LGT Capital Partners

your partner for alternative investments

Active Ownership Report 2022

LGT Sustainable Equities and Fixed Income

"Engagement is a two way dialogue which allows us to drive positive impact on E, S and G matters and to achieve our common goal of net zero by 2050, or sooner, in a responsible way."

Front cover: unsplash.com

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Introduction: Active Ownership – an integral pillar of our holistic ESG integration

Pursuing engagements and active ownership is a vital part of LGT Capital Partners' ("LGT CP") investment approach for sustainable equity and fixed income strategies, representing one of four pillars to integrate environmental, social and governance ("ESG") considerations into the investment process. It is our responsibility as sustainable investors to use our position to try and influence the behaviours of companies to act in the most favourable way for society, investors, and other relevant stakeholders.

It is part of our philosophy that engagement is conducted by sector specialists within the Sustainable Equity and Fixed Income investment teams. We believe that the combined assessment allows the analyst to have a holistic view and deep understanding of a firm's risks and opportunities. Since 2009, the Sustainable Equity and Fixed Income investment teams have been managing sustainable strategies. Therefore, engaging in dialogue with companies on ESG matters has been part of the investment process for more than 10 years. To enable us to better consolidate and track engagement activities we integrated a proprietary engagement tool into the team's research platform in 2020. As our tools and processes have evolved, we continue to enhance how we conduct and monitor engagement. Our engagement efforts today have an outcome-orientated focus which is measurable and traceable.

In the following pages, we are pleased to report on the engagement and active ownership carried out by LGT CP's Sustainable Equity and Fixed Income investment teams on behalf of investors during 2022.

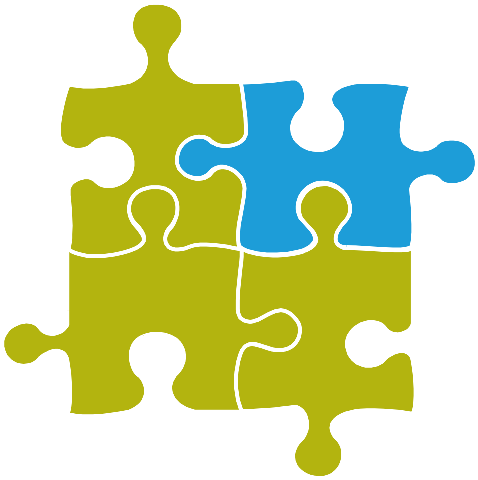
Holistic approach: Active ownership - one pillar of our ESG activities

Exclusions

- Activity based: exclusion of certain harmful sectors
- Conduct based: exclusion of UN Global Compact violators
- Worst-in-class (exclusion 4th quartile)

Integrating ESG factors

- Quantitative and qualitative assessment
- Combining business operations and product/service impact
- Integration of controversies and negative news flow



Active ownership

- Proactive dialogue with companies
- Reactive engagement
- Collaborative initiatives
- Proxy voting
- Green- and social financing

Measuring and impact

- Environmental footprint
- ESG scores
- CO_2 attribution
- SDG measurements
- Paris alignment (1.5°C)
- Benchmark comparison

Source: LGT Capital Partners

Our approach to active ownership for our sustainable equity and fixed income strategies

Our engagement work spans various types of activities, including:

- Direct dialogue with companies
  - Proactive engagement to drive positive change and measurable outcomes
  - Research related engagement
- Investor collaborations
- Reactive engagement i.e., systematic monitoring of news flow on investee companies
- Proxy voting in equity investments
- Promoting green and social financing in fixed income investments

Direct dialogue with companies: proactive and research-related engagement

As part of the initial and ongoing qualitative ESG assessment, sector specialists are in continuous dialogue with companies within the LGT CP sustainable universe. They use company meetings to discuss firms' current ESG efforts and any areas of further development, including companies that already perform well. We may at times also be invested in companies that do not perform well on certain ESG aspects but are on track to implement changes to improve in these areas. We typically engage with these companies to gain a better understanding of processes implemented and the current progress regarding these topics. This type of research-related engagement provides companies with the opportunity to offer further clarification and insight into their ESG practices and aspirations. This increased understanding and knowledge of companies' or issuers' ESG practices further allows us to identify areas for improvement and gives us the opportunity to encourage companies to improve or scale up their efforts on environmental, social and governance aspects to achieve the necessary material positive change for our common goal of net zero.

Investor collaborations

We work together with other investors in cases where our engagement objectives are aligned, and we believe there is a higher probability of achieving a result through a collective effort. This can include ad-hoc collective action on specific topics as well as longer-term investor collaborations.
In 2022 LGT CP joined a collaborative effort of Climate Action 100+ where we act as a co-lead to ensure action on climate change by some of the largest corporate emitters globally.

Reactive engagement through systematic monitoring

We systematically monitor companies held in our portfolios and recommendation lists based on their ESG score and negative news flow. Data provided by RepRisk – which continuously screens over 100,000 publication channels in 23 languages worldwide – allows us to identify any negative developments in a timely manner. This enables us to focus on these specific, relevant issues for reactive engagement.

Exercising voting rights

LGT CP closely follows the SRI International Proxy Voting Guidelines provided by the Institutional Shareholder Services Inc. ("ISS"). The ultimate voting decision lies with the investment team. As shareholders, whenever possible, we use our voting rights in order to:

- improve the level of reporting disclosure
- align management compensation to ESG key performance indicators and emission targets
- support strategic measures to accelerate or adapt to a low-carbon business model

For more information and our escalation process, please refer to the Active Ownership Policy for our sustainable strategies.

Fixed income green and social financing engagement

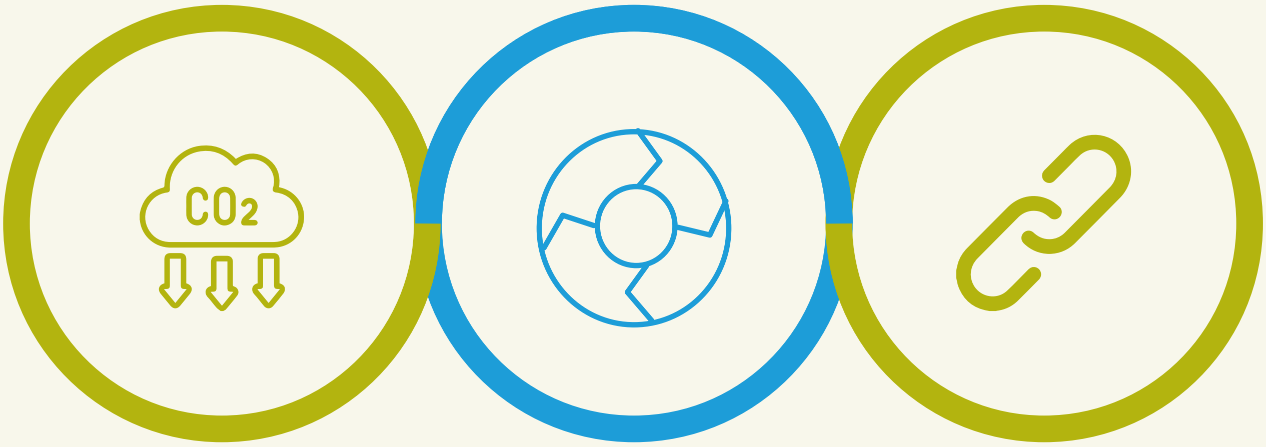
Green-, social- and sustainable bonds are playing a significant role in the climate and social transition needed. Whilst the impact bond issuance market is growing rapidly, impact finance flows still appear to be far below the level needed to achieve the Paris goals.

Therefore, our engagement efforts, particularly in the area of fixed income, involve the promotion of the private as well as public sector to provide green and social financing. Specifically for the public sector engagement at sovereign level we believe in the power of collective engagement to achieve the desired influential outcome. As investors we have made a minimum commitment of 50% impact bonds in our sustainable funds.

Engagement ambitions and outcome in 2022

What are our ambitions and why?

