



Wealth  
Management

## Sustainability and the evolving investment landscape

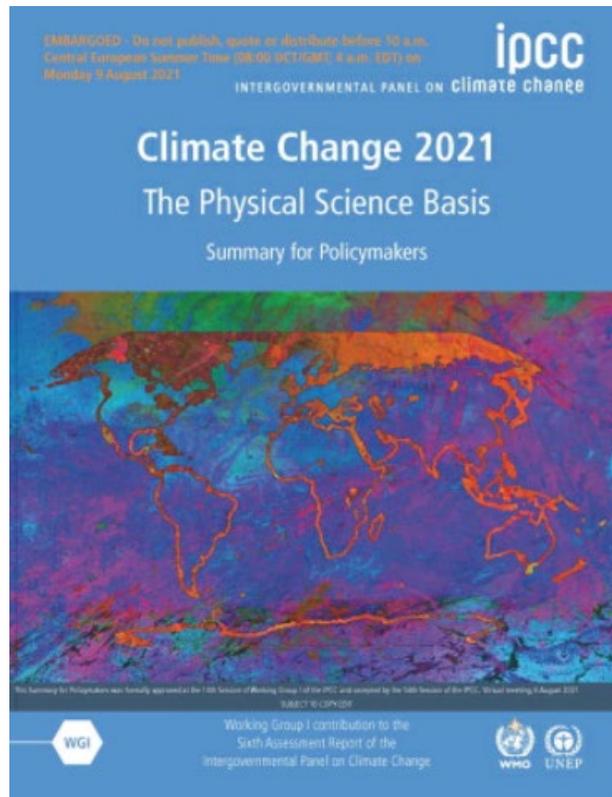
Phoebe Stone, Parner & Head of Sustainable Investing

LGT – VALUES WORTH SHARING



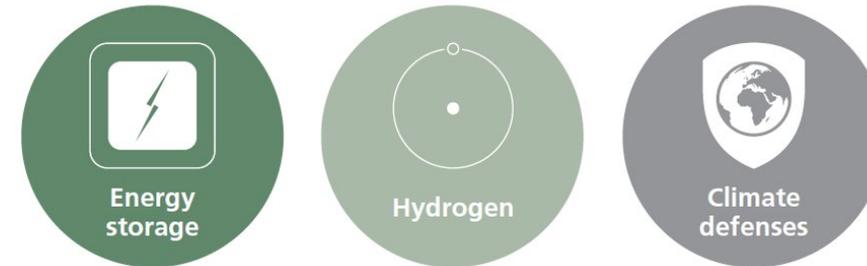
# IPCC, COP 26 and the US \$3.5tn social and environmental package

- In 2021, the IPCC released the largest ever climate change report
- In the run up to COP 26, increasing amounts of government focus on climate initiatives
- US government making progress on passing an ambitious set of climate-supportive measures



Source: Google images

## US spending plan: three areas of focus



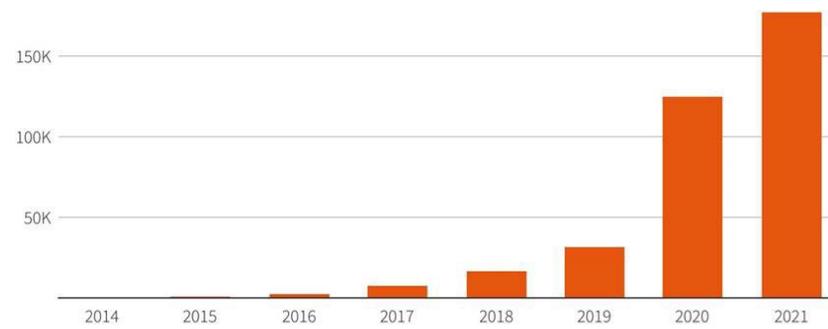
**UN CLIMATE  
CHANGE  
CONFERENCE  
UK 2021**

