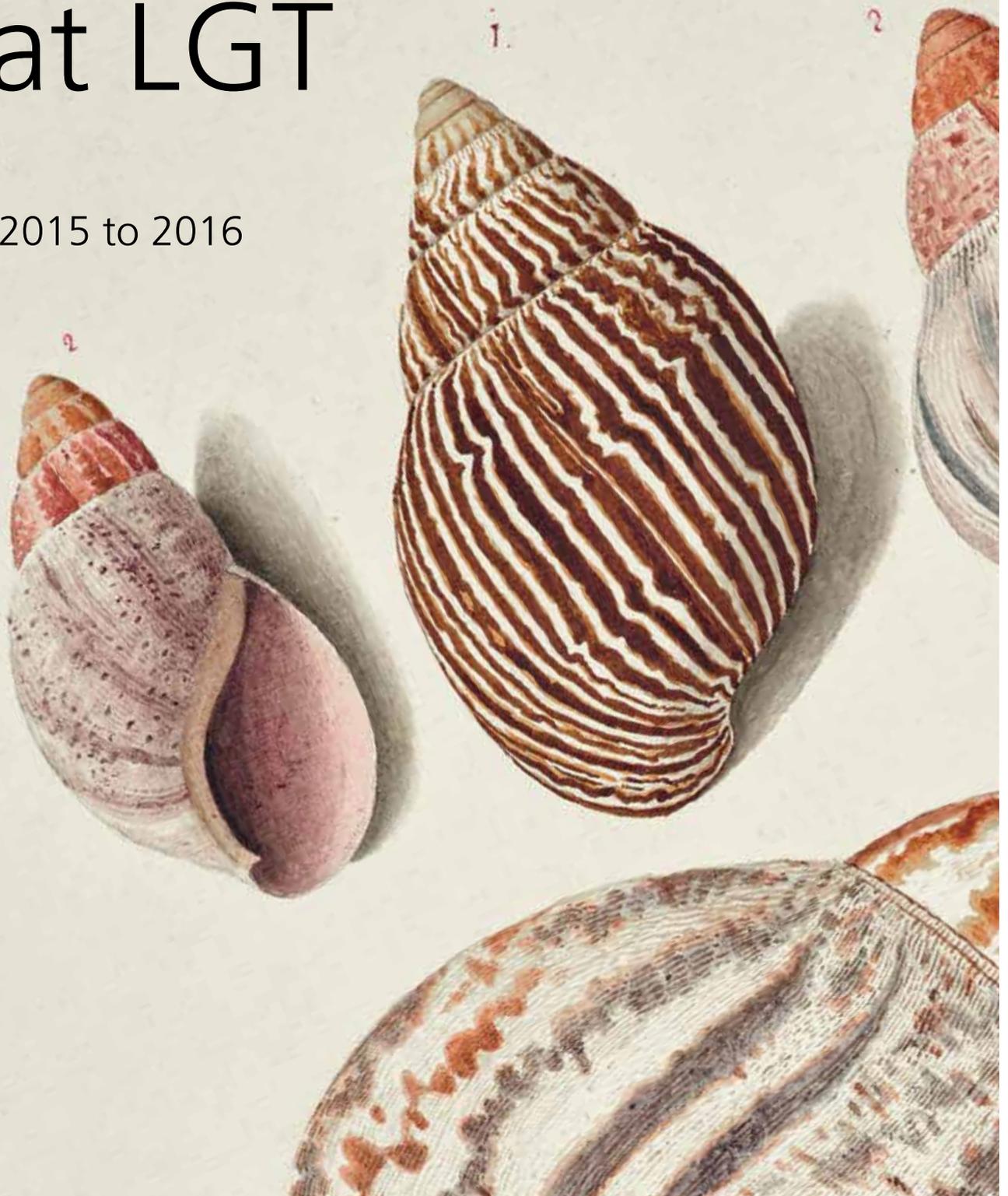
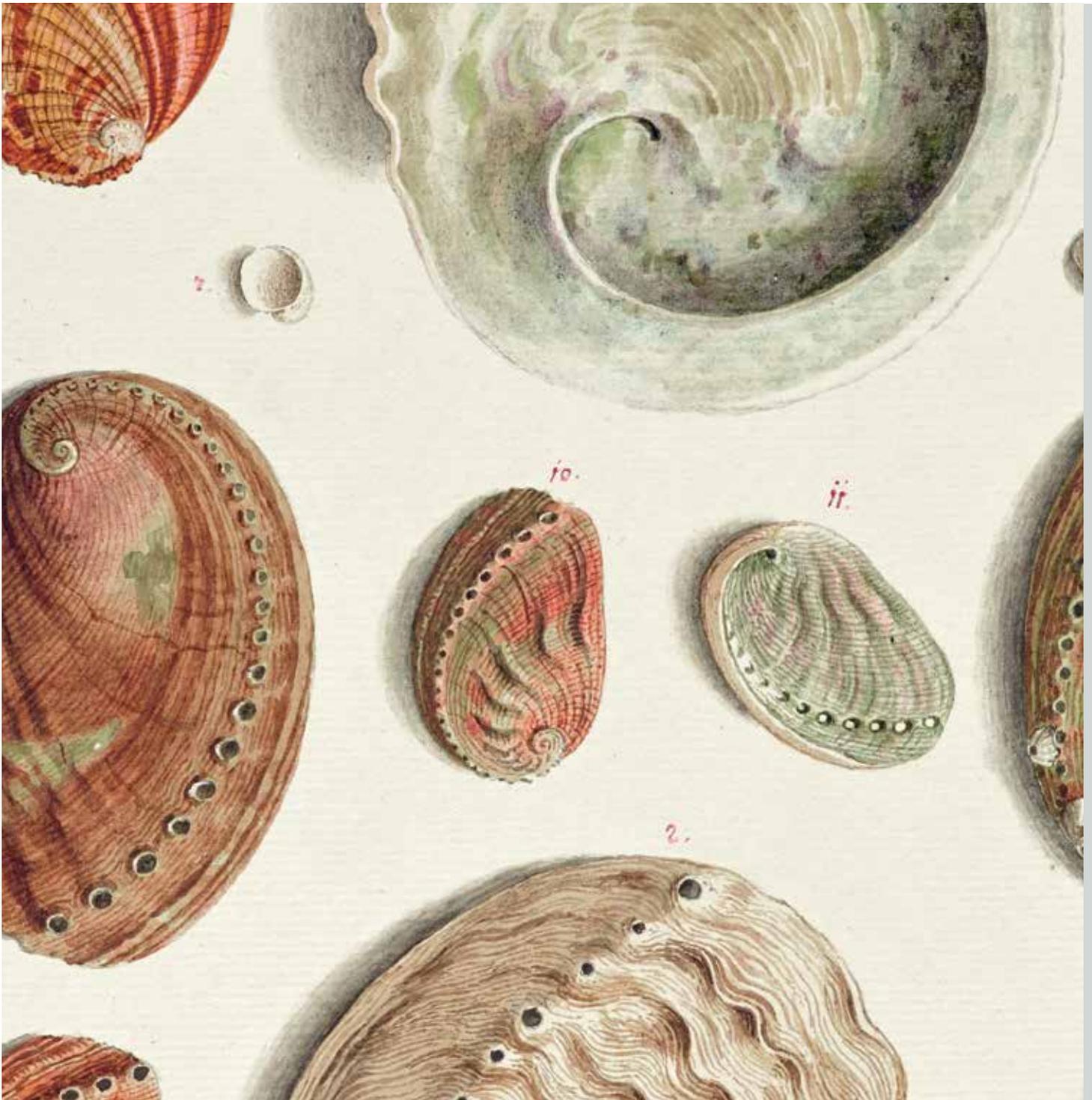




# Sustainability at LGT

2015 to 2016





**A look inside the Princely Collections: the illustrations in this publication depict studies of natural objects by Franz Anton von Scheidel.**

For more than 400 years, the Princes of Liechtenstein have been passionate art collectors. The Princely Collections include key works of European art stretching over five centuries and are now among the world's major private art collections. The notion of promoting fine arts for the general good enjoyed its greatest popularity during the Baroque period. The House of Liechtenstein has pursued this ideal consistently down the generations. We make deliberate use of the works of art in the Princely Collections to accompany what we do. For us, they embody those values that

form the basis for a successful partnership with our clients: a long-term focus, skill and reliability.

Illustrations: Franz Anton von Scheidel, details from "Depictions of conchiliae in watercolor after Johann Carl Megerle von Mühlfeld (1765–1840)," late 18th century. © LIECHTENSTEIN. The Princely Collections, Vaduz–Vienna

[www.liechtensteincollections.at](http://www.liechtensteincollections.at)

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“The simple and stable ownership structure of family-managed LGT allows us to pursue a long-term and thus sustainable corporate strategy and, at the same time, to make decisions quickly and independently.”

