

Swiss Climate Scores

Swisscanto (LU) Bond Fund Responsible COCO

Benchmark: ICE BofA Contingent Capital Index Hedged in USD

Portfolio assets covered by assessment (Corporate weight): 97%

31.12.2024

This portfolio is not considered aligned with the 1,5°C target of the Paris Agreement; however, it does follow a decarbonization pathway aimed at holding the increase in the global average temperature to well below 2°C. Investing in this portfolio is not considered to contribute to the mitigation of climate change according to AMAS Self-regulation.

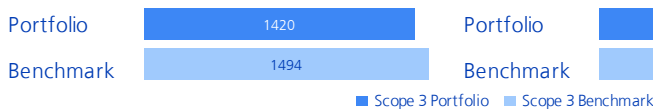
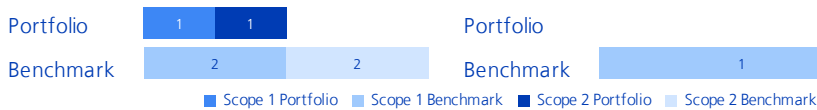
Current state



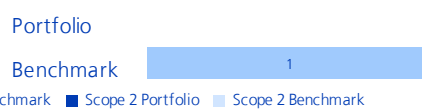
Greenhouse Gas Emissions

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1-3), including relevant emissions of their suppliers and products.

Intensity (tCO₂e/CHF M revenue)



Footprint (tCO₂e/CHF M invested)



Exposure to fossil fuel activities and renewables energy

There is scientific consensus regarding the need to phase-out coal and more generally fossil fuels as well as regarding the need to invest in renewable energy to enable the transition to net zero.

Share of investments into companies with activities in:

	Portfolio	Benchmark
coal	0.0%	0.0%
other fossil fuels	0.0%	0.2%
renewable energy (revenue based)	0.0%	0.0%

▲ Medium estimation uncertainty

▲ Low estimation uncertainty

Transition to net zero



Management to Net-Zero

Financial institutions can align their investment strategy with a consistent 1,5°C decarbonisation pathway.

Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investments through concrete short- (1-3 years) or mid-term (4-7 years) targets?

Yes, consistent with a <2°C decarbonisation pathway.

Average annual reduction:
4%

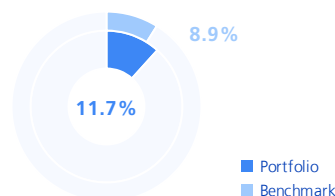
Is the portfolio part of a third-party verified commitment to net zero by the financial institution, including credible interim targets?
No



Verified Commitments to Net-Zero

Companies are increasingly committing voluntarily to transitioning to net zero and setting interim targets. The effectiveness of such commitments depends on whether interim emissions reduction targets applied are credible, science-based, transparent, and supported by credible action to cut emissions.

Share of companies in portfolio with verified commitments to net-zero and credible interim targets:



▲ Low estimation uncertainty



Credible Climate Stewardship

Financial institutions can contribute to the transition to net zero, by engaging with invested companies on third-party verified, science-based net zero aligned transition plans until 2050.

Are companies in the portfolio subject to credible stewardship on climate transition?
Yes

Share of companies currently under active climate engagement: **24.6%**

Share of climate votes supported: -
<https://www.swisscanto-fondsleitungen.com/en/investment-stewardship.html>

Is Zürcher Kantonalbank Asset Management a member of a climate engagement initiative?

Yes, Climate Action 100+

▲ Medium estimation uncertainty

Additional information on the Swiss Climate Scores

Coverage

All corporate securities are eligible and covered by the Swiss Climate Scores (based on greenhouse gas emissions coverage, as described below). Accordingly, the percentage of portfolio assets that are eligible and covered by the assessment are equivalent to the corporate weight in the portfolio, shown on page 1. The proportion of the corporate portfolio and benchmark covered (scope 1, 2 and relevant scope 3) is always 100%, since the displayed emissions are based on reported or estimated data for all corporate securities.

Greenhouse Gas Emissions

Scope 1 and 2 emissions and Scope 3 emissions (where relevant and available) are reported. Greenhouse gases with a global warming effect are included in the calculations in accordance with the international standard "Greenhouse Gas Protocol" (GHG Protocol) (measured in CO₂ equivalents; CO₂e). Data from independent third parties (see data source below) are used, which receive the data reported by the emitters or - if this is not the case - the data is based on estimates wherever possible. The data is checked internally with regard to data availability and quality.

