Climate Action
Implementing a net zero strategy

September 2026

Confidential

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Introduction and overview

LGT CP

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Source: LGT Capital Partners

LGT Capital Partners – our net zero journey

Putting commitment into action

Commitment of LGT Capital Partners

- LGT Capital Partners joined Net Zero Asset Managers Initiative (NZAM) in March 2021
- Support goal of **net zero greenhouse gas emissions by 2050**
  - Including **interim targets**

Net Zero Asset Managers Initiative

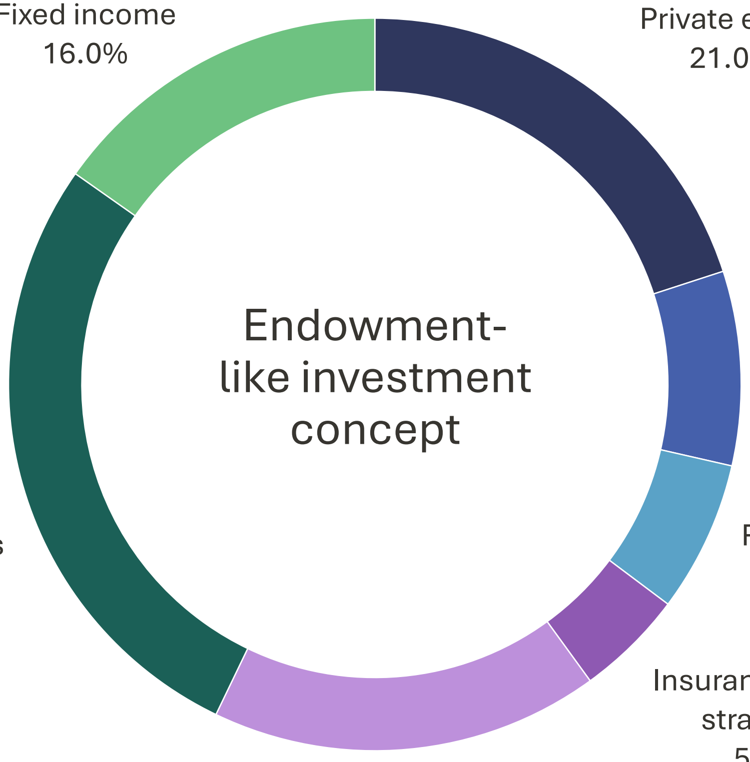
- The portfolio management **mandate for the LGT Endowment** was extended in 2020 with a sustainability objective
  - Strong ESG profile and positive social and environmental outcomes
  - **Net zero alignment by 2050**

Both milestones called for the development of a comprehensive net zero strategy that can be applied to a diversified multi asset portfolio

Source: LGT Capital Partners

The LGT Endowment as comprehensive use case

Specific and tailored frameworks needed for diverse set of investments



The five cornerstones of the LGT Endowment

1. Robust asset allocation
2. Active management approach
3. Alternative diversification
4. Significant private market exposure
5. **Sustainability goals and climate action strategy**

Source: LGT Capital Partners. Data as of 2026. Please note that the sum of all asset classes amounts to 105%. This includes leverage of 5%. Private market assets are stated in terms of committed capital. The LGT Endowment follows the same investment approach to that used for the Princely Family of Liechtenstein.

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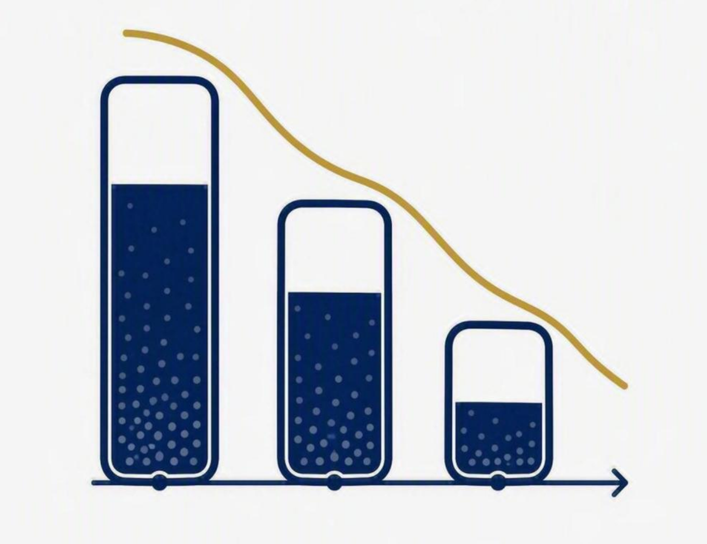
Our climate action framework

