

Our Collaborative Engagements and Memberships

Investment Stewardship

Our Engagement Activities

As global investors Swisscanto Invest by Zürcher Kantonalbank ("Swisscanto") recognizes the growing view among investors and investment professionals that sustainability or environmental, social, and corporate governance (ESG) factors could present material risks to portfolio investments and opportunities for better risk-adjusted returns. We are fully committed to our sustainability principles. Our aim is to ensure that our business activities are aligned not only with our fiduciary duty but also with our social and environmental responsibility. The latter being integral to Zürcher Kantonalbank's public service mandate and incorporated into our bank's sustainability policy.

We believe that investors are well positioned to influence ESG best-practices and to drive sustainable impact among their investments, not only confined to their material holdings. At Swisscanto, our proprietary holdings, both Swiss and international, constitute our key focus for corporate engagements. Our engagement efforts are primarily driven and led by our bottom up fundamental capabilities, mostly equity related but comprising also fixed income – as engagements drive both perspectives and benefits issuers overall irrespective of their listed instruments.

Swisscanto recognizes that the diverse impacts of climate change pose significant economic and business risks. Following the 2015 Paris Agreement, there is a strong societal and political willingness to curb carbon emissions to avoid average global warming of more than 2 degrees Celsius compared to pre-industrial levels, and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius as companies and governments increasingly commit to a net zero ambition by 2050.

Climate change is today among the top issues for Swisscanto, which faces the risk of asset loss in a low-carbon future and seeks to better understand how various potential scenarios could affect short-, medium-, and long-term business sustainability and investment performance. Swisscanto therefore urges all issuers to commit to establish science-based targets to protect from any adverse effect of climate change.

Swisscanto has developed a set of Investment Stewardship policies and guidelines that are consistent with the objectives of sustainability-minded investors and that seek to promote support for sustainable business practices advocating for stewardship of environmental protection and climate change, supporting biodiversity, fair labor practices,

non-discriminatory work and the protection of human rights and other best practice corporate governance themes and ESG topics.

Swisscanto carries out individual direct engagements as well as collaborative engagements with other investors or institutions whenever necessary and appropriate. We believe that the best way to promote improved market practices and ESG best-practice standards is through active membership in collaborative platforms such as United Nations Principles for Responsible Investment (UN PRI), European Fund and Asset Management Association (EFAMA), Asset Management Association Switzerland (AMAS), Swiss Sustainable Finance (SSF) and European Sustainable Investment Forum (Eurosif). For each of these platforms, we identify and prioritize our collaborative engagement activities within these memberships.

Collaborative engagements are effective and enable investors to speak with a strong "common voice" when addressing common ESG issues. It takes on a variety of forms including investor letters and broader investor initiatives such as topical coalitions and campaigns. This document provides an overview of our collaborative engagements and related memberships.

Our Collaborative Engagements

Collaborative Engagement	Year of Signing	Description
Net Zero Asset Managers Initiative	2021 Q3	<p>The Net Zero Asset Managers Initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius; and to supporting investing aligned with net zero emissions by 2050 or sooner. The initiative focuses on "financed" greenhouse gas emissions in their assets under management, the real world impact of asset managers' core business. The commitment is to follow this pathway with a certain percentage of own assets under management. In the course of this, it is expected that participating asset managers will also target net zero emissions by 2050 or sooner for their own operational emissions.</p> <p>More information: https://www.netzeroassetmanagers.org/#</p>
2021 Global Investor Statement to Governments on the Climate Crisis	2021 Q2	<p>This initiative intends to encourage all countries to significantly strengthen their Nationally Determined Contributions (NDCs) for 2030 and to ensure a planned transition to net-zero emissions by 2050 or sooner (also to become increasingly attractive investment destinations and not to find themselves at a competitive disadvantage).</p> <p>More information: https://theinvestoragenda.org/focus-areas/policy-advocacy/</p>
FAIRR - Sustainable Aquaculture: Managing Biodiversity & Climate Risks in Feed Supply Chains	2021	<p>Aquaculture (i. e. the cultivation of aquatic animals and plants, especially fish, shellfish, and seaweed, in natural or controlled marine or freshwater environments) is a relatively new but fast-growing form of food production. Given the challenges facing livestock production, particularly in terms of climate and land use, aquaculture has often been positioned as a sustainable way to meet growing demand for protein in support of achieving food security and improved nutrition.</p> <p>This engagement will focus on eight salmon aquaculture producers to develop and disclose a science-based strategy for managing ESG risks in their feed supply chains.</p> <p>More information: https://www.fairr.org/engagements/sustainable-aquaculture-engagement/</p>

