



LOMBARD
INTERNATIONAL
GROUP

30+ years of making legacy count

Our ESG approach



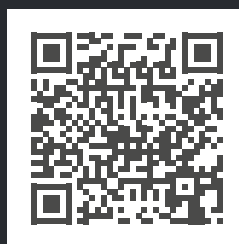
Published in December 2023

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We help our clients
design the legacy
they wish to leave behind.



Scan to watch our corporate video

About Lombard International Group

Lombard International Group ('the Group') is a leading European provider of cross-border wealth, estate and succession planning solutions, with over 30 years' experience. Our specialised knowledge enables us to serve upper affluent, high net worth (HNWI) and ultra-high net worth individuals (UHNWI), their families and institutions to protect, preserve and pass on their wealth to future generations.

With a presence in more than 10 cities, the Group has an internationally diversified footprint serving over 20 markets across Europe. Our dynamic international team of 450+ experienced wealth structuring specialists, subject-matter and technical experts consists of 40 different nationalities, speaking over 30 languages. This wealth of diverse backgrounds gives us excellent local market insights, a deep understanding of regional cultures, expertise in multiple jurisdictions, as well as the ability to cater to unique needs and requirements.

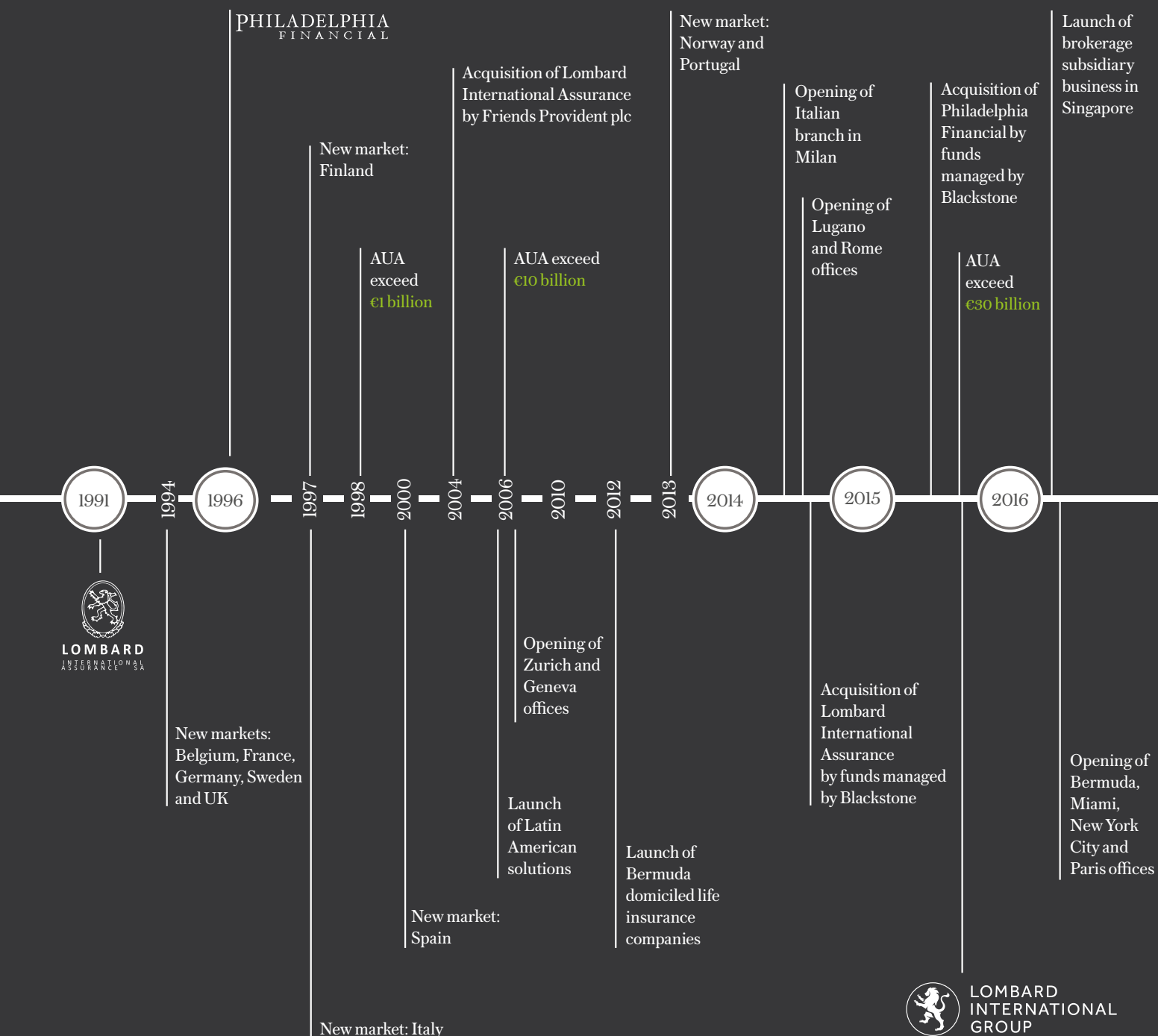
Our strong balance sheet ensures that our clients and their advisors can have confidence in a well-established, international partner. As of December 31, 2022, the Group's assets under administration amount to €46.3 billion.