H.S.H. Prince Philipp von und zu Liechtenstein, Chairman LGT

# We strive to have a positive impact



H.S.H. Prince Philipp von und zu Liechtenstein (left) and H.S.H. Prince Max von und zu Liechtenstein (right)

Dear Client

As entrepreneurs, we take a long-term approach to everything we do, which is why the social and environmental challenges currently facing the human race are of great concern to us. Pollution and the ensuing climate change, the political problems as well as the social injustice that exists in many countries and regions pose a serious threat not only to society, but also companies. In the long term, companies can only flourish in a healthy environment and a well-functioning society.

Thinking and acting sustainably has always been a top priority for our family. We believe that we are responsible for the social and environmental impact of our business activities. As an intermediary between investors and capital-seeking businesses and organizations, we strive to ensure that capital is invested sustainably from both an environmental and a social perspective. We also make responsible use of the resources needed to conduct our business and encourage our suppliers to manufacture their products in a sustainable manner.

This is our third sustainability report and it highlights the goals we have set for ourselves in this area, how we intend to achieve them and the efforts we have made in the last two years to contribute to sustainable development.

A handwritten signature in blue ink, appearing to read 'Philipp', with a long horizontal stroke extending to the right.

H.S.H. Prince Philipp von und zu Liechtenstein  
Chairman LGT

A handwritten signature in blue ink, appearing to read 'Max', with a stylized flourish at the end.

H.S.H. Prince Max von und zu Liechtenstein  
CEO LGT

# Our understanding of sustainability

Our society is facing major challenges as far as the environment is concerned, but also from a social, technological and political perspective. The rapidly increasing pressures on the environment are leading to serious problems in a wide variety of areas. Climate change is one of the biggest risks to our planet and its consequences are already apparent today. These include melting sea ice and glaciers, loss of biodiversity, thawing of the permafrost and increasing desertification. In order to ensure that the effects

of climate change remain manageable, the increase in the global temperature must be restricted to less than two degrees Celsius above pre-industrial levels and, if possible, to one and a half degrees. This ambitious goal is laid down in the Paris Agreement, which was adopted by all the member states of the United Nations in December 2015.

To overcome this myriad of challenges, we not only need a strong political system that will put in place the necessary legislative and regulatory changes. We also need the business world to make its own contribution by introducing structural changes and technological innovations. The financial sector has a significant responsibility in this respect as an investor and investment adviser in the field of capital allocation, because it can play an important role in the transformation process that is needed.

LGT has been working on these issues for some time. It takes a long-term, integrated approach and fulfills its social and environmental responsibilities on a number of levels. In 2014, we defined the sustainability objectives that we intend to meet by 2020.



Since 2010, LGT has been carbon neutral. To offset unavoidable emissions, it is supporting a small-scale hydroelectric project in Honduras that is helping both the environment and the local community.

## LGT's objectives for 2020

### Doing business sustainably

- We want to be a leading private bank that integrates sustainability criteria into its product range and business activities.
- We want to incorporate sustainability criteria into our investment activities in all asset classes.

### Commitment to society and employees

- We want to make a strong commitment to positive development in society.
- We want to help reduce global poverty.
- We want to be a leading employer.

### Protecting the climate and resources

- We want 80 percent of our energy to come from renewable sources by 2020.
- We want to establish a systematic supplier risk management framework.
- We want to monitor and account for CO<sub>2</sub> emissions within our core business.

### In accordance with UN development goals

Our objectives support 16 of the 17 UN sustainable development goals. In 2015 and 2016, we reached some of the milestones that form part of our 2020 objectives. This has given us the incentive to set ourselves ambitious goals in these areas and to take the measures that are needed. In the past few years we

have focused on making our banking operations and investment business sustainable. In 2017, we will turn our attention to private banking. We intend to ensure that the sustainability aspects of the various investment vehicles available to our clients are fully transparent.



More information about the UN development goals is available at <https://sustainabledevelopment.un.org/>.

#### Doing business sustainably

- Ethics and integrity in business (p. 9)
- Integrating sustainability criteria into compliance processes (p. 9)
- Data security and protection (p. 9)
- Combating money laundering, corruption and terrorism financing (p. 9)
- Incorporating ESG criteria into direct investments, private equity and, in some cases, hedge fund solutions (p. 22)
- Offering impact investing solutions with LGT Impact (p. 26)

#### Commitment to society and employees

- Stakeholder dialog (p. 12)
- Award for the top employer in Switzerland and Liechtenstein (p. 16)
- Employee Volunteering Program (EVP) (p. 18, 20)
- Supporting social organizations in Liechtenstein (p. 19)
- Drink & Donate (p. 19)
- LGT Venture Philanthropy and LGT Impact helping disadvantaged people (p. 26)

#### Protecting the climate and resources

- LGT equity funds have a positive environmental footprint (p. 23)
- Green energy: our own photovoltaic systems (p. 28)
- Geneva and Zurich branches: Minergie standard (p. 28)
- Offsetting the CO<sub>2</sub> emissions of the business (p. 29)
- Systematic supplier audits and the development of new evaluation processes (p. 29)

# A new legislative framework

The financial sector is in a state of change, not least because of the introduction of new regulatory requirements. The Automatic Exchange of Information (AEOI) between countries is intended to increase international transparency and tax compliance. A number of states and supranational organizations, such as the UN, the OECD and the EU, are calling for more responsible corporate governance in order to help to prevent breaches of human rights and people trafficking, to guarantee fair working conditions, the responsible use of raw materials and to reduce global warming.

Under the terms of international agreements and national legislation, companies are increasingly required to take into consideration social and environmental criteria and the principles of good corporate governance:

- 2015: the UN introduced its sustainable development goals (2030 Agenda). Its overall goal is to end poverty by 2030 and, in particular, to eradicate extreme poverty. The World Bank defines extreme poverty as living on less than 1.25 US dollars per day.
- 2015: the Paris Agreement, which was adopted by all the UN member states, has the objective of restricting the warming of the earth's atmosphere to less than two degrees Celsius above pre-industrial levels and, if possible, to one and a half degrees. In addition to the UN member states, the agreement includes businesses in the private sector. It also requires flows of capital to be made climate-friendly.
- 2016: in France, institutional investors must disclose the climate impact of their investments under the terms of Article 173 of the Energy Transition Act.

- 2016: the Financial Stability Board's Task Force on Climate-related Financial Disclosures published its recommendations for the voluntary disclosure of climate-related financial risks.
- 2017: pension funds in Europe must include in their risk analyses and their investment decisions any risks relating to the climate and the use of natural resources, together with any social risks, as a result of an amendment to the EU directive for pension funds (EU directive on the activities and supervision of institutions for occupational retirement provision).
- 2017: companies with more than 500 employees and public interest entities must provide information about environmental, social and employee-related matters in their business reports (EU directive 2014/95/EU).



In April 2016, representatives from 175 nations signed the Paris Climate Agreement at a ceremony held at the United Nations headquarters in New York – pictured is former US Secretary of State John Kerry with his two-year-old granddaughter sitting symbolically on his lap. (Source: State Department/ Public Domain)

# Responsible corporate governance at LGT

For LGT, responsible corporate governance is an essential requirement for gaining and reinforcing the trust of clients and employees and also that of the company's owner and other stakeholders. LGT is managed according to the principles of the separation of powers (Foundation Board, Group Executive Committee, Executive Boards of the companies) and of checks and balances. We support the fight against corporate crime, money laundering, corruption and terrorism financing and have set up comprehensive internal controls and monitoring processes for this purpose.

We publish our financial figures and other important information in accordance with the international accounting standards for companies listed on the stock exchange, despite the fact that as a family-owned business we are not obliged to do so. LGT is one of the few international private banks worldwide that has its creditworthiness assessed by independent rating agencies and receives consistently high ratings. In 2016, LGT was rated Aa2 by Moody's and A+ by Standard & Poor's.

## Shared values – our Code of Conduct

Our business policy is based on performance, professionalism, fairness and high ethical standards. For us, responsible corporate governance means more than simply complying with all the relevant legislation and regulations in the countries where we do business. Where it makes sense to do so, we undertake to comply with more stringent regulations. Our Code of Conduct specifies a minimum standard that we must meet even in cases where national legislation is less strict. Our shared values are laid down in the LGT Code of Conduct, which defines the ethical and professional standards for all employees and is binding for all employees, including the members of the Foundation Board and Board of Directors.



At specially organized events, LGT explains complex sustainability issues to its clients, partners and employees in an informative and entertaining way.