The three pillars of our climate action strategy

Comprehensive framework with mutually reinforcing elements

Carbon budgeting	Climate solutions	Active ownership/ engagement
		

Source: LGT Capital Partners

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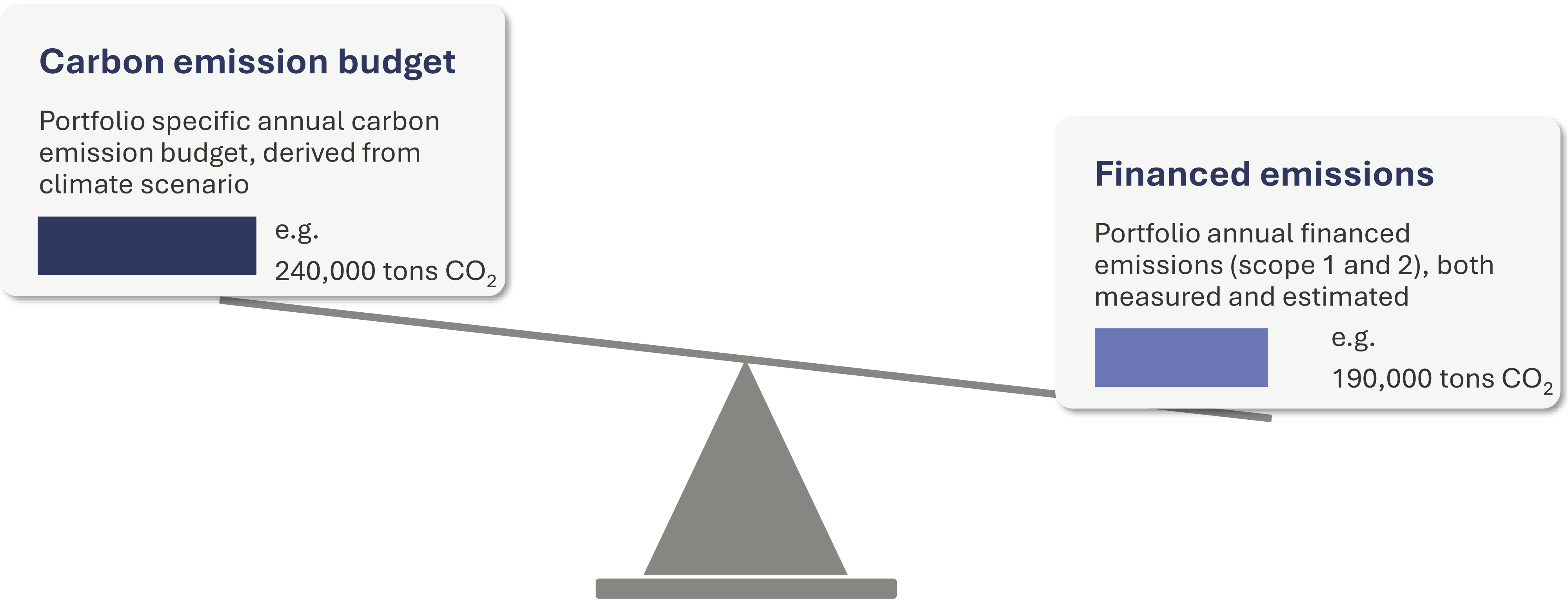
Our climate action framework

- Carbon budgeting approach

Carbon emission budgeting approach

Balancing emissions and carbon budgets

Aligning portfolios | **Measure (model) financed emissions and compare to derived carbon budget**



Source: LGT Capital Partners. Numbers are indicative and only used a examples.

IEA Net Zero Emissions by 2050 scenario (NZE)

Background

The IEA mandate

In 2021 the IEA was asked by the COP26 Presidency to set out what achieving the 1.5 °C goal would mean for the energy sector

NZE 2050 scenario developed

A global pathway to limiting warming to 1.5 °C was developed – one possible route, not the only one

Updated regularly

Recalibrated for real-world investment, technology developments and greenhouse gas (GHG) emissions

- **Focus on energy related emissions, very relevant for our investment activities**
- **Used by us to budget corporate carbon emissions**

Source: LGT Capital Partners

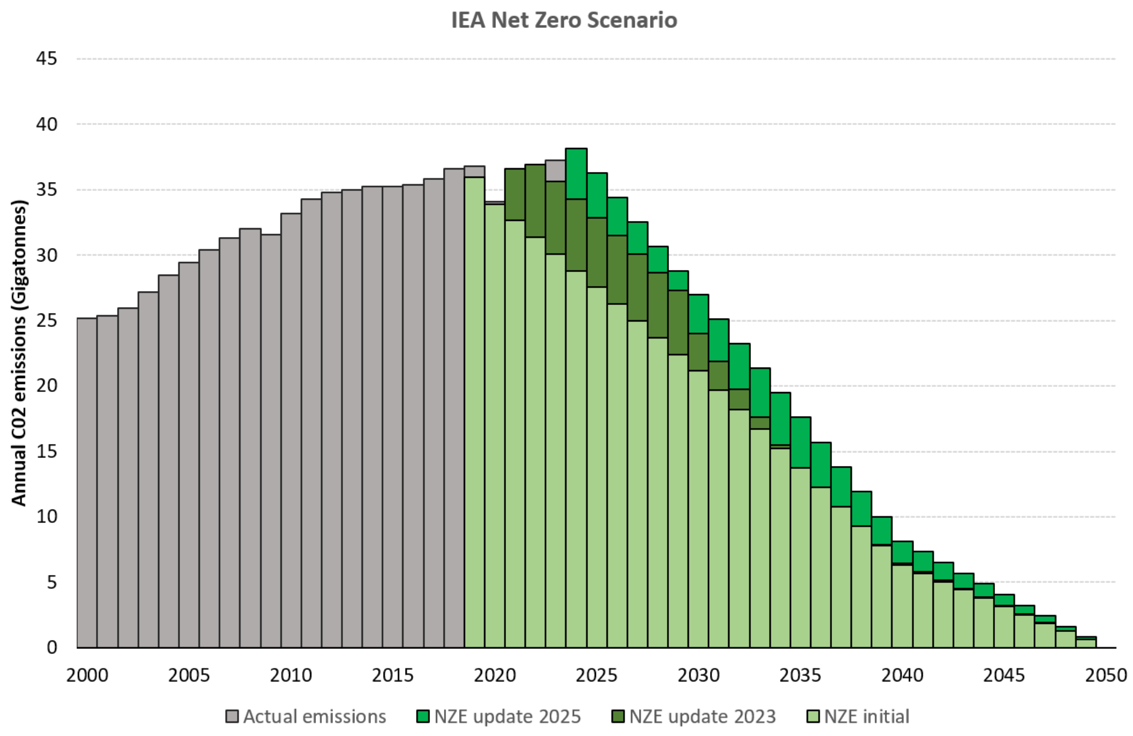
Breakout: IEA scenario updates

Responding to the real-world developments

As global emissions continue to rise, IEA made two larger updates to the NZE Scenario.

