LGT Wealth Management

Sustainable investing

Together, small changes can have a large impact



Forward-looking
for generations



Cover image
Bauer brothers, Hortus Botanicus, detail from "Lilium candidum L.", c. 1778.
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Inside the Princely Collections

For more than 400 years, the Princes of Liechtenstein have been passionate art collectors. The Princely Collection is the result. Comprising more than 1,600 paintings, the collection is made up of masterpieces ranging from the early Renaissance to the second half of the nineteenth century. It is one of the world's major private art collections. While the idea of promoting fine arts for the general good enjoyed its greatest popularity during the Baroque period, the House of Liechtenstein continues to pursue this goal to this day.

At LGT, we take inspiration from the art in the Princely Collections. For us, the collection embodies the values that form the basis of all successful partnerships: expertise, reliability and a long-term focus. Just like the experts who care for the masterpieces, our team of professionals diligently curate the wealth of our clients. By drawing upon this rich heritage, LGT has honed wealth management to an art.

Craft

The art of wealth management

Rooted in more than 900 years of family ownership, LGT combines enduring values with investment expertise. Like an artist perfecting their craft, we apply our deep understanding of financial markets, investment strategies and economic trends to help clients achieve their objectives.

> **“We want to create long-term value – for our clients as well as for society and the environment.**
>
> H.S.H. Prince Max von und zu Liechtenstein, Chairman LGT





> **It is increasingly evident that financial and investment risk is influenced by factors such as climate change, labour practices and strength of corporate governance.**
>
> Phoebe Stone, Chief Sustainability Officer

Our commitment to sustainable investing

Dear Reader,

We believe the transition to a more sustainable future requires the active participation of financial markets. By allocating capital thoughtfully, investors can help support businesses that are prioritising sustainability to generate long-term value.

For our owner, the Princely Family of Liechtenstein, thinking and acting with a view to the future has been important for generations. That long-term perspective is deeply rooted in LGT's culture today. We seek to generate strong investment outcomes while contributing positively to society, the environment and future generations.

Addressing climate change requires urgency as well as ambition. Time is one of our most precious assets, which is why we have set ambitious sustainability goals. Through our Climate Ambition, we aim to reduce CO_2 emissions from our business operations, while continuing to support both nature-based and innovative technology-based carbon removals.

For our clients, we offer a sustainable investment service designed to help align financial objectives with sustainability opportunities, while maintaining a robust approach to risk management. We develop solutions with a strong focus on innovation and continuous analysis, so that they can evolve with changing market conditions. As your dedicated partner, we are committed to transparency and to reporting regularly on our progress.

We aim to build lasting relationships founded on trust, shared purpose and a long-term perspective. We look forward to supporting you in the next stage of your investment journey.

Yours sincerely,



Phoebe Stone
Chief Sustainability Officer
LGT Wealth Management

Nurturing a sustainable legacy

By combining our heritage, investment expertise and 360-degree approach to sustainability, we aim to help clients achieve enduring financial outcomes while contributing to a more resilient future.

Our sustainable legacy

900+ years

Long-term thinking

For more than nine centuries, the Princely Family of Liechtenstein has built, preserved and passed on assets and responsibilities across generations. As the owner of LGT, the family applies the same philosophy to our business and to the way we invest on behalf of clients.

Credible action

Starts with us

We believe sustainable investing begins with our own actions. Across LGT Group, we embed environmental and social considerations into the way we operate - from managing our own footprint and responsible procurement to supporting the wellbeing and development of our people.

These same principles guide how we analyse companies, construct portfolios and exercise stewardship on behalf of our clients.

The next chapter

Together

The transition to a more sustainable economy is reshaping markets, technologies and society. We believe resilient investment outcomes depend on strong environmental, social and economic systems.

As a family-owned business, we are committed to being a responsible steward of your capital, helping you navigate change while investing with a long-term perspective.

> **Long-term thinking today creates opportunities for tomorrow.**

Phoebe Stone, Chief Sustainability Officer



Our 360 Report

Our 360 Report provides a holistic view of how we approach sustainability across investments, operations and people. This considers how we are building resilience across natural systems, societies and our own operations – from water, food and energy systems to workplace wellbeing, digital inclusion and philanthropy. It brings together our thinking on cleaner economies and healthier societies, and illustrates how we put our sustainability commitments into practice across LGT.

Evolution of the economic model

Through our investment process, we look to identify businesses that align with a more resilient and productive world.

Evolving the model: system change

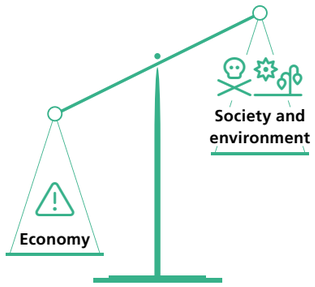
Whilst the dominant socioeconomic model of the last century has created wealth and social progress, it has also created imbalances that have resulted in significant societal, environmental and economic challenges.

