



MEDIA RELEASE

Geneva, 16 November 2020

Lombard Odier launches Natural Capital strategy

First-of-its-kind strategy targets investment opportunities that accelerate the transformation towards a circular bioeconomy and a leaner form of industry

Lombard Odier today announces the launch of a Natural Capital strategy. For the first time, there is the opportunity to invest in public companies that leverage the regenerative power of nature; Natural Capital. We believe these companies will deliver strong growth and become the winners of the future.

The Natural Capital strategy is a unique global investment strategy, which is directly inspired by His Royal Highness the Prince of Wales and developed in partnership with the [Circular Bioeconomy Alliance](#), established under his Sustainable Markets Initiative. The Circular Bioeconomy Alliance, of which Lombard Odier is a founding member, aims to drive transformational change to a climate and nature positive economy by connecting investors to sustainable investable solutions.

Nature is the most productive asset of our economy. We rely on nature directly and indirectly across multiple sectors, including healthcare, agriculture, industrials, tourism and real estate. With eight billion people on the planet, our linear take-make-waste economic model is now dangerously depleting this most productive asset, despite its regenerative nature. This is a risk for our global economic activity.

However, powerful forces are now pushing for this outdated linear model to evolve into a new circular economy that is harnessing the power of nature on the one hand, and preserving it on the other. Harnessing the power of nature is about greater reliance on bio-materials and an increased take-up of nature-based materials. It is also about using waste as a resource, about bioenergy, and a variety of regenerative farming, forestry and fishery practices.

Preserving nature means shifting towards greater circularity in our production and consumption model as well as eliminating waste in our industrial activities. This is about creating a much leaner form of industry, or in other words about more efficient use of resources, a shift in our consumption model and about zero waste strategies.

This profound metamorphosis of our linear economic framework into a new circular model is first and foremost driven by value creation and better economics. The Natural Capital strategy, together with our Climate Transition strategy launched earlier this year, aims to support a move to a CLIC™ (Circular, Lean, Inclusive and Clean) economic model.



The high-conviction portfolio of 40-50 companies explicitly focuses on the hotbed of innovation in publicly listed, small to mid-sized companies in North America, Europe and Asia. The strategy is focused on identifying companies that are already profitable and well positioned to take advantage of these four unstoppable growth opportunities: the circular bio-economy, resource efficiency, outcome orientated consumption and zero waste.

Lombard Odier Investment Managers (“Lombard Odier IM”) manages the Natural Capital strategy and will also provide investors with a sustainability report to show the positive impact on nature that investment in these companies brings to society and the planet, and to report on stewardship progress across the portfolio.

His Royal Highness, The Prince of Wales commented:

“We need to accelerate our efforts and set the course for a sustainable future rooted in a new economic model – in other words, a circular bioeconomy that puts Nature and the restoration of Natural Capital at the centre of the entire process. Building a sustainable future is, in fact, the growth story of our time. If we are to drive global economic growth, it is imperative that we value and invest in our natural capital. This is why I am enormously encouraged to see that, under my Sustainable Markets Initiative, the Circular Bioeconomy Alliance is working hand-in-hand to support the Natural Capital Strategy developed by Lombard Odier.”

Hubert Keller, Managing Partner of Lombard Odier Group and CEO of Lombard Odier IM, said: *“The investment industry, which represents \$120 trillion of capital, will always seek returns as a primary objective. Today some of the most convincing returns opportunities lie in the transition to a more sustainable economic model, putting climate transition and nature centre stage.*

“That is why we are launching the first Natural Capital Strategy, inspired by His Royal Highness, The Prince of Wales and in collaboration with the Circular Bioeconomy Alliance. By investing in companies that align their business models to the concept of Harnessing or Preserving Nature, our Natural Capital strategy has identified an untapped investment opportunity – one that we believe will deliver strong returns for investors and help accelerate the transition to a more sustainable economy.

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About Lombard Odier

Lombard Odier is a leading global wealth and asset manager. For over 220 years and through 40 financial crises the Group has combined innovation and prudence to align itself with the long-term interests of private and institutional clients. The Group is solely owned by its Managing Partners, has a highly liquid balance sheet and is well capitalised with a CET1 ratio of 29.7% and a Fitch rating of AA-.



Lombard Odier provides a complete offering of wealth services, including succession planning, discretionary and advisory portfolio management, and custody.

Lombard Odier Investment Managers (LOIM) is the asset management division of Lombard Odier. Its investment capabilities span Fixed Income, Convertible Bonds, Equities, Multi-Asset and Alternatives.

We believe that the next economic revolution has already begun and that sustainability will be a major driver of returns for the foreseeable future and beyond. For those with the skills to adapt to this new reality, sustainability will create new sources of alpha, open up new investment opportunities and lead to enhanced return and reduced portfolio risk.

The Group had total client assets of CHF 290 billion at 30 June 2020. Headquartered in Geneva since 1796, at end-June the Group had 29 offices in 23 jurisdictions and employed 2,535 people.

For more information: www.lombardodier.com

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About the Circular Bioeconomy Alliance

The Circular Bioeconomy Alliance is part of [the Sustainable Markets Initiative](#). Founding donors and partners include: AstraZeneca, The Finnish Innovation Fund Sitra, UPM, Center for International Forestry Research, Dasos Capity Oy, European Circular Bioeconomy Fund, Lombard Odier, Institute for Advanced Architecture of Catalonia, New Generation Plantations, Pretaterra, Wellbeing Economy Alliance, World Agroforestry (ICRAF), The World Economic Forum.

Activities of the Circular Bioeconomy Alliance include:

- Raising awareness and inspiring action towards a circular bioeconomy
- Catalysing investments and connecting investors to companies, start-up and scale-up projects
- Supporting governments to develop science-informed strategies to transition to a circular bioeconomy
- Demonstrating circular bioeconomy potential via pilot projects and training modules
- Accelerating land restoration initiatives

More information: www.efi.int/cba

The CBA is facilitated by the European Forest Institute (EFI), an independent international science organization which generates, connects and shares knowledge at the interface between science and policy. For more information: www.efi.int