-to-face training is conducted on a needs basis.

For LGT CP, a top priority is to recruit and retain a more diverse workforce. We have therefore worked on broadening the application pool to attract and recruit diverse talent. One example of this is a partnership with the University of St. Gallen in Switzerland. Twice a year, we organize events for female students on campus and at our offices to introduce them to our firm and the asset management industry. We are also establishing other partnerships and initiatives in other LGT CP locations around the world. We support our staff members and promote a culture of lifelong learning. LGT CP partnered with Blue Ocean Brain (BOB), a professional development e-learning platform through which we offer our staff members learning modules on various topics

relating to diversity and inclusion. At the same time, together with BOB, we offer leadership training for our senior team members on how to embrace DEI and develop inclusive skills to foster an environment where everyone is respected and feels they belong.

3-3 Management of material topic

a & b How our talent recruitment and development contribute to sustainable development

The quality of our client services depends to a great degree on the quality of our employees and their work. Talent recruitment and development are therefore essential if we want to maintain our excellent service and ensure client satisfaction. As part of talent recruitment, LGT PB offers an 18-month Graduate Program.

We believe it is our role to create attractive jobs, support education and promote personal development in the labor market. LGT thus seeks to have a positive impact on its own operations and on Liechtenstein as a business location by introducing in-house talent recruitment and development capabilities. Knowledge is among Liechtenstein’s most important capital – and LGT takes its role of promoting and engaging in knowledge sharing seriously.

c & d How we manage talent recruitment and development

LGT’s hiring process is an important part of our culture. LGT cares about building a more representative and inclusive workplace, and that begins with hiring. We know that we need a diversity of perspectives and experiences, and a fair hiring process is the first step to getting there. LGT also has a well-structured management process in which future talents are prepared for succession for key positions. Talent recruitment is among the responsibilities of the line heads, with Group Human Resources acting as a facilitator, for example, by making an initial selection, coordinating the recruiting process and supporting line managers during that time. We perform background checks before hiring employees. Education is at the top of our agenda, and we have therefore set up different education processes. The programs of the Liechtenstein Academy Foundation are an integral part of personal development within LGT. The Academy programs are open to all LGT locations (for more information, see GRI 404-2).

e & f How we track and provide information about the effectiveness of our management approach

We collect and consider feedback from new employees as well as people leaving the company. We solicit feedback from our new employees during so-called retrospective conversations, where a review of the last three months is collected in a bilateral meeting between the line manager and employee. For departing employees, we hold an exit interview between the HR department and the employee. In our regular employee survey, we evaluate our employees' feedback on our corporate culture and the onboarding process. Supporting instruments (e.g. reporting on reasons for leaving the company) are in place to support LGT PB's and LGT CP's respective HR departments in defining suitable actions.

404-1 Average hours of training per year per employee

	2022		2021
	LGT PB	LGT CP	LGT PB
Average hours of training per year ¹⁵	30.1	12.4	25.9
Employees with management function	30.5	11.9	24.9
Employees without management function	28.2	12.8	26.2
Gender			
Male	31.4	11.9	28.9 ¹⁶
Female	24.6	13.9	21.9 ¹⁷

¹⁵ Training delivered via self-learning platforms (e.g. getAbstract, LinkedIn Learning or Masterplan) have not been included. Data from new locations in Germany included. Data from new locations in Australia and India not included.

¹⁶ This is a correction to last year's reported data, where the hours of training data were assigned to the wrong gender.

¹⁷ This is a correction to last year's reported data, where the hours of training data were assigned to the wrong gender.

404-2 Programs for upgrading employee skills and transition assistance programs

We offer flexible working models (e.g. part-time positions). In the spring of 2022, LGT started to roll out the Next4me program. This program is specifically designed for employees aged 55 to 60 and helps them find out what they would like to devote their energy to in the future and develop measures to assist them

in realizing their ideas and achieving their goals. We place special focus on the needs of employees aged 55 to 60 to strengthen their motivation and commitment to their further professional life. In addition, we promote spiritual, mental and physical fitness.

Internal and external training has been developed for every employee at LGT PB. For example, we have rolled out learning platforms that allow our employees to develop their soft skills, such as communication and presentation skills. We also offer programs specifically geared to risk management, relationship management and leadership capabilities. Over the years, we have developed a sustainable education roadmap for our front office staff.

If employees are looking to change their career path, we ensure that their job profile and seniority level are matched with job profiles that suit their competencies.

In the regular performance review meetings, we encourage our employees to reflect on the competencies they have acquired on and off the job and to define suitable development measures on this basis.

At LGT CP, we have introduced a dedicated training landscape that defines the training and courses that will be offered at LGT CP going forward. As part of this initiative, we have piloted several internal courses covering leadership skills, collaboration, and presentation and communication skills. The Liechtenstein Academy will remain a core part of our training offering. As part of our ESG commitment, we also offered several ESG education sessions and micro-learning sessions with Blue Ocean Brain, focusing on diversity, equity and inclusion. In locations where there is no internal training offering, we support individual external professional training programs to foster staff development.

404-3 Percentage of employees receiving regular performance and career development reviews

All employees receive regular performance and career development reviews.

Employer of choice

Developments, achievements and/or challenges in the reporting year

LGT offers its employees numerous benefits, ranging from different company events to courses and training, as well as attractive working conditions. For example, we offer our employees additional unpaid vacation days.

In 2022, more than 220 employees took part in education offered externally. In addition, the Liechtenstein Academy offers a range of programs that support employees throughout their career at LGT. As of 2022, the Academy offers nine programs, and reaches more than 500 employees a year. The programs offered at the Academy foster long-term responsible thinking and actions, which has a significant impact on our corporate culture.

LGT PB takes a long-term perspective on people development, and in 2022 expanded the scope of our global annual graduate programs from 13 positions to 20.

Since the COVID-19 pandemic, we have supported our employees with the tools necessary to work from home. After COVID-19 restrictions were eased, we set up new guiding principles to keep working from home a part of our working culture in the EMEA region. As a result of the pandemic, governments started discussing the possibility of further easing the existing restrictions, especially with regard to cross-border commuting. Information about the outcome of these discussions is expected by the end of June 2023. Until then, our employees in the EMEA region will continue to benefit from the flexible working models set out in a special COVID-19 regulation.

3-3 Management of material topic

a & b How LGT being an employer of choice contributes to sustainable development

As an employer of choice, we positively influence the well-being of our employees. At the same time, attracting the most loyal and talented employees is vital for our operations and for our position as an important employer and renowned workplace, both in Liechtenstein and at our offices around the world.

By offering fair salaries and creating a healthy work-life balance for our employees, we serve as a role model for other companies.

We value and encourage lifelong learning, enabling our employees to continuously grow and develop new and relevant skills. Our people benefit from a wide range of learning opportunities through structured programs, online learning tools, mentoring and on the job development. In addition, LGT supports external learning opportunities.

c & d How we manage the topic of employer of choice

The LGT policies that are relevant for our employees are tailored to local conditions, meaning that our different locations can adjust and apply our Group policy to local needs. We take advantage of synergies between our locations to further improve our reputation as an employer of choice. For example, we conduct monthly HR exchange meetings with HR representatives from all locations.

LGT wants to maintain its status as an employer of choice and makes every effort to offer a fair and friendly work environment. LGT offers its employees numerous benefits, ranging from different company events to courses and training, as well as attractive working conditions. For example, we offer our employees additional unpaid vacation days. We also offer our employees attractive pension plans and we grant sabbaticals to foster employee skills outside of LGT PB. Furthermore, we take necessary absences seriously and offer longer than legally required sick leave. In some of our locations, we offer longer maternity leave than legally required. In Liechtenstein, we offer parental leave that goes beyond the legal requirements.

e & f How we track and provide information about the effectiveness of our management approach

We review our policies and employee benefits regularly and compare ourselves with our peers to remain competitive. We also assess our position as an employer of choice through our employee survey (for more information, see chapter "Corporate culture").