In recent years, there has been increasing recognition that we can only fully address these challenges by adapting the model to manage the relationships between society, the environment and the economy more effectively.

Our investment process seeks to identify businesses positioned to adapt and thrive as the system evolves. We believe these businesses are better placed to manage the risks and opportunities connected to economic change.

Evolving the model

Traditional model
Unbalanced and unsustainable



System change

- Political forces
- Societal forces
- Market forces

Sustainable model
Balanced and mutually enforcing



We seek to invest in companies helping to build a more resilient and productive world, supporting long-term prosperity.



Sustainability risks covering environmental, social and governance factors represent material financial risks that can affect the long term value and resilience of businesses.

We believe companies providing solutions for a more sustainable economy, and those managing their own footprint well, may be better placed to strengthen competitive advantage in a changing landscape. By contrast, companies with weak sustainability management or products that exacerbate today's challenges may face greater long-term risk.

Identifying attractive opportunities therefore requires a broader assessment of Sustainable Value Creation (SVC): how positive sustainability characteristics can support stronger financial outcomes over time.

By focusing on SVC, investors can seek to benefit from the shift to a more sustainable economic model while contributing to it. As with all investing, however, risk remains and positive returns or capital preservation cannot be guaranteed.

Sustainable value creation

Robust financial analysis
An assessment of financial strength is at the core of the investment decision

Holistic sustainability assessment
Material sustainability factors are central to determining risks and opportunities



Long-term mindset
Understanding economic, societal and environmental dynamics requires a long-term approach

Active ownership
We use our voice for change, through voting and active engagement

We believe you do not need to compromise on returns to invest sustainably.

Our sustainable investment framework

We translate our focus on sustainable value creation into investable opportunities, centred on healthier societies and cleaner, more resilient economies.

A healthy society is one that can treat disease, keep people safe and well, foster inclusive cultures and widen economic opportunity. A cleaner economy relies on less polluting energy sources and on re-thinking production and consumption so natural resources are used more responsibly.

Across these two structural megatrends, we have identified four investment pillars that guide our research, portfolio management and stewardship. These pillars help us assess both what a company sells and how it operates, enabling us to distinguish between activities that support sustainable progress and those that hinder it.

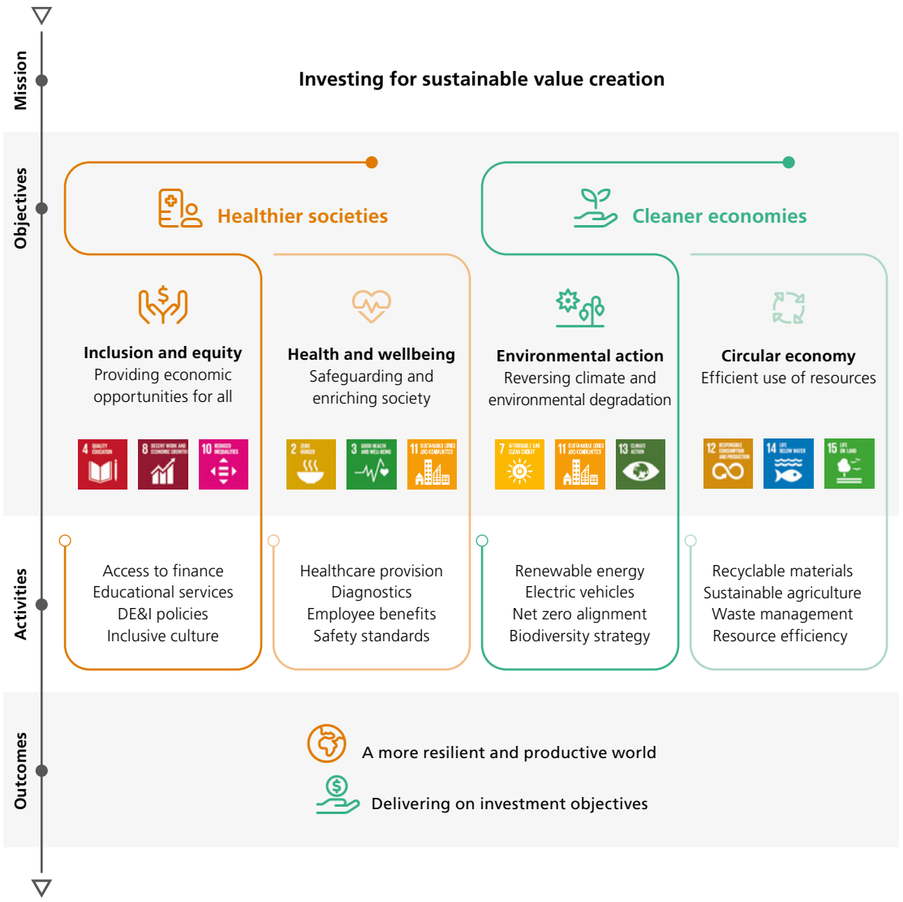
We also recognise the UN Sustainable Development Goals as an important global reference point for understanding the challenges ahead and for showing how private capital can contribute.



