Private Banking

Stewardship at LGT

2025

Forward-looking
for generations

Snowy Owl

(Bubo scandiacus)

The snowy owl is a large Arctic species breeding on open tundra across North America, Greenland, northern Europe and Russia. Its dense white plumage and feathered feet provide insulation against extreme cold, supporting its hunting of lemmings and other small mammals in open landscapes. On the Red List of the International Union for Conservation of Nature (IUCN), BirdLife International classifies the species as Vulnerable, with a declining population.

Contents

UK STEWARDSHIP CODE

Statement of scope and compliance

This report relates solely to the stewardship activities undertaken by LGT Private Banking and does not cover stewardship activities conducted by other LGT Group entities. LGT Private Banking is a signatory to the UK Stewardship Code 2026, and this report has been prepared and assessed by the Financial Reporting Council in accordance with the Code's requirements.

Swiss Stewardship Code

Alignment with the Swiss Stewardship Code

The Swiss Stewardship Code provides guidance to asset managers, asset owners and service providers to strengthen stewardship across the Swiss investment industry and to enhance comparability. As an asset owner and manager, LGT Private Banking conducts its stewardship activities in accordance with all nine principles of the Swiss Stewardship Code.

H.S.H. Prince Max von und zu Liechtenstein (right) and Olivier de Perregaux

Stewardship in action, tackling risks, creating value

Dear Reader,

As a family-run firm, LGT Private Banking is guided by a long-term perspective. We recognise that the way we invest today helps shape the world that future generations will inherit. Sustainable thinking and responsible action guide how we operate, invest and engage. Stewardship is a core part of this commitment. It extends beyond investment performance to support the resilience of the wider economic, social and environmental systems our clients and communities rely on. Through sound capital management and active ownership, we seek to play our part in contributing to a safer and more sustainable future.

The past year has brought increased scrutiny of sustainable investing. Sustainable investment practices, including the integration of ESG risks and opportunities, and related regulation, have faced increased political scrutiny across several markets. Yet the underlying challenges these approaches seek to mitigate have not diminished. Climate change, biodiversity loss, modern slavery and widening social inequality remain pressing and material risks. In many cases, their impacts have become more visible and urgent. Against this backdrop, informed, engaged stewardship is more important than ever.

In 2025, we continued to deepen our focus on nature and biodiversity, recognising that healthy ecosystems are fundamental to long-term economic resilience. From water availability and land use to biodiversity loss, the way companies interact with natural systems is increasingly financially relevant. By strengthening our understanding of where nature-related risks and dependencies sit within portfolios, including through the use of emerging geospatial analytical tools, we aim to support more informed engagement with companies and encourage more responsible management of these risks and opportunities.

Long-term value creation also depends on how companies treat one of their most important assets: people. We therefore remain committed to promoting fairer societies. Respect for human rights and the prevention of exploitation are essential to resilient business models. Risks such as modern slavery and labour exploitation can undermine stability, trust and long-term value. By working alongside peers, companies, policymakers and civil society, we seek to improve practices across key sectors and supply chains, and to support better access to remedy for those most affected.

While the year has brought its share of challenges, it has also highlighted areas of progress. Advances in stewardship tools, stronger cross-sector collaboration and growing demand for accountability are helping investors better understand risk and influence outcomes. Innovation, including in pass-through voting and nature data analytics, is expanding what effective stewardship can achieve.

We remain convinced of stewardship's power to contribute to real-world change. It is not a one-off intervention, but an ongoing process built on insight, engagement and accountability. Thank you for your trust and partnership as we continue this work.

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

Olivier de Perregaux
CEO LGT Private Banking

1. Policy context and disclosure

1.1 Organisation, investment beliefs and stewardship approach

Organisation, clients and services

LGT Group is an international private banking and asset management group that has been fully controlled by the Liechtenstein Princely Family for over 90 years. As at 31 December 2025, LGT Group (LGT) managed assets of CHF 386 billion for high-net-worth individuals, private clients and institutional clients. LGT employs over 6000 people who work out of more than 30 locations in Europe, Asia, the Americas, Australia and the Middle East. LGT distinguishes between the products and services offered by LGT Private Banking (LGT PB) and LGT Capital Partners (LGT CP)[1].

LGT Private Banking

LGT PB provides wealth management services for 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

Headquartered in Liechtenstein, LGT is present in Australia, Austria, Bahrain, Germany, Hong Kong, India, Ireland, Japan, Singapore, Switzerland, Thailand, the United Arab Emirates and the United Kingdom. These offices focus on addressing the specific needs of high-net-worth individuals and providing access to bespoke investment services. LGT also manages the financial investments of the Princely Family of Liechtenstein.

The Foundation Board, which is chaired by H.S.H. Prince Max von und zu Liechtenstein, is the supervisory body of the LGT Group (LGT). Stewardship responsibilities across LGT are carried out through LGT PB and LGT CP, its asset management arm. This report relates solely to stewardship activities undertaken by LGT PB.

LGT PB serves a diverse client base comprising private individuals, independent financial advisors, charities and endowments, mutuals and friendly societies, and family offices. Through its engagement activities, LGT PB seeks constructive and thoughtful dialogue with companies to encourage activities in the best interests of clients, society and other stakeholders.

Defining stewardship

Stewardship is integral to LGT PB's investment strategy.

"Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society, on which returns, and client and beneficiary interests, depend."

This definition is based on the 2020 UK Stewardship Code and the definition used by the Principles for Responsible Investment (PRI), the world's leading proponent of responsible investment.

[1] For the purposes of this report, "LGT Private Banking" and "LGT PB" refer to LGT Private Banking entities operating across Europe, the United Kingdom and Asia-Pacific. European operations include Austria, Germany, Ireland, the Principality of Liechtenstein and Switzerland. Asia-Pacific operations include Hong Kong SAR, Japan, Singapore and Thailand.

LGT's long-term strategy and corporate philosophy

LGT's private ownership and embedded corporate governance structure facilitate nimble and independent decision-making. The company takes a long-term perspective on corporate strategy and development. For more than 25 years, it has pursued two strategic priorities: the international expansion and diversification of its private banking business; and the development of outstanding global investment capabilities to serve the needs of the Liechtenstein Princely Family as well as institutional and private clients. To maximise the alignment of interests between LGT's clients, employees and the shareholder, an important part of LGT's philosophy has been that the Princely Family and employees co-invest in a substantial manner alongside clients. In a world of growing social and environmental challenges, LGT aims to create value for both business and society – looking to deliver growth and profits while simultaneously being mindful of its impact on stakeholders, society and the environment.

Thinking and acting sustainably has always been a priority for LGT. As a company, LGT recognises that its business activities are connected to broader social and environmental outcomes. As an intermediary between investors and capital-seeking businesses and organisations, it strives to ensure that, where possible, capital is invested sustainably from both an environmental and a social perspective. Consistent with this approach, LGT manages its supply chain through a structured supplier onboarding and selection process. Strategic third-party suppliers are viewed as long-term partners, with an emphasis on transparency, collaboration and the consideration of environmental, social and financial factors.

Philanthropic activities: LGT Venture Philanthropy

LGT's commitment to systemic change is exemplified by LGT Venture Philanthropy (LGT VP)[2]. Focused on health, education and the environment in sub-Saharan Africa and India, LGT VP provides flexible, multi-year funding to local organisations delivering scalable solutions to systemic problems. Through the LGT Impact Fellowship, experienced professionals are matched with partner organisations to offer strategic business expertise. Since 2007, LGT VP has supported 79 organisations, matched over 200 fellows and improved the lives of 17 million people.

In 2024, LGT VP launched Thriving Communities, a strategy to address systemic barriers, enhance collaboration with funders and promote financial sustainability. This includes building collective philanthropy platforms for philanthropists and families to join the Princely Family in scaling positive impact for generations. This approach demonstrates LGT's values in action, leveraging its resources and partnerships to create meaningful and lasting societal impact.

"We live in a time of unprecedented challenges to society and the planet. At LGT Venture Philanthropy we invest philanthropic capital with great care and ambition to scale local solutions to these global challenges. The time to act is now." – Oliver Karius, CEO, LGT Venture Philanthropy

LGT PB's Sustainability Strategy 2030

LGT PB's activities, both as a company and as a provider of financial products and services, have an impact on the environment and the communities in which it operates. To better understand and manage this impact, LGT PB regularly assesses how its actions affect the world, as well as how environmental, social and governance factors, in turn, affect the company. Sustainability is firmly embedded in LGT PB's corporate culture. In 2023, LGT PB launched its Sustainability

[2] LGT VP is an independent charitable foundation founded in 2007 by the LGT Group Foundation. While it operates separately from LGT PB, the two entities are aligned in purpose and collaborate on selected sustainability and philanthropic initiatives.

Strategy 2030, which takes a holistic approach built around three core pillars: Clients & Investments, Business & Operations and People & Society. The strategy provides a framework for engaging with clients on sustainability more broadly, as well as on sustainable investing.

LGT PB pursues its Climate Ambition 2030 and Net Zero 2050[3] commitments with the overarching goal of supporting the Paris Agreement. Achieving net zero requires a 90–95 % reduction in total emissions by 2050, with any remaining emissions neutralised through permanent removal of CO_2 from the atmosphere. On this pathway, 2030 is an important milestone, for which the firm has defined corresponding reduction targets.

As part of its Climate Ambition 2030, LGT PB aims to considerably reduce net emissions from its own operations and its own investments by 2030. For its own operations, LGT PB targets a 90 % reduction in Scope 1 and 2 emissions, such as electricity and heating, compared with 2019. For its own investments, LGT PB aims to reduce its greenhouse gas intensity in tCO_2 per million USD invested by 45 % compared with 2022; and by 2050, the organisation is targeting a 90 % reduction against the same baseline. For more information on LGT PB's Sustainability Strategy 2030 and Climate Ambition 2030, see the LGT Group Annual Report 2025.

LGT PB uses carbon credits to address part of its remaining emissions through to 2030. These credits are linked to activities that either avoid emissions or remove CO_2 from the atmosphere. From 2050 onwards, LGT PB intends to use only those carbon credits that are based on long-lasting technological solutions for CO_2 removal and storage, such as the incorporation of carbon into soils through biochar, or mechanical air filtration and storage (Direct Air Capture and Storage, DACS).

Underpinned by senior leadership endorsement and oversight, and aligned with LGT's corporate and sustainability strategies, the organisation remains committed to long-term value creation and responsible capital allocation. These strategic foundations shape how LGT PB invests on behalf of its clients.

LGT PB's investment philosophy and strategy

Broad diversification is a foundational element of LGT PB's investment philosophy. It focuses on high-quality assets across equities, fixed income and alternative investments to support long-term value creation, combining a bottom-up, fundamentals-driven approach with a top-down overlay for tactical positioning, portfolio construction and risk management. Every decision reflects LGT PB's commitment to meeting clients' needs and prudent management.

LGT PB uses engagement, monitoring and voting to manage risks, strengthen governance and encourage companies to adopt practices that support sustainable performance over time. Stewardship activities are prioritised where LGT PB identifies material risks or concerns and where constructive dialogue with companies or external managers can help protect the long-term interests of its clients and stakeholders.

[3] Previously, LGT PB used the claim "Net Zero 2030" to describe its emission reduction targets and its ambition to cover certain emissions with carbon credits by 2030, based on its own definition of "net zero". An internationally recognised understanding of "net zero" has since been established. Going forward, LGT PB will follow this internationally recognised definition under its Net Zero 2050 commitment. This definition is based on binding definitions set out in international frameworks such as the IPCC, SBTi and PCAF, which have also been incorporated into the European Sustainability Reporting Standards (ESRS). With respect to the 2030 milestone, LGT PB has therefore redefined its commitment "Climate Ambition 2030". This change relates solely to terminology; the underlying emission reduction targets and the ambition to cover certain emissions with carbon credits remain unchanged.

Key tenets of LGT PB's investment philosophy and strategy

1. Commitment to servicing clients: LGT PB constructs portfolios to align with each client's unique goals, placing a strong focus on their needs and aspirations. Its experienced investment, wealth and portfolio managers oversee investment decisions, daily mandate management and personalised interactions, fostering enduring client relationships. Through transparent reporting and regular reviews, LGT PB ensures that clients are informed and engaged throughout their financial journey. Active ownership activities also provide a practical way to engage and educate clients, with a particular focus on younger family members and future decision-makers, by strengthening their connection to their investment portfolio.

2. Risk-conscious approach: LGT PB combines deep market insights with a risk-conscious approach to portfolio management, seeking long-term success amid uncertainty. Its disciplined and systematic approach prioritises broad diversification and risk efficiency, delivering resilient and diversified investment solutions with transparency. LGT PB's robust risk management framework is continuously adjusted to mitigate risks effectively and support stable outcomes.

3. A focus on sustainability: LGT's private ownership and the Princely Family's long-standing commitment to sustainability enable the organisation to set long-term goals, including the Climate Ambition 2030 and Net Zero 2050. LGT PB is a signatory to the UN Global Compact (UNGC), Principles for Responsible Investment (PRI) and the Principles for Responsible Banking (PRB). In addition, LGT PB uses the ESG Navigator, an ESG analysis tool developed within the broader LGT Group, to assess the impact of business activities on society and the environment and support the integration of sustainability considerations alongside financial objectives.

4. Rigorous investment process and research: LGT PB employs a high-conviction investment approach, focused on delivering consistent and sustainable long-term returns. Its independent and unbiased stance ensures alignment with clients' requirements, while its global approach provides flexibility to invest across various asset classes, sectors and geographies.

LGT PB's investment approach across asset classes

LGT PB's investment approach spans a wide range of asset classes to ensure well-diversified and resilient client portfolios. Direct investments include:

- Equities: Focused on long-term value creation, with an emphasis on companies demonstrating strong governance, sustainable business models and innovative growth potential. LGT PB's equity research process is guided by the principles of quality at a reasonable price and a strong economic moat.
- Fixed income: LGT PB's fixed income approach includes government, supranational, government agencies and securitised debt alongside corporate bonds, with an emphasis on stability and risk mitigation. Green, social and sustainability bonds and other instruments aligned with sustainability goals are also incorporated where appropriate.
- Alternative investments: Access to private equity, hedge funds and other exclusive opportunities supports portfolio diversification and return enhancement. Offerings from LGT CP, Lightrock and selected third-party managers form part of the diversified client investment proposition. Lightrock is an independent private markets investment platform focused on growth-stage companies aligned with sustainability and impact themes. Access to private market strategies is provided in line with client objectives and suitability requirements. Further information on third-party or external managers is provided in Section 2.5 Selection and oversight of external managers.

