



Brussels, 6.4.2022
C(2022) 1931 final

ANNEX 4

ANNEX

to the

Commission Delegated Regulation (EU) .../...

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1,2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: International Sustainable Model Portfolio Service Legal entity identifier: N/A

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments*]*

Yes

No

It made **sustainable investments with an environmental objective**: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: ___%

It **promotes Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 94% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met? *[list the environmental and/or social characteristics promoted by the financial product. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed. For financial products that made sustainable investments with social objectives, list the social objectives]*

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The table below shows all sustainability indicators used for this mandate. It furthermore details on what level the indicators are applied, for which asset classes and if they promote environmental, social, or both characteristics. The portfolio meets the environmental and social characteristics it promotes if it meets all thresholds defined for every indicator. The sustainability indicators used for this mandate are currently not subject to a third-party assurance.

Application level	Asset class	Indicator type	Indicator description	Characteristic met? As at 31 st of October 2023	
Instrument	Equities, corporate bonds	Social	Ties to controversial weapons	✓	No companies that generated more than 0.1% of their revenues from the manufacture, storage and delivery of controversial weapons were included within the portfolio.
Instrument	Equities, corporate bonds	Environmental	Coal production or generation of power from coal	✓	No companies involved in mining thermal coal with revenues exceeding 5% of total revenue have been included in the portfolio. Additionally, no companies have been included that contribute more than 1% of global annual thermal coal production.
Portfolio	Equities, corporate bonds,	Env. & Soc.	The portfolio's asset-weighted average LGT Sustainability Rating	✓	The portfolio's asset weighted average LGT Sustainability rating remained in the above average category with the score sitting at 7.6/10.
Portfolio	Equities, corporate bonds,	Governance	The portfolio's asset-weighted average Governance Score through LGT WM's proprietary Intentionality Score	✓	The portfolio's average intentionality rating is 3.31/5, the assets scoring above 2 which is deemed "Some ESG integrated" is 76.5%, the coverage of this score 100%.
Portfolio	Equities, corporate bonds	Environmental	The portfolio's asset-weighted average greenhouse gas emission intensity is below the same intensity of the MSCI ACWI index	✓	The portfolio's weighted scope 1 + 2 WACI was 60.11, lower than the MSCI ACWI's scope 1 + 2 WACI (130.73), thus meeting this indicator.
Instrument	Equities, corporate bonds	Social	Ties to adult entertainment	✓	The portfolio has nil revenue derived from pornography or adult entertainment.

Instrument	Equities, corporate bonds	Social	Monitoring and excluding any companies that derive more than 5% of revenue from alcohol production and any businesses that derive more than 25% of revenue from the sale of alcohol.	✓	The portfolio has no product involvement towards the production of alcohol or the supply of alcohol-related products/services to alcoholic beverage manufacturers.
Instrument	Equities, corporate bonds	Social	We exclude companies with revenues over 0.1% derived from the production of tobacco or with revenues of 10% derived from the distribution of tobacco	✓	The portfolio has no product involvement with revenues derived from the production of tobacco.
Instrument	Equities, corporate bonds	Social	We actively screen and monitor companies that earn more than 5% of their revenues from gambling activities.	✓	The portfolio has no direct product involvement towards gambling nor does the portfolio have any indirect involvement such as a company that provides supporting products/services to gambling operations, such as gambling technology or credit lines.

● **How did the sustainability indicators perform?**

For this financial product, 94% of the assets held had no significant negative contribution to the SDGs mentioned above as of 31 October 2023 thus 94% of the financial product did no significant harm to the environmental and social objectives above.

● **...and compared to previous periods? [include for financial products where at least one previous periodic report was provided]**

Currently no previous reporting period available as this as this is the first reporting period since the release of the first Pre-Contractual Disclosure

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives? [include for financial products that made sustainable investments, where not included in the reply to the above question, describe the objectives. Describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed]**

“Sustainability-related investments” include all investments with environmental and social characteristics and sustainable investments.