ENGAGEMENT THEME 2020-2025: CLIMATE ACTION



Net zero by 2050 or sooner
- Ambition to be 1.5° Celsius aligned
- Science based targets for the short-, medium- and long-term
- Transition plans
- Transparency on reporting across the value chain and progress
- Green and social financing

Transition to a circular economy
- Promote re-usable/recyclable/compostable materials to limit waste
- Increase recycled content share while reducing virgin material consumption
- Efficient use of material with less spill across the value chain

Responsible value chain
- Identification, monitoring and disclosure of nature-related risks such as deforestation and water pollution
- Policies and targets to protect and restore biodiversity and ecosystems, especially in high-risk areas e.g. eco-sensitive zones and water-stressed areas
- Anchored in high-quality data and transparent reporting that spans the entire value chain; including suppliers, distributors and end-consumer
- Integration of the social context, e.g. human rights and labour conditions, discrimination and harassment

OUR OBJECTIVES

- ☑ Accountability
- ☑ Trackability
- ☑ Transparency
- ☑ Reduction in CO_2 emissions, energy consumption, water consumption, waste
- ☑ Safe and responsible use of natural resources
- ☑ Protect environment and human rights across the value chain
- ☑ Improve human health and well-being
- ☑ Support diversity, equity and inclusion

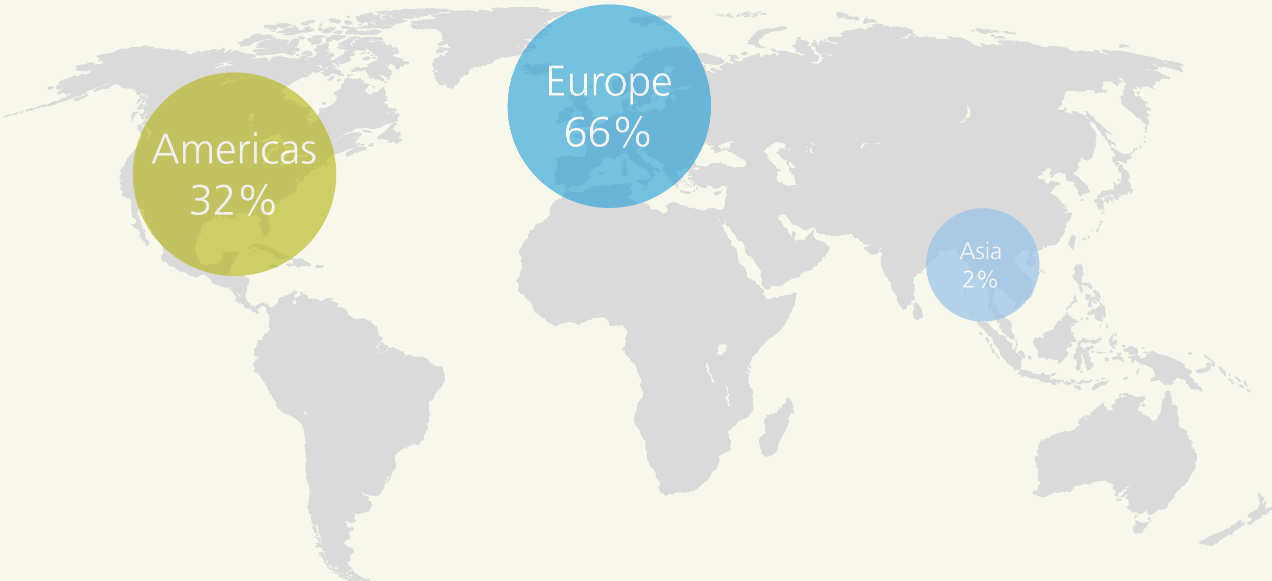
Where did we engage?

125 Engagements

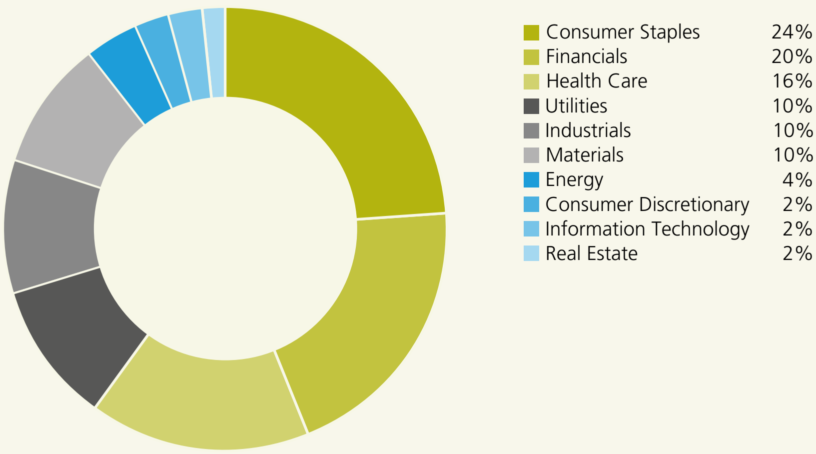
59 Companies engaged with

18[1] Countries engaged in

Geographical split



Sector



Source: LGT Capital Partners. Data from 1 January 2022 to 31 December 2022.
[1] Data based on location of company headquarters.

On what topics did we engage?

Category

Topics – Top 10

Climate change	17%
General ESG	13%
Pollution	7%
Health and safety	7%
Labour practices and supply chain management	7%
Other environmental	6%
Executive remuneration	6%
Sustainability reporting	5%
Other social	5%
Company leadership issues	4%

Sustainable Development Goal (SDG) split

>75%

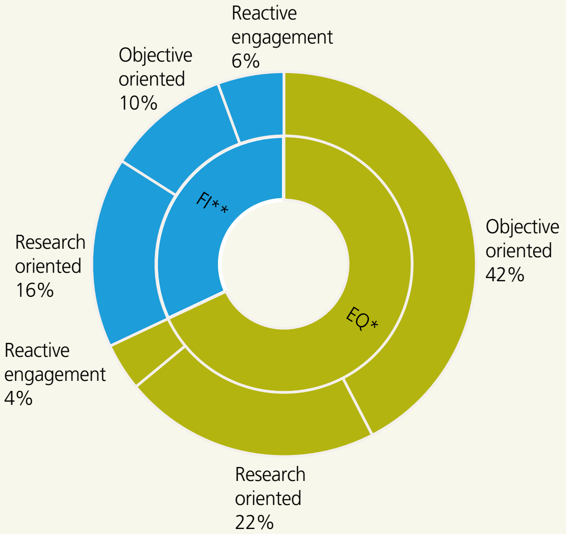
of our engagements in 2022 were linked to UN SDGs

1	"No Poverty"	1%
2	"Zero Hunger"	1%
3	"Good Health And Well-Being"	6%
4	"Quality Education"	1%
5	"Gender Equality"	1%
6	"Clean Water And Sanitation"	4%
7	"Affordable And Clean Energy"	6%
8	"Decent Work And Economic Growth"	5%
9	"Industry, Innovation And Infrastructure"	5%
10	"Reduced Inequalities"	2%
11	"Sustainable Cities And Communities"	5%
12	"Responsible Consumption And Production"	9%
13	"Climate Action"	17%
14	"Life Below Water"	1%
15	"Life On Land"	7%
16	"Peace, Justice And Strong Institutions"	1%
17	"Partnerships For The Goals"	2%

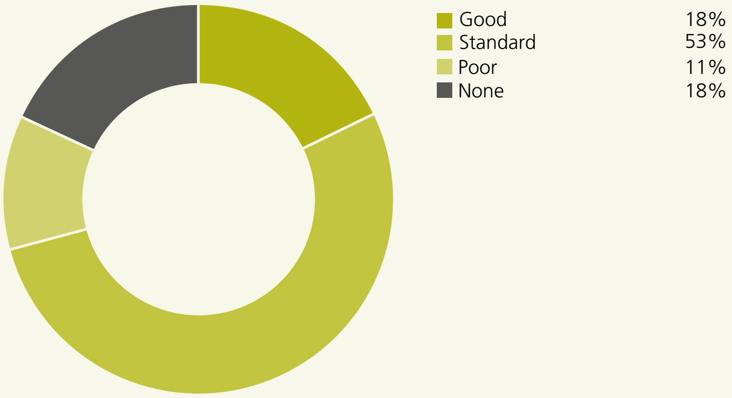
Source: LGT Capital Partners. Data from 1 January 2022 to 31 December 2022.

How did we engage and what was the response?

