



LEA 02	Disclosure: Mandatory	Reason for interaction
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues <input checked="" type="checkbox"/> To encourage corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify	
Collaborative engagements	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify	
Service provider engagements	<input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To encourage corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify	

RI TRANSPARENCY REPORT

2014/15

Lombard Odier Asset Management (Switzerland) SA

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	✓	Private	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	✓	Private	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	✓	Public		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
FI 03	Description of ESG incorporation	✓	Private	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Private	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	🔒	n/a	✓						
FI 11	Review of ESG issues while researching companies/sectors	🔒	n/a	✓						
FI 12	Processes to ensure integration is based on robust analysis	🔒	n/a	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	✓	Private	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Private		✓					
FI 20	Engagement with government issuers	✓	Private		✓					

Indirect - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFI 01	Percentage of externally managed assets in inclusive finance managed by PIIF signatories	✓	Private								✓
IFI 02	Due diligence policies and/or procedures for the selection of external investment managers	✓	Public								✓
IFI 03	Including issues referred to in the PIIF	✓	Public								✓
IFI 04	Monitoring managers' implementation of the PIIF	✓	Public								✓
IFI 05	Managers provide information in line with established industry standards	✓	Private								✓
IFI 06	Disclosure of approach to RI in inclusive finance	✓	Public								✓
IFI 07	Contributing to promotion of RI in inclusive finance	✓	Private								✓

Lombard Odier Asset Management (Switzerland) SA

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Lombard Odier operates in two business segments: private banking and asset management. Lombard Odier's Private Clients unit serves individuals clients with a wide range of advisory services in wealth management, financial products, and specialized areas. Lombard Odier Investment Managers ('LOIM') serves institutional clients with its expertise in smart beta, high conviction and absolute return strategies. Both segments share horizontal services.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Switzerland

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

2000

OO 03 Mandatory Descriptive General

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 Mandatory Gateway/Peering General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		165	000	000	000
Currency	CHF				
Assets in USD		179	269	713	326

OO 04.4 Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM			65	000	000
Currency	CHF				
Assets in USD			70	621	402

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.6

Additional information. [Optional]

49 billion CHF of our AUM are managed by our LOIM (Lombard Odier Investment managers) branch and 116 billion CHF are managed by our private bank unit.

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☉ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	<10%
Fixed income – corporate	10-50%	<10%
Fixed income – government	10-50%	<10%
Fixed income – other	<10%	<10%
Private debt	<10%	<10%
Private equity	<10%	<10%
Property	<10%	<10%
Infrastructure	<10%	<10%
Commodities	<10%	<10%
Hedge funds	<10%	<10%
Forestry	0	<10%
Farmland	0	0
Inclusive finance	0	<10%
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	0	0

'Other (1)' specified

Arts <10%

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1 Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private debt
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Listed Equity

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private debt
- Private equity
- Property
- Infrastructure
- Commodities
- Hedge funds
- Forestry
- Inclusive finance
- None of the above

OO 12**Mandatory****Gateway****General****OO 12.1**

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate
- Fixed Income - Government

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

Inclusive Finance

Closing module

Closing module

Lombard Odier Asset Management (Switzerland) SA

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01

Mandatory

Gateway/Core Assessed

General

OA 01.1

Indicate if you have a responsible investment policy.

- Yes
 No

OA 01.2

Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
 No

OA 01.3

Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Our Socially Responsible Investing (SRI) model was created in 1997 and has been regularly reviewed to improve the following points:

- long term performance expectations of our investments by promoting the good management behaviours
- corporate governance in respect of shareholder's rights
- contribution to improve industry practices
- promotion of our firm values

Our ESG policies are set and validated at the highest level by a specific Group committee. Furthermore, our Socially Responsible Investing committee gathering dedicated experts, investment teams representatives, risk managers, and compliance officer ensures on a monthly basis the consistency and the monitoring of our SRI strategies and methodologies.

