

Addressing Climate Change in Our Investments

- As part of managing our client assets, we monitor the carbon emissions of our investment portfolio and expect the carbon footprint of our investments to reduce over the next few years. We target to display carbon metrics that are superior to the universe benchmark at the overall firm level based on investee companies' scope 1 and scope 2 carbon emissions. We aim to achieve this through:
 - an established ESG governance structure including Board and senior management oversight and the participation of various departments in implementation.
 - a multi-faceted strategy in recognition of issues in relation to climate change and its impact on the performance of our portfolio holdings;
 - working with clientele on setting exclusion criteria or limits on holdings in companies that generate a proportion of annual revenue and/or share of power generation from thermal coal or have engaged in activities with negative environmental impact;
 - working with clientele to manage mandates that are targeting for carbon emission reductions through setting of decarbonization targets;
 - managing green themed products across equity (low carbon exchange traded fund) and fixed income (green bond mandate) instruments; and
 - encouraging stakeholders to think about climate risks via public podcasts and posted articles on our website.
 - identifying, assessing, and monitoring climate risk as part of an ESG-integrated investment process that includes:
 - the contribution to the real world transition by prioritizing our (collaborative and individual) engagement with investee companies that have 20% or more annual revenue or share of power production from coal or are top carbon emitters within our portfolios, where there is an escalation process in place for laggard investee companies that have either deteriorated or made insufficient progress in these climate related engagement themes¹; and
 - monitoring of carbon emissions, climate value-at-risk and implied temperature rise of our portfolios.

¹ For more information, please refer to our <u>Sustainability Approach</u> and <u>Stewardship Approach</u>

• disclosing and defining the metrics used to assess climate-related risks as part of our published Sustainability approach.

Addressing Climate Change in Our Corporate Activities

- 2. Aside from applying climate considerations to our investment portfolios, LGI has also co-organised activities that aligns with our recognition of climate change as a material risk. Specifically, LGI has conducted a tree planting day in April 2023 where we have planted 50 trees in support of Singapore National Parks' OneMillionTrees movement and concurrently held a fundraising campaign in donation to Garden City Fund to increase the number of trees that can be planted within Singapore.
- 3. We have also begun monitoring our Scope 1, 2 and 3 carbon emissions from our operations in Singapore (excluding emissions from our investment holdings) <u>here</u>.