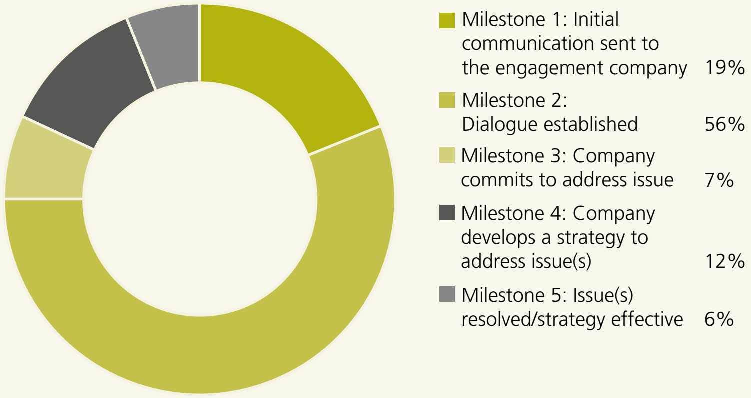
Type of engagement



Response quality[1]



Milestones

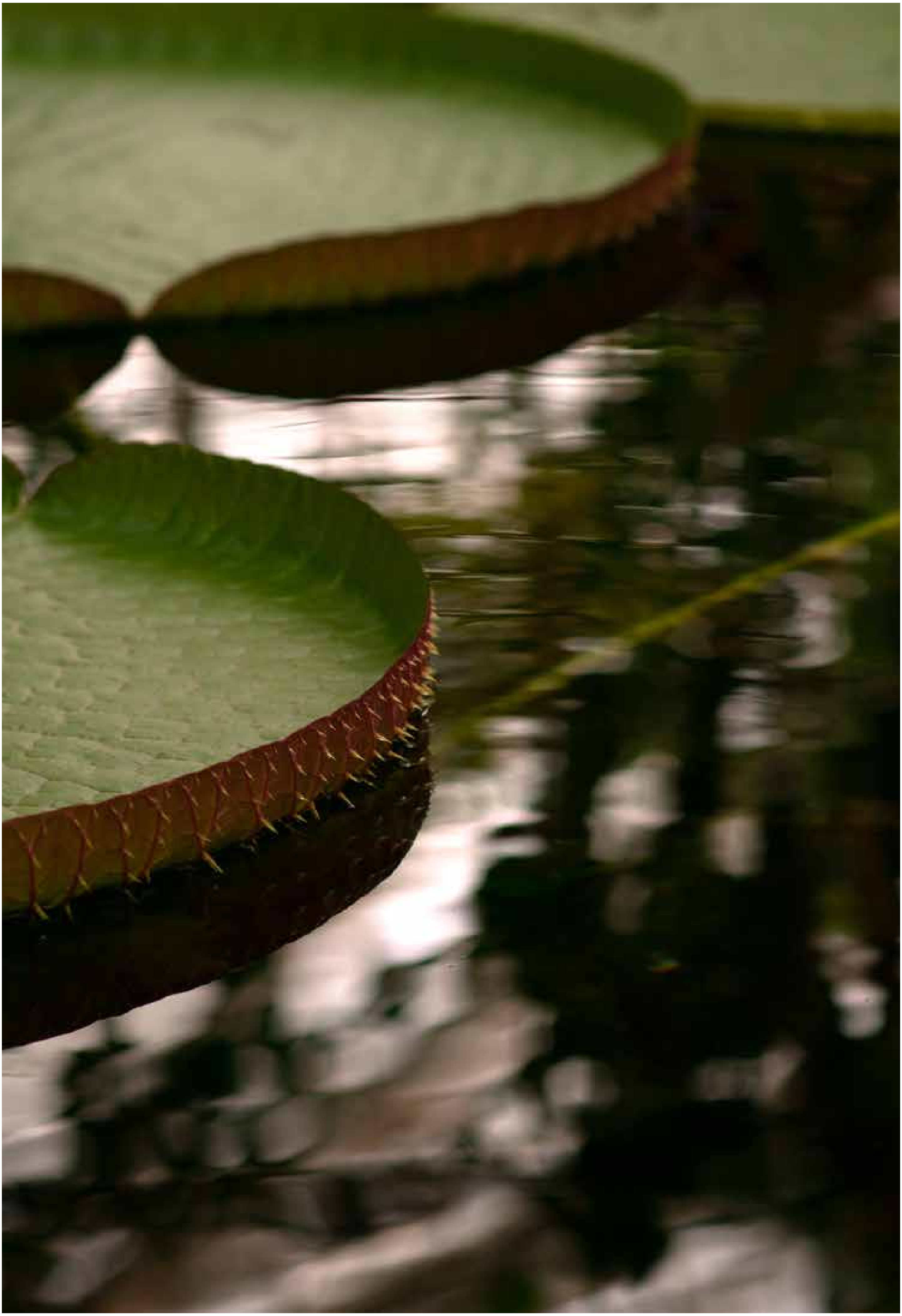


Source: LGT Capital Partners. Data from 1 January 2022 to 31 December 2022.

[1] Good: company responded with detailed response on specific issues addressed and/or was open to actively engaging in dialogue on the matter. Standard: company provided answer to topics addressed and referred to relevant documents available for further information on actions taken. Poor: company responded but provided generic response, avoided the specific questions asked, referred to generic documents and has shown little commitment to issue addressed.

* Equities

** Fixed income



unsplash.com

Engagement examples – Environmental

Biodiversity: Estée Lauder

Beauty company

E S G

Engagement type: Individual, objective oriented

Background: Estée Lauder and its brands manufacture skin care, makeup, fragrance, and hair care products. The raw material used in their products is sourced from environments rich in biodiversity. Certain brands, like Aveda and Origins, also offer products consisting of only naturally derived ingredients. We clearly see a trend amongst the personal care companies in offering fully biobased formula in their products. On the one hand, the use of chemicals such as per- and polyfluoroalkyl substances ("PFAs") has a negative impact on the environment – e.g., water pollution, and human health – as they do not naturally degrade. Yet, an increased use of biobased ingredients also leads to challenges and risks for sustainable sourcing in terms of biodiversity, deforestation, and social responsibility. Estée Lauder has committed to identifying sensitive ingredient supply chains and developing biodiversity and social action plans for them by 2025. However, Estée Lauder has not yet communicated a quantitative target for traceability and use of sustainable sources for their biobased ingredients, in contrast to some peers.

Objective: We expect the company to introduce a quantitative target for the share of biobased ingredients to be traceable and to originate from sustainable sources, as we think this would add a higher level of accountability and trackability to their current action plans on sustainable sourcing.

Engagement: We have had regular dialogues with Estée Lauder. In 2021 we expressed to the company that their main competitor, L'Oréal, had more clearly defined targets regarding the use of natural products. We continued to monitor and followed up in 2022 as this was still the case. As a first step we joined an investor call for an update on Estée Lauder's ESG work, which was held with the CFO and the SVP of Global Corporate Citizenship and Sustainability. To follow up more specifically on the area of natural products and biodiversity and continue our dialogue we reached out to the company and held an individual call with their sustainability team. We asked for clarification around their 2025 commitment to implement action plans for sustainable sourcing of sensitive ingredients and stated our objective: to include a quantitative target for the total share of biobased ingredients on a company level, in which we referred to targets set by peers. We have continued the dialogue since the meeting to get further clarification on this.

Outcome: Estée Lauder emphasised in our recent dialogue the difficulty in setting quantitative targets for traceability and use of sustainable sources in the area of biobased ingredients. The company currently only has an external quantitative target for palm oil and its derivatives: by 2025 at least 95% is to be certified sustainable from Roundtable on Sustainable Palm Oil (RSPO) physical supply chains (Mass Balance, Identity Preserved, or Segregated). Regarding the broader agenda for overall sustainable and responsible sourcing of biobased ingredients, they have communicated that policies are in place and have committed to ensuring that their biodiversity and social action plans are implemented by 2025. We will continue to follow the implementation of their action plans on sustainable sourcing and highlight the importance of also committing to a quantitative target for the share of biobased ingredients to be traceable and to originate from sustainable sources.

Circularity: Iberdrola, Vestas Wind Systems

Renewables company, Wind turbine company

E S G

Engagement type: Individual, objective oriented

Background: Iberdrola and Vestas are active companies within the wind power industry. The recycling of blades and turbines has become a critical topic that we have continued to engage on for the last two years. In Europe alone, by 2025 and 2030, 25,000 and 50,000 tons, respectively, of decommissioned wind blades could be up for waste treatment. Currently, wind blades have predominantly been sent to landfill. The recycling of wind blades could therefore not only avoid the potential contamination of landfill sites and water reservoirs, but also improve the availably of valuable sources for future wind blade production. Contrary to the message of many wind original equipment manufacturers ("OEMs"), the technology to recycle wind blades is available, but it is costly.

Iberdrola has a 2025 target to recycle 50% of its commissioned blades and reach 100% by 2030. The company has established a 50:50 joint venture with the waste treatment company FCC called "EnergyLOOP" to build the first industrial-scale wind turbine blade recycling plant in Europe; they will start operations in 2025 and aim to meet the target of recycling 50% of Iberdrola's commissioned wind blades by this date. EnergyLOOP will invest 10 million euros in its first facility and is promoted through Iberdrola's PERSEO Venture Builder programme.