## Guaranteeing data security from employees

LGT holds regular training courses and awareness-raising sessions on data security in order to ensure that its employees are constantly aware of the importance of information and understand that sensitive data needs to be protected. Using a range of methods including web-based training (WBT), classroom training courses, informational events and information provided on the intranet, information screens and posters and via e-mail, we keep our managers and employees throughout the company up to date with a wide range of subjects relating to data security. As well as basic courses and occasional and regular activities, we also run annual campaigns on important topical issues. If possible, we test our employees' knowledge of these topics after the training has been completed.

# “We want to go our own way”

H.S.H. Prince Max von und zu Liechtenstein would like to take LGT’s sustainable approach even further.

**Your Serene Highness, the late Milton Friedman, who was awarded the Nobel Prize in Economics and was a classical liberal, once said in an interview: “The social responsibility of business is to increase its profits.” He was known to have a poor opinion of corporate environmental and social responsibility. What is your view?**

**H.S.H. Prince Max:** Of course, a company’s main role is to develop its core business and make a profit. However, it would be wrong to focus only on maximizing profits to achieve this objective because this often results in companies taking a narrow, short-term approach. In the long term,

businesses can only flourish as part of a healthy society and they rely on having a positive relationship with it. This is why we cannot only take something out of society by maximizing our short-term profits and neglecting social and environmental considerations. We must also give something back to society and help to protect our environment.

**Apart from the business considerations, is the sustainability of LGT important to you personally?**

Sustainability and a long-term perspective are values that have always played a major role in our family. I am convinced that these values have helped the family to make an important contribution to society for centuries. Both as an individual and as a businessman, I want to have a positive impact on social and environmental issues.

**Which of the problems relating to sustainability that we are faced with today are the most important in your view?**

We are currently confronting major social and environmental challenges. Examples include pollution and climate change. The growing concentration of income and wealth in many areas of the world and the increase in social segregation are dangerous trends that could lead to political polarization. Instead of embracing populism and protectionism, we need to take an intelligent, inclusive and environmentally sustainable approach on a personal level, a corporate level and a national and international level.

**How can LGT help to resolve social and environmental problems of this kind?**

Every organization leaves behind a footprint on society and on the environment as a result of its activities and its behavior. We believe that investment and business decisions should be made not only on the basis of financial figures, but also taking into account their social and environmental impacts.



H.S.H. Prince Max von und zu Liechtenstein was appointed CEO of LGT in 2006.



H.S.H. Prince Max von und zu Liechtenstein and employees of LGT Impact visiting the Naboisho project in Kenya.

As investors and investment advisers we try to behave accordingly. We give our clients our assessment of the ESG characteristics of the different investment options and the organizations that provide them. ESG stands for environmental, social and governance criteria. In the areas where we as advisers or investors have sufficient influence, we make every attempt to ensure that organizations set themselves social and environmental objectives which will improve their sustainable positioning and impact. We have also founded two organizations – LGT Impact and LGT Venture Philanthropy – which specialize in investing in companies with a particularly strong positive impact on society and/or the environment.

“Every organization leaves behind a footprint on society and on the environment as a result of its activities and its behavior. We need to include these factors in our investment decisions.”

It is also important that we fulfill our social and environmental responsibilities within our own organization, for example by focusing on our own carbon footprint and ensuring that our suppliers are as committed as we are.

**Many companies owned by family foundations, such as Bosch and Bertelsmann, are, like LGT, making a conscious commitment to sustainability. What role does the ownership structure play in this respect?**

In companies that are listed on the stock exchange, stronger leadership is needed to ensure that they can focus on sustainability. Amazingly, some companies still believe that incorporating social and environmental objectives into their corporate strategy will have a negative effect on their profits. Of course, exactly the opposite is the case. In addition, the pressure to achieve good results in the short term is often very high in listed companies and this leads to negative decision-making in the long term. As LGT has only one owner, who takes a very long-term, socially responsible approach, it is much easier for us to think and act sustainably and holistically.

**Do you have a vision of where LGT will be in ten years in terms of sustainability?**

I hope that the word on the market will be: “If you want to invest, go to LGT. The service and client care are first class, the performance is excellent and the company is inspirational in terms of its corporate culture and impact on society.” ◆

# A strategic dialog based on partnership

LGT shares information on a regular basis with different stakeholders, but most importantly with its clients, its owner and its employees. We are also in frequent contact with public bodies, our suppliers, the academic world and the general public. We provide systematic, clear and easily understandable information that is targeted at specific groups. On the basis of a survey about the relevance of sustainability issues carried out in 2015, we reviewed and modified the direction and objectives of our sustainability activities. Around 60 people took part in the survey, including representatives from the business and academic worlds and from society as a whole, together with employees from different departments and regions. The results confirm that our 2020 sustainability objectives are on the right track. They also demonstrate that a sustainable approach is an essential means of future-proofing our business.

## The importance of sustainability for private banking clients

A client survey carried out by LGT in the German-speaking countries in 2016 reveals that private banking clients believe that sustainability is an important issue. However, environmental, social and ethical factors were rated differently in the individual countries. For example, ethical issues are relevant for more than half of the clients surveyed in Germany (D), but only for around one third of those questioned in Switzerland (CH) and Austria (A).

Additional results:

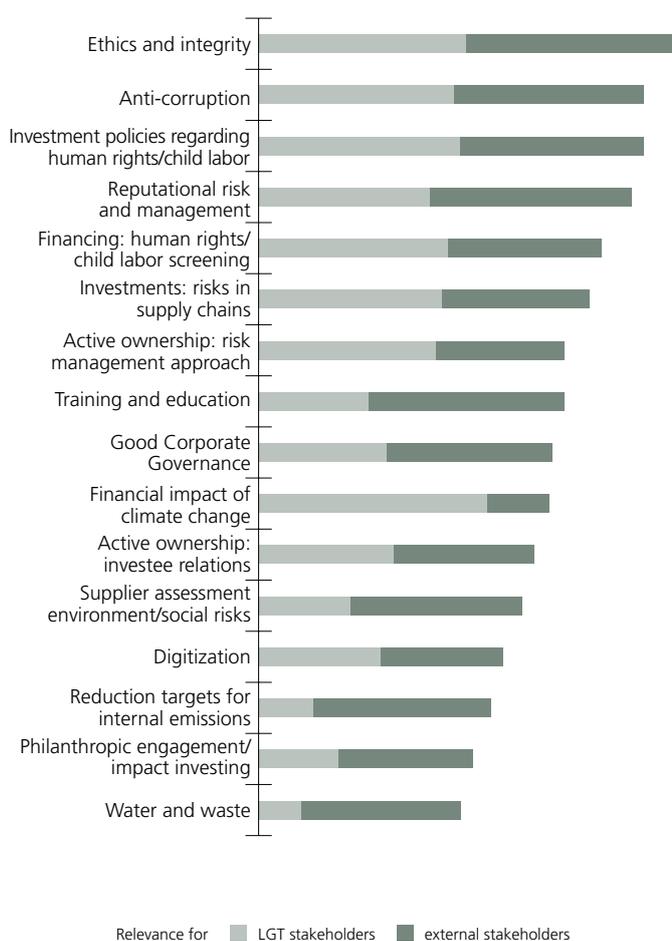
- On average 40 percent of the clients surveyed (D: 45%; CH: 34%; A: 36%) claimed they had already invested in sustainable assets.
- For up to 40 percent of the clients surveyed (D: 39%; CH: 22%; A: 25%), environmental factors played a very important role in their investment decisions in the past.
- Around 30 percent of the clients surveyed (D: 26%; CH: 33%; A: 29%) intended to increase their proportion of sustainable investments in future, while two thirds planned to keep the proportion the same.
- Approximately 56 percent of the clients surveyed (D: 61%; CH: 48%; A: 58%) are of the opinion that the returns from sustainable investments are the same as those from traditional investments.

### LGT Private Banking Report 2016

An investigation into the investment behavior of wealthy individuals in Germany, Austria and Switzerland. The survey was carried out by Professor Teodoro D. Cocca from the Institute of Corporate Finance at Johannes Kepler University Linz.

You can find more information at: [www.lgt.com/en/publications](http://www.lgt.com/en/publications)

### The relevance of sustainability issues



### The importance of sustainability for institutional clients

The results of the “Global Insights on ESG in Alternative Investing” study carried out by LGT Capital Partners and Mercer were published in 2015.

Around 100 institutional investors from 22 countries were asked whether and in what way they take ESG criteria into consideration when allocating alternative investments. The results confirm that our assessment of the situation and the way we work are correct.

- The majority of the investors surveyed (76 percent) consider ESG criteria when making allocations to alternative investments.
- In addition, 57 percent of the investors believe that considering ESG criteria has a positive impact on the risk/return profile, while only nine percent feel that there is a negative connection.
- A total of 69 percent of the investors are certain that their stakeholders are involved with ESG issues.
- More than two thirds of those surveyed are convinced that integrating ESG criteria into the investment process is a key factor in reputation management.

