

# LOMBARD ODIER

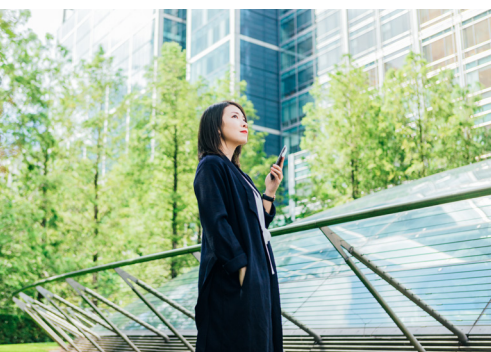
## Rethink Sustainability



Lombard Odier aspires to be an innovative bank of choice for private and institutional clients seeking a tailored, sustainable approach to wealth and asset management. Since 1796, it has served its clients for seven generations, guided by a simple philosophy: 'rethink everything'. Lombard Odier provides wealth management services for private and institutional clients in the region through its offices in Singapore since 2008, and other APAC countries such as Hong Kong and Tokyo, as well as to the clients of its strategic alliances, who are leading financial institutions in the region.

### TRANSITIONING FROM WILD TO CLIC

Lombard Odier's strategy ensures investment opportunities and positive impacts for its clients and stakeholders globally. Describing today's economy as WILD (wasteful, idle, lopsided, and dirty), Lombard Odier believes that the world must transition toward a value-adding CLIC™ (circular, lean, inclusive, and clean) economy. As a certified B Corp since 2019, the group has been continuously integrating sustainability across its products and services, and at a corporate level.



### Leading the movement

Steered by its Corporate Sustainability Team, Lombard Odier commits to net zero by 2030 for its global operations. Currently, the company is setting up an interim carbon emissions reduction target for Lombard Odier Investment Managers (LOIM), under NZAMI. With this, the company is more committed to using available tools to promote decarbonisation aligned to the 1.5°C pathway. Its internal HR strategy also includes a focus on gender diversity as its gender pay gap is always audited and tracked by an independent third party.

Additionally, the company also considers long-term engagement and social impact and its Philanthropy team ensures that forward-looking solutions for pressing challenges such as humanitarian efforts and global education would be funded. As an investor, Lombard Odier supports the transition of economies towards sustainability and inclusivity.

### Helping companies transition

Lombard Odier's Sustainable Investment Research, Strategy and Stewardship Team (SIRSS) is responsible for identifying, analysing and mapping material sustainability challenges likely to affect the long-term viability of companies' business activities and models. The company's Implied Temperature Rise tool, enables it to assess the alignment of companies to the transition, by comparing their emissions pathways to industry specific ones. Its Climate Value Impact tool analyses how demand will change for different activities under varying climate scenarios, to estimate how different firms' earnings are likely to be impacted. These tools allow the company to have a better climate view on climate risks in its portfolios.

### THE SUSTAINABLE INVESTMENT RESEARCH, STRATEGY AND STEWARDSHIP TEAM (SIRSS)

In its 225 year history, the company has always considered sustainability.

Since 1997, ESG has been integrated into its investments and has increased over the years to now focus on transitioning companies to a sustainable economy, including energy transition.

With more than 20 people with diverse experience, SIRSS is responsible for identifying, analysing and mapping material sustainability challenges likely to affect the long-term viability of companies' business activities and models. The Corporate Sustainability Team is responsible for ensuring that its non-investment related actions, operations, and policies are aligned with its sustainability values.

### TECHNOLOGICAL TOOLS FOR INTERNET GOVERNANCE

Lombard Odier's proprietary banking platform, G2, is used to manage billions in

assets across thousands of accounts, and includes development, infrastructure management and cybersecurity. Fully integrated with the company's operations, other private banks, institutional investors and family offices also use G3 for their operations.

Its expertise is to identify companies that have the vision to adapt to this new CLIC™ economy. By combining data sources, the Company has implemented a tool that looks beyond traditional ESG metrics to company practices to get a forward-looking assessment and how well they align with its eight sustainability objectives. Sustainability figures are fed into its banking platform and portfolio managers can monitor them on a daily basis to track performance and allocate their investments to obtain the overall sustainability score of the portfolio.

Using proprietary industry and geospatial data, academic research and public-sector research, Lombard Odier looks at a company's full sustainability trajectory. It analyses 115 data points and their alignment with the 17 UN sustainability goals to have a comprehensive picture of a company and its exposure to controversial issues. The company is currently integrating the Lombard Odier Portfolio Temperature Alignment (LOPTA) tool, which tells us the temperature trajectory of companies, and assesses the degree to which they are aligned with the goals of the Paris Agreement, to limit global warming to 1.5-2°C.

Now, Lombard Odier has developed substantial in-house carbon-related expertise and dedicated methodologies to calculate the extent to which portfolios can benefit from a decarbonising but increasingly carbon-damaged world. Its temperature alignment methodology allows it to assess the future temperature trajectories of 23,000 companies, as well as 120 countries, and how they align with the goals of the Paris Agreement.

## LOMBARD ODIER'S OWN CONTRIBUTIONS

### Sustainability governance structure

At the Lombard Odier, its sustainability governance has two key responsibilities. Its Sustainability Steering Forum oversees its sustainability philosophy, investment approach, and related policies. Its Corporate Social Responsibility (CSR) Steering Forum ensures that its non-investment-related actions, operations, and policies are aligned with its sustainability values.

### Leveraging points

Using cutting edge technologies, the company already has 98% of its servers virtualized and maintained with advanced cooling systems, lowering electricity consumption. In the office, electronic devices that constantly rely on energy sources are optimised to reduce energy consumption.

The company aims to drastically reduce paper use and primarily use digital documentation. Through its paperless initiative, Lombard Odier has reduced the number of printed documents by 88%. At Lombard Odier, electronic waste is also incorporated into a circular economy. Old devices are either sold back to the manufacturer or donated to associations the company is collaborating with when new ones are purchased.

## STRATEGIES IN ASEAN AND SINGAPORE

In Asia-Pacific, Lombard Odier believes that the future of wealth management is both onshore and offshore, and as such has built six strategic alliances with some of the region's leading financial institutions. Today, Lombard Odier has formed an Ecosystem of Strategic Alliances to provide the clients onshore access to its global investment expertise and tailored multi-asset funds based on the firm's unique risk-based investment approach.

## Assisting Singapore in green finance

Lombard Odier is committed to helping Singapore be positioned as a leading centre for green finance and services to facilitate Asia's transition to a low-carbon and sustainable future. The company offered a range of specific sustainability and impact solutions, ranging from equity solutions to climate bonds to net-zero funds.

Recently, it has also announced together with Singapore-based organisation Alliance to End Plastic Waste its intention to launch a new circular plastic fund. The fund will aim to raise US\$500 million from institutional and other accredited investors for scalable solutions to remove plastic waste from the environment, increase recycling, and drive the global transition towards a circular economy for the plastic value chain.