- **The 2022 update:**
  - Later and higher starting point
  - Larger cumulative emissions until 2050, resulting in limited temperature overshoot
  - 1.5°C by 2100 still reachable, but more dependent on future carbon removal

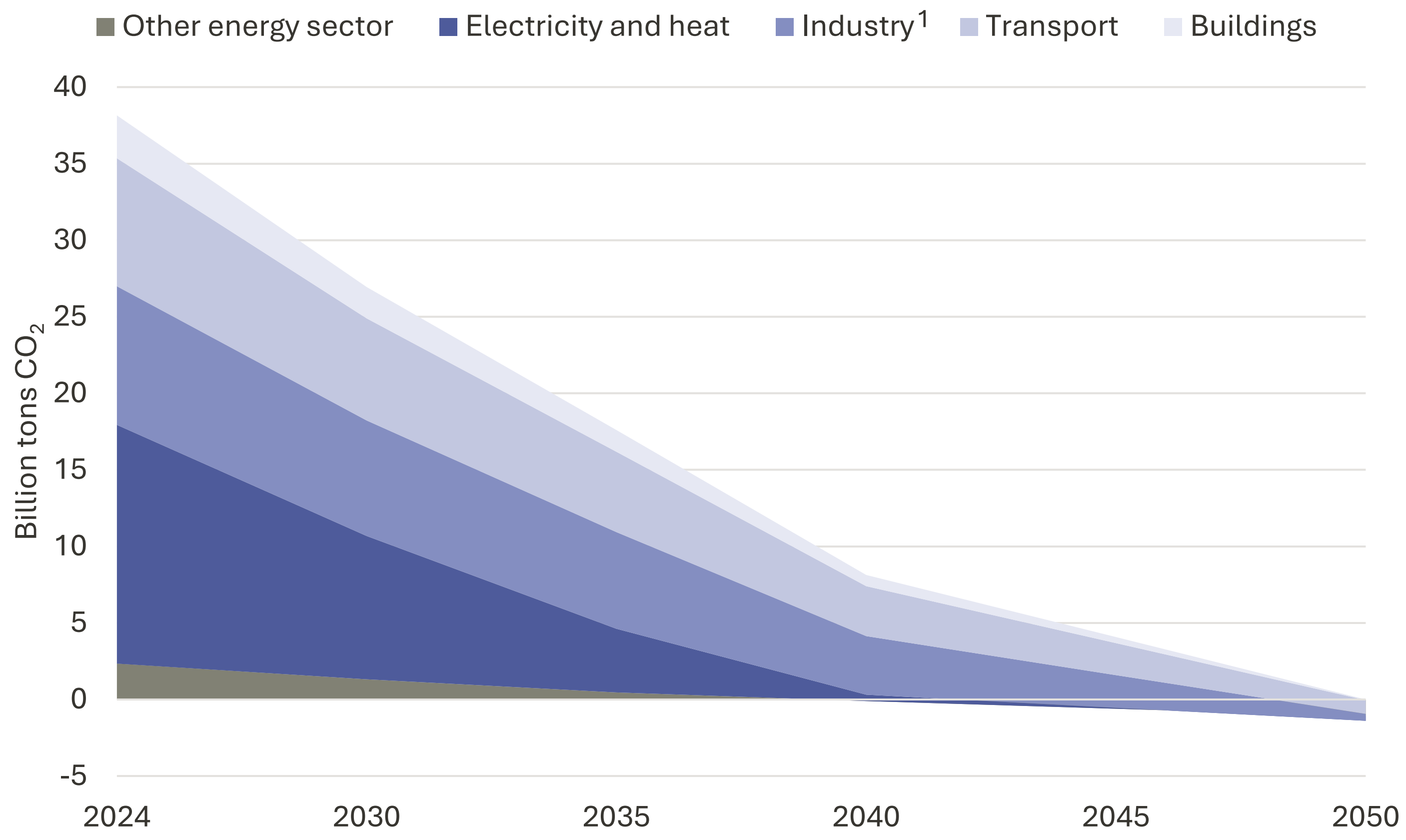
- **The 2025 update:**
  - Again, a later and higher starting point
  - No longer limited overshoot, but exceeding 1.5°C over decades
  - Returning to 1.5°C relies on widespread carbon removal currently unproven at large scale



Source: LGT Capital Partners

IEA Net Zero Emissions by 2050 scenario (NZE)

Industry based individual budgets



The IEA NZE scenario breaks down aggregate emission budgets into individual industry budgets