401-1 New employee hires and employee turnover

	2022		2021
	LGT PB ¹	LGT CP	LGT PB
New employee hires	1032	130	560
Gender			
Male	634	69	296
Female	398	61	264
Age			
<30	207	51	139
30–50	710	69	365
>50	115	10	56
Region			
EMEA ²	412	110	424
APAC ³	619	6	136
Rate of new employee hires	25%	18%	14%
Employees who left the company⁴	297	76	255
Gender			
Male	148	34	135
Female	149	42	120
Age			
<30	46	26	40
30–50	208	43	177
>50	43	7	38
Region			
EMEA	180	66	175
APAC	117	7	80
Rate of employee turnover	7.1%	10.3%	6.1%

¹ Data from new locations (Australia, India and Germany) included. Cayman not included (0.05% of the workforce).

² EMEA = Europe and Middle East

³ APAC = Asia-Pacific

⁴ Retirements not included

Corporate culture

Developments, achievements and/or challenges in the reporting year

We conducted a “Great Place to Work” survey in 2020 and LGT PB subsequently received “Great Place to Work” certification at all our locations worldwide. The results have been presented and discussed across the bank. The global survey takes place every three years; the next one will be conducted in fall 2023. In 2021, we organized team-building events¹⁸ and provided platforms for cross-organizational office interactions. Addi-

¹⁸ Where possible, considering COVID-19 restrictions.

tionally, we enriched our onboarding process with a “buddy system” and developed a “social club”, where our employees can network and exchange ideas. During the pandemic, we communicated LGT PB’s plans and activities relating to our corporate culture at town halls and in videos on our intranet.

The Great Place to Work Survey results provided LGT CP with concrete feedback about the direction in which our firm should develop and how we can help staff members grow. As a result, we introduced remote working options globally to offer greater flexibility, installed social committees to support the return to work and collaboration after the pandemic, and implemented LGT CP’s dedicated Employee Volunteering initiative #LGTCPengage, to name a few.

3-3 Management of material topic

a & b How our corporate culture contributes to sustainable development

Our employees are our greatest asset, and having a welcoming and supportive corporate culture is therefore key. LGT fosters a community culture where people work with rather than for one another. We are convinced that this approach enables us to attract satisfied and long-term talents.

We also set an example for other companies by showing how corporate culture can contribute to sustainable social development within the banking sector.

c & d How we manage corporate culture

Employees’ expectations of a company’s corporate culture shift over time. At LGT, we recognize that employee demands are dynamic – so is our corporate culture.

Our group-wide LGT Code of Conduct serves as the foundation of our corporate culture. Flat hierarchies and an open-door policy are among the cultural values that are embodied throughout our company. And, by strictly upholding these values, our management acts as ambassadors of our company culture.

Transmitting and embodying this culture starts with our employees’ onboarding process. All new employees are invited to an onboarding event with various speakers (e.g. the CEO and Chairman), where they learn more about LGT’s culture. Web-based training on LGT’s brand and values is also available. In addition, the personality and leadership programs offered by our Liech-

tenstein Academy, which are available for people at all levels of our organization, foster self-reflection and continuous learning. In 2021, LGT PB set up a cross-departmental corporate culture working group that comprises 21 employees. The group discusses LGT PB's corporate culture and its future evolution. Feedback and information from the group is shared with LGT PB's Executive Board. In September 2022, it was also shared with the participants at the senior management summit. The "competing values framework" served as a basis for the culture working group and management's discussions about culture. This framework explores strategically relevant aspects of culture via a questionnaire. Based on the answers, we derived the LGT values that will be the focus of our culture journey from 2023 onwards.

e & f How we track and provide information about the effectiveness of our management approach

The "Great Place to Work" employee survey is conducted every three years, and the next one is scheduled for 2023. The employee participation rate for the 2020 survey was 88 percent, with 91 percent of respondents stating they consider LGT PB a great place to work. This result confirmed that our activities aimed at supporting our corporate culture are successful. In addition to the "Great Place to Work" survey, we plan to introduce frequent spot surveys.

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

There are no risks for our employees regarding their rights to freedom of association and collective bargaining in accordance with the applicable legislation.

In 2017, we implemented an LGT Supplier Code of Conduct, which is an integral part of our contracts with our suppliers. All of our suppliers must accept the LGT Supplier Code of Conduct. It requires that our suppliers adhere to important standards and conventions, including the right to freedom of association and collective bargaining.

On the investment side, when we assess companies as part of our offering of products promoting environmental and/or social characteristics, we take employees' right to freedom of association and collective bargaining into account.

Occupational health and safety

Developments, achievements and/or challenges in the reporting year

During the reporting period, we implemented various programs that support the mental and physical health and safety of our employees. For example, November was the Month of Mindfulness, during which our employees around the world collected so-called "balance points" for every mindful activity they did (e.g. walking, reading, meditation and yoga). By sharing pictures and collecting balance points for their activities in the AtlasGo app, employees were eligible to win a prize. Employees also had the opportunity to join a "Soul Session" and participate in an online yoga session. In addition, employees could participate in a mindful mobility or mindful meditation session once a week for 15 minutes via MS Teams. This offer started after the Month of Mindfulness and will continue throughout 2023.

In 2022, LGT offered our employees support for working from home (e.g. hardware, webinars on different topics, discounts for health mats that prevent back pain). In Switzerland and Liechtenstein, employees also have access to the services of Movis, a company that supports employees on topics such as mobbing, discrimination, health, finances and other personal issues.

During the summer, employees in Switzerland had the opportunity to participate in rooftop yoga. Employees in Liechtenstein were also given the possibility of taking yoga classes.

Also during the year under review, employees and their families in Singapore were invited to a family sports day. In Hong Kong, HR organized a wellness week that was attended by 103 staff. Activities included two stretching workshops, a Lunch & Learn seminar dedicated to sleep awareness and quality, and one focusing on weight loss.

3-3 Management of material topic

a & b How occupational health and safety contributes to sustainable development

The health and safety of our employees is vital for responsible and efficient business operations.

As an employer, we are responsible for ensuring the mental and physical health and safety of our employees. In addition, a safe and healthy workforce has positive spillover effects on our corporate culture and our reputation as an employer of choice.

c & d How we manage occupational health and safety

We have implemented insurance policies and regulations as well as vacation regulations at the Group level relating to the duty of the employer.

With the exception of LGT Crestone's work health & safety policy and workplace rehabilitation policy, we do not hold any policies directly linked to employee health. However, we have implemented various initiatives, such as the Month of Mindfulness, which promotes the health of our employees through mindfulness. In Switzerland and Liechtenstein, we offer discounts for healthy restaurants or sports club memberships. At LGT WM, we offer activities for physical and mental health and provide support in this area (e.g. massages, workshops with external speakers, mindfulness UK app). Once a week, employees based in Australia have the possibility to join a basketball or netball team. Employees in Hong Kong can do a medical check-up once a year and can participate in different workshop/lunch sessions on health-related topics. In Thailand, we offer an annual health check-up and employees can attend yoga classes. We also offer online training sessions on health-related topics, mental health and mobility for everyone.

We provide fresh fruit at all LGT PB locations as well as vegetarian options for our employees to choose from for lunch and at events.

LGT offers an assistance service via International SOS to our employees during their business trips. Via the International SOS web application and assistance app, our employees can access information about possible dangers and specific entry requirements at their destination. The International SOS hotline is available 24 hours a day for specific information about safety, medical status, travel restrictions and more. International SOS will also provide active support during any medical or security emergency.

e & f How we track and provide information about the effectiveness of our management approach

We use a two-pronged approach to track the effectiveness of how we manage our employees' occupational health and safety: we measure and assess data such as employee sick days and absences, while also implementing the employee "Great Place to Work" survey at LGT PB that contains health and safety-related questions. For example, the survey contains questions

about employees' work-life balance and workplace safety. In 2020, over 97 percent of our employees (at an 88 percent participation rate) confirmed that they consider LGT a physically safe place to work. The survey is conducted every three years and the next one is scheduled for 2023.

403-1 Occupational health and safety management system

LGT trains certain employees in crisis management and regularly simulates fire alarms to train staff and ensure their safety in an emergency. For LGT PB, health measures are mainly handled by the LGT Vitality team. The aim of LGT Vitality is to sensitize employees to health-related topics by means of various measures, to strengthen their sense of personal responsibility for these matters and to promote performance. We strive to offer our employees a variety of opportunities that help ensure their occupational health.