The sustainable investments in this product intend to make a contribution to the Sustainable Development Goals (SDGs) (“the objectives”) as set out by the United Nations in the 2030 Agenda for Sustainable Development. The investments contribute to one or more environmental and/or social objective by generating a proportion greater than zero of their annual sales with one or more economic activities that are deemed to contribute positively to at least one of the objectives below.

To establish the proportion of these contributing economic activities, data from a third-party provider are used which categorises the companies’ products and services using 300+ different standard categories, each having various contributions to different objectives. These contributions are expressed using dimensionless numbers ranging from -10 (very negative contribution) to 10 (very positive contribution), with zero indicating no particular contribution identified.

No.	Objective	Asset class	Objective type
1	End poverty in all its forms everywhere	Equities, corporate bonds	Social
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Equities, corporate bonds	Social
3	Ensure healthy lives and promote well-being for all at all ages	Equities, corporate bonds	Social
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Equities, corporate bonds	Social
5	Achieve gender equality and empower all women and girls	Equities, corporate bonds	Social
6	Ensure availability and sustainable management of water and sanitation for all	Equities, corporate bonds	Environmental
7	Ensure access to affordable, reliable, sustainable and modern energy for all	Equities, corporate bonds	Social
11	Make cities and human settlements inclusive, safe, resilient and sustainable	Equities, corporate bonds	Social
12	Ensure sustainable consumption and production patterns	Equities, corporate bonds	Social
13	Take urgent action to combat climate change and its impacts	Equities, corporate bonds	Environmental
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Equities, corporate bonds	Environmental
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Equities, corporate bonds	Environmental
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Equities, corporate bonds	Social
17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Equities, corporate bonds	Social

The financial product looks to invest in four key themes with positive contributions towards the following 4 areas and 11 SDGs:

- **Healthcare and societal wellbeing**, linking to SDGs 2 zero hunger, SDG3 Good health and wellbeing, and SDG 11 Sustainable communities and cities
- **Financial inclusion and education**, SDG 8 Decent work and Economic growth, SDG 5 Gender Equality, SDG 10 Reduced Inequality
- **Circular economy and resources**, linking to SDG 15, Life on land, SDG 12 Responsible consumption and production and SDG 6 Clean water and sanitation
- **Climate and environmental action**, SDG 7 Affordable and clean energy, SDG 11 Sustainable Cities and communities, SDG 13 Climate action.

Across the sustainability-related investments, the financial product’s positive contribution to the 4 areas above were as follows:

Area	% of positive contribution to UN SDGs
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Healthcare and societal wellbeing	60%
Financial inclusion and education	3%
Circular economy and resources	10%
Climate and environmental action	28%

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective? [include where the financial product includes sustainable investments]

To prevent sustainable investments that might cause significant harm to any environmental or social investment objectives, a conservative approach was pursued for this product: any investment that had a highly negative contribution to any of the objectives mentioned above were not counted as sustainable investments.

How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for adverse impact on sustainability factors according to Commission Delegated Regulation (EU) 2022/1288, Annex I, were either included into the LGT Sustainability Rating (S-Max) or in the sustainability indicators of this financial product (including listed equities and corporate bonds). The adverse sustainability indicators were considered through the monitoring and running of our LGT Sustainability Rating (S-Max) which incorporates 84% of the PAIs set out in the Pre-Contractual Disclosures.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

This financial product ensured alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights by excluding any investment into companies which severely violated one or more of the ten principles of the United Nations Global Compact. Severe violations were established based on data from a third-party provider and in-house quality checks of this data. Any additions or deletions of the companies on this list were approved by an internal sustainability committee.

How did this financial product consider principal adverse impacts on sustainability factors? *[include section if the financial product considered principal adverse impacts on sustainability factors]*



[Include a statement for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any

The indicators for adverse impacts on sustainability factors according to Commission Delegated Regulation (EU) 2022/1288, Annex I, were either included into the LGT SMax rating or in the sustainability indicators of this financial product (included listed equities and corporate bonds). The adverse sustainability indicators were considered by setting minimum thresholds for the LGT Sustainability Rating (S-Max) tool and in the sustainability indicators of this mandate for each investment.