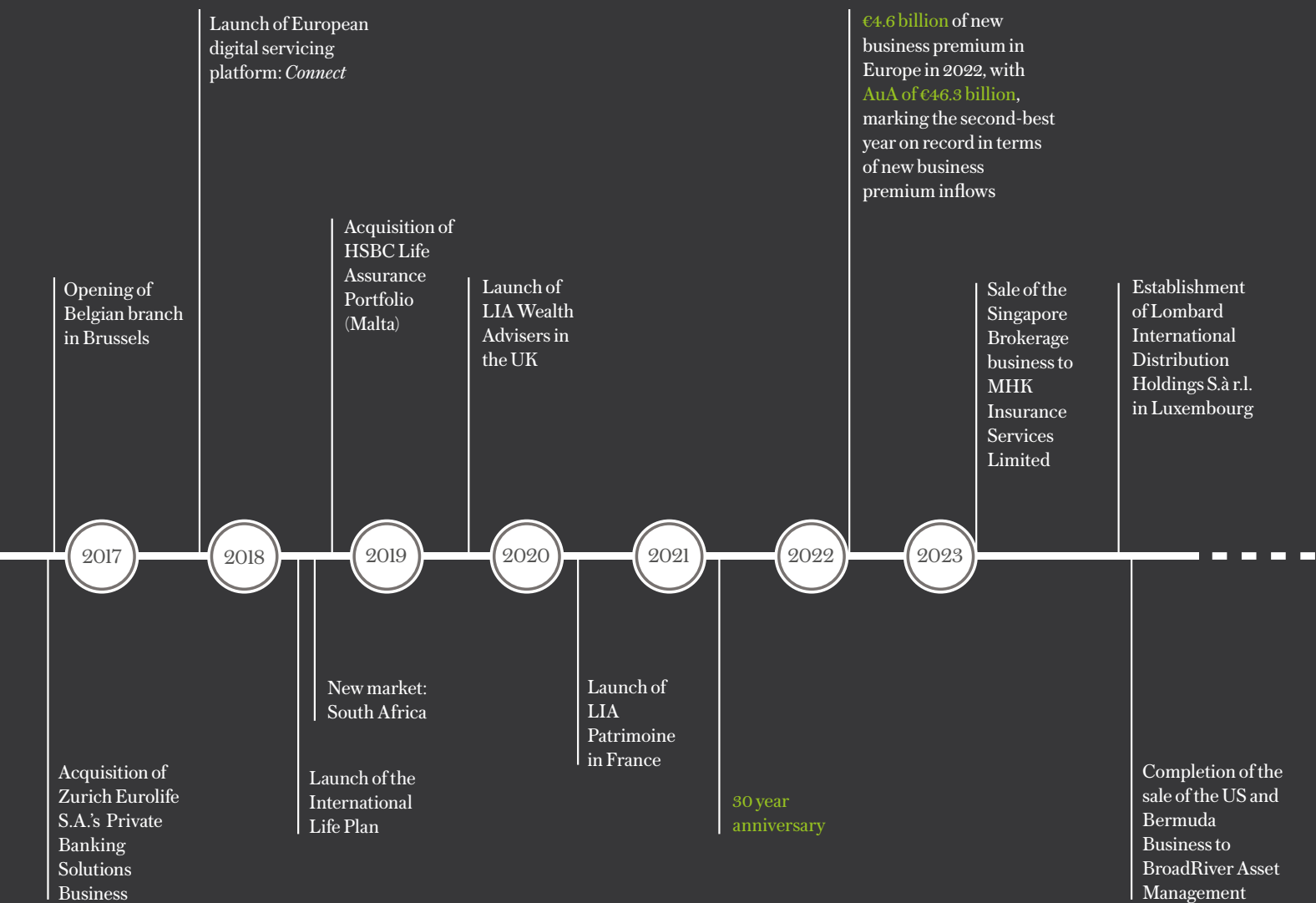
Lombard International Group operates through two divisions:

Lombard International Assurance:
Headquartered in Luxembourg, Lombard International Assurance is an insurance carrier specialising in manufacturing unit-linked life insurance solutions. These solutions are distributed by various regulated intermediaries serving the wealth, estate and succession planning needs of upper affluent, high and ultra-high net worth individuals and families. These intermediaries include private banks, family offices, asset managers, independent wealth and financial advisers, wealth and insurance brokers, professional advisory firms and other advisers active in the private wealth sector.

Lombard International Distribution:
The Group has a number of investment and insurance distribution businesses who market and advise on unit-linked life assurance products manufactured by Lombard International Assurance S.A. These include LIA Patrimoine in France, LIA Wealth Advisers in the UK and LIG Vermögensplanung in Germany. These distribution businesses work with both clients and intermediaries serving the wealth, estate and succession planning needs of upper affluent, high and ultra-high net worth individuals and families.

Funds managed by Blackstone own Lombard International Group. Blackstone is one of the world's leading investment firms with \$975 billion in assets under management as at 31 December 2022.





A stylized illustration of a city skyline. On the left, a tall clock tower with a green spire and a clock face stands next to a modern skyscraper with horizontal stripes. Below them are wind turbines and solar panels. In the foreground, there are various buildings, including a large one with many windows, and a body of water. The sky is blue with white clouds.

How we operate

Wealth and succession planning are key areas of focus for high and ultra-high net worth individuals and their families. Today's rapidly changing world is creating new challenges, driven by new technologies, multifaceted geopolitical landscapes, fast-evolving regulatory environments and a greater requirement for transparency.

We partner with our client's trusted advisers and investment managers, providing them with effective solutions to invest assets in a sustainable and impactful way, to pass them on to multiple generations, and to also help fulfil their philanthropic objectives.

We do not manage our client's assets. The assets underlying insurance-based wealth planning solutions¹ are managed at the discretion of an appointed external investment manager pursuant to the investment strategy selected by each policyholder or by policyholders themselves (depending on the jurisdiction).

Although the underlying assets within our contracts are not managed by Lombard International Assurance, it is our objective to support investments into ESG compliant assets and services.

Through our open architecture business model, we partner with 1,000+ asset managers and 200+ custodian banks, enabling a truly bespoke approach to wealth and succession planning.