- Sustainable and impact investments: LGT PB offers clients a broad spectrum of sustainable investment options. These typically include a range of services whereby capital is allocated to projects and companies delivering measurable environmental and social benefits. Offerings span public and private market strategies, supported by collaboration with specialist impact investment platforms, such as Lightrock, alongside a wider range of external impact managers.

Fund managers

LGT PB carefully selects funds and fund managers across asset classes, leveraging the expertise of specialist managers with robust investment processes, a commitment to sustainability, where relevant, and a demonstrated ability to deliver consistent long-term returns. By partnering with fund managers that are aligned with its investment philosophy, LGT PB ensures that clients benefit from deep market insights and a diverse set of investment opportunities.

This combination of direct investments and carefully selected fund managers enables clients to benefit from a broad set of market opportunities while reducing reliance on the performance of any single asset class.

LGT PB's stewardship strategy

LGT PB recognises that stewardship is integral to promoting resilient investments and to supporting the transition to a just and low-carbon economy. Its stewardship strategy is centred on achieving two key outcomes:

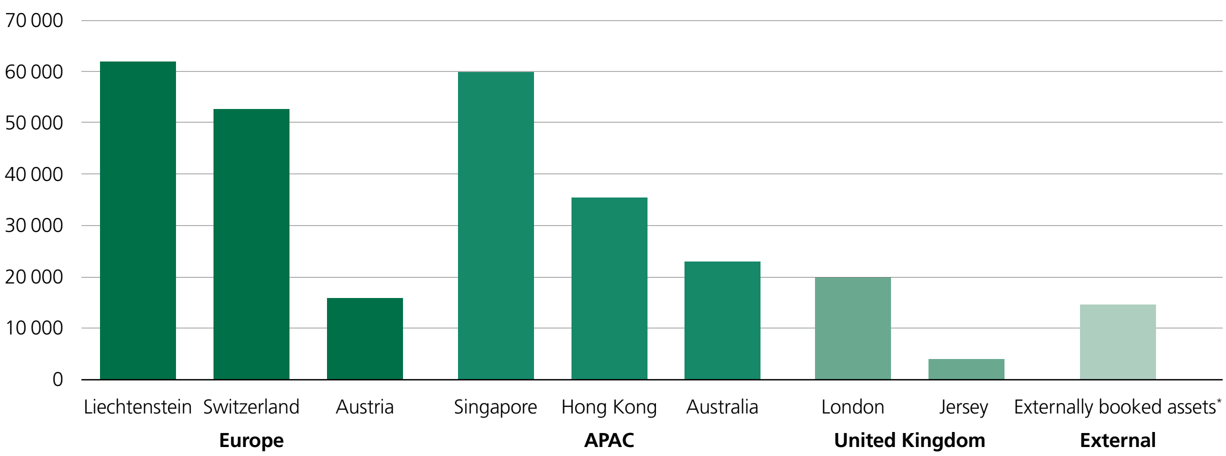
1. Fulfilling fiduciary duty: As stewards of clients' investments, LGT PB's primary responsibility is to deliver stable, long-term returns in line with contractual obligations, investment objectives and risk parameters.
2. Contributing to a sustainable future for clients, LGT's owner and wider society: Through sound capital management, LGT PB aims to contribute to a safer and more sustainable future for clients, their families and future generations.

LGT PB delivers its stewardship strategy through three core pillars: proxy voting, ongoing engagement with investee companies and fund managers, and targeted public policy advocacy on market-wide and systemic issues. These pillars are defined in more detail in Section 1.3 Stewardship policies, processes and review.

As a universal owner, LGT PB invests across various asset classes, sectors and geographies, enabling

LGT PB's assets under management by region

in CHF (million)



* Externally booked assets are client assets which are managed by but not booked at LGT PB.

clients to capitalise on a wide range of market opportunities while reducing reliance on individual investment outcomes. However, notwithstanding these diversification benefits, portfolios may remain exposed to systemic risks such as climate change and social inequality.

To address these risks, LGT PB pursues a stewardship strategy that is both proactive and collaborative, focusing on global alignment with local regulatory frameworks and client-specific requirements. Through its influential position in the market, LGT PB works with peers and regulators to advocate for sustainable practices, aiming to mitigate systemic risks and ensure that investments contribute positively to the broader economic system. For detailed insights into LGT PB's approach to market-wide and systemic risks, refer to Section 2.2: Promoting well-functioning markets.

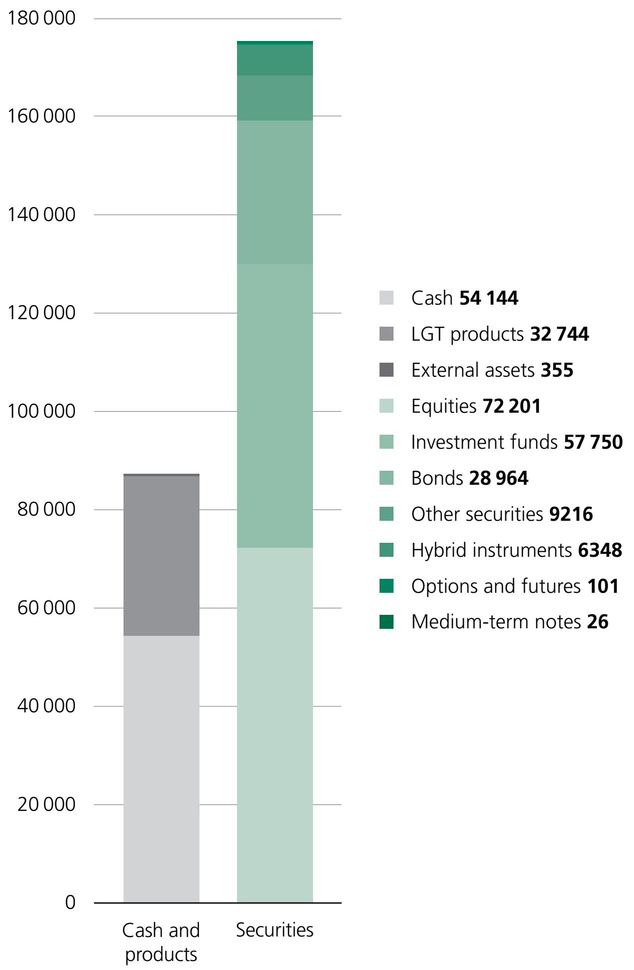
The principle of universal ownership highlights the interconnection between LGT PB's diversified portfolios and the global economy, guiding its efforts to tackle systemic challenges such as climate change and the promotion of fairer societies. This broader focus also aims to support the enhancement of risk-adjusted returns for clients.

Universal ownership

Universal ownership refers to the concept that large investors effectively own a broad segment of the global economy through their diversified portfolios. Defined by the UN-backed PRI and UNEP Finance Initiative, it means these investors have a vested interest in the overall health and sustainability of the economic system, as their long-term returns are closely tied to its success. As universal owners, investors seek to mitigate systemic risks such as climate change and social inequality through active stewardship and engagement with companies and policymakers.

LGT PB's assets under management by asset type

in CHF (million)



1.2 Governance and resources

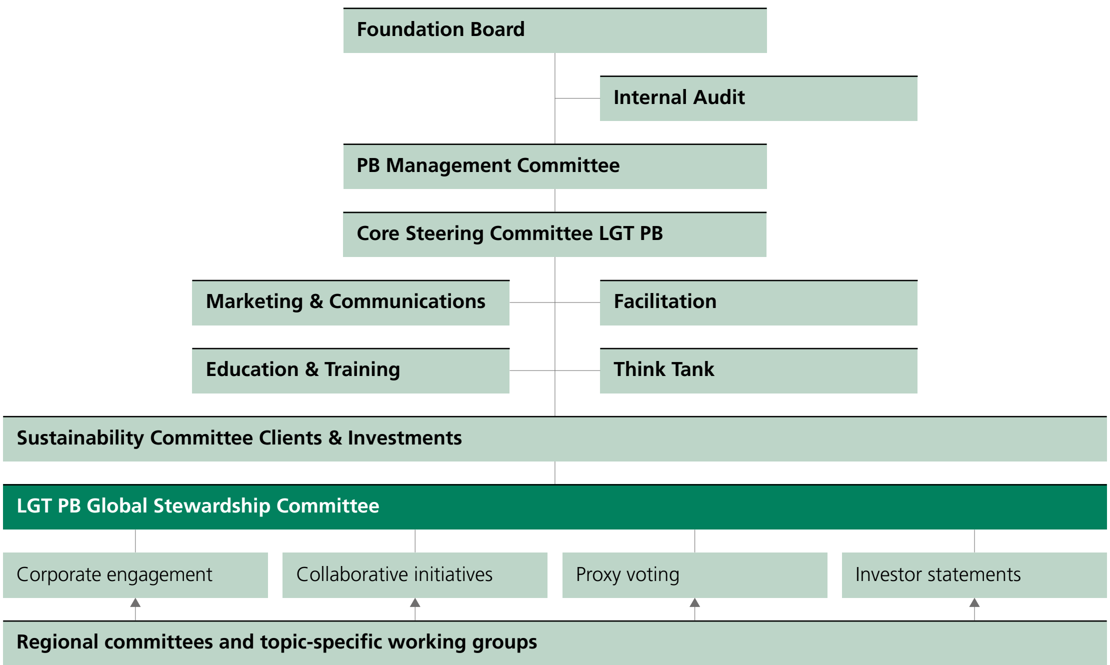
Governance structure for stewardship

The effective delivery of LGT PB's stewardship strategy is supported by dedicated personnel, clear policies, reliable platforms and well-defined committee structures. The governance framework outlined below reflects LGT Group's structure for implementing LGT PB's Sustainability Strategy 2030, of which stewardship forms a core pillar. The Global Stewardship Committee (GSC), established in May 2023 as a sub-committee of the Sustainability Committee Clients & Investments, provides strategic direction and oversight for stewardship activities across LGT PB.

LGT PB's stewardship governance is embedded within a broader structure that supports the delivery of its sustainability goals:

- Foundation Board: Provides strategic oversight and supervision, ensuring accountability for LGT PB's Sustainability Strategy 2030.
- PB Management Committee: Defines LGT PB's strategic direction and guiding principles, ensuring sustainability remains integral to decision-making.
- Core Steering Committee: Meets regularly to discuss strategic priorities and monitor the implementation of the Sustainability Strategy 2030.
- Sustainability committees: Sustainability Committees including Operations, Risk & Governance, and Clients & Investments oversee the operational execution of sustainability initiatives.

LGT PB's governance structure



Global Stewardship Committee roles and responsibilities

Committee responsibility	Description
Regulatory and commitments oversight	Ensures compliance with regulatory requirements and stewardship-related commitments.
Engagement and voting	Monitors the execution of proxy voting and corporate engagement activities.
Reporting and transparency	Oversees the development and publication of stewardship activity reports for clients and stakeholders.
Strategic goals	Reviews goals set within the Sustainability Strategy 2030 that affect stewardship activities.
Public policy advocacy	Ensures consistency and alignment of public policy positions with LGT PB's stewardship principles.

Global Stewardship Committee roles and responsibilities

The Global Stewardship Committee (GSC) provides strategic direction for all stewardship activities. It ensures alignment with LGT PB's Sustainability Strategy 2030, setting key objectives for engagement, proxy voting and escalation, as well as monitoring the integration of stewardship into the investment process.

Stewardship team

Stewardship at LGT PB is supported by a clearly defined governance framework, integrating global oversight, regional expertise and operational execution. Stewardship activities are globally aligned, locally responsive and guided by clear objectives. Central to this coordination is the Global Stewardship Lead, who plays a pivotal role in aligning stewardship activities across regions and ensuring they remain in sync with global priorities.

LGT PB's Stewardship team operates globally, with analysts based in the UK contributing to stewardship activities across global investment strategies, including company and fund manager engagement, proxy voting and stewardship integration. To further support the global team, relevant investment and product teams in the UK and Europe collaborate to implement stewardship strategies and assist with proxy voting. In APAC, a Sustainability Specialist contributes to stewardship efforts, ensuring alignment with local market dynamics and regulatory frameworks. This global structure enables LGT PB's experts to represent the firm in collaborative initiatives and industry forums, while applying their global expertise in a local context.

Sustainable investment specialists within regional teams and portfolio managers are not formally part of the Stewardship team, but they provide expertise and operational insights that support stewardship activities. For further details on the Stewardship team's collaboration with research analysts and portfolio managers, see Section 2.1 Integration of stewardship and investment.

Systems and technology

To support its stewardship and sustainability objectives, LGT PB allocates resources to ensure its activities are effective and meaningful, including:

- Technology and tools: Tracking platforms like Esgaia are used to consolidate engagement data, track interactions and monitor outcomes, while ISS ProxyExchange supports efficient proxy voting decisions.

- Proxy advisory firms: LGT PB utilises Institutional Shareholder Services (ISS) for voting recommendations guided by their Sustainability Proxy Voting Guidelines.
- ESG data providers: Alongside its proprietary tool, the ESG Navigator, LGT PB leverages partnerships with MSCI, ISS, Sustainalytics, LSEG, Ethical Screen, RepRisk, Inrate and NatureAlpha. These providers supply comprehensive ESG data that support investment decisions and stewardship activities. See more in Section 2.6: Monitoring service providers.
- Engagement services: Columbia Threadneedle Investments' Responsible Engagement Overlay (reo®) enables LGT PB to participate in collective engagement efforts led by a large team of specialists addressing systemic sustainability challenges. LGT PB uses Columbia Threadneedle Investments' reo® service for several products in Europe.

Training and development

Stewardship and sustainable investing practices depend on the skills and expertise of LGT PB's employees. The firm actively develops and supports these capabilities through structured training programmes, professional certifications and ongoing knowledge-sharing initiatives. LGT PB equips its employees with the tools to navigate the evolving sustainability landscape and uphold the company's commitment to responsible investment.

As part of the onboarding process, all employees complete a mandatory sustainability and sustainable investing training that introduces LGT PB's approach to sustainability, ensuring a strong common foundation for all staff.

Regular onsite training sessions with internal and external sustainability experts provide opportunities for knowledge sharing, and help ensure employees remain up to date on emerging ESG issues and trends. Participation in workshops, industry forums and regulatory discussions further supports this objective. Employees are also encouraged to pursue professional certifications, such as the CFA Certificate in ESG Investing and the CFA Impact Investing Certificate.

In the UK, the Stewardship team delivers an annual firm-wide stewardship training session, which is recorded and made available to all colleagues as part of compulsory training requirements. The team also provides tailored training and briefing sessions for front office colleagues across Europe and Asia, focusing on relevant stewardship topics, regulatory developments and ongoing engagements. This helps embed stewardship expectations into day-to-day client and investment activities. In addition, the team produces stewardship materials in English, French and German to support colleagues across regions and ensure consistent communication of key priorities.

Diversity and inclusion

Diversity and inclusion (D&I) are fundamental principles for LGT PB. A diverse workforce supports productivity and innovation, which are important for navigating economic uncertainties and maintaining competitiveness. LGT PB strives to create a work environment in which people feel included, are treated with respect and can thrive professionally. The firm aims to attract, develop and retain talent from all backgrounds. In support of this goal, LGT PB aims to achieve its 30-40-50 target by 2030:

LGT's 2025 Summer internship cohort in the UK.

- 30 % women in senior management
- 40 % women across management overall
- 50 % women across the organisation

To foster and sustain an inclusive culture across various dimensions of diversity and inclusion, LGT PB has established global D&I committees, supported by local committees and sponsors, to drive initiatives across LGT PB. Key initiatives to support the gender distribution target include:

- Gender diversity dashboards: Providing real-time insights to support inclusive recruitment, succession planning and promotion decisions.
- Training and leadership programmes: Including unconscious bias training and inclusive leadership courses.
- Global pulse checks: Regular employee surveys to refine D&I initiatives.

In addition, LGT PB promotes diversity in the financial sector through:

- Girls for Leadership: Acting as a project partner, LGT PB provides mentoring to female high school students to inspire future leaders.
- Advance partnership: A collaboration with the Swiss business association Advance offering employees networking, mentoring and leadership development opportunities.
- Lord Mayor's Appeal and GAIN: Participation in the Lord Mayor's Appeal "We Can Be" programme to support access to careers in the City, alongside support for the Girls Are Investors (GAIN) network, which promotes gender diversity in investment management through education and mentoring.
- Transparency and reporting: Delivering gender, ethnicity and socioeconomic pay gap reporting for LGT PB in the UK.

LGT PB's internal diversity and inclusion initiatives also reinforce its fairer societies pillar by aligning internal practices with the expectations advanced through stewardship. Further details on LGT PB's four stewardship priorities are provided in Section 2.1 Integration of stewardship and investment.

Collectively, these governance structures, resource allocations, diversity and inclusion initiatives and training programmes form the foundation for delivering effective, consistent and high-quality stewardship.

1.3 Stewardship policies, processes and review

LGT PB's stewardship policies and procedures set out how stewardship is implemented across the business. They define roles and responsibilities, establish expectations for engagement, voting and escalation, and describe how stewardship considerations are integrated into investment decision-making. Together, they support consistent and transparent stewardship activities across regions and asset classes, aligned with regulatory requirements and LGT PB's strategic objectives.

At LGT PB, stewardship is delivered through direct engagement with companies and fund managers, the exercise of voting rights, participation in collaborative initiatives, and engagement with policymakers and standard setters. These activities are used to manage material risks and opportunities and, where effective, may support both long-term investment performance and the sustainability profile of portfolios.

LGT PB maintains a set of core stewardship and sustainable investing policies and supporting documents. These policies set out how stewardship is implemented in practice, including expectations for engagement, voting, escalation and the integration of sustainability considerations into investment processes.

The policies apply across relevant business areas and are designed to ensure that stewardship activities are conducted in a structured, transparent and accountable manner, consistent with regulatory requirements and internal governance arrangements. They are reviewed on a regular basis to ensure continued alignment with evolving regulatory, market and best practice standards.

The following table summarises the core policies that guide LGT PB's stewardship activities and their review processes.

Policy	Description	Review process
Stewardship policy (LGT Wealth Management)	Outlines the principles guiding LGT PB in the UK's approach to engagement, voting and collaboration – certain elements such as engagement and voting are effective at a global level.	Reviewed annually by the Global Stewardship Committee (GSC) to ensure alignment with regulatory developments and best practices.
Global voting principles	Provides a framework for proxy voting, with a focus on sustainability objectives and governance standards.	Reviewed annually by the GSC and approved by relevant management committees.
Conflicts of interest policy	Ensures stewardship activities are conducted free from conflicts of interest. Relevant regional policies apply in line with domestic regulatory requirements.	Regional policies reviewed annually by Compliance and Risk committees.
Sustainability Directive	This Group Sustainability Directive establishes the overarching framework, governance and minimum standards for sustainability across all LGT PB entities (excluding LGT CP). It defines roles and responsibilities (Foundation Board, Core Steering Committee, Group Sustainability Management and key functions), group-wide exclusion policies (eg controversial weapons, thermal coal), and requirements relating to the EU Taxonomy, PAI, greenwashing prevention and external commitments.	Approved by the LGT Group CEO, owned by Group Sustainability Management and formally reviewed on a three-year cycle (next periodic review due in 2028) or earlier if required by regulatory or strategic developments.
Sustainable investing EMEA directive Annexes - MiFID II	Provides ESG integration guidance for the European market.	Reviewed every three years.
Global sustainable investing directive Annexes - Greenwashing prevention - ESG data - SFDR/PAI	Covers ESG aspects on investment processes for products and services within LGT PB as well as greenwashing prevention across all functions.	Reviewed periodically.

Core pillars of stewardship at LGT PB

The core pillars of stewardship at LGT PB are voting, engagement and public policy advocacy. These are the practical means through which LGT PB delivers stewardship in line with its long-term investment philosophy. By engaging with companies, exercising voting rights and contributing to constructive policy dialogues, LGT PB translates its expectations into action, supporting better client outcomes and contributing to a healthier market environment over time.

Voting
As part owners of publicly listed companies on behalf of its clients, LGT PB exercises its voting rights at shareholder meetings to provide clear views on governance, strategy, risk management and material social and environmental matters. Voting decisions on management and shareholder proposals are made by LGT PB, drawing on internal research, analysis from service providers and insights from direct engagement. Shareholder proposals are resolutions submitted by investors for consideration at a company's annual general meeting. LGT PB assesses and votes on such proposals where they are relevant to long-term value and its stewardship priorities. Further details on expectations and approach can be found in the Global voting principles.

Engagement
Refers to structured interactions with investee companies and external fund managers on material ESG matters, governance and long-term strategic considerations. The purpose of engagement is to identify and address drivers of long-term value, understand emerging risks and provide constructive feedback on how practices, performance and disclosure can be strengthened. LGT PB conducts engagements through bilateral meetings, written correspondence and participation in collaborative initiatives, drawing on internal research and relevant data to guide clear objectives. Engagement may be proactive or reactive and can occur independently through direct relationships with companies and fund managers, or collaboratively with other investors to benefit from a unified voice.

Public policy advocacy
Companies operate within an increasingly complex global regulatory environment. LGT PB aims to contribute its skills and expertise to public policy discussions in the best interests of its clients and portfolio companies. LGT PB actively responds to consultations, participates in pan-industry working groups and contributes to investor letters when appropriate. The effectiveness of sustainable investing depends in part on the quality of the policy environment in which it operates. Together with its international partners and networks, LGT PB contributes to practitioner working groups, becomes a signatory to investor statements and responds to consultations.

The LGT Global voting principles

The LGT Global voting principles provide a structured framework for exercising proxy voting rights across portfolios, with an emphasis on material ESG risks. Voting decisions are informed by the ISS Sustainability Proxy Voting Guidelines but are assessed on a case-by-case basis to reflect specific company or market contexts. Key considerations include board diversity, executive remuneration, climate accountability and adherence to internationally recognised sustainability standards. Together, the voting principles and stewardship policy support a consistent and disciplined approach to voting on material governance and sustainability issues.

Review process for investor statements

An investor statement is a formal declaration or letter signed by a group of asset owners or investment managers to communicate their position, commitments or expectations regarding specific sustainability issues. Such statements enable like-minded investors to articulate shared priorities, demonstrate accountability and engage relevant stakeholders. The process for reviewing and approving investor statements at LGT PB ensures that all public commitments align with the organisation's stewardship priorities, sustainability strategy and client values. Proposed investor statements are rigorously evaluated by relevant internal committees, including the GSC, to ensure consistency with LGT PB's principles and regulatory requirements. This collaborative approach supports accountability and transparency in LGT PB's external communications while enabling it to contribute meaningfully to industry-wide initiatives.

LGT PB's process for becoming a signatory to investor statements

Step 1 — **Identification and initial screening**
Investor statement is identified.

Step 2 — **Content verification and materiality assessment**
Content is checked for accuracy and risks to credibility, and a thematic matrix to assess materiality is applied.

Step 3 — **Sustainability leadership review**
Signature approved by regional heads of Sustainability.

Step 4 — **Investment research and conflict review**
Review by the investment research team to identify potential conflicts.

Step 5 — **Governance committee approval**
Approval request submitted to Global Stewardship Committee (24–48 hours to veto/approve).

Step 6 — **Signature and documentation**
After approval, the signature is added. All statements are tracked in a proprietary stewardship management tool.

1.4 Conflicts of interest

LGT PB seeks to manage conflicts of interest (COIs) carefully as part of its broader commitment to responsible stewardship and upholding the confidence of clients and stakeholders. To support this, LGT PB maintains a set of policies, including the Group Directive on Handling Conflicts of Interest and a dedicated policy governing potential conflicts linked to the investment activities of external Board Members of LGT Group operating companies. Regional entities complement these with policies that reflect local regulatory requirements, and all staff receive mandatory training to ensure consistent awareness and effective management of conflicts across the organisation.

Conflicts of interest

A conflict of interest (COI) arises when two or more parties are involved in a business transaction and have opposing or irreconcilable interests. LGT PB defines a COI as any situation in which an employee's personal or organisational interests conflict with their professional responsibilities. This may occur in cases where professional judgment is impaired, objectivity is influenced, or duties to clients or third parties are compromised. Examples include situations where an employee's personal interests diverge from those of the organisation, or where relationships with external service providers create bias in decision-making.

Preventing conflicts of interest

Clear policies and guidelines are central to this effort. LGT PB's COI policies set out expected behaviours and provide actionable guidance for managing potential conflicts. Employees are required to review and acknowledge these policies, both during induction and at regular intervals during their employment at LGT PB, reinforcing awareness and understanding.

A particular area of potential conflict arises where a client relationship could unduly influence voting decisions, for example, where a client sits on a company's board or where a wealth manager has a commercial interest in a particular outcome. In such cases, voting decisions are determined solely by the stewardship team on the basis of independent analysis, including engagement with portfolio managers and the research team, with no weight given to commercial considerations. Regular training programmes equip employees with the knowledge to recognise and address conflicts effectively, fostering a culture of integrity and awareness. Additionally, clear escalation protocols ensure that identified conflicts are promptly reported to senior management or Compliance for resolution. Oversight committees, such as the GSC, provide an additional layer of scrutiny, reinforcing accountability.

Identifying conflicts of interest

Employees are required to disclose personal interests and external affiliations that could influence stewardship activities, enabling potential conflicts to be identified and addressed in a timely manner. LGT PB also uses compliance systems to monitor and manage conflicts across portfolios and engagements.

LGT PB has in place a conflict-of-interest mitigation strategy, which begins with the identification of potential conflicts and involves regularly reviewing investment and stewardship activities to pinpoint areas where conflicts may arise. For example, when voting on shareholder resolutions, LGT PB ensures that its decisions prioritise client interests over its own. In addition, LGT PB's Compliance teams maintain records of relationships between employees, third parties and investee companies that could give rise to potential bias. Where an employee has a personal or financial connection to a company under engagement, this is flagged as a potential conflict recorded in a regularly updated register under LGT PB's Persons Discharging Managerial Responsibilities, Politically Exposed Persons and Special Focus Customers lists.

Navigating a conflict of interest in Disney's AGM voting

The following example illustrates how potential conflicts of interest are identified and managed in practice. A client with a discretionary portfolio requested to vote their Disney shares in a personal capacity at The Walt Disney Company's 2024 Annual General Meeting (AGM), rather than following LGT PB's standard voting process. This created a potential conflict of interest between discretionary management and the client's individual voting preferences.

LGT PB engaged directly with the client, providing relevant information and context, including access to a webinar hosted by Glass Lewis featuring Nelson Peltz of Trian Partners. LGT PB explained its rationale for supporting Peltz's nomination to Disney's board, citing the company's relative underperformance, governance considerations and CEO succession issues, and also outlined its reasons for not supporting other candidates. This approach enabled the client to make an informed decision while maintaining the integrity of LGT PB's stewardship and governance processes.

The client expressed satisfaction with the engagement process, and their advisor noted the care taken to balance discretionary management with personalised service.

1.5 Dialogue with clients and beneficiaries

Open and transparent dialogue with clients is a core priority for LGT PB and central to LGT PB's stewardship approach. Regular communication enables LGT PB to report on its sustainable investing activities, explain its stewardship priorities and provide updates on progress. While its stewardship approach is implemented through a consistent, organisation-wide framework, communications and client outreach are tailored regionally to ensure that client needs are met effectively. This ensures clients experience a cohesive and consistent approach aligned with LGT PB's values and principles.

Client communications

LGT PB is committed to providing transparent and timely communication to its clients through a variety of channels. Regular publications offer insights into stewardship, sustainable investing and the broader investment landscape.

Key reports include:

- LGT Group Annual Report: An overview of LGT's performance and strategic direction, including LGT's sustainability statements.
- Stewardship Report: An annual report providing insights into LGT PB's stewardship activities, including engagement outcomes, voting case studies and collaborative initiatives.
- Sustainability at LGT: An annual report outlining how sustainability is integrated across LGT's business practices and investment strategies, reflecting its commitment to sustainability.
- Proxy vote disclosure system: LGT PB publishes all proxy voting decisions for discretionary client portfolios with directly held UK equities, along with selected funds in Europe and Asia, through its online disclosure platform. This enables clients and stakeholders to review how votes were cast.
- Statement of assets: Clients invested in certain products where stewardship is a core part of the strategy receive updates in their statement of assets, describing the efforts being made with regards to the engagement activities. These are tailored to the individual client and therefore not available publicly.
- Factsheets: Quarterly updates for LGT PB's UK-domiciled funds and charity portfolios (CAF), including voting information and an engagement case study for a company in the fund or a collaborative engagement relevant to the fund's strategy.

LGT PB also keeps clients informed through a range of regular publications and communications, including thought leadership platforms such as Insights and The Brief, a weekly investment newsletter, a video series, and a monthly sustainable investing update covering market developments, regulatory changes and stewardship activities. In line with regulatory requirements, relevant reports are made available through LGT PB's website to support transparency and accountability.

Client communications are tailored and delivered in accordance with local regulatory requirements across regions. Portfolio managers and relationship managers respond directly to client enquiries, providing timely and relevant information to meet individual client needs and support long-term relationships.