Study by LGT Capital Partners and Mercer on ESG criteria in alternative investing.

You can find more information at: [www.lgt.com/joint-survey-esg](http://www.lgt.com/joint-survey-esg)



Staying agile in the mind and on the saddle, Hans-Peter Schärli argues pragmatically for environmentally friendly transportation.

# The green mobility activist

After an hour of in-depth discussions about cars, protecting the environment and the future of transportation, one gets the distinct impression that two souls reside within Hans-Peter Schärli. The surprising thing is that they are not in conflict. In fact, they complement one another and even work very well together.

Every year Hans-Peter Schärli covers more than 6000 kilometers by bicycle. He is generally to be found on his racing bike, but sometimes on a mountain bike, keeping himself fit and opening his mind to new ideas. This gives him direct experience of how important clean air is. "Whether they live in Beijing, Paris or Milan, people want to breathe clean air," he says. This is the first and most obvious argument in support of green mobility.

But however enthusiastic he gets about electric cars and new ways of reducing the volume of traffic by means of networking and autonomous driving, Hans-Peter Schärli is definitely not a green idealist. He is a down-to-earth, rational person who does not argue in favor of environmentally friendly transportation for ideological reasons, but on a pragmatic and realistic basis. "Oil is much too important as a raw material for us to be burning it in our engines," he says.

### The spirit of Silicon Valley

Hans-Peter Schärli has noticed the new mood of optimism. "The development of electric cars is similar to the emergence of the computer industry in the 1980s. And today Silicon Valley is the center of innovation, just as it was then." He feels at home in the place where Google and Apple are carrying out their research into self-driving cars. For many years, he was managing director of the Swiss subsidiary of a leading

"Oil is much too important as a raw material for us to be burning it in our engines."

printer manufacturer. This gave him a good insight into the IT and high-tech industries at an early stage. He found the buzz and the excitement infectious. Even then it was not just about producing better, faster and more cost-effective printers. Developers also exploited the available technical potential in order to reduce consumption and make printing more resource-efficient and therefore more environmentally friendly. "Every page that isn't printed benefits the environment," says Hans-Peter Schärli, quoting his motto at the time. "But if you have to print something, it should cause as little environmental impact as possible."

### Focusing on what is feasible

According to Hans-Peter Schärli, the same is true of transportation. The cheapest journey and the one with the least impact on the environment is the one that you do not make. But if you have to go somewhere, then the means of trans-

portation you use should be as environmentally friendly as possible. Nowadays, there is a great deal of potential in this area.

"The technology is ready," he says. "Now we need to work on the mobility concepts." But he is also totally realistic. "We must not attempt to convert all our transport vehicles as quickly as possible and develop electric vehicles for snow clearance. Instead we need to exploit the existing potential." For example, most tradespeople and architects would be unlikely to travel more than 100 kilometers every day. On the basis of his analyses of large industrial organizations, he is certain that up to 30 percent of company vehicles could be replaced with electric models with the use of an intelligent fleet management system.

### Intelligent mobility concepts reduce the volume of traffic

But Hans-Peter Schärli doesn't plan to stop there. "With intelligent, networked transportation concepts, we would no longer have large buses traveling on pre-defined routes past empty bus stops," he explains. "Small buses, which could run autonomously, would be able to operate on the routes that people actually needed." In addition, we live in an aging society and older people want to remain mobile for longer. Needs-based mobility concepts could allow them to live an independent life for a longer period or at least give them greater freedom. That would mean more journeys on public transportation, "but because fewer vehicles would be registered and we would be using an intelligent traffic management system, the volume of traffic would still be reduced," says Hans-Peter Schärli.

Until we have achieved these objectives, the busy clean transportation activist will probably have spent a lot more hours on his bicycle coming up with new ideas for the next milestones in green mobility. ◆

**Hans-Peter Schärli** soon moved into the world of business after completing his electronics apprenticeship. As a dealer selling American electronic devices, he breathed the innovative air of Silicon Valley in the heady days of the 1980s. Since his time as managing director of the Swiss subsidiary of a large printer manufacturer, the connection between the economy and the environment has been very important to him. His involvement with green transportation allows him to combine his enthusiasm for innovation, his entrepreneurial talents and the need to protect the environment. In his role as a clean mobility architect he advises companies and public bodies on electric transportation and helps them to introduce electric vehicles and build up their fleets.

[www.e-lime.ch](http://www.e-lime.ch)

# Sustainable employee development

Assuming social and environmental responsibility is an important part of our corporate culture. We rely on employees who identify with our values and make a long-term commitment to our clients, whom we often support across several generations.

We value our employees' dedication and provide them with an attractive, safe and healthy work environment. This is confirmed by awards we have received from the Top Employers Institute for the last two years. Classic virtues and values such as reliability, respect and integrity play an important role in our corporate culture and are an integral part of our Code of Conduct.

## Education and training

LGT provides its employees with a comprehensive and varied range of internal and external training courses in areas such as personal development, social and management skills as well as professional and methodological expertise. In Switzerland, Liechtenstein and Austria, our relationship managers take part in a comprehensive certification program that complies with international standards.

Since 1995, the LGT Academy has been offering employees a wide range of personal development training programs which were attended by 255 employees in 2016 (2015: 209). The LGT Academy programs are complemented by additional courses and an online platform.

The health management program, known as LGT Vitality, which was launched in 2014, has become well established and plays an important role in improving the productivity and health of our employees in the long term. LGT Vitality covers the four areas of exercise, nutrition, relaxation and mindset. We are constantly adding to the activities available in all these areas.



In 2016, Riccardo Somma, a former apprentice and now a network administrator at LGT, finished in first place at ICTskills in Zurich in the IT network and system administration category and will take part in WorldSkills in 2017. He is the first person from the banking and service sector to enter the competition.

An internal survey on employee health carried out in the spring of 2016 shows that our employees are about average in terms of physical health. Periodic surveys will be held in future to identify any measures needed and the progress that has been made.

LGT Vitality also encourages employees to take part in public health campaigns such as "Bike to work." Around five percent of staff in Switzerland and Liechtenstein have been involved in this program over the last two years.

LGT invests more than 5.3 million Swiss francs every year in employee training, which corresponds to 2121 Swiss francs per employee.

## Supporting talented people

Training the next generation of staff has traditionally been an important part of our employee development activities. As a

certified training bank (in accordance with guidelines issued by the Swiss Bankers Association), we are committed to giving young people in Liechtenstein and Switzerland a practical and varied start to their careers. Our training programs cover professional and personal development, as well as social skills. We employ around 90 percent of our apprentices after they have completed their apprenticeship.

Every two years, we offer around ten university graduates the opportunity to complete an 18-month Graduate Program.

### Diversity and equal opportunities

LGT offers equal employment and promotion opportunities to all employees, regardless of their gender, age, religion, nationality, ethnicity, sexual orientation, marital status, physical ability or other characteristics protected by local law. Expertise and experience are important to LGT, which is why we deliberately employ people over the age of 50. In 2016, this group of people made up around nine percent of all our new hires.

In order to meet the needs of older employees more effectively, we have introduced flexible working hours and pension safeguarding measures. For example, under certain circumstances employees who are 57 or older (at some locations 58) can take flexible retirement. Partial retirement with a reduced working week is also an option. From 2017 onward, we will be adding courses specially designed for this target group to our training program.

LGT treats its employees with respect. It also respects differing opinions, perspectives and cultural customs. In 2016, the workforce of LGT was made up of people from more than 50 countries.

### Periodic employee surveys

As a family company, LGT places great importance on factors such as employee satisfaction and the working atmosphere. This is why we review these and other issues periodically in our Group-wide employee surveys. The last survey was held in the fall of 2016 and around 70 percent of employees took part.

Compared with 2013, the satisfaction of employees has increased in almost all areas. A total of 90 percent of employees (2013: 86%) are very satisfied with their general work situation and 91 percent (2013: 87%) are very satisfied with their work. The survey also showed that employees feel very close links with LGT. Some 92 percent of them said that they are proud to work for LGT and the same percentage would choose LGT as an employer again. Despite the excellent results, we will use the findings of the survey as the basis for further improvement measures in the area of employee satisfaction.



In 2016, around 200 employees with at least ten years of service at LGT were invited by H.S.H. Prince Philipp von und zu Liechtenstein, Chairman of LGT, to attend the traditional anniversary party. One permanent item on the program is a visit to an innovative Liechtenstein-based company, which gives the employees the chance to find out at first hand what makes other family businesses successful in the long term.

# On behalf of society

The LGT Employee Volunteering Program (EVP) gives employees the opportunity to volunteer on behalf of less privileged members of society or to work on environmental projects. Around five percent of employees have taken part in various EVP activities over the last five years.