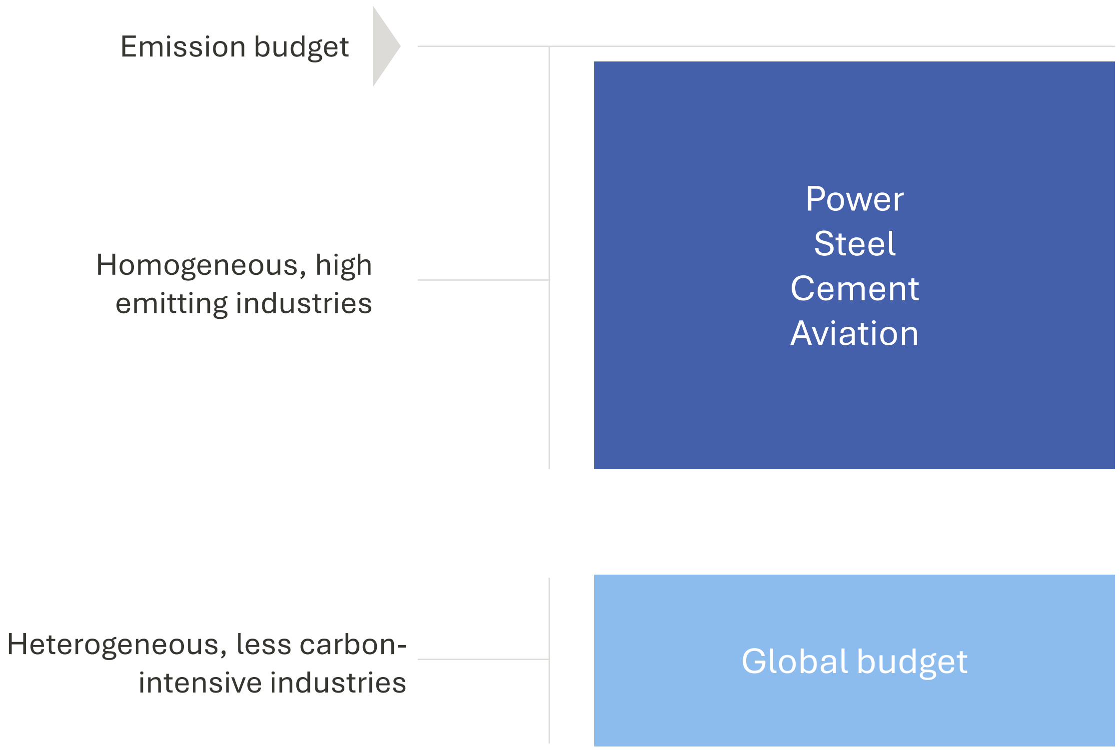
- Allows company specific emission budgets to be modelled
- Ensures carbon emissions from different, typically high emitting activities are compared to appropriate budgets

1 Includes industrial process emissions
Source: LGT Capital Partners, IEA World Energy Outlook 2025

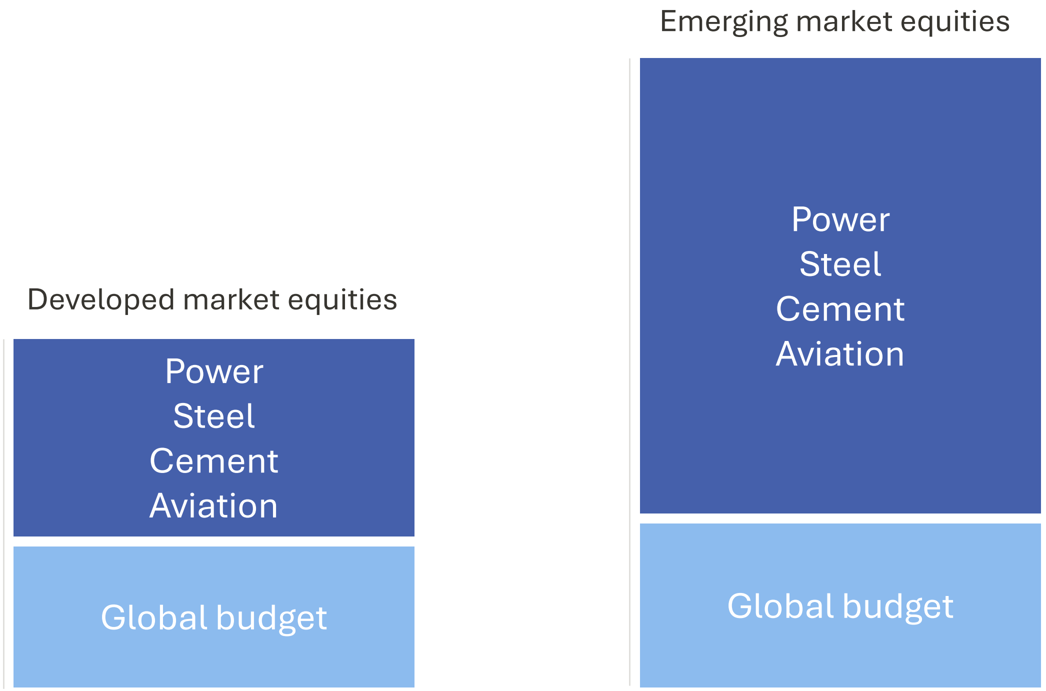
IEA Net Zero Emissions by 2050 scenario (NZE)

Deriving and aggregating company emission budgets

Calculation of emission budgets



Portfolio industry-mix drive budgets (example sizes)



Source: LGT Capital Partners
Charts for illustrative purposes only. This data is purely indicative and is not a guarantee of future results.

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LGT Endowment strategy emissions breakdown

Emissions from a diversified multi-asset allocation

Asset class	Current allocation	Emissions budget	Current emissions	Difference to budget
Equity	**30.1%**	**31.1**	**31.8**	**0.7**
Equity global defensive	5.0%	29.0	14.7	-14.3
Developed market equities	21.7%	27.7	25.7	-2.1
Emerging market equities	3.5%	55.6	94.7	**39.1**
Fixed income	**15.5%**	**79.6**	**48.9**	**-30.7**
Investment grade bonds	7.1%			
High yield bonds	0.4%	87.1	47.2	-39.9
Emerging market bonds	8.0%	66.7	51.9	-14.8
Insurance-linked strategies (ILS)	**5.1%**			
Hedge funds	**17.8%**	**29.1**	**29.6**	**0.5**
Discretionary	10.1%	29.1	41.6	**12.5**
Systematic	7.7%	29.1	13.7	-15.4
Real assets	**6.4%**	**52.4**	**41.9**	**-10.4**
Private real estate	4.2%	5.0	5.6	**0.6**
Private infrastructure	2.2%	141.1	110.0	-31.1
Private credit	**8.5%**	**15.2**	**12.2**	**-3.1**
Private equity	**20.5%**	**21.8**	**20.4**	**-1.5**
Cash/other	**-3.8%**			
Portfolio	**100.0%**	**30.1**	**28.9**	**-1.2**

Source: LGT Capital Partners. Data as of June 2026.