Our overall approach of SRI follows four steps:

1. Defining appropriate strategies

As far as our clients are concerned, we do not think there is a universal definition of sustainable and responsible investment. We wish not to impose our opinions to our clients and push them to adopt our own investment policies. Instead, we recognize that each investor has the right and a duty to determine how to integrate this dimension into their own investment strategy, based on their own personal values, goals, and sensitivities. We have therefore developed an advisory offering to enable us to support our clients as they define their own philosophy of responsible investment and to ensure that we implement that philosophy correctly in the portfolios we manage on their behalf. Our own quantitative data platform management allows us full flexibility and scalability to design customised SRI solutions to meet client requirements.

Nevertheless, in order to match our Group values regarding controversial investments, Lombard Odier has issued two Group-wide policies which systematically excludes:

- Companies involved in the production or distribution of controversial weapons
- Financial instruments directly linked to 'essential food commodities' (wheat, rice, soy, corn)

Alongside of these group exclusion policies, Lombard Odier has developed its own methodology for its SRI dedicated mutual funds, that integrate negative screening and "best in class" selection.

2. Implementing strategies in the portfolio and selecting products

We apply two types of screening to all our SRI portfolios and mandates, either separately or together:

- A negative screening that leads to the exclusion of sectors that can be considered as 'unethical' (i.e. tobacco, alcohol etc.) or companies that breach internationally agreed standards or norms (i.e. child labour and other complicit violations of human rights as defined by the United Nations Global Compact principles).

- A positive screening that looks to favour 'best in class' companies (i.e. companies displaying better management of major ESG risk - such as the use of resources, climate change, fair governance or other key social issues). Our proprietary, innovative and dynamic ESG/CAR approach (consciousness, action, results) aims to distinguish companies showing good intentions from companies showing actual results from actions undertaken.

3. Extra-financial reporting

We deliver detailed bespoke SRI reporting to our investors to guaranty full transparency on the quality of their investments. The frequency of the reports depends on our client's request: it can be monthly, quarterly or bi-annual.

4. Voting and engagement

We consider that integrating ESG issues into both investment analysis and stewardship practices is part of our fiduciary duty towards our clients and beneficiaries.

Lombard Odier use a proxy voting approach and have set clear guidelines to make decisions that favour proposals that in the Company's view tend to maximise Fund's shareholder value, are not influenced by conflicts of interest and factor the cost to the investor. These principals reflect the Company's belief that sound corporate governance will create a framework within which a company can be managed in the interests of its shareholders.

During 2014, Lombard Odier has developed an engagement policy in order to influence the behaviour of companies through constructive dialogues on sustainability topics.

OA 02	Mandatory	Core Assessed	PRI 6
OA 02.1	Indicate if your responsible investment policy is publicly available.		
<input checked="" type="radio"/> Yes			
OA 02.2	Provide a URL to your responsible investment policy.		
	URL		
http://www.lombardodier.com/en/Private-clients/Investing-today/Socially-responsible-investment/Socially-responsible-investment.html			
<input type="radio"/> No			
OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.		
<input checked="" type="radio"/> Yes			
<input type="radio"/> Yes, all			
<input checked="" type="radio"/> Yes, some			
OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.		

Policy or document name	URL
SRI European transparency code	https://funds.lombardodier.com/dispatcher/getDocument/SRIA_1010_XI_EN.PDF?sDocumentName=SRIA_1010_XI_EN.PDF&sDocType=SRIA
Partnership with generation	http://www.lombardodier.com/en/Private-clients/Investing-today/Socially-responsible-investment/Generation/Generation.html
Other SRI partnerships	http://www.lombardodier.com/en/Private-clients/Investing-today/Socially-responsible-investment/Other-SRI-partnerships.html

No

OA 02.5	Additional information. [Optional]
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Two exclusion policies are available on demand:

- Exclusion policy on controversial investment
- Exclusion policy on "essential food commodities"

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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This policy applies to all entities worldwide, in any situation where Lombard Odier is the ultimate investment decision maker.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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The Risk/Compliance departments of the group LO advise on reputational, regulatory and policy matters. Advice on conflict of interest covers areas such as (but not limited to):

- personal trading
- fair allocations
- gift and entertainments
- external mandates
- internal training