403-2 Hazard identification, risk assessment, and incident investigation

We offer an external and independent point of contact for whistleblowing (e-mail or telephone number of an independent party) that employees can use at any time. Employees can access information on our global website about regulations and procedures concerning whistleblowing, the rights of reporting persons and the obligations of LGT. For more information, see GRI 2-16.

403-3 Occupational health services

Our employees can direct any questions or concerns to specific points of contact within LGT: the HR departments are the primary point of contact, but line managers also assist and support with identifying and eliminating hazards.

At our local branches, HR managers handle concerns related to occupational health and safety. If needed, some branches cooperate with external partners (e.g. psychological support) to give employees the possibility to communicate anonymously about issues with a third party, as they do not report any details to LGT. Any related costs are covered by LGT.

403-4 Worker participation, consultation, and communication on occupational health and safety

At some of our locations, we have established employee councils that hold regular meetings with management. The

meetings provide a platform for all participants to openly talk about potential challenges. In some regions, increasing the flexibility of staff working hours is currently an important topic of discussion.

403-5 Worker training on occupational health and safety

Through the Liechtenstein Academy offering, our employees have access to various programs that foster their health and well-being. Examples include resilience training (e.g. a one-hour recorded online impulse lecture on the negative effects of digitalization on well-being) and the Be.Yourself program, where participants receive tips on personal development. We also offer courses on managing complex projects (Manage.Complexity) and on how to increase employees' efficiency sustainably (Drive.Performance).

In addition, LGT PB offers training on first aid, sleep management and balanced diets, and our line managers are offered employee management training.

403-6 Promotion of worker health

To support the physical health of our employees, we offer access to sport clubs and courses, such as yoga. In Switzerland and Liechtenstein, we participate in the Bike to Work challenge. A Month of Mindfulness was introduced during which our employees from around the world collected so-called "balance points" for every mindful activity they did. Back pain and similar health conditions are tackled group-wide by optimizing ergonomics in the workplace.

403-8 Workers covered by an occupational health and safety management system

All permanent employees are covered by an occupational health and safety management system.

403-10 Work-related ill health

	2022		2021
	LGT PB ¹	LGT CP	LGT PB ¹
Days total	9004	1526.5	6670
Days/headcount	4.5	2.1	3.6 ²

¹ Data limited to Liechtenstein and Switzerland.

² This is a correction to last year's reported data, where the days were calculated in relation to the total number of employees.

Diversity, inclusion and equal opportunities Developments, achievements and/or challenges in the reporting year

The topics diversity, inclusion and equal opportunities are attracting increasing interest among our stakeholders and society at large. During interviews, we have noticed that prospective employees wish to know more about our approach to diversity, inclusion and equal opportunities. Our clients and suppliers are also increasingly interested in how LGT manages these topics. This growing interest is apparent across all of our locations.

For LGT PB a Diversity & Inclusion (D&I) governance was established in early 2022, consisting of local/regional D&I teams and a global team comprising, among others, the stream leaders of the local teams.

After two initial workshops held by the global LGT PB Diversity & Inclusion team in 2022 on the global D&I vision, ambitions, strategy and measures, the local D&I teams started or continued working on their local D&I strategies and measures. Various location- and region-specific measures are planned or have already been implemented (e.g. surveys, local partnerships, and reverse-mentoring programs). On a global level, further measures in the area of "Gender" and "Age/Generations" are being planned and implemented (e.g. a diversity dashboard, conscious inclusion programs, etc.).

European regulations increasingly address the matter of equal pay. In Switzerland, LGT PB conducted a salary benchmark study and received the "fair pay certificate", signifying that there was a less than five percent salary difference between men and women. A similar study is planned for our location in Liechtenstein.

In November 2022, LGT WM hit its target of 30% of women in senior roles as committed to in our pledge for the Women in Finance Charter.

LGT Crestone's front office recently implemented a program aimed at increasing the number of female investment advisors in the organization.

In Singapore, LGT PB (Asia) held a Lunch & Learn on inclusion with our community partner, AWWA, a social service agency. Its CEO talked about AWWA's work with persons with addition-

al needs, families and seniors, informing the participants about the Participation Gap and how we can play our part in promoting inclusion. In the end, participants joined in a short discussion to share some of the behavioral attributes they can introduce in the workplace to encourage participation.

LGT CP has a DEI (diversity, equity and inclusion) Committee. The DEI Committee reports to the firm's Executive Committee (EC) and works closely with LGT CP's ESG Committee. The DEI Committee is comprised of senior professionals from across the firm and meets on a bi-weekly basis. In addition to the DEI Committee, we have local diversity ambassadors located in each of LGT CP's major local offices. Regular exchanges take place between the DEI Committee and the diversity ambassadors to discuss local initiatives, which help to gain a global perspective on important topics. In 2022, for example, LGT CP became a corporate partner of 100 Women in Finance, an organization with a mission to strengthen the global finance industry by empowering women to achieve their professional potential at each career stage. Other developments include the launch of DEI lunches and open discussions on how we can further foster and live DEI within our firm.

3-3 Management of material topic

a & b How diversity, inclusion and equal opportunities contribute to sustainable development

Diversity, inclusion and equal opportunities help clients and other stakeholders to identify with LGT. This positively impacts our operations, as potential clients and employees are attracted to our inclusive approach. We believe that diversity fosters innovation and helps us to scale our business.

As LGT is one of the largest employers in Liechtenstein, we have a responsibility to promote diversity, inclusion and equal opportunities. Our LGT Code of Conduct serves as an example to others, and we take our responsibility to actively share these values with our peers seriously.

c & d How we manage diversity, inclusion and equal opportunities

In 2021, LGT PB defined a goal to have 30 percent of senior positions and 40 percent of all management positions filled by women, and for women to account for 50 percent of our total workforce by 2030. The global D&I drives the global D&I agen-

da and meets on a quarterly basis to discuss diversity, equity and inclusion topics that are relevant in the different locations. The meeting also serves as a best practice exchange platform. The committee reports to LGT PB's Executive Board.

In addition, we have implemented policies that clearly set out and highlight the importance of these topics. They include our LGT Code of Conduct and HR vision. Our LGT Code of Conduct is a key instrument in promoting and upholding diversity, inclusion and equal opportunities. Our HR vision emphasizes these values. In our official communications, we ensure the use of inclusive language.

In our D&I Strategy we have defined several topics that are relevant for us throughout the company, including gender. We strive to embed and manage these topics across all our local offices. Within these topics, we have defined a global ambition, and global initiatives will be launched in the coming years. Some measures are already in place, for example, our Next4me program offered by the Liechtenstein Academy for employees aged 55 and above, where we place a strong focus on the specific wishes and needs of our employees in order to strengthen their motivation and commitment to their further professional activities and help them to find out what they would like to devote their time and energy to in the future (for more information, see chapter "Talent recruitment and development").

Moreover, we have integrated the topics of diversity, inclusion and equal opportunities into the LGT ESG Cockpit. The Cockpit assesses data points such as female representation in senior positions and salary benchmarks. We believe that diversity leads to innovation in companies and we wish to foster this through our investments (for more information on the LGT ESG Cockpit, see chapter "Transparency in financial services").

LGT CP has a Diversity, Equity & Inclusion (DEI) sub-committee as part of the overall ESG structure. We have a DEI policy that covers the recruiting, retention, promotion and training. DEI is also an important element of our investment process; we regularly monitor diversity statistics and the evolution of the DEI initiatives within the managers we have backed as well as the companies we have invested in.

- External managers: Through our ESG questionnaire, targeted in understanding DEI within HR policies, investment process-

es and ownership of the firms, we engage with the managers we have invested with on an annual basis.

- Sustainable direct strategies: We have included a selection of KPIs focusing on DEI in our in-house proprietary ESG analytics tool, the LGT ESG Cockpit.

e & f How we track and provide information about the effectiveness of our management approach

We regularly assess employee satisfaction through the Great Place To Work survey. These surveys also contain questions regarding their perception of LGT PB's approach to diversity, inclusion and equal opportunities. In 2020, over 90 percent of participants (88 percent response rate) agreed that we treat our employees fairly, regardless of age, gender, sexual orientation and ethnicity.

405-1 Diversity of governance bodies and employees

All diversity data in % of total	2022						2021		
	LGT Private Banking ¹			LGT Capital Partners			Board of Directors	Executive management	Employees
	Board of Directors ²	Executive management	Employees	Board of Directors	Executive management	Employees	Board of Directors	Executive management	Employees
Age									
<30	0%	0%	14%	n/a	0%	20%	0%	1%	15%
30-50	0%	63%	64%	n/a	42%	65%	11%	64%	63%
>50	100%	37%	22%	n/a	58%	14%	89%	35%	22%
Gender									
Male	87%	77%	54%	86%	100%	62%	89%	77%	53%
Female	13%	23%	46%	14%	0%	34%	11%	23%	47%

¹ Data from new locations (Australia, India and Germany) included.

² Foundation Board

406-1 Incidents of discrimination and corrective actions taken

No incidents of discrimination took place during the reporting year.

Human rights in investments

Developments, achievements and/or challenges in the reporting year

In 2022, LGT published a group-wide human rights statement addressing investments, clients, employees, suppliers and society at large. With this statement, we have committed to having a favorable impact on society by pursuing opportunities to advance human rights in line with the SDGs. Also, we aim to mitigate or actively reduce risks related to human rights and avoid negative impacts.

The LGT Sustainability Rating of companies considers specific human rights-relevant criteria (e.g. indicators on labor conditions, diversity and inclusion), for employees, suppliers and local communities. Controversies in the areas examined lead to a deduction in the rating. The LGT Sustainability Rating of countries considers human rights treaties, the presence or absence of death penalties and whether fundamental rights are effectively guaranteed. In addition, further criteria with direct and indirect impacts on human rights are analyzed, e.g. civil liberties, freedom status¹⁹, the press freedom index²⁰ and the rule of law index²¹. In addition, it incorporates the ten principles of the UNGC, to which we are a signatory.

Through engagement and proxy voting, human rights are also taken into account in LGT's active ownership approach.

LGT WM has integrated human rights into their stewardship process through dedicated questions on human rights monitoring, and added remediation approaches to their annual

third-party fund manager due diligence questionnaire, as well as to statements and policy engagement in the United Kingdom on modern slavery issues.

During the reporting year, LGT PB (EMEA) introduced stewardship on behalf of its clients' assets and portfolio holdings. In May 2022, LGT Private Banking (EMEA) signed an agreement with Columbia Threadneedle Asset Management²² for engagement services, whereby Columbia Threadneedle engages on behalf of client holdings in our Focus Sustainability Mandate as well as advisory clients with a strong sustainability profile. As part of our stewardship efforts, LGT PB joined Advance, a UN PRI collaborative stewardship initiative focusing on human rights and social issues. Engagement will begin with companies in the metals and mining as well as renewables sectors.

Furthermore, human rights constitute the overarching topic in the LGT PB sustainability thematic framework, which outlines LGT PB's (EMEA) key focus areas with regard to longstanding sustainable themes, and which lie at the intersection of selected global megatrends shaping the future of the economy, the SDGs and the sustainability themes identified by LGT Private Bank as high conviction.

To identify companies that are UNGC violators, LGT CP assesses news flow on business misconduct and/or issues related to products/services offered. Human rights is one of four issues that we screen. However, due to its nature, there is always a certain amount of subjectivity in this assessment.

LGT CP uses RepRisk²³ news as a basis for assessing violations of the UNGC principles. The assessment consists of deriving a numerical score ranging from 0–10 that expresses the level of controversy surrounding each company and each RepRisk issue. Time decay, severity and source reach are all taken into consideration to score the news.

¹⁹ Degree of political freedoms and civil liberties enjoyed by a country's inhabitants.

²⁰ Extent to which journalists within a country are able to report freely. It also reflects the government's efforts to guarantee freedom of the press.

²¹ Extent to which the rules of a society are accepted. Quality of contract enforcement, property rights, the police and the courts, as well as the probability of crime and violence. Rule of Law is the aggregated result of manifold data sources on governance perceptions, notably the quality of contract enforcement, property rights, the police and the courts, as well as the probability of crime and violence.

²² Formerly BMO Asset Management.

²³ Swiss data science company specializing in ESG and business conduct risk research.

3-3 Management of material topic

a & b How our approach to human rights in investments contributes to sustainable development

LGT considers human rights violations a material sustainability risk. The group-wide exclusion policy on controversial weapons and thermal coal applies to all our investments to prevent serious human rights violations and disastrous damage to the environment. In addition, lending against securities included in the controversial weapons and thermal coal exclusion lists is not permitted in LGT PB's Lombard lending business.

Human rights factors are part of the LGT ESG Cockpit's evaluation of companies' or countries' ESG performance (for more information, see section "Developments, achievements and/or challenges in the reporting year"). LGT ESG Cockpit ratings also take into account controversies related to human rights, and companies' operations, products and services. Examples include controversies involving freedom of association and collective bargaining, forced labor, child labor, occupational health and safety issues and discrimination.

c & d How we manage human rights in investments

The topic of human rights is considered in LGT's active ownership approach, through both engagement and proxy voting (for more information, see section "Developments, achievements and/or challenges in the reporting year").

UNGC violators are excluded from the investments of LGT PB (EMEA) clients who choose the "Focus Sustainability" portfolio management mandate (for more information, see chapter "Sustainable products and services") and since 2022, UNGC violators have been excluded from the investments of LGT PB (EMEA) portfolio advisory clients profiled as "Enhanced plus".

The employees tasked with selecting securities for our portfolio management mandate "Focus Sustainability" and the respective fund solution ensure the necessary level of sustainability quality. For the selection, we use the LGT ESG Cockpit. The Cockpit is our in-house sustainability database, and helps us make balanced investment decisions while taking into account human rights aspects. Among other criteria, the rating considers companies' observance of human rights (for more information, see chapter "Transparency in financial services").

In addition, we have donated to the Finance Against Slavery and Trafficking (FAST) initiative since its inception in 2018, and thus support the involvement of the financial sector in eradicating modern slavery and human trafficking (for more information, see chapter "Compliance").

Moreover, we have included the topic of human rights in our employee training on sustainability regulation and in our sustainability offering.

e & f How we track and provide information about the effectiveness of our management approach

On the investment side, we track engagement goals (e.g. in connection with the PRI's Advance initiative).

Community engagement

Developments, achievements and/or challenges in the reporting year

In 2022, LGT PB engaged in various activities to support local communities.

In Geneva, employees volunteered to support the Partage food bank by distributing unsold food to associations and social services providers that help feed people in need. Employees of the Geneva branch were also invited to take the stairs instead of the elevator in their office building. Thanks to the active participation of many employees, LGT was able to donate CHF 3000 to Partage.

In Switzerland, a community day was organized together with the World Wide Fund For Nature (WWF) Switzerland. The work done by participants included renovating a hiking trail in Ticino and repairing fences along the trail.

In collaboration with the Heilpädagogisches Zentrum (HPZ) in Schaan, Liechtenstein, and the Swiss NGO Velafrica, employees in Liechtenstein repaired old bicycles together with people with special needs for people living in Africa. Together with the Liechtenstein Society for Environmental Protection, employees in Liechtenstein also helped to eradicate invasive plants.

Since 2014, LGT's Award for Social Commitment has honored and financially supported Liechtenstein organizations. The award is endowed with CHF 60 000. In the reporting year the award was given to three organizations: the Association for

People with Dementia in Liechtenstein, the Association of Liechtenstein Samaritan Associations and the SOS Children's Village Liechtenstein Association.

In the United Kingdom, a team from LGT WM spent a day volunteering in the gardens at one of their core charity's Demelza²⁴ hospices in East Sussex. Volunteering in the garden consisted of general gardening and planning flower beds for the spring.