Aligned with the SDGs

In 2015, the United Nations set out their framework for achieving a more sustainable and equitable future by 2030, addressing a wide range of global challenges including poverty, inequality, climate change, peace and justice. The Sustainable Development Goals (SDGs) are guiding principles for countries, not companies, but they ultimately require the deployment of private capital and the contribution of companies and individuals around the world.

UN SDGs in action: our sustainable investment framework



Identifying investment opportunities

We take a holistic view assessing the positive attributes of an investment while also identifying potential weaknesses, unintended consequences, and trade-offs.

Human-led research, supported by data

Our research is grounded in in-depth, human-led analysis. We recognise that sustainability considerations are nuanced, complex and constantly evolving.

Data plays an important supporting role by providing valuable insights. Our in-house sustainability tool, which we continuously enhance, allows us to assess not just what a company does, but how it does it. This includes a focus on the issues most material to each business, such as operational footprint, revenue-related impact and climate-related risks. While rapid innovation is increasing the role of data-driven tools, we remain mindful of their limitations and do not rely on them in isolation.

Central to our approach is integrating sustainability analysis with financial considerations. Bringing these perspectives together is essential to helping our clients achieve both their sustainability objectives and long-term financial goals.

Research analysis

Our sustainable research process is adaptable across different types of investments, but it is fundamentally built around three core aspects. Each is essential and, together, they create a comprehensive view of an investment's sustainability profile.

- **Intentionality** – lasting positive outcomes require clear intent. We look for investments with a defined purpose and objective, focused on delivering meaningful positive sustainable and financial outcomes.
- **Integration** – once intentionality is established, we evaluate whether the investment has a coherent strategy and the necessary resources to achieve its objectives effectively.
- **Impact** – finally, we assess the tangible outcomes of an investment by examining the products and services it provides, as well as its operational footprint. This allows us to determine how successfully its strategy translates into real-world outcomes.

Our framework provides the consistency and flexibility to identify new opportunities, while continually reviewing existing holdings to ensure portfolios remain well positioned for our clients..

> "In the fast-moving world of sustainability, we believe our commitment to innovation can enhance client outcomes.

Jordan Kelly, Sustainable Investing Lead



Principles guiding our investment approach



Driving progress through sustained engagement

As a discretionary investment manager, we are long-term stewards of your wealth. Part of this responsibility involves using our voice through the shares and assets we own on your behalf to help influence positive change.

Embedding active ownership in our investment process

We view stewardship as a core part of our investment process. Our dedicated global stewardship team sits as part of our investment team, as they look to deliver greater value from the investments we hold for clients. Every company is on a journey, and our job is to make sure the investments we hold for you keep moving in the right direction: protecting and enhancing their value throughout the time we own them. We believe effective stewardship can contribute to stronger investment outcomes through voting, direct and collaborative engagement and public policy advocacy. Together with our research analysts and portfolio managers, our stewardship team identifies risks and opportunities connected to an underlying investment. Jointly, these individuals engage with management teams as they look to enhance the resilience of long-term investment returns.

LGT invests across various asset classes, sectors and geographies, allowing clients to capitalise on a wide range of market opportunities while minimising reliance on individual investment performance. However, despite these diversification benefits, the portfolio can be exposed to systemic risks such as climate change and social inequality.

To address these risks, we employ a stewardship strategy that considers risks and opportunities across a range of interconnected themes, from governance and climate change to fairer societies, nature and biodiversity. This approach enables us to engage with companies and collaborate with stakeholders across value chains to support long-term value creation.