From a governance perspective, the Management of the Group ensures that all those policy are regularly reviewed and published.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
 Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
 Biannually
 Annually
 Every two years or less
 It is not reviewed

 No

OA 05.4

Additional information. [Optional]

In order to reach its objectives in term of responsible investment activities, Lombard Odier has established a set of measures it found the most interesting from the cost/benefit standpoint. They are categorized in 5 different domains :

1. Integrate ESG considerations in its core investment processes (implementation of controversial investments policies and monitoring system, systematic ESG analyses for portfolios management, development of SRI investment proposal etc.)
2. Improve IT tools to make the ESG analysis processes easier and faster by integrating ESG data into applications and by developing an automated ESG assessment tool. These measures will enable managers to easily create and monitor ESG portfolios and will ease the audit of any portfolios (client portfolio, external finds etc.)
3. Put forward the SRI/Impact investing offer by improving marketing, compliance, reporting to clients and staff training.
4. Better assess and formalize the Firm's Corporate Social Responsibility (CSR) efforts
5. Develop an engagement capacity in order to fulfill stewardship duty

More details on the measures taken by Lombard Odier in order to reach its SRI objectives to be read in question OA 06.3.

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2 Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

5

Promoting responsible investment

OA 10

Mandatory

Core Assessed

PRI 4,5

OA 10.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Apart its role of asset manager signatory, Lombard Odier decided to join at the end of 2014 the PRI clearinghouse for collaborative engagement.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
WWF International Market Transformation Program

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

Swiss Sustainable Finance (SSF) & Sustainable Finance Association Geneva (SFG)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

The group is member of the SSF and Lombard Odier's head of Impact Investing chairs the SFG's association

Other collaborative organisation/initiative, specify

Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

Lombard Odier& Cie is one of the 83 founding members of Global Impact Investing Network. Moreover, Lombard Odier decided in 2014 to join the investor council group of the GIIN, that is the most advanced body of the organisation.

Other collaborative organisation/initiative, specify

2014 Global Investor Statement on Climate Change

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Lombard Odier is a signatory of the statement

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

Stimulated and helped institutions to build their own RI charter.

Encouraged impact investing market construction (strengthening collaboration among players, helping small players, supporting capacity building).

No

OA 11.3

Additional information. [Optional]

Lombard Odier participated and spoke publicly at the following events and conferences to promote responsible investment:

- TBLI Conference
- Geneva Forum on Sustainable Investment
- Swiss Foundation Finance Workshop

Lombard Odier Asset Management (Switzerland) SA

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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ESG incorporation in actively managed listed equities

Implementation processes


LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1


Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)


- Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 80
--	--

- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 10
--	--

- Thematic + integration strategies
- Screening + thematic strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	 10
--	--

- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

- **Screening alone:** Due to choices made by our organization to not invest in the companies which produce or distribute controversial weapons and neither participate in speculation on "essential food commodities" prices. Other screening strategies are applied on specific accounts to meet client demand
- **Thematic+screening:** Due to choices made by our organization and due to financial implications on companies' expected returns, thematic strategies linked to overall demographics have been implemented into our Public fund "LOF Golden Age" which is a thematic fund on ageing population
- **Integration + screening:** Due to the choice made by our organization to partner with Generation IM since 2007 to set up and distribute to our clients an ESG integration fund which has also to apply our group exclusion policies

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Most of our screening strategies are relative to our two Group Exclusion policies regarding the ban on investments in companies linked to production and distribution of controversial weapons. And the ban of investment in financial instruments directly linked to "essential food commodities". This negative screening is imposed to all our fund managers, for some specific funds other ESG strategies such as other screenings, integration or thematic are applied on the screened investible universe such as integration.