Vestas has committed to creating a rotor that can be 100% recycled by 2030, and they aim to redesign the turbine, or develop new circularity routes, so that every turbine component will be recyclable by 2040. Their two major initiatives are DecomBlades, which focuses on recycling existing blades, and CETEC, which focuses on new technologies to improve circularity of future blades.

Objective: Iberdrola: to further pursue action in blade and turbine recyclability; an important part of this is showing progress in the construction of their wind blade recycling facility.

Vestas: strengthen their target setting with further transparency and accountability by:

- implementing interim targets
- working with transparency and demonstrating progress on an annual basis
- providing clarification on how this is to be achieved, with structured plans in place

Engagement: Iberdrola: We held a meeting with the Head of Sustainable Development in 2022 to discuss the current recycling plans, costs, and actions taken. We stated that we welcome Iberdrola's 2025 target to recycle 50% of its commissioned blades and encouraged the company to take bold steps in order to reach 100% even earlier than its 2030 target.

Vestas: In 2021 we started our dialogue to better understand their, and the industry's, efforts to recycle blades and turbines, which we continued to monitor in 2022. In 2022 we took part in an investor meeting with Vesta's EVP and CFO and their Senior Investor Relations Specialist. After having improved our understanding of their current approach to blade and turbine circularity, we identified concerns regarding the transparency and accountability of their current target setting. To follow up with Vestas we sent an email to the company to present the objective stated above.

Outcome: Iberdrola: We are encouraged by Iberdrola's recycling plans and their targeted actions in blade and turbine recyclability. They commented that the recycling process is currently loss-making, in the absence of tightening regulatory standards for landfills; however, we fully support Iberdrola. We will continue to follow up on the progress of construction of the wind blade recycling facility and discuss the possibility of photovoltaic (PV) module recycling, which Iberdrola also mentioned to us as an option.

Vestas: We have improved our understanding of the company's recycling targets, efforts through the initiatives DecomBlades and CETEC, and current challenges such as high costs and high emission intensity. While we clearly think that Vestas has ambitious goals and initiatives going forward, we lack clarity on their current targets in terms of structured plans in place to achieve their 2030 target, and implementation of interim milestones and annual progress updates. Hence, we will continue to follow up on the discussion and move from the research stage to an objective-oriented approach on this topic in 2023.

Net-zero: PACCAR Inc

Truck company

E S G

Engagement type: Collaborative, objective oriented

Background: PACCAR Inc. ("PACCAR") is a global leader in the design, manufacture and customer support of trucks. LGT Capital Partners is currently engaging with PACCAR together with the Climate Action 100+ ("CA100+") as a "Collaborating Investor", alongside the "Lead", two co- "Leads" and five other "Collaborating Investors". This engagement is part of CA100+, a global investor initiative consisting of 700 investors representing more than USD 68 trillion in collective assets under management.

The current engagement focus for PACCAR is on fleet electrification and climate policy engagement – specifically how these topics will support the company in meeting their existing greenhouse gas ("GHG") reduction target. The major concerns are the lack of transparency regarding lobbying activities, climate policy, alignment with the Paris Agreement and reliance on diesel trucks. Corporate lobbying that is inconsistent with the Paris Agreement presents increasingly material risks to companies and their shareholders, as delays in emissions reductions undermine political stability, damage infrastructure, impair access to finance and insurance, and exacerbate health risks and costs. Action should be a priority, especially considering major US Federal rulings on heavy duty vehicle emissions are coming up which will affect the trucking sector significantly.

PACCAR's most recent benchmark assessment, which indicates a few areas of improvement, can be found on the CA100+ website: https://www.climateaction100.org/company/paccar-inc/.

Objective: As part of the CA100+ engagement, we, together with shareholders, request the following:

- Board of directors annually conduct an evaluation and issue a report (at reasonable cost, omitting confidential or proprietary information) describing if, and how, PACCAR lobbying and policy influence activities (both direct and indirect through trade associations, coalitions, alliances, and other organizations) align with the goal of the Paris Agreement to limit average global warming to "well below" 2°C above pre-industrial levels and to pursue efforts to limit temperature increase to 1.5°C, and how PACCAR plans to mitigate the risks presented by any misalignment. In evaluating the degree of alignment, PACCAR should consider not only its policy positions and those of organizations of which PACCAR is a member, but also the actual lobbying and policy influence activities.

Engagement: In November 2022, the lead investor for the PACCAR engagement filed a shareholder proposal on public policy engagement for the upcoming stockholders meeting to PACCAR. It highlighted the engagement objective, stated above, and some additional areas of concern:

- PACCAR does not have a public commitment to conduct policy and regulatory activities in line with the goals of the Paris Agreement.
- PACCAR is a member of a trade association that has actively sought to impede proposed clean truck regulations.
- Investors currently lack sufficient information to understand how PACCAR ensures its direct and indirect lobbying through trade associations aligns with the Paris Agreement's goals, and what actions the company is taking to address any misalignments.
- PACCAR's continued reliance upon diesel powered trucks may put the company out of line with market trends.

Outcome: PACCAR submitted a "No Action Letter" to the Securities and Exchange Commission (SEC) in December 2022. It stated that PACCAR intends to exclude the proposal from the 2023 Proxy Materials pursuant to Rule 14a-8(i)(10) based on the argument that it has already been "substantially implemented". Yet, at PACCAR's Annual General Meeting (AGM) scheduled on April 25, 2023, the shareholders' proposal on "Report on Climate Lobbying" was included for voting. We have supported the proposal by exercising our voting rights in line with our CA100+ engagement purpose. Furthermore, we voted against the director election of the person responsible for climate risk oversight, because the company's targets and commitments do not align with investor expectations on Net Zero by 2050. We also exercised our voting rights and voted against the voting item on "Advisory Vote to Ratify Named Executive Officers' Compensation" since the company has not disclosed any short- and long-term E&S performance incentives. We continue to actively participate in the CA100+ engagement group activities as a "Collaborating Investor" and publicly communicate our support for the shareholder proposal.

Net zero – green financing: Carrefour

Global retailer

E S G

Engagement type: Individual, objective oriented

Background: Carrefour is a French-listed leading global retailer, and frequent corporate bond issuer in the Euro market. In March 2022, Carrefour issued its debut sustainability-linked bonds ("SLBs"), tapping into the fast-growing demand for impact bonds and SLBs. We attended the roadshow presentation and took part in a group meeting with the company and other investors but decided not to invest in the newly issued bonds as we deemed the SLBs' targets embedded in the bonds as not ambitious enough. While SLBs can be helpful tools for corporate issuers to finance some of their ESG journey/transition, we believe that issuers should set ambitious targets for themselves and strive to meet high standards when structuring such instruments.

Objective: We expect Carrefour to improve their key performance indicators ("KPIs") under their SLB Financing Framework going forward, such as use of a more recent KPI baseline, inclusion of scope 3 emissions, and more ambitious targets – as most of the progress has already been achieved. We further advocate for our preference to invest in impact bonds such as green, social, and sustainable bonds as opposed to SLBs to address climate and social issues.

Engagement: We reached out to Carrefour and scheduled a conference call with their investor relations and ESG teams. We stressed the importance of ambitious KPIs within a SLB framework, especially when it comes to setting the baseline to measure progress as well as to what is being measured. We stressed that it was important that KPIs showed ambition and helped steer the business towards better impact change by significantly addressing scope 3 emissions which account for over 95% of the company's carbon footprint.

Therefore, our objective was to help achieve improved KPIs under Carrefour SLB Financing Framework going forward, or, as an alternative, to convince the company to issue impact bonds rather than SLBs to address ESG/Climate/Social issues in a more direct way, noting that they have the size and projects available to do so.

Outcome: We explained to Carrefour why we did not invest in their latest SLB issuance, and how we would need to see changes in their SLB framework before being able to participate in such issuance in the future. Carrefour acknowledged our feedback and confirmed that green financing plans were under discussion. We agreed to have a follow up call in mid-2023 to discuss potential progress and investment opportunities.

Net zero – transparent disclosure: Swedbank

Bank

E S G

Engagement type: Individual, objective oriented

Background: An increased number of financial institutions acknowledge that net zero is a necessary goal and are directing funds towards green purposes; they are, however, far from completely phasing out fossil fuel investments. We observe more voluntary disclosure commitments aligned with Task Force on Climate-Related Financial Disclosures (TCFD) and recently imposed government requirements for reporting on climate risks. However, banks do not yet meet expectations on disclosure that would help when assessing, managing and mitigating stranded asset risks and understanding whether the institution is on track with its net zero commitments and target setting.