¹ Commonly known as Unit-Linked Life Insurance in Europe and Private Placement Life Insurance (PPLI) in Asia and Latin America.

Lombard International Group is looking at integrating ESG options to support our partners and clients in creating efficient, diversified and sustainable investment portfolios.

Wealth Assurance

Commonly known as Unit-Linked Life insurance in Europe, or Private Placement Life Insurance (PPLI) globally, Wealth Assurance is an established and internationally recognised tool for wealth preservation, estate and succession planning, and international mobility. It is adaptable to complex situations, and its robustness and flexibility make it complementary to other wealth management solutions.

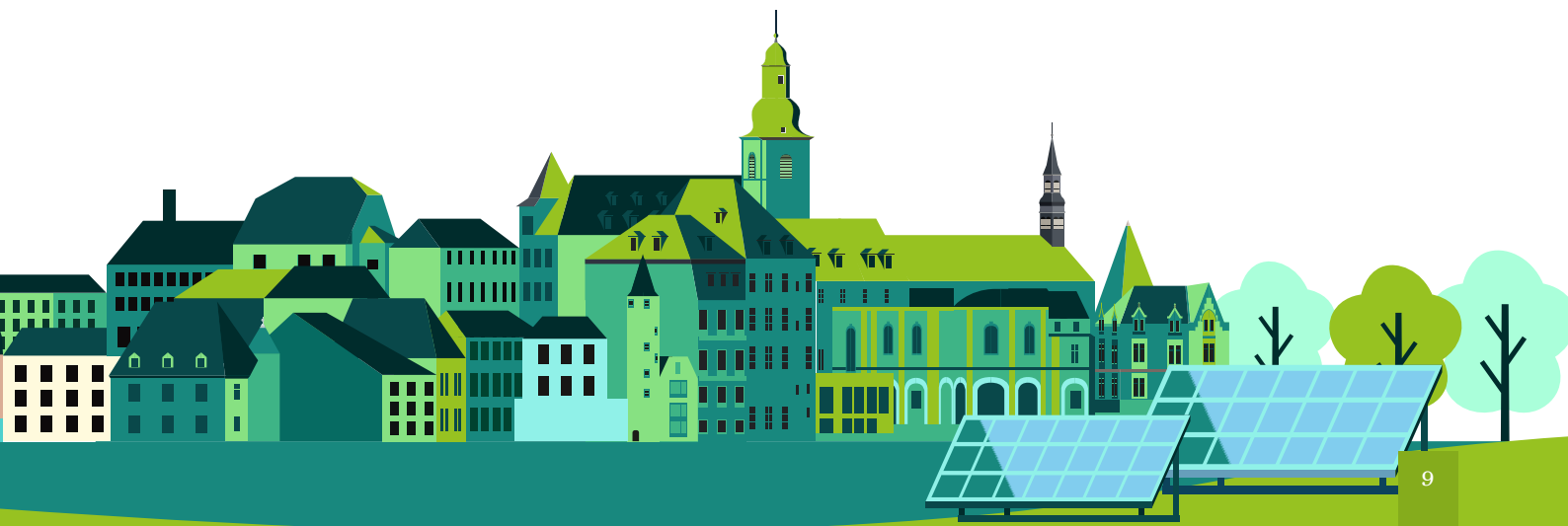
A Wealth Assurance solution can invest in a variety of assets, both listed and non-listed, via a range of internal or external funds. It does not offer a guaranteed return as its value is directly linked to the performance of the underlying assets of the insurance policy and subject to market fluctuations. It can be tailored to suit the unique needs of individuals, their families and institutions, with the potential to enhance financial planning.

Building strong, collaborative partnerships for the long-term

When we talk about making legacy count, long-term partnerships are paramount. For more than 30 years, we have been working collaboratively with our partners to design and structure solutions to protect and preserve the wealth of individuals, families or institutions that they advise. These partners come in many different forms, all equally important to us, including private banks, family offices, asset managers, independent wealth and financial advisers, wealth and insurance brokers and professional advisory firms. Against the backdrop of an increasingly digitally-connected and complex world, our innovation, expertise and knowledge is at the forefront to meet our clients' financial needs with choice and flexibility.

Providing tailored and flexible wealth planning solutions

Over 30 years ago, we pioneered the Wealth Assurance industry. Today, our Private Client Business serves the wealth, estate and succession planning needs of upper affluent, HNW, UHNW individuals and families, working in partnership with our business partners. Our wealth structuring solutions are comprehensive, compliant and proven, whilst also flexible, portable and adaptable to evolving lifestyles, that stretch across multiple jurisdictions and asset classes.





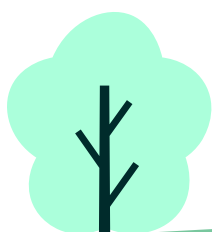
A Message from Stuart Parkinson,
Group CEO

Empowering clients to forge lasting legacies: Our ongoing commitment to sustainability

One year on from the inaugural release of our 'Approach to Environmental, Social and Governance (ESG)', the world of sustainable finance continues to evolve at pace; and with it, the world of financial services. High and ultra-high net worth individuals are increasingly driven by the desire to make their wealth count, to leave a lasting legacy that shapes a sustainable future for generations to come. In response, service providers and financial market participants are focused on enhancing their offerings, striving to support HNWIs and UHNWIs in achieving both their financial and non-financial goals.

At the forefront of this sustainable investing revolution stands Europe - a testament to the proactive role played by the EU in establishing a robust regulatory framework. This framework has empowered financial industry players to integrate ESG criteria into their business operations and value propositions, raising expectations and standards. By constructing new frameworks, Europe is addressing areas that traditionally cause hesitancy among investors, fostering an environment in which ESG investing can flourish.

