

Product Name: CLIC Mandate (all strategies & currencies)

Legal entity identifier:

Bank Lombard Odier & Co. S.A.: 4BY1ZWG5DYMFIHP5KL86

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective**: _____%*

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: [insert %]*

No

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__15__ %** of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Multi-Asset Class CLIC Mandate promotes environmental and social characteristics while also partially investing in sustainable investments according to the Sustainable Finance Disclosure Regulation (SFDR)(EU 2019/2088).

The portfolio is built around 3 pillars, each having a different purpose to promote environmental and social characteristics:

- A Thematic Pillar
- An Impact Pillar
- A Resilience Pillar

At Lombard Odier we believe that a necessary transition from an obsolete economic model towards a clean, lean, inclusive and circular economic model is happening. We expect this transition to unfold through **three major system changes: the Energy System, Land and Oceans, and Materials**. These system changes will be facilitated by the pricing of externalities such as carbon. We estimate this transition will affect 95% of our investment universe creating new risks and new opportunities.

The CLIC Mandate aims at addressing the environmental and social characteristics of this transition. The **Thematic Pillar** addresses the environmental characteristics of the three-system changes indicated above by investing in solution providers and transition leaders. The **Impact Pillar** aims at directly financing a green and fair transition investing via investment in private assets. The **Resilience Pillar's** goal is to complement the portfolio with assets necessary for ensuring an adequate diversification and asset allocation. In this pillar, the Portfolio Manager's focus is the mitigation of environmental risks.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Portfolio Manager uses the following proprietary indicators to measure the attainment of each of the environmental or social characteristics promoted by the portfolio.

For **direct companies investment**, whether through equities or bonds:

1. the % of Sustainable and Grey Investments, as defined by the Lombard Odier (LO) Alignment Framework (see further below)
2. The LO ESG Materiality Score
3. The LO ITR Score (Implied Temperature Rise)
4. Thematic classification

The portfolio manager can use one or more of the 4 depending on which pillar (thematic, impact or resilience) is the investment done

Information on the indicators used by the Portfolio Manager:

The Lombard Odier (LO) Alignment Framework

Lombard Odier uses a pass/fail approach to define whether or not a given investment, defined at the company level, is considered a 'sustainable investment'.

Lombard Odier classifies companies as belonging to one of three categories: a Sustainable Investment, Grey Investment, or Red Investment.

To 'pass' as a Sustainable Investment, a company must meet the criteria detailed below.

- 1) Passing our contribution test requires a company to either:
 - a. Have at least 30% environmentally sustainable activities, understood to include:
 - (i) activities that are eligible under at least one of the six environmental objectives recognised by the EU Taxonomy and which meet the contribution technical screening criteria as included or expected to be included in the EU Taxonomy; or
 - (ii) activities that are eligible under at least one of the six environmental objectives recognised by the EU Taxonomy and which meet the contribution technical screening criteria as defined by Lombard Odier; or
 - (iii) specific transitioning or enabling activities not included in the EU Taxonomy, but which have been mapped to one or several of the six environmental objectives recognised by the EU Taxonomy, and which meet the technical screening criteria as defined by Lombard Odier.
 - or
 - b. Demonstrate significant alignment of capex (or equivalent industry-relevant investment metric) with EU Taxonomy or with Lombard Odier's Contribution Technical Screening criteria that supports a clearly articulated and ambitious transition strategy with targets aligned to one of the six environmental objectives.

A company's exposure to relevant activities and/or transition strategy can be established using either:

 - a. The company's own EU Taxonomy-related disclosures; or
 - b. Lombard Odier's documented assessment of the company and its activities, which can be performed either systematically and quantitatively, or qualitatively, fundamentally, and based on research.
- 2) Passing our Do No Significant Harm (DNSH) test requires a company to either:
 - a. Have at most 5% revenue exposure to "red" activities, classified by Lombard Odier as inherently harmful in nature, including those activities related to thermal coal mining, coal-based power generation, and oil extraction or refining, along with other select activities;
 - b. Pass our absolute or best-in-class scoring against a sub-set of PAIs selected according to the company's activity exposure; or
 - c. Meet additional criteria: although the above criteria constitute the minimum criteria we apply, in its assessment of companies involved in specific activities, Lombard Odier may use other criteria as an additional safeguard.
- 3) Passing our Good Governance Test requires a company to either:
 - a. Pass our absolute or best-in-class scoring against a sub-set of PAIs selected according to the company's activity exposure; or
 - b. Meet additional criteria: although the above criteria constitute the minimum criteria we apply, in its assessment of companies involved in specific activities, Lombard Odier may use other criteria as an additional safeguard.

The LO ESG Materiality Score

The proprietary ESG materiality heatmap and rating methodology allows us to hone in on the environmental, social, and governance aspects that are truly important to a given company. This framework comprises 14 categories that reflect the potential ESG opportunities and risks across a company's value chain: these include the upstream risks predominantly related to supply chain or natural resource usage; operational risks directly related to a company's direct production and operational processes; and downstream risks related to the potential negative impact of products and services sold.