(A) Implementation: Screening**LEI 06****Mandatory****Descriptive****PRI 1****LEI 06.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Negative/exclusionary screening :

- Product: firearms (specific funds), GMO (specific funds) and tobacco (specific funds)

- Activities: Essential food commodities: soja, wheat, rice and corn (all funds), adult entertainment (specific funds), gambling (specific funds), nuclear power generation and related services (specific funds),
- Environmental and social practices and performance: Child labor and child labor through suppliers (specific funds), high and severe social or environmental-related controversies (specific bond funds)
- Corporate governance: high and severe governance-related controversies (specific bond funds)

Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
<ul style="list-style-type: none"> • Environmental and social practices and performance: exclusion of the last quintile of worst ESG-scored companies (specific funds) • Corporate governance: exclusion of the last quintile of worst ESG-scored companies (specific funds)

Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

The Ottawa Treaty on landmines, the Convention on Cluster Munitions, the Biological and Toxin Weapons Convention
The Chemical Weapons Convention (all funds)

Description
<ul style="list-style-type: none"> • Exclusion of companies involved in serious breaches of UN Global Compact Principles (specific funds). These controversies are graduated according to the seriousness of the facts: evaluation of the incident's impact, Degree of the incident exceptionality (sector specific), recurrence level, assessment of the company response, consideration of the company response etc. • Exclusion of companies involved in proven breaches of International Labor Organization Conventions: Child labor and child labor through suppliers (specific funds),

- Other: Exclusion of companies involved in producing or distributing controversial weapons: The Ottawa Treaty on landmines, The Convention on Cluster Munitions, The Biological and Toxin Weapons Convention, The Chemical Weapons Convention (all funds)

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Screenings criteria are established in 4 different ways:

6. Applying our corporate exclusion policies (controversial weapons and "essential food" commodities). A list of companies involved in cluster weapons, depleted uranium, white phosphorus and anti-personal mines manufacturing or distributing is put together by our SRI team with the help of external ESG data providers and is quarterly updated.
7. Applying criteria to track down Child Labor, Child Labor is examined directly in the company or through its supply chain. The information is updated on a monthly basis.
8. Applying screenings based on major breaches of UN Global Compact principles. In order to implement this screening we use a serie of controversy indicators which scales the number, the impact and the seriousness of incidents a company is going through. This screening can be applied through all ESG concerns or through specific E, S or G issues. This information is weekly updated.
9. Applying screenings using our proprietary ESG scores. Lombard Odier has created an in-house expertise to build customized ESG scores and developed the capacity to test them. The score customization enables us to meet the client values in our scorings. Lombard Odier has set a standard ESG score using its proprietary ESG/CAR methodology to implement screenings when no client guidelines indicate a particular scoring methodology. The score and its components are updated on a daily basis and enables Lombard Odier to propose different fields of screening: Environment, Social, Governance in a static view, or Consciousness, Actions and Results in a more dynamic view. Any combination of these fields is also available.

We notify clients when changes are made through monthly, quarterly or bi-annual SRI dedicated reports, including information related to scores, positive, negative and norm-based screening. Detailed comments are systematically provided with our reports, together with research and more detailed explanations about companies that went through significant changes.

LEI 07

Mandatory

Core Assessed

PRI 1

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 07.2

Additional information. [Optional]

Thanks to our quantitative data processing platform, all extreme score changes or appearance of potential new exclusions is duly examined on a regular basis.

(B) Implementation: Thematic

LEI 09**Mandatory****Descriptive****PRI 1****LEI 09.1**

Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 09.2

Describe your organisation's processes for sustainability themed funds. [Optional]

Lombard Odier believes that demographics is one of the major explanatory factor that determine economic evolution over the long-term. Following this principle it has identified ageing population phenomenon as the most relevant demographic sustainable trend worldwide. Investors can invest in this theme through our equity fund called LOF Golden Age . This fund have required a specific expertise to identify relevant investment universes. Investment teams, SRI team and a thematic dedicated scientific advisory board (gathering high level academic, industry and finance backgrounded people) work together to define and update the thematic investment universes according to road maps and latest innovations.

Therefore, companies are eligible to the LOF Golden Age if they bring solutions to ageing population or give more comfort to our seniors. Financially this can be translated in having a significant share of their revenues or profits coming from customers age 55 or more what ever business they are in. "Healthcare" is obviously the most important sector involved in this theme, but others such as "leisure" and "household & personal products" can also be important.

The portfolio managers with the help of our financial analyst will then pick the most promising companies within the above defined investible universe and build a relevant risk diversified portfolio.

