

Template regular disclosure on the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, paragraph 1 of Regulation (EU) 2020/852

Product Name: ZKB Discretionary Mandate Premium International
Balance CHF Responsible (ESG)

Legal entity identifier:
165GRDQ39W63PHVONY02

Reference period:
01.01.2025 to
31.12.2025

Regular Information: Is this product sustainable?

This product has limited sustainability characters, certain investments could be harmful for the environment or people. On this page, you can find information about the key sustainability characteristics of financial products, and assess which of them this product had during the reporting period and which ones it did not have.

	Environmental/social characteristics	Portfolio share
	Sustainable investments (Art. 2 (17) SFDR)	Min. 10 %
	Consideration of PAI	Min. 67 %
	Climate: CO2e reduction (orientation towards below 1.5°C climate target)	All investment instruments, given MSCI data available
	ESG integration	All investment instruments, given MSCI data available
	Avoidance of controversies	All investment instruments, given MSCI data available
	Stewardship: Voting & Engagement	All investment funds
	SDG-aligned Investing	Min. 5%
	This financial product made 29.64 % sustainable investments.	29.64%
	This financial product did not make EU Taxonomy-aligned investments.	0%
	This financial product considered the most significant negative impacts of its investments on the environment and people.	
	This financial product did not pursue a greenhouse gas emission reduction target as defined by the EU.	

Sustainable investments contribute to environmental or social objectives and do not cause significant harm to environment and people. EU Taxonomy-aligned investments are a type of sustainable investments.

The EU has developed strict criteria only for the **EU Taxonomy-aligned investments, ensuring that such investments protect the environment.**

When a financial product considers the **most significant negative impacts**, it means that for example it could seek to reduce the negative impact of the invested companies, for example to make it more environmentally.

The following pages provide further details on how this financial product has promoted sustainability characteristics. You will find further details on the implementation of the ZKB sustainability approaches in your investment report. Additional information is also available at: <https://www.zkb.ch/sustainability-approaches>



What are the environmental and/or social characteristics of this financial product and how were they achieved?

The target values relating to the promoted environmental and/or social characteristics were achieved in the reporting period in relation to all sustainability approaches. Derivatives were not used to achieve these targets.

As of reporting date, 29.64 % of the discretionary mandate portfolio was invested in investment instruments that contributed to one or more environmental objectives within the meaning of Art. 9 of Regulation EU 2020/852 and/or to social objectives. When selecting the environmental objectives pursued, there was no particular focus on or exclusion of any specific environmental objectives.

No periodic reporting has yet been prepared in accordance with the requirements of Regulation EU 2022/1288.

As at the reporting date, 29.64 % of the discretionary mandate portfolio was invested in investment instruments that contributed to one or more environmental and/or social objectives within the meaning of Art. 2 (17) of Regulation EU 2019/2088 (EU Disclosure Regulation).

As at the reporting date, the principal adverse impacts on sustainability factors were taken into account for 100 % of the portfolio with at least one factor from each of the indicator groups "environment" and "social and employment".

In the reporting period, the promoted sustainability approaches sustainable investments (Art. 2 (17) EU Disclosure Regulation), consideration of PAI, climate: CO2e reduction, ESG integration, avoidance of controversies and SDG-aligned investing as well as the stewardship approach were implemented as described in this document in relation to the funds includes in the portfolio.

- **How did the financial product measure how each of the environmental or social characteristics were met?**

An internal data- and system-based control mechanism was used to continuously check whether the portfolio has met the binding requirements.

- **How did the environmental and social characteristics indicators perform compared to previous periods?**

This report is published for the first time. As a result, no comparative periods are available.



Was a reference benchmark designated for the purpose of ensuring consistency with the environmental and/or social characteristics of the financial product and was this consistency monitored?

No index was used as a reference benchmark.



What are the largest investments of this financial product?

Largest investments at reference date	Sector	% Assets	Country
The list of the largest investments is tailored to each individual client and can be viewed in the client's personal investment report.			

Note: For bonds, the issuer categories are displayed instead of sectors. Detailed information on the sector breakdown can be found in the following section.



What type of investments were made with this financial product?

As at the reporting date, 29.64 % of the discretionary mandate portfolio was invested in investment instruments that contributed to one or more environmental and/or social objectives within the meaning of Art. 2 (17) of the EU Disclosure Regulation. For 100 % of the portfolio, the principal adverse impacts on sustainability factors were taken into account with at least one factor from each of the indicator groups "environment" and "social and employment".