In Liechtenstein and Switzerland, the focus in the last two years has been on the environment. Employees have dug out invasive plants in Liechtenstein, worked to increase biodiversity in a vineyard near Zurich and removed waste and rubbish from the banks of the Rhone in Geneva.



The **LGT Young Soloists** are a group of young and talented string soloists. They perform together with their peers as soloists within their own orchestra, accompanying each other and sharing their passion for music. This gives them the unique opportunity to appear on stage regularly and gain experience as soloists, chamber and orchestral musicians, build up their repertoires and develop their stage presence.

In New York, employees regularly prepare meals for homeless people and help to serve them as part of the Common Pantry organization. In London, employees of LGT Vestra have been involved for several years with the charity Beanstalk, which helps to improve the literacy of disadvantaged children. Once a week, employees spend their lunch hour reading with the children.

Our subsidiary in London has recently begun supporting The Prince's Trust. This organization provides mentors and coaches to help disadvantaged young people who have an idea for a new business. At the start of the cooperation with The Prince's Trust, eight employees from LGT Vestra took part in a charity bike ride. Taking as their motto "From Prince to Prince," they cycled the 1100 kilometers from Buckingham Palace in London to Vaduz Castle in Liechtenstein in six days. On the last stage they were accompanied by H.S.H. Prince Max von und zu Liechtenstein, CEO LGT. On their strenuous journey, they raised around 63 000 Swiss francs for The Prince's Trust.

In Hong Kong, around 20 percent of our employees have taken part in the Green Power Hike in the last two years and have raised a total of 35 500 Swiss francs for environmental education activities and for cleaning up unsupervised beaches on the islands surrounding Hong Kong.

In the last two years, LGT Bank in Singapore has invited non-profit organizations to a concert given by the LGT Young Soloists, followed by a meal. In 2015, children, young people, low-income families, elderly people and disabled people attended the concert, all of whom are supported by the organization AWWA. In 2016, severely disabled residents of the Singapore Cheshire Home whose

families cannot care for them were invited. Our employees provided support for the visitors before, during and after the concert.

Our branch in Austria has been supporting the organization Teach for Austria since 2016. It campaigns for equal opportunities in the education system and supports children and young people from low-income and educationally disadvantaged families. The organization sends university graduates as support teachers to junior high and high schools in disadvantaged areas, where they then work for at least two years as fully-fledged teachers (fellows). They are given training in teaching skills before they begin work and are supported by experienced trainers during their deployment. Every year, Teach for Austria helps around 100 children who have fallen behind in their education.

### LGT Award for Social Engagement

Since 2014, LGT has presented charities in Liechtenstein with the LGT Award for Social Engagement. The prize, which is worth 50 000 Swiss francs, is awarded every two years to non-profit organizations in Liechtenstein. In 2016, the award went to Stiftung Liachtbleck and Caritas Liechtenstein, both of which support people who are in financial difficulties or living on a very low income. The Junges Theater Liechtenstein received a prize of 20 000 Swiss francs in recognition of its Lernbox project, which provides early support for children aged between three and seven.

### Drink & Donate – for clean drinking water

Since 2016, LGT has been one of the partners of the charitable organization Drink & Donate. With the motto “Drink tap water,



“The award is intended to be an incentive to preserve and intensify social engagement in Liechtenstein,” said H.S.H. Prince Max von und zu Liechtenstein, CEO LGT (I.), at the second LGT Award ceremony in October 2016.

support water projects”, LGT is encouraging employees not to buy bottled mineral water, but to drink tap water instead. Every employee has been given a special drinking bottle and these are also available in client areas, where they have received a positive response. Some clients have introduced the same concept in their own companies.

Every year, LGT donates 100 000 Swiss francs to drinking water projects organized by Drink & Donate. LGT’s employees choose the project that will be supported each year. The 2016 donation went to a project run by the development aid organization Helvetas which is funding the construction and repair of drinking water wells in Nepal. This will give around 850 households in the regions with the poorest infrastructure access to clean drinking water.

# Making dreams come true

Ollie Brand has become involved in supporting The Prince's Trust, together with 13 of his colleagues at LGT Vestra. The organization helps to give disadvantaged young people better prospects in life.

"I was familiar with The Prince's Trust back when I was a student," says Ollie Brand, Investment Assistant at LGT Vestra in London. "The charity is very well known in the UK, so I was particularly delighted when the Million Makers competition, which the Trust organizes, gave me an exciting opportunity to offer this brilliant organization some hands-on support."

## Giving young people a chance

The Prince's Trust is a charity that helps disadvantaged young people to put their lives back on track. It was founded in 1976 by H.R.H. Prince Charles and for 40 years it has been helping young people between the ages of 13 and 30 who have problems at school or are unemployed and for this reason are at risk of social exclusion.

Many of them are already homeless, are suffering from mental health problems or have even come into conflict with the law. The Prince's Trust programs give these people the practical and financial support they need to put their lives in order, build up their self-esteem and prepare for the world of work. Three out of every four young people helped by the organization find a job or go on to further education.

## Million Makers competition

"When I heard about the Million Makers competition last spring, I decided to take part right away," says Ollie Brand. LGT Vestra Chairman David Scott had encouraged his staff to sign up for this charitable project.



Eight keen cyclists from LGT Vestra covered more than 1100 kilometers on their six-day "Prince to Prince" charity ride from Buckingham Palace in London to Vaduz Castle.

The concept is an exciting one: between eight and 14 colleagues form a team, develop their own fundraising campaign and run it over a six-month period. Dozens of companies from all over the United Kingdom took part. The aim was for the companies that support The Prince's Trust to raise one million pounds by means of their initiatives in the Million Makers competition to allow even more young people to be given a better future in life.

### The LGT Vestra team

"Our team consisted of 14 people from a wide range of different departments," says Ollie Brand, who was also the team leader. They hadn't known each other very well before the Million Makers competition, he admits. He found it very rewarding to work as part of the project with colleagues he otherwise wouldn't have had much to do with.

The Prince's Trust organized an introductory event for all the participants in London last May to mark the start of the competition. Jordan Smith, a young man with cerebral palsy, was among the young people who told their stories. He described how his disability had led to difficulties at school and to mental health problems. With the support of The Prince's Trust, he had gained the confidence to get his life back on track and had succeeded in finding work. "We were deeply moved – everyone in the room was close to tears," remembers Ollie Brand. "At the same time, his success story motivated us even more to give the competition our best shot."

"Knowing that our involvement helps to give people like Jordan Smith better prospects is a huge incentive. I will keep up my involvement in social causes."

Ollie Brand

### Total commitment

"From June onward, we spent all our time putting the finishing touches to our business plan in our lunch breaks and after work." He adds that, having explored various ideas, they finally decided to arrange a number of events. They launched their campaign in July. Among other things, the team organized a "Three Peaks Hike," which involved climbing to the top of a mountain in Scotland, England and Wales in the space of 24 hours. But their plan also included

various smaller-scale events. For example, they sold sandwiches and ice cream to colleagues at their desks. The "Olympic Lunch" also went down well, he says. This involved LGT Vestra employees preparing dishes from their home countries and bringing them to work to sell to colleagues, with the proceeds going to the Million Makers competition. They were also able to collect donations



The team from LGT Vestra came in second in the Million Makers competition in the category for companies entering for the first time.

during a golf tournament and the "Prince to Prince" bike ride from London to Vaduz, where LGT has its headquarters. "Although these two events were already planned, the organizers allowed us to publicize our own cause," says Ollie Brand. "At the golf competition, we were allowed to put an appeal for donations on the back of the tickets." They created websites specifically for the "Three Peaks Hike" and the Prince to Prince bike ride, he adds. "Everyone at LGT Vestra had the links to the websites at the end of their e-mail signature," explains the Investment Assistant.