Our thematic framework

Strong and robust governance

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

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

Nature and biodiversity
LGT considers nature a fundamental tool for maintaining healthy ecosystems and helping to limit climate-related risks

Partner organisations

Climate Action 100+ · IIGCC · Mining 2030 · FAST Finance Against Slavery & Trafficking · advance · Find it, Fix it, Prevent it · 30% Club · Finance for Biodiversity Pledge · FAIRR · Nature Action 100

Stewardship in action: NextEra Energy (Fairer societies engagement)

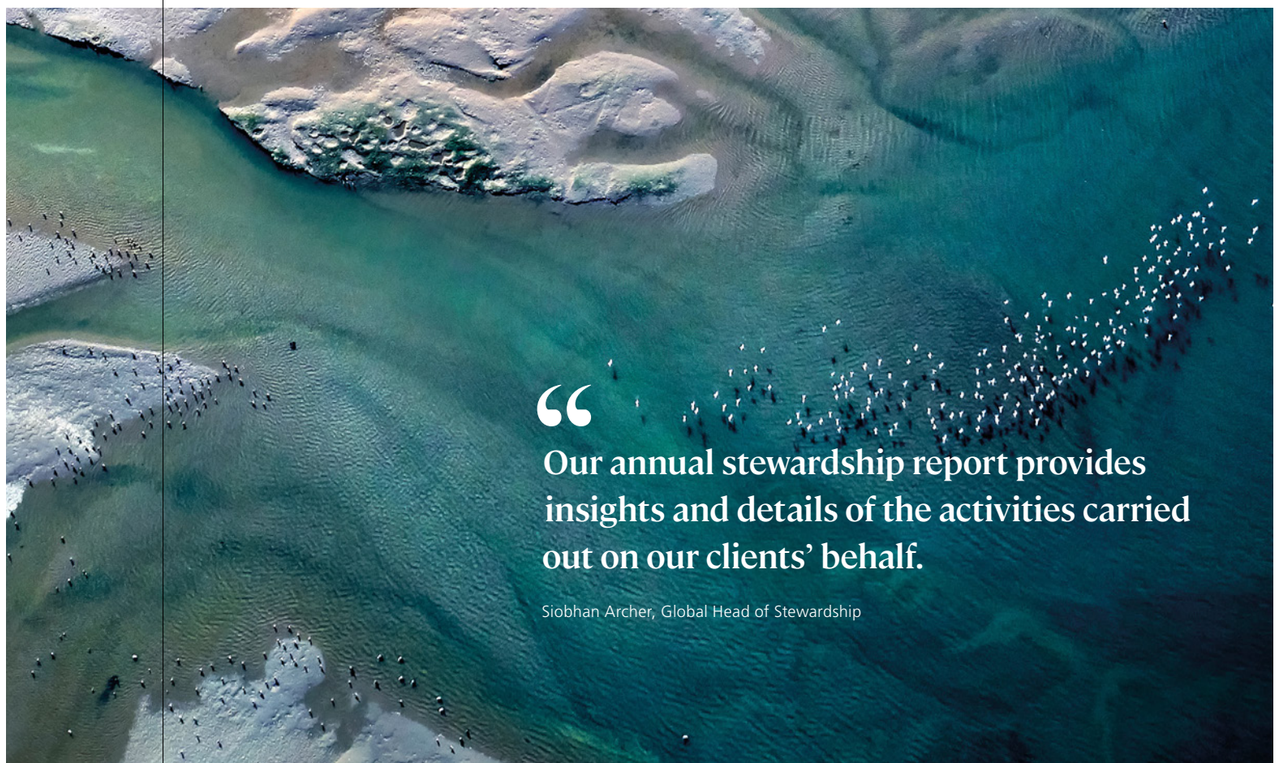
NextEra Energy is one example of our stewardship in action. It is one of the largest electric utilities in the United States and the world's largest generator of wind and solar power, making it a critical player in the global energy transition and a significant long-term holding.

Building renewable energy infrastructure at scale is not without complexity. Large-scale wind and solar development often takes place on or near land with sensitive cultural and Indigenous significance, creating real risks around permitting delays, community opposition and reputational damage if not managed carefully. For a company of NextEra's size, getting this right is not just an ethical consideration, it is a material one.

Since 2022, LGT has engaged with NextEra as part of a global investor coalition through PRI Advance, encouraging the company to increase transparency and align with international standards on human rights and land use. After sustained dialogue with investors, NextEra published its first public Human Rights Policy in late 2025, establishing clearer governance expectations for its contractors and partners across its supply chain.

This is a meaningful step forward. Our engagement with the company remains ongoing as we continue to monitor implementation and push for further progress.

NOTE: Companies referenced are for illustrative purpose only and not a recommendation to buy or sell.



Building a portfolio

Our approach to asset selection and capital allocation is informed by our sustainable investment framework and our broader views on markets and the economy. Within this approach, we seek opportunities aligned with the themes of cleaner economies and healthier societies.