The LO Implied Temperature Rise (ITR) Score

The ITR Score methodology enables the Portfolio Manager to quantify an ITR or temperature alignment metric of the company, which, in addition to evaluating the carbon footprint of a company today, calculates whether its projected emissions are expected to fall in line with sector-specific transition pathways, allowing to distinguish between companies that are on the right decarbonization pathways and the ones that are lagging. The ITR is particularly relevant for high emitting sectors and should be put in relation to the carbon footprint that we express by the Carbon Investment Ratio (CIR).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The CLIC Mandate underlying Sustainable Investments contribute in different proportions to all 6 environmental objectives of the EU taxonomy, which are:

1. Climate mitigation
2. Climate adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity

Please refer to the description of our alignment framework to understand how our sustainable investments contribute to the 6 objectives.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Portfolio Manager will use the Principal Adverse Impact indicators (PAIs) to monitor the Do Not Significant Harm clause.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Indicators for adverse impact on sustainability factors or “PAIs” are considered as part of the Portfolio Manager’s activity-by-activity assessment of possible significant harm, as outlined in the LO Alignment Framework. The specific PAIs considered as part of this assessment are described further below.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Portfolio Manager considers exposure to UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights controversies under to the LO Alignment Framework. In the absence of credible mitigating factors, investments exposed to high level controversies will not be considered sustainable.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No



What investment strategy does this financial product follow?

The portfolio follows the structure of our strategic and tactical asset allocation, as determined by Lombard Odier's Investment Committee (macro and asset allocation team, equity strategist, fixed income analysts and portfolio managers...). More specifically, Lombard Odier's strategic asset allocation approach is designed to expose portfolios to primary drivers of long-term market returns and risk premium, while ensuring proper diversification and risk management. It is reviewed every year. Our tactical asset allocation is reviewed at least on a monthly basis by our Investment Committee to confirm or adjust to prevailing macro-economic and market conditions.

Investments are made through the usual asset mix (i.e. equities, bonds, and alternatives whether invested directly or through funds) and geographies (developed/emerging).

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Exclusions

The following exclusions are binding:

Exclusion of Controversial Weapons

The portfolio will exclude direct exposure to companies involved in controversial weapons i.e., companies that produce, trade or store controversial weapons (biological and chemical weapons, anti-personnel mines, cluster weapons, depleted uranium, white phosphorus). The scope of this exclusion includes weapons banned or outlawed by the Ottawa Treaty on landmines (effective 1999), the Convention on Cluster Munitions (Oslo Convention) of 2008, the Biological and Toxin Weapons Convention (BWC – 1972), the Treaty on the Non Proliferation of Nuclear Weapons (1968), the Chemical Weapons Convention (CWC – 1993) and SVVK-ASIR exclusion list. In addition, depleted uranium and white phosphorus are excluded.

Exclusion of Tobacco, Coal, Unconventional Oil & Gas and Material Breaches of the UN Global Compact Principles (level 5 controversies).

The portfolio will exclude: Tobacco: companies deriving more than 10% of their revenues from either production of tobacco products or retailing of tobacco products/services.

Thermal Coal:

Mining - companies deriving more than 10% of their revenues from thermal coal extraction.

Power Generation - companies deriving more than 10% of their revenues from coal power generation.

Unconventional Oil & Gas - companies deriving more than 10% in aggregate of their revenues from any of tar sands, shale gas and oil and arctic oil & gas exploration.

Material breaches of UN Global Compact Principles, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs) and their underlying conventions: Companies involved in the most severe breaches of the UN Global Compact Principles ("Level 5 Controversies").

Good governance

practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The exclusions relating to tobacco, coal, unconventional oil and gas and Level 5 Controversies are subject to the portfolio manager's exclusion policy and may be overridden in the exceptional circumstances described in that policy, such as where a company makes a firm commitment to a credible and rapid phaseout of the above activities.

Exclusion of Harmful companies

The portfolio will exclude investments in direct lines (equities, bonds) in companies classified as Harmful as per LO Alignment Framework.

Minimum % of sustainable investments

The Portfolio Manager will invest at least 15% of the portfolio's assets in Sustainable Investments (those described as 'green' according to the LO Alignment Framework).

ESG Materiality Score

At portfolio level the Lombard Odier proprietary ESG Score must be higher than the portfolio's benchmark. The benchmark used is a multi-asset internal benchmark made of stocks, bonds and alternative markets. Relative weights depend on the risk profile (conservative, moderate, balanced, growth) and tactical decisions made by the Investment Committee.

Temperature alignment

At portfolio level the Lombard Odier proprietary temperature (based on LO ITR Score) must be lower than the portfolio's benchmark. The benchmark used is a multi-asset internal benchmark made of stocks, bonds and alternative markets. Relative weights depend on the risk profile (conservative, moderate, balanced, growth) and tactical decisions made by the Investment Committee.

