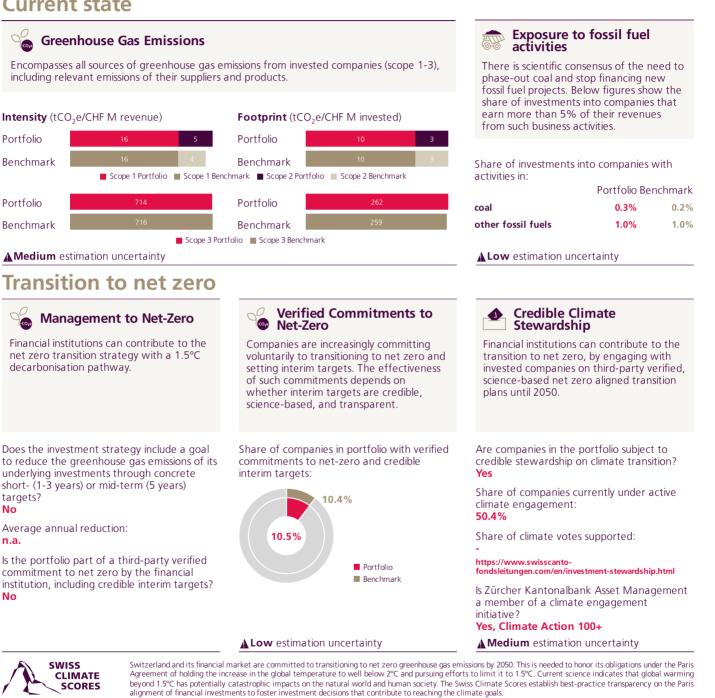


30 09 2024

Swiss Climate Scores by Zürcher Kantonalbank Swisscanto (CH) Index Bond Fund Total Market AAA-BBB CHF (I)

Benchmark: Swiss Bond Index® AAA-BBB (TR) in CHF Portfolio assets covered by assessment (Corporate weight): 73%

Current state



The combined set of indicators above, their display, and their criteria for these indicators are considered by the Swiss government as current best practice to establish transparency on the alignment with global climate goals. The Federal Council recommends to all financial institutions such transparency on all investment products and investment management mandates, where applicable.

Additional information on the Swiss Climate Scores

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 CO_2 equivalents; CO_2e). 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 CO_2e 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 CO_2e 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

The threshold of 5% 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 and electrification (Downstream). 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 Adivsory 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.

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.

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