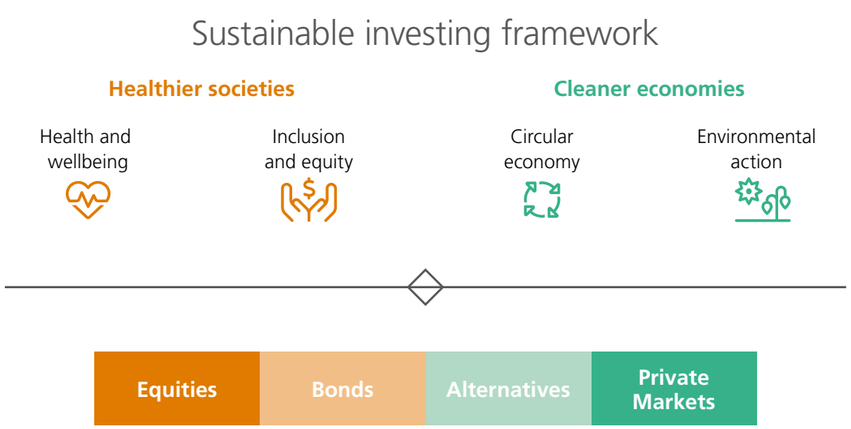
Diversified asset approach

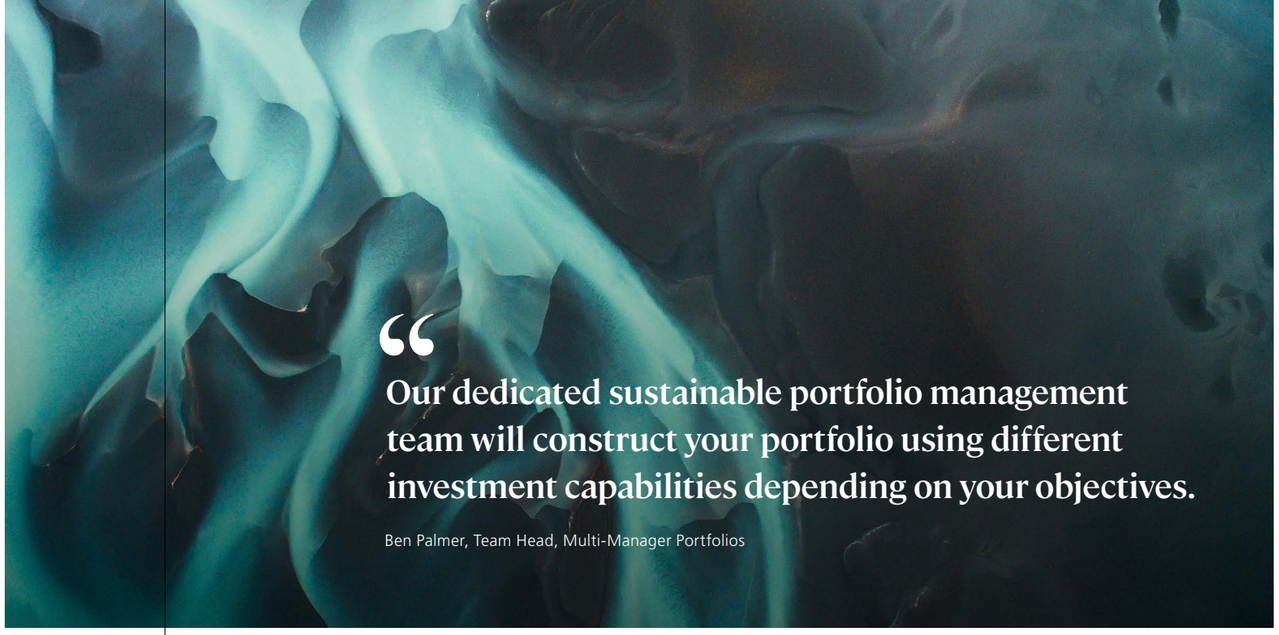
We invest in a range of different asset classes for clients, building diversified portfolios designed to navigate changing market cycles. We invest in equities, bonds, alternative assets and, for specific client types, private markets.

Investment ethos

We construct bespoke portfolios that combine each client's objectives, risk profile and time horizon with our investment outlook and sustainable framework. Our deep resource and broad implementation options allow us to meet diverse client requirements, incorporating considerations such as diversification, levels of impact and stewardship. Delivery against a client's objectives can be assessed through the ongoing reporting and review process.

Portfolio building blocks





Portfolio building blocks

Equities

We invest in businesses with strong financial characteristics that are aligned to our sustainable investment framework. Businesses can evidence alignment through the effective management of their environmental, social and governance footprint and through the impact of the products and services they provide. We seek to avoid businesses with poor management and products or services that have a materially negative impact.

Bonds

We invest in bonds issued by businesses that align with our equity selection criteria, as well as in government bonds issued by countries with strong democratic, legal and social institutions, where government expenditure is largely focused on social provision. We also invest in labelled bonds, such as green or social bonds, issued by businesses and governments. These bonds finance projects with tangible positive environmental and social impact.

Alternative assets

These are investments that provide diversification from equities and bonds, while still being aligned to our sustainable investment framework, for example in green energy infrastructure or responsibly mined gold.