Minimum % of SFDR article 8 and/or 9 fund exposure

The Portfolio Manager will invest at least 50% of the Portfolio's assets invested through funds in funds classified article 8 and/or 9.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The portfolio has not committed to a minimum rate to reduce the scope of investments prior to the application of that investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

The criteria for good governance and minimum social safeguards include an analysis of exposure to high level social and governance controversies and the company's performance on social and governance scores under the Portfolio Manager's proprietary ESG scoring framework, if highly material to the company's sector. Good governance is also considered as part of the LO Alignment Framework, including consideration of PAIs 10 and 11 of PAI Table 1 of Annex I of the SFDR RTS 2022/1288.



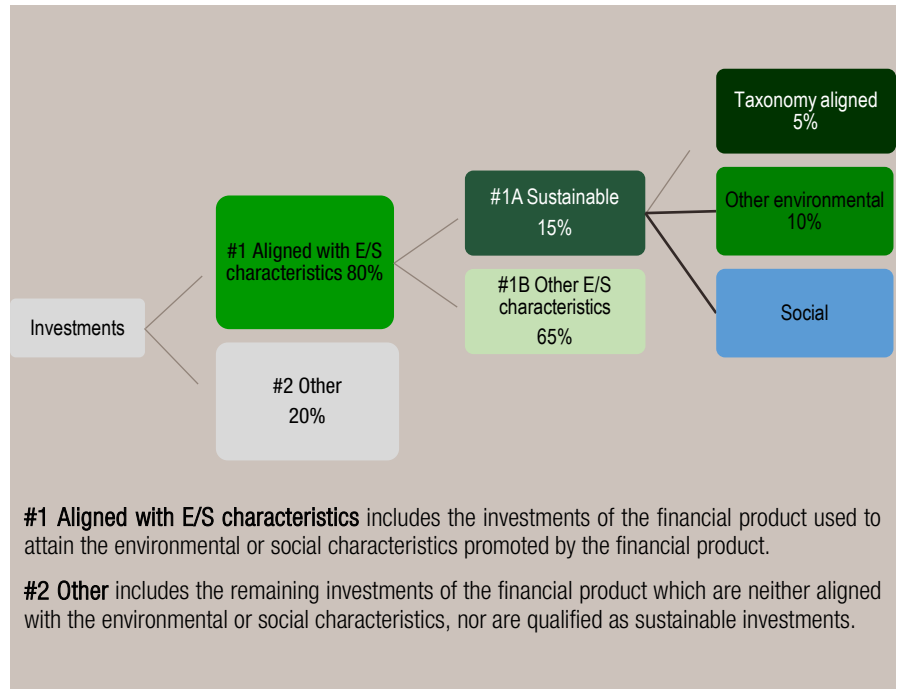
What is the asset allocation planned for this financial product?

Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The Portfolio Manager will invest:

- at least 80% of the portfolio's assets in investments #1 Aligned with E/S characteristics.
 - not more than 20% of the portfolio's assets in #2 Other.
 - at least 15% of the portfolio's assets in #1A Sustainable Investments.
- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Portfolio Manager does not expect to use derivatives to attain environmental or social characteristics. In any case, the same binding elements as already expressed above would apply to underlying of derivatives and structured products.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

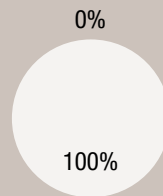


are sustainable investments with an environmental

objective that **do not take into account criteria** for environmentally sustainable economic activities under the EU Taxonomy.

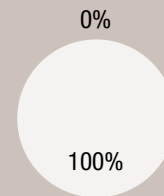
The two graphs show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



■ Taxonomy-aligned: Fossil gas
■ Taxonomy-aligned: Nuclear
■ Taxonomy-aligned (no fossil gas & nuclear)
■ Non Taxonomy-aligned

2. Taxonomy-alignment of investments excluding sovereign bonds*



■ Taxonomy-aligned: Fossil gas
■ Taxonomy-aligned: Nuclear
■ Taxonomy-aligned (no fossil gas & nuclear)
■ Non Taxonomy-aligned

This graph represents 100% of the total investments.

* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures

- **What is the minimum of share of investments in transitional and enabling activities?**

There is no minimum share of investments in transitional and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

The regulation determining the European Social Taxonomy is not yet finalized and officially published. In this context, the portfolio does not invest in socially sustainable investments.

Nevertheless, the underlying investments in the Impact Pillar contribute to social objectives through, for instance, the investment in social bonds or in microfinance funds.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' also includes Cash and Cash Equivalents (for instance to achieve investment goals, for treasury purposes or in case of unfavorable market conditions) and derivatives used for hedging purposes or for efficient portfolio management techniques).



Reference benchmarks

are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

There is no specific index designated as a reference benchmark used to determine whether this product is aligned with the environmental and/or social characteristics that it promotes.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Per above, not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website: [Sustainable Finance Disclosure Regulation | Lombard Odier](#)