Fund managers have access to the ESG information produced by the SRI team and can take it into account when questioning the companies regarding their exposure to non-financial risks.

Moreover, Lombard Odier has developed since 2007 a partnership with Generation IM that manages our fund "LOF Generation Global". The fund focuses on long-term investment and integrate sustainability research within a rigorous fundamental equity analysis framework. It integrates economic, environmental, social and governance themes with broad industry trends, identifying potential investment candidates. After price assessment, it focuses on valuation, quality and conviction.

(C) Implementation: Integration of ESG issues

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
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For dedicated SRI funds and mandates we systematically applies E,S,G analysis.

For the other funds, depending on the sensitivity of the company's sector to ESG issues or the importance of a controversy affecting it, fund managers will try to assess the ESG risk in their final investment decisions. ESG information issued by the SRI team is available to them to help them make their assessment.

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 18.6

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

Lombard Odier Asset Management (Switzerland) SA

Reported Information

Public version

Direct - Listed Equity Active Ownership

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Engagement

Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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☉ Yes

LEA 05.2

Describe how you identify and prioritise collaborative engagements.

Our SRI teams select the most appropriate engagement themes according to the DNA of the bank and the coherence with our investment processes and structure. On a second step, a group committee composed by the highest executives of the bank validates and prioritizes the engagement's choices.

No

LEA 06**Mandatory****Core Assessed****PRI 2****LEA 06.1**

Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
- Yes, for all collaborative engagement activities
 - Yes, for the majority of collaborative engagement activities
 - Yes, for a minority of collaborative engagement activities
- No

LEA 06.2

Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
- Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

LEA 06.3

Describe how you monitor and evaluate the progress of your collaborative engagement activities.

All responses from companies will be shared on the clearinghouse platform

No

General processes for all three groups of engagers**LEA 10****Mandatory****Gateway/Core Assessed****PRI 2****LEA 10.1**

Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

LEA 17

Mandatory

Descriptive

PRI 2

LEA 17.1

Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

- We use our own research or voting team and make our own voting decisions without the use of service providers.
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

Based primarily on

- the service provider voting policy signed off by us
- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting decisions on our behalf.

LEA 18

Mandatory

Descriptive

PRI 2

LEA 18.1

Of the voting recommendations that your service provider made in the reporting year, indicate what percentage your organisation reviewed, and the reasons for the review.

Percentage of voting recommendations your organisation reviewed

- >20%
- 5-20%
- 1-5%
- <1%

Reasons for review

- Specific ESG issues
- Votes where a significant level of ownership is held
- Votes against management or abstentions
- Conflicts of interest
- Corporate actions such as M&A, disposal, etc.
- Other, explain

LEA 18.2	Additional information [Optional]
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LO Funds receives an alert from our proxy voting service when one of our contract listed exceptional event occurs (such as M&A, dispoosal, etc.). LO Funds is then able to review the voting decision of the provider and to choose to follow it or not.

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]
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Our votes are based on the recommendation of RiskMetrics. We annually ensure that their policy is in line with the one of Lombard Odier.

Outputs and outcomes			
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LEA 22	Mandatory	Core Assessed	PRI 2
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LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- We do track or collect this information

Votes cast (to the nearest 1%)

%

40

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 22.2 If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]

A vote occurs each time the stock represents more than 1% of AUM of the portfolio.

- We do not track or collect this information

Communication

LEA 26 **Mandatory** **Core Assessed** **PRI 2,6**

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly
- We disclose it to clients/beneficiaries only

LEA 26.5 Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 26.6

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

These information is available to clients/beneficiaries on demand

- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

Lombard Odier Asset Management (Switzerland) SA

Reported Information

Public version

Direct - Fixed Income

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ESG incorporation in actively managed fixed income

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

Screening alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	%
	100

- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies
- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

- Negative screening is applied to all funds regarding our corporate exclusion policies reflecting our organization's choices to not invest or lend money to companies which produce or distribute controversial weapons and neither participate in speculation on "essential food commodities" prices.
- Other screening strategies are applied on specific accounts to meet client demand. Others screening strategies based on ESG scores or controversy indicators are also applied on some specific funds.