Events

LGT PB hosts events to engage with clients, beneficiaries and stakeholders, providing platforms to discuss key topics and promote meaningful dialogue. Regional events, such as panel discussions and thought leadership forums, complement larger conferences, such as the Climate Conference, by focusing on specific client needs and local issues.

This ensures that clients and collaborators, such as industry leaders and relevant experts, are able to shape and influence LGT PB's stewardship strategy.

LGT PB also engages clients through structured client surveys and thought panels, which it uses to gather feedback and explore client priorities to better shape LGT PB's business activities:

- Client surveys (quantitative): Designed to gain insights into clients' experiences, priorities and motivations, as well as their views on key topics such as sustainable investing and the ESG landscape.
- Thought panels (qualitative): A series of focus groups in which clients can share their perspectives on LGT PB's services, emerging trends, challenges and other areas of interest, encouraging open and constructive dialogue.

Engaging with clients on stewardship

LGT PB supports its stewardship activities through tailored communications and client outreach. In 2024, LGT PB in the UK hosted its inaugural stewardship panel event in London, which focused on the evolution of the stewardship industry and voting trends. Speakers included Lindsey Stewart, Director of Stewardship at Morningstar Sustainalytics, and Georgia Stewart, CEO and co-founder of Tumelo, who shared insights on pass-through voting and integrating investor views into engagement practices. This event underscores LGT PB's commitment to informing clients about stewardship and paved the way for additional events across the UK and Europe in the coming years.

2. Activities and outcomes report

2.1 Integration of stewardship and investment

Stewardship priorities

At LGT PB, stewardship is integrated into the investment process to promote long-term sustainable value for clients and beneficiaries. Through a focused approach to engagement, proxy voting and public policy advocacy, LGT PB considers material ESG risks and opportunities across asset classes, geographies and investment styles. Guided by its Sustainability Strategy 2030, LGT PB prioritises systemic issues such as climate change, biodiversity loss and social inequality, recognising their potential to significantly impact both portfolio performance and societal outcomes. This section outlines LGT PB's stewardship priorities and how they have been embedded in its investment strategies and operational practices.

LGT PB defines a systemic issue as one which could affect a large number of investible companies, including their supply chains. Due to this interconnectedness, action on one such issue could safeguard and affect more than one company's performance.

While LGT PB monitors new and emerging issues on an ongoing basis, its stewardship activities are structured around four core pillars: strong and robust governance, climate change, nature and biodiversity, and fairer societies. These pillars reflect areas that LGT PB considers to be material drivers of long-term value, key sources of systemic risk, and important to the long-term resilience of markets and the societies they serve. Refer to Section 2.2 Promoting well-functioning markets for a detailed explanation of LGT PB's approach to market-wide and systemic risks.

Strong and robust governance

At the helm of any successful business or strategy is a robust and strong governance framework.

Climate change

The risks and opportunities associated with climate change can have a material impact on a company's profitability, valuation and long-term prospects.

Nature and biodiversity

LGT PB recognises nature as fundamental to maintaining healthy ecosystems and helping limit climate-related risks.

Fairer societies

LGT PB's reputation as a responsible employer extends to its supply chain and investee companies.

Strong and robust governance practices

A strong governing mechanism is at the heart of any successful business or strategy. LGT PB assesses the governance of each company in scope in line with local best practices and prevailing governance standards. At the same time, certain principles are considered material for all companies. For example, LGT PB expects company boards and governing bodies to demonstrate:

- Independence: This can take various forms, depending on regional norms. However, the structure should be independent enough to ensure that no individual or group can control or dominate board decision-making processes.
- Integrity: Companies should have strong policies and practices to prevent conflicts of interest and corruption, and to ensure that the overriding principle of independence is not compromised.
- Relevant expertise: In an ever-changing world, the role of boards of directors and trustees is constantly evolving. LGT PB believes that boards must be comprised of members with the skills needed to support their company's long-term success.

Climate change

LGT PB believes that the risks and opportunities associated with climate change can have a material impact on a company's profitability, valuation and long-term value creation. Understanding the transition, physical and liability risks that businesses face as they move to a low-carbon economy is vital. This enables LGT PB to understand both managed and unmanaged risks, as well as the viability of entire sectors, business models and companies.

Through engagement, LGT PB reviews companies' decarbonisation plans, emphasising the role of science in reducing emission trajectories and the importance of international disclosure standards such as the European Sustainability Reporting Standards (ESRS) and IFRS Sustainability Disclosure Standards (including IFRS S1 and S2).

LGT PB also recognises that climate change affects both natural systems and people, and considers the social dimensions of the transition to be relevant to long-term resilience. This includes how companies manage impacts on workers and communities, including skills, workforce transition and fair remuneration in the shift to a low-carbon economy.

> LGT is committed to reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for assessing and disclosing climate-related financial risks. LGT has identified four key areas in its efforts to reduce financed and own greenhouse gas (GHG) emissions: client investments, own investments, credits and loans, and operations. LGT's TCFD report provides information on how climate-related risks associated with these four areas have been embedded in its governance, strategy and risk management. The report also outlines LGT's targets in these areas. For further information see the LGT Group Annual Report 2025, which includes the TCFD reporting as part of the ESRS-E1.

Nature and biodiversity

Nature and biodiversity form one of LGT PB's four stewardship pillars, reflecting their importance to ecosystem integrity, climate resilience and long-term economic stability. LGT PB engages with companies to improve understanding of their risks, dependencies and impacts on nature, and to encourage the development of more resilient and sustainable business practices, particularly within supply chains and operational activities. Where effective, this can support the management of nature-related risks and the responsible use of natural resources over time.

Fairer societies

LGT PB advocates for fairer societies in which all people are treated with dignity. However, the realisation of wide-scale fairer societies is complex due to structural inequalities and multifaceted social challenges. Often, issues which appear isolated, such as labour exploitation, are symptomatic of broader systemic issues affecting families, societies and populations. LGT PB believes that stewardship can contribute positively to mitigating these issues.

LGT PB's own reputation as a responsible employer extends to its supply chain and investee companies. It supports the UN Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises. LGT PB expects its investee companies to uphold the same principles on human and labour rights, and promotes stronger decent work practices, for example, in the areas of health and safety, and diversity and inclusion, through its engagement with companies.

In addition, LGT PB is a founding partner of Finance Against Slavery and Trafficking (FAST), and through this commitment seeks to provide "access to remedy" for survivors and victims of modern slavery and human trafficking.

The Finance Against Slavery and Trafficking initiative

Article 4 of the Universal Declaration of Human Rights prohibits slavery worldwide. Nevertheless, an estimated 40 million people live in modern slavery, which disproportionately affects women and girls (approximately 71 % of victims), as well as children, who account for 25 % of victims.[4] Banks and financial institutions may be directly or indirectly involved in such activities through their lending or investment value chains. For example, textiles, automotive, hospitality and construction are key sectors that the World Benchmarking Alliance has identified as being at high risk of forced labour in their operations or value chains.

To actively support the UN in the fight against slavery and human trafficking, the government of Liechtenstein launched the Liechtenstein Initiative on Finance Against Slavery and Trafficking (FAST) in 2018.

FAST aims to raise awareness of these important issues in the financial sector and to combat slavery and human trafficking. As a socially responsible private bank, LGT PB has actively supported the FAST initiative since its inception.

Stewardship collaboration with investment teams

LGT PB's stewardship and investment functions work closely together to ensure that engagement activity is informed by the full breadth of investment expertise across the firm and that stewardship considerations are appropriately reflected within investment processes. Portfolio managers and research analysts frequently invite the Stewardship team to participate in engagements with portfolio companies and fund managers, particularly where sustainability issues intersect with financial materiality, risk assessment or strategic direction. Similarly, the Stewardship team invites portfolio managers and analysts to participate in engagements where investment insight is essential to understanding company context, refining objectives or determining appropriate escalation.

This reciprocal approach ensures that engagement is grounded in both sustainability analysis and investment judgement, and supports decision-making across the investment lifecycle, including fund and

[4] Source: UNODC Global Report on Trafficking in Persons, 2022.

manager selection, position sizing, conviction levels and, where appropriate, the removal of funds or securities from approved buy lists.

The Global Stewardship Lead sits on the UK Sustainable Equities Committee and provides regular insights to portfolio management teams across LGT PB. This structure supports alignment between stewardship priorities and investment considerations, and enables investment and research teams to incorporate engagement outcomes into their assessment of risk, opportunity and long-term valuation.

Both stewardship and investment teams use the Esgaia platform to record, monitor and share engagement activity, providing a consistent view of objectives, milestones and company responses. In 2025, LGT PB strengthened collaboration further through the establishment of a monthly cross-functional forum, chaired by the Global Stewardship Lead and bringing together the Stewardship team and European and UK portfolio managers. This forum provides structured oversight of ongoing engagements, facilitates alignment on priority themes and enables timely discussion of emerging ESG risks and sector trends. In some cases, sustained engagement has supported a longer-term holding period where progress is evident; in others, it has contributed to agreement on reducing exposure, removing securities from buy lists or recommending a sale where concerns persist.

The interaction between stewardship activities and investment decision-making varies across asset classes, reflecting different rights and responsibilities. For listed equities, engagement and voting activity are used alongside financial analysis to support portfolio managers' understanding of company governance, strategy and risk, and to support the ongoing monitoring and review of holdings. For fixed income and other non-equity assets, the Stewardship team works closely with portfolio management and research teams to support engagement with issuers where relevant for LGT PB's funds. These interactions are undertaken to enhance understanding of issuer practices and risks, and to ensure stewardship considerations are appropriately reflected within established investment and monitoring processes, recognising the different levers available to bondholders.

The Stewardship team also works closely with portfolio management and research teams globally to review voting recommendations and ensure decisions reflect the best available investment analysis. For more information, see Section 2.4 Exercising rights and responsibilities.

Collaboration between stewardship, research and portfolio management teams has also directly influenced security selection decisions. During the reporting period, LGT PB replaced exposure to the Alphabet C share class across model portfolios with the A share class, which carries voting rights. Although the C shares were trading at a slight premium despite offering no voting rights, the A shares provide stronger alignment with stewardship objectives and shareholder influence. This decision reflected a clear preference for voting rights for new capital and non-taxable clients and was accompanied by an increase in overall exposure, demonstrating investment conviction informed by both stewardship and financial analysis.

Through these practices, stewardship and investment teams operate in a coordinated, transparent and integrated manner, ensuring that stewardship activity is appropriately embedded within investment processes and supports long-term client outcomes.

Highlights of LGT PB's stewardship journey

2020
- Developed a stewardship strategy
- Introduced proxy voting for direct holdings

2021
- Communicated net-zero goal 2030[5]

2022
- Joined the investor network Farm Animal Investment Risk and Return (FAIRR) to support a just transition in animal agriculture
- Developed Sustainability Strategy 2030
- Entered into an agreement with Columbia Threadneedle Investments
- Joined Climate Action 100+ and PRI's Advance initiative
- Signed the Finance for Biodiversity Pledge

2023
- Completed first year of voting for the Focus Sustainability Fund
- Onboarded Esgaia, a third-party engagement and voting tracking platform
- Global Stewardship Committee approved Global voting principles defining LGT PB's voting approach
- Expanded Stewardship Strategy globally
- Joined Nature Action 100

2024
- Agreed a new framework for the classification of engagements
- Began proxy voting for the Transition Enablers Fund
- Hosted first client event dedicated to stewardship

2025
- Launched pass-through voting across selected passive funds
- Cast first votes in Asia for the Sustainable Global Equity Fund
- Integrated NatureAlpha biodiversity analytics into stewardship and Nature Action 100 engagement
- Launched a proxy vote disclosure system to enhance client transparency on voting decisions and rationales
- Hosted the second Modern Slavery and Construction Roundtable in partnership with the Cabinet Office, CCLA and the Supply Chain Sustainability School
- Updated Climate Ambition 2030

2025 milestones

In 2025, LGT PB achieved several important milestones as part of its continued work to strengthen stewardship practices. Following its launch in December 2024, pass-through voting became fully operational across selected passive funds, making LGT PB the first European wealth manager to offer this capability and giving clients a more direct voice in how their shareholder rights are exercised.

Throughout 2025, LGT PB advanced its stewardship work by integrating NatureAlpha's biodiversity and nature-related analytics into engagement activities, particularly through collaborative initiatives such as Nature Action 100. This supports more targeted and evidence-based dialogues on nature-related risks and opportunities with companies and fund managers. In parallel, LGT PB launched a new proxy vote disclosure system to improve transparency for clients and provide clear access to voting decisions.

In the autumn, LGT PB deepened its focus on labour rights by hosting the second Modern Slavery and Construction Roundtable in partnership with the Cabinet Office, CCLA Investment Management and the Supply Chain Sustainability School. The event brought together leaders from across the construction ecosystem to discuss how businesses can identify, respond to and prevent forced labour risks in complex supply chains. Participants also heard survivor-informed insights from Malaika Oringo and an update from Jess Phillips MP on forthcoming UK government measures to strengthen the national response to modern slavery. The roundtable reflected LGT PB's fairer societies stewardship pillar and its ongoing participation in initiatives such as the FAST initiative and Find It, Fix It, Prevent It.

5 In 2021, LGT PB committed to becoming net zero by 2030, based on its own definition of "net zero". An internationally recognised understanding of "net zero" has since been established. From 2025, LGT PB has aligned with this definition under its Net Zero 2050 commitment. This definition is based on binding definitions set out in international frameworks such as the IPCC, SBTi and PCAF, which have also been incorporated into the European Sustainability Reporting Standards (ESRS). With respect to the 2030 milestone, LGT PB has redefined its commitment "Climate Ambition 2030". This change relates solely to terminology; the underlying emission reduction targets and the ambition to cover certain emissions with carbon credits remain unchanged.

2.2 Promoting well-functioning markets

Stewardship is an important part of LGT PB's approach to supporting the transition towards a lower-carbon and more resilient global economy. As a universal owner, LGT PB recognises the importance of addressing interconnected risks that may affect multiple sectors, economies and stakeholders. These include climate change, biodiversity loss and social inequality – challenges that present both risks and opportunities linked to sustainable innovation and long-term value creation. A detailed definition of universal ownership can be found in Section 1.1 Organisation, investment beliefs and stewardship approach.

Through its global stewardship strategy, LGT PB aims to achieve two key outcomes:

1. Fulfil its fiduciary duty to deliver stable investment returns for clients while adhering to agreed investment objectives and parameters.
2. Create a safer and more sustainable future for clients, their families and future generations through sound capital management.

