

## SFDR Precontractual disclosure of sustainability risk – Article 6

**Product name:** LGT Wealth Management International Model Portfolio Service **Legal entity identifier:** n/a

### **Article 6 designation of the product:**

It is considered that the Model Portfolio Service meets the criteria in Article 6 of SFDR and does not qualify as a sustainable investment as the product does not promote environmental or social characteristics nor does the product have a sustainable investment objective.

### **Taxonomy Regulation**

The investments underlying the international model portfolio service do not take into account the EU criteria for environmentally sustainable economic activities.

### **1.1 Sustainability Risk at LGT Wealth Management**

Sustainability risks are environmental, social and governance (ESG) events or conditions that could potentially have a negative impact on the value of an investment.

We consider and manage sustainability risks that may have a material negative impact on the financial return of an investment or advice by applying various methods. Examples of these methods include exclusion policies on thermal coal and controversial weapons, the LGT Wealth Management Sustainability Rating, our commitment to net-zero and the LGT Code of Conduct.

The LGT Wealth Management Sustainability Rating tool sources raw data from different ESG data providers, NGO data sources and academic data bases. This allows us to assess the sustainability qualities of the company and country exposures that are derived from the underlying investments (equities, bonds, funds and ETFs). The LGT Wealth Management Sustainability Rating ranges from one to ten, with one indicating the lowest and ten the highest sustainability quality. We believe low sustainability quality of an investment instrument indicates high sustainability risk, which could result in negative impact on financial return in the long term.

The Investment Manager takes into account sustainability risks and sustainability factors in its investment management activity, the Investment Manager also looks at the adverse impact of investment decisions within the meaning of Article 4(1)(a) of the Regulation (EU) 2019/2088, through evaluating principal adverse impact data for the international model portfolio service on a monthly basis.