### Hard work pays off

The team's activities brought in an impressive sum – more than 50 000 pounds (over 60 000 Swiss francs) was donated to The Prince's Trust. However, that was not the only thing that they had to be pleased about: the team from LGT Vestra came in second in the Million Makers competition in the category for companies entering for the first time. "Of course, we were rather proud of that too," says Ollie Brand. But he believes he would have found his participation in the Million Makers competition a fantastic experience even without this recognition. "We learned a great deal from developing and implementing our projects. And knowing that our involvement helps to give people like Jordan Smith better prospects is a huge incentive. I'd definitely like to keep up my involvement in social causes." ◆

# We take responsibility

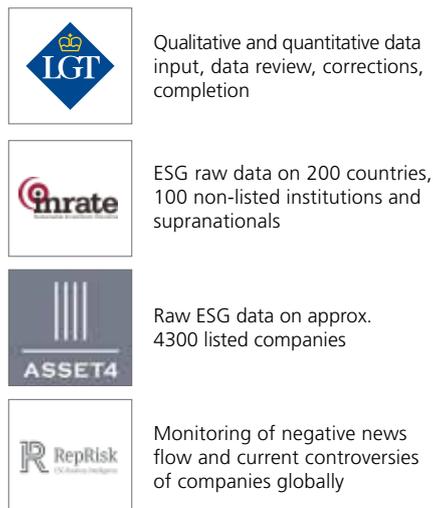
As an investor and investment adviser, we attempt to combine good financial performance with our environmental and social objectives and to take into account the principles of good corporate governance, at the same time. Since 2003, a clause on the subject of responsible investing has been a permanent feature of many of LGT's investment programs. This enables us to exclude investments that involve significant risks to environmental, social and governance factors (ESG criteria). Throughout our Group, we do not invest in companies involved in manufacturing, storing or supplying controversial weapons such as nuclear missiles, land mines, cluster bombs and munition, or biological and chemical weapons. We also actively exercise our voting rights for all our equity funds. Our decisions are based on internal regulations and on Swiss and international corporate governance guidelines, such as the UN Principles for Responsible Investment (PRI).

## The LGT ESG Cockpit – the basis for our sustainable investment products

We introduced our sustainable equity and bond funds as early as 2009. In these funds, ethically controversial activities are excluded from our investment decisions. In addition, we choose securities offered by companies or states that have high sustainability standards (ESG). At the start of our selection process, we exclude securities from companies that generate a significant part of their revenue from tobacco, gambling, arms, pornography or nuclear energy or are involved in child labor. In the case of government bonds, we exclude countries with a poor record on human rights, the rule of law and democracy and with a high level of corruption, as well as those that have not signed international agreements on banned weapons.

### LGT ESG Cockpit – powerful, flexible and state-of-the-art

#### Data input



#### LGT ESG Cockpit

-  Environmental
-  Social
-  Governance

#### Capabilities

##### Single stock analysis (company screening)

- ESG overall and individual E, S, G scores
- Reputational risks (critical issue screener)
- Controversial revenue sources

##### Country screening

- International treaties (e.g. cluster munition)
- Human rights issues and corruption level

##### Supranational screener

- Impact assessment of the projects financed

##### Portfolio analysis

- Based on standardized or customized criteria

We also assess the good governance and the environmental and social responsibility of the individual issuers by selecting key performance indicators (KPIs). We use our own analysis system, the ESG Cockpit, to calculate these KPIs. It is based on publicly available ESG data from a number of specialist data providers, such as Thomson Reuters and Inrate.

The use and weighting of the KPIs are adapted to the industry that each company belongs to. For example, CO<sub>2</sub> emissions are an important performance indicator for energy supply companies, but they play a less significant role in the IT services and banking sectors. This approach allows us to make a detailed ESG evaluation of the companies with a focus on the issues and performance indicators that are important for the industry in question.

#### The environmental footprint of our equity funds

The LGT ESG Cockpit enables complete portfolios to be analyzed and compared with other portfolios or market indices. One important aspect is the impact of the companies' business activities on the environment, in particular in terms of greenhouse gas emissions (GHG), which are currently a very significant consideration for investors. The comparison between the LGT Sustainable Equity Strategy and the MSCI World index (see illustration) shows that the companies in the LGT portfolio have a much less negative influence on the environment than those in the

benchmark index. For example, the annual greenhouse gas emissions amount to 80.1 tonnes of CO<sub>2</sub> equivalents per million US dollars of sales. This figure is 65 percent lower than that of the MSCI World index, which is 227.5 tonnes. The LGT portfolio's figures for energy and water withdrawal and waste generation are also much lower.

#### LGT's commitment to external investment managers

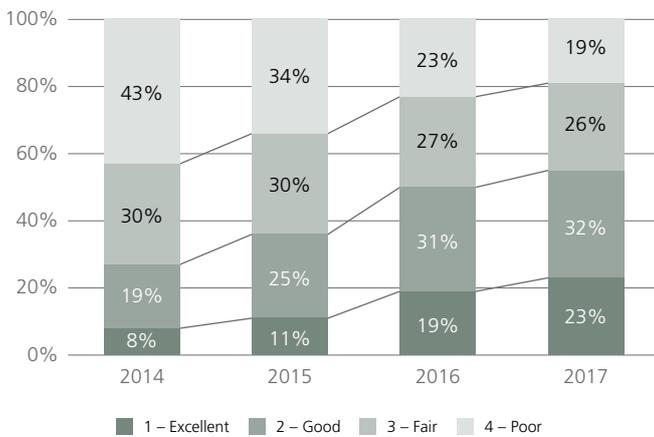
LGT makes substantial investments via external investment managers, in particular in the two alternative investment categories of private equity and hedge funds. We work closely with these managers and use our influence to convince them to take sustainability criteria into consideration to a greater extent in their investment process.

Since 2013, we have carried out an annual survey of our hedge fund and private equity managers that covers their initiatives in the area of environmental and social responsibility and good governance (ESG). We publish the results in our ESG Report. We use the survey to demonstrate to our investors the extent to which the managers have integrated ESG factors into their investment process, their ownership guidelines and their reporting practices. The survey is also the starting point for encouraging the managers to set themselves sustainability objectives and to invest in developing their ESG expertise and processes.

Environmental footprint report for LGT Sustainable Quality Equity Strategy (as of 10.01.2017) against MSCI World Index (as of 30.12.2016)

	GHG emissions to sales (t CO <sub>2</sub> eq./USD m)	Energy consumption to sales (MWh/USD m)	Water withdrawal to sales (m <sup>3</sup> /USD m)	Waste generation to sales (t/USD m)
Portfolio exposure	80.1	253.0	1 924.8	19.5
Benchmark exposure	227.5	454.8	13 588.0	639.7
Difference	-147.4	-201.8	-11 663.3	-620.2
Difference in %	-64.8	-44.3	-85.8	-97.0

**Improvement in ESG ratings globally**



**Private equity**

Since 2015, the number of private equity managers who take ESG criteria into consideration when investing has risen continuously. Some 55 percent of the 184 managers we assess to determine whether they comply with ESG criteria are now rated either “good” or “excellent,” which gives them a score of either 1 (excellent) or 2 (good). This corresponds to an increase of five percentage points over the previous year, when 50 percent of the managers were rated either “good” or “excellent.” The proportion of managers who fail to take ESG criteria into consideration (rating 4) has fallen to under 20 percent (2016: 23 percent).

There are still significant differences between the regions when it comes to the integration of ESG criteria. Europe is the clear leader, followed by Asia and the USA. In Europe, 66 percent of managers are rated either “excellent” (1) or “good” (2). Asia is close behind Europe with a figure of 57 percent. At 38 percent, the proportion of managers in the USA rated “excellent” (1) or

“good” (2) is roughly the same as the previous year (36 percent). However, progress has been made in all the regions.

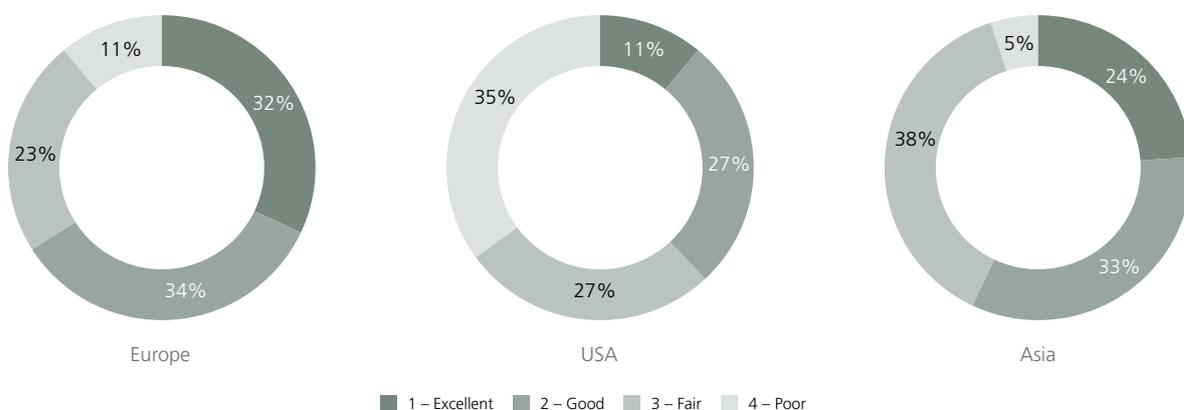
In Europe, where 66 percent of managers are rated “excellent” or “good” (1 or 2), the integration of ESG criteria seems to have become a standard feature of the investment process. This means that the easier measures for integrating ESG criteria have already been taken. However, developments in this field are continuing. The managers are increasingly focusing on areas such as active interaction with portfolio companies and are using key performance indicators (KPIs) to monitor the measures they have introduced on the basis of comparable data. The level of detail and transparency in the reporting has increased.

