

ESG at Zuger Kantonalbank

ESG philosophy in the investment business

As the leading bank in the Zug economic region, we are aware of our responsibilities. We think and act in a future-oriented way, and incorporate environmental and social aspects into our ambitious commercial objectives. By doing so we create added value – for our stakeholder groups and for the environment.

Strong arguments in favour of responsible investments

Whereas with traditional investments only the metrics of classic financial analysis are applied, responsible investments offer the added possibility of steering portfolios in a constructive direction. Incorporating ESG criteria into the investment decision-making process is designed to reduce ESG risks in the portfolio and allow the corresponding opportunities to be exploited. Companies which take into account ESG aspects tend to exhibit better long-term corporate quality and a superior ability to react to ESG risks and opportunities compared to those with a poor ESG rating. This is also often reflected in long-term performance.

“Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Brundtland Report, 1987

What we mean by ESG

The term “ESG” has become firmly established, above all in the investment business. ESG stands for Environmental, Social and Governance. Investing in accordance with ESG criteria means weighing up the corresponding opportunities and risks in these three areas when making investment decisions. Although there is no conclusive list of the themes and factors involved or any universally binding definitions for this concept, it may be taken to refer to the implementation of principles that promote environmentally compatible and sustainable development.



Environmental covers themes such as climate change and energy efficiency, the promotion of renewable energies and biodiversity, and the reduction of environmental pollution.



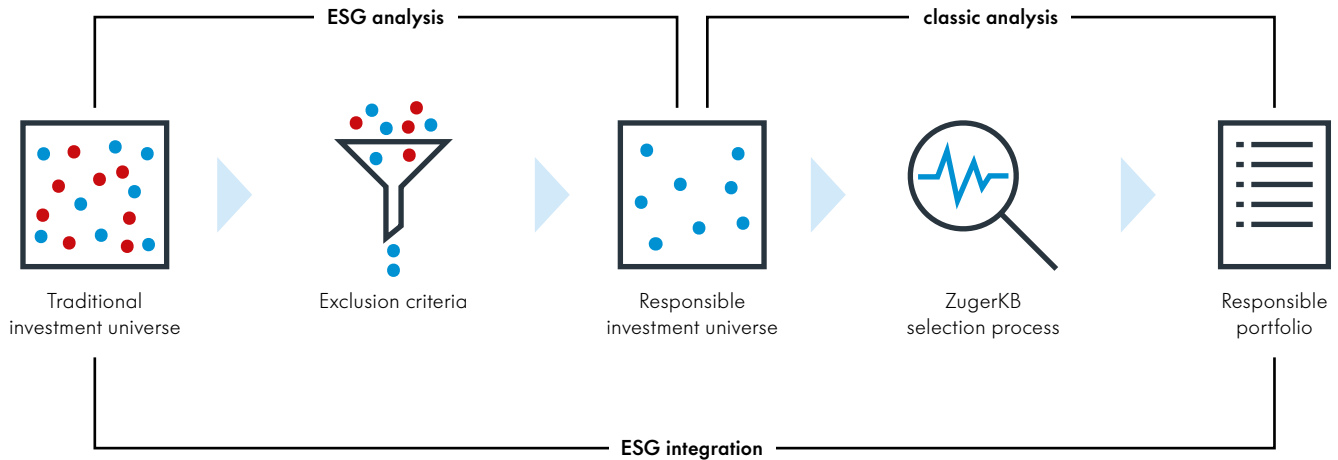
Social relates to working conditions such as the prohibition of child and forced labour, workplace safety and health, and the promotion of education and gender equality.



Governance covers measures aimed at preventing corruption and bribery, and ensuring fair remuneration for corporate bodies, diversity in management and the independence of audit and control bodies.

Our investment approach

Our business policy is reflected in a responsible approach to the investment business. We advise our clients in a comprehensive and transparent way. ESG is becoming standard practice on the advisory side too, as clients require the bank to take into account ESG aspects in the investments the bank manages itself, or in those for which it offers advice and recommendations. We have therefore made it our mission to apply explicit and binding guidelines for our investment products. Exclusion criteria are defined as a first step in a two-part selection process and then applied in the creation of a responsible investment universe. With this as a basis, classic financial analysis instruments are then used to create a responsible portfolio that combines both responsible and classic factors of financial analysis (ESG integration).



Exclusion criteria

The application of various ESG exclusion criteria enables us to proactively mitigate risks that may arise from controversial business activities. We therefore focus on companies with greater resilience to long-term ESG risks of relevance to the sector. Thus issuers who fail to comply with defined standards or values closely related to the aims of sustainability are excluded. Taking our convictions as a basis, we have drawn up a selection of exclusion criteria for investments at Zuger Kantonalbank. We distinguish between norms-based exclusions (exclusion of companies that violate internationally recognised norms and

standards), values-based exclusions (exclusion of companies whose business activities are deemed inadmissible for an investor) and country-based exclusions (countries that systematically breach international standards).

Publications

You can find more information on our exclusion criteria as well as further publications relating to ESG on our website at 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. A reference to past performance does not include statements about future results. This document does not contain any recommendations of a 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. (V2025)

Certain information contained in this report (the «Information») originates from and/or is copyrighted by MSCI Inc., its subsidiaries («MSCI») or information providers (the «MSCI Parties») and may have been used to calculate scores, signals and other indicators. The information is intended for internal use only and may not be reproduced or redistributed in whole or in part without prior written permission. This information does not constitute an offer to buy or sell and should not be construed as an advertisement or recommendation for any security, financial instrument or product, or trading strategy, or as an indication or guarantee of future performance. Some funds may be based on or linked to MSCI indices, and MSCI may be compensated on the basis of fund assets under management or other key metrics. MSCI has established an information barrier between index research and certain information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided without warranty of any kind. The user assumes the entire risk of their own use of the Information or its use by a third party authorised by them. The MSCI parties shall not assume any warranty or guarantee for the authenticity, accuracy and/or completeness of the Information and expressly state that they disclaim any warranties of an express or implied nature. The MSCI Parties shall not be liable for any errors or omissions in connection with the information contained herein, nor for any direct, indirect or special damages, punitive damages, consequential or other damages (including lost profits), even if advised of the possibility of such damages.

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.