



LGT Group Holding Ltd.
Herrengasse 12, FL-9490 Vaduz

Phone +423 235 11 22
info@lgt.com, www.lgt.com
HR No.: 2530157-2, Reg. Office: 9490 Vaduz, VAT No. 50119
UID: CHE-191.830.846

Ms
Jeanne Martin
Senior Campaign Manager
ShareAction
jeanne.martin@shareaction.org

Ursula.finsterwald@lgt.com

Vaduz, 6 October 2021 GSM/fiu

Answer to investor letter setting expectations on climate change and biodiversity ahead of COP26

Dear Ms. Martin

Thank you for your letter dated 5 July 2021. We very much appreciate your commitment to fighting climate change and biodiversity loss, and would like to give you some insights into our sustainability initiatives and efforts in the coming years.

LGT is a private bank, a family company that is fully owned by the Princely House of Liechtenstein. We focus on investment management for private individuals and do not offer corporate banking, nor are we active in project finance. With this in mind, please see our answers to your questions below:

Publish short-term (5-10 years) climate-related targets covering all relevant financial services ahead of your 2022 AGM

In May 2021 LGT Private Banking publicly committed to become a net-zero emissions company by 2030 operationally, for our own investments and for client portfolios managed on a discretionary basis by LGT. This is a very ambitious plan and goes beyond the commitments of our peer group.

In a first step, our thermal coal exclusion policy entered into force at the beginning of 2020. LGT excludes companies involved in mining thermal coal if the revenues generated from thermal coal activities exceed 5% of their total revenues, or if they are responsible for more than 1% of global annual thermal coal production.

Furthermore, utility companies with significant exposure to electric power production (defined as deriving more than 20% of their revenues from electric power generation) are excluded if their average carbon intensity is above 374 g CO₂/kWh for 2021. This ceiling will be lowered every year and will be 197 g CO₂/kWh by 2030 and zero by around 2060, thus following the carbon intensity trajectory used by the International Energy Agency (IEA).



Table 1: Maximum CO₂ intensity per year as laid out by the IEA (B2DS scenario)¹

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CO ₂ intensity (g CO ₂ /kWh)	393	374	354	335	315	296	276	256	236	217	197

Utilities deriving less than 20% of revenues from electric power generation will be excluded if their revenue contribution from thermal coal activities exceeds 5% of their total revenues.

LGT Private Banking is a founding member of the Net Zero Banking Alliance. As such, we will adhere to the Alliance schedule and publish high level transition plans in April 2023.

In 2018, we launched our sustainability strategy 2025 with specific targets. We have just started the process of revising this strategy and hope to be able to communicate our new strategy in the summer of 2022.

Integrate the findings of the IEA Net-zero scenario and/or another 1.5C scenario with low overshoot and minimal reliance on Negative Emission Technologies into your climate strategy

As a private bank, LGT does not finance oil and gas exploration or any other activities. We manage the portfolios of our clients and provide mortgages.

When developing our net-zero strategy in the coming months, we will use 1.5C scenarios including the IEA Net zero by 2050 scenario as a minimum standard in our scenario analysis and disclose potential impacts on our strategy. In line with the timeline of the NZBA we will then disclose high level transition plans providing an overview of the categories of action expected to be undertaken to meet the targets and an approximate timeline.

Phase out from coal by 2030 in OECD countries and by 2040 in non-OECD countries at the latest

With our coal exclusion policy we are tackling all the relevant business we are active in and ensuring that we don't make any investments in thermal coal. Our thermal coal exclusion policy applies to all LGT Group companies. The exclusion rule applies to all portfolios managed by LGT Group, including those mandates whose management LGT has delegated to third parties. External asset managers who manage mandates on behalf of LGT are actively monitored and encouraged to implement similar standards. The policy also applies to employee transactions conducted via LGT and third-party banks.

Ensure your financial statements are drawn up in alignment with a 1.5C pathway

We are carefully monitoring the development of new accounting standards with regard to sustainability/climate risks and will adhere to the new sustainability reporting standard, Corporate Sustainability Reporting Directive (CSRD), of the European Commission, which enters into force in 2024. In addition, we will publish our first TCFD report in 2022.

¹ We apply the International Energy Agency (IEA) "Beyond-2-Degree" scenario, (B2DS), see for example IEA – Energy Technology Perspectives (2017).
GL 8500 en C 27072012 9999 Page 2 of 3 fu/05.10.2021 17:13:55



Commit to protect and restore biodiversity

Biodiversity loss is a major threat to humankind and climate change poses an even greater threat to biodiversity. We are pleased that this year, the TNFD was established and that a framework is being created on how biodiversity loss can be treated as a risk in investments. We hope that in the next few years more data will also be available. Biodiversity is an important topic for us as we develop our new sustainability strategy, and we will define targets on how to manage biodiversity-related risks and identify impacts.

Should you have any further questions, please do not hesitate to contact Ursula Finsterwald.

Yours sincerely
LGT Group Holding Ltd.

A handwritten signature in blue ink that reads 'O. de Perregaux'.

Olivier de Perregaux
CEO LGT Private Banking

A handwritten signature in blue ink that reads 'Ursula Finsterwald'.

Ursula Finsterwald
Head Group Sustainability Management