IN PARTNERSHIP WITH ITALY

# 2021: a watershed year for climate commitments

## Global issuance of sustainability bonds

Proceeds amount in \$ millions



Source: Refinitiv Eikon



Source: Google images



Source: The Quint



Source: International Union for Conservation of Nature



## Balancing risks and opportunities in China

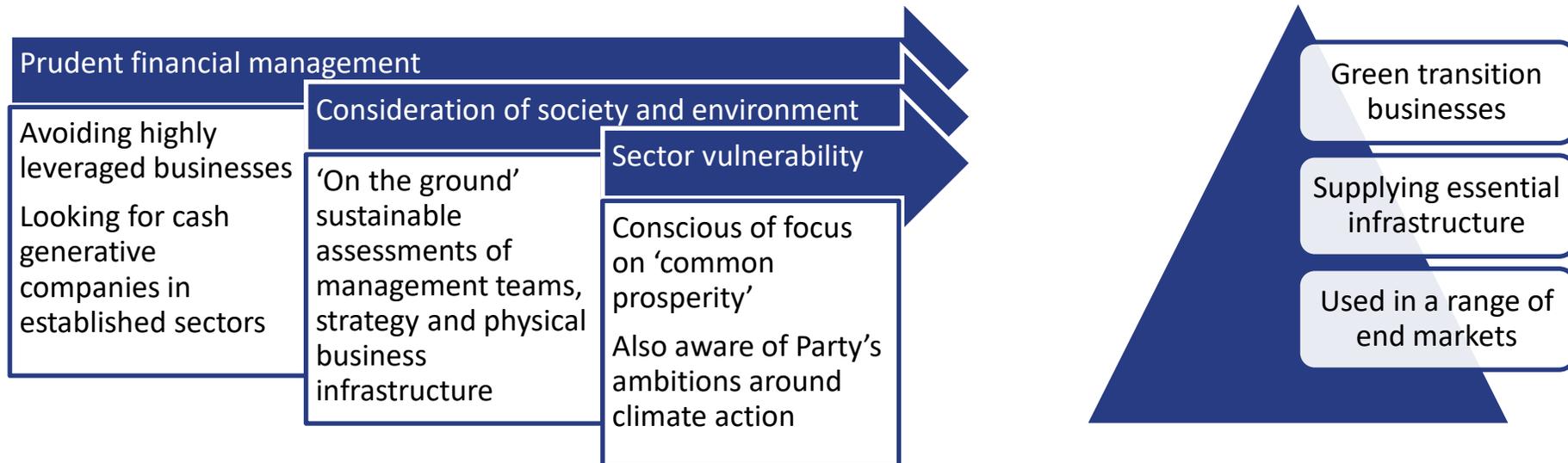
- Heightened policy risk involved in investing in China
  - Sector-based crackdowns
  - Leverage in the system and fears over contagion
  
- We still see significant opportunity investing in China, on a very selective basis

**China:** the biggest consumer, producer and investor in renewable energy

**China:** net-zero ambition by 2060

**China:** a leader in climate-technology and infrastructure

### Our approach



## War in Ukraine: market reaction



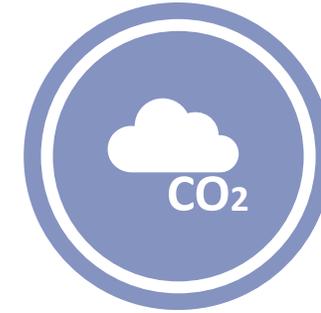
### Renewables

- Major beneficiary from short term investment
- Dominant players benefiting the most
- Businesses with European exposure have seen strong rebounds