In the United Arab Emirates, the LGT site in Dubai successfully launched a partnership with Emirates Nature World Wide Fund for Nature (ENWWF). Numerous employees participated in activities relating to nature, such as the "survive the wild activity" in March 2022.

In Hong Kong, Tung Wah Group of Hospitals (TWGHs) is a major community partner. At the TWGHs Corporate Partnership Recognition Ceremony 2022, LGT Bank (Hong Kong) was awarded a certificate of recognition for our good relationship with TWGHs over the past three years. In July 2022, 17 employees engaged in a volunteering activity with children from Tung Wah Group of Hospitals' nursery school through storytelling and by decorating cookies. In addition, 35 employees attended the event "Restoring the climate one meal at a time" held by Zero Footprint Asia, where they learned about regenerative agriculture and the Zero Footprint scheme being pursued at 15 restaurants in Hong Kong. LGT Bank (Hong Kong) also supported the fight against COVID-19 by donating 20 000 rapid antigen test (RAT) kits. The number of RAT kits was matched by the Hong Kong Housing Society to help over 3900 elderly and low-income families.

In Singapore, the LGT Singapore Employee Sustainability Group (SG ESG) organized a volunteering event with the charity ItsRainingRaincoats (IRR), which advocates for the welfare and lives of migrant workers in Singapore. Thirty LGT volunteers welcomed 1180 migrant workers for a ride on the Singapore Flyer, a Singapore tourist attraction. The event was catered by a social enterprise.

In the spring of 2022, LGT organized a fundraising campaign to support the efforts of the International Committee of the Red Cross (ICRC) in helping people affected by the Ukraine conflict. A total of CHF 600 000 was donated.

In 2022, as part of the Sustainability Strategy 2030, the Employee Volunteering Program (EVP) Committee, which consists of representatives from all major LGT PB locations, developed an Employee Volunteering Strategy 2030.

In 2022, LGT PB also committed to scale up our skills-based volunteering offering.

After a two-year pilot with B360 Education Partnership, LGT PB decided to expand the offering to all of our European locations. B360 promotes the exchange of knowledge and experience between organizations and specialists in Europe and students from universities in Southern Africa to contribute to long-term development and stability in these countries. B360's vision is to equip young Southern Africans with professional expertise and valuable soft skills so they find employment or start their own business and actively contribute to the economic and social progress in their home countries. As part of the engagement with B360 Education Partnership in 2022, two Namibian interns worked in Liechtenstein for three months, two senior professionals taught a seven-week virtual career-starter course and two professionals gave two on-site courses for graduates in Windhoek, Namibia.

Throughout 2022, LGT CP provided financial aid to humanitarian and charitable organizations in an effort to alleviate the challenges that many people and societies around the world were confronted with. In addition, LGT CP established an Employee Volunteering Committee that reports to the EC and works closely with the ESG Committee. During 2022, focus was placed on establishing the committee and researching various volunteering programs in order to make an initial suggestion of a short list of programs to the EC. We will continue to build out the initiative in 2023.

3-3 Management of material topic

a & b How our community engagement contributes to sustainable development

Through our community engagement and knowledge transfer, we support disadvantaged groups and people in need. At the same time, community engagement allows us to intensify

²⁴ Demelza provides specialist care and emotional support for children with serious or terminal illnesses and their families across the South East of England.

team building and collective contributions to social and environmental development. For some of our employees, LGT PB's community engagement programs motivate them to take part in initiatives outside of LGT PB. Our employees identify with our core values, which are further enhanced through our community engagement programs.

c & d How we manage community engagement

Group Sustainability Management is responsible for coordinating our Employee Volunteering Program. Program implementation is supported by individuals or teams at the local level. While each location develops its own initiatives based on the Group strategy, we all strive to contribute to the SDGs by building long-term and trustful relationships with local partners.

We engage in community work through Community Days, which are held at most of our locations: Liechtenstein, Switzerland, Austria, the United Kingdom, the United Arab Emirates, Hong Kong and Singapore. Our goal is to implement at least one Community Day per location each year to give our employees the opportunity to participate in a meaningful local volunteering project.

As part of LGT PB's 18-month Graduate Program, each graduate spends a so-called Social Week at a not-for-profit organization as a volunteer.

LP CP has established an Employee Volunteering Committee, members include employees from our different offices, and many initiatives are rolled out on a local basis.

e & f How we track and provide information about the effectiveness of our management approach

Feedback from our employees about our community engagement is crucial to us. We collect this feedback through our regular Great Place to Work survey. We also review the Community Days during EVP team meetings, which take place three times per year, and invite those people responsible for local implementation to attend. We issue yearly reports that include information about total costs, grants and donations, and the number of employees that participated in the Community Days. As part of the EVP Strategy 2030, we developed a set of KPIs. Apart from reporting on these KPIs, we will also start to focus on qualitative reporting and impact measurement for our volunteering activities.

Sustainable thinking

Developments, achievements and/or challenges in the reporting year

Promoting sustainable thinking is becoming increasingly important. In 2021, we launched a new Liechtenstein Academy program, Drive4Impact, which centers around sustainability. During this seminar, which was available to LGT employees throughout 2022, we discussed humans' impact on the environment, economy, politics and society (for more information, see chapter "Talent recruitment and development").

In 2022, LGT introduced a series of Learning Lunches on the topic of sustainability. During the series, renowned experts shared their insights into the latest developments on climate change, biodiversity, the circular economy, human rights and on technological carbon dioxide removal (for more information, see chapters "Circular economy" and "Biodiversity protection").

With LGT PB's net-zero strategy 2030 we have assumed a pioneering role in the industry. We must therefore continue to educate our employees and inform them about our activities to reach our targets (for more information, see chapter "Climate protection and risk management").

In 2022, LGT PB conducted a Kickbox designed as a sustainability challenge. This elicited 23 ideas, of which four were selected to proceed to the next round. The high level of participation and the innovative ideas that were proposed underscore the fact that sustainability is increasingly important not only for LGT PB as a bank, but also for its employees.

At LGT PB (Asia), the local version of LGT's Learning Lunch, called Lunch & Learn, covered topics such as health, inclusion, regenerative agriculture and ocean health. In Singapore, 70 employees of LGT PB (Asia) attended a Learning Lunch on the topic of nutrition and the impact of meat production and consumption on the environment and health.

LGT WM held an internal climate awareness week, during which a work travel carbon footprint survey was conducted and topics such as low GHG proteins of the future were addressed.

LGT CP launched a new ESG education program in 2022. Five educational videos on topics such as ESG regulation, Climate Action and ESG integration in private markets are available to

all employees on CPnet, LGT CP's intranet. In addition, there is a constant exchange of information between the different teams about ESG data developments, ESG regulation, etc.

3-3 Management of material topic

a & b How our sustainable thinking contributes to sustainable development

For LGT, sustainable thinking entails acting as a thought leader, contributing to a multi-stakeholder dialogue and adding to research on sustainability. This enables us to motivate our peers to act more responsibly and our clients to invest more sustainably. In addition, sustainable thinking is inspirational and attracts valuable new employees. Our employees in turn act as ambassadors and further contribute to sustainable thinking.

c & d How we manage sustainable thinking

Sustainable thinking is a pillar of our Sustainability Strategy 2030. We strive to be a thought leader in sustainability and want our employees to actively engage in sustainability issues. We will thus train them accordingly. In addition, we will join forces with governments, companies, NGOs and other relevant stakeholders to optimize our contribution to the SDGs.

Group Sustainability Management drives communication about sustainability-related topics through public webinars, web-based trainings, presentations and publications on internal media channels (e.g. intranet) and reporting.

Sustainable thinking is also integrated into our employee projects, such as the LGT Kickbox initiative (see Sustainability Report 2022, page 24). Group Sustainability Management closely cooperates with the learning and development department to further improve the education roadmap for employees to advance their knowledge about sustainability.

e & f How we track and provide information about the effectiveness of our management approach

As an active member of numerous associations, we discuss relevant sustainability-related topics with our stakeholders and we benchmark ourselves against our peers with regard to our approach to sustainable thinking. The stakeholder dialogue allows us to closely monitor trends and learn how to further integrate sustainable thinking into our business.

