



2026

## High-level transition plan

### LGT's own investments

#### Introduction

LGT Private Banking is committed to achieving net zero emissions for its balance sheet by 2050 or sooner to reduce financed emissions in line with limiting global warming to 1.5°C above pre-industrial levels within 2100.

This document outlines LGT's commitment together with intermediate as well as long-term targets for own investments following science-based 1.5° scenario pathways, and describes its approach for reaching net zero for own investments by 2050. This plan contains updates following the discontinuation of the Net-Zero Banking Alliance (NZBA).

LGT expects to benefit from the technical guidance provided by the United Nations Environment Programme Finance Initiative (UNEP FI) NZBA for setting targets, as it develops and executes on a transition plan to track the reduction of greenhouse gas emissions (GHGe). LGT's science-based targets were developed based on generally accepted standards and guidance. It should be noted that parts of our own investments are subject to regulatory requirements, which must be complied with and may limit to some extent our scope for action.

LGT plans to improve and develop the transition plan further as regulations, standards and methodologies evolve and will report on its progress in its Sustainability Information report.

#### Net-Zero Banking Alliance

LGT is a founding member of the NZBA. In late 2025 NZBA ceased operations, transitioning its guidance into a framework. LGT remains committed to set science-based targets that are ambitious and in line with the most demanding scenario in the Paris Agreement. This will support LGT in executing on its climate strategy regarding decarbonising its balance sheet.

#### Sustainability strategy

According to the International Panel on Climate Change (IPCC), to achieve the climate target set out in the Paris Agreement to limit global warming to 1.5°C by the end of the century, net global emissions must fall to around zero by 2050. LGT is committed to support this transition through GHGe reduction within its value chain, including financed GHGe, which is reflected in its Sustainability strategy. LGT has therefore taken a Group wide approach to achieve net zero for own investments and mitigate the transition risks associated with climate change. Progress made will be reflected in the reduction of LGT's carbon footprint in own investments. The strategy and the plan to operationalise this strategy will be reviewed regularly and adapted in order to reflect regulatory, technological, methodological or any other developments.

The levers to achieve emission reductions within LGT's financial portfolios are:

- exclusion of sectors and investees with high emissions;
- investments in climate change leaders with a reduction pathway;
- engagement with investment managers to encourage emission reductions; and
- impact investments in carbon-intensive sectors to support investees in the transition to reducing GHGe.

Exclusion of certain sectors, eg by adhering to LGT's thermal coal exclusion policy, is already in place today. LGT will analyse own investments in other carbon-intensive sectors and define corresponding measures. As regards investments in climate change leaders, LGT's approach is to invest in companies that are aligned with the 1.5°C pathway, the transition of companies with robust net zero plans or companies with

climate solutions to replace high-emitting technologies and services.

### Scope

In scope are on-balance sheet own investments classified as Scope 3 Category 15 (3.15) according to the GHG Protocol. LGT includes all asset classes in accordance with the most recent Partnership for Carbon Accounting Financials (PCAF) standard. According to the the NZBA framework targets should be set for all or a significant majority of carbon-intensive sectors. As LGT's own investments have low exposure to carbon-intensive sectors, LGT chose to include carbon-intensive as well as non-carbon-intensive sectors in its efforts to decarbonise its investment portfolio, demonstrating its net zero 2050 pathway. Investments in associates have been de-scoped, as they account for a small share of own investments and none of these investments operate in a carbon-intensive sector.

### Metrics and targets

To prioritise LGT's efforts regarding impact on scope of change, LGT follows the NZBA framework when setting its reduction targets. These targets support LGT in implementing its climate strategy for own investments and gauging its progress in decarbonising the financed emissions from these investments. LGT chose to set overall financial metric intensity targets in line with the 1.5°C scenario pathway as per the IPCC. LGT accounts for the time lag between the baseline of the IPCC Assessment Report 6 (AR6) (2019) and LGT's baseline (2022) by extrapolating AR6 reduction rates. LGT has chosen to adopt the Network for Greening the Financial System (NGFS) Net Zero 2050 scenario to set targets aligned with a 1.5°C temperature path, which is in line with the IPCC "no-overshoot" or "low-overshoot" pathway and recommended by the NZBA framework.

LGT uses the widely accepted standards for metric calculation, ie GHG Protocol, PCAF and Taskforce on Climate-related Financial Disclosures (TCFD). Targets are set for GHGe intensity as this enables LGT to measure its progress in reducing GHGe and to compare portfolios. LGT will set financial intensity targets by GHGe / USDm invested. The selected financial intensity measure is a widely adopted approach in the financial industry.

The selected financial metrics enable LGT to identify climate-related risks in its own investments and set reduction targets and thresholds. By quantifying these risks, LGT will be able to measure its progress on aligning its investment activities with its decarbonisation plan to reach net zero.