LGT PB's diversified investments across asset classes, sectors and geographies help to reduce the impact of individual investments on portfolio outcomes. At the same time, LGT PB recognises that systemic risks, such as climate change, can affect the broader economy and therefore influence outcomes across portfolios. To help manage these systemic risks, LGT PB engages with companies on issues including climate transition, nature-related risks, digital privacy, modern slavery and human rights, and diversity and inclusion, recognising their relevance to long-term resilience and value creation. This focus is informed by the LGT Group's 2025 ESG risk assessments, which considered climate, nature, social and governance risks across its value chain.

Key market-wide and systemic risks

1. Climate change: Climate change presents both physical and transition risks that significantly impact global markets. LGT PB integrates these risks into its investment decisions by encouraging companies to align with net-zero targets, disclose greenhouse gas emissions (GHG) and implement science-based decarbonisation strategies in line with the Net Zero Investment Framework (NZIF) of the Institutional Investors Group on Climate Change (IIGCC).
2. Nature-related risks: As with climate change, nature and biodiversity loss pose both physical and transition risks to industries reliant on ecosystem services, such as agriculture, forestry and fisheries. LGT PB collaborates with selected companies to integrate biodiversity considerations into corporate strategies, minimising dependencies on fragile ecosystems and building resilient operations. This approach fosters opportunities in the circular economy and nature-positive investments. To further strengthen its efforts, LGT PB onboarded NatureAlpha, a leading provider of geospatial data tools for assessing and addressing nature-related risks, to enhance its capacity to evaluate and mitigate biodiversity impacts across portfolios.
3. Social inequality and human rights: Structural inequalities and human rights violations present risks to business continuity and societal stability, as reflected in LGT PB's fairer societies pillar. LGT PB actively engages with companies to improve labour rights, supply chain transparency, and diversity and inclusion practices. Through its partnership with the FAST initiative, LGT PB supports efforts to eliminate forced labour and promote fair working conditions, particularly in high-risk sectors like textiles and agriculture.

For further information on LGT Group's identification of material impacts, risks and opportunities, see the Sustainability statements in the LGT Group Annual Report 2025.

Public policy advocacy

LGT PB recognises that investors are only as effective as the regulatory environments in which they operate. To address systemic risks, LGT PB actively participates in public policy advocacy, contributing to regulatory discussions and advancing sustainability initiatives. The following are key examples of LGT PB's policy advocacy in 2025:

- Regulatory consultations:
  - As an investment committee member of the Society of Pension Professionals, LGT PB responded to the UK Pensions Regulator's (TPR) consultation on developing and testing a voluntary net-zero transition plan template for occupational pension schemes.
- Meetings and engagement with ministers and public officials:
  - LGT PB also participated in meetings with former Minister of State for Food Security and Rural Affairs, Daniel Zeichner, to discuss forced labour risks associated with the UK agricultural visa scheme.
  - In autumn 2025, LGT PB co-hosted an event with CCLA Investment Managers on modern slavery in the construction industry. The event was held in partnership with the Cabinet Office and included keynote contributions from the Minister of Safeguarding Women and Girls, Jess Philipps, as well as representatives from the Crown Commercial Services.
- Policy advocacy letters and reports:
  - In October 2025, ahead of COP30 in Belém, Brazil, LGT PB, as a participant in the World Economic Forum's Alliance of CEO Climate Leaders, supported an open letter calling on policymakers to accelerate climate action and highlighting the transition to a low-carbon economy as an opportunity for growth, innovation and resilience.
  - LGT PB further collaborated with the UN Development Programme on interviews and a report focused on the engagement and inclusion of affected stakeholders in investor dialogues. The UNDP report "Engaging People with Lived Experience: A Brief for Investors", co-authored with Finance Against Slavery and Trafficking, draws on best practices for safeguarding affected stakeholders during investor engagement and was published at the end of 2025.
- Industry engagements:
  - LGT PB is active in the IIGCC External Fund Managers Working Group and IIGCC UK Stewardship Working Group, contributing to the development of resources to support portfolio alignment with net-zero goals when investing through external fund managers.
  - LGT PB also contributes to PRI Regional Policy Reference Groups (Global, UK and Swiss), supporting alignment with evolving market standards.
  - LGT PB participated in a biodiversity-focused regulatory event convened by the Swiss Financial Market Supervisory Authority (FINMA), alongside the Personal Investment Management & Financial Advice Association (PIMFA) and the Scottish Asset Owners Group.
- Climate lobbying alignment:
  - LGT PB collaborated with InfluenceMap to assess corporate climate-lobbying alignment and encourage stronger transparency for public policy engagement. This work supported broader investor expectations on responsible climate advocacy and informed specific company dialogues. Further details are provided in the Linde plc case study in the following section.

2.3 Engagement

Engagement at LGT PB

Engagement is a central component of LGT PB's stewardship approach, enabling constructive dialogue with investee companies, fund managers and other stakeholders to address material ESG risks, strengthen governance and support long-term value creation. Engagements are initiated both proactively, in response to emerging risks and opportunities, and reactively, where specific concerns arise.

Topics are selected based on their materiality to long-term value creation, alignment with client objectives and relevance to LGT PB's four stewardship priorities: climate change, nature and biodiversity, fairer societies, and robust governance. LGT PB draws on ESG research, proprietary tools and third-party data to identify and prioritise engagement activity. Further detail on how these priorities are identified and defined is set out in Section 2.1 Integration of stewardship and investment.

LGT PB believes engagement can be approached through two distinct channels:

1. Due diligence engagements: Company-specific engagements aimed at enhancing portfolio outcomes by addressing risks or opportunities that could impact financial performance and valuation.
2. Systemic engagements: Engagements focused on market-wide risks, reflecting LGT PB's role as a universal owner in supporting long-term systemic change across economies and sectors.

In 2025, LGT PB engaged on a range of themes, including:

- Executive renumeration
- Climate change policies and net-zero plans
- Nature-related risks and opportunities
- Artificial intelligence
- Modern slavery and human rights
- Diversity and inclusion

Why LGT PB pursues engagements

Due diligence engagements

Good stewardship = better investment outcomes
The equity research team engages with company management to better understand what drives their decisions and assess material risks.

Focus: governance, strategy, board expertise and skills, trade-offs

Engaging for portfolio resilience

Systemic engagements

Stewardship is one of LGT PB's key tools for managing investment risks and supporting real economy change. Issue-based stewardship, led by the Stewardship team, seeks to drive positive change on systemic risks such as climate change, social inequality and biodiversity loss.

Focus: material systemic risks

Engaging the real economy

Methods of engagement

LGT PB tailors its approach to engagement depending on the issue, its materiality and the desired outcome. Engagement activities include:

- Direct engagement: One-to-one discussions with company leadership or fund managers to raise specific concerns and encourage change.
- Collaborative engagement: Working alongside other investors, networks or coalitions to amplify influence, particularly on systemic or sector-wide challenges.
- Multistakeholder engagement: Structured investor initiative bringing together investors, companies, civil society organisations and subject matter experts to address a specific sustainability issue. These engagements establish shared expectations and enable consistent, informed dialogue with participating companies. By pooling expertise and influence, they support accountable progress and promote long-term value creation.
- Engagement via third parties: In 2022, LGT PB in Europe entered into an agreement with Columbia Threadneedle Investments' Responsible Engagement Overlay (reo®) for third-party engagement services. Through this agreement, LGT PB supplements internal resources, tracks progress and enhances engagement activities. Columbia Threadneedle Investments engages on behalf of its clients, including LGT PB and its peers, leveraging the combined assets to address material sustainability issues with companies.
- Policy engagement: Leveraging its skills and expertise, LGT PB engages in public policy discussions, contributes to consultations, participates in pan-industry working groups, and supports sustainable investment through collaboration with international partners, participation in investor statements and efforts to foster a policy environment that benefits its clients and portfolio companies.

To provide clarity and transparency, LGT PB breaks engagement activities down into three distinct categories that form the foundation of its engagement framework. These categories are:

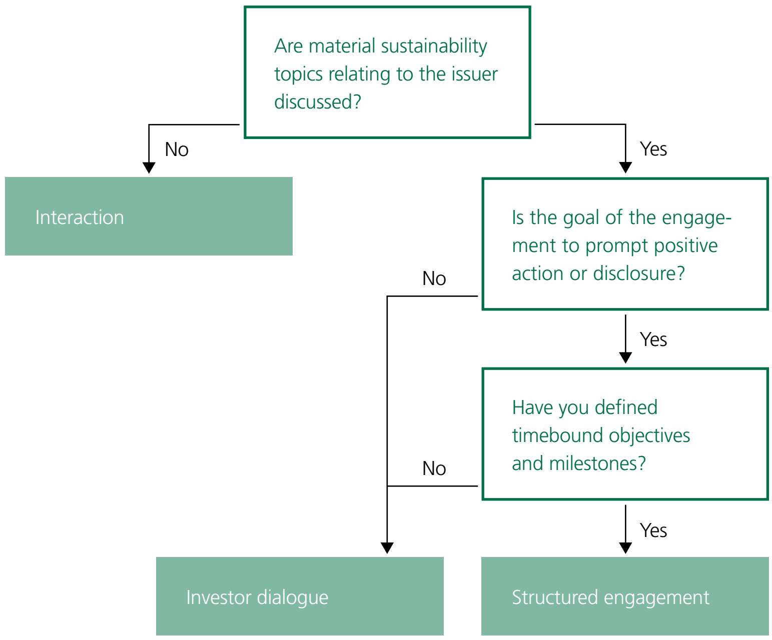
- Interaction: Initial, exploratory discussions to establish dialogue and better understand company strategies.
- Investor dialogues: Two-way, targeted discussions on material sustainability issues, aimed at gaining insights and influencing company behaviour.
- Structured engagements: Focused, time-bound initiatives with defined objectives and measurable outcomes, designed to address specific risks or opportunities.

Meetings and interactions often mark the beginning of a constructive relationship with investee companies, helping to build rapport and open lines of communication. Ongoing investor dialogues support the monitoring of progress on sustainability matters that warrant continued observation to ensure responsible management. Structured engagements are used to address material sustainability issues that call for targeted action by the company. In practice, successful engagements often draw on elements of all three categories, reflecting the complexity of sustainability challenges.

Purpose and escalation of engagement

The purpose of engagement is to encourage companies and fund managers to improve sustainability practices, mitigate ESG risks and adopt strategies

Types of engagement actions



that align with long-term value creation. When engagements fail to deliver sufficient progress, LGT PB implements escalation measures to reinforce its expectations and drive meaningful change. Escalation may include raising concerns directly at the board or senior management level, voting against management proposals at AGMs, or submitting private or public letters to outline specific concerns. LGT PB also collaborates with other investors and relevant stakeholders to amplify its influence, particularly when addressing systemic challenges that require collective action. By following a structured and transparent approach to escalation, LGT PB ensures accountability and emphasises the importance of addressing material risks to protect long-term client interests and promote positive outcomes.

Monitoring and measuring progress

LGT PB monitors the effectiveness of its engagement activities through systematic tracking and analysis in Esgaia, a centralised platform for consolidating engagement data. The Stewardship team uses Esgaia to record activities, assess progress against objectives and identify recurring themes or risks. This structured, data-driven approach supports timely escalation where appropriate and helps ensure that the engagement strategy remains transparent, focused and aligned with clients' long-term sustainability priorities.

Engagement in practice

The following case studies illustrate how LGT PB's engagement strategy was applied in 2025 to address material ESG risks and opportunities. By combining direct, collaborative and multistakeholder engagements, LGT PB aims to address both company-specific risks and broader systemic challenges, supporting sustainable long-term value creation for clients and contributing to more resilient economic and environmental systems.

Nextera Energy, Inc.

Collaborative engagement case study

Sector	Utilities
Country	United States
Status	Ongoing
Priority	Fairer societies
Background	NextEra Energy, Inc. is one of the largest electric utilities in the United States and the world's largest generator of wind and solar power through its subsidiary NextEra Energy Resources. The engagement was prioritised due to the company's scale in renewable infrastructure development, its exposure to sensitive land use and Indigenous rights issues, and the associated permitting, reputational and regulatory risks. LGT PB has engaged with the company under PRI Advance since 2022. PRI Advance is a global collaborative initiative through which investors work together to promote stronger human rights due diligence and responsible engagement with affected stakeholders. As co-lead investor, LGT PB helps coordinate investor expectations and maintain structured dialogue with the company on these topics.
Action	The objectives of the engagement were to: clarify how the company governs human rights risks across its development pipeline, encourage the publication of a standalone Human Rights Policy aligned with international standards, and assess whether consultation with Tribal Nations is systematic, meaningful and integrated into project decision-making. Engagement with NextEra focused on how the company identifies, assesses and manages human rights risks across its development pipeline. A central element of the PRI Advance dialogue was the request that the company publish a standalone Human Rights Policy to provide clarity on governance, oversight and due diligence expectations. At the outset, no such policy was publicly available. Following ongoing constructive engagement with the investor group, the company published a standalone Human Rights Policy in December 2025. Investors also met with the Director of Tribal Relations to understand consultation practices, cultural heritage protections, and the tools used to support respectful and informed engagement with Tribal Nations and Indigenous communities throughout project lifecycles. This engagement remains ongoing as investor expectations are communicated and progress is monitored.
Outcome	The publication of the Human Rights Policy in December 2025 represents a meaningful step in formalising the company's approach to human rights governance and due diligence. The policy improves transparency on governance and oversight. The investor group's initial assessment is that the policy partially meets expectations. It strengthens the articulation of the company's commitments and governance structures, but remains high level in certain areas, particularly regarding how consultation outcomes with Tribal Nations and Indigenous communities are integrated into project-level decision-making, risk management and remediation processes. Investors were encouraged by the company's tribal relations practices, which appear structured and embedded across the project lifecycle and represent a stronger approach than is commonly observed among peers in the renewable energy sector. These practices provide an important foundation for the effective implementation of the policy, although further transparency on outcomes and effectiveness would strengthen confidence. The engagement has informed investors' assessment of the company's management of social and permitting risks associated with large-scale infrastructure development. While it has not resulted in a change to the investment position, it has increased confidence in the company's consultation processes and highlighted the importance of ongoing monitoring of policy implementation.
Next steps	Dialogue will continue under the PRI Advance initiative and through LGT PB's individual stewardship activities, with a focus on how the policy is operationalised in practice, including internal accountability, training, integration into project approvals, and enhanced disclosure on consultation outcomes and grievance mechanisms.