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
<i>Trojan Ethical fund</i>	-	<i>7.50%</i>	-

<i>Blackrock Institutional Sterling liquidity fund</i>	-	7.00%	-
<i>TwentyFour Sustainable Short Term Bond Income fund</i>	-	6.50%	-
<i>Janus Henderson Horizon Global Sustainable fund</i>	-	6.00%	-
<i>Lazard Global Sustainable Equity fund</i>	-	6.00%	-

The breakdown cannot be reported in this format as the investments are made in mutli asset funds, each with separate constituents.



What was the proportion of sustainability-related investments?

Proportion of the investments aligned with E/S characteristics at the end of the period covered by this periodic report: 94.48%

● **What was the asset allocation?**

Asset allocation describes the share of investments in specific assets.

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

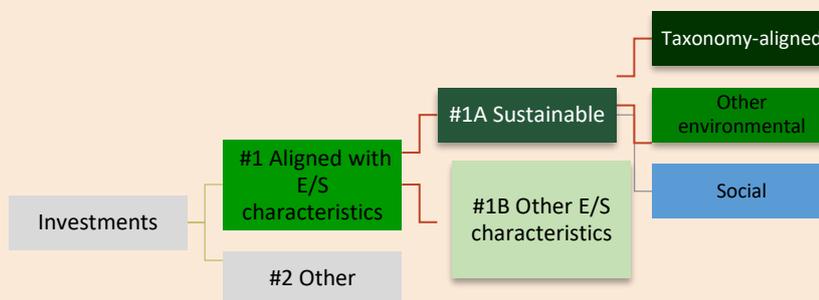
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product made sustainable investments]

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Asset allocation describes the share of investments in specific assets

● **In which economic sectors were the investments made?**



The portfolio is made up of both sovereign bond funds which do not have economic sectors applicable to them, and funds investing in direct equities. The largest equity holding, Lazard Global Sustainable Equity fund’s economic sector breakdown is:

- **Basic materials 3.1%**
- **Consumer cyclical 2.4%**
- **Financial services 9.5%**
- **Real Estate 1.1%**
- **Consumer Defensive 2.7%**
- **Healthcare 25.7%**
- **Industrials 24.8%**
- **Technology 30.7%**

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy? *[include section for the financial products referred to*

in Article 6 , first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 51 of this Regulation]

The product did not invest in line with the EU taxonomy regulation’s definition of environmental economic activities.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

Yes No

In fossil gas

In nuclear energy

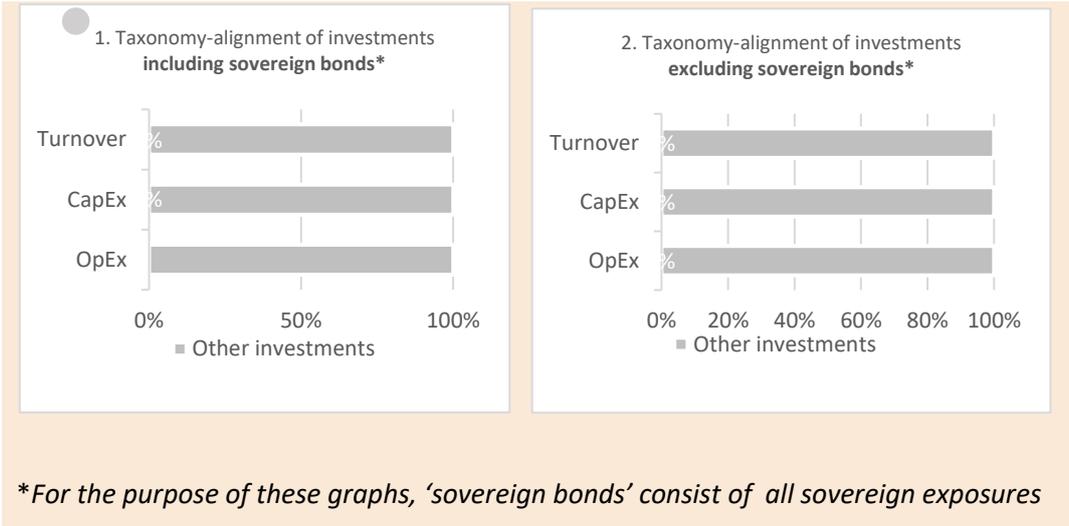
For the financial product, there were no investments in fossil gas and/or nuclear energy related activities complying with the EU taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