In pursuit of this ambition, LGT will set the following reduction targets (tGHGe / mUSD invested) for overall own investments from the 2022 baseline:

Intermediate target: -45% intensity by 2030  
Long-term target: -90% intensity by 2050

In addition to measuring the carbon footprint, LGT will measure absolute emissions to inform its strategy and progress on

decarbonising its portfolio. Absolute emissions will also be used to gauge the amount of GHG from own investments. Further, exposure to carbon-intensive sectors will be measured to inform the implementation strategy and risk management decisions.

To set targets in line with LGT's objective to decarbonise its own investments, LGT takes the following steps:

- Measurement and monitoring of LGT's carbon footprint enable LGT to decide where it wants to concentrate its efforts and gauge its progress on a Paris-aligned 1.5°C pathway.
- To prioritise LGT's efforts regarding their impact on scope of change, LGT follows the NZBA framework when setting its reduction targets. LGT uses widely accepted science-based decarbonisation scenarios to set both long-term and intermediate targets that are aligned with the temperature goals of the Paris Agreement.
- LGT uses science-based cross-sectoral decarbonisation pathways as a benchmark to determine the extent to which its investments are aligned with a 1.5°C no/low overshoot pathway. These pathways provide guidance on the rate at which LGT needs to reduce GHGe to reach net zero by 2050.
- To achieve its targets, LGT has established a transition plan to give clear guidance on the actions it needs to take.

Executing this plan will support LGT in implementing its decarbonisation strategy, i.e., the areas on which LGT aims to focus its efforts.

### Coverage

The scope of emissions has been informed by UNEP FI guidelines. For sovereigns and supranationals, LGT has incorporated financed Scope 1 emissions, and for listed bonds and private equity, it has incorporated financed Scope 1 and 2 emissions. As emissions data is not always readily available, coverage has been constrained. LGT expects the quantity and quality of published data to increase, leading to a higher coverage rate. This will provide for more specific calculations. LGT's calculations are therefore to be interpreted as estimates on a best-effort basis using the current information and data. LGT will measure the coverage rate of its portfolios to obtain an indication of the accuracy of the calculated GHGe. Additionally, to assess the reliability of the data used, LGT will apply the PCAF's recognised data quality scores.

To ensure that its GHG accounting appropriately reflects the GHGe of its investments and serves decision-making needs, LGT aims to use the highest data quality reasonably available, and expects that the quality of data will improve over time. As data is not readily available for all asset classes or investee companies, LGT will take different approaches to address this situation. For example, LGT's data will be complemented by data from additional sources, such as third-party providers, and it will procure data that investee companies disclose via market data providers. For missing data, LGT will use proxy data as per the methodology of third-party data providers.

## Revision of targets

LGT will review its targets at least every five years and if necessary, will also revise them to ensure consistency with the latest science according to the IPCC assessment reports. Such revisions will also account for increasing data availability, and the development of methodologies and standards.

Reasons for target adjustments include:

- any major changes to international agreements or national goals;
- change of baseline in line with revisions made to targets or boundaries if required;
- detection of major errors;
- as climate science evolves, methodologies, calculation standards and targets will be reviewed.

## Offsets

Consistent with the NZBA framework, LGT anticipates that the vast majority of emissions reductions will come from decarbonisation of financed emissions, with long-lived removals used only for residual emissions that cannot be eliminated after 2050. The approach to removals will be developed in line with emerging best practice and integrity standards.

## Governance

LGT has established a governance structure with clear accountabilities, roles and responsibilities in the first and second lines to monitor and manage these processes. This governance supports the effective execution of the transition plan and progress towards LGT's climate-related ambitions. The risk management process for target setting, management and monitoring is embedded in the existing governance structure.

## Outlook

LGT is committed to achieving net zero by 2050 for its entire balance sheet. This document, as well as the intermediate and long-term science-based targets, applies only to own investments and currently does not cover lending activities. Lending activities have thus far been excluded from target setting. This is justified by the lack of PCAF GHG accounting methodologies for the main part of the lending book and the lack of materiality of the remaining part of the lending book's GHGe compared with the GHGe of own investments. With continuously expanding coverage of asset classes by PCAF GHG accounting methodologies, LGT intends to expand the target scope over time and also include lending activities.

LGT prepared this transition plan in accordance with the NZBA framework and on a best-effort basis. This transition plan might be reviewed over time to reflect future amendments to the scientific landscape, regulatory requirements and guidance, and be amended accordingly. LGT relies on data provided by third-party data providers and by investee companies and uses proxy data where data is missing or its quality is compromised. Data availability and quality, where these cannot be estimated, might impact asset coverage of this transition plan and progress against these intensity targets is subject to data coverage and quality limitations. This transition plan contains forward-looking statements, which are not based on historical facts but on plans, estimates and projections. Forward-looking statements speak only as of the date they are made. For this reason, this transition plan might be reviewed over time to reflect future amendments to the scientific, national goals and regulatory landscape, and be amended accordingly.

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