Swedbank is a Scandinavian banking group based in Stockholm. They reached out to us as part of an internal effort to discuss their general ESG framework. We used the opportunity to start an active engagement on the issue of disclosure efforts by financial institutions.

Objective: We expect to see improved disclosure on indirect fossil fuel exposure and other potentially harmful effects stemming from the traditional banking activity of lending from the institution itself.

Engagement: We approached Swedbank and discussed the following issues. We would like to see better transparency on indirect sector exposures to fossil fuel exploration/production and the related ecological footprints. We advocated for more clarity in the reporting for their impact bonds. We also emphasised our preference for the segregation of green and social instruments, as well as forward-looking impact and new project financing versus refinancing of existing projects.

Outcome: Swedbank committed to improving transparency in line with upcoming EU and global disclosure regulations. We have reached an agreement to remain in close contact and to collaborate with regards to further clarity of disclosure standards regarding ESG and footprint metrics. We will monitor the progress towards meeting our objective in the upcoming publications over the next 12–24 months.

stock.adobe.com

Engagement examples – Social

Diversity, equity and inclusion (DE&I): IDEXX Laboratories Inc.

Animal healthcare company

E S G

Engagement type: Individual, objective oriented

Background: IDEXX Laboratories Inc. ("IDEXX") develops, manufactures and distributes products, and provides services, for the companion animal veterinary, livestock and poultry, dairy and water testing markets. The company's diversity data from 2021 shows that 76% of their U.S. workforce are white and only 22% consists of people from underrepresented racial and ethnic groups. We also looked at the data from its competitors and industry leaders in the pharmaceutical space. For its close competitor Zoetis, the percentage of the white workforce was 78.7% in 2021. For the broader healthcare industry, the number is slightly lower (between 65% and 70%). We strongly believe that diverse organisations that offer equal opportunities to individuals from underrepresented backgrounds can attract and retain higher quality talent, while also adding to improved decision-making that ultimately benefits our investors. Also, considering that IDEXX is seeking to expand its global footprint, there is a lot of room for improvement.

Objective: We expect to see improved diversity, equity and inclusion ("DE&I") for IDEXX's global workforce, with an increased share of people from underrepresented backgrounds; this can be achieved by setting a company-wide target that is also incorporated to the incentive plans.

Engagement: We contacted the company in 2022 to develop our understanding and discuss future possible actions to improve DE&I. We sought to better understand actions already taken and asked related questions – for example about the U.S. management target in place and various initiatives to achieve this goal – and stated our objective of introducing targets with improved accountability.

Outcome: In relation to underrepresented groups, IDEXX highlighted their target to increase representation of underrepresented groups in U.S. management to 33% by 2030. Moreover, they mentioned that one of IDEXX Foundation's priority areas is to help educate diverse leaders of tomorrow in science, technology, engineering, mathematics ("STEM") and animal health fields. However, there was no mentioning of company-wide initiatives; that is, focus was on management initiatives. In relation to the possibility of integrating DE&I goals into IDEXX's management incentive plans, IDEXX responded that they would take our advice into consideration. We will follow up IDEXX's target setting in the DE&I area and monitor the development, especially concerning underrepresented groups on a company-wide level.

Diversity, equity and inclusion (DE&I): Wells Fargo

Bank

E S G

Engagement type: Individual, reactive engagement

Background: In May 2022 it was announced that a former executive of the US bank Wells Fargo had accused the company of firing him in retaliation for complaining about alleged inappropriate hiring practices: conducting fake interviews with female or non-white applicants without any intention of hiring them. The accusation is that Wells Fargo conducts fake interviews to show good diversity effort results on paper after it pledged to improve workplace diversity in 2020.

Engagement: We reached out to Wells Fargo via email and requested clarification around the veracity of the allegations and further details around the controversy. We asked for further clarification as to how their existing safeguards failed to prevent such practices and, if confirmed, what actions are being taken to mitigate the risk for future repetitions. Wells Fargo's response was prompt, and a conference call took place shortly after. We expressed our concerns regarding their hiring practices, and Wells Fargo confirmed the occurrence. No further details have been provided and the outcome of an internal investigation is still pending.

Outcome: It has been decided to keep our exposure to the issuer contained until the release of further details on their internal or external investigation, which is at the discretion of the reviewing parties. Pending further clarification on measures taken to address the problem by means of public statements, we will follow up on our engagement activities in the course of 2023.

Human rights: Cofinimmo

Real estate company

E S G

Engagement type: individual, objective oriented

Background: Cofinimmo is a pan-European, Belgian-listed real estate investment trust which focuses on leasing properties to healthcare services providers. In this respect, Cofinimmo is a lessor to French care home operator Orpea, which has been embroiled in various cases of patient abuse. While Cofinimmo is simply a real-estate owner and does not operate any of the businesses at its properties, we believe the company has a responsibility to ensure high standards are met by its key tenants.

Objective: We expect Cofinimmo to put steps in place to address social issues within their ESG framework which currently only addresses environmental matters. We advocate acting together as a society to fix deep-seated problems in the elderly care sector.

Engagement: While we divested early on our exposure in Orpea, following a lack of concrete engagement from the company after the initial social abuse allegations, we decided to engage further with Cofinimmo to express our concern about malpractices at Orpea and possibly other healthcare providers leasing properties from the company. We first contacted the company in early 2022 and followed up again in the course of the year to ask them to explicitly account for such social responsibility issues in a pre-emptive manner by drafting and enforcing specific policies; to define an engagement framework when issues arise; and to report in a transparent manner any activities they engage in, in order to monitor compliance by their tenants – in a periodic review process for instance.

Outcome: Following our exchanges, we have not yet seen any progress regarding how Cofinimmo addresses such issues. While it is not their legal responsibility, we believe Cofinimmo should make sure they are willing to improve their framework to complete due diligence, assess, monitor, and respond to such cases. Cofinimmo simply confirmed that they do perform due diligence at the time of any acquisition, which focuses on financial, real estate, commercial and social, environmental and governance aspects, such as reputational. During the lifetime of their relationship with a tenant, Cofinimmo would discuss with the tenant elements that come to its attention and that they consider out of line with their own ESG strategy. The response was helpful but fell short of our expectations given the scope of the issues/abuses seen in the Orpea case. We expect the issue to remain under scrutiny and will follow up further with Cofinimmo in the course of 2023. We will consider divesting our exposure should no progress be made in the coming months.