The CO₂e intensity of the emitters is calculated by dividing the greenhouse gas emissions (in tons) by sales (in CHF million). At portfolio level, the sum product of the intensities of the underlying investments and their weight is calculated and scaled up by the coverage. The CO₂e footprint of the issuers is calculated by dividing the greenhouse gas emissions (in tons) by the Enterprise Value Including Cash (EVIC, in CHF million). At portfolio level, the sum product of the footprints of the underlying investments and their weight is calculated.

Source: Institutional Shareholder Services Europe SA (ISS)

Exposure to Fossil Fuel Activities and Renewable Energy

The threshold of 0% of revenue applies both to activities directly related to the exploration and production of fossil fuels and - if data is available - to activities that finance this production (for coal according to the "Global Coal Exit List" or similar). The scope of activities covers the entire value chain, from exploration, extraction and production (Upstream) through transportation and storage (Midstream) to refining, marketing, trading and electrification (Downstream), as well as trading.

For renewable energy: This metric covers companies that generate revenue related to renewable energy (e.g. products, services, infrastructure projects to support the development, deployment or generation of renewable energy based on wind, solar, geothermal, hydro or other renewables). The figure shown is an aggregation of the market value weighted average based on the revenues of the companies in the portfolio that meet the criteria. The definitions and thresholds provided by SCS, which are used for this reporting on fossil fuel exposure, may differ from the exclusion criteria defined in the product.

Source: MSCI ESG

Verified Commitments to net zero

Percentage of companies that have publicly committed to achieving net zero emissions and have had their targets certified by the Science Based Target initiative (SBTi). Only emitters with an active 1,5°C climate target approved by SBTi are added to the percentage share.

Source: MSCI ESG, SBTi

Management to net zero

Only portfolios for which a net zero target has been filed with the Net Zero Asset Managers initiative as part of the Glasgow Financial Alliance for Net-Zero (GFANZ) are taken into account. The integration of data on Scope 3 emissions must be based at least on the EU Reference Value Regulation 2019/2089. While data on Scope 3 emissions is available for fundamental analysis, it is not yet included in the quantitative calculation of the reduction pathway (where applicable).

Source: Zürcher Kantonalbank

Credible climate stewardship

Engagement:

We engage in direct dialog with Swiss and selective global companies on the topic of climate. The climate dialog with global companies is conducted in collaboration with Sustainalytics. Climate dialogs, particularly in the areas of cleantech, greenhouse gas reduction and board climate responsibility, are included in the key figure.

Source: Zürcher Kantonalbank & Sustainalytics

Perception of voting rights:

The following ISS voting categories are added to the supported votes on climate issues: GHG Emissions, Proposals Requesting Non-Binding Advisory Vote on Climate Action Plan, Management Climate-Related Proposal, Climate Change Action and Report on Climate Change. Our voting policy and voting behavior are published on [swisscanto.com/voting](https://www.swisscanto.com/voting).

Source: Institutional Shareholder Services Europe SA (ISS)

Global warming alignment

The optional indicator "global warming alignment" is not shown. The methodology is still at an early stage. The values are largely based on estimates, vary greatly between individual providers, are unstable over time and data coverage is inadequate. Furthermore, companies are penalized for their historical greenhouse gas emissions. Emitters that have used up their greenhouse gas budget can no longer be financed, even if they switch to climate-friendly technology in the future.

This means that an optimal allocation of capital for the climate cannot be guaranteed.

Disclaimer

This document is for information purposes. It does not constitute an offer or recommendation to acquire, hold or sell financial instruments or to purchase banking services, nor does it form the basis of any contract or obligation of any kind.

The products and services described in this document are not available to US persons in accordance with the applicable regulations. This document has been prepared solely for the use of the recipient.

The document was prepared by Zürcher Kantonalbank with customary due diligence and may contain information from carefully selected third-party sources. However, Zürcher Kantonalbank does not provide any guarantee with regard to the correctness or completeness of the information the document contains and waives any liability for losses arising from its use.

Past performance and returns are no guarantee of positive investment performance or returns in the future. Every investment involves risks, especially fluctuations in value and income and possibly exchange rates. In terms of the sustainability information, please note that there is no generally accepted framework or list of factors in Switzerland that has to be considered in order to ensure the sustainability of investments.

© Zürcher Kantonalbank. All rights reserved

Disclaimers requested by data providers:

Although Zürcher Kantonalbank's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or 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.