The impact of this approach is profound, with European-based asset managers projected to manage ESG-related assets amounting to \$25.7tn by 2026². Notably, the appetite for change extends beyond institutions, as an estimated 78% of investors are willing to pay higher fees for ESG funds³. However, amidst this surge in interest, concerns about "green-washing" persist, reflecting investors' apprehension regarding misleading or unfounded claims associated with ESG investments in the EU⁴. While more work is required to provide clarity and comparability, substantive efforts are underway to address the root causes, instil confidence, and reassure investors.



Standardisation plays a vital role in this endeavour. The EU Sustainable Finance Regulation (SFDR) aims to facilitate regulators and consumers in assessing the credibility and ambition of investment products' stated sustainability objectives. Other regulatory measures are also being developed to further support this cause.

So, where do we stand on our own ESG journey?

Like the wider industry, as a business, we are fully committed to determining and refining our ESG targets, defining our path forward, and gauging our progress along the way. We recognise the significant capacity of our industry to drive transformative change, and we hold ourselves accountable for measuring performance beyond financial outcomes. Moreover, we wholeheartedly champion diversity and inclusion, acknowledging the value they bring.

Through this update, we aim to continue an open dialogue with our stakeholders on this crucial topic, emphasising our values, purpose, and current stance. We take our responsibilities seriously, ensuring that every action we take is met with accountability.

At its core, our business is about making legacy count. We go beyond simply facilitating the transfer of wealth; we empower our business partners and clients to make a lasting impact that resonates with their values and aspirations. Whether it be within their families, communities, philanthropic endeavours, businesses, or society in general, our purpose is to guide and support our clients in navigating the intricate financial and non-financial possibilities of their wealth. We take great pride in ensuring that their desired legacy is not only conceived, but also realised.

By constructing new frameworks, Europe is addressing areas that traditionally cause hesitancy among investors, fostering an environment in which ESG investing can flourish.

² www.pwc.com/gx/en/news-room/press-releases/2022/awm-revolution-2022-report.html
³ www.pwc.com/gx/en/financial-services/assets/pdf/pwc-awm-revolution-2022.pdf
⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022SC0085>



The global wealth landscape and ESG

Private wealth has a positive impact on the world in which we live. Here are some recent highlights and findings from the Wealth Management industry.

84%

The percentage of European institutional investors planning to increase their allocations to ESG products over the next two years.

PWC Asset and wealth management revolution

\$25.7_{trn}

Projected ESG European AuM by 2026

PWC Asset and wealth management revolution 2022

40%

The satisfaction rate among European Wealth clients when it comes to sustainable investments (ESG).

EY Global Wealth Research Report 2023

21.5%

The percentage of total global AuM expected to be invested in ESG assets in less than 5 years.

PWC

60%

The proportion of European financial services institutions reporting on gender balance across the workforce.

EY Sustainability Index 2022

80%

In 2021, 80% of financial services institutions had a policy on up-skilling and re-skilling employees, up from 62% in 2018.

EY Sustainability Index 2022



94%

The percentage of Europeans who say that protecting the environment is important to them personally.

Attitudes of Europeans towards the environment, 2020

66%

The likelihood that the annual average near-surface global temperature between 2023 and 2027 will be more than 1.5°C above pre-industrial levels for at least one year.

World Meteorological Organisation

7.6%

The reduction in emissions needed every year in order to reach -net zero by 2050.

UN

60%

The percentage of European financial services institutions that have linked executive members' compensation to sustainability targets, compared to only three in 10 in North America and the Asia-Pacific region.

EY Sustainability Index 2022

70%

The proportion of institutions in Europe and the Asia-Pacific region that offer green products, compared to only 20% in North America.

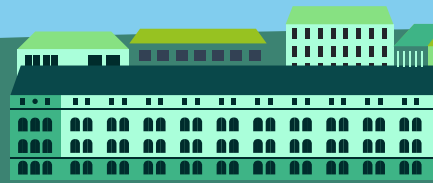
EY Sustainability Index 2022

10%

The amount by which regulatory and compliance costs have increased due to ESG.

PWC

Our business at a glance



€46.3_{bn}

European Assets under
Administration (AuA)
(as at 31 December 2022)



Global team of
 450+

 40+
Nationalities

 30+
Languages spoken

Male/Female
population ratio

Europe

 53%
 47%



Gender pay gaps fluctuate
between 2%-4% (favouring men)
depending on job levels.

 1.75%

Proportion of our total remuneration
costs invested in training

 12,570 

Hours of training completed by our
employees, with a gender breakdown
at 56% for male and 44% for female.


 -48.7%

Since 2019, our Green House Gas emissions
have been reduced by 48.7%

 -40%

Since 2019, we have seen a 40% reduction
in our flight kilometres



 **-62%**

Reduction in the CO₂ emissions of
our vehicle fleet over the past
5 years (Luxembourg head office)

 **1,000**

1,000 Caucasian Fir Trees planted
in Burgundy, France in 2022.

 **14**

Charities supported in 2022

 **-22%**

Reduction in energy usage over
the past 5 years in our Luxembourg
head office



Our Awards

Best Financial Services Group 2021, 2022 & 2023

Awarded “Best Financial Services Group Europe” for the third consecutive year at the 2023 Global Banking & Finance Review awards.

Decade of Excellence Financial Services Group Europe

Awarded “Decade of Excellence Financial Services Group Europe” at the 2023 Global Banking & Finance Review awards.

Best Wealth Planning Team 2021 & 2023

Awarded “Best Wealth Planning Team” at the Tenth Annual WealthBriefing Swiss Awards 2023.

Best Private Client Wealth Planning Team 2021

Specialist Wealth Manager 2022

Awarded specialist Wealth Manager at the tenth annual WealthBriefing European Awards in March 2022.