Roche Holding AG

Engagement case study

Sector	Pharmaceuticals
Country	Switzerland
Status	Ongoing
Priority	Biodiversity and nature
Background	Roche Holding AG is one of the world's largest pharmaceutical and diagnostics companies. Its global manufacturing footprint depends on resource-intensive processes that can generate water pollution, exert pressure on local ecosystems, and increase regulatory, operational and reputational risks. These issues are increasingly material for the healthcare sector, where long-term value creation is closely linked to responsible environmental management. Insights from NatureAlpha, a geospatial nature data provider, were used to map Roche's facilities near key water basins and identify several manufacturing sites located in areas of elevated water pollution and ecosystem sensitivity. This included three high-risk facilities in China. Roche's internal E3 Water Impacts and Dependencies assessment, which evaluates how each facility both relies on and affects local water systems, highlighted that a small number of sites account for most of the company's water consumption and nutrient discharge risk. These findings underscored the relevance of enhanced oversight of water and biodiversity issues across the company's operations and informed the prioritisation of Roche for engagement under LGT PB's biodiversity and nature stewardship pillar.
Action	The objectives of the engagement were to: assess how Roche identifies and manages water and nature-related risks across its manufacturing footprint, encourage stronger integration of these risks into the company's environmental strategy, and promote clearer governance, targets and disclosure in relation to biodiversity and water impacts. LGT PB initiated an individual structured dialogue with Roche focused on the governance and management of water and nature-related risks. Engagement explored how the company identifies priority sites through its E3 Water Impacts and Dependencies assessment, including facilities in China, Germany, Switzerland and the United States, where nutrient discharges and watershed sensitivity present heightened risk. The dialogue also emphasised expectations for enhanced governance, including greater clarity on board-level oversight of nature-related risks, more consistent use of geospatial datasets in site-level decision-making and improved disclosure of mitigation plans at high-risk locations. LGT PB encouraged Roche to address gaps relative to peers, particularly the absence of clear biodiversity targets and limited visibility of broader nature-related commitments. Follow-up questions were raised regarding the development of the company's next five-year water targets, the evolution of its biodiversity strategy and opportunities to integrate supplier engagement outcomes into nature-related reporting.
Outcome	Roche has demonstrated increased awareness of water pollution risks at priority sites and continued investment in wastewater treatment initiatives that reduce nutrient discharges. The company has also provided additional clarity on the methodology behind its E3 Water Impacts and Dependencies assessment and signalled plans to expand this analysis across a broader set of facilities. This represents early but constructive progress against the engagement objectives, particularly in relation to risk identification and internal awareness. However, gaps remain in the articulation of measurable biodiversity targets, the integration of nature-related risks into strategic decision-making and the transparency of mitigation plans at high-risk sites. The engagement has strengthened LGT PB's understanding of how Roche manages environmental risks within its operations and highlighted areas where further progress is needed to strengthen resilience and reduce exposure to regulatory and ecosystem-related risks.
Next steps	Engagement with Roche will continue with an emphasis on encouraging the development of measurable biodiversity targets, enhanced disclosure of mitigation actions at high-risk sites and clearer integration of nature-related risks into environmental strategy and governance.

Linde plc

Multistakeholder engagement case study

Sector	Chemicals
Country	Ireland
Status	Objective achieved
Priority	Climate change
Background	Linde plc is a leading global industrial gases and engineering company with significant expertise in hydrogen production. Ensuring that corporate lobbying activities support rather than contradict stated climate transition strategies is a priority for investors, as misaligned advocacy can impede progress towards the goals of the Paris Agreement and elevate long-term regulatory, transition and reputational risks. Linde's 2024 Sustainability Report showed improvements in disclosure, with greater detail provided on its climate lobbying activities. While the company is broadly supportive of climate legislation, its membership in certain industry associations, such as the American Fuel and Petrochemical Manufacturers, raised questions about alignment with its net-zero commitments. InfluenceMap, an independent non-profit research body that evaluates corporate and industry association lobbying practices, identified inconsistencies between Linde's climate ambitions and the policy positions advanced by some of its associations. These findings informed the prioritisation of Linde for engagement on climate lobbying alignment.
Action	The objectives of the engagement were to: assess the alignment between Linde's climate strategy and its direct and indirect lobbying activities, encourage stronger governance and oversight of policy advocacy and promote greater transparency on the company's approach to climate-related lobbying. LGT PB and InfluenceMap held an initial multistakeholder engagement with Linde to explore the alignment between the company's climate strategy and the positions taken by selected industry associations. A multistakeholder approach was used to combine investor expectations with independent research on lobbying practices and to support a more evidence-based dialogue with the company. Discussions with senior sustainability and investor relations representatives outlined expectations for stronger governance and more transparent oversight of climate-related lobbying activities. Ahead of the 2025 AGM, LGT PB continued to engage individually through direct communication with the company to emphasise the importance of clearer oversight of lobbying practices and expanded visibility of indirect advocacy. Following this engagement, Linde committed to strengthen its disclosures in the 2026 reporting cycle, including a board-level review of all industry association memberships and a more detailed explanation of its climate lobbying approach.
Outcome	The company's commitments to enhance disclosure and introduce board-level review of industry association memberships represent a meaningful milestone in improving oversight and transparency of climate-related lobbying. These engagement outcomes directly informed LGT PB's voting considerations at the 2025 AGM. A shareholder proposal requested enhanced reporting on climate lobbying. Given the improvements in Linde's 2025 sustainability report and the company's commitment to deliver further enhancements in the next reporting cycle, LGT PB supported management and voted against the proposal. This reflects constructive progress against the engagement objectives and demonstrates how sustained and coordinated investor engagement can support more transparent and climate-aligned lobbying practices, while also informing stewardship and voting decisions.

Airbnb, Inc.

Engagement case study

Sector	Consumer discretionary
Country	United States
Status	Ongoing
Priority	Fairer societies
Background	Airbnb, Inc. operates a global platform for short-term accommodation and experiences. While the platform model broadens economic access, it also introduces human rights risks, including the potential misuse of properties for human trafficking and exploitation. These risks are material to LGT PB's fairer societies pillar, given their social impact and the need for safe, inclusive digital market-places. Airbnb partners with specialist organisations such as Polaris, the UK Trust and Safety Alliance and UNSEEN UK to strengthen its safeguards. The company has funded the expansion of Polaris's Global Modern Slavery Directory into multiple languages and works with law enforcement and community groups to deliver targeted education in regions with elevated trafficking risks, including in the lead-up to major events such as the Paris Olympics. Given the scale of the platform and the severity of potential harm, Airbnb was prioritised for engagement to assess the robustness and effectiveness of these safeguards.
Action	The objectives of the engagement were to: assess how Airbnb governs and manages human rights risks related to exploitation on its platform, understand the effectiveness of its operational and technological safeguards, and encourage greater transparency and oversight in this area. LGT PB continued its engagement with Airbnb for a second year to assess governance structures, operational safeguards and technology systems designed to prevent exploitation. The engagement was undertaken by the Stewardship team alongside a member of the Portfolio Management team. Discussions with senior representatives covered oversight of human rights risks, escalation procedures when potential trafficking activity is identified, and the integration of insights from partners such as Polaris and local authorities. Airbnb outlined the key measures in place, including mandatory trafficking-prevention training for all employees, specialised training for frontline operations teams, twenty-four-hour safety support, and machine learning tools designed to detect high-risk booking patterns and escalate concerns to safety specialists and law enforcement partners. The company also provided examples of localised interventions, such as enhanced host training and listing reviews in Colombian cities identified as higher risk.
Outcome	The engagement provided increased clarity on Airbnb's governance of human rights risks, the role of external partnerships in shaping its safeguards and the use of technology to detect potentially harmful activity. This represents constructive progress in terms of transparency and internal risk awareness. However, opportunities for further improvement remain, particularly in relation to more consistent reporting on the effectiveness of interventions, clearer articulation of board-level oversight, and greater transparency on how the performance of safety systems is monitored and reviewed. The engagement has informed LGT PB's understanding of platform-related human rights risks and will continue to shape ongoing stewardship priorities in this area.
Next steps	Engagement will continue with a focus on enhancing disclosure on the effectiveness of safeguards, responsible use of AI in safety systems, and integration of human rights considerations into product and policy design, in line with the fairer societies pillar.

Collaborative engagements

LGT PB takes an active role in a number of collaborative, industry-leading engagement initiatives that align with its four stewardship priorities of climate change, nature and biodiversity, fairer societies, and robust governance. Collaborative engagement allows investors to combine expertise, share data-driven insights and exert more effective influence on systemic challenges that cannot be addressed through individual dialogue alone. Participation in these initiatives strengthens LGT PB's ability to drive progress on issues that are material to client outcomes and long-term value creation.

Climate Action 100+

Climate Action 100+ is an investor-led initiative aimed at ensuring the world's largest corporate greenhouse gas emitters take necessary action on climate change in order to mitigate financial risk and maximise the long-term value of assets. The initiative focuses on 169 of the world's biggest corporate emitters, and more than 600 investors.

LGT PB has been a member of Climate Action 100+ since 2022 and is part of the engagement team for Holcim, a major cement manufacturer. LGT PB's engagement focuses on Holcim's newly spun-out US business, its decarbonisation strategy and lobbying around green cement standards in the European Union.

IIGCC Net Zero Engagement Initiative

The Institutional Investors Group on Climate Change (IIGCC) is a membership organisation that brings together the investment community to accelerate progress towards a net-zero and climate-resilient future by 2030, in line with the goals of the Paris Agreement.

LGT PB joined the IIGCC's Net Zero Engagement Initiative in 2022 and is currently engaging with Accenture and Vinci SA.

Nature Action 100

Nature Action 100 is a global investor-led engagement initiative supporting greater corporate ambition and action to reverse nature and biodiversity loss.

LGT PB has been a member since 2023 and is co-lead investor for Nestlé and Novartis, engaging with both companies on the nature-related risks and opportunities associated with their impacts on habitat loss and the overexploitation of natural resources.

Mining 2030

The Global Investor Commission on Mining 2030 is a collaborative investor-led initiative seeking to define a vision for a socially and environmentally responsible mining sector by 2030 and build consensus on the role of finance in achieving this vision.

LGT PB has been a signatory since 2023. No specific target companies have yet been defined. LGT PB will engage as appropriate following the best practice standards established by the initiative.

Advance

Advance is a PRI-led collaborative initiative through which institutional investors seek to advance human rights and positive social outcomes through investor stewardship. LGT PB has been a signatory since 2022. LGT PB is co-lead investor for NextEra Energy, focusing on the company's solar supply chain, human rights policies and practices, and Tribal and Indigenous rights across US sites.

Find it, Fix it, Prevent it

Find it, Fix it, Prevent it is an initiative launched by CCLA Investment Management to bring the investment management industry together to promote meaningful and effective corporate action to end modern slavery.

LGT PB became a signatory in 2022 and is engaging with companies in the construction sector, including Marshalls.

The 30 % Club UK Investor Working Group

The 30 % Club is a business-led campaign to boost female representation at board and executive level in the world's biggest companies.

LGT PB has been a member of the Investor Working Group since 2022. The group consists of 38 investors in the UK 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. The organisation is now looking to ensure gender parity in boardrooms and in executive teams. LGT PB is engaging with Unilever, Whitbread and Prudential, and will engage where it can within its investment universe.

Modern Slavery and Construction Roundtable

Modern slavery presents a significant and growing risk within the construction sector, with 18 % of forced labour victims globally employed in this field.[6] LGT PB believes that responsible business begins with respect for human dignity. In 2025, LGT PB hosted its second Modern Slavery and Construction Roundtable, focused on tackling forced labour risks in the construction sector, which is considered high-risk due to its complex and often opaque global supply chains. Held in partnership with the UK Cabinet Office, CCLA Investment Management and the Supply Chain Sustainability School, the event brought together leaders from across the construction ecosystem to explore how businesses can identify, respond to and prevent modern slavery.

LGT PB heard from survivor advocate Malaika Oringo, whose powerful story underscored the importance of survivor-informed approaches. Jess Phillips MP, Minister for Safeguarding, also announced a new UK government initiative to strengthen the national response to modern slavery.

As a founding partner of Finance Against Slavery and Trafficking (FAST), LGT PB continues to support efforts to provide "access to remedy" for survivors of modern slavery and human trafficking. This roundtable also supports LGT PB's fairer societies stewardship priority and complements its participation in Find It, Fix It, Prevent It, an investor initiative.

[6] Unseen UK. Helpline Annual Assessment 2023, p. 52.

2.4 Exercising rights and responsibilities

Voting at LGT PB

Voting is a core component of LGT PB's stewardship approach. Voting activities are governed by LGT PB's Global voting principles, which set out how management and shareholder proposals are assessed in line with long-term value creation, effective governance and progress observed through engagement. As outlined in Section 1.3 Stewardship policies, processes and review, these principles provide the framework for evaluating each ballot item, taking into account company-specific context, market standards and stewardship priorities.

Voting is a regulated activity, subject to the specific requirements of each market. Implementation therefore varies across the regions in which LGT PB holds shares. In the UK, LGT PB votes on all directly held equities on its buy list for discretionary client portfolios as well as those held within LGT PB-managed funds. In Europe and Asia, voting activities are undertaken on selected fund vehicles where LGT PB is the beneficial owner of the shares.[7] Robust voting practices are maintained where regulatory and operational conditions support effective stewardship, with ongoing assessment of opportunities to responsibly broaden voting coverage over time.

To enhance transparency and comply with relevant regulations and stewardship codes, LGT PB provides full visibility of proxy votes cast across the UK, Europe and Asia through a proxy vote disclosure tool. The proxy vote disclosure tool can be accessed online and includes detailed company-level voting records.

Proxy voting is generally less common in private banking than in the institutional investor segment due to regulatory and operational constraints, including custodian requirements, share consolidation processes and reporting obligations. Within this context, LGT PB has identified opportunities to strengthen the exercise of voting rights across applicable portfolios in a manner consistent with the firm's broader stewardship approach. In 2024, LGT PB introduced pass-through voting within select passive pooled funds. This enables underlying investors, including LGT PB, to express voting preferences directly on specified resolutions. This development extends the reach of LGT PB's stewardship and voting approach across a larger share of portfolios and enhances alignment between capital allocation, stewardship priorities and voting outcomes.

Defining pass-through voting

Pass-through voting allows underlying investors in pooled funds to direct how their shares are voted, rather than relying on the asset manager vote on their behalf under their default policy. In practice, this means LGT PB reclaims the voting rights from the fund manager and applies its own preferred voting policies to the underlying shares.