### Sin stocks

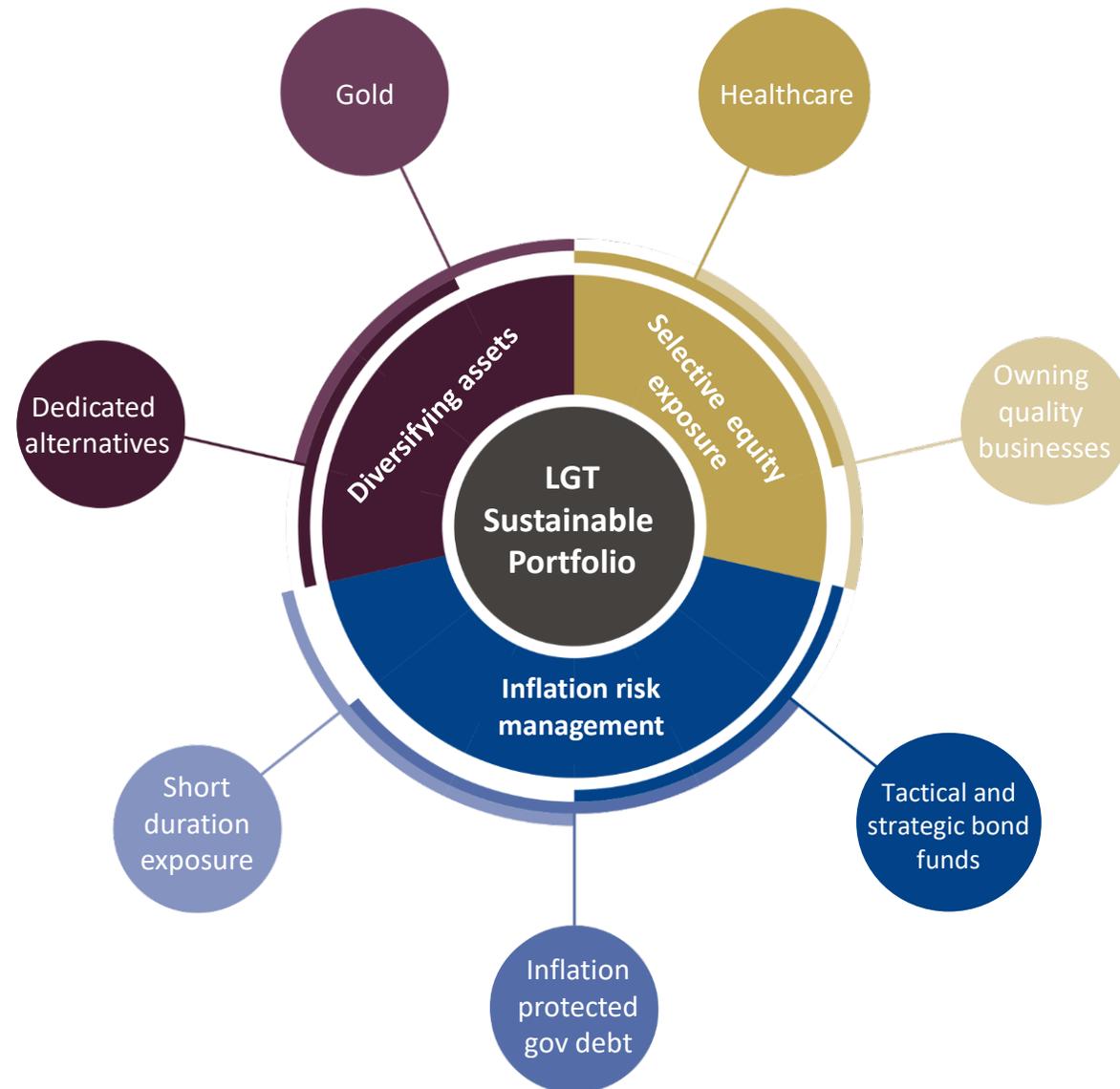
- Defence stocks up
- Oil stocks up
- Rotation to value has benefitted tobacco stocks



### Carbon Markets

- Start of a disorderly transition has potentially put the brakes on carbon speculation markets
- Whilst the green transition has sped up

# Navigating these volatile markets in portfolios



## Recent geopolitical issues have become a further catalyst for change



Energy security



Food security



Supply chain security

# RepowerEU: Europe's plan to cut dependence on Russian gas



**More rooftop solar panels, heat pumps and energy savings** to reduce dependence on fossil fuels, making homes and buildings more energy efficient



**Speeding up renewables permitting** to minimise the time for roll-out of renewable projects and grid infrastructure improvements



**Diversifying gas supplies** and working with international partners to move away from Russian gas, and investing in the necessary infrastructure



**Decarbonising Industry** by accelerating the switch to electrification and renewable hydrogen and enhancing low-carbon manufacturing capabilities