Case study: low carbon mandate

Aligning passive equity exposure with net zero objectives

- Passive equity exposure in general not aligned with the respective net zero budget
- The LGT Endowment has passive equity exposure → led to misalignment to net zero budget
- Created a mandate with a quantitative equity manager: strong emission reduction with very small tracking error

Instrument	Carbon emissions[1]	Carbon budget[1]	Difference to budget[1]
S&P 500	23.5	19.6	**3.9**
Euro Stoxx 50	25.8	23.9	**1.9**
Topix	61.3	38.7	**22.6**

	Carbon emissions[1]	Carbon budget[1]	Difference to budget[1]
Low carbon mandate (MSCI World)	**9.4**	**28.0**	**-18.6**

1 numbers are in tons CO_2 per 1 USDm invested
Source: LGT Capital Partners. Data as of June 2026.

Measuring carbon emissions in private markets

Leveraging EDCI[1] ESG disclosures

Liquid market proxies

2021–2022

- Carbon emissions of private market portfolio companies estimated from listed company peers
- Based on **industry-based proxies**

EDCI membership

from 2021

- LGT Capital Partners an **early supporter** and SteerCo member
- **500+ supporting organizations** (LPs and GPs)
- **>9,000 portfolio companies** included in the benchmark

Blended data approach

2023 onwards

- Collect and aggregate carbon emission data across private market portfolios
- **>28% coverage** of LGT Endowment private equity exposure
- Reported emissions in line with, and slightly lower than, proxy data

1 The ESG Data Convergence Initiative (EDCI) is a global effort to standardize ESG metrics and reporting in private markets.
Source: LGT Capital Partners, EDCI

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Our climate action framework

- Climate solutions

LGT Capital Partners climate solution framework

Covering diverse economic activities

Climate solutions definition[1]

Issuer/company specific

Company capital expenditure and revenues aligned with the **EU Taxonomy** climate-related objectives

Company products and services contributing positively to **SDG 13**

Issue specific

GSS (Green, Social, Sustainable) Bonds with proceeds allocated to "green" **ICMA[2] categories**

1 Aligned with GFANZ definition of climate solutions: Technologies directly contributing to the elimination of real-economy greenhouse gas emissions, and services supporting the expansion of these technologies, that financial institutions can support in order to enable the global transition to net zero. These solutions include scaling up zero-carbon alternatives to high-emitting activities – a prerequisite to phasing out high-emitting assets
2 ICMA categories are based on voluntary guidelines, managed by its members and observers, providing best practices on how to issue Sustainable Bonds. The International Capital Market Association (ICMA) provides the Secretariat to the principles.
Source: LGT Capital Partners

Climate solutions category examples

A structured approach to a diverse opportunity set

Energy generation	Technological solutions	Financial services	Mobility	Buildings	Agriculture and ecosystems
• Renewable generation • Carbon capture and storage	• Solar energy systems • Components for renewables	• Financing for renewables projects • Green bonds and loans • Impact investing	• Public transport • Electric vehicles/ alternative drive vehicles and components	• Insulating materials • Energy-efficiency facility services	• Plant-based proteins
Renewable energy	**Climate change adaptation & mitigation** **Energy efficiency**	*no ICMA category*	**Clean transportation**	**Green buildings**	**Sustainable water & wastewater** **Biodiversity conservation**
Listed equity	**Private equity**	**Fixed income**	**Private equity**	**Private equity**	**Private equity**
ORMAT	Infra Group we connect.	BNG BANK	envevo	ThermoKey Heat Exchange Solutions	sas

Activity list is not exhaustive. Items in green are ICMA categories applied when classifying GSS bond proceeds as climate solutions.
Source: LGT Capital Partners

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Our climate action framework

- Active ownership and engagement

Overview

A multi-level approach to active ownership and stewardship

- For the LGT Endowment, active ownership is exercised at multiple levels to support the climate action strategy:

Direct investments

Where we invest directly, we engage with **investee companies on climate related topics** where we think we can **drive meaningful change**

External managers

We engage with our managers on climate action, most directly by **setting carbon emission budgets;** we also discuss high emitting investments and encourage them to emphasize climate action in their investment activities

Collaborations

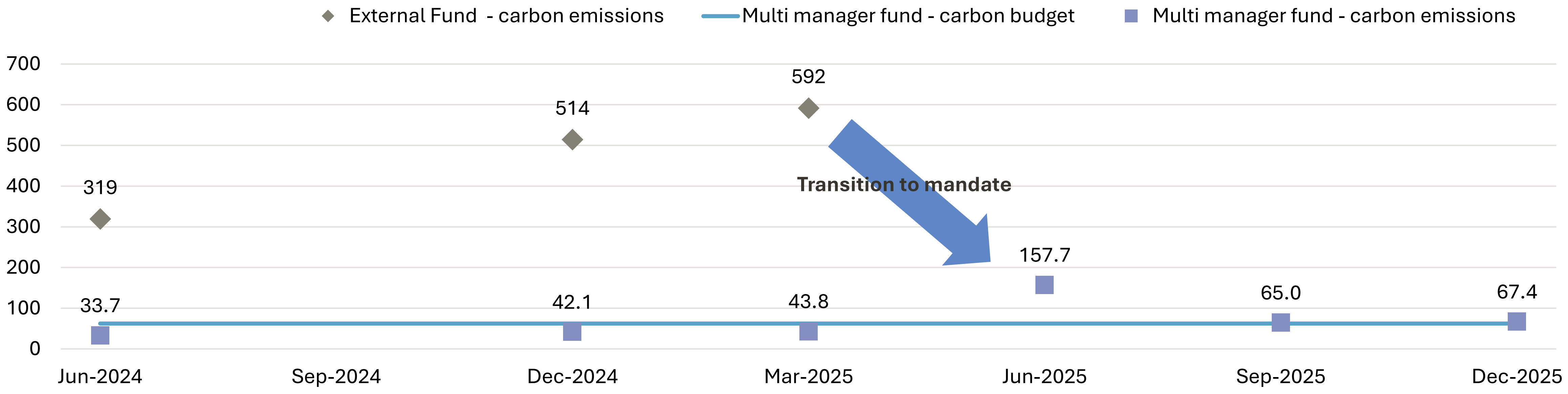
We are part of selected climate related collaborative engagement initiatives, including the **IIGCC Net Zero Engagement Initiative** and **Climate Action 100+**

Source: LGT Capital Partners

Case study: external emerging market debt manager

Mandate redesign delivers substantial emissions reductions

- Long-term investment in a high-performing external emerging market debt fund
- Elevated carbon emissions with limited influence due to a pooled investor structure
- Assets transitioned in Q2 2025 into a mandate, where we have full ownership and greater influence
- Temporary emissions increase during the transition, followed by substantial reductions through manager engagement, with emissions now close to the fund's carbon budget



Source: LGT Capital Partners

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Our climate action framework

- NZIF (Net Zero Investment Framework) implementation

NZIF maturity scale implementation

Adding a transition alignment lens to carbon budgeting

- Carbon budgeting provides a robust, science-based framework for portfolio decarbonization, assessing companies based on their current emissions profiles
- To add a forward-looking perspective, we complemented this approach with the NZIF maturity scale, which evaluates companies' readiness for the net zero transition

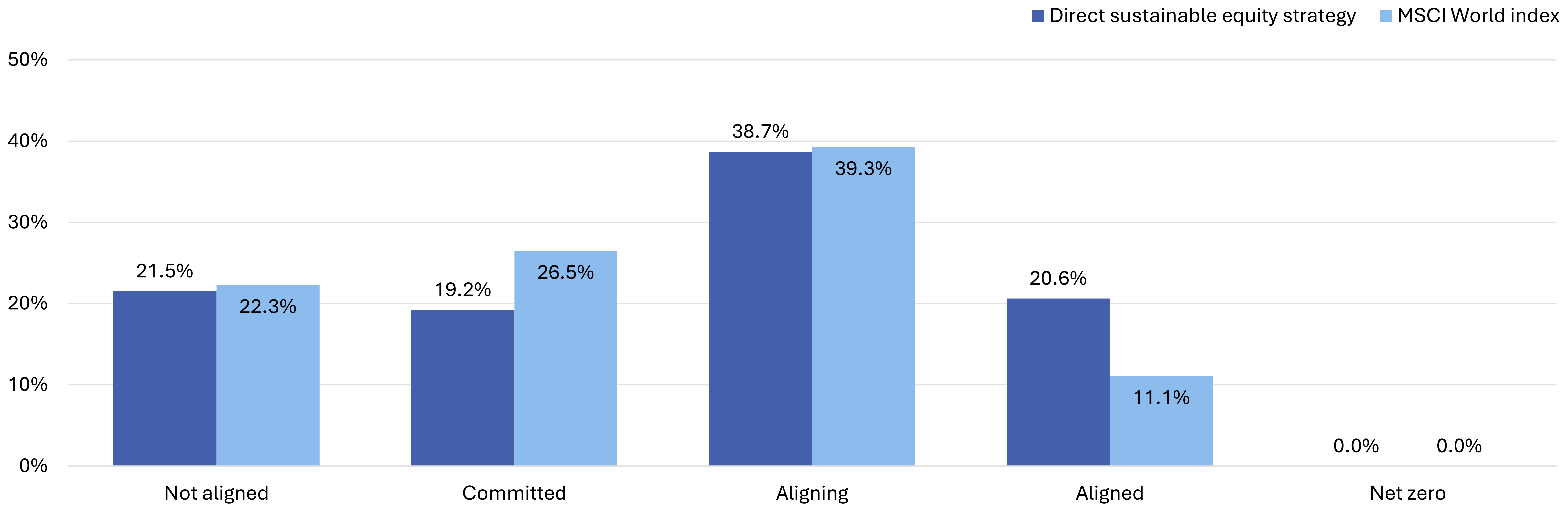
Net Zero alignment maturity scale	Not aligned	Committed to aligning	Aligning towards a net zero pathway	Aligned to a net zero pathway	Achieving net zero
NZIF Corporate alignment criteria ↓					
At, or close to, net zero emissions					✓
3) Emissions performance[1]				✓	
6) Capital allocation alignment				✓	
5) Decarbonization strategy			✓		
4) Disclosure[1]			✓		
2) Targets[1]			✓		
1) Ambition[1]		✓			

1 Lower impact companies: only have to meet criteria 2, 3 and 4, while higher-impact companies have additional criteria (such as criteria 1, 5 and 6) to meet. The NZIF categorizes companies by impact to help investors prioritize engagement, resources, and decarbonization efforts.
Source: NZIF maturity scale by IIGCC

NZIF maturity scale implementation

Example portfolio alignment based on the NZIF maturity scale

Distribution of the alignment maturity scale for global fund and benchmark



Source: IIGCC, LGT Capital Partners
Data per 31 August 2026.