The ZKB sustainability approaches ESG integration, climate: CO₂e reduction and avoidance of controversies covered the entire portfolio, with the exception of instruments for which MSCI ESG Research LLC did not provide any data.

The sustainability approach SDG-aligned Investing was applied to the instruments designated as thematic investments.

The sustainability approach Stewardship (Voting & Engagement) was applied to the instruments verified by us.

The portion of the portfolio not covered by the aforementioned sustainability approaches consists of financial instruments for which no data was available. No minimum environmental and social safeguards were applied to this portion of the portfolio.

● **In which economic sectors were the investments made?**

Equities and similar sector as of the reporting date

% Assets

The list of economic sectors in which the investments were made is tailored to each individual client and can be viewed in the client's personal investment report.

Bonds and similar issuer category as of the reporting date

% Assets

The list of economic sectors in which the investments were made is tailored to each individual client and can be viewed in the client's personal investment report.

The remaining portion of the portfolio comprises cash, real estate, and other non-allocable asset classes according to the portfolio structure asset classes in the investment report.



What was the proportion of sustainable investments?

As of the reporting date, this product had 29.64 % sustainable investments measured using

the data provided by MSCI ESG Research LLC or the data provided by the respective asset managers of the fund/issuers of structured products via the European ESG Template EET.

The data provided by MSCI ESG Research LLC was calculated in accordance to the methodology set out in Art. 17a (1) (a). For the data provided via the European ESG Template (EET) for funds and structured products, the methodology chosen by the asset manager/issuer was adopted.



What were the objectives of the sustainable investments?

The objective of the sustainable investments made was to invest in economic activities that contribute to the achievement of one or more environmental and/or social objectives in accordance with Art. 2 (17) EU Disclosure Regulation and do not significantly harm any other of these objectives.



How was significant harm to the environment and people avoided by the sustainable investments made?

The data provided by the data provider MSCI ESG Research LLC for sustainable investments in accordance with Art. 2 (17) EU Disclosure Regulation includes a check that the sustainable investments do not significantly harm any environmental or social objectives. Thereby, the sustainability factors listed in Table 1 of Annex I of EU Regulation 2022/1288 are taken into account. Further information on MSCI ESG Research LLC's approach and the calculation method used can be found on the data provider's website.

In the case of data obtained via the European ESG Template (EET) for sustainable investments in accordance with Art. 2 (17) EU Disclosure Regulation, the assessment and calculation method described by the respective asset manager/issuer in the EET is used. Further information on this can be obtained from the respective asset manager/issuer.



What was the proportion of EU Taxonomy-aligned investments?

This product made 0 % EU Taxonomy-aligned investments.



Did this product consider the most significant negative impacts of its investments on the environment and people (principal adverse impacts)?

The principal adverse impacts on sustainability factors (PAI) were taken into account by considering at least one indicator from each of the following two indicator groups for a minimum share of 67 % of the discretionary mandate portfolio.

"Environment" indicator group

PAI 1: GHG emissions

PAI 2: Carbon footprint

PAI 3: GHG intensity of investee companies

PAI 4: Exposure to companies active in the fossil fuel sector

PAI 5: Share of non-renewable energy consumption and production

PAI 6: Energy consumption intensity per high impact climate sector

PAI 7: Activities negatively affecting biodiversity-sensitive areas

PAI 8: Emissions to water

PAI 9: Hazardous waste and radioactive waste ratio

PAI 15: GHG intensity

PAI 17: Exposure to fossil fuels through real estate assets

PAI 18: Exposure to energy-inefficient real estate assets

"Social and employee matters" indicator group

PAI 10: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

PAI 12: Unadjusted gender pay gap

PAI 13: Board gender diversity

PAI 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

PAI 16: Investee countries subject to social violations

As of the reporting date, the proportion of the portfolio in which PAI were taken into account was **100 %**.

Ongoing compliance with the minimum share of 67 % was ensured via internal control mechanisms.

As part of the daily end-of-day processing, the current ratios for the consideration of PAI for the customer portfolio were calculated. The calculation was based on data from MSCI ESG Research LLC and, for funds and structured products, additional data from the European ESG Templates (EET), where available.



Did this product decrease the greenhouse gas (GHG) emissions from the activities in which the product invested?



Yes

- by investing in assets (e.g. companies, projects or sovereigns) that lowered the GHG emissions of their activities;
- by engaging with investee companies to influence their business decisions to lower the GHG emissions.
- by selling investment in assets (e.g. companies, projects or sovereigns) to instead buy investments with lower GHG emissions. In that way the product avoided providing capital to highly emitting assets.
- other, please explain: _____

Further information



No