STEP Gold Employer Partner

Awarded Gold Employer Partner by the STEP Employer Partnership Programme, joining a network of 100 Employer Partners across 500+ accredited offices worldwide.

Most Effective Investment Service Offering 2022

Awarded “Most Effective Investment Service Offering” at the 2022 edition of the Private Banker International Global Wealth Awards.



Integrity



Respect



Passion



Innovation



Soul of an agile
Company



SPIRIT



Teamwork



Our values and purpose

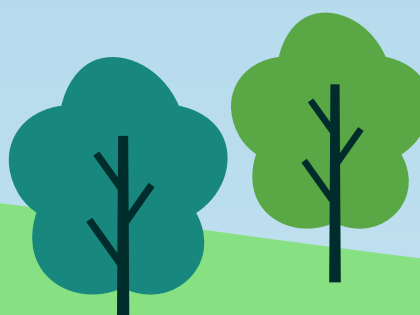
Driven by our purpose of making legacy count, our SPIRIT values define what we stand for, everywhere that we conduct business, and guide us on our path to success.

These values are reflected in our company culture, underpin our collective behaviours and are the foundation upon which we build meaningful relationships with our partners, clients, communities, and colleagues.

At Lombard International Group, we are committed to enabling our people to thrive, providing challenging and stimulating work, supported by teamwork and personal development, while also engendering an agile, collaborative culture guided by our SPIRIT values. We truly care about our employees wellbeing, and provide equal opportunities and foster diversity and inclusion. We strive to create an environment in which colleagues can

bring the best version of themselves to work every day, where everyone is respected, valued, and empowered to speak up. Fundamentally, we are committed to making a difference, a network of sustainability and community-minded teams motivated by the footprint we leave behind.

Our purpose at Lombard International Group is to make legacy count. We endeavour to provide our people with the right tools that they need to develop their careers in a work environment that advocates business excellence and having a positive social and community impact. United by our common purpose and guided by our values is how we achieve mutual success, together.





Our commitment to citizenship & sustainability

Citizenship

We believe in making a meaningful difference today to safeguard a sustainable future for the economy, environment, and society of tomorrow.

Strongly connected to our values, corporate citizenship is our approach to having a positive impact in the communities in which we work and operate. We are motivated by the footprint we leave behind and believe in making our corporate legacy count.

Our measure of success is to see long-term value in our philanthropic partnerships and projects. Our donations, charitable partnerships and volunteering initiatives address key environmental and social issues aligned with the UN's Sustainable Development Goals (SDG), whilst maximising colleague engagement, our impact, and community prosperity.

We develop charitable partnerships and citizenship programming that go beyond simply committing to financial donations. Our approach includes inspiring and mobilising colleagues, providing community giving and engagement opportunities and leveraging appropriate business capabilities, including technology, tools, or skill-based volunteerism (see p. 36-37).

We engage and encourage our colleagues to be catalysts of change to build relationships across the firm, boost our organisational culture and reinforce our SPIRIT values.

Strategic areas of focus and alignment with the UN's Sustainable Development Goals (SDG) below

1. Education



Ensuring quality and inclusive education for all and promoting lifelong learning.

2. Environment



Achieving economic growth and sustainable development by reducing our ecological footprint by changing the way we produce and consume goods and resources.



Protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainably managing forests, preserving land degradation and halting biodiversity loss.

3. Diversity & Inclusion



Achieving gender equality and empowering all women and girls.



Empower and promote the social, economic and political inclusion of all irrespective of age, gender, sexual orientation, disability, religion or economic or other status

Discretionary Donations

Funding emergency social and/or environmental relief projects beyond our strategic areas of focus (see p. 36-37).

We aim to help our clients to navigate their desired level of ESG integration.