We record the number of participants in the Drive4Impact academy. In 2022, the LGT participants amounted to 158.

Responsible corporate governance

Developments, achievements and/or challenges in the reporting year

We continuously monitor, assess and implement regulatory requirements that are relevant for our business activities. We fulfill the requirements of EU regulations in line with the EU timelines.

3-3 Management of material topic

a & b How our responsible corporate governance contributes to sustainable development

We believe that responsible corporate governance ensures transparency, fairness and accountability, and this conviction is ingrained in our business philosophy. We do not consider responsible corporate governance a mere regulatory requirement, but a long-term approach pursued by our company. Responsible corporate governance is essential for us in order to uphold the trust of our clients, employees, owner, suppliers, as well as the associations and organizations with which we work, and society and regulators. By ensuring we are transparent, fair and accountable, we can increase client loyalty and attract prospects and employees. We take the same long-term approach as our owner family. In addition, we believe that an open public dialogue is important, as it enables us to further strengthen our reputation.

In our LGT Code of Conduct, we set out the shared values that form the basis of our relationships. Our LGT Code of Conduct is binding for all of our employees and members of the supervisory and controlling bodies of LGT and its affiliated companies. In 2017, we implemented a separate code of conduct for our suppliers, requiring our partners to comply with international principles²⁵. Both the LGT Code of Conduct and the LGT Supplier Code of Conduct were updated in 2020.

c & d How we manage responsible corporate governance

The Foundation Board of LGT Group Foundation is the highest governance body of LGT. The Foundation Board is comprised of four separate committees: the HR Compensation Committee, the HR Nomination Committee, the Risk Committee and the Audit Committee.

²⁵ The Universal Declaration of Human Rights adopted by the United Nations, the UN Convention on the Rights of the Child, the International Labour Organization (ILO) fundamental conventions and international labor standards, and the principles of the UN Global Compact.

- The HR Compensation Committee reviews the compensation guidelines of the Group, discusses and makes decisions about amendments to or the creation of compensation plans, and proposes the compensation of LGT PB's Executive Board.
- The HR Nomination Committee defines and reviews the performance appraisal, development and succession plans of LGT PB's Executive Board, discusses and reviews the talent management situation and development of LGT, and reviews the personnel and HR risk reporting of LGT.
- The activities of the Risk Committee include a periodic review of the general risk limits, the risk strategy and framework including an assessment of the risk tolerance/appetite, as well as a regular adequacy assessment of the group-wide risk organization.
- The activities of the Audit Committee include the review of financial information, monitoring the adequacy of the system of internal controls and of the compliance framework that management and the Board members have established.

For more information, see the Annual Report 2022, page 11. Sustainability is specifically addressed and discussed in the Executive Management Committee twice a year.

The Sustainability Board of LGT PB is chaired by Olivier de Perregaux, CEO of LGT PB, and includes representatives of LGT PB's Executive Board and the heads of the sustainability committees (for more information, see GRI 2-12 disclosure).

Group Sustainability Management, with the support of the cross-divisional Think-Tank, is responsible for driving LGT's sustainability strategy and contributions to sustainable development (for more information, see GRI 2-9 to 2-23 disclosures).

LGT Bank Ltd. is rated by Moody's and Standard & Poor's. LGT applies International Financial Reporting Standards (IFRS).

LGT CP commits significant team resources to ensuring that its business and portfolios adhere to high ESG standards. To this end, the ESG Committee coordinates the development of policies and procedures across investment management, reporting and client service. It has dedicated subcommittees for Liquid Markets, Private Markets, Diversity, Equity & Inclusion, Policy & Governance, Climate Action and Employee Volunteering, and it reports to the Executive Committee. The ESG Committee members include two LGT CP managing partners (including the Chief

Risk Officer) and senior investment professionals from the firm's various competence centers. They are supported by designated ESG staff who promote and coordinate best practice within the firm. In addition, all members of our investment teams globally are responsible for considering ESG issues when performing due diligence on investments.

e & f How we track and provide information about the effectiveness of our management approach

We have implemented internal and external processes to assess the effectiveness of our corporate governance approach.

LGT's Executive Management Committee appoints LGT's Sustainability Board and approves the sustainability governance structure for LGT. LGT PB's Executive Committee (EC) approves the governance structure at the LGT PB level and appoints LGT PB's Sustainability Board.

For LGT CP, the EC appoints the Chair of the ESG Committee and approves the ESG Committee structure.

We publish a number of reports annually, such as the Sustainability Report. We also conduct internal and external audits and make use of external consulting and non-audit services.

Ethics and integrity

Developments, achievements and/or challenges in the reporting year

We updated our LGT Code of Conduct in 2020 and subsequently provided training to all employees on the new LGT Code of Conduct. All employees are required to pass various tests annually to ensure they understand the Code and know how to apply and comply with it in practice.

LGT needs to consider and adapt to new technologies and systems (e.g. blockchain, compliance surveillance tools) and develop an approach to deal with these technologies ethically (for more information, see chapter "Digitalization and data protection").

3-3 Management of material topic

a & b How our approach to ethics and integrity contributes to sustainable development

We are a value-driven company with a long-term focus that has integrated ethics, integrity, respect and reliability into our

corporate culture. These values form the basis of our LGT Code of Conduct. By applying our LGT Code of Conduct in our daily business activities, we enjoy a good reputation among our clients, employees and other stakeholders, and protect ourselves from the risks of reputational damage. The Liechtenstein financial center and other financial hubs LGT operates in also benefit from our good reputation. In addition, our ethical and integrity-based approach serves as an example for other financial institutions and thus contributes to the sustainable development of the industry.

c & d How we manage ethics and integrity

The LGT Code of Conduct is binding for all of our employees and members of the supervisory and controlling bodies of LGT and its affiliated companies. It defines our shared values as well as our ethical and professional standards. The principles are also reflected in internal directives and regulations. The internal directives set out clear rules on the avoidance of businesses that jeopardize our reputation, as well as on the detection and prevention of money laundering, corruption, bribery and terrorist financing. Moreover, the directives prescribe strict compliance with "know your client" rules and contain a business policy on tax compliance.

We have established processes to ensure compliance, ethics and integrity at LGT. These include systems and processes for preventing financial crime and illicit behavior by monitoring transactions and screening our clients on a daily basis. In case of violations, we take the necessary actions as required by laws/regulations or internal policies (e.g. SAR filing or other notification to relevant regulators, termination of relationships/client exit, disciplinary measures and/or training).

Our employees can report any form of non-compliance via internal whistleblowing channels (i.e. hotline, mailbox). LGT has set up a task force, headed by Internal Audit, to deal with all cases of violations.

In addition, to establish processes that ensure ethical behavior and integrity, we support various ethical initiatives. For example, we support the Liechtenstein Initiative on Finance Against Slavery and Trafficking (FAST), which works to combat human trafficking and modern slavery through both financial assistance and network involvement.

e & f How we track and provide information about the effectiveness of our management approach

We regularly review our LGT Code of Conduct and make any necessary amendments. Furthermore, internal and external audits provide binding feedback on the LGT Code of Conduct. We engage in a regular dialogue with our peers on industry best practices concerning ethics and integrity. We take part in various associations and frequently exchange ideas with our peers (e.g. local bankers associations, public-private partnerships, Global Coalition to Fight Financial Crime, Swiss Association of Compliance Officers) when new standards and trends are discussed at industry events. We also receive feedback from our stakeholders on our approach to ethics and integrity through regular surveys.

205-1 Operations assessed for risks related to corruption

All operating companies of LGT are regularly assessed for risks related to corruption. Identified risks include, for example, the effectiveness of employee trainings or the clarity of policies and procedures. To ensure our policies are understood group-wide, we continuously enhance our employee training on the implementation of anti-corruption measures.

205-2 Communication and training about anti-corruption policies and procedures

We regularly inform our employees about our anti-corruption policy. LGT has developed standardized web-based training modules on anti-corruption policies and procedures that have been available group-wide since January 2023. In addition to these standardized web training modules, our individual locations have the possibility to conduct further local anti-corruption training and awareness campaigns.