(A) Implementation: Screening

FI 06

Mandatory

Descriptive

PRI 1

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
 Activity
 Sector
 Country/geographic region
 Environmental and social practices and performance
 Corporate governance

Description

- **Product:** firearms (specific funds), GMO (specific funds) and tobacco (specific funds)
- **Activities:** Essential food commodities: soja, wheat, rice and corn (all funds), adult entertainment (specific funds), gambling (specific funds), nuclear power generation and related services (specific funds),
- **Environmental and social practices and performance:** Child labor and child labor through suppliers (specific funds), high and severe social or environmental-related controversies (specific bond funds)
- **Corporate governance:** high and severe governance-related controversies (specific bond funds)

- Positive/best-in-class screening

Screened by

- Product
 Activity
 Sector
 Country/geographic region
 Environmental and social practices and performance
 Corporate governance

Description

- **Environmental and social practices and performance:** exclusion of the last quintile of worst ESG-scored companies (specific funds)
- **Corporate governance:** exclusion of the last quintile of worst ESG-scored companies (specific funds)

- Norms-based screening

Screened by

- UN Global Compact Principles
- Universal Declaration of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

The Ottawa Treaty on landmines, The Convention on Cluster Munitions, The Biological and Toxin Weapons Convention, The Chemical Weapons Convention (all funds)

Description
<ul style="list-style-type: none"> • Exclusion of companies involved in serious breaches of UN Global Compact Principles (specific funds). These controversies are graduated according to the severity of the incidents: evaluation of the incident's impact, Degree of the incident's exceptionality (sector specific), recurrence level, assessment of the company response, consideration of the company response etc. • Exclusion of companies involved in proven breaches of International Labor Organization Conventions: Child labor and child labor through suppliers (specific funds), • Other: Exclusion of companies involved in producing or distributing controversial weapons: The Ottawa Treaty on landmines, The Convention on Cluster Munitions, The Biological and Toxin Weapons Convention, The Chemical Weapons Convention (all funds)

FI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Screenings criteria are established 4 different ways:

10. Applying our corporate exclusion policies (controversial weapons and "essential food" commodities). A list of companies involved in cluster weapons, depleted uranium, white phosphorus and anti-personal mines manufacturing or distributing is established by our SRI team with the help of external ESG data providers and is quarterly updated.
11. Applying criteria to track down Child Labor directly in the company or through its supply chain. The information is updated on a monthly base.
12. Applying screenings based on major breaches of UN Global Compact principles. In order to implement this screening we use a series of controversy indicators which scales the number, the impact and the severity of incidents a company is going through. This screening can be applied through all ESG concerns or through specific E, S or G. This information is weekly updated.
13. Applying screenings using our proprietary ESG scores. Lombard Odier has built an in-house expertise to elaborate customized ESG scores and to test them. The score customization enables us to meet the client's values in our scorings. Lombard Odier has set a standard ESG score using its proprietary ESG/CAR methodology to implement ESG score screenings when no client guidelines indicate a particular scoring methodology. The score and its components are updated on a daily base and enables Lombard Odier to propose different fields of screening: Environment, Social, Governance in a static view,

or Consciousness, Actions and Results in a more dynamic view. Any combination of these fields is also available.

We notify clients when changes are made through monthly, quarterly or bi-annual SRI dedicated reports, including information related to scores, positive, negative and norm-based screenings. Comprehensive comments are systematically provided with our reports, containing research and more detailed explanations about companies that went through significant changes.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.
---------	---

- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

Fixed income - Government

FI 13	Mandatory	Core Assessed	PRI 1
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FI 13.1	Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.
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Yes

FI 13.2	Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.
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- <10%
- 10-50%
- 51-90%
- >90%

FI 13.3	Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

No

Communication

FI 18

Mandatory

Core Assessed

PRI 2,6

FI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

- We disclose it publicly
- We disclose it to clients/beneficiaries only

FI 18.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

FI 18.6

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries

Lombard Odier Asset Management (Switzerland) SA

Reported Information

Public version

Indirect - Inclusive Finance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Selection

