

SDG-aligned Investing

One of our sustainability approaches in the ZKB Discretionary Mandate and ZKB Portfolio Consulting (Classic, Premium, Expert, International)
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The Sustainable Development Goals (SDGs) refer to the UN's 17 goals for sustainable development on an economic, social and ecological level. The consideration of SDGs in the investment context means that investments are made in companies whose products and/or services contribute to one or more of the goals.

What does SDG stand for?

The Sustainable Development Goals (SDGs) are the 17 goals for sustainable development set by the United Nations in 2015. They are intended to act as a catalyst for sustainable global development on an economic, social and ecological level. The SDGs form the centrepiece of the United Nations 2030 Agenda for Sustainable Development, which has been signed by all UN member states. The SDGs formulate objectives to be achieved by 2030 on topics such as health and well-being, gender equality, affordable and clean energy as well as sustainable consumption and production.

01  No poverty	02  Zero hunger	03  Good health and well-being
04  Quality education	05  Gender equality	06  Clean water and sanitation
07  Affordable and clean energy	08  Decent work and economic growth	09  Industry, innovation and infrastructure
10  Reduced inequalities	11  Sustainable cities and communities	12  Responsible consumption and production
13  Climate action	14  Life below water	15  Life on land
16  Peace, justice and strong institutions	17  Partnerships for the goals	The global goals for sustainable development Source: sdgs.un.org/goals



What is meant by SDG-aligned investing?

Companies, states, and state-related organizations can aim for positive social and environmental impacts in addition to financial returns by focusing on addressing specific challenges as described in the SDGs. SDG-aligned investments are investments in companies, states, and state-related organizations whose products, services, and/or financing are designed to contribute to the achievement of one or more SDGs. We also consider purpose-specific Green, Social, and Sustainability Bonds from states and state-related organizations as SDG-aligned investments.

Which characteristics of the ZKB Discretionary Mandate and ZKB Portfolio Consulting is SDG-aligned investing used in?

SDG-aligned investments make up at least 5% of the reference portfolios¹ with the characteristic Responsible (ESG). SDG-aligned investing is not systematically used

¹ The reference portfolio describes the investment decision made in the investment process. The ZKB Discretionary Mandates are invested in line with the reference portfolio. In the ZKB Portfolio Consulting the reference portfolio is used as an investment proposal and as the basis for comparison in portfolio monitoring.

in reference portfolios with the characteristics Basic, Individual Securities and Index.

Since the client makes the investment decisions with the ZKB Portfolio Consulting and thus determines the composition of the advisory portfolio, the proportion of SDG-aligned investing in the client portfolio may differ from that of the corresponding reference portfolio.

What criteria does an investment instrument need to meet in order to be considered SDG-aligned?

There is currently no unified standard for SDG-aligned investments. Therefore, fund managers use individual frameworks to select investments in line with the Sustainable Development Goals (SDGs). Our proprietary, systematic process for identifying SDG-aligned investments allows us to compare these various approaches. We consider investments with a sustainable purpose, such as products with ecological and social goals or Green Bonds. To assess the contribution of such investments to the SDGs, we take into account both quantitative and qualitative factors.

For more information on our sustainability approaches, please contact your client advisor.

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