Supply chain management: Iberdrola

Renewables company

E S G

Engagement type: Individual, objective oriented

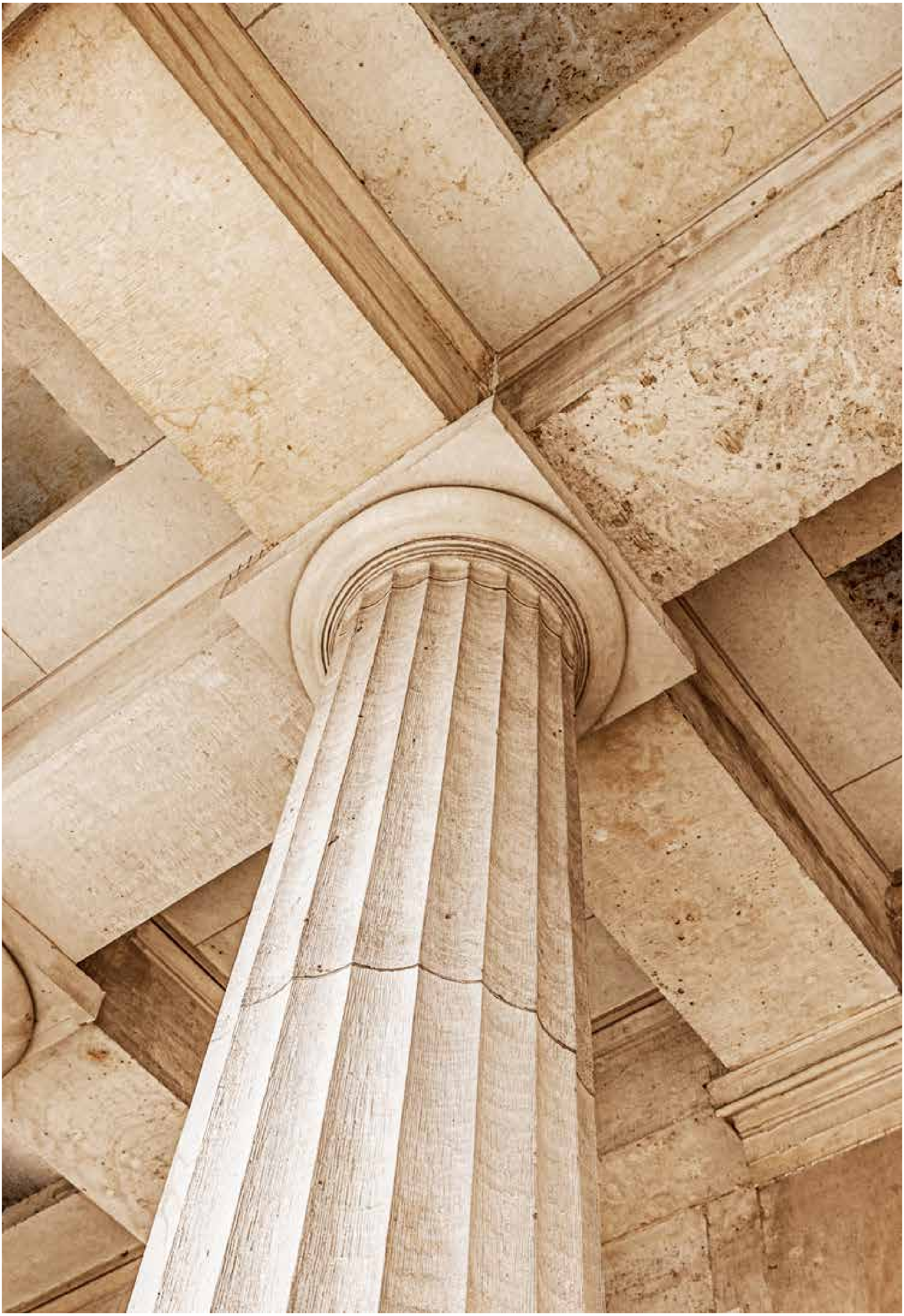
Background: Iberdrola is engaged in carrying out electricity and gas activities in Spain and abroad. Non-compliance and controversies along the supply chain are among the most severe risks to Iberdrola. Hence, these are key areas for us to understand better in order to have good visibility of the potential risks. This is especially the case considering human rights controversies among Chinese PV equipment suppliers and allegations of forced labour.

Objective: Improved visibility of the supply chain by adding relevant reporting metrics. This would include, for example:

- More information around audits carried out (third parties used versus the company itself- in which third parties are described transparently)
  - Focus on Chinese PV suppliers
- Reporting on incidents/non-compliance to the Supplier Code of Conduct
  - Here we expect to see total number of issues found identified by category (e.g., health and safety, compensation and benefits (minimum wage), freedom of association, regular employment, child and young labour, discrimination and harassment)
  - Also, the outcome of cases: how many have been solved, are in progress, etc.
- Transparent ESG scoring methodology, in which small suppliers (not only largest suppliers) are included

Engagement: We held a meeting with the Head of Sustainable Development in 2022, in which we discussed their current supply chain monitoring tool and the potential risks the company sees, especially in regard to labour conditions and human rights. In our discussion we encouraged Iberdrola to be more transparent about its ESG scoring methodology and disclosure on its supplier engagement, including publishing the number of suppliers that do not conform with Iberdrola's ESG-related policies.

Outcome: Iberdrola mentioned that they have not been allowed to visit or monitor some of their suppliers' sites in the Xinjiang province in China (approximately 50% of global polysilicon production). Even though Iberdrola communicated that these factories have been certified by third party auditors for respecting human rights and that no types of forced labour issues had been recorded, we lack thorough assessment and understanding of who these third parties are. Iberdrola also acknowledged, that so far, its ESG scoring of suppliers is mostly applied to its largest suppliers with an overall coverage of approximately 80% of procurement, and not small suppliers. Iberdrola stated that their "GoSupply" monitoring so far has not resulted in any of their suppliers being terminated due to weak ESG scores. The company emphasised that it is working together with its suppliers to improve their ESG policies, rather than cutting off relations. While we think it is good that the company takes ownership and seeks to have a positive impact, we also think it translates to increased requirements for Iberdrola to be transparent and report publicly on non-conformance with their supplier code of conduct. As we think the risk of controversies along the supply chain is critical for the company and an increasingly relevant topic, we will continue the dialogue and seek to influence Iberdrola to improve their reporting of supply chain related metrics as stated in the objective.



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Engagement examples – Governance

ESG-linked remuneration: Givaudan

Flavour and fragrances company

E S **G**

Engagement type: Individual, objective-oriented

Background: We often find that companies have not integrated ESG key performance indicators ("KPIs") into their incentive plans even when the company does have an ambitious ESG strategy, policies, and targets in place. Or it could be that the quality of ESG KPIs in the incentive plans is poor: they lack transparency, meaningful impact or trackability.

Givaudan is a company engaged in the fragrance and flavour industry, with a leading ESG profile in several aspects. The company presents well-structured, trackable, and impactful ESG KPIs in the long-term incentive plan. However, ESG KPIs for the short-term incentive plan have currently not been implemented and relate solely to group financial objectives.

Objective: We would like to see transparent communication of meaningful and trackable ESG KPIs in the short-term incentive plans for Givaudan in addition to their current long-term integration. We believe short-term ESG KPIs are crucial for accountability – as they require annual progress on targets that are linked to alignment with long-term value creation – and are simply more relevant for targets that could be achieved over a shorter period of time.

Engagement: We contacted the company and arranged a meeting with the Head of Investor and Media Relations in 2022. The points discussed related to their view on incorporating ESG KPIs as part of the short- versus long-term incentive plans. In addition, we also asked questions concerning the decision-making process on integrating certain ESG KPIs into their incentive plans: whether the company performs a robust materiality assessment, bases it on an already existing ESG strategy and targets, etc.

Outcome: The company highlighted the positive development that has taken place regarding their remuneration framework in recent years. They communicated to us that in the past the Long-Term-Incentive ("LTI") performance measures were based on 50% top line and 50% Free Cash Flow ("FCF"), and now these measures instead represent 40% each whilst 20% is based on sustainability – with the three ESG KPIs relating to GHG emissions reductions (including scope 3), diversity, and employee safety. Givaudan explained to us that they decide on ESG KPIs to be included in the incentive plans by mapping their material stakeholders and issues critical to them (materiality matrix). At the moment the targets Givaudan is working against are set for 2025 and they adopt five-year strategic cycles. Due to this five-year horizon, the company has decided to include the ESG KPIs only in the long-term compensation plan. The argument presented to us was that their long-term oriented targets cannot be achieved or measured annually and that it would also be wrong for the employee in question to be penalised. In addition, acquisitions taking place means that it often takes a certain period of time before it can be fully aligned with Givaudan's targets and progress.

Our view on the reasoning and process behind deciding on the three ESG KPIs is very positive, and we think Givaudan communicates the ESG KPIs in place transparently and in a trackable manner. However, we do think that the integration of short-term ESG KPIs is important to demonstrate annual progress and alignment with the long-term targets. It is important for us to be clear on our expectations in relation to incentive plans as this is also being reflected in how we vote in shareholder meetings and in collaboration with other shareholders. Hence, we will continue to follow the ESG KPIs Givaudan decides to include in their incentive plans and communicate our objective of annual accountability for the five-year strategy.

Product safety: Stryker

Medical technology company

E S G

Engagement type: Individual, reactive

Background: Product quality is a key area of concern for a global medical technology company, like Stryker, who offers innovative products and services in Orthopaedics, Medical and Surgical and Neurotechnology and Spine. Stryker has had several incidents of product recalls over the last decade, and it was obvious that quality management must be improved. The last major product recall (FDA Class I recall) happened in 2020 where Stryker Neurovascular recalled more than 1200 Trevo XP ProVue Retrievers, a medical device that is used on stroke patients, because of a risk that the core wire may break or separate when the device is being retracted. Since then, we consider the product issues as minor to moderate. Quality Management Systems in place have been designed around FDA and other Health Authority requirements and are certified to ISO 13485:2016. We also consider Stryker to have high standards regarding their suppliers and see as a positive the implementation of an Ethics Hotline Policy a few years ago. Yet, due to their products being highly exposed to the risk of recalls, it is of vital importance for us to have a continuous dialogue with the company and ensure that the company continues their work to avoid recalls.

Objective: Ensure high product safety going forward with the ambition of zero Class I recalls, FDA warning letters and significantly reduced Class II recalls over the next three years.