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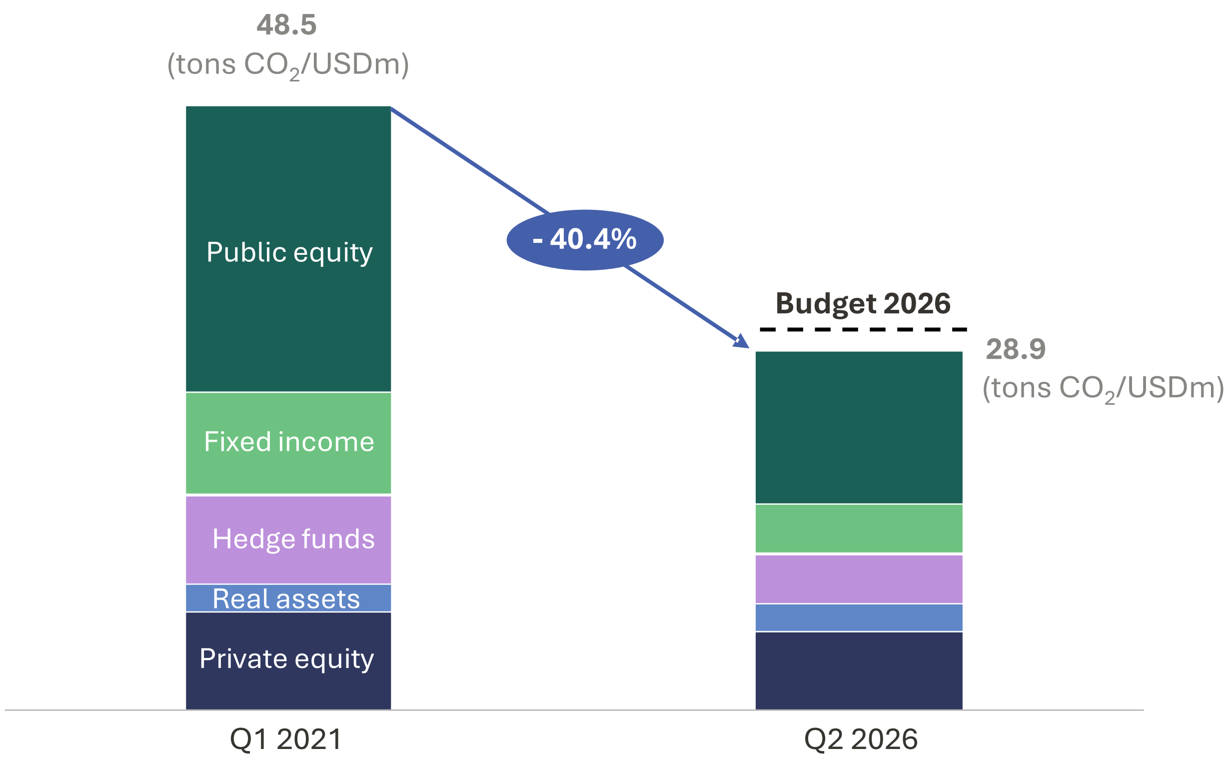
Summary

Achievements: strong reductions in financed emissions and a net zero aligned portfolio

Emission intensity reduction in LGT Endowment



Reduction of **emission intensity by -40.4%** since commitment in Q1 2021

Significant **shifts toward energy-efficient** companies (mainly in liquid markets)

Unlocking **deeper insights through enhanced private market disclosures**, including company-reported emissions data

Source: LGT Capital Partners, MSCI, Refinitiv
Underlying AUM data, allocations and carbon intensities as of 30.June 2026; Baseline carbon intensity at 100% as of Q1/2021, when official commitment was made. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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Appendix

Asset classes out of scope

Robust methodologies developed, but excluded from aggregate results

Sovereign debt

- **Out of scope for our Net Zero 2050 target**: sovereign methodologies are incompatible with corporate financed emissions
- We still measure emissions and monitor alignment against in-house regional CO_2 budgets
- Two anchor points:
  - latest CO_2 emissions against a recent GDP-derived budget
  - projected 2030 emissions (NDC targets) against a 2030 GDP-derived budget

Example: United States

Net Zero 2050 Scenario Alignment (tons CO_2 per USD 1m GDP)

Current intensity	Current budget	NDC 2030 intensity	Budget 2030
171.1	157.8	74.6	67.5

Insurance-linked strategies (ILS)

- **ILS emissions are not straightforward**: standard setters recognize no financed emissions, only insurance-associated emissions
- We apply a pragmatic methodology for ILS greenhouse gas emissions, reported separately from financed emissions
- Public-market emission proxies are attached to the insured portfolio's asset-type breakdown
- Example portfolio:

Portfolio sector	Weight	Carbon emissions proxy[1]	Carbon budget proxy[1]
Residential	69.6%	3.1	6.1
Commercial	16.3%	4.2	4.7
...			
Total	**100.0%**	**3.5**	**5.3**

1 tons CO_2 per USD 1m invested

Source: LGT Capital Partners, current and 2030 country- and regional-level CO_2 budgets, Network for Greening the Financial System (NGFS)

Carbon budgeting for hedge funds

A pragmatic and holistic solution to a complex challenge

- Hedge funds is a substantial allocation in the LGT Endowment → should be included in our overall climate action framework
- Different characteristics compared to other asset classes, more short term and opportunistic
- Had to create a methodology that can take this into consideration

Methodology

- Challenges from **leverage**, **short positions** and **strong variations in portfolio holdings**
- Addressed by
  - **Aggregating daily carbon emission contributions** over a set period
  - **Netting of long and short positions** emission contributions

