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At LGT, sustainability means providing answers to the challenges of the present while also focusing on the needs of future generations.

Sustainability as the motivation to think ahead

For LGT – as the world's largest private banking and asset management group owned as a family business – our basic philosophy prescribes that we leave our children and grandchildren a world that is ecologically, socially and economically intact. We work to achieve this at various levels, whether through our sparing use of energy for banking operations, our selection of suppliers or the sustainable investment solutions we offer to our clients. We are also active members of numerous associations, organizations and networks where we work together with other companies to support and promote sustainable development.

How LGT demonstrates its commitment to sus- tainability

The long-term outlook and sustainability principles are embedded in our corporate culture and ownership structure. As a family-run company, we have efficient management and organizational structures which enable us to make rapid and independent decisions and to align our corporate strategy to the long term. In other words, we are not focused on short-term profit, but think and act from a sustainable perspective. We have also enshrined this commitment in our Code of Conduct.

Responsibility as investors

We do not invest in companies that are involved in the manufacture, storage and delivery of controversial weapons, such as atomic weapons, land mines, cluster bombs and cluster munitions, as well as biological and chemical weapons. In addition, since 2003 we have included a clause on responsible investing in our investment programs. This means we exclude investments harboring significant risks according to environmental, societal and governance (ESG) criteria. We have been a member of the United Nations Principles for Responsible Investment (UN PRI) since 2008.

We also conduct an annual survey to measure the progress made by our private equity and hedge fund managers in integrating the ESG criteria. This initiates a dialog with managers who are not yet systematically integrating ESG criteria.

Sustainable investing

We have offered so-called LGT Sustainable Investing Products in the form of equity and bond funds since 2009. When investing in these types of funds, we analyze not only financial company data but also ESG criteria. Our aim is to invest in companies, organizations and countries which have impeccable sustainability credentials and add value over the long term while promoting the wellbeing of mankind.

We exclude companies from our investment universe which generate their revenue from tobacco, gambling, weapons, pornography and nuclear energy or are involved in child labor. Moreover, we do not invest in any countries which have not signed the nuclear non-proliferation treaty and international treaties on the prohibition of landmines and cluster munitions. We also take into account a country's level of corruption on the basis of data supplied by Transparency International.

Transparency regard- ing the sustainability of investments

In order to provide our clients with transparency regarding the sustainability quality of equities, bonds, funds and exchange traded funds (ETFs), in spring 2017 we launched the LGT Sustainability Rating. This shows investors at a glance the extent to which their investments are sustainable and offers them valuable guidance. The LGT Sustainability Rating encompasses five rating categories ranging from one star (unsatisfactory) through to five stars (excellent).

Internationally awarded impact investor

LGT has positioned itself as a pioneer in the areas of venture philanthropy and impact investing with its LGT Venture Philanthropy and LGT Impact international. Both organizational units invest in companies which address social and/or ecological problems by means of efficient and scalable solutions. LGT Venture Philanthropy is structured as a foundation and makes philanthropic investments in not-for-profit organizations, companies and projects which do not conform with traditional investment strategies in terms of their risk-return profile. Capital gains, dividends and interest remain within the foundation. LGT Impact invests in organizations which combine a positive financial return with strong and clearly measurable social or ecological value-added, and distributes capital gains, dividends and interest to investors.

Protecting the environment and climate

The principles and specifications governing the environmentally responsible use of resources are enshrined in our Code of Conduct. Our goals in operational environmental management comprise the sustainable use of natural resources, reducing paper consumption and waste output, and supporting climate protection measures. We review the long-term focus of these measures on a regular basis in terms of performance achieved and consistency.

An additional goal is to cover all of our building energy needs worldwide at all LGT sites through renewable sources by 2030. We are thus putting an increasing focus on renewable forms of energy such as hydropower, wind power and photovoltaics in place of fossil fuels. We supply our locations in Liechtenstein in full with electrical energy from renewable sources. Photovoltaic systems are installed at all sites in Liechtenstein and Switzerland, whose solar power production covers a portion of our energy needs. Electric fueling stations are also made available to staff and clients.

Dialog with our partners

We communicate with our stakeholders on a regular basis via various channels. Our primary stakeholders are our clients, owners and employees. We are also in frequent dialog with associations, authorities and suppliers as well as with the scientific community and civil society. With the help of a survey conducted in 2015 on the materiality of sustainability issues, we have reviewed and adjusted the focus and targets of our sustainability efforts.

Supplier risk management

When procuring materials and client gifts, we make sure they meet our sustainability criteria right through from manufacture to disposal or recycling. By signing a Supplier Agreement, suppliers undertake to comply with the principles of the UN Global Compact, of which LGT is a signatory. To sensitize our suppliers to sustainability issues along the supply chain, we invite them to a biennial LGT Supplier Day.

Responsibility as an employer

Employees at LGT enjoy progressive working conditions, an attractive work environment and a salary model aligned to the principle of long-term thinking. LGT fosters its staff through internal and external training and development opportunities. The LGT Academy Foundation, set up in 1995, offers our staff various programs in holistic self-development encompassing body and mind. Our Employee Volunteering Program (EVP) provides a platform for our employees to donate their free time and resources to social causes.

Satisfied employees and a good working environment are important to LGT. We conduct regular surveys to gauge how satisfied our employees are with their work, development prospects and team. The results of the most recent survey showed us that our staff identify strongly with LGT and feel comfortable and secure in their work environment. More than 90% of employees would choose LGT again as their employer.

Diversity and equal opportunities

LGT offers all employees equal opportunities for employment and promotion, regardless of gender, age, religion, nationality, ethnic background, sexual orientation, marital status, family situation, physical abilities and other characteristics protected under local law. LGT has a policy of offering employment to people over 50 and offers staff flexible retirement options. It is also possible to take partial retirement and reduce the number of days worked.

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