CDP Science-Based Targets campaign	2020	<p>Science-based targets provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. The campaign offers CDP investor signatories the opportunity to play a key role in accelerating the adoption of science-based climate targets in the corporate sector, by collaboratively engaging companies on this matter.</p> <p>More information: www.cdp.net/en/investor/engage-with-companies/cdp-science-based-targets-campaign</p>
Climate Action 100+ - Global Investors Driving Business Transition	2020	<p>Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.</p> <p>More information: www.climateaction100.org</p>
Investor Statement on the Need for Biodiversity Impact Metrics	2020	<p>The investors recognize that much more needs to be done to promote corporate transparency on nature-related dependencies and impacts. Also, many challenges remain to capture nature's complexity into manageable metrics and to integrate the latest science into investment decision making.</p> <p>More information: www.mirova.com</p>
UN Women's Empowerment Principles	2019	<p>All businesses stand to benefit from greater equality for women, to adopt the Women's Empowerment Principles such as empower women in the workplace, marketplace and community. The Principles emphasize the business case for corporate action to promote gender equality and women's empowerment.</p> <p>More information: https://www.unglobalcompact.org/engage-locally/manage/engagement/womens-empowerment-principles</p>
PRI - Global Investor Statement to Governments on Climate Change	2019	<p>Public policy provides the signals and incentives that direct the flow of capital across the global economy. Policymakers need to create policy frameworks that support investment in low-carbon assets, enable investment in adaptation measures, and enact a just transition for affected workers and communities. They also need to ensure that investors take full account of the risks and opportunities presented by climate change in their decision-making.</p> <p>631 investors signed the Global Investor Statement to Governments on Climate Change, which called on world governments to achieve the Paris Agreement's goals, accelerate private sector investment into the net-zero transition and commit to improve climate-related financial reporting.</p> <p>More information: www.theinvestoragenda.org/focus-areas/policy-advocacy</p>

PRI - US Securities and Exchange Commission (SEC)'s proposed proxy process amendments	2019	<p>In response to the US SEC's proposed proxy process amendments, the PRI has organized a sign-on letter for signatories. The PRI strongly opposes these changes, which may seriously limit the ability to build support for ESG proposals. And the PRI urges SEC to preserve the independence of proxy voting advice.</p> <p>More information:</p> <p>https://d8g8t13e9vf2o.cloudfront.net/Uploads/i/h/f/ussecbriefingforsignatories_236304.pdf</p>
Climate Bonds Initiative	2019	<p>The Climate Bonds Initiative promotes investment in projects and assets necessary for a rapid transition to a low carbon and climate resilient economy.</p> <p>The strategy is to develop a large and liquid Green and Climate Bonds Market that will help drive down the cost of capital for climate projects in developed and emerging markets; to grow aggregation mechanisms for fragmented sectors; and to support governments seeking to tap debt capital markets.</p> <p>More information:</p> <p>www.climatebonds.net</p>
Task Force on Climate-related Financial Disclosure (TCFD)	2018	<p>The Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders.</p> <p>The Task Force considers the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.</p> <p>More information:</p> <p>www.fsb-tcfd.org</p>
Access to Medicine Foundation	2017	<p>The Access to Medicine Foundation is an independent non-profit organisation and analyses how the world's largest pharmaceutical companies are addressing access to medicine. The Foundation has been working to stimulate and guide the pharmaceutical industry to do more for people living in low- and middle-income countries.</p> <p>The Access to Medicine Index ranks 20 of the world's largest pharmaceutical companies based on seven areas of behaviour linked to access: strategy, governance, R&D, pricing, licensing, capacity building and donations. By publicly recognising the best performers, the Index spurs companies to compete to be the best.</p> <p>More information:</p> <p>www.accesstomedicinefoundation.org</p>