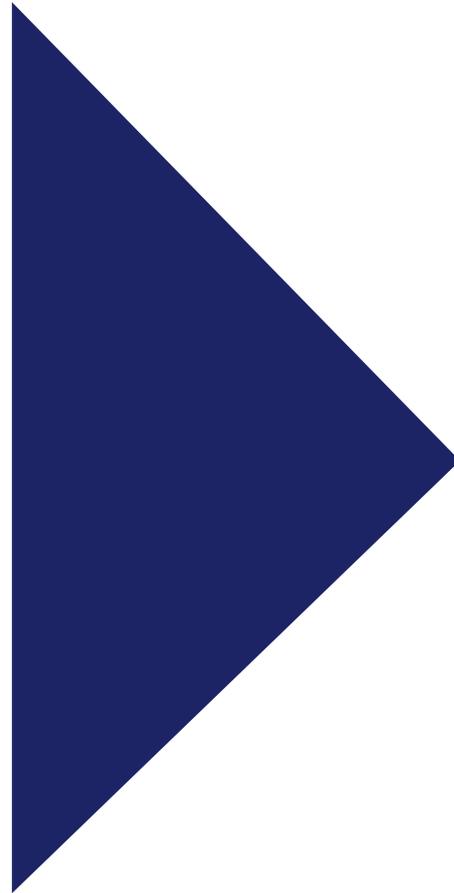


**Doubling the EU ambition for biomethane** to produce 35 bcm per year by 2030, in particular from agricultural waste and residues



**A Hydrogen Accelerator** to develop infrastructure, storage facilities and ports, and replace demand for Russian gas with imported renewable hydrogen and additional domestic renewable hydrogen

## The future: new FAANGs



**Fuel**  
**Agriculture**  
**Aerospace**  
**Nuclear & renewables**  
**Gold & critical metals**

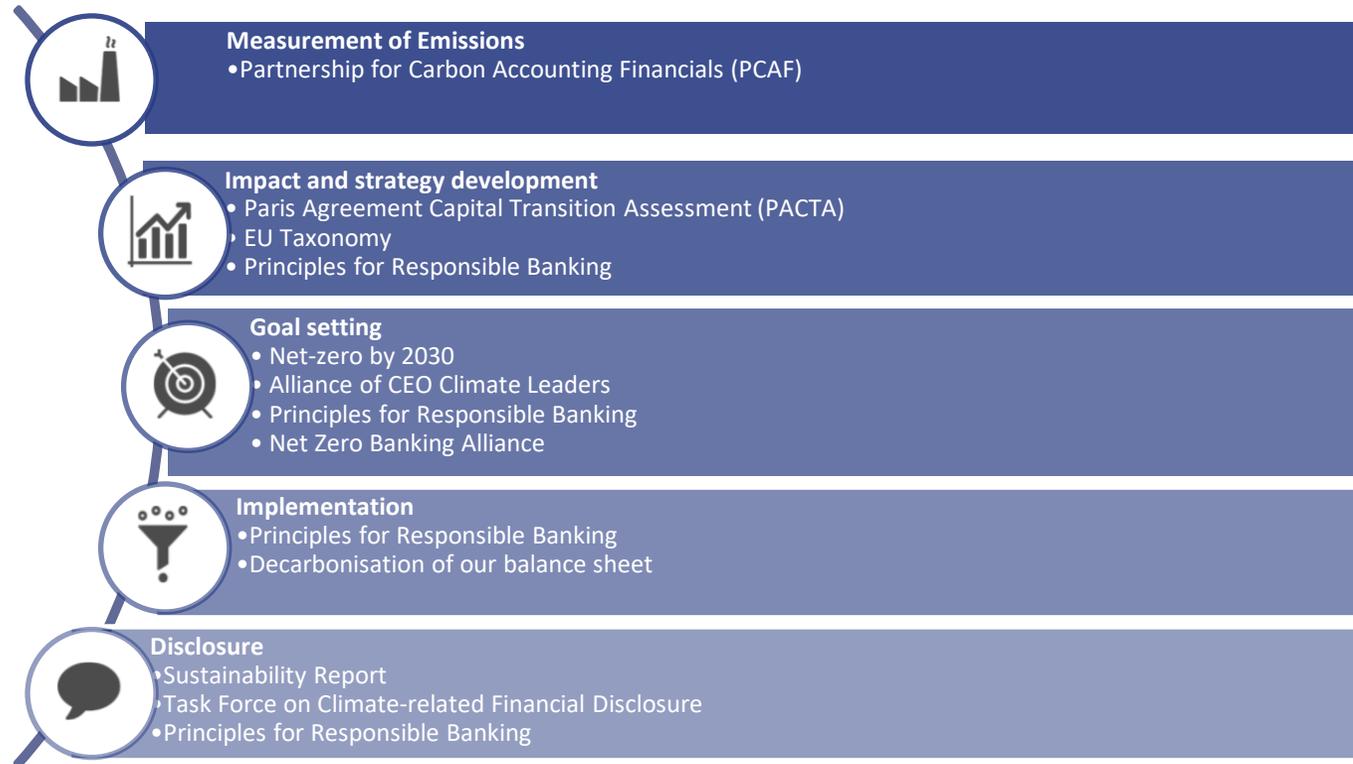
Source: Google images

## The importance of net zero



# LGT: a net-zero company

- LGT is aiming to be a frontrunner in fighting climate change: we need urgent action to meet the climate target to keep global warming well below 2° Celsius