‘Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note above. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What was the share of investments made in transitional and enabling activities? [include a breakdown of the proportions of investments during the reference period]

Portfolio as of 31.10.2023

Share of investments made in transitional activities	0%
Share of investments made in enabling activities	0%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?** [include where at least one previous periodic report was provided]

There is no previous reference period as this is the first reporting period since the release of the first Pre-Contractual Disclosure



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? [include section only for the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852 where the financial product included sustainable investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities, and explain why the financial product invested in economic activities that were not Taxonomy-aligned]



The product did not invest in line with the EU taxonomy regulation's definition of environmental economic activities.

What was the share of socially sustainable investments? [include only where the financial product included sustainable investments with a social objective]

The share of socially sustainable investments was 63%.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?



The purpose of the investments included under “other” was to reflect the asset allocation. This asset allocation needs to be followed. The binding allocation could be reached by investments in funds, ETFs, or single investments that may not adhere to the sustainability indicators in every case.

1. Buy-in of niche market-related expertise: We also allocated money to emerging market (equity and fixed income). It could be challenging to select sustainable investments in this region, or even impossible
2. Buy-in of special knowledge: Overarching sustainability topics like “water” are linked to migration, climate, food, sanitation, etc. and hence play an important role in overcoming sustainability-related challenges. LGT sources in this knowledge by investing in actively managed third party funds for this end.

Minimum environmental and social safeguard checks were thoroughly conducted by the Fund Research Team prior to investing in third-party vehicles. LGT exclusions on controversial weapons and thermal coal applied in any case and in addition at least an ‘average’ sustainability quality.

The displayed and calculated values of the financial instruments and the composition of the portfolio correspond to the current portfolio structure at the time of delivery of this reporting. The following reasons may be listed under certain circumstances as the cause of possible deviations from the target values of a portfolio: Ongoing mandate set-up, strategy change, mapping of individual instructions as well as ongoing transactions.

What actions have been taken to meet the environmental and/or social characteristics during the reference period? *[list the actions taken within in the period covered by the periodic report to meet the environmental or social characteristics promoted by the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the environmental or social characteristics promoted by the financial product]*



- The decision of the Investment Committee regarding the strategic asset allocation took environmental and social characteristics into account
- The initial stock screening and periodical supervision of instruments in the portfolio including environmental and social characteristics
- The portfolio was checked on a daily basis if it met its specific environmental and social characteristics
- Shareholder engagement for instruments in scope

How did this financial product perform compared to the reference benchmark? *[include section where an index has been designated as a reference benchmark for the purpose of*

attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]

Not applicable because no index had been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● **How does the reference benchmark differ from a broad market index?**

Not applicable because no index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable because no index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● **How did this financial product perform compared with the reference benchmark?**

Not applicable because no index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

● **How did this financial product perform compared with the broad market index?**

Not applicable because no index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product.

[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Disclaimer

This Periodic Disclosure is published by LGT Wealth Management UK LLP “the Discretionary Investment Manager” on 31 December 2023. The data points contained within this statement are considered to be accurate as at the date of publication and presented in accordance with the template set out in Annex IV of the Commission delegated Regulation (EU) 2022/1288.

Following publication, it is anticipated that the data points contained in this statement may be subject to change or may not be attained. The Discretionary Investment Manager will do their utmost in their capacity to align to these guidelines but in the event this does not happen LGT Wealth Management UK LLP will disclose this in the next periodic disclosure.