PRI/Ceres - Investor initiative for sustainable forests	2017	<p>The main purpose of this statement is to increase the awareness among business leaders for the current worrying deforestation trends and related adverse impacts on biodiversity and climate change.</p> <p>The initiative is coordinating collaborative investor engagement with companies that have either a direct or indirect exposure to commodity-driven deforestation in Latin America (such as cattle, soy, palm oil and timber), whilst also addressing other ESG issues related to soft commodity production, such as poor working conditions, land rights and impact on indigenous peoples.</p> <p>The initiative has been signed by over 40 investors who are engaged with over 40 companies along the supply chain of these commodities.</p> <p>More information:</p> <p>www.unpri.org/collaborative-engagements/investor-initiative-for-sustainable-forests/6274.article</p>
PRI-led engagement on corporate carbon footprint disclosure	2016	<p>Improvements in company emissions disclosure will improve the quality of portfolio carbon footprinting data. This is a collaborative initiative to encourage companies to disclose their scope 1 and 2 emissions.</p> <p>More information:</p> <p>www.unpri.org/download?ac=1873</p>
PRI - Collaboration Platform	2016	<p>The PRI Collaboration Platform is a global online tool for collaborative initiatives. It provides PRI signatories with a private forum to pool resources, share information, enhance influence and engage with companies, policymakers and other actors in the investment value chain on ESG issues across asset classes, sectors and regions. The vision of the platform is to foster sustainable long-term value creation through collaboration, benefiting the environment and society as a whole.</p> <p>More information:</p> <p>www.unpri.org</p>
Montreal Carbon Pledge	2015	<p>By signing the Montréal Carbon Pledge, investors commit to measure and publicly disclose the carbon footprint of their investment portfolios on an annual basis.</p> <p>The Pledge was launched on 25 September 2014 is supported by the Principles for Responsible Investment (PRI) and the United Nations Environment Programme Finance Initiative (UNEP FI). It has attracted commitment from over 120 investors.</p> <p>More information:</p> <p>www.montrealpledge.org</p>

CDP - Carbon Disclosure Project	2005	<p>CDP is a not-for-profit charity that runs a global environmental disclosure system for investors, companies, cities, states and regions to manage their environmental impacts (risks and opportunities on climate change, water security and deforestation).</p> <p>More information:</p> <p>www.cdp.net</p>
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United Nations Environment Programme Finance Initiative (UNEP FI)	1995	<p>UNEP FI is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development. UNEP FI works with more than 280 members – banks, insurers, and investors – and over 100 supporting institutions – to help create a financial sector that serves people and planet while delivering positive impacts. We aim to inspire, inform and enable financial institutions to improve people’s quality of life without compromising that of future generations. By leveraging the UN’s role, UNEP FI accelerates sustainable finance.</p> <p>More information:</p> <p>www.unepfi.org</p>

Our Memberships

Membership	Year of Signing	Description
Farm Animal Investment Risk and Return (FAIRR)	2021	<p>FAIRR is a collaborative investor network that raises awareness of the environmental, social and governance (ESG) risks and opportunities brought about by intensive livestock production. FAIRR provides cutting-edge research, best practice tools and collaborative engagement opportunities to help investors integrate these risks and opportunities into their investment decision-making and active stewardship processes.</p> <p>More information:</p> <p>www.fairr.org</p>
UNPRP - Principles for Responsible Banking <i>(in consideration by Zürcher Kantonalbank)</i>	n/a	<p>These Principles align banks with society's goals as expressed in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. They set the global benchmark for what it means to be a responsible bank, and provide actionable guidance for how to achieve this. They drive ambition and challenge banks to continuously increase their contribution towards a sustainable future. The Principles will help banks seize the opportunities of the changing economy and society of the 21st century by creating value for both society and shareholders, and help banks build trust with investors, customers, employees and society.</p> <p>More information:</p> <p>https://www.unepfi.org/banking/bankingprinciples/</p>
Taskforce for Nature Related Financial Disclosure (TNFD)	2021	<p>Swisscanto has observer status since 2021 and is represented by Rocchino Contangelo, Head of Research, Global ESG Integrated.</p> <p>A Taskforce for Nature Related Financial Disclosure (TNFD) is being established to support the financial sector to address the market and systemic failures contributing to the erosion of natural capital. The TNFD will lead to new ways of identifying and valuing nature-related risks, as well as identifying the economic opportunities of protecting and nurturing biodiversity and ecosystems. The Observer Group serves as a reference point for inputs from both financial and non-financial organizations to ensure adequate linkages are made to the downstream/broader impacts of nature-related risks and provides different stakeholder perspectives.</p> <p>More information:</p> <p>www.tnfd.info</p>