IFI 02	Mandatory	Core Assessed	General
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IFI 02.1 Indicate if you have due diligence policies and/or procedures in place for the selection of external investment managers in inclusive finance that take their approach to the following responsible investment issues (PIIF Principles) into account:

Actively supporting retail providers to innovate and expand the range of financial services available to low income people (Principle 1)

- Yes
 No

Integration of client protection in investment policies and practices. (Principle 2)

- Yes
 No

Treating investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes. (Principle 3)

- Yes
 No

The inclusion of environmental, social and corporate governance (ESG) issues in investment policies and reporting. (Principle 4)

- Yes
 No

Active promotion of transparency in all aspects. (Principle 5)

- Yes
 No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors. (Principle 6)

- Yes
 No

Collaborating to set harmonised investor standards that support the further development of inclusive finance. (Principle 7)

- Yes
 No

Contractual agreements and mandate design

IFI 03

Mandatory

Core Assessed

General

IFI 03.1

When agreeing contracts and designing mandates with investment managers, in the process, indicate if you consider including the following issues referred to in the PIIF:

Actively supporting retail providers to innovate and expand the range of financial services to low-income people (Principle 1)

Yes

Describe and indicate how.

We verify that the external inclusive finance fund managers we work with do select their investees according to their capacity to develop innovative products tailored to the needs of low income clients, to improve their saving habits and allow them to access capital for productive purposes. We also check that they favor investees that expand their activities in rural and poor areas, and towards more vulnerable populations (women empowerment for instance).

No

Integration of client protection in investment policies and practices (Principle 2)

Yes

Describe and indicate how.

We systematically audit the social impact management of our inclusive finance partners. In that respect, we look at their capacity to select investees that follow the Client Protection Principles.

No

Treating investees fairly with appropriate financing needs that meets demand, clear and balanced contracts and fair processes for resolving disputes (Principle 3)

Yes

Describe and indicate how.

We ascertain that our inclusive finance partners treat their investees fairly and keep the interest of the end client in mind when resolving disputes. We believe that looking at constructive solutions is in the best interest of every counterparties.

No

The inclusion of ESG issues in investment policies and reporting (Principle 4)

Yes

Describe and indicate how.

We only select inclusive finance funds that integrate and monitor ESG issues.

No

Active promotion of transparency in all aspects (Principle 5)

Yes

Describe and indicate how.

We promote transparency and encourage our inclusive finance partners to make sure that their investees adequately disclose pricing and conditions to their end clients.

No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors (Principle 6)

Yes

Describe and indicate how.

We favor long term investors who manage both their social and financial returns in a sustainable way and that seek harmonized development for all of their stakeholders (clients, employees, shareholders).

No

Collaborating to set harmonised investor standards that support the further development of inclusive finance (Principle 7)

Yes

Describe and indicate how.

We have recently launched a fund of fund to support the further growth of development and inclusive finance. Lombard Odier is also a founding member and member of the investor council of the Global Impact Investing Network.

No

IFI 03.2

Additional information. [Optional]

These considerations are part of our due diligence and appraisal when selecting the fund in our Master list.

Investment manager monitoring and reporting

IFI 04	Mandatory	Core Assessed	General
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IFI 04.1 Indicate if you monitor your current investment managers' implementation of the PIIF principles.

- Yes

IFI 04.2 Indicate the frequency of reporting you typically require.

- Annually or more frequently
- Every two years or less
- Ad-hoc, specify
- No

IFI 04.3 Additional information. [Optional]

We require the selected fund managers to develop social impact criteria and to regularly report on them.

Disclosure

IFI 06	Mandatory	Core Assessed	General
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IFI 06.1 Indicate if your organisation proactively discloses any information about your approach to responsible investment in inclusive finance.

- Yes, we disclose publicly
- Yes, we disclose to clients/beneficiaries only
- No

IFI 06.2 Additional information. [Optional]

We are in a process of developing our marketing tools in that respect, notably as far as our website is concerned.

We will also publish soon a social report that will inform our investors about the social performance of our investees, inclusive finance fund managers.