Governance and engagement

- Ongoing engagement with managers to **include greenhouse gas considerations** in strategies
- **Monitoring** on LGT Capital Partners side through **managed accounts**
- Set-up of **dedicated ESG share class** with hedge fund manager

Source: LGT Capital Partners

Glossary

AUM	Assets under management
Benchmarks and indices	Benchmarks and indices are shown for illustrative purposes only, are not available for direct investment, are unmanaged, assume reinvestment of income, and have limitations when used for comparisons because they have volatility, credit, or other material characteristics (such as number and types of securities) that are different from the product.
ESG	Environmental, Social and Governance
ILS	Insurance-linked strategies
LGT Capital Partners includes	LGT Capital Partners ("LGT CP") includes LGT Capital Partners Ltd., LGT Capital Partners (Asia-Pacific) Limited, LGT Capital Partners (Australia) Pty Limited, LGT Capital Partners (Dubai) Limited, LGT Capital Partners (FL) Ltd., LGT Capital Partners (Ireland) Limited, LGT Capital Partners (Japan) Co., Ltd., LGT Capital Partners (U.K.) Limited, LGT Capital Partners (USA) Inc., LGT Private Debt (UK) Ltd., LGT Private Debt (France) S.A.S., LGT ILS Partners Ltd., LGT Investment Consulting (Beijing) Ltd., LGT Private Debt (Germany) GmbH, LGT Fund Administrators (Luxembourg) S.à r.l., LGT Capital Partners (Singapore) Pte. Ltd.
LGT Endowment (or Princely Strategy)	The LGT Endowment (or Princely Strategy) follows the same investment approach to that used for the Princely Family of Liechtenstein. This investment strategy invests in a broad range of investment opportunities worldwide. The investments are often made indirectly via the active selection of global asset managers.
UN PRI	United Nations Principles for Responsible Investing

Source: LGT Capital Partners

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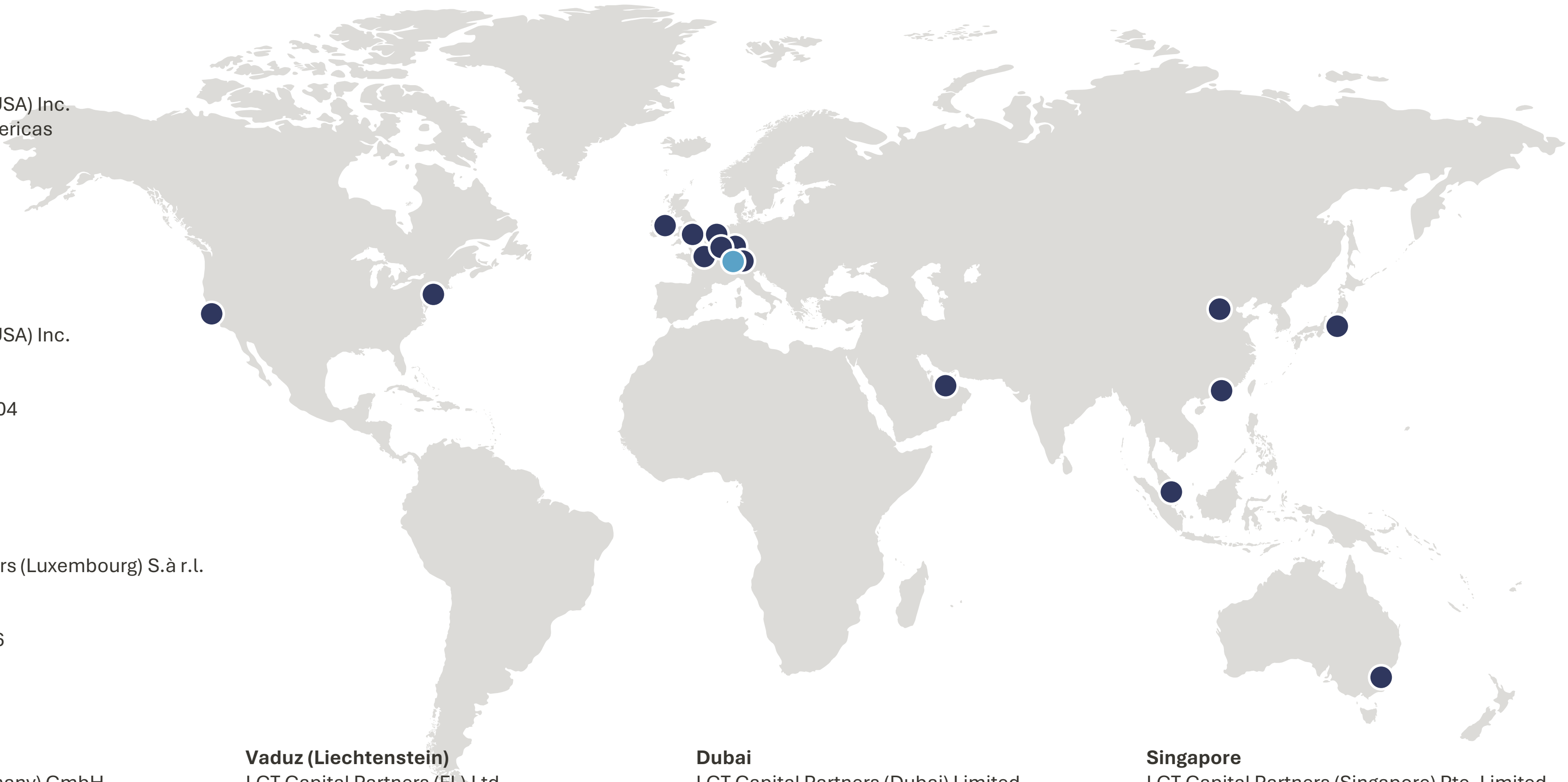

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