

Stewardship Code Disclosure Statement

Under Rule 2.2.3R of the FCA Handbook's Conduct of Business Sourcebook ("COBS"), LGT Capital Partners (U.K.) Limited (the "Company") is required to make a public disclosure in relation to the nature of its commitment to the Financial Reporting Council's ("FRC") Stewardship Code (the "Code").

The Code aims to enhance the quality of engagement between asset managers and investee companies to help improve long-term risk-adjusted returns to shareholders and promote the efficient exercise of governance responsibilities. It also describes steps asset owners can take to protect and enhance the value that accrues to the ultimate beneficiary and sets out a number of areas of good practice on engagement with investee companies to which the FRC believes investors should aspire. The Code is directed in the first instance to asset owners and asset managers with equity holdings in listed companies.

The Code consists of 12 Principles for asset managers and asset owners:

1. Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.
2. Signatories' governance, resources and incentives support stewardship.
3. Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.
4. Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.
5. Signatories review their policies, assure their processes and assess the effectiveness of their activities.
6. Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.
7. Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.
8. Signatories monitor and hold to account managers and/or service providers.
9. Signatories engage with issuers to maintain or enhance the value of assets.
10. Signatories, where necessary, participate in collaborative engagement to influence issuers.
11. Signatories, where necessary, escalate stewardship activities to influence issuers.
12. Signatories actively exercise their rights and responsibilities.

Adherence to the Code is voluntary. COBS 2.2.3R requires FCA-regulated firms to disclose the nature of their commitment to the Code or, where they do not commit to the Code, their alternative investment strategy. The Company pursues a variety of alternative investment strategies for institutional investors. While the Company operates this varied strategy, it does not invest in listed companies.

While the Company maintains an active commitment to environmental, social and governance (“ESG”) standards in respect of its investment advisory/arranging activity and seeks to align its approach with the broad aims of the Code, the provisions of the Code are not relevant to the type of investment advisory/arranging activity undertaken by the Company. The Company has therefore chosen not to commit to the Code at this time. If the Company’s investment advisory/arranging activity changes in such a manner that the provisions of the Code become relevant, the Company will amend this disclosure accordingly.

As concerns the Company’s ESG commitment mentioned above, this is facilitated in co-ordination with the Company’s affiliate entity, LGT Capital Partners Ltd. (“LGT CP”). LGT CP has been publishing an ESG Report annually since 2013. The ESG Report forms part of LGT CP’s larger ESG due diligence, monitoring and manager engagement process. This ESG Report shows investors the extent to which the Company is considering ESG factors in its investment and reporting practices, highlights excellence in implementation, and flags areas for improvement.

LGT CP’s analysis is based on assessment of managers across four key criteria: commitment to ESG through the development of specific policies or adherence to broader industry standards (such as UN PRI); the extent to which ESG is formally integrated into investment processes; ownership philosophy and the extent to which managers are active in defining the ESG practices of investee companies; and their reporting on ESG (at both portfolio company and aggregate fund levels). Managers are then assigned an overall rating on a scale of one to four, where one indicates ESG excellence and four indicates little or no institutionalized commitments to ESG practices.

For more information on the Company’s ESG commitment, please visit this [link](#).