In the USA, the managers’ ESG momentum has remained the same as during the previous year. Although this has not yet become apparent in the ratings, in our discussions with managers in the USA it is clear that their interest in the environment, social responsibility and good corporate governance is increasing.

In Asia, the integration of ESG criteria is at a high level which is similar to that in Europe. In 2017, 57 percent of all managers were rated “good” or “excellent.” This corresponds to an increase of twelve percent over 2016. It is worth mentioning that one

In 2008, we became a signatory of the UN Principles for Responsible Investment (UN PRI). We are also a member of CDP and of the Forum Nachhaltige Geldanlagen (the industry association promoting sustainable investment in Germany, Austria, Liechtenstein and Switzerland). In addition, we are a founding member of Swiss Sustainable Finance. In 2016, we signed the Montréal Carbon Pledge.

Manager ESG ratings by region in 2017



manager has taken such a consistent approach to introducing appropriate measures that he has moved from a rating of 4 (no consideration of ESG criteria) to a rating of 2 (good integration of the criteria). The starting point for this development was the introduction of a standard for integrating ESG criteria into the investment process. A checklist is used to evaluate the ESG factors in all investments.

**Hedge funds**

The ESG ratings of the hedge fund managers have also improved in recent years. In 2017, the proportion of managers rated “excellent” or “good” remained relatively stable at nine percent. However, the assets managed by this group of managers has risen to twelve percent of all the assets under management (AuM). At the same time, the subject of ESG criteria is increasingly being discussed at hedge fund conferences and in articles in the industry press. We have also seen the number of managers who have improved from a rating of 4 (no consideration of ESG criteria) to a rating of 3 contin-

uously increasing over the last three years (2015: 67%; 2016: 73%; 2017: 76%). This shows that the initial ESG factors are being addressed.



In October 2016, **PWM** (Professional Wealth Management – part of the Financial Times Group) and **The Banker** recognized our efforts by designating us the Best Private Bank for Socially Responsible Investing and the Best Private Bank for Growth Strategy.

# LGT Venture Philanthropy and LGT Impact



As an LGT Impact Fellow, Paolo Limcaoco has supported Sugruvi, an organization that helps small farmers in the Philippines.

By establishing LGT Venture Philanthropy and LGT Impact, LGT has put itself in a leading position in the fields of venture philanthropy and impact investing. Since 2007, we have invested in more than 50 organizations that have had a major positive social and environmental impact. Both LGT Venture Philanthropy and LGT Impact have the same investment strategy. They invest in companies that address social and/or environmental problems using efficient and scalable solutions. More than three quarters of the portfolio companies are in the healthcare, education, agriculture or energy sectors and almost all of them focus on the needs of socially disadvantaged people.

LGT Venture Philanthropy is structured as a foundation and makes philanthropic investments either in non-profit organizations or in companies and projects with a risk/return profile that does not correspond with traditional investment strategies. Any capital gains, dividends or interest earned by the invest-

ments made by LGT Venture Philanthropy remain within the foundation and are invested philanthropically in accordance with the foundation's purpose. LGT Impact invests in organizations that combine positive financial returns with strong and clearly measurable social or environmental added value. It distributes the capital gains, dividends and interest to the investors.

A large proportion of the portfolio companies supported by LGT Venture Philanthropy and LGT Impact have seen strong growth and have been able to achieve significant social added value. Our support for the portfolio companies is not limited to selecting and financing them. It also includes direct involvement, typically by providing a representative on the Supervisory Board, together with contacts and expertise. These are provided by the LGT Impact Fellowship Program, which puts experts with extensive professional experience from LGT's network in contact with the portfolio companies. Over the last two years, 15 LGT Fellows have become involved with portfolio organizations and worked there for at least eleven months in each case. Since this initiative was launched in 2009, one third of the more than 130 Fellows who worked with the portfolio organizations have remained in their teams after the end of the program.

#### Award-winning impact investing

- 2015 SVCA Award "Most Impactful Funder" from the Singapore Venture Capital & Private Equity Association
- 2016 Highly commended "Best Social Impact Investor" at the Investment Week Sustainable Investment Awards 2016

You can find more information in the "Impact Report 2015" at: [www.lgt.com/en/publications](http://www.lgt.com/en/publications)

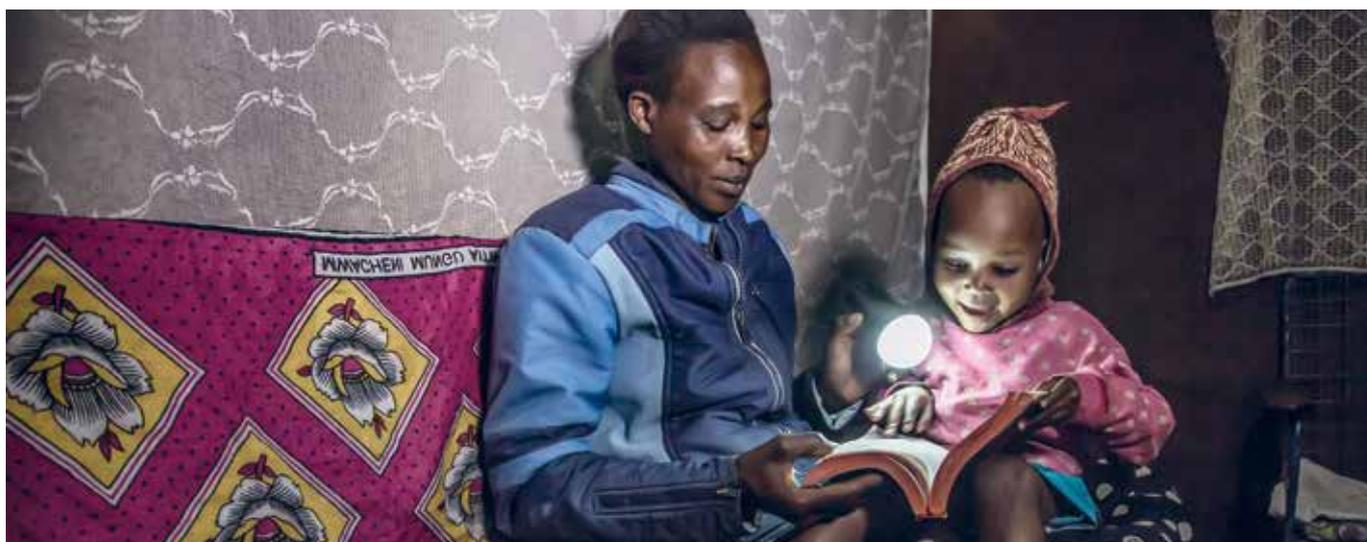
### The positive impact of M-KOPA Solar

One example of an investment from LGT Impact's portfolio is the solar energy company M-KOPA Solar in Kenya. Two out of every three people in sub-Saharan Africa do not have access to an electricity supply and some of the poorest people in the world live in this region. Families use kerosene lamps and kerosene stoves for cooking. This fuel is not only expensive, but also toxic and often causes fires. In addition, people have to pay the daily costs to charge their mobile phones, which have become an essential part of everyday life in many parts of Africa.

M-KOPA Solar provides affordable home solar power systems that generate electricity reliably and can be paid for in small installments. The customers activate the solar systems by making daily payments via their cell phones. The installments are the same amount of money that they would normally spend on

kerosene. They no longer have to pay to charge their phones. In addition, several charging cables can be connected to one solar system, which allows the users to sell electricity and boost their household income. Users usually pay off the loan for the purchase of the system within approximately a year of daily use and the system then becomes their property. This also contributes to a good credit history, which will make it easier for them to take out a bank loan in future.

The positive impact of the M-KOPA Solar system goes beyond its obvious benefits. Thanks to reliable light sources, businesses can stay open for longer and children can do their homework in the evenings, leading to better results at school. Since it was founded in 2011, M-KOPA Solar has supplied systems to more than 400 000 households. By 2018, the figure should be one million.



M-KOPA Solar shows how a simple business idea with a scalable model can change the lives of millions of people.

# Doing business sustainably

Sustainability is a fundamental corporate principle of LGT. We are helping to protect the environment and reduce climate change in a number of ways.

## Environmental management policy

Our principles for environmentally friendly operational management and climate protection are laid down in the LGT Code of Conduct. They include using natural resources efficiently, improving our operations to reduce energy consumption and taking measures to help prevent climate change.

## Building management

Our building management program takes a long-term, sustainable approach, from planning and construction, occupation and normal operation through to maintenance and renovation. Work on converting our Zurich office to meet the Minergie standard was completed in 2016. The building's low resource use is a good example of our objectives being put into practice.