Private markets

For certain clients, we are able to offer private market investment opportunities with a long-term secular growth profile, and with the potential for the creation of positive impact. Private market investments can involve committing capital for periods of up to 8 to 10 years+.

Investment principles

- Invest with conviction in long-term sustainable growth themes, backing high-quality, resilient businesses that can deliver impact at scale.
- Combine sustainability ambition with rigorous fundamental analysis, valuation discipline and robust risk management.
- Stay selective and avoid hype-driven opportunities, focusing on measurable outcomes aligned with LGT's sustainability principles.

Applying our sustainable framework

For every investment held in a sustainable portfolio, we conduct intentionality, integration and impact analysis. Here are some examples in practice.

Ecolab

Intentionality

Ecolab's mission is to be a global sustainability leader "protecting what's vital". Ecolab addresses a large unmet need for industrial and commercial water efficiency and safe hygiene, particularly through its wastewater and industrial water-treatment.

Integration

Ecolab's investments are heavily focused on water-use efficiency, reuse and recycling to deliver a 40% reduction in its own water impact per unit of output by 2030 and delivering new solutions to their customers. Research & Development is significant at over USD 190m annually.

Impact

Ecolab's impact is primarily enabling and delivering measurable resource and health outcomes for customers. Against their 2030 targets, they have helped customers save 226 billion gallons of water, avoid 4.6 million metric tons of GHG emissions, and protect 1.7 billion people from foodborne illnesses and infections. The company have also committed to being a net zero company by 2050.

Bazalgette (Tideway Tunnel)

Intentionality

Tideway was created to reduce sewage pollution in the River Thames. Through the construction of the Tideway Tunnel, the project aims to prevent millions of tonnes of sewage from entering the river, improve water quality and support a healthier river ecology. Its target is a 95% reduction in sewage pollution compared with previous levels.

Integration

Bazalgette issues specialised bonds directly aligned with that objective. Proceeds are earmarked for green investments and for the construction of the Tideway Tunnel, linking the financing mechanism closely to the environmental outcome.

Impact

Tideway's expected impact is clearly measurable. Sewage discharges into the Thames are projected to fall from more than 50 a year to four or fewer. The project is also expected to deliver a reduction of around 70 000 tCO_2e against its predicted carbon footprint and to create 4 000 sustainable jobs.

NOTE: Companies referenced are for illustrative purpose only and not a recommendation to buy or sell.

Ecolab impact[1]

Saved customers 226 billion gallons **To date**

40% reduction in water impact **By 2030**

Net zero **By 2050**

Bazalgette impact

Sewage discharges fall from more than 50 a year to **4 or fewer**

Expected to deliver a reduction of around **70 000 tCO_2e**

To create 4 000 **sustainable jobs**

[1] Source: Ecolab 2025 Growth and Impact Report



Private market investments

For specific client types, we use our sustainable investing framework to access highly impactful private markets instruments that deliver specified impact objectives.

Private market investments

For LGT Wealth Management clients with an appropriate risk-return appetite, and the capacity to commit capital to longer-term, illiquid assets, our sustainable investing framework can provide access to Private Market investments that are designed to deliver a combination of attractive financial returns and positive environmental and social outcomes.

Our Impact-focused Private Market portfolio building process begins with a detailed fact-find discussion to help our clients identify and prioritise their financial and impact-related preferences and priorities, and to establish realistic and achievable goals.

Once these objectives have been identified, our specialist advisers can then prepare a portfolio building proposal with a recommendation about the combination of in-house and third-party investment funds that we believe to be best suited to delivering the targeted outcomes.

Multi-decade internal experience

Founded in 1988, LGT Capital Partners is an alternative asset investment platform with over USD 110 billion in assets under management, and 900 staff across 16 offices around the world. Owned by the Princely Family of Liechtenstein and chaired by H.S.H. Prince Max von und zu Liechtenstein, LGT Capital Partners has a strong track record in the provision of impact related investment advice to major financial institutions, endowments and sovereign wealth funds. A carefully curated selection of its funds and products is also made available to clients of LGT Private Banking.

Lightrock is LGT Group's impact investment fund manager. Originally established by the Princely Family of Liechtenstein in 2009, it now has USD 5.8 billion in assets under management and a team of 120 investment professionals in five offices across Europe, Asia and the Americas. Its impact investment funds commit capital to well-established, fast-growth companies with technology-enabled business models that are seeking to address environmental and social challenges at scale, and with clearly measurable outcomes.

Extensive access and broad internal platform

External access to extensive, globally located specialist thematic investors

Access and connectivity to resources, expertise and experience across our broad internal platform through LGT partner companies





Growing network of external managers

In addition to this well established in-house expertise, our Private Market clients are also provided with the opportunity to consider impact-focused investment funds from a broad range of external specialists in areas including energy transition, healthcare and life sciences, sustainable food and agriculture, and education and professional training.

