

Explanations regarding sustainability approaches

Stewardship - Voting / Engagement



As a shareholder, an active continuous dialogue is maintained with the companies management. This takes place in accordance with the engagement guidelines of Zürcher Kantonalbank's asset management. Among other things, companies are required to formulate ambitious greenhouse gas reduction targets, implement them consistently and report on them transparently. Engagement activities and guidelines are published on <https://www.zkb.ch/en/home/asset-management/sustainability/investment-stewardship.html>. Voting guidelines are based on Swiss and international corporate governance principles and on the United Nations Principles for Responsible Investment (UN PRI). The threshold for exercising voting rights in foreign markets is CHF 5 million per share position. For Swiss shares, voting is carried out across the board. More information on the voting behaviour can be viewed at: <https://www.swisscanto.com/voting>

Controversies - Exclusions Responsible



Application of further exclusion criteria - in addition to the exclusions based on SVVK-ASIR - in order to reduce sustainability risks and with the aim of not investing in securities with business models that are critical from a sustainability perspective. The exclusion criteria apply to companies associated with the extraction of coal (excluding metal production; >5% revenue)*, coal reserves (excluding metal production)*, production of weapons and ammunition, manufacture of military hardware (>5% revenue), production of pornography, exploitative child labour and/or UN Global Compact violations (excluding green and sustainability bonds, if applicable). Violations of the UN Global Compact principles revealed by screening are examined in closer detail by analysts. As part of the engagement, dialogue is sought with companies and they are encouraged to change their behaviour. If no change occurs within a reasonable period of time, existing positions must be sold. *Excluding green and sustainability bonds

ESG - Systematic ESG integration



The systematic analysis of ESG criteria forms an integral component of the active investment process, with the aim of identifying risks and opportunities based on ESG trends at an early stage. ESG criteria supplement the pure financial analysis and lead to more informed investment decisions.

Climate - CO₂e reduction



The asset manager aims to achieve a lower CO₂e intensity compared to the benchmark index. The CO₂e intensities are calculated from the CO₂e emissions in relation to the revenue of companies and in relation to gross domestic product for countries.

Further information

Further, supplementary product-specific explanations regarding the sustainability approaches applied can be found in the relevant legal documents at products.swisscanto.com

Sustainability approaches

For the corresponding portfolio illustrated sustainability approaches apply to all invested assets or a substantial part of it. Individual criteria may be implemented differently for the various invested investment products and asset categories. Detailed information on Swisscanto investment funds and assets of the Swisscanto investment foundation can be found in the corresponding prospectus, fund agreement and investment guidelines respectively.

CO₂e

CO₂ equivalents (CO₂e) are a measure to standardise the climate impact of the greenhouse gases carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and fluorinated greenhouse gases (CFCs). All of these gases remain in the atmosphere for different lengths of time and do not contribute equally to the greenhouse effect.

ESG

ESG stands for the aspects of environment (E), social (S) and governance (G).

SVVK-ASIR

The Swiss Association for Responsible Investments (SVVK) is an association of institutional investors and was founded in 2015. The association provides services to its members so that they can focus their investment decisions on the environment, society and the economy.