LGT PB holds a weekly proxy voting alignment call among the colleagues who coordinate and facilitate voting across the UK, Europe and Asia. This supports consistent application of voting policies, timely infor-

[7] In Europe, LGT votes systematically for the LGT PB Focus Sustainability Fund range and the LGT PB Transition Enablers Fund. In addition, LGT votes on behalf of the LGT PB Sustainable Global Equity Fund, a fund managed in Asia.

mation sharing on upcoming ballots and a unified operational approach to voting activity. The LGT PB Stewardship team retains responsibility for administering and implementing all proxy voting decisions. The LGT PB Stewardship team works closely with portfolio management and equity research teams across global locations to review voting recommendations and ensure decisions align with long-term client interests. Significant or complex voting items are escalated to the GSC for further consideration. LGT PB also uses the research and implementation services of Institutional Shareholder Services (ISS) to support analysis and facilitate the voting process.

2025 proxy voting in numbers:

- 225 issuers voted on
- 25 markets
- more than 3900 proposals,
- 96 % of which were submitted by management

For LGT PB's equity holdings, the majority of proposals (96 %) were put forward by management. These primarily related to compensation, the board and corporate structure and capitalisation. Shareholder resolutions accounted for 4 % of proposals. While the majority of shareholder proposals are still tabled in the US due to the more favourable filing environment and lower threshold for raising agenda items, the practice is becoming increasingly common in Europe and the UK.

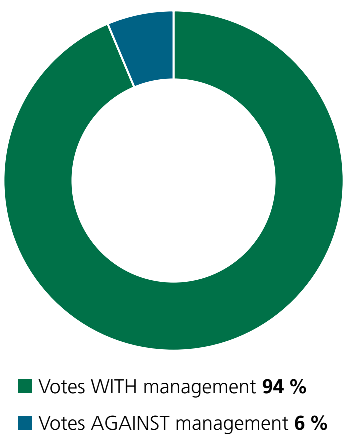
LGT PB's voting outcomes

LGT PB voted against management 247 times in 2025, representing 6 % of total votes cast. Most votes against management fell into one of two categories. The largest share pertained to director re-elections and addressed topics ranging from conflict of interest or disagreement over long-term strategic direction to leadership not creating sufficient shareholder value. Each case was reviewed independently.

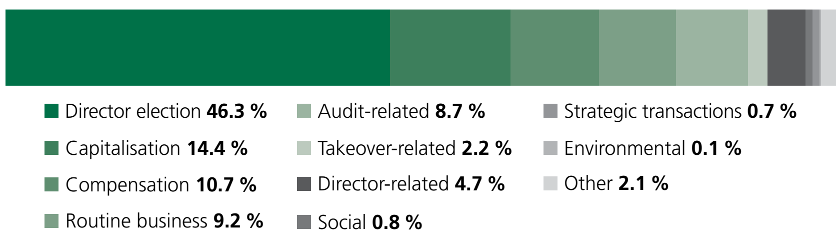
Compensation and social issues were the second-most-frequent reason that LGT PB voted against management. Topics included gender and ethnicity reporting, proposals for climate change transition plans and labour discrimination. LGT PB generally supports shareholder resolutions where they are considered reasonable, address material sustainability issues and do not introduce disproportionate or unintended costs for the company.

Proposal breakdown across LGT PB voting in 2025

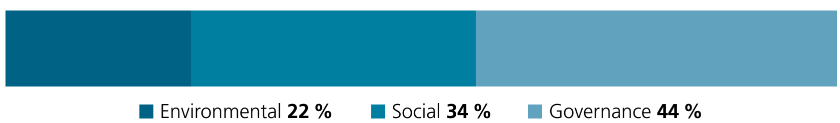
Alignment with company boards



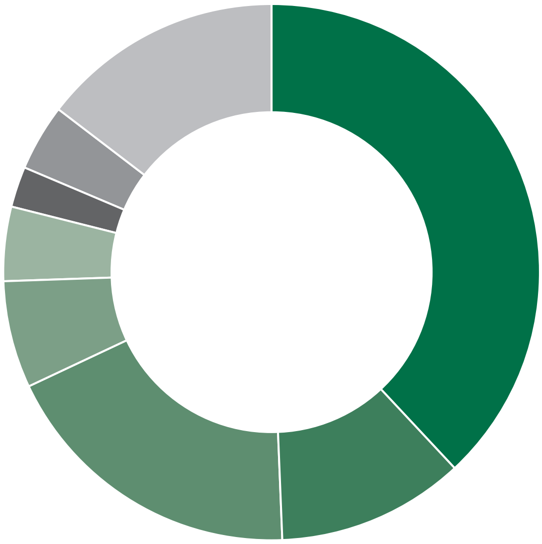
Breakdown of management resolutions



Shareholder proposals by ESG pillar



Breakdown of votes cast against management



- Director election **38 %**
- Social **11 %**
- Compensation **19 %**
- Environmental **7 %**
- Director-related **4 %**
- E&S blended **2 %**
- Corporate governance **4 %**
- Other **15 %**

AI on the ballot

AI-related proposals are becoming increasingly visible on company ballots as investors seek greater assurance on how advanced technologies are governed. In 2025, LGT PB reviewed eleven AI-focused proposals across our investments. Most called for improved disclosure on data governance, oversight of human rights risks or assessments of how external data is used to train AI models.

LGT PB supported proposals at Alphabet, Apple, Amazon, Microsoft and Meta that sought greater transparency on data acquisition, human rights impacts and board-level oversight. These decisions reflected LGT PB's focus on responsible AI governance, including clear accountability structures, safeguards against unethical data practices, alignment with evolving regulation such as the EU AI Act, and integration of AI into broader risk and sustainability frameworks.

The voting approach recognises that responsible AI governance is increasingly material to long-term value creation, with implications for operational resilience, workforce impacts and the energy use of data infrastructure. LGT PB will continue to monitor trends in AI proposals and engage with companies to encourage transparent and forward-looking management of AI-related risks and opportunities.

Exercising rights beyond listed equities

In addition to listed equities, LGT PB seeks to ensure that stewardship responsibilities extend across other asset classes where relevant. In private markets, LGT PB works with external fund managers to integrate stewardship considerations, encouraging active ownership and ESG alignment within their investment strategies. LGT PB's due diligence surveys and ongoing engagement processes help managers prioritise sustainable investment practices and address material ESG risks in their engagement and proxy voting activities. For more information on fund manager selection and monitoring see Section 2.5 Selection and oversight of external managers.

Conflicts of interest

During the reporting period, no conflicts of interest arose in relation to LGT PB's voting activities. For further details on how LGT PB identifies and manages potential conflicts of interest, refer to Section 1.4 Conflicts of interest.

Voting in practice

The following case studies demonstrate how LGT PB exercised its voting rights in 2025 to hold companies accountable and address material ESG issues. Each example reflects LGT PB's commitment to a thoughtful, case-by-case approach, guided by its Global voting principles and stewardship priorities, and supported by independent analysis. By voting on key proposals, LGT PB seeks to improve corporate practices, mitigate risks and align long-term business strategies with sustainable outcomes.

Tesla, Inc.

Voting case study	
Sector	Automotive
Country	United States
Vote	Voted AGAINST
Background	Tesla, Inc. is a global electric vehicle and clean energy company whose reliance on large equity-based incentives for senior leadership has made executive pay a persistent governance focus. The company's compensation practices have attracted heightened scrutiny due to the ongoing case in the Delaware Court of Chancery concerning the validity of the 2018 CEO performance award. The case has raised questions about the adequacy of board processes and disclosure. Against this backdrop, shareholders were asked to approve a new CEO performance award involving up to USD 423 million restricted shares linked to performance conditions. The ballot also included an advisory vote on named executive officer compensation, which featured substantial time-based grants and limited disclosure of performance expectations.
Voting decision and rationale	LGT PB voted against both remuneration items due to several material governance concerns. The overall scale of recent and proposed awards significantly exceeded industry and market norms, raising proportionality risks and potential dilution concerns. The compensation design relied heavily on large time-based equity grants, including an award of more than USD 170 million to one executive in the prior year and a USD 26.1 billion interim award to the CEO in August 2025. These structures provided limited assurance that outcomes were tied to measurable performance. Disclosure of performance metrics and vesting expectations was insufficient, reducing transparency regarding how pay supports sustainable value creation. In addition, the absence of clear structural safeguards and the decision to advance a new award while the 2018 package remains subject to litigation raised concerns about the strength of board oversight. Taken together, these factors indicated that the proposals did not meet expectations for robust governance or alignment with long-term shareholder interests. At the 2025 AGM, remuneration items attracted notable dissent. The new CEO performance award received 23 % opposition, rising to 33 % when excluding the shares held by Elon and Kimbal Musk. The advisory vote on executive compensation faced 22 % opposition, or 31 % on the same adjusted basis. These levels of dissent point to increasing investor concern regarding the scale and structure of Tesla's remuneration practices and a growing appetite for more proportionate, performance-aligned frameworks.

Rio Tinto plc

Voting case study

Sector	Metals and mining
Country	United Kingdom
Vote	Voted FOR and AGAINST
Background	Rio Tinto plc is an Anglo-Australian mining company headquartered in the UK, with significant operations managed from Australia. The company operates across carbon-intensive value chains and has faced a number of moderate to severe ESG controversies, including water pollution in Papua New Guinea and waste management issues in South Africa. These incidents underscore the need for stronger governance and consistent remediation oversight. At the same time, Rio Tinto has taken steps to strengthen its climate strategy, including incorporating all material Scope 3 emissions into its transition planning. The company has also expanded engagement with downstream customers, particularly in China, to support lower-carbon steelmaking and explore emerging technologies. In 2024, the company also engaged with the Australasian Centre for Corporate Responsibility in the lead-up to its AGM, reflecting growing responsiveness to both investor and civil society expectations on climate disclosure and Scope 3 transition planning. The Climate Action Plan presented to shareholders reflected progress in these areas and outlined measures directionally aligned with long-term transition risks in the mining sector.
Voting decision and rationale	LGT PB voted for Rio Tinto's Climate Action Plan. LGT PB's internal analysis concluded that the plan represented a notable improvement in the company's approach to climate transition, particularly through deeper integration of Scope 3 emissions, partnerships across the value chain and initial work on technology pathways. The vote signalled support for credible progress while recognising that further strengthening of governance and delivery is still required. LGT PB voted against the re-election of Dean Dalla Valle as Chair of the Climate Risk Oversight Committee. While ISS recommended an against vote on the basis of insufficient Scope 3 targets, LGT PB's decision drew on broader research identifying repeated moderate to severe ESG controversies and gaps in oversight of environmental risk and remediation. This case illustrates the importance of applying LGT PB's Global voting principles and undertaking direct research alongside external recommendations, ensuring that decisions reflect a full assessment of company-specific risks rather than relying solely on third-party analyses. Taken together, the findings indicated that a change in committee leadership was warranted. However, LGT PB appreciates that Rio Tinto continues to engage with shareholders and act on the feedback received, which supports a constructive path for future dialogue.

Home Depot, Inc.

Voting case study

Sector	Consumer Discretionary
Country	United States
Vote	Voted FOR
Background	Home Depot, Inc. is a home improvement retailer operating in the consumer discretionary sector. The company sources a wide range of wood-based products, exposing it directly to nature-related risks and dependencies, particularly within forestry supply chains. While Home Depot discloses information on responsible wood sourcing, including certified products and supplier expectations, its disclosures do not provide a comprehensive view of broader biodiversity impacts. Supply chains associated with timber, building materials and global commodities can involve risks related to habitat loss, deforestation, land use change and exposure to weak governance in certain jurisdictions. As investor expectations evolve, companies in retail and consumer sectors are increasingly expected to demonstrate clear oversight of nature-related risks across their value chains.
Voting decision and rationale	LGT PB considers enhanced biodiversity disclosure to be a necessary step in improving shareholders' understanding of the company's exposure to nature-related risks. The shareholder proposal requesting a biodiversity impact assessment provided a constructive opportunity to build on existing sourcing disclosures and offer a more comprehensive view of impacts and dependencies across the value chain. Given the scale of Home Depot's product range and its extensive interaction with global forestry supply chains, biodiversity is a financially relevant issue. In this context, greater transparency was viewed as supportive of effective risk management and long-term value creation. LGT PB therefore voted in favour of the proposal.

Microsoft Corporation

Voting case study

Sector	Technology
Country	United States
Vote	Voted FOR
Background	Microsoft is a leading developer of artificial intelligence technologies and is widely regarded as an industry leader in responsible AI practices, supported by its long-standing investment in and partnership with OpenAI. Despite this position, the company faces increasing scrutiny regarding the governance of data used to train AI models, the effectiveness of its human rights due diligence in high-risk customer deployments, and the climate implications of providing advanced AI and machine learning tools to the energy sector. Allegations involving scraped personal data, ongoing copyright litigation and findings that Azure services were misused in conflict-affected areas have highlighted gaps between stated policies and operational outcomes. Investors are also examining whether Microsoft's technologies could indirectly support expanded fossil fuel production, potentially creating inconsistencies with stated climate commitments.
Voting decision and rationale	At the 2025 AGM, shareholders considered several proposals focused on AI governance and oversight, reflecting rising expectations for stronger controls in this area. LGT PB supported each of these proposals. Taken collectively, the proposals sought to build on Microsoft's existing responsible AI tools, practices and policies by strengthening transparency, due diligence and accountability across key areas of risk. One shareholder proposal requested enhanced reporting on how external data is sourced and managed in training AI models. Although Microsoft has expanded disclosures under the EU AI Act, uncertainties remain regarding communication of opt-out mechanisms to copyright holders and the effectiveness of safeguards. Ongoing litigation concerning the use of copyrighted content highlights the materiality of data-sourcing risks. Additional reporting would improve oversight and address a growing area of investor focus. A second proposal addressed the effectiveness of Microsoft's human rights due diligence processes. Although frameworks are aligned with international standards, the confirmed misuse of Azure services in Gaza and the West Bank showed that certain high-risk uses were identified only after external reporting and employee concern. This revealed gaps between stated processes and operational outcomes. Further assessment would provide clearer visibility into how human rights risks are identified and managed in practice. A third proposal requested an analysis of the risks associated with the use of Microsoft's AI and machine learning tools in oil and gas exploration. The request did not call for the withdrawal of services but pointed to the possibility that these technologies could indirectly support expanded fossil-fuel production. Given Microsoft's significant Scope 3 footprint and stated climate objectives, improved disclosure would help clarify the governance of higher-impact use cases and reduce perceived greenwashing risk. Together, these proposals reflect the growing prominence of AI-related risks on the ballot and align with LGT PB's expectations for responsible AI governance, transparency and effective oversight across high-impact use cases.

2.5 Selection and oversight of external managers

External fund managers

LGT PB applies a global stewardship approach, integrating ESG priorities across all regions, while taking local market conditions and regulations into account. This approach also guides the selection and oversight of external managers, as a significant share of assets is invested through third-party funds. Ensuring that these managers reflect LGT PB's stewardship priorities and its clients' values is a key element of effective stewardship and is central to both manager selection and ongoing monitoring.

LGT PB combines its in-house investment expertise with that of external fund managers to offer diversified solutions across many asset classes, including private markets such as private equity, real estate and infrastructure.

To ensure alignment with clients' values, LGT PB integrates ESG considerations into its investment processes, supported by its proprietary ESG Navigator. This tool provides data that enables a look-through of third-party funds and allows LGT PB to score their sustainability quality. The resulting scores are then used to determine suitability for clients who have selected a sustainability profile.

Incorporating stewardship into monitoring and engagement

In 2022, LGT PB in the UK formalised its fund manager engagement approach, recognising the importance of holding fund managers accountable for their stewardship practices and ESG integration. In 2025, it conducted its fourth annual due diligence survey, evaluating fund managers across seven key areas: ESG approach, stewardship, climate change, biodiversity, net zero, diversity and inclusion, and human rights.

The survey results provide LGT PB's fund research teams with a detailed understanding of its fund managers' sustainability, including strengths and areas for development, and enable it to track their progress over time. Highlights from the 2025 survey include:

- 141 responses analysed (up from 136 in 2024).
- 61 % of fund managers have committed to achieving net zero by 2050, extending these commitments to client assets.
- 49 % of funds have adopted a formal biodiversity and nature-related risks and opportunities policy.
- Over 80 % of fund managers align with the UK Stewardship Code and the PRI (Principles for Responsible Investment), with increasing participation in initiatives, such as Mining 2030 and the Global Impact Investors Network (GIIN). Further details are available in LGT Wealth Management's 2025 Fund Engagement Report.

LGT PB's fund research team in Europe monitors third-party fund managers on ESG topics such as climate change and the Sustainable Development Goals at two- to three-year intervals, and periodically reviews managers' approaches to ensure alignment with evolving stewardship expectations and regulatory developments. All fund managers of actively managed funds are in scope of this monitoring exercise. In 2022, 73 fund managers were surveyed. The fund research team also issued dedicated climate due diligence questionnaires to managers to better understand their approaches to net-zero target setting, decarbonisation strategies and climate solutions.

Setting expectations for external managers

LGT PB maintains a buy list and a sustainable buy list. External managers are approved through a structured due diligence process led by the manager research teams, who apply a rigorous approach to identify high-quality managers across open-ended funds, investment trusts, ETFs and alternative investments. Selection criteria include: investment skill, alignment of interests, clarity and consistency of process and the ability to deliver long-term outcomes. Evaluation also considers the use of ESG data and integration of environmental, social and governance factors into the investment process to ensure comprehensive identification of risks and opportunities.

Tracking and escalating engagement

Monitoring continues throughout the investment lifecycle. Fund performance, risk characteristics, mandate alignment and emerging controversies are reviewed regularly. Both the fund research teams and the stewardship team engage with managers to understand portfolio activity, stewardship developments and progress on ESG data and reporting. As mentioned, managers in the UK also participate in the annual due diligence survey covering stewardship practices, ESG integration and data use. While participation in the survey is voluntary, response rates remain consistently high, reflecting strong engagement and willingness to improve. Findings from monitoring and the survey are shared with external managers to highlight strengths and areas for improvement, supporting continuous enhancement of stewardship practices.

Fund manager engagement case study

Fund: Fidelity China Special Situations
Engagement: Fidelity engaged with Innovent Biologics, a leading China-based biotechnology company, to strengthen its corporate governance. The key recommendation was for an independent director to chair the Nomination Committee, given concerns about the CEO holding both the CEO and Nomination Committee Chair positions. Ahead of the 2024 AGM, although the recommendation had not yet been fully implemented, Fidelity granted a one-time exemption from its voting policy in recognition of positive corporate governance improvements during the year, including the appointment of two new independent directors and improved board gender diversity. Shortly after the AGM, the company went a step further, announcing that the CEO would step down as Nomination Committee Chair, with the role passing to an independent director. This swift response demonstrated a clear willingness to address governance concerns. Fidelity has commended Innovent's actions and will continue to monitor progress on ESG matters to ensure these improvements are embedded over the long term.

If concerns arise, including underperformance, insufficient progress on material issues or sustained misalignment with expectations, the team may engage and escalate. Escalation can include written follow-up, additional meetings or requests for further evidence of remedial action. If concerns persist, the strategy may be placed on hold or removed from the buy list.

2.6 Monitoring service providers

Use of proxy advisors

LGT PB utilises ISS's services to provide voting recommendations across 25 markets in which LGT PB invests directly. To streamline the decision-making process, LGT PB subscribes to the ISS Sustainability Proxy Voting Guidelines, enabling it to highlight the importance of material sustainability issues with companies' boards and hold them to account on their sustainability ambitions.

Despite the ISS Sustainability Guidelines serving as the primary framework, LGT PB does not automatically vote in line with ISS's recommendations. Each proposal is independently scrutinised to ensure it aligns with the broader strategy pursued with the company and to avoid unintended outcomes. As a result, LGT PB may, on occasion, vote against ISS's recommendations where its in-house research and analysis lead to a different conclusion.

To monitor the quality of ISS's recommendations, LGT PB conducts periodic reviews and engages with ISS to ensure that its Sustainability Proxy Voting Guidelines remain aligned with LGT PB's stewardship priorities. Informed, independent scrutiny is essential for responsible stewardship at LGT PB, ensuring proxy voting decisions reflect the specific context of the company and its sector.

On occasion, rules-based approaches can fail to account for relevant nuances. For example, a rules-based approach may not reflect developments expected to alter Board composition in the near term. LGT PB therefore conducts its own research to assess whether company practices and planned changes align with expectations for effective governance and long-term stewardship outcomes. This helps ensure that voting decisions reflect both current disclosures and credible, imminent developments that may strengthen a company's overall governance trajectory. By combining ISS's Sustainability Proxy Voting Guidelines with independent analysis and engagement, LGT PB takes a robust and considered approach to responsible stewardship. In 2025, LGT PB voted against ISS's recommendations on 55 occasions.

One example of this involves National Grid, a major energy infrastructure company operating electricity and gas networks in the UK and the US. In 2025, ISS recommended voting against the re-election of Paul Reynolds, Chair of the Nominating Committee, on the basis that the company had not yet met the gender diversity targets set by the Financial Conduct Authority. Female representation stood at 36 %.

LGT PB took a different view. The recommendation did not take into account the confirmed appointment of Zoe Yujnovich as CEO, who joined the Board in September 2025. Her appointment raises female representation to 40 % and demonstrates clear progress towards meeting regulatory expectations.

Despite ISS's recommendation, LGT PB concluded that opposing the re-election of the Nominating Committee Chair was not warranted and therefore supported the Board.

Engagement with ISS

As part of its commitment to ensuring that proxy voting aligns with its stewardship priorities, LGT PB actively engages with ISS on the development and refinement of its policies. LGT PB maintains regular dialogue with ISS and provides timely feedback on consultations and policy updates. In 2025, the Stewardship team completed the ISS Survey on the Annual Global Benchmark Policy and contributed to the ISS Sustainability Policy, highlighting areas for improvement on key sustainability and ESG issues. The team also attended a round table discussion on the ISS Sustainability Proxy Voting Guidelines, helping to ensure that ISS's policies remain robust, aligned with best practices and capable of supporting LGT PB's stewardship goals.

Service provider resourcing and tools

To supplement its internal stewardship capabilities, LGT PB leverages a range of external service providers, tools and technology enablers. These partnerships enhance LGT PB's ability to conduct in-depth analysis, execute stewardship activities effectively and provide robust insights to clients.

ESG data providers and the ESG Navigator

LGT PB works with several leading ESG data providers – including ISS, MSCI, Ethical Screen, LSEG, RepRisk, Inrate and Sustainalytics – to support its stewardship and investment decisions. These providers supply raw ESG data, which is integrated into the ESG Navigator. This tool is used to manage sustainability risks and assess the sustainability quality of investments.

The ESG Navigator is LGT's in-house tool for evaluating the sustainability quality of issuers – such as companies, countries and supranational organisations – and financial instruments, including equities, bonds, funds and ETFs. Each is assigned a Sustainability Rating from one to five stars, with one star indicating the lowest and five stars the highest sustainability quality.

Technology enablers

LGT PB uses advanced technology platforms to streamline research, analysis and portfolio management processes. Tools such as CFRA, ASR Macro, Bloomberg and FactSet provide real-time market insights, macroeconomic analysis and portfolio-level data integration. These platforms enable LGT PB to evaluate market trends and company performance efficiently, ensuring investment decisions are grounded in timely and accurate information.

LGT PB also draws on NatureAlpha's geospatial analytics platform, which provides biodiversity and nature-related risk data for listed companies, to strengthen its assessment of nature-related risks and opportunities within direct equity holdings. NatureAlpha provides decision-useful insights on ecosystem impacts, land use change and water stress, enabling more targeted identification of nature-related dependencies and impacts across key holdings. These insights inform LGT PB's nature and biodiversity-focused engagements and support a structured approach to monitoring company performance on material nature-related issues. For a practical example of how NatureAlpha insights support stewardship activities, see the Roche engagement case study in Section 2.3.

Proxy voting and stewardship service providers

To enhance its stewardship efforts, LGT PB partners with the following service providers:

- ISS: Provides proxy voting research and recommendations, enabling LGT PB to assess proposals and vote on issues such as corporate governance, climate action and diversity policies. As noted previously, LGT PB retains the flexibility to vote against ISS's Sustainability Proxy Voting Guidelines where appropriate.
- Columbia Threadneedle Investments: LGT PB utilises Columbia Threadneedle Investments' Responsible Engagement Overlay (reo®) service, extending LGT PB's engagement capacity and enabling collaboration with other subscribing investors. Columbia Threadneedle Investments engages on behalf of client assets invested in LGT PB's leading sustainability offering – the Focus Sustainability mandate and fund vehicles – as well as its transition funds and the assets of clients who have selected an Enhanced+ sustainability MiFID profile. Engagement outcomes are reported to these clients to ensure transparency around the key focus areas.
- Esgaia: Esgaia is a third-party engagement and vote tracking platform which LGT PB has used since 2023. Esgaia consolidates engagement and dialogue data into a centralised, practical platform, helping to address information asymmetry and improve transparency. The platform has significantly enhanced LGT PB's reporting capabilities, allowing it to better serve its clients and stakeholders with detailed insights into engagement outcomes.

Monitoring and alignment

LGT PB regularly evaluates its data and service providers to ensure they meet high standards of quality, relevance and effectiveness. This includes assessing data accuracy, alignment with stewardship objectives, and responsiveness to evolving market and regulatory expectations.

Where appropriate, new datasets and services are tested to assess their applicability. Data is routinely reviewed for material changes, with any inconsistencies raised with providers. LGT PB also conducts comparative analysis across providers to assess coverage and quality, and provides feedback to support ongoing methodological improvements.

By combining external data and services with internal expertise, LGT PB ensures its stewardship activities remain robust, forward-looking and aligned with client expectations.

Engagements via LGT PB's dedicated service provider Columbia Threadneedle Investments

Engagements are long-term commitments and require dedicated resources. There is therefore a limit to the scope and breadth of engagements that LGT PB's in-house teams can manage while maintaining quality. To expand and accelerate its engagement efforts, LGT PB entered into an agreement with Columbia Threadneedle Investments for its reo® services in 2022.

Through this arrangement, LGT PB participates in a broader engagement platform representing USD 803 billion[8] externally managed client assets under engagement. Collectively, this capital is deployed as a coordinated voice engaging on material sustainability issues, supported by a 25-year track record of active ownership. LGT PB benefits from access to over 40 responsible investment subject matter experts, enabling targeted engagement with issuers covering financially material sustainability factors.

In 2023, the service was expanded to cover clients invested in LGT PB's European retail fund range within its dedicated sustainable portfolio management strategy, as well as portfolio advisory clients with the Enhanced Plus sustainability profile. Following this expansion, the scope was broadened further in 2024 to include the transition portfolio management strategies in Europe.

LGT PB has developed a structured library of case studies using engagement data provided by Columbia Threadneedle Investments, supporting client conversations and improving transparency around stewardship activities. During the reporting year, these case studies were translated into English, French and German for use across markets. LGT PB continues to engage with the responsible investment team at Columbia Threadneedle Investments to review engagement outcomes and ensure ongoing alignment with LGT PB's stewardship expectations.

Columbia Threadneedle engagements on behalf of LGT PB:

- 441 total engagements[8]
- 169 engagements on human rights and labour standards
- 205 climate-focused engagements
- 127 corporate governance engagements

[8] Columbia Threadneedle Investments. Internal data, as at Q4 2025.

Antofagasta plc – Strengthening water resilience

Engagement case study LGT PB via Columbia Threadneedle

Sector	Materials
Country	Chile
Status	Ongoing
Background	Antofagasta plc is a major copper mining company operating in Chile, a region facing increasing water scarcity and complex community dynamics. Water availability and strong local stakeholder relationships are fundamental to the company's long-term operational resilience and licence to operate. Columbia Threadneedle Investments engaged with Antofagasta to understand how the company is managing the interconnected risks of water dependency and community acceptance.
Action	In 2025, Columbia Threadneedle Investments, on behalf of LGT PB and other investors, met with the Chief Financial Officer and the Investor Relations team to discuss the company's water management strategy and approach to community relations. Antofagasta is progressing a USD 2 billion desalination project at its Los Pelambres mine, targeting 90 % decoupling from continental water sources by 2027. This represents a significant capital investment designed to reduce reliance on scarce freshwater resources and improve long-term water security. Antofagasta also explained that community engagement is integral to securing water rights and permitting approvals. It conducts annual public consultations and collaborates with communities and government stakeholders on project selection, aiming to build durable and mutually beneficial relationships.
Outcome	Columbia Threadneedle Investments determined that Antofagasta recognises the interconnected nature of water management and community acceptance. The scale of the desalination investment indicates that the company views water stewardship as material to its long-term business model. Its structured approach to community engagement supports transparent decision-making and acknowledges that water rights are often granted only where local support exists. Columbia Threadneedle Investments will continue to monitor progress towards the 2027 desalination target and assess the effectiveness of Antofagasta's community engagement practices.

Conclusion

Against a backdrop of heightened scrutiny and evolving challenges, LGT PB's commitment to stewardship has only deepened. Through its focus on strong governance, climate change, nature and biodiversity, and fairer societies, LGT PB has continued to engage constructively with companies, peers and policymakers in pursuit of long-term value for clients and beneficiaries. Stewardship is not a one-off intervention but an ongoing process, and LGT PB remains committed to playing its part in contributing to a safer and more sustainable future for clients, their families and generations to come.

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