**Net-zero**

- **Net zero emissions are required by 2050** to stabilise global temperatures and meet the Paris Agreement
- Global carbon emissions **minus** [natural carbon sinks & CO<sub>2</sub>-removals] = **zero**

## Partnership with Climeworks

- 2021 ended with a bang for LGT
- We [announced](#) a 10-year CO2 removal deal with Climeworks, the organisation behind Microsoft's CO2 removal plan
- This is one of the largest-ever direct air capture agreements and truly demonstrates LGT's commitment to the climate
- Climeworks' technology is the only solution available today that can reduce CO2 in the atmosphere in a scalable manner and then permanently store it underground



Source: Climeworks

**LGT and Climeworks close one of the largest-ever direct air capture agreements – the financial services industry at the forefront of carbon removal**

News | 20.12.2021

## Legal information

LGT Wealth Management LLP is authorised and regulated by the Financial Conduct Authority (FCA) in the United Kingdom. Our registration details are set out in the FCA Register: Firm Reference No. 471048, [www.fca.org.uk/register](http://www.fca.org.uk/register).

This document is for professional advisers only and should not be passed to Retail clients. It is for information only and should not be construed as advice or an offer, invitation or solicitation to enter into any financial obligation, activity or promotion of any kind. Past performance is not an indication of future performance, capital is at risk and the value of investments and the income derived from them may fluctuate and may be affected by exchange rate variations.

The information and opinions expressed herein are the views of LGT Wealth Management LLP and are based on current public information we believe to be reliable but we do not represent that they are accurate or complete and should not be relied upon as such. Any information herein is given in good faith, but is subject to change without notice. No liability is accepted whatsoever by LGT Wealth Management LLP, employees and associated companies for any direct or consequential loss arising from this document. This document is not for distribution outside the United Kingdom.

LGT Wealth Management LLP is a limited liability partnership registered in England & Wales. Registered Office: 14 Cornhill, London EC3V 3NR. Registration number OC 329392.

LGT Wealth Management LLP is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange

LGT Wealth Management Jersey Limited is incorporated in Jersey and is regulated by the Jersey Financial Services Commission in the conduct of Investment Business and Funds Service Business. Registration number: 102243; <https://www.jerseyfsc.org/industry/regulated-entities>, Registered office: 30-32 New Street, St Helier, Jersey, JE2 3TE.

## Picture description

Hortus Botanicus, "Lilium candidum L.", c. 1778

### BAUER BROTHERS

The period from 1740 to 1840 saw a burst of development that proved ground-breaking in the field of botanical illustrations. This period, which also saw botany itself become established as an independent branch of the natural sciences, is also regarded as the heyday of flower painting in Vienna. During his early career, Ferdinand Lukas Bauer (1760-1826) was active as a plant painter for the Princes of Liechtenstein. He accompanied several expeditions during which he made a pictorial record of foreign flora and fauna. His brother Franz Andreas Bauer (1758-1840) also worked as a flower painter for the Princely House of Liechtenstein as well as for the famous Viennese court botanist Nikolaus von Jacquin. Between 1776 and 1805, the so-called Codex Liechtenstein was created: a fourteen-volume illuminated compendium of manuscripts in which Ferdinand Lukas, Franz Andreas and their brother Joseph Anton Bauer (1756-1831) and several other plant illustrators were involved. This work, held today by the Princely Collections, is among the most beautiful plant books that were made at the time. In the Codex's more than 2700 separate plant illustrations, the Bauer brothers created a synthesis of art and science: faithful in detail, yet obeying the high aesthetic requirements of art, they achieved the balancing act of uniting fidelity to nature on the one hand with their own art of interpretation on the other.

© LIECHTENSTEIN. The Princely Collections, Vaduz-Vienna