## Operational reviews and improvements

In the area of environmental protection and climate change, the focus is on improving energy efficiency. Since the start of our action program in 2010, we have reduced energy losses by improving the cooling and heating systems of our buildings. Our offices in Geneva and Zurich are cooled and heated only with lake water. In 2016, the last stage of the project to expand



Our locations in Switzerland, Liechtenstein and Austria use only electricity from certified renewable sources.

our photovoltaic systems in Liechtenstein was completed. This will provide around eight percent of our annual electricity requirements in Liechtenstein.

## Substitution

By 2020, we aim to supply 80 percent of our buildings' energy requirements from renewable sources. This is why we are focusing on hydroelectric power, photovoltaic systems and wind energy. At the same time we are substituting our fossil fuel requirements. Our locations in Switzerland, Liechtenstein and Austria use only electricity from certified renewable sources.

LGT's direct energy consumption (in megawatt hours)	2016	2015	2014
Electricity	12 042	10 318	10 501
Heating	3 572	2 835	2 588
Total energy	15 614	13 153	13 089
Total energy per FTE <sup>1</sup>	6.2	6.2	6.6

<sup>1</sup> Full-time equivalents

### Offsetting

LGT offsets unavoidable CO<sub>2</sub> emissions from its business activities and from business flights. Our main sources of emissions are air miles and heating our buildings. In order to offset this, LGT is currently supporting a small-scale hydroelectric project in Honduras that is helping both the environment and the local community. This project has been awarded the Gold Standard label and is managed by the South Pole Group, which is monitored to ensure that its performance and transparency meet the required standards.

### Reinvesting carbon tax refunds in the Swiss Climate Foundation

In 2012, LGT joined the Swiss Climate Foundation in order to donate its refunds from carbon tax to the organization. The foundation provides financial support to small and medium-sized enterprises (SMEs) for energy efficiency improvements and climate protection measures. In 2015, it was able to reduce calculated CO<sub>2</sub> emissions by around 40 000 tonnes and in 2016 by around 45 000 tonnes.

### Incentives to change travel behavior

In order to reduce the amount of commuter and commercial traffic, LGT has introduced an incentive scheme to encourage employees to use public transportation. At some locations, bicycles are also available for employees. In addition, clients and employees can charge the batteries of their electric cars at in-house charging stations.

### Sustainable procurement – supplier agreements

The sustainable procurement of goods and services is an important part of LGT's sustainability planning. In our procurement process, it is very important that products comply with our sustainability principles from manufacturing through to disposal. We overcome the challenges of sustainable procurement by attempting to introduce best practices in procurement on the basis of a partnership and a dialog with our suppliers.

We introduced a mandatory supplier agreement for our suppliers in 2013. The signatories undertake to meet our internal requirements and to comply with international conventions, such as the standards of the International Labour Organization (ILO). They also agree to require their suppliers to follow the provisions of the UN Global Compact. LGT reserves the right to send experts onto suppliers' sites to ensure that they are meeting the requirements. In 2015 and 2016, we did not terminate any of our relationships with suppliers.

### Dialog with suppliers

It is important to us to remain in regular contact with our suppliers. Every two years, we invite them to attend the LGT Supplier Day. At this event, we raise awareness of our sustainable procurement standards and give examples of best practices. The dialog strengthens our partnership with our suppliers and meets our objective of developing stable, long-term relationships with them.

LGT's CO <sub>2</sub> emissions	2016	2015	2014
CO <sub>2</sub> emissions in tonnes	3 987	2 592	2 575
CO <sub>2</sub> emissions in kilograms per FTE <sup>1</sup>	1 576	1 300	1 292

<sup>1</sup> Full-time equivalents

# Key figures at a glance

		2016	2015	2014
<b>Financial indicators</b>				
Assets under administration	CHF m	152 101	129 341	125 786
Net new assets under administration	CHF m	19 687	8 882	14 429
of which net new money	CHF m	11 668	8 882	6 755
of which through acquisition	CHF m	8 019	0	7 674
Total operating income	CHF m	1 206	1 149	1 010
Group profit	CHF m	230	211	165
Appropriation of Foundation earnings and dividends	CHF m	-100 <sup>1</sup>	-100	-100
Group equity capital	CHF m	3 643	3 314	3 354
Total assets	CHF m	35 752	34 239	35 533
<b>Ratios</b>				
Tier 1	%	20.2	20.1	18.4
Cost/income ratio	%	74.2	71.2	75.4
Liquidity coverage ratio	%	191.0	142.7	130.0
<b>Rating<sup>2</sup></b>				
Moody's		Aa2	Aa2	A1
Standard & Poor's		A+	A+	A+
<b>Operations</b>				
Total energy consumption	MWh	15 614	13 153	13 089
Electricity	MWh	12 042	10 318	10 501
Heating	MWh	3 572	2 835	2 588
Paper consumption	tonnes	180	163	156
Proportion of FSC paper	%	100	100	100
Proportion of 100% recycled paper	%	69	70	70
Waste	Tonnes	302	253	247
Water consumption	m <sup>3</sup>	27 207	22 766	21 572
CO <sub>2</sub> emissions	Tonnes	3 979	2 592	2 575
<b>Employees</b>				
Number of employees (FTEs)		2 530	2 117	1 993
Proportion of women in the total workforce	%	38.5	38.9	38.6
Number of part-time employees		325	305	285
Number of apprentices <sup>3</sup>		25	26	26
Bank entry at high school graduate level (BEM) <sup>3</sup>		8	6	6
Average years of service	Years	7.5	7.9	7.59
Average age	Years	41.32	41.3	41.01
Training costs per employee	CHF	2 121	2 220	2 126

<sup>1</sup> Proposal; <sup>2</sup> LGT Bank Ltd., Vaduz; <sup>3</sup> LGT only hires apprentices and high school graduates in Switzerland and Liechtenstein.

“For us, sustainability means conducting our activities in a socially responsible manner and with a long-term, holistic view.”

H.S.H. Prince Max von und zu Liechtenstein, CEO LGT

# Our memberships

LGT is a member of many international associations, organizations and networks for the purpose of making a contribution to sustainable development. The most important memberships are:

**UN Global Compact**

[www.unglobalcompact.org](http://www.unglobalcompact.org)

**UN Principles for Responsible Investment**

[www.unpri.org](http://www.unpri.org)

**CDP**

[www.cdp.net/en](http://www.cdp.net/en)

**European Sustainable Investment Forum (Eurosif)**

[www.eurosif.org](http://www.eurosif.org)

**European Venture Philanthropy Association (EVPA)**

[www.evpa.eu.com](http://www.evpa.eu.com)

**Forum Nachhaltige Geldanlagen (FNG)**

[www.forum-ng.org](http://www.forum-ng.org)

**The Global Impact Investing Network (GIIN)**

[www.thegiin.org](http://www.thegiin.org)

**Swiss Sustainable Finance**

[www.sustainablefinance.ch](http://www.sustainablefinance.ch)

**Asia Corporate Governance Association (ACGA)**

[www.acga-asia.org](http://www.acga-asia.org)

**TONIIC – The Global Action Community for Impact Investors**

[www.toniic.com](http://www.toniic.com)

**Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)**

[www.vfu.de](http://www.vfu.de)

**The Swiss Climate Foundation**

[www.klimastiftung.ch](http://www.klimastiftung.ch)

**Profawo**

[www.profawo.ch](http://www.profawo.ch)

**The Montréal Carbon Pledge**

[www.montrealpledge.org](http://www.montrealpledge.org)



# Report profile

The LGT sustainability report has been published every other year since 2012. This report, the third of its kind, documents the sustainability performance for the 2015 and 2016 financial years and, unless stated otherwise, relates to the LGT Group. Each financial year begins on January 1 and ends on December 31. The structure of this report is based on the internationally recognized guidelines of the Global Reporting Initiative (GRI).

The key performance indicators listed in the report were mainly collected from database extracts available across the Group. Location-specific key performance indicators, in particular environmental data, were prepared by the local contacts for the relevant departments. There are comparative values from the previous periods for most of the data.

The consolidation framework for the key performance indicators has been designed in such a way that data from locations with similar business models and national standards formed the basis for the projections. The VfU's (German association Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.) standard for environmental reporting of April 25, 2016, forms the basis for the calculation of emission values for the 2015 and 2016 reporting years.



The report can be downloaded from [www.lgt.com](http://www.lgt.com) as a PDF file. The guidelines of the Global Reporting Initiative can be downloaded from [www.globalreporting.org](http://www.globalreporting.org).

This report contains forward-looking statements based on expectations and assumptions. Various factors may cause the actual results to deviate from the estimates given here.



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Franz Anton von Scheidel, detail from "Depictions of conchiliae in watercolor after Johann Carl Mejerle von Mühlfeld," late 18th century

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