205-3 Confirmed incidents of corruption and actions taken

In 2022, there were no confirmed incidents of corruption at LGT.

Compliance

Developments, achievements and/or challenges in the reporting year

We are constantly evaluating and developing our compliance processes to take account of new developments. During one such evaluation, we identified a need to expand our compliance department, which resulted in an investment in additional resources in 2022.

We consider our active participation in relevant initiatives to be an effective instrument for ensuring that we are on top of industry developments and further evolve our high compliance standards. We took part in various initiatives and seminars during the reporting year. We are a partner of the Liechtenstein Initiative FAST, which we actively promoted at various international events (for more information, see chapter "Ethics and integrity"). We also offered a financial crime-related traineeship to FAST staff.

3-3 Management of material topic

a & b How our compliance contributes to sustainable development

We consider compliance to be of utmost importance for us as a financial institution, and also believe that compliance is the basis of sustainable business. Consequently, we comply with regulatory requirements as well as internal policies and regulations, and we pay close attention to industry standards (e.g. FATF, Wolfsberg Group). By ensuring our compliance with external and internal requirements, we foster long-term value creation and reinforce our reputation as a trustworthy partner. On a broader level, this positively influences the reputation of Liechtenstein's financial center as well as the locations where LGT operates.

c & d How we manage compliance

Our Group Compliance consists of two departments, Group Regulatory & Investment Compliance (GRIC) and Group Financial Crime Compliance (GFCC). The Group Head Compliance is responsible for the group-wide implementation of all compliance measures. The respective LGT locations have implemented compliance structures that build on the guidelines set by the Group and take into account country-specific requirements. LGT PB is an active member of the Liechtenstein Bankers Association and is involved in various money laundering prevention initiatives, e.g. the Liechtenstein Initiative FAST, a Public Private Partnership (PPP) in Liechtenstein.

e & f How we track and provide information about the effectiveness of our management approach

The Compliance functions within LGT PB are regularly audited by LGT's Internal Audit function as well as external regulators/auditors (e.g. the Liechtenstein Financial Market Authority). In addition, we conduct regular business risk assessments and financial crime controls. The remediation of identified deficiencies

is monitored via an internal tool to monitor correct implementation. The relevant supervisory management bodies have access to relevant information, re-audits and related findings. Additionally, we have defined specific KPIs and key risk indicators and regularly prepare compliance reports for the various management bodies.

LGT is not aware of any cases of non-compliance with laws and regulations in the social and economic sphere, and no significant fines were imposed in Liechtenstein in 2022.

Risk management

Developments, achievements and/or challenges in the reporting year

We go to great lengths to ensure the security of our IT infrastructure and our clients' data. Risks related to cybersecurity are increasing and we have observed a significant rise in cybersecurity threats due to the current geopolitical situation. External assessments of LGT's IT infrastructure were conducted as a result.

There continues to be a strong increase in sustainability-related regulatory requirements. LGT PB not only fulfills these regulatory requirements, but goes beyond them. We are a founding member of the UN Net-Zero Banking Alliance (NZBA) and we have committed to Partnership for Carbon Accounting Financials (PCAF).

As LGT steadily expands its international reach (e.g. through the recent acquisition in Australia), we must be prepared to deal with varying regulatory requirements and different approaches to ESG. LGT continues to enhance its sustainability risk management framework, which is updated as needed to reflect the evolving nature and maturity of sustainability risk practices.

LGT PB has a New Business Activity Approval and Review (NBAAR) process in place. The aim of this process is to analyze all relevant regulatory, tax and operational aspects of a business activity prior to implementation and to highlight all opportunities, risks, expected profits and costs to enable a well-informed decision. Sustainability topics are also covered. Moreover, all necessary resources and processes for creation, execution, accounting and controlling of the business activity are identified

and implemented involving all relevant organizational units. The approach also ensures that LGT PB complies with all regulatory requirements.

3-3 Management of material topic

a & b How our risk management contributes to sustainable development

Our risk management is key to ensuring we have a healthy balance sheet and adequate capitalization, two factors that help us to maintain the trust placed in us by our clients. This stability also makes us an attractive employer. In addition, our careful risk management contributes to market stability in the economies in which we operate.

We identify different categories of risk that affect LGT: market risks, liquidity and funding risks, credit risks and operational risks. We also holistically consider sustainability risks and integrate them into our risk management. The specific inclusion of ESG topics in LGT PB's risk management (see LGT PB's 2022, pages 17–26) enables us to consider environmental and social developments, while at the same time underpinning our reputation as a responsible bank.

c & d Our approach to risk management

Our purpose is to create long-term value for our stakeholders. We believe that long-term profitability and careful risk management go hand in hand. Our risk management therefore focuses on stability and taking a long-term and prudent approach.

LGT PB's risk management strategy is based on three lines of defense. The first line of defense (operational business) is responsible for risk management in our daily activities. Our Compliance department, which serves as our second line of defense, monitors our first line of defense's adherence to regulatory requirements. Regular audits are conducted by Internal Audit, which is the third line of defense. This approach ensures that risks are managed by those responsible for the traditional risk category through which sustainability risk passes.

The Group Risk Controlling and Security department defines the standards and strategies for financial risk management. LGT PB's Risk Policy sets out all relevant principles and guidelines and comprises two key elements: Firstly, it describes the overall ap-

proach to risk-taking; secondly, it sets out the risk principles that translate the risk strategy into operating standards. The operating standards define the risk organization as well as risk processes. LGT PB applies the Internal Capital Adequacy Assessment Process (ICAAP), which is based on the standards of the Basel Committee on Banking Supervision and helps to ensure that the capital base is adequate at all times.

For each risk category (market risks, liquidity and funding risks, credit risks and operational risks), we analyze and define methods to identify, manage and monitor related risks.

LGT PB ensures proper risk management by providing mandatory and consistent online training for employees, for example, on cybersecurity and sustainability.

e & f How we track and provide information about the effectiveness of our management approach

Our directives and guidelines are valid for three years. After three years, they are resubmitted by the Group Executive Secretariat to the author for review and adjustment if necessary. Internal and external audits are conducted on a regular basis. Group Risk Controlling and Security monitors threshold limits and regularly reports the risk profile to the management bodies. It also engages with the Liechtenstein Financial Market Authority and the Liechtenstein Bankers Association.

Taxonomy regulation

Information on LGT Group Holding pursuant to Article 8 of the EU Taxonomy regulation

In accordance with Article 8 of the EU Taxonomy Regulation¹ and the underlying Disclosures Delegated Act, which came into force on 1 January 2022, LGT Group Holding (LGT) is required to disclose the proportional exposure of taxonomy eligible and taxonomy non-eligible activities related to the environmental objectives of climate change adaptation and climate change mitigation for year-end 2022. For the first two reporting years 2021 and 2022, Art. 10 (2) and Art. 7 (1) to (3) of Delegated Regulation 2021/2178 provide for a transitional arrangement, consisting of requirements merely extending to taxonomy-eligible economic activities² and not yet to taxonomy-aligned economic activities.

Based on the taxonomy disclosure requirements, the disclosed information on taxonomy-eligibility for the mandatory ratios must be based on information that is publicly disclosed by counterparties³.

The disclosure has been prepared in accordance with the mandatory reporting requirements to the extent possible:

Proportions to be disclosed in accordance with Article 8 of the EU Taxonomy regulation as of 31 December 2022	Ratios
1 Proportion of taxonomy-eligible positions	8.70%
2 Proportion of taxonomy non-eligible positions	4.74%
3 Proportion of positions to non-NFRD-eligible entities	8.44%
4 Proportion of short-term interbank loans	27.75%
5 Proportion of derivatives	2.76%
6 Proportion of trading portfolio	2.23%
7 Proportion of risk positions to central governments, central banks and supranational issuers	23.73%

Note: The above metrics are unaudited and have been prepared to the best of our ability.

¹ In 2020, the European Parliament adopted the Taxonomy regulation. It identifies activities deemed sustainable. It states that companies subject to the Non-Financial Reporting Directive (NFRD), including financial corporations, must disclose how operations align with the Taxonomy.