Engagement: We held a call with the Vice President of Corporate Responsibility and the Vice President of Investor Relations in 2022, in which we sought to elaborate our understanding of implementation of high quality standards, ongoing initiatives and their internal processes to ensure reduced product recalls.

Outcome: We clearly see a positive evolution for Stryker in terms of product quality systems over the last couple of years. The company's post market surveillance and improved processes are now a foundational part of their Quality Management System. Stryker routinely monitors the performance of their products, including analysis of product inquiries and complaints, and ultimately presents a detailed analysis of their recall trends. Execution and tracking are done through their corrective and preventive action ("CAPA") processes. Additionally, they assess the effectiveness of these processes through both their internal audit processes and through a third party. Results from the audits are also used as input into their CAPA process.

Proxy voting[1]

We actively exercise our voting rights and engage with companies that we invest in. We believe that over the long term, a well-developed relationship between a company and its investors can lead to increased shareholder value and superior returns. LGT CP has a fiduciary responsibility to influence companies and issuers of securities in the best interest of investors. As shareholders, whenever possible, we use our voting rights in order to:

- improve the level of reporting disclosure
- align management compensation to ESG key performance indicators and emission targets
- support strategic measures to accelerate or adapt to a low carbon business model

LGT CP closely follows the SRI International Proxy Voting Guidelines provided by the Institutional Shareholder Services Inc. (ISS) but can deviate if we come to a different assessment. As part of this collective of 2,000 investors, we aim to have a more significant impact on the accountability of large corporations and their actions. To monitor ISS processes, we review all voting recommendations.

A complete list of all proxies voted is available here.

Facts and figures

99% MEETINGS VOTED

95 MEETINGS VOTED

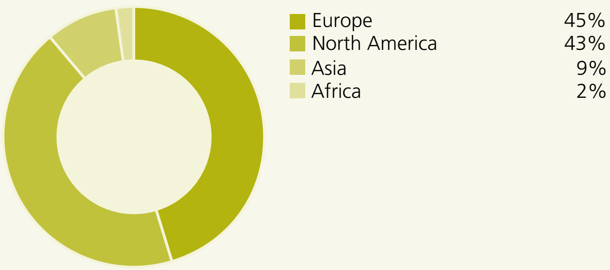
1,481 ITEMS VOTED

49% MEETINGS WITH AT LEAST 1 VOTE AGAINST/ABSTAIN/WITHHOLD

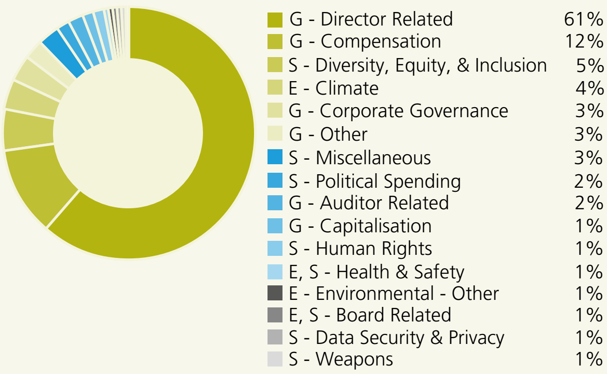
10% VOTES AGAINST MANAGEMENT

38 SHAREHOLDER PROPOSALS SUPPORTED

Meetings voted by region



Breakdown of votes against management by issue



Source: LGT Capital Partners, ISS. Data from 1 January 2022 to 31 December 2022.

[1] Includes all of LGT CP's dedicated sustainable strategies which include a direct equity allocation: LGT Sustainable Equity Global strategy, LGT Sustainable Quality Equity Hedged strategy, LGT Sustainable Equity Europe strategy, LGT Sustainable Equity Market Neutral strategy, LGT Sustainable Strategy 5 Years, LGT Sustainable Strategy 4 Years, LGT Sustainable Strategy 3 Years. Does not include client mandates.

Appendix: Engagement list

Please find below a list of the companies the Sustainable Equity and Fixed Income teams engaged with in 2022.

Company[1]	E	S	G	Main topics of engagements	Sector	Country[2]	Team (EQ*/FI**)
Agilent Technologies Inc	N	N	Y	ESG-linked remuneration targets	Health Care	United States	EQ
Agilent Technologies Inc	N	Y	N	Animal testing	Health Care	United States	EQ
AIB Group plc	Y	Y	Y	Sustainable financing	Financials	Ireland	FI
Akamai Technologies	Y	Y	N	Sustainability reporting across the value chain	Information Technology	United States	EQ
Akamai Technologies	N	Y	N	Diversity, equity & inclusion	Information Technology	United States	EQ
Akamai Technologies	N	Y	N	Supply chain management	Information Technology	United States	EQ
Banco de Sabadell SA	Y	Y	Y	Sustainable financing	Financials	Spain	FI
Banco Santander SA	Y	N	N	Deforestation	Financials	Spain	EQ
Banco Santander SA	Y	Y	Y	ESG framework and strategy	Financials	Spain	FI
Bayerische Motoren Werke AG	Y	Y	Y	Supply chain and ESG related concerns	Consumer Discretionary	Germany	FI
BP plc	Y	N	N	Science based target and capex dedicated to contributing activities (EU taxonomy)	Energy	United Kingdom	FI
Carrefour SA	Y	N	Y	Sustainability linked bond KPIs	Consumer Staples	France	FI
Cofinimmo SA	Y	Y	Y	ESG framework	Real Estate	Belgium	FI
Cofinimmo SA	N	Y	Y	Social integration	Real Estate	Belgium	FI
Credit Suisse Group AG	N	N	Y	Governance practices	Financials	Switzerland	FI
Deutsche Post AG	N	Y	N	Harassment and discrimination	Industrials	Germany	EQ
Deutsche Post AG	N	Y	Y	ESG-linked remuneration targets	Industrials	Germany	EQ
Deutsche Post AG	N	Y	Y	Supply chain management and reporting	Industrials	Germany	EQ
Deutsche Post AG	N	N	Y	ESG-linked remuneration targets	Industrials	Germany	EQ
Diageo plc	N	Y	N	Responsible drinking	Consumer Staples	United Kingdom	EQ
Diageo plc	Y	N	N	Water pollution	Consumer Staples	United Kingdom	EQ
Diageo plc	N	N	Y	ESG-linked remuneration targets: short-term	Consumer Staples	United Kingdom	EQ
Diageo plc	N	Y	Y	ESG-linked remuneration targets: long-term	Consumer Staples	United Kingdom	EQ
Diageo plc	Y	N	N	Plastic packaging: fossil-free plastics	Consumer Staples	United Kingdom	EQ
Diageo plc	Y	N	N	Plastic packaging: circular plastics	Consumer Staples	United Kingdom	EQ
DNB ASA	Y	Y	Y	ESG framework and strategy	Financials	Norway	FI
Ecolab Inc.	Y	N	N	Sustainability reporting	Materials	United States	FI
Enexis Holding NV	Y	N	N	Gas pipeline exposure	Utilities	Netherlands	FI
Equinor ASA	Y	N	N	Science based target and capex dedicated to contributing activities (EU taxonomy)	Energy	Norway	FI
Erste Group Bank AG	Y	Y	Y	Sustainable financing	Financials	Austria	FI
Estee Lauder Companies Inc	Y	N	N	Plastic packaging: initiatives	Consumer Staples	United States	EQ
Estee Lauder Companies Inc	Y	N	N	Plastic packaging: circular plastics	Consumer Staples	United States	EQ
Estee Lauder Companies Inc	Y	N	N	Plastic packaging: fossil-free plastics	Consumer Staples	United States	EQ
Estee Lauder Companies Inc	Y	N	N	Bio-based ingredients	Consumer Staples	United States	EQ
Estee Lauder Companies Inc	Y	N	N	Water pollution	Consumer Staples	United States	EQ
Estee Lauder Companies Inc	Y	Y	N	Bio-based sourcing	Consumer Staples	United States	EQ
Ford Motor Company	Y	Y	N	E-mobility	Consumer Discretionary	United States	FI
Fortescue Metals Group Limited	N	Y	N	Sexual harassment	Materials	Australia	EQ
Franco Nevada Corp	Y	N	N	Climate change	Materials	Canada	EQ
General Motors Company	Y	Y	N	EV strategy	Consumer Discretionary	United States	FI
Givaudan S.A.	N	Y	N	ESG-linked remuneration targets	Materials	Switzerland	EQ
Givaudan S.A.	N	Y	N	Supplier health and safety	Materials	Switzerland	EQ
Givaudan S.A.	Y	N	N	SBTi targets	Materials	Switzerland	EQ
Givaudan S.A.	Y	N	N	Water pollution	Materials	Switzerland	EQ
Givaudan S.A.	Y	Y	N	Responsible sourcing	Materials	Switzerland	EQ

