

ESG at Zuger Kantonalbank

Stewardship

We are conscious of our responsibility towards the environment, society and future generations. With a holistic approach, we are committed to underpinning our business with ethical principles as well as social and environmental responsibilities, thereby fostering sustainable and beneficial development. By doing so we create added value – for our stakeholder groups and for the environment.

Our approach

Zuger Kantonalbank manages its own investment funds using ESG criteria, to which the entire area of stewardship also belongs. Stewardship (or active ownership) is a responsible investment approach in which investors collaborate and interact with the companies in which they have invested in order to create long-term financial, environmental and social value while at the same time achieving positive, long-term sustainable results.¹ This is mainly done through proxy voting (exercising shareholder voting rights) and engagement (maintaining an active dialogue with companies). The integration of stewardship into the investment process aims to improve the governance of selected companies, thereby reducing ESG risks in a portfolio and making the most of ESG opportunities. This can also help to increase the risk-adjusted portfolio return for investors in the long term.

Stewardship (proxy voting and engagement) is a responsible investment approach in which investors work with selected companies to achieve sustainable long-term results.

Implementation

To meet these requirements, we apply stewardship to our own equity and bond funds, which we largely implement within the framework of the Swiss Stewardship Code and the Principles of Responsible Investment (PRI). For practical implementation, we have delegated stewardship to our fund management company, which in turn works with Columbia Threadneedle Management Limited in London. By involving specialised providers who implement the relevant measures on behalf of

shareholders, it is possible to exert an influence even on large companies that operate on a global scale. This also has the advantage that the interests of different investors can be bundled, thereby making the influence on the selected companies that much greater and more efficient. Columbia Threadneedle Management Limited implements proxy voting and engagement in the case of our equity funds, and engagement for our bond fund. Strategy funds and mandates are exempt from stewardship.

Proxy voting

The exercising of membership rights includes the exercising of voting rights. Voting has the medium to long-term goal of bringing about improvements in corporate governance, in sustainable business operations, and in the social, ethical and environmental responsibility of companies, thereby achieving growth in shareholder value for investors. As proxy, Columbia Threadneedle Management Limited is mandated to exercise the relevant voting rights at all general meetings relating to the relevant subfunds. This creates a uniform philosophy and approach to corporate governance and the exercise of voting rights. The voting guidelines apply to all listed equity portfolios and take into account local requirements.

Engagement

Engagement is defined as a constructive dialogue with companies about ESG risks that could have a material negative impact on their business. The objective of engagement is to promote long-term returns on investment by mitigating risk or making the most of opportunities in connection with ESG factors. This may relate to financial performance, sustainability-related risks and opportunities, as well as other factors such as climate change, environmental responsibility, biodiversity, labour standards, human rights, public health, corporate behaviour and corporate governance. Columbia Threadneedle Management Limited conducts a dialogue with selected companies

¹ Source: Swiss Stewardship Code

in which the relevant subfunds are invested. The aim of this dialogue is to encourage companies to move towards best practice in key ESG areas. This includes adherence to internationally recognized standards such as the UN Global Compact and the Paris Climate Agreement, as well as a number of other guidelines.

Escalation

As a general principle, the aim is to conduct a constructive dialogue with the selected companies with a view to delivering a desired result for all parties involved. However, if the companies do not show progress in matters that are in the best long-term economic interest of shareholders, Columbia Threadneedle Management Limited may consider escalation. Escalation activities take place in cooperation with other investment companies.

There are various options available that can send a clear signal to the companies concerned. These are:

- Collaboration with other investors or stakeholders
- Issuance of public statements
- Submission of shareholder motions
- Direct intervention at the General Meeting
- Exercising of voting rights (proxy voting)
- Partial or complete disinvestment

Reporting

Zuger Kantonalbank regularly provides documents on its website (www.zugerkb.ch/en/esg) showing the activities associated with stewardship on behalf of Zuger Kantonalbank on the basis of the aggregated holdings of the relevant subfunds.

Publications

Other publications on the subject of ESG can be found on our web page www.zugerkb.ch/en/esg.

We are signatories to or members of the following organisations

Signatory of:



Contact

esg-investments@zugerkb.ch

Legal disclaimer

This document has been prepared for information and marketing purposes only and does not constitute an offer or an invitation by, or on behalf of, Zuger Kantonalbank (ZugerKB) to buy or sell financial instruments or banking services. It is addressed to recipients designated by ZugerKB with residence in Switzerland for personal use and may not be reproduced, in whole or in part, changed or distributed or disseminated to any other addressees without the written permission of ZugerKB. The information in this document is given as of a specific date and has been obtained from sources that ZugerKB believes to be reliable. Nevertheless, ZugerKB cannot make any representation that the information is accurate, complete or up-to-date. ZugerKB does not accept liability for any loss arising from an investment behaviour based on the information in this document. The prices and values of investments mentioned and any income resulting therefrom may fluctuate, rise or fall. References to previous developments do not have any bearing on future results. This document does not contain any recommendations of legal nature or regarding accounting or taxes. Nor should it in any way be construed as an investment or strategy that is appropriate for or tailored to the personal circumstances of the recipient. (V2026)

This publication may contain data from third parties.

SIX Swiss Exchange AG ("SIX Swiss Exchange") is the source of SIX indices and the data comprised therein. SIX Swiss Exchange has not been involved in any way in the creation of any reported information and does not give any warranty and excludes any liability whatsoever (whether in negligence or otherwise) – including without limitation for the accuracy, adequateness, correctness, completeness, timeliness, and fitness for any purpose – with respect to any reported information or in relation to any errors, omissions or interruptions in the indices or its data. Any dissemination or further distribution of any such information pertaining to SIX Swiss Exchange is prohibited." Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent. The MSCI EMU Top 50 index is a custom index. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Zuger Kantonalbank. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. The use by Zuger Kantonalbank of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Zuger Kantonalbank by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI. Bloomberg® and Bloomberg-indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the indices (collectively, "Bloomberg") and have been licensed for use for certain purposes by Zuger Kantonalbank. Bloomberg is not affiliated with Zuger Kantonalbank, and Bloomberg does not approve, endorse, review, or recommend products from Zuger Kantonalbank. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Bloomberg-indices. Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE-Group"). © LSE-Group 2026. FTSE Russell is a trading name of certain of the LSE-Group companies. FTSE Russell® is a trade mark of the relevant LSE-Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE-Group company which owns the index or the data. Neither LSE-Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication."