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Principles for
Responsible Banking

Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

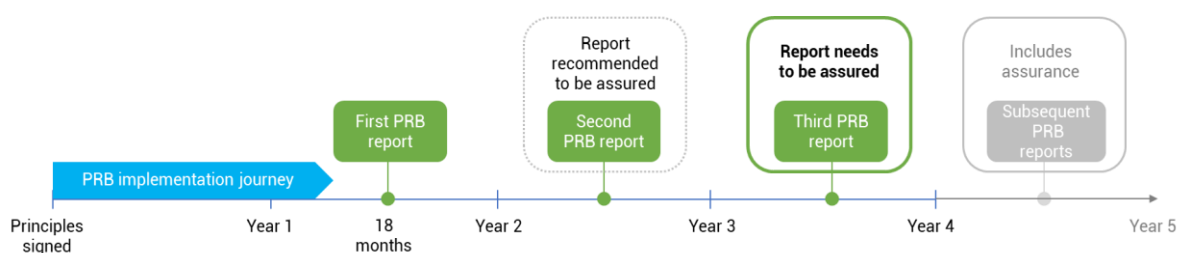
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Lombard Odier is a global wealth and asset manager with CHF 300 billion in clients assets at the end of 2022. An independent firm, Lombard Odier is organised as a partnership and is wholly owned and managed by its six Managing Partners. Our clients are private or institutional clients, and our sole business is helping them manage their assets.

The Group's balance sheet remained strong and totalled CHF 18.2 billion at end-December 2022. Fitch reaffirmed the Group's credit rating at AA- with a stable outlook in August 2022.

Founded in 1796, our global headquarters are located in Geneva, Switzerland. We have offices in Geneva, Zurich, Lausanne, Fribourg, Vevey, Verbier, Abu Dhabi, Bermuda, Brussels, Dubai, Frankfurt, Hong Kong, Johannesburg, London, Luxembourg, Madrid, Milan, Nassau, New York, Panama, Paris, Rotterdam, Sao Paulo, Singapore, Tel Aviv, and Tokyo. Lombard Odier Group employs more than 2,500 people around the world.

Links and references

[Lombard Odier Group reports results for 2022 | Lombard Odier](#)

[Who we are | La Maison | Lombard Odier](#)

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

- Yes
 No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions

<p><input checked="" type="checkbox"/> UN Global Compact</p> <p><input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples</p> <p><input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: TCFD, which as of January 1 2024 will become a regulatory requirement in Switzerland.</p> <p><input checked="" type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: UK Modern Slavery Act, see Lombard Odier Asset Management (Europe) Limited "Modern Slavery Statement".</p> <p><input type="checkbox"/> None of the above</p>	
<p>To ensure consistency with the SDGs and the Paris Climate Agreement, Lombard Odier has set ambitious targets to reduce its carbon footprint. The Group joined the Net Zero Assets Managers Initiatives (NZAMI) in 2021, and took further action by joining the Glasgow Net Zero Finance Alliance at COP26. Lombard Odier has also pledged to reach net zero for its own operations by 2030, as reflected in our Group CSR Ambition.</p> <p>Lombard Odier has aligned its strategy with relevant national and regional frameworks. In Switzerland, the bank is a founding partner of the Swiss Sustainable Finance and is a member of Sustainable Finance Geneva. Both are leading Swiss associations in the field of sustainable finance and help the industry contribute to national sustainability goals. In 2022, we contributed to the development of the Swiss Climate Scores, to improve reporting frameworks around decarbonisation.</p> <p>In Europe, Lombard Odier supports the EU's Sustainable Action Plan through the European Sustainable Finance Disclosure Regulation (SFDR), which requires disclosures on sustainability risk integration, and is aligned with the European Green Deal.</p> <p>Moreover, Lombard Odier is committed to promoting sustainable finance and investing in solutions that address social and environmental challenges. We have launched several sustainable investment products and has integrated environmental, social, and governance (ESG) criteria into its investment process.</p> <p>Lombard Odier has been a signatory to the six UN Principles for Responsible Investment (PRI) and Responsible Banking (PRB) since 2007 and 2020, respectively. We support the TCFD's final recommendations and will publish our first report in 2024.</p> <p>Furthermore, Lombard Odier has established the Lombard Odier Foundation, which provides funding for forward-looking solutions to pressing challenges with a focus on social affairs, education, healthcare, and the environment.</p> <p>Finally, Lombard Odier remains committed to the ten UN Global Compact principles for responsible business conduct.</p>	<p><i>Links and references</i></p> <p>Corporate Sustainability Lombard Odier</p> <p>Group CSR Ambition 04.2021 EN.pdf (lombardodier.com)</p> <p>Lombard Odier Group Supplier Code of Conduct.pdf (lombardodier.com)</p> <p>modern slavery statement. (lombardodier.com)</p>

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Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response

Our impact analysis will primarily cover our investment management business as well as the discretionary investments of our private client business. In our impact analysis we will have a limitation on the availability of data on our products, in particular on private investments. In terms of geography, we are a global wealth and asset manager and as such we, as well as our clients, invest globally.

We believe to have a thorough impact analysis we need to be able to answer two questions on all our investment universe: is our investment going to accelerate or slow the transition, and how financially exposed is this investment to the environmental transition?

Scientific research has quantified the safe operating limits for each one of these 9 systems – also known as planetary boundaries. The scientific evidence is unequivocal:

- We have already crossed the safe operating limits of the majority (5) of these earth systems
- We now know that these systems interact closely with one another through negative feedback loops.

Links and references

[Sustainable investing | Lombard Odier](#)

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

The good news is that the environmental transition is in motion, and it is accelerating. As a result, an irreversible and profound economic transformation towards a Circular, Lean, Inclusive and Clean economy is underway.

At Lombard Odier, we foresee this transformation to unfold through 3+1 major system changes : Energy, Land and Oceans, materials systems and the pricing of externalities such as carbon.

As regards Energy, we expect our existing tools (Implied Temperature Rise tool, carbon footprint calculation) to be a good base, particularly as regards decarbonisation, but not enough to understand fully the impact of our investments more holistically.

As regards Land and Oceans, we are continuing to advance the development of new tools to broaden the scope of our analysis to wider nature-related themes. We have developed capabilities to assess proximity of assets to bio-protected areas, to assess exposure to deforestation risks and the quality of forest management and - most recently – developed an early-stage demonstration tool aimed at assessing soil organic carbon (a key proxy for biodiversity in agricultural land).

As regards Materials, separately, we have also launched a partnership with Enterprise 4 Society, a consortium of three Swiss academic institutions, to develop understanding around the circular economy, which we hope will help us to advance the development of new tools also in this area – which today remains understudied.

We believe the measurement of nature-related risks is a necessary step forward. As many of these risks, however, materialise in companies' supply chains, transparency and improved disclosures of those supply chains remains a significant bottleneck and once that we believe should be prioritised in the development of future reporting frameworks.

The challenge for this impact analysis is to have the right data and the right tools. We have evolved our framework and methodology in 2022 to adapt them to embrace the main challenges we have identified, the first one being the environmental transition.

Environmental stability is what supports life on earth and allows humanity to thrive and prosper and is what underpins stable and functioning societies and a growing economy. In fact, it is fair to say that 100% of GDP and 100% of the value of financial assets depend on having a stable environment.

[CLIC® economy / Lombard Odier](#)

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

<p>i) by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or</p> <p>ii) by products & services and by types of customers for consumer and retail banking portfolios.</p> <p>If your bank has taken another approach to determine the bank’s scale of exposure, please elaborate, to show how you have considered where the bank’s core business/major activities lie in terms of industries or sectors.</p>	
<i>Response</i>	<i>Links and references</i>
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank’s portfolio impacts into the context of society’s needs.</i></p>	
<i>Response</i>	<i>Links and references</i>
<p>We are a global wealth and asset manager and as such we, as well as our clients, invest globally. And we believe that the environmental transition will impact 95% of our investment universe, not depending on region or geography.</p> <p>We believe roadmaps are essential to help us navigate the transition. Roadmap research, at Lombard Odier, is aimed at helping us understand the likely direction of the economy from now to 2030 and beyond – across sectors, themes and geographies.</p> <p>In 2022, we established a new, dedicated Roadmap Research team within our wider Sustainability Research Unit. This unit now includes 11 FTE plus 8 secondments from our research partner, SystemIQ. Our roadmap research team is organised along key clusters, including mobility, buildings, materials, power, food systems, nature and bioeconomy, new fuels, packaging, waste management, and enablers.</p> <p>Through this research, we seek to understand (a) the key environmental challenges and externalities affecting the economy; (b) the likely system changes that will unfold; (c) the key levers, technologies and business models that are likely to drive these system changes; (d) the economics and inflection points driving the uptake of these changes; and (e) the impact of these shifts on markets and implications for the deployment of capital.</p> <p>Our Roadmap Research work has developed preliminary roadmaps across all of our core themes, and is being utilised to inform thematic investment strategies and define our investment convictions. Our work leverages our academic partnerships (with Oxford and E4S), our work with SystemIQ, and our wider</p>	<p>Our sustainable investment framework Lombard Odier</p>

⁴ ‘Key sectors’ relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

<p>ecosystem of partnerships (for instance, with the Energy Transition Commission and the Circular Bioeconomy Alliance).</p>	
<p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)6? Please disclose.</p>	
<p><i>Response</i></p> <p>Our work has led us to identify three key areas of priority focus for our thematic investments focused on environmental transition, where we are looking to expand our offering.</p> <p>Firstly, a focus on energy systems – the primary source of emissions and air pollution today. Our work highlights the need for a system change, with a primary focus on a transition to a more <i>electrified</i> economy. This involves supply-side change (primarily, a rapid move to renewables), but also significant investment in the demand-side of the economy. We estimate around \$25 trillion in capital expenditure will be deployed this decade in relation to this energy transition.</p> <p>Secondly, a focus on land and oceans – related to key Planetary Boundaries revolving around land use, agrochemical pollution, freshwater use and biodiversity loss. Here, we understand 1bn hectares need to be returned to nature, or restored using regenerative practices. Our work has helped us identify a number of key system changes and investment priorities, including the need to transform food systems (towards more plant-based diets and more nature-centric agricultural models), as well as the need to rapidly expand investments in nature-based solutions.</p> <p>Thirdly, a focus on material systems – cognizant of the growing environmental externality generated by the generation and mismanagement of waste, and risks of inadequate supply or inefficient usage of materials acting as a constraint on wider environmental transitions. Our work has helped us to understand what key materials will be required or phased out as part of the transition, and has focused our work on the circular economy around three key investment themes: better materials, better usage models, and better recycling.</p>	<p><i>Links and references</i></p> <p>CLIC® economy Lombard Odier</p>
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement.</u> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If</p>	

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the [Annex](#).

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response

To identify which sectors and industries have the strongest positive or negative impacts we will be conducting, with our proprietary framework, a deep and granular analysis at activities level in line with the European regulation.

Links and references

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

- | | | | |
|--------------------------|---|---|--|
| Scope: | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input checked="" type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response

As a signatory to the Net Zero Asset Managers Initiative, we have committed to work towards aligning 70% of our portfolios of our asset management arm to a net zero trajectory by 2030.

To help us with these targets, we have developed a number of proprietary tools, including the development of an Implied Temperature Rise (ITR) metric. This tool allows us to derive warming scores by comparing the emissions trajectories that companies and portfolios are on against the paths they must take in order to meet the goals of the Paris Agreement.

At COP26, we also became signatories of a pledge to identify, and work towards eliminating, deforestation risks in our portfolios. To help us meet these pledges, we have worked to develop a metric to assess exposure to deforestation risk exposure and the quality of forest management – albeit we note that a key constraint here remains the lack of transparency and disclosures around corporate supply chains.

Links and references

[Our sustainable investment framework | Lombard Odier](#)

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Climate change mitigation</i>	A.1.1	In progress.
	A.1.2	As per our NZAM target, align 70% of the AUM of our asset management wing to a net zero trajectory by 2030
	A.4.2	<p>19% of our asset management portfolio was estimated to be aligned to less than 2°C of warming as at the end of January 2023.</p> <p>Note: As most of our investments are in diversified strategies, with exposure across the economy, this figure largely reflects the present alignment of much of the economy.</p> <p>We believe the challenge of re-aligning portfolios is less about seeking to reallocate capital only into those portions of the economy already aligned, then it is about bringing a greater portion of the economy into alignment, including through the effects of breakthrough technologies, policy support, improving economics, and investor engagement.</p> <p>We have seen an increase in the number of companies in our investable universes setting targets, increasing levels of ambition, and increasing detail around implementation, leading us to expect a gradual improvement in the above statistic, which we are looking to accelerate both through the deployment of capital into environmentally-focused investment opportunities (described below), engagement, and capital allocation decisions.</p>

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Financial health & inclusion</i>	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<i>Response</i>	<i>Links and references</i>

c) SMART targets (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank’s management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank’s targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

<p>further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	
<p>Response</p> <ul style="list-style-type: none"> AUM in environmentally-focused strategies (CLIC range, etc.): At the end of April 2023, we had CHF 4,070 million in environmentally-focused strategies, covering the strategies described in section 3.2 Average Implied Temperature Rise (ITR) of our portfolios: ITR seeks to measure the level of global warming that would result if every emitter in the economy were to follow a similar level of ambition as the companies in the portfolios we have measured. This represents a judgmental analysis, involving a variety of methodological and data choices. On average, the ITR we estimate across the scope 1, 2 and 3 emissions in the portfolios where we have adequate data (approx. 70% of our total AUM), is 2.5°C, as of January 2023. <p>For reference, we estimate MSCI World to be aligned to 2.8°C. Given the diversified nature of these portfolios, these figures largely reflect the present alignment (or lack thereof) of much of the investable universe today, and the need to bring a larger portion of the real economy into alignment with Paris scenarios.</p> <ul style="list-style-type: none"> 19% of our asset management portfolio was estimated to be aligned to less than 2°C of warming as at the end of January 2023. % of portfolios where we screen for deforestation risk: We have developed an initial proof-of-concept capability to screen portfolios for deforestation risks and the quality of forest management in supply chains. We have, initially, rolled this out to our Circular Economy strategy (1% of our total AUM) and are now looking to scale up this capability. 	<p>Links and references</p>
<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p>Response</p> <p>As regards our target to increase the amount of investments in environmentally-focused strategies, this is an explicit component of our five-year strategic action plan. Although we do not publish our internal strategy plans, the key elements related to the objective to expand our environmental offering are as follows:</p> <ul style="list-style-type: none"> To build out an authentic and credible research capability, focused on our roadmap research, to help us understand and navigate the environmental transition. Our research unit presently comprises 40 FTE and is expected to grow further. 	<p>Links and references</p> <p>Our stewardship framework Lombard Odier</p> <p>See our sustainability report at Corporate Sustainability Lombard Odier</p>

- To develop key partnerships, to ensure scientific credibility, leverage industrial partnerships, and ensure we target the right opportunities, with partners including Oxford University, Enterprise 4 Society, SystemIQ, and others.
- To develop and expanding multi-asset offering around environmental transition, already comprising our CLIC® equities range, and the additional products listed later in this report.

As regards our target to align 70% of the AUM of our asset management wing to a net zero trajectory by 2030, we have developed a specific implementation plan:

- This has comprised, as a first step, the measurement of the baseline levels of alignment of all of our strategies.
- Second, it involves the identification of relevant data gaps and steps for improvement in the relevant metrics used to track performance, including our Implied Temperature Rise (ITR).
- Third, during this stage of improvement of underlying data, we have defined “soft targets” for our different strategies, to encourage portfolio managers to begin to take active note of present levels of alignment and begin to identify steps for improving it, while acknowledging the need to still improve underlying data.
- Fourth, we have defined timelines for these “soft targets” to evolve into hard targets, to ensure a firm deadline for the refinement of data points and re-align investment strategies.

We note that our NZAM targets are contingent on developments in the real economy, on improving disclosures by companies, and the follow-through and ramp up by governments of stated levels of ambition. At present, we do not assess the economy to be on track to keep global warming below 1.5C. While we believe efforts will continue to accelerate, in the absence of a further, significant ramp-up in ambition by all actors, including investor coalitions, to avoid the need for a restatement of targets.

As regards our target to identify and work towards the elimination of deforestation risks, we have prioritised the development of relevant screening tools to assess exposure to these risks, and the quality of forest management. We have begun to report on these metrics for key environmentally-focused strategies, and are looking to expand our coverage. We have identified the lack of supply chain transparency as a key bottleneck, that we believe would best be addressed through a standardized disclosure framework. We are also aiming to revise our investment policies, to include specific mention of frameworks around deforestation risks.

To support all of these efforts, we also have developed a specific strategy around our investment stewardship efforts:

- Lombard Odier Investment Managers (LOIM) uses investment stewardship to make a positive contribution to the CLIC® economy and transitions in Energy, Land and Oceans, Materials, and Carbon systems – our fundamental investment conviction.
- Specifically, we aim to deliver on two overarching objectives: 1) promote alignment with the sustainability transition; and 2) promote sustainable returns.
- LOIM takes an integrated approach to stewardship through engagement and proxy voting, which form a continuum. In 2022, we focused particularly on the climate transition, using stewardship at scale and in depth to help drive the task of guiding the economy to a 1.5 °C path.
- LOIM's stewardship approach incorporates The Oxford Martin Principles for Climate-Conscious Investment, the recommendations of the Financial Stability Board's (FSB) Taskforce on Climate-related Financial Disclosures (TCFD), and emerging best practice on natural capital, as well as more traditional core ESG considerations. As such, LOIM's sustainability stewardship enables us to encourage companies to secure an orderly transition to a sustainable business model while increasing their resilience to the impacts of climate change. The UK Financial Reporting Council has continued to recognise LOIM's stewardship approach by renewing our signatory status of the UK's flagship Stewardship Code.
- We seek to vote in line with our clients' long-term interests. As an overriding principle, we look to the two leading global governance standards (G20/Organisation for Economic Co-operation and Development (OECD), 2015; and International Corporate Governance Network (ICGN), 2021) when determining how to vote and hold investee companies accountable.
- In 2022, as a natural evolution in our proxy voting work, we published our inaugural Corporate Governance Principles and Proxy Voting Guidelines. These Principles state our corporate governance and sustainability expectations for the companies we invest in, and are designed to help us pursue our stewardship objectives. Each principle is tied to a corresponding proxy voting principle, which enables us to hold companies accountable and promote progress in alignment with our 3+1 approach.

The outcomes of our engagements influence our investment decisions, ensuring a circular, consistent stewardship approach. When it comes to fixed income – particularly in the case of corporate bonds – we believe that dialogue with companies helps us improve our understanding of the issuer's risk profile and, therefore, that such dialogue is a critical aspect of credit analysis.

Our private client business continues to work to implement best practices adapted to the private banking business model. Building on the robust

compliance work we developed in 2020, we focused on strengthening our stewardship role through live engagements throughout 2022.

Self-assessment summary			
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...			
	... first area of most significant impact: ... <i>(please name it)</i> <i>Climate mitigation</i>	... second area of most significant impact: ... <i>(please name it)</i> <i>Deforestation mitigation</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:
 Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to

indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response

We did not set targets in our first PRB report. Targets in the current report is the starting point for measuring progress.

Links and references

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹¹ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹²). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response

Lombard Odier is committed to promoting sustainable practices among its clients and customers, and is actively working towards enabling sustainable economic activities. The bank offers a range of sustainable investment strategies that focus on companies with strong ESG practices, as well as impact investing opportunities that aim to generate positive social and environmental outcomes alongside financial returns.

In addition to investment options, Lombard Odier is also providing sustainable financing solutions to its clients. This includes green bonds, social bonds, and sustainability-linked loans that incentivize companies to improve their sustainability practices and contribute towards the transition to a low carbon economy.

We work closely with our clients to integrate sustainability into their overall investment strategy. We provide guidance on how to measure and manage ESG risks and opportunities, and how to align investments with the client's values and goals.

In European markets we are obliged to discuss sustainability and ESG approaches with each client, to ensure that their portfolio reflects their expectations and wishes. In Switzerland, this will be a requirement as of January

Links and references

[Our stewardship framework | Lombard Odier](#)

<p>1 2024. Since we already ensure an alignment with our clients on sustainability strategies, the regulations being formalized further strengthen our chosen approach.</p> <p>We actively engage with our clients on sustainability topics and also provide education opportunities to groups of clients jointly with the University of Oxford.</p> <p>To ensure that its clients' portfolios are aligned with their sustainability targets, Lombard Odier incorporates a number of restrictions and exclusions, including SRI restrictions on tobacco, coal and unconventional oil & gas, and level 5 controversies. We monitors exposure of stocks ranked in the bottom two ESG quartiles on GICS sector level 2 basis, as well as the overall portfolio compliance with the investment process using internal benchmarks to compare holdings.</p> <p>In addition to this, Lombard Odier discloses its proxy voting record on a retrospective quarterly basis, and publishes an annual Stewardship Report in alignment with the Financial Reporting Council's 2020 Stewardship Code (this paragraph refers to LOIM only).</p> <p>We have prepared detailed, comprehensive disclosures for its Article 8 and 9 products in line with the Sustainable Financial Disclosure Regulation (SFDR). These disclosures include information on the funds' sustainability objectives, performance against sustainability indicators, sustainability impact metrics, strategies and methodologies, and the extent to which investments are aligned with the European Taxonomy for sustainable activities.</p> <p>Finally, Lombard Odier is committed to integrating the objectives of the EU taxonomy, which establishes a list of environmentally sustainable economic activities towards which capital flows can be directed to achieve environmental objectives, as soon as they become available.</p>	<p>Our sustainable investment framework Lombard Odier</p> <p>Our place within the European SFDR Lombard Odier</p> <p>An overview of EU regulation Lombard Odier</p>
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3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response

At Lombard Odier, we are convinced that the transition to a sustainable economic model will be underpinned by innovations – and it is here that investors have a central role to play. Across all sectors, the transition to a Circular, Lean, Inclusive, and Clean (CLIC®) economy is offering unrivalled opportunity, as early-stage

Links and references

[Sustainability at Lombard Odier | Lombard Odier](#)

¹¹ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹² Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

innovation flourishes and established businesses look to build out their sustainability-related infrastructure. The scale of this opportunity, which will rival that of the digital revolution, is leading to a paradigm shift across the financial industry.

This ongoing transition promises to affect every economic sector across all geographies. And it is accelerating rapidly, as evidenced by the renovation of building stock, the increasing uptake of renewables and electric vehicles, and the growing range of other disruptive new technologies. These market shifts are being driven by innovation and falling costs, and accelerated by regulatory packages and the impact of carbon markets.

We foresee this transformation to unfold through 3+1 major system changes.

- In energy systems, electricity is poised to become the dominant energy vector of the future.
- In land and oceans systems, agricultural land the size of China is being returned back to nature and 30% of the oceans are earmarked to be protected and conserved by 2030.
- In materials systems, growth is being decoupled from primary material extraction and use.
- Finally, negative environmental externalities are being priced in via carbon markets—this is providing powerful incentives for the transition to accelerate in the first 3 systems.

This 3+1 systems transition represents the most profound transformation of our economies since the industrial revolution but importantly, it is unfolding at the pace the digital revolution.

It will impact our industry in a major way, we estimate that these 3+1 system changes will affect 95% of the global economy.

Shifts will accelerate through a set of market inflection points whereby the pace of adoption of sustainable products and services rapidly accelerates a new solutions move from niche to mass market. This will create new profit pools and shift existing ones across sectors, geographies and asset classes.

At Lombard Odier, our investment convictions around the nature of the transition and the opportunities it will create is at the heart of our efforts to expand our internal capacity, along with our networks of industry & academic partners and thought leaders. We believe that the right investment strategies will enable us to express these convictions across asset classes. The scale of the transition will require us to fundamentally rethink how we deploy our capital to ensure that we're supporting the transition while accounting for both its positive and negative financial implications.

In accordance with our convictions, we have sought to expand our range of strategies focusing on environmental transition and the investment convictions outlined above. These include:

- Our **Planetary Transition** flagship fund, investing in opportunities across the 3+1 transition, seeking to invest in companies that are

[Sustainable Equities | Lombard Odier](#)

[Global Carbon Opportunity | Lombard Odier](#)

[Plastic Circularity Strategy | Lombard Odier](#)

[Food Systems | Lombard Odier](#)

[Our sustainable investment framework | Lombard Odier](#)

<p>accelerating the transition and well-positioned to access new or growing profit pools related to these system changes.</p> <ul style="list-style-type: none"> • Our New Food Systems strategy, focused on transitions in the food system towards more plant-based diets, precision agriculture, and more efficient and nature-centric agricultural models. • Our Circular Economy strategy, targeting opportunities related to the circular bioeconomy, resource efficiency, the outcome-oriented re-economy, and zero waste. • Our Global Climate Bond strategy, seeking to deploy capital to finance the transition towards a decarbonizing, net zero economy. • Our TargetNetZero range in equities, fixed income and convertibles, specifically leveraging our Implied Temperature Rise (ITR) capabilities to measure the pace of decarbonisation of investments and portfolios. • Our Plastic Circularity private equity strategy, seeking to invest in better materials, better usage models, and better recycling, as solutions to the escalating plastics crisis. • Our Global Carbon Opportunities strategy, focused on investment in carbon markets to help investors hedge carbon-related transition risks. • Our Transition Materials strategy, a commodities investment product that is specifically investing in industrial metals and biobased materials that we believe will drive the transition, while having no exposure to traditional energy commodities. 	
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Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹³) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response

We understand that banks play a central role in our economy and society, and that what will make them thrive in the long term will also be good for business. As a global wealth and asset manager, we believe it is our fiduciary duty to help our clients mitigate the risks and capture the opportunities associated with the transition to a Circular, Lean, Inclusive and Clean (CLIC™) economy. This involves working collectively with a range of stakeholders: As a certified B Corp, collaborative engagement is a key part of our interactions with all our stakeholders.

Academia and partners: We have partnered with systems change company Systemiq, to further our approach to the transformation of markets, business models, and asset classes in three economic systems: Energy, Land and Oceans, and Materials. We collaborate with the University of Oxford to support teaching and research on sustainable finance and investments. In 2021, we published our first collaborative study "Predictors of Success in a Greening World". We are also a founding partner of the EPFL Center for Digital Trust (C4DT), a collaboration between researchers, industry, the public sector and civil society to define and realise a shared vision: re-inventing trust mechanisms that will contribute to prosperous, peaceful societies in the digital age. In 2022, Fondation Lombard Odier partnered with ICRC, the international Institute for Management Development (IMD), and the World Economic Forum to co-incubate and launch "Driving Innovative Finance for Impact", a new three-week IMD course for decision-makers in humanitarian organisations. 2022 also saw Lombard Odier announce a landmark multi-year research partnership with Enterprise for Society (E4S), the academic venture spearheading the transition to a circular economy. This research focus on the investment case for different aspects of the circular economy, mapping out what the roll-out of circular economy practises will look like by sector and assessing overlap with the transition to net zero, among other themes. E4S is a collaboration between the University of Lausanne through its Faculty of Business and Economics (UNIL-HEC), the Institute for Management Development (IMD), and the Ecole Polytechnique Fédérale de Lausanne (EPFL).

Links and references

[Corporate Sustainability | Lombard Odier](#)

[Lombard Odier Group Supplier Code of Conduct .pdf \(lombardodier.com\)](#)

[Lombard Odier - Certified B Corporation - B Lab Global](#)

¹³ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Peers: Lombard Odier is an active member of the Geneva financial centre and contributes to various initiatives that aims to accelerate the transition to a sustainable financial system.

We have been a driving force behind the Building Bridges event in Geneva, Switzerland, since its inception in 2019. Building Bridges is an annual event that includes politicians, the financial sector, and NGOs, to discuss the climate agenda and collaborate around a common vision of advancing sustainable finance to address the Sustainable Development Goals (SDGs).

In 2022, Lombard Odier hosted a roundtable at the World Economic Forum in Davos, Switzerland. The session invited major leaders to explore new solutions and innovative partnerships that could shape the future of our foods systems. At Davos, we also co-hosted an event with our partner Systemiq to imagine a new future for our financial system.

The civil society: Since 2005 we are a founding member of the Corporate Support Group of the International Committee of the Red Cross (ICRC) where we provided, among other projects, expertise and seed funding to incubate the Program for Humanitarian Impact Investment (PHII), also known as the "Humanitarian Impact Bond". In 2022, Fondation Lombard Odier continued to support ICRC's efforts in the field of New Financing Models for humanitarian action. Another example is our collaboration with local organizations such as Terre des Hommes Switzerland, which thanks to seed funding from the Lombard Odier Foundation created the annual "Corporate Walk of Hope" in 2021, dedicated to companies and their employees to walk for children's rights.

Regulators: Lombard Odier supports UN Principles for Responsible Investing (UNPRI) collaborative initiatives and is actively involved with local, national and international regulatory and political authorities in promoting a sustainable finance framework. The PRI Collaboration Platform is a unique forum that allows signatories to pool resources, share information and enhance their influence on ESG issues.

Other examples of our engagement include the UN Environment Programme Finance Initiative (UNEP FI), The UN Principles for Responsible Investing (UN PRI), or the Task Force on Climate-related Financial Disclosure (TCFD).

Clients, employees, suppliers: we are in continuous dialogue with our clients, employees, and suppliers to gain insights into their areas of focus, expectations, and concerns.

Lombard Odier is a B Corp certified company since 2019. Our performance in the five areas assessed by B Lab (governance, workers, community, environment and customers) has been analysed in detail, and a number of actions have been taken and initiatives launched. We are active participants in the B Corp movement on a global scale, thus gaining insights from the certifying body B Lab and from other B Corps through active dialogue.

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Response

At the Lombard Odier Group level, our sustainability governance has two key centres of responsibility :

- Our **Sustainability Steering Forum** oversees our sustainability philosophy, investment approach, and related policies;
- Our **CSR Steering Forum** ensures that our non-investment related actions, operations and policies are aligned with our sustainability values.

Both forums consist of senior management representatives from across our business, thus including the wide range of groups involved in driving Lombard Odier's sustainability work, The Sustainability Steering Forum and the CSR Steering Forum report to the Board of Managing Partners. The Sustainability Steering Forum meets on a bimonthly basis or more often if needed, and the CSR Steering Forum meets quarterly. While we review our sustainability policies at least once a year, we also update them as and when required (e.g. with the introduction of new regulation or following an internal policy update). The Board of Managing Partners approves all policy introductions, amendments, and deletions.

Links and references

Governance Structure:
Lombard Odier
Sustainability report

Additional groups responsible for layers of oversight and governance around the implementation of our sustainable investment philosophy and policies report to the Sustainability Steering Forum, and one or more members of the management team oversee each group:

The **Lombard Odier Investment Management (LOIM) Stewardship Committee** is responsible for overseeing and guiding our stewardship responsibilities for internally managed funds.

LOIM Sustainability Forums: Within each asset class or investment team, investment professionals act as internal Environmental, Social, and Governance (ESG)/Socially Responsible Investment (SRI) specialists in close collaboration with the central Sustainability and ESG teams. LOIM Sustainability Forum members are particularly involved in implementing and monitoring Sustainable Investing policies and features across the portfolios or mandates of each investment team.

Private Client Business: The Investment Committee consists of the Chief Investment Officer and the Product Category Heads, who work with investment specialists across our different asset classes. All our portfolio managers and analysts have full access to all of our sustainability-related data and analyses, and are expected to stay up to date on important developments in the field. In particular, these resources enable the monitoring of developments that could have a material impact on an investment (e.g. where a particular sustainability challenge or ESG issue is financially relevant to companies operating in the sector that the analyst is covering).

Additionally, our Private Clients Investment Solutions Unit has implemented a Sustainability Forum that meets on a monthly basis, after the Investment Committee sessions. This forum is responsible for defining the sustainability policy and guidelines for the Private Client's unit, and following up on the recommendations made by sustainable analysts to Lombard Odier's Private Client's sustainable universe (investment lists).

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

At Lombard Odier, we believe that sustainability must be integrated in all units, at all levels, of our business. We aim to foster knowledge and awareness on climate-related topics through a range of channels, including intranet communication, video and in-person conferences, articles, social media, but also through a number of specific initiatives.

We offer a range of opportunities, both mandatory and voluntary, for our employees to deepen their understanding of responsible banking practices. we

Links and references

See the Lombard Odier Sustainability report

encourage our employees to flourish by providing a range of tailored training and development opportunities for everyone in our organisation. Our high-quality learning offerings help our colleagues develop their skills and capabilities while becoming more effective in achieving key business unit objectives. Job skills trainings include:

- Certified Wealth Management Advisor (CWMA) certification, recommended by the Swiss Bankers Association and internationally recognised under ISO 17024. 384 employees have been certified at the time of writing.
- Banking skills: These courses include in-house training on Lombard Odier's banking activities, instruments, and products; wealth management programmes through international access platforms like AZEK, and a range of other financial courses delivered by external providers and designed to maintain up-to-date job skills.
- Technical skills: To ensure a high level of expertise across units and functions.
- Higher education: Certifications include Certified Financial Advisor (CFA), Certified International Wealth Manager (CIWM), Certified International Investment Analyst (CIIA), Financial Management Oversight (FMO), and IT.

We also offer leadership training courses, such as:

- Our offering for middle and senior management includes a "Feedback for managers" course and a leadership programme delivered by IMD.
- Soft skills and self-development training.
- Language courses, delivered via Speexx's mobile app or external training centres.
- Mandatory and regulatory training, delivered primarily through e-learning.
- Our two bespoke talent management training courses for business units:
 - 1) **Associate Programme Training**, which aims to train a new generation of bankers and investment experts.
 - 2) **Graduate Programme**: Designed for recent graduates, this programme aims to develop our next generation of leaders by enabling them to gain a working knowledge of the bank's key activities, including the Front Office and Support functions.
- We have three online training platforms: Coopacademy for soft skills and digital culture, Pluralsight for IT skills, and the Resilience Institute for resilience training, coaching, and assessment.

Our bespoke learning platform LO University offers a range of training programs, including banking skills development, technical skills development, higher education certification, as well as several leadership trainings for middle and senior management. Our continuous increase in training programs offering reflects a sustainable choice to invest in our human capital's professional and technical expertise, soft skills and managerial competencies.

We conduct anonymous employee satisfaction surveys every two years to encourage our people to express their views on a range of topics, including strategy, collaboration, and development. Every two years, we conduct a survey with a specific objective. In 2022, this survey focused on new joiners to gather feedback on their first experiences with the company. These surveys enable us to monitor employee satisfaction and identify areas for improvement, which we consider when implementing new projects.

Since 2021 onwards and in partnership with the social platform Alaya, we are organizing corporate volunteering opportunities in French-speaking Switzerland. Volunteering helps us build relationships with local communities, increases our positive impact, and provides our people with opportunities to develop their skills and leadership qualities in a non-work setting, as well as an understanding of challenges in the communities around us.

All our collaborators are educated in managing risk and must complete regular training programmes, including Code of Conduct, conflicts of interest management, information security and data protection training. Depending on an employee's role, they may be required to complete specialised training.

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

<i>Response</i>	<i>Links and references</i>
<p>We have built accountability into our risk management infrastructure and implemented it throughout the Group. We base our operational risk framework on the 'three lines of defence' model.</p> <ul style="list-style-type: none"> ● 1st line of defence Business, Operations, IT In owning and managing their day-to-day risks, our business and support units are our first line of defence. ● 2nd line of defence Risk, Compliance, Legal Our Risk, Compliance and Legal teams represent our second line of defence. They provide an additional safety net against risks by providing oversight and monitoring (independent controls), defining the risk management framework, providing support and training to the first line of defence, and driving the implementation of appropriate risk and compliance rules and frameworks. ● 3rd line of defence Internal Audit Internal Audit is our third line of defence, ensuring independent verification of the completeness, efficiency and adequacy of our overall internal control system. With an unlimited scope of intervention, Internal Audit reports to the Group Supervisory Board and the Bank's Audit Committee of the Board of Directors. <p>All our employees are educated in managing risk and must complete regular training programmes, including Anti-Money Laundering, Code of Conduct, Conflicts of Interests, Information Security, and Data Protection training. Depending on an employee's role, they may also be required to complete</p>	<p>Lombard Odier Sustainability report</p>

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

specialised training. Our Group risk taxonomy provides a standard definition of risk types across all of our activities and legal entities, and allows for the consolidation of risks according to this definition. We also break down the main strategic & business, reputation, operational, and financial risk categories into subcategories where those risks are relevant to Lombard Odier. We regularly assess our risk process as part of our decision-making processes and governance structures.

Our Compliance unit ensures that we conduct our business diligently and fairly. It also ensures that our Group's activities comply with current regulatory and legal requirements as well as our in-house regulatory codes – such as our Code of Conduct – which all employees must adhere to.

Our Risk teams consist of experienced professionals who are wholly independent of the business lines, covering financial, information security, and operational risks. In line with our global risk organisation, we have a three-layer process for sustainability risk management oversight:

SRI Restrictions on tobacco, coal and unconventional oil & gas, and level 5 controversies.

In 2021, the Group extended its policy of restrictions on investments in companies whose revenues derived from tobacco, coal, or unconventional oil & gas are above certain thresholds, so that it covers both mandates for Group-managed private clients and LOIM actively managed public funds. Therefore, we now have a consistent, Group-level investment restrictions policy for the securities selected by all our investment management teams. The Chief Investment Officers may override these restrictions where there are appropriate reasons for doing so (for example, where a company is transitioning to a more sustainable model but is currently over the revenue threshold). We apply the same approach to companies impacted by a level 5 controversy. We update the list of companies affected by these restrictions daily, and the Group Risk Management team discusses and reviews these holdings with the relevant business lines on a weekly basis. These holdings and the list of overrides are presented to the Group Risk Committee on a monthly basis.

Monitoring exposure to stocks ranked in the bottom two ESG quartiles on a GICS sector level 2 basis.

We give additional scrutiny to holdings with ESG ratings in the third or fourth quartiles relative to their Global Industry Classification Standard (GICS) level 2 peers held in the LOIM actively managed public funds. The LOIM risk management team discusses holdings with below-average ratings with our portfolio management teams to ensure they take appropriate measures to mitigate ESG-related risks within the fund.

Monitoring overall portfolio compliance with the investment process using internal benchmarks to compare holdings.

The LOIM internal benchmarks screen out names that are considered low ESG, as well as controversies up to level 4. The LOIM risk management team uses this to encourage managers to either improve their ESG rating or engage with companies for change or improved sustainability disclosure. While we generally believe it is better for investors to determine their own values-based

exclusions, there are exceptions where we believe the potential negative impact of a sector or security on society is too high. At Lombard Odier, we have two Group-wide exclusions:

Controversial weapons:

At Group level, as part of the managed funds and mandates, we neither invest in, nor issue recommendations to invest in, companies that produce, trade, or store controversial weapons (i.e. biological and chemical weapons, anti-personnel mines, cluster weapons, depleted uranium, and white phosphorus) as defined by the UN conventions. These controversial weapons indiscriminately kill, seriously injure, and maim civilians, and often continue to do so long after conflicts have ended. Except for depleted uranium and white phosphorus, the production and use of such weapons has been banned or outlawed by several international treaties, namely the Biological and Toxin Weapons Convention (BWC – 1972), the Chemical Weapons Convention (CWC – 1993), the Ottawa Treaty on Landmines (effective 1999), and the Convention on Cluster Munitions (Oslo Convention – 2008).

Essential food commodities:

Wheat, rice, corn, and soybeans are the four cereals that form the basis of the global human diet. They are critical to achieving the second UN Sustainable Development Goal (SDG) – Zero Hunger – and stable food prices are vital to the food security of many at-risk populations. The increasing volatility of these prices directly affects such populations, who are sometimes forced to spend over 80% of their income on food to survive. The UN Special Rapporteur on the Right to Food has stated that the emergence of a speculative bubble and trade in commodity derivatives was a significant factor in the 2007–2008 global food price crisis, and has advised a restrictive approach to dealing in such instruments. As we are concerned about the potential impact of commodities investments on the volatility of essential food prices, Lombard Odier has decided to permanently exclude all financial instruments that invest in essential foods.

Integrating sustainability risk into the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP).

The main purpose of the ICAAP and ILAAP is to determine the level of capital and liquidity required to adequately mitigate all the residual risks that the Group faces while implementing its business strategy. They also demonstrate – based on a three-year capital plan and accounting for adverse events – how the Group can meet its regulatory capital and liquidity requirements. In 2021, sustainability risk was included in both ICAAP and ILAAP by measuring their potential impacts on these requirements. The results are factored in to the additional buffer of capital and liquidity that the Group must hold on top of the minimum regulatory requirements.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

- Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

<i>Response</i>	<i>Links and references</i>
Our PRB report will be assured by an independent assurer as of our third report in 2024.	

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other:

<i>Response</i>	<i>Links and references</i>
<ul style="list-style-type: none"> • UN Principles for Responsible Investing • B Corp certification 	Lombard Odier Signatory profile PRI (unpri.org)

<ul style="list-style-type: none"> UN Global Compact 	<p>Lombard Odier - Certified B Corporation - B Lab Global</p> <p>Lombard Odier UN Global Compact</p>
<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p><i>Response</i></p> <p>We will further our approach to determine what impact analysis, targets, and indicators we can provide in our next report.</p>	<p><i>Links and references</i></p>

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

<input type="checkbox"/> Embedding PRB oversight into governance	<input type="checkbox"/> Customer engagement
<input type="checkbox"/> Gaining or maintaining momentum in the bank	<input type="checkbox"/> Stakeholder engagement
<input type="checkbox"/> Getting started: where to start and what to focus on in the beginning	<input checked="" type="checkbox"/> Data availability
<input type="checkbox"/> Conducting an impact analysis	<input checked="" type="checkbox"/> Data quality
<input type="checkbox"/> Assessing negative environmental and social impacts	<input type="checkbox"/> Access to resources
<input type="checkbox"/> Choosing the right performance measurement methodology/ies	<input type="checkbox"/> Reporting
<input type="checkbox"/> Setting targets	<input type="checkbox"/> Assurance
<input type="checkbox"/> Other: ...	<input type="checkbox"/> Prioritizing actions internally

If desired, you can elaborate on challenges and how you are tackling these:

¹⁵ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁶ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Annex

A set of indicators has been produced for the impact areas of climate mitigation and financial health & inclusion. These indicators will support you in your reporting and in showing progress against PRB implementation. Banks are expected to set targets that address minimum two areas of most significant impact within the first four years after signing the PRB. That means that Banks should ultimately set targets using impact indicators. Acknowledging the fact that banks are in different stages of implementation and on different levels of maturity and therefore might not be able to report on impact from the beginning, a Theory of Change approach has been used to develop the set of indicators below.¹⁷ The Theory of Change shows the **pathway to impact** and considers the relationship between inputs, actions, outputs, and outcomes in order to achieve impact. The Theory of Change for climate mitigation can be found [here](#), the Theory of Change for financial health & inclusion can be found [here](#).

How to use: Both practice (action, outcome and output) and impact performance need to be understood because practice is the conduit for achieving desired impacts (including targets). The Theory of Change allows to identify metrics and set targets which align with a bank's maturity. The indicators below are all connected to a bank's impact and can be considered as steps towards measuring impact. Some of the practice indicators (on the action, output, and outcome levels respectively) are connected to portfolio composition and financial targets¹⁸ (highlighted in **green**) or to client engagement¹⁹ targets (highlighted in **blue**), which enable your overall target. If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex to measure your performance and baseline.²⁰ Once you have set the target, you can use the indicators as guidance for your action plan as well as defining Key Performance Indicators (KPIs) which you can then use to measure progress against the set targets.

¹⁷ It is not required from banks to work with the Theory of Change concept internally. In fact, the Theory of Change has been used to structure the requirements of setting SMART targets using relevant indicators.

¹⁸ Financial targets also aim for real economy outcomes but are not directly expressed as such. Instead, they are expressed with financial indicators and metrics, e.g., to redirect flows of lending and investments to sectors, activities or projects aligned with SDGs and/or related to the selected impact area. Banks can also set financial targets related to specific types of customers e.g., low-income customers or female entrepreneurs.

¹⁹ Client engagement targets involve engaging relevant clients and customers to enable your overall target. The purpose of client engagement is to support clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

²⁰ You might not be able to report on all indicators and/or or levels of practice (i.e. from left to right), in which case you should report on all applicable indicators on the respective level of practice no matter if it is an action, output or outcome indicator.

- **For Signatories of the Net-Zero Banking Alliance:** please report on the climate targets set as required in the [Guidelines for Climate Target Setting](#). As a member of the Alliance, you are required to publish first 2030 targets for priority sectors within 18 months and further sectoral targets within 36 months after signing. You can use the PRB template to disclose the required climate target information if its publication date is in line with the committed NZBA timeframe.
- **For Signatories of the Collective Commitment to Financial Health & Inclusion:** please report on financial health and/or financial inclusion targets set as required in the [Financial Health and Inclusion Commitment Statement](#). As a signatory to the Commitment, you have agreed to set a SMART ambitious target within 18 months after signing. To facilitate your process, please refer to the [Guidance on Target Setting for Financial Health and Inclusion](#) and the [Core Indicators](#) to measure financial health and inclusion. Keep in mind that signatories of the Commitment are encouraged to measure as many indicators as possible from the Core Set or their equivalent to be able to set a SMART impact driven target.

Impact area	Practice ²¹ (pathway to impact)									Impact ²²		
	1. Action indicators			2. Output indicators			3. Outcome indicators			4. Impact indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Climate change mitigation	A.1.1	Climate strategy: Does your bank have a climate strategy in place?	Yes / In progress / No	A.2.1	Client engagement process: Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes / Setting it up / No; If yes: Please specify for which clients (types of clients, sectors, geography, number of clients etc.)	A.3.1	Financial volume of green assets/low-carbon technologies: How much does your bank lend to/invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio; please specify the definition of green assets and low-carbon technologies used	A.4.1	Reduction of GHG emissions: how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO ₂ e (or applicable metrics) ²³
	A.1.2	Paris alignment target: Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No; If yes: - please specify: to become net zero by when? - Emissions baseline / base year: What is the emissions baseline / base	A.2.2	Absolute financed emissions: What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/or	Total GHG emissions or CO ₂ e (please also disclose what is excluded for now and why)	A.3.2	Financial volume lent to / invested in carbon intensive sectors and activities and transition finance: How much does your bank lend to / invest in carbon-intensive	bln/mn USD or local currency, and/or % of portfolio	A.4.2	Portfolio alignment: How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio (please specify which portfolio; for corporate and business clients: % of sectors financed)

²¹ Practice: the bank's portfolio composition in terms of key sectors, its client engagement, and its relevant policies and processes, and, if applicable, its advocacy practices

²² Impact: the actual impact of the bank's portfolio

²³ If possible and/or necessary, please contextualize the progress: Greenhouse gas emissions might even increase initially because the scope of measurements is extended and financed emissions from a growing proportion of the portfolio are measured, emission factors are updated etc. Emission reductions made by the clients should over time lead to a decrease in GHG emissions financed.

		year for your target? - Climate scenario used: What climate scenario(s) aligned with the Paris climate goals has your bank used?		investment portfolio?			sectors and activities ²⁴ ? How much does your bank invest in transition finance ²⁵ ?			
A.1.3	Policy and process for client relationships: has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No	A.2.3	Sector-specific emission intensity (per clients' physical outputs or per financial performance): What is the emission intensity within the relevant sector?	Please specify which sector (<i>depending on the sector and/or chosen metric</i>): kg of CO ₂ e/kWh, CO ₂ e / m ² ; kg of CO ₂ e/USD invested, or kg of CO ₂ e/revenue or profit					
A.1.4	Portfolio analysis: Has your bank analyzed (parts of) its lending and/or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes / In progress / No; <i>If yes:</i> please specify which parts of the lending and investment portfolio you have analyzed	A.2.4	Proportion of financed emissions covered by a decarbonization target: What proportion of your bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with	% <i>(denominator: financed emissions in scope of the target set)</i>					

²⁴ A list of carbon-intensive sectors can be found in the [Guidelines for Climate Target Setting](#).

²⁵ Transition finance is defined as financing the transition towards a low-carbon future in alignment with the Paris climate goals. It entails any form of financial support for non-pure play green activities to become greener and reduce emissions.

	A.1.5	Business opportunities and financial products: Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitisations etc.)?	Yes / In progress / No; Please specify which ones, and what financial volume and/or % of the portfolio they account for		a transition plan in place?							
B. Financial health	B.1.1	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective	B.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.

					means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.							
	B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of	B.2.2	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including	B.3.2	% of customers who use the bank's services to create a financial action plan with the bank	Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the bank using the bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualize,	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within PRB scope. Focus on main

			stronger skills, and thus, any individual that is supported with the initiative will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			financial health tools)			through the transactions of the customer, the results of the plan.			financial institution customers.
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.				B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.
							B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due"	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products

								defined by policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.			connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.	
							B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based

												using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.
C. Financial Inclusion	C.1.1	# of products and services in the portfolio with a focus on financial inclusion	Internal data based. Measures how many of the products and services in the portfolio have a financial inclusion focus. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is	C.3.1	% of individuals with a good and/or very good level of financial skills	Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.

					successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.					
	C.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported with the initiative	C.2.2	% of customers with effective access to a basic banking product	C.3.2	% of customers supported with dedicated customer journey/advisory services	"Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups, this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.		

			will achieve the desired results. Relevant employees are those the bank prioritizes in the training program due to their direct impact on the customers' financial health			money accounts, etc.						
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the commentary of the reports.	C.2.3	# of new customers per month	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.	C.3.3 *	% of customers actively using the online/mobile banking platform/tools	Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable)			