Investing in change
Catalytic capital investment in businesses delivering impactful outcomes.

ESG as standard
We conduct ESG assessments as part of our standard due diligence process.

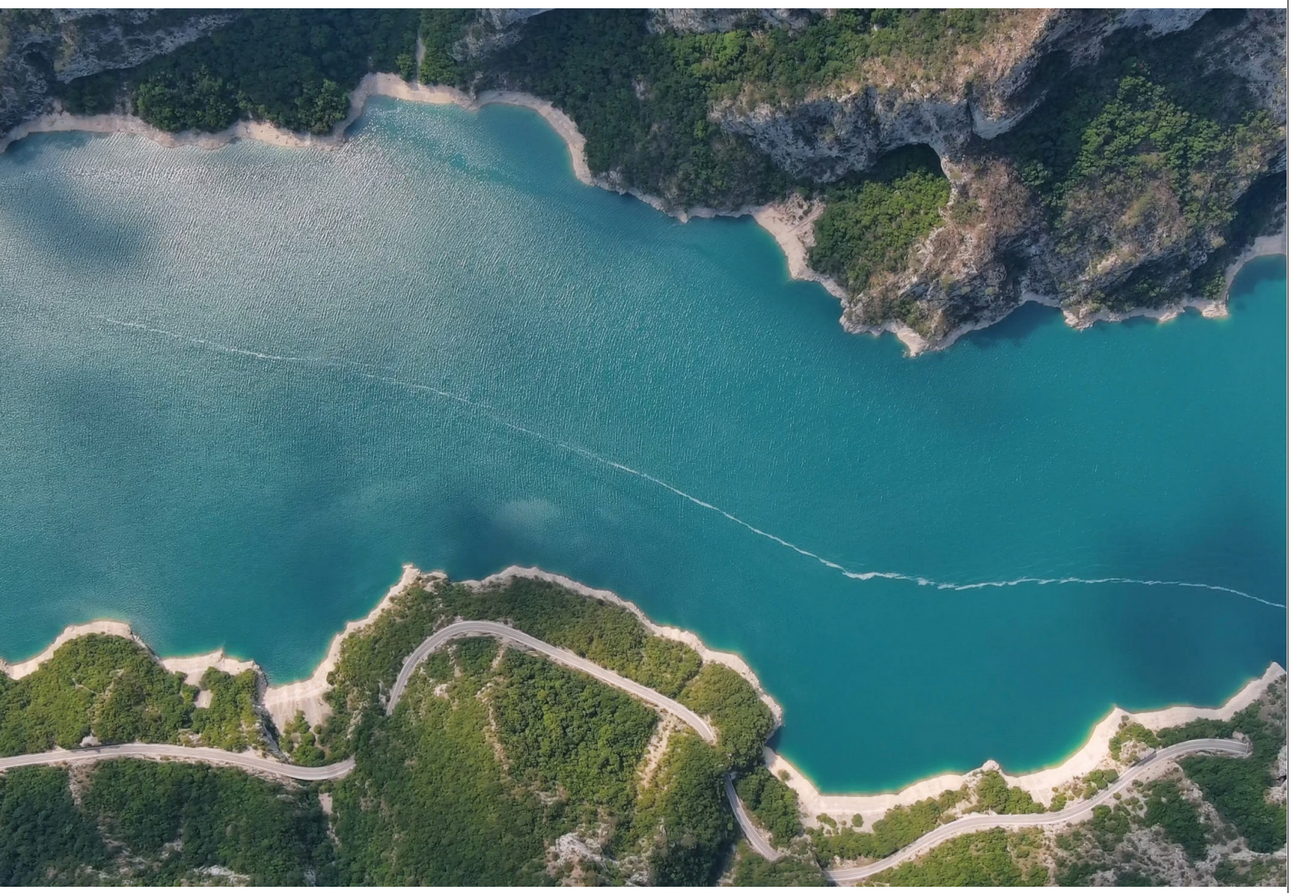
Access to global ecosystem
Leveraging LGT's global investment platforms, Lightrock and Capital Partners.

> **We believe commitments of this kind should be taken with serious consideration, and so we take a highly personalised approach to identifying our clients' objectives.**

Robert Jolliffe, Partner, Head of Private Markets

Beyond reporting

For LGT sustainable and impact-focused clients, we have developed a wide range of resources that go far beyond traditional reporting and updates. We are able to create tailored, portfolio-level reports that combine data insights – covering areas such as environmental footprint and revenue alignment to the sustainable investment pillars – with qualitative, case study-based reporting that offers a deeper view of underlying company impacts. To bring these tailored reports to life, we use ESG Navigator, our proprietary sustainability analysis tool. It brings together external ESG data and our own research to assess both the operational sustainability of companies and the impact of their products and services. At portfolio level, ESG Navigator provides a holistic view of a company's sustainability profile: the LGT Sustainability Rating and pillar mapping show how each holding aligns with one or more of our four sustainable investment pillars.