Swiss Sustainable Finance SSF 2015	Swisscanto is member of the board and is represented by Dr. René Nicolodi, Head of Equities & Themes and Deputy Head of Asset Management of Swisscanto by Zürcher Kantonalbank.
	Swiss Sustainable Finance (SSF) strengthens the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalyzing growth. Currently SSF unites 170 members and network partners from financial service providers, investors, universities and business schools, public sector entities and other interested organisations. By shaping and informing on best practice and creating supportive frameworks and tools, SSF supports its members and cooperates with other actors in order for the Swiss financial centre to achieve a leading position in sustainable finance.
	More information: www.sustainablefinance.ch
UZH - Centre for Corporate Responsibility at the Uni- versity of Zurich 2014	René Nicolodi, Head of Equities & Themes and Deputy Head of Asset Management of Swisscanto by Zürcher Kantonalbank is member of the advisory board.
	The Center for Corporate Responsibility and Sustainability (CCRS) is an associated institute at the University of Zurich. Its aim is to explore the role of the private sector in sustainable development on the local and global level. The research activities focus on the creation of knowledge that is of practical relevance and contributes to the design of institutions in business and public policy that are conducive to achieving a more sustainable society. In this context, the CCRS also promotes the role of Switzerland as a hub for the exchange and application of innovative, future-oriented ideas.
	More information: www.ccrs.uzh.ch
EFFAS ESG Commission 2010	Swisscanto is member of the board and is represented by Dr. René Nicolodi, Head of Equities & Themes and Deputy Head of Asset Management of Swisscanto by Zürcher Kantonalbank.
	EFFAS has a strong position in developing standards for the reporting of extra-financials. With its Commission on Intellectual Capital (CIC) and its Commission on ESG (CESG) EFFAS not only has been instrumental in communicating the needs of investment professionals in capital markets to corporates but has also provided practical advice in the form of Key Performance Indicators and interactive data formats. Thus, EFFAS has helped to enhance the integration of extra-financials in classic investment methods.
	More information: www.effas.net

PRI - Principles for Responsible Investment	2009	<p>The six Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system. They have attracted a global signatory base representing a majority of the world's professionally managed investments.</p> <ul style="list-style-type: none"> – Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes. – Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices. – Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest. – Principle 4: We will promote acceptance and implementation of the Principles within the investment industry. – Principle 5: We will work together to enhance our effectiveness in implementing the Principles. – Principle 6: We will each report on our activities and progress towards implementing the Principles. <p>More information:</p> <p>www.unpri.org</p>
Forum Nachhaltige Geldanlagen	n/a	<p>Forum Nachhaltige Geldanlagen (FNG), founded in 2001, is the industry association promoting sustainable investment in Germany, Austria and Switzerland. It has over 150 corporate members, including banks, investment management companies, insurance companies, rating agencies, investment companies, asset managers, financial advisers and NGOs, and around 30 individual members.</p> <p>More information:</p> <p>www.forum-ng.org</p>
European Sustainable Investment Forum (Eurosif)	n/a	<p>Indirect membership through <i>Forum Nachhaltige Geldanlagen</i>.</p> <p>Eurosif is the leading pan-European sustainable and responsible investment (SRI) membership organisation whose mission is to promote sustainability through European financial markets. Eurosif works as a partnership of Europe-based national Sustainable Investment Fora (SIFs) with the direct support of their network which spans over 400 Europe-based organisations drawn from the sustainable investment industry value chain. These organisations include institutional investors, asset managers, financial services, index providers and ESG research and analysis firms. The main activities of Eurosif are public policy, research and creating platforms for nurturing sustainable investing best practices.</p> <p>More information:</p> <p>www.eurosif.org</p>

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öbu and its member companies are committed to a prosperous economy in compliance with ecological and social principles. In order to be fit for the future, Swiss companies should understand sustainable management as an integral part of their corporate strategy. This secures the competitiveness of the Swiss economy and the future of coming generations in the long term.

More information:

www.oebu.ch

About Swisscanto

Proven specialists develop high-quality investment and pension solutions for private investors, companies and institutions under the "Swisscanto Invest by Zürcher Kantonalbank" brand. With its Swisscanto Invest by Zürcher Kantonalbank, the Zürcher Kantonalbank Group is one of the largest fund providers in Switzerland. It is known for its vanguard role in sustainable investments and its funds regularly achieve national and international recognition.

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