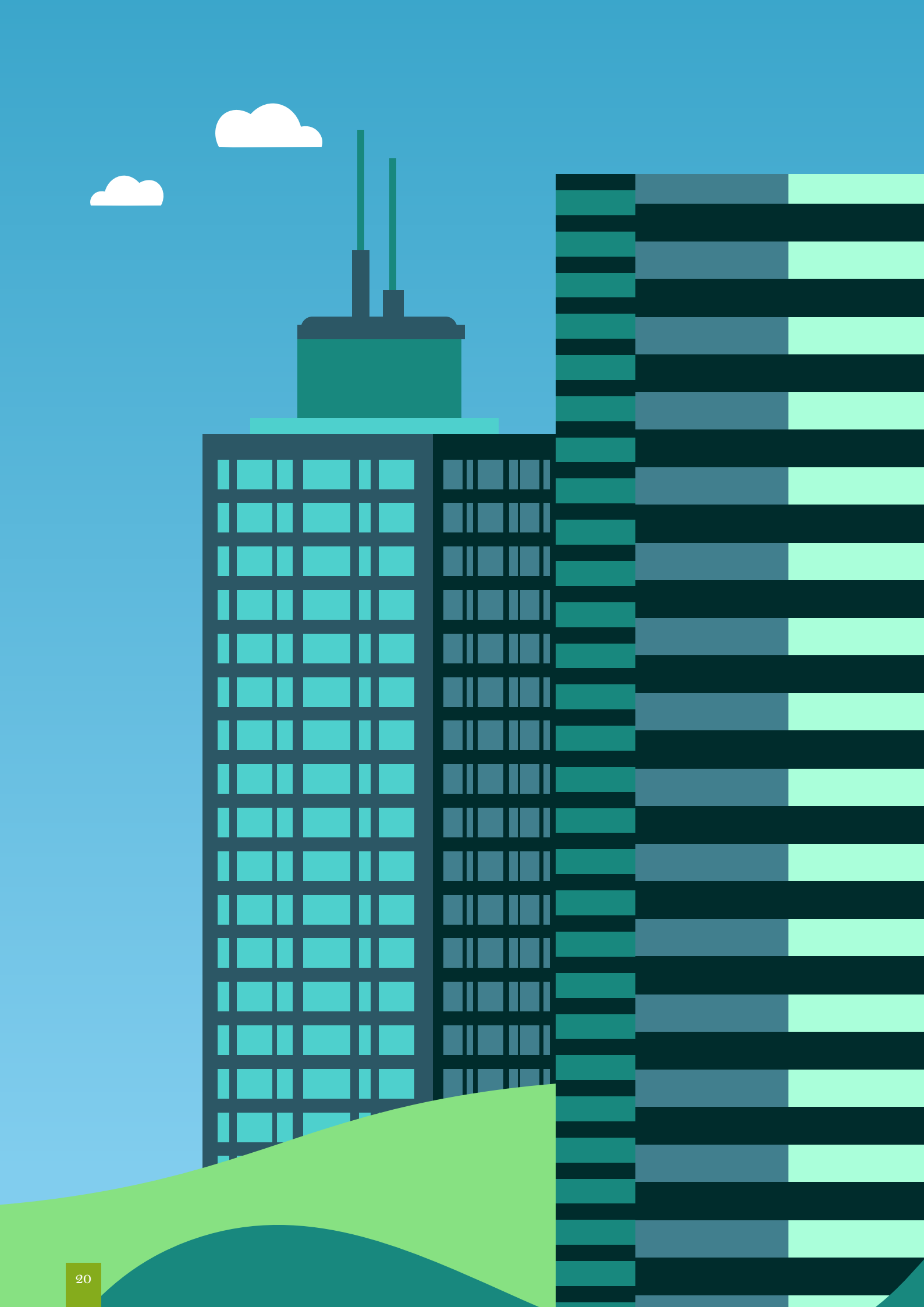
Sustainability

As a leading provider of cross-border wealth, estate, and succession planning solutions, we are in a privileged leadership position to use our geographically diverse breadth, expertise, and experience to be a source for good and support our clients and partners in investing their wealth ethically and sustainably.

We work in tandem with our clients' trusted advisors and asset managers with the objective of providing HNW individuals, families or institutions with wealth planning solutions that can enable efficient, sustainable, and diversified investment portfolios, which over the long term can have relevant ESG-related principles clearly defined, measured, and reported.

We aim to help our partners to support their clients in navigating their desired level of ESG integration, developing customised Lombard International Group solutions that meet their non-financial goals and aspirations.

We think long term and are geared towards delivering against our growth objectives in a sustainable manner.