² "Taxonomy-compliant economic activity" means an economic activity that is described in the delegated acts adopted pursuant to Article 10 (3), Article 11 (3), Article 12 (2), Article 13 (2), Article 14 (2) and Article 15 (2) of Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

³ According to the FAQ 12 of the EU Commission dated 20 December 2021.

Quantitative and explanatory information

The figures considered are based on the balance sheet exposure published in the Annual Report 2022 (page 23). The denominator includes the amount of total assets, also including other balance sheet items such as cash or intangibles, and excluding trading book and exposures to central banks, central governments and supranational issuers. This amount reflects the total covered assets for the taxonomy eligibility and is the denominator of the ratios.

LGT's taxonomy-eligible activities amounted to 8.7 percent of total covered assets at year-end 2022. We plan to broaden the scope of mandatory reporting as data availability from our counterparties increases. With the ongoing implementation of the EU Taxonomy Regulation 2020/852 and development of market practices, the availability and quality of information is expected to improve. This may affect the basis of preparation and result in refinements in future period disclosures.

Taxonomy non-eligible activities amount to 4.7 percent of the total covered assets. This ratio does not include exposures to undertakings that are not subject to the Non-Financial Reporting Directive (NFRD), which are presented in row 3.

As a Private Banking and Asset Management Group, the area in which LGT has the greatest scope for impact is its clients' investments. We understand that the objective of the point-in-

time information is to have a clear view of the level of alignment with the Taxonomy. Our contribution to sustainability, however, lies mainly in advising our clients on investing in sustainable activities. Given this fact and the challenges associated with providing information in alignment with the EU Taxonomy, we have taken a best-effort approach for the taxonomy-eligible reporting.

Additional qualitative taxonomy information

Given that the EU Taxonomy regulation is currently under development and that data from corporates on taxonomy-aligned activities is still limited, neither taxonomy alignment nor taxonomy eligibility are being integrated into LGT's business strategy, target setting, product design and processes, nor into the bank's engagement with clients and other stakeholders.

With the extended non-financial reporting, LGT is demonstrating its commitment to further transparency in sustainability disclosure. The aim of LGT is to be a leader in the area of sustainability. LGT is focusing on the implementation of regulatory requirements and the further integration of sustainability risks into credit, risk management and back-office processes. LGT will also implement internal and external communication measures and expand the training offering for employees.

GRI content index



LGT Group Holding (LGT) has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022. For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a

manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report.

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Requirement(s) omitted	Requirement(s) omitted
GRI 1: Foundation 2021					
GRI 2: General Disclosures 2021					
The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1 Organizational details	page 6			
	2-2 Entities included in the organization's sustainability reporting	page 6			
	2-3 Reporting period, frequency and contact point	pages 6–7			
	2-4 Restatements of information	page 7			
	2-5 External assurance	page 7			
Activities and workers					
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	page 7			
	2-7 Employees	page 7			
	2-8 Workers who are not employees	page 8			
Governance					
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	page 8			
	2-10 Nomination and selection of the highest governance body	page 8			
	2-11 Chair of the highest governance body	page 8			
	2-12 Role of the highest governance body in overseeing the management of impacts	pages 8–9			
	2-13 Delegation of responsibility for managing impacts	page 10			
	2-14 Role of the highest governance body in sustainability reporting	page 10			
	2-15 Conflicts of interest	page 10			
	2-16 Communication of critical concerns	page 10			
	2-17 Collective knowledge of the highest governance body	page 10			
	2-18 Evaluation of the performance of the highest governance body	page 10			
	2-19 Remuneration policies	pages 10–11			
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	page 11			
	2-21 Annual total compensation ratio	page 11	Compensation ratio	Confidentiality constraints	Privately held company

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Requirement(s) omitted	Requirement(s) omitted
Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	page 11			
	2-23 Policy commitments	pages 11–12			
	2-24 Embedding policy commitments	page 12			
	2-25 Processes to remediate negative impacts	page 12			
	2-26 Mechanisms for seeking advice and raising concerns	page 12			
	2-27 Compliance with laws and regulations	page 12			
	2-28 Membership associations	pages 13–15			
Stakeholder engagement					
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	page 16			
	2-30 Collective bargaining agreements	page 16			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Requirement(s) omitted	Requirement(s) omitted
GRI 3: Material Topics 2021					
Materiality assessment and list of material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	page 17			
GRI 3: Material Topics 2021	3-2 List of material topics	page 18			
Client centricity					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 19–20			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 20–21			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	page 21			
	201-2 Financial implications and other risks and opportunities due to climate change	page 21			
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 21–22			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	page 22			
Natural capital					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 23–24			
Sustainable products and solutions					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 27–30			
Transparency in financial services					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 31–32			
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information labeling	page 32			
	417-2 Incidents of non-compliance concerning product and service information labeling	page 32			
	417-3 Incidents of non-compliance concerning marketing communications	page 32			
Digitalization and data protection					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 33–34			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	page 34			
Climate protection and risk management					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 35–36			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	page 37			
	305-2 Energy indirect (Scope 2) GHG emissions	page 37			
	305-3 Other indirect (Scope 3) GHG emissions	page 37			
	305-4 GHG emissions intensity	page 37			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Requirement(s) omitted	Requirement(s) omitted
Energy efficiency and renewable energy use					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 38–39			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	page 40			
	302-3 Energy intensity	page 40			
Biodiversity protection					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 41–42			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	page 42			
Circular economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 43–44			
Talent recruitment and development					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 45–46			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	page 46			
	404-2 Programs for upgrading employee skills and transition assistance programs	page 46			
	404-3 Percentage of employees receiving regular performance and career development reviews	page 46			
Employer of choice					
GRI 3: Material Topics 2021	3-3 Management of material topics	page 47			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	page 48			
Corporate culture					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 48–49			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	page 49			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 49–50			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	page 50			
	403-2 Hazard identification, risk assessment, and incident investigation	page 50			
	403-3 Occupational health services	page 50			
	403-4 Worker participation, consultation, and communication on occupational health and safety	pages 50–51			
	403-5 Worker training on occupational health and safety	page 51			

GRI Standard	Disclosure	Location	Omission		
			Requirement(s) omitted	Requirement(s) omitted	Requirement(s) omitted
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	page 51			
	403-8 Workers covered by an occupational health and safety management system	page 51			
	403-10 Work-related ill health	page 51			
Diversity, inclusion and equal opportunities					
GRI 3: Material Topics 2021	3-3 Management of material topics	pages 52–53			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	page 53			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	page 54			
Human rights in investments					
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Abbreviations

AUM	Assets under management	LGT	LGT Group Ltd.
CA 100+	Climate Action 100+	LGT CP	LGT Capital Partners
CRD V	Capital Requirements Directive V	LGT PB	LGT Private Banking
ESG	Environment, social and corporate governance	LGT VP	LGT Venture Philanthropy
ETF	Exchange-traded fund	LGT WM	LGT Wealth Management
EU	European Union	LTIS	Long-term incentive scheme
FATF	Financial Action Task Force	MiFID II	Markets in Financial Instruments Directive II
FTE	Full-time equivalent	NBAAR	New Business Activity Approval and Review
GFCC	Group Financial Crime Compliance	NZBA	Net-Zero Banking Alliance
GHG	Greenhouse gas	PCAF	Partnership for Carbon Accounting Financials
GHRCC	Group Human Resources Compensation Committee	PRB	Principles for Responsible Banking
GRIC	Group Regulatory & Investment Compliance	PRI	Principles for Responsible Investment
HR	Human Resources	SASB	Standard of the Sustainability Accounting Standards Board
HRCC	Human Resources Compensation Committee	SDGs	Sustainable Development Goals
ICAAP	Internal Capital Adequacy Assessment Process	SFDR	Sustainable Finance Disclosure Regulation
IFRS	International Financial Reporting Standards	TCFD	Task Force on Climate-related Financial Disclosures
IIGCC	Institutional Investor Group on Climate Change	UNEP FI	United Nations Environment Programme Finance Initiative
ILO	International Labour Organization	UNGC	United Nations Global Compact
ISMS	Information Security Management System		
ISO	International Organization for Standardization		
LEED	Leadership in Energy and Environmental Design		

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