



Disclosures according to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

Policies on the integration of sustainability risks (according to Art. 3)

Definition of sustainability risks

Sustainability risks are environmental, social and governance-related (ESG) events or conditions that, if they occur, could have a material negative impact on a financial product or service, such as affecting the value of an investment or impacting a company's assets, financial and earnings situation as well as reputation.

- Environmental risks are defined as financial risks arising from environmental factors and risks posed by the exposure of institutions to counterparties that may potentially be negatively affected by environmental factors, including factors resulting from climate change and factors resulting from other forms of environmental degradation.
- Social risks are risks posed by the exposure of institutions to counterparties that may potentially be negatively affected by social factors, which relate to the rights, well-being and interests of people and communities.
- Governance risks are risks posed by the exposure of institutions to counterparties that may potentially be negatively affected by governance factors, which relate to governance practices including ethical considerations, sound risk management structures, organization and functioning of the management body, and transparency.

Integration of sustainability risks

With LGT PB Fund Solutions Ltd. being a part of LGT Private Banking, sustainability is an integral part of our culture and our values. With the Sustainability Strategy 2025 we aim to further integrate sustainability into all areas of our business and across our entire product range. With our commitment to the ten UN Global Compact Principles in the areas of human rights, labor, the environment and anti-corruption, LGT Private Banking has committed to a minimum standard with regard to all ESG factors.

LGT Private Banking considers and manages relevant sustainability risks that could have a relevant material negative impact on the financial return of an investment or advice, by applying various methods. Examples include exclusion policies, the LGT Sustainability Rating, UNEP FI's Principles for Responsible Banking, our commitment to net-zero emissions and the LGT Code of Conduct.

We systematically exclude investments with significant ESG risks. Our exclusion policies apply to LGT Private Banking as a whole, to its trading book and to all mandates managed by LGT Private Banking. To mitigate environmental risks and combat climate change, LGT Private Banking excludes companies involved in harmful fields defined by LGT. More information on the exclusion policies can be found here (www.lgt.com/en/sustainability/sustainable-investments).

In addition to our exclusion policies, we manage sustainability risks by applying minimum ESG standards based on the LGT Sustainability Rating in our investment decision-making process. With our proprietary LGT ESG Cockpit, which sources raw data from different ESG data providers, we apply the LGT Sustainability Rating to assess the sustainability quality of companies, countries and supranational organizations (equities, bonds, funds and ETFs). The LGT Sustainability Rating ranges from one to five stars, with one star indicating the lowest and five stars the highest sustainability quality. We believe that a low sustainability quality of investment instruments is an indicator of high sustainability risk, which could have a negative impact on financial returns.

In addition, LGT Private Banking is a signatory to the UNEP FI's Principles for Responsible Banking, according to which we have to measure the impact of our investments on the Sustainable Development Goals and the Paris Agreement. By developing methods to measure the impact of our activities we will further mitigate ESG risks in our core business.

Climate change is one of the most pressing challenges we face today, and LGT Private Banking has therefore committed to becoming operationally net zero by 2030.

The LGT Code of Conduct serves as a policy for all LGT employees and the Foundation Board members. It defines cornerstones for our shared value system and our ethical and professional standards. For example, to mitigate social risks, the LGT Code of Conduct stipulates that we offer equal opportunities for employment and promotion irrespective of gender, age, religion, nationality, ethnic background, sexual orientation, marital and family status, physical abilities or other characteristics.

LGT Private Label Fund business

Where LGT PB Fund Solutions Ltd. provides investment fund solutions to external third parties and delegates the investment decisions to a non-LGT entity, the development and implementation of the investment strategy and investment policy for such investment funds ("Private Label Fund", which is not considered a LGT product) is performed by an external party which may not adhere to the above or have no comparable standards in place. While providing the external party with the highest possible discretion and flexibility related to the investment decisions, we aim to promote sustainability to the best of our abilities.

LGT PB Fund Solutions Ltd. shall require its delegates to take into account sustainability risks in their investment decisions and encourage the external parties to consider sustainability aspects in the overall investment process. LGT PB Fund Solutions Ltd. shall provide LGT sustainability policies and standards to its delegates. Whenever a conflict with the LGT Code of Conduct is identified, the external party is informed that the action taken will be in breach of LGT standards.

In addition, LGT PB Fund Solutions Ltd. defines exclusion criteria which are considered before services are provided to external third parties and which determine whether a certain project may or may not be pursued. Whenever a conflict with LGT standards is identified, the project or business relationship shall be discontinued.

Due diligence policies on principal adverse impacts (according to Art. 4)

Principal Adverse Impact statement

LGT PB Fund Solutions Ltd. being part of LGT Private Banking, considers principal adverse impacts (PAI) of its investment decisions on sustainability factors. Detailed information can be found here (www.lgt.com/en/sustainability/sustainability-framework).

Remuneration policies to integrate sustainability risks (according to Art. 5)

Remuneration policy disclosure statement

LGT PB Fund Solutions Ltd. being part of LGT Private Banking reflects sustainability aspects in its remuneration policy. Detailed information can be found here (www.lgt.com/en/sustainability/sustainability-framework).