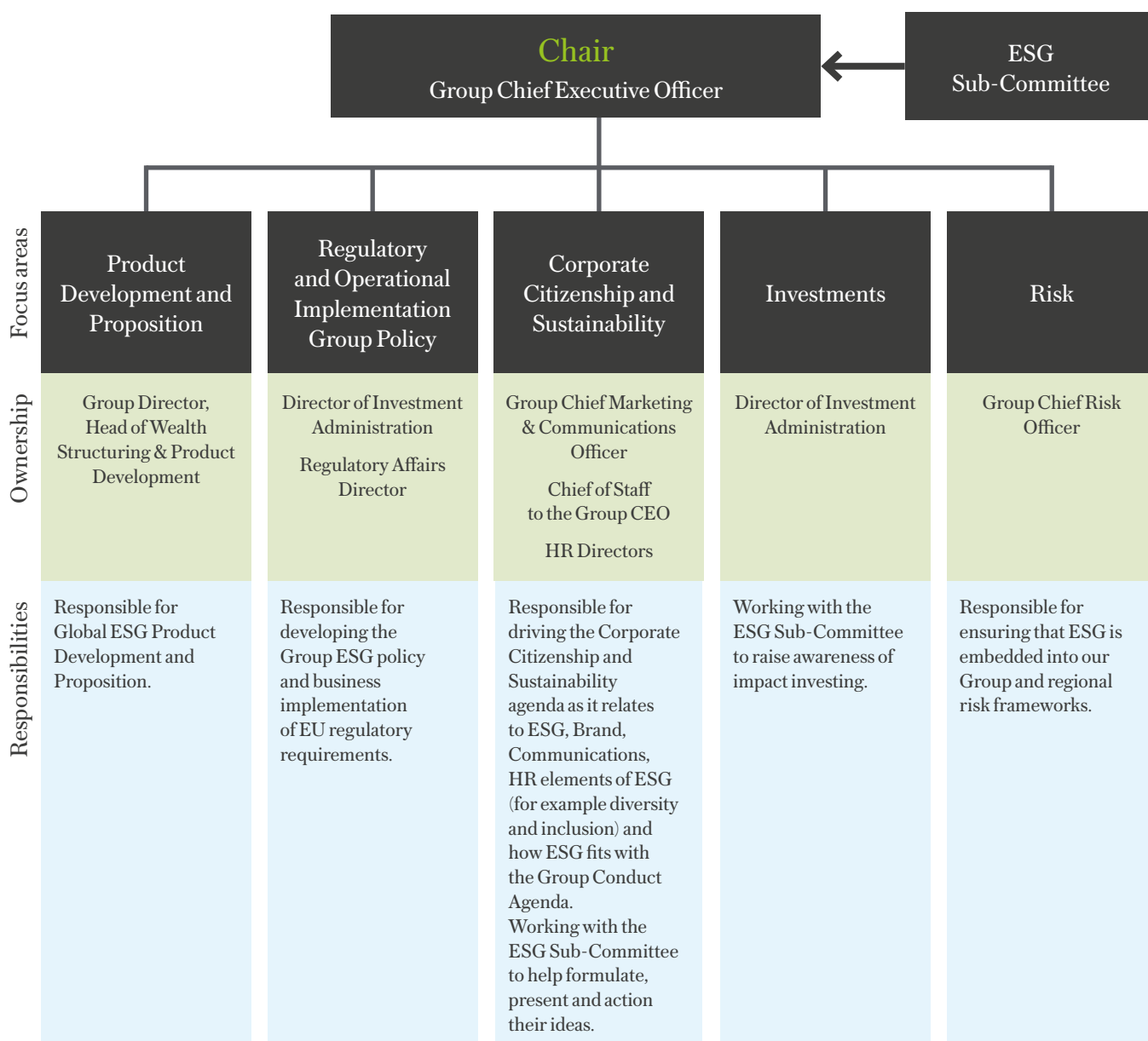


Our approach to ESG and our responsibilities

It is our collective responsibility to ensure that we achieve and meet our corporate ambitions with responsibility and accountability. As part of this push, we are integrating ESG principles into our business operations, services, and products. And to ensure accountability, we measure and evaluate our performance beyond just our financial results. This document reflects the situation as at 31 December 2022.

ESG Group Business Committee

Focus Area, Ownership and Responsibilities



ESG Group Business Committee

How it operates and responsibilities

The purpose of the Group ESG Business Committee (the “Committee”) is to drive Lombard International Group’s ESG development and define the business’ approach across product, partnerships and its business.

An overview of the Committee’s responsibilities are set out below:

- » Baselining our current ESG approach, clearly defining and driving our ESG principles through communication, policies, procedures and leading through example.
- » Ensuring responsible product development and management.
- » Supporting and guiding Lombard International Group’s future talent to drive and develop our ESG business approach, through a dedicated sub-committee of this forum.
- » Promoting ESG Communications on a global basis to ensure our clients and partners are aware of our approach and guiding principles.
- » Ensuring our global risk framework reflects our ESG approach.
- » Adapting our business and product approach, based on the changing global information that becomes available with regards to this important aspect of our business.

Structure and composition

The Committee is a monthly working committee comprised of senior Lombard International Group executives. The composition, organisation and functional requirements as well as the detailed description of the roles and responsibilities of the Committee are outlined in the Group ESG Business Committee’s Terms of Reference.

ESG Sub-Committee

How it operates and responsibilities

The purpose of the ESG Sub-Committee (the “Sub-Committee”) is to support Lombard International Group’s ESG Business Committee in driving forward our ESG agenda. Corporate Citizenship and Sustainability is a key part of our ESG agenda; the Sub-Committee considers strategies for, and implementation of, good ESG behaviours within our working environment and the communities in which we operate. It also considers our future ESG ambitions and provides ideas to the Group ESG Business Committee.

The Sub-Committee provides a monthly update to the Group ESG Business Committee on:

- » The initiatives and activities that drive our Corporate Citizenship and Sustainability agenda by and within the workforce.
- » Suggested future ambitions from an E, S & G perspective.

The Committee’s responsibilities include the following:

- » Baselining our current ESG approach, clearly describing and driving our ESG principles through communication, policies, procedures and leading through example.
- » Identifying and actioning ideas that demonstrate Lombard International Group’s commitment to working and operating in compliance with our ESG principles.
- » Encouraging responsible corporate behaviours that contribute to our overall ESG agenda and make our workplaces better both environmentally and socially.
- » Promoting ESG Communications across the Lombard International Group to ensure our people are aware of our approach and guiding principles.

Structure and composition

The Sub-Committee is a monthly working committee comprised of representatives from various departments of the company. The composition, organisation and functional requirements, as well as the detailed description of the roles and responsibilities of the Committee, are outlined in the Group ESG Business Committee’s Terms of Reference.



Our sustainability journey

Environmental, Social and Governance principles guide our responsibilities and approach in helping to protect and preserve resources, assets and communities for future generations. The current environment has further heightened this focus.

ESG principles have become the framework for measuring the sustainability and societal impact of wealth and it is encouraging to see a proactive shift across all segments of the wealth management industry in making this a priority.⁵

We are committed to incorporating ESG factors into our strategy and operations in order to contribute towards implementing the UN 2030 Agenda for Sustainable Development.

Most products designed by Lombard International Assurance, the Luxembourg-headquartered insurance carrier of Lombard International Group, offer a high degree of investment flexibility. Policyholders can integrate their ESG priorities into the investment options linked to their policy.

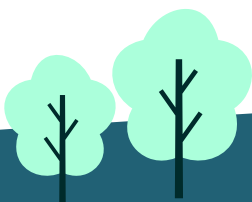
Lombard International Assurance is committed to make sustainable investment options available to policyholders in order to allow for opportunities which correspond to the policyholder's ESG preference.

While our commitment spans our internationally diverse footprint, we are mindful that the specific requirements, customs and regulations of the many jurisdictions where we operate require a flexible approach to implementation. Approaches which allow for the creation of efficient, diversified and sustainable investment portfolios may therefore vary over time and depending on the markets we serve.

Partnering with a leading provider of investment fund data, we are proactively looking at providing sustainability information, allowing policyholders and their advisers to choose among those options that best match their financial goals and sustainability preferences.

Policyholders for whom appointed discretionary asset managers manage an account linked to their policy express their ESG priorities as part of their investment strategy and according to their investment profile. Policyholders can choose between standardised or customised investment strategies to meet their ESG preferences.

⁵ According to the EY Sustainability Index 2022 (https://www.ey.com/en_uk/financial-services/sustainable-finance-index-22-how-to-put-esg-back-on-track), about 70% of institutions in Europe and the Asia-Pacific region offer green products, compared to only 20% in North America. A recent survey of European asset managers also suggests nearly 72% are considering halting the launch of non-ESG products - with 60% of them planning to do so by the end of 2024.