Sustainable portfolio reporting

Measure Sustainability profile

LGT Sustainability Rating

★★★★☆

1–5 star rating
A single expression, bringing together three core aspects

ESG characteristics

Assess how well each company manages its operational footprint around the environment, society and governance

UN SDG revenue assessment

Identify positive and negative alignment of a company's revenues to the UN Sustainable Development Goals

Controversy assessment

Integrate any existing or historical controversies into our assessment of business quality and sustainability

Map alignment



Overlay stewardship

Voting · Engagement · Public policy advocacy

Reporting

Your portfolio reporting

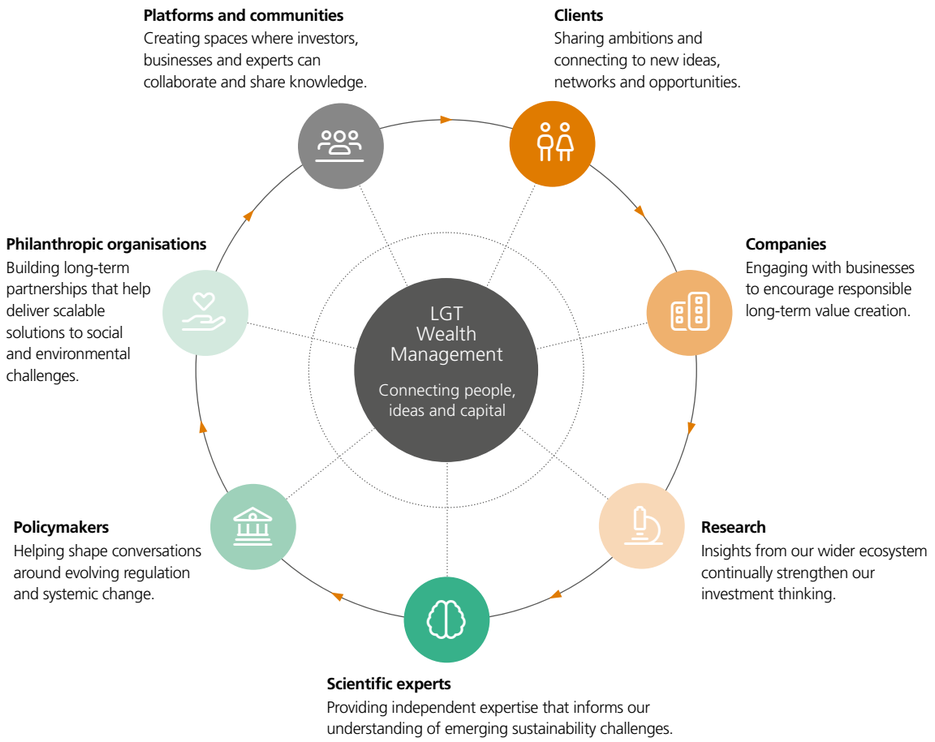
Alignment to our pillars

The pillar mapping methodology seeks to identify how much of the portfolio's equities have a material net contribution or obstruction to the sustainable investment pillars.

The power of partnerships

Sustainable investing extends beyond capital. We connect clients, companies, experts and institutions to help accelerate positive change. These relationships strengthen our research, broaden perspectives and create opportunities for collaboration that benefit both our clients and the wider world.

Partnership ecosystem





Partnerships in action

Build partnerships

LGT Venture Philanthropy

LGT Venture Philanthropy has partnered with organisations across Africa and India since 2009, supporting scalable solutions in education, healthcare and the environment through long-term collaboration rather than traditional grant-making.

Build capability

Impact fellowship

Our fellowship programme places experienced professionals within partner organisations, providing practical expertise alongside financial support to strengthen long-term organisational capacity.

Build communities

Platforms for change

Through initiatives including the Modern Slavery Roundtable, Finance Against Slavery and Trafficking (FAST) and our Connected Capital interview series, we bring together investors, policymakers, businesses and experts to encourage dialogue and practical action.

Enable collaboration

Flagship partnerships

From our Annual Impact Accelerator Dinner to our multi-year partnership with Tech Nation, we create opportunities for clients and partners to explore emerging themes, exchange ideas and advance conversations on sustainable investment.

“

Supporting environmentally and socially progressive businesses can contribute to the creation of a sustainable future for generations to come.

Phoebe Stone, Chief Sustainability Officer

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