Source: LGT Capital Partners

[1] References to a specific company should not be construed as a recommendation.
[2] Data based on location of company headquarters.
* Equities
** Fixed income

Company[1]	E	S	G	Main topics of engagements	Sector	Country[2]	Team (EQ*/FI**)
Goldman Sachs Group Inc	Y	Y	Y	ESG integration bond market	Financials	United States	FI
Goldman Sachs Group Inc	N	N	Y	Sexual harassment	Financials	United States	FI
Grifols SA	N	Y	N	Supply chain management	Health Care	Spain	EQ
Groupe BPCE	Y	Y	Y	Green- and social bond frameworks	Financials	France	FI
Heineken N.V.	N	Y	N	Responsible drinking	Consumer Staples	Netherlands	EQ
Heineken N.V.	N	N	Y	ESG-linked remuneration targets	Consumer Staples	Netherlands	EQ
Heineken N.V.	N	N	Y	LTI & Responsible drinking	Consumer Staples	Netherlands	EQ
Heineken N.V.	Y	N	N	Water consumption	Consumer Staples	Netherlands	EQ
Heineken N.V.	Y	N	N	Water reduction targets	Consumer Staples	Netherlands	EQ
HERA SpA	Y	N	N	Pollution	Utilities	Italy	EQ
HERA SpA	Y	N	N	GHG emission targets	Utilities	Italy	EQ
HERA SpA	N	N	Y	Nomination process: CEO	Utilities	Italy	EQ
HERA SpA	N	N	Y	ESG-linked remuneration targets	Utilities	Italy	EQ
HSBC Holdings plc	Y	Y	Y	ESG framework and strategy	Financials	United Kingdom	FI
Iberdrola SA	N	N	Y	Company leadership issues	Utilities	Spain	EQ
Iberdrola SA	Y	N	N	Circular economy	Utilities	Spain	EQ
Iberdrola SA	Y	N	N	Biodiversity	Utilities	Spain	EQ
Iberdrola SA	N	Y	N	Supply chain management and reporting	Utilities	Spain	EQ
Iberdrola SA	Y	N	N	Blade and turbine recyclability	Utilities	Spain	EQ
IDEXX Laboratories	N	Y	N	Labour conditions and working environment	Health Care	United States	EQ
IDEXX Laboratories	N	Y	N	Diversity, equity and inclusion	Health Care	United States	EQ
ING Groep NV	N	N	Y	Anti-bribery and corruption	Financials	Netherlands	EQ
ING Groep NV	Y	Y	N	Net zero	Financials	Netherlands	EQ
JPMorgan Chase & Co.	Y	Y	Y	ESG integration bond market	Financials	United States	FI
JPMorgan Chase & Co.	Y	N	N	Net zero	Financials	United States	FI
Knorr - Bremse AG	Y	Y	Y	Green financing and EU Taxonomy	Industrials	Germany	FI
Koninklijke DSM N.V.	Y	Y	Y	Supply chain management and related concerns	Materials	Netherlands	FI
Koninklijke DSM N.V.	Y	N	N	GMO	Materials	Netherlands	EQ
Landsbanki Islands HF	Y	Y	Y	ESG integration bond market	Financials	Iceland	FI
Lloyds Banking Group PLC	Y	Y	N	ESG framework	Financials	United Kingdom	FI
Medtronic PLC	N	Y	Y	Product safety	Health Care	United States	EQ
Medtronic PLC	N	N	Y	Company leadership issues	Health Care	United States	EQ
Medtronic PLC	N	N	Y	ESG-linked remuneration targets	Health Care	United States	EQ
Medtronic PLC	N	N	Y	Board independency	Health Care	United States	EQ
Medtronic PLC	N	Y	Y	Anti-bribery and corruption	Health Care	United States	EQ
Medtronic PLC	N	Y	N	Labour conditions and working environment	Health Care	United States	EQ
National Australia Bank Ltd.	Y	Y	Y	ESG framework and bond issuance	Financials	Australia	FI
National Grid plc	Y	N	N	Science based target and capex dedicated to contributing activities (EU taxonomy)	Utilities	United Kingdom	FI
National Grid plc	Y	N	N	CO2 intensity power generation portfolio	Utilities	United Kingdom	EQ
National Grid plc	Y	N	N	Net zero	Utilities	United Kingdom	EQ
Natwest Group PLC	Y	Y	Y	Sustainable financing	Financials	United Kingdom	FI
NN Group NV	Y	Y	Y	Sustainable financing	Financials	Netherlands	FI
OMV AG	Y	N	N	Science based target and capex dedicated to contributing activities (EU taxonomy)	Energy	Austria	FI
PACCAR Inc.	Y	N	N	Net zero: fleet electrification and climate policy lobbying	Industrials	United States	EQ
Petroleos Mexicanos (PEMEX)	N	Y	N	Safety incident	Energy	Mexico	FI
Rabobank	Y	Y	Y	Sustainable financing	Financials	Netherlands	FI
Reckitt Benckiser Group Plc	Y	N	N	Sustainable offering and ingredients	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Sustainable innovation on packaging	Consumer Staples	United Kingdom	EQ

Source: LGT Capital Partners

[1] References to a specific company should not be construed as a recommendation.
[2] Data based on location of company headquarters.
* Equities
** Fixed income

Company[1]	E	S	G	Main topics of engagements	Sector	Country[2]	Team (EQ*/FI**)
Reckitt Benckiser Group Plc	Y	N	N	Plastic packaging: fossil-free plastics	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Sustainable offering: subscription model	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Sustainable product target	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Bio-based ingredients	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Toxic chemicals and water pollution	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Energy consumption	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	Y	N	N	Water consumption	Consumer Staples	United Kingdom	EQ
Reckitt Benckiser Group Plc	N	Y	N	Animal testing	Consumer Staples	United Kingdom	EQ
Schneider Electric SE	Y	Y	Y	Green bonds vs. Sustainability-linked bonds	Industrials	France	FI
Sika AG	N	Y	N	ESG-linked remuneration targets	Materials	Switzerland	EQ
Sika AG	N	Y	N	Employee health and safety	Materials	Switzerland	EQ
Stryker Corporation	N	Y	Y	Product safety	Health Care	United States	EQ
Stryker Corporation	N	N	Y	Company leadership issues	Health Care	United States	EQ
Stryker Corporation	N	N	Y	ESG-linked remuneration targets	Health Care	United States	EQ
Stryker Corporation	N	Y	Y	Anti-bribery and corruption	Health Care	United States	EQ
Stryker Corporation	N	N	Y	Board independency	Health Care	United States	EQ
Svenska Handelsbanken AB	Y	Y	Y	Sustainable financing	Financials	Sweden	FI
Swedbank AB	Y	Y	N	ESG framework and impact disclosure	Financials	Sweden	FI
Swiss Re AG	Y	Y	Y	ESG framework and strategy	Financials	Switzerland	FI
TotalEnergies SE	Y	N	Y	Governance framework	Energy	France	EQ
Unilever plc	N	Y	N	Animal testing	Consumer Staples	United Kingdom	EQ
Unilever plc	Y	N	N	GMO	Consumer Staples	United Kingdom	EQ
UnitedHealth Group Inc	Y	Y	Y	Company leadership issues	Health Care	United States	EQ
UnitedHealth Group Inc	N	N	Y	ESG-linked remuneration targets	Health Care	United States	EQ
UnitedHealth Group Inc	N	N	Y	Board independency	Health Care	United States	EQ
UnitedHealth Group Inc	N	N	Y	Business ethics	Health Care	United States	EQ
Vestas Wind Systems A/S	Y	Y	Y	Supply chain management	Industrials	Denmark	FI
Vestas Wind Systems A/S	Y	N	N	Material efficiency	Industrials	Denmark	EQ
Vestas Wind Systems A/S	Y	N	N	Blade and turbine recyclability	Industrials	Denmark	EQ
Vestas Wind Systems A/S	Y	N	N	Supply chain waste reduction	Industrials	Denmark	EQ
Wells Fargo & Co	N	Y	Y	Diversity, equity and inclusion controversies in hiring	Financials	United States	FI
Xylem Inc	Y	N	N	Sustainable financing	Industrials	United States	FI

Source: LGT Capital Partners

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[2] Data based on location of company headquarters.
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