Investment exclusions in Europe

Although not involved in the asset selection process, Lombard International Assurance (as legal owner of the underlying assets held within the life policies issued by the Company) has published its ESG Investment Guidelines and related Investment Exclusion List in 2022. In April 2023, Lombard International Assurance has refined the scope of its ESG Investment Exclusion List which no longer applies to discretionary managed Internal Dedicated Funds (IDFs) and Specialised Insurance Funds (SAFs).

All appointed investment managers of Internal Collective Funds (ICFs) must however comply with the exclusion list. Financial instruments issued by issuers violating the UN Global Compact Principles or having involvement into Controversial Weapons are excluded from the investment universe of ICFs. Additionally, ICFs may not invest into investment funds with an investment share of more than 10% in issuers with Controversial Weapons involvement. The UN Global Compact defines 10 principles that include positions on human rights, labour, environment and anti-corruption. The values represented through these principles are shared by Lombard International Group.

External investment funds included in the fund lists we make available to policyholders for selection must not have an investment share of more than 10% in issuers with Controversial Weapons involvement.





The E: Environment

Our commitment

We firmly believe that by working to protect the planet today, we can pass on a more sustainable, healthier, and greener tomorrow. By practicing recycling and waste management, encouraging and supporting our employees in adopting greener behaviours, and by supporting conservation projects that preserve and restore habitats, we are making our actions count.

Our ambition is to work with stakeholders who address key environmental and social issues that align with the UN's Sustainable Development Goals (SDG), otherwise known as the Global Goals. They are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. These 17 internationally agreed Global Goals provide a mechanism for aligning governments, businesses and societies to enable these goals to be achieved by 2030.

Through its programs, investments and initiatives, Lombard International Group has the strategic intent to contribute to a number of the SDGs.

On the road to carbon neutrality

Relying on renewable sources of energy and meaningfully addressing the excessive use of energy and goods is fundamental to successfully pursuing a carbon neutral approach.

We have been proactive on this topic for several years now. Since 2015, the Luxembourg office has been fully powered by 100% renewable energy, produced by hydro-electric power, as certified by Enovos, the Luxembourgish energy provider. The car sharing pool in our Luxembourg office is also fully electric.

The Luxembourg office building has been certified 'very good' by BREEAM, the world's leading sustainability assessment method and its 'Energy Passport Certificate' was awarded 'very good' by Luxembourgish Authorities.

As part of the IMS 0% Plastics Pledge that we signed, we are working towards reducing single-use plastics in the office. In-house catering facilities stopped the use of plastic cutlery and we have reduced plastic consumption in office supplies (binders, pencils, etc.) by more than half since 2019.

Lombard International Group entities, including the distribution entities in Paris, London and Munich, as well

as Lombard International Assurance's head office in Luxembourg and Lombard International Assurance's branch offices in Brussels and Milan, are continuously striving to reduce their energy consumption. In 2022, we have reduced the number of neon lights in use at our Luxembourg office building by 50%. Since 2019, which we take as a pre-Covid reference year, our Green House Gas (GHG) emissions (scope 1 & 2) have been reduced by -48.7% (based on contract values) passing from 758 MTCO_{2e} to 389 MTCO_{2e}. This represents a -56.5% reduction in MTCO₂ net emissions per employee. Although our hot water and heating system consumption has increased by +21.87% since 2019 due to a higher number of employees in our offices and to climate variations, our overall energy consumption has decreased by -5.77%. This also includes the energy consumption from outsourced data centres. Looking at our electricity consumption alone, our GHG footprint (scope 1 & 2) has been reduced by -79.72% since 2019. As we continue to invest in technology and video conferencing systems, we encourage our employees to reduce the number of business trips. Since 2019, we have seen a 40% reduction in our flight kilometres.

Our approach to further reducing our GHG emissions builds on 3 key pillars:

1. Maximizing the use of green and renewable energy sources, reducing plastics consumption and including GHG emissions reviews into our operations across our geographies.
2. Reducing our energy consumption, with a particular focus on IT equipment: ensuring all equipment is switched off at night and goes into sleep mode after a given period of inactivity, looking for data centres with low energy consumption, reducing the number of servers and promoting multi-function office equipment that can reduce energy consumption and waste.
3. Promoting a greener approach to travel: seeking to offset carbon emissions for business travel, travelling direct wherever possible, establishing a list of preferred airlines based on their commitment to sustainable business practices, encouraging colleagues to use public transport and opting for a hybrid or electric vehicle when hiring a car or taking a taxi.



What we're doing as a business

Adhering to best market practices

To align with best market practices, established frameworks and standards have been reviewed and analysed in order to serve as guidance for the implementation of our ESG framework. Our objective is to align with the Principles for Responsible Investments (PRI), Principles for Sustainable Insurance (PSI) and the European Commission action plan on financing sustainable growth. These were reviewed by members of our ESG Project Team which brings together members from different areas of the Company.

Investing in digitalisation

Our presence in 10 cities across the world, serving over 25 markets, means we have the breadth and reach to service our partners and clients on an international scale. But in an age of constant digital change and innovation, we know that the needs of our clients and partners are evolving too. We remain focused on driving sustainable innovation in every aspect of our business, including the development of new digital capabilities, to continually provide the service and solutions they have come to expect. For our intermediary partners, digital tools strengthen the service they deliver to their clients, including the ability to monitor the policy onboarding process and access consolidated reports.

Digital transformation is a continued effort which needs to be integrated into existing operational models and architectures. The integration of technology into key operational processes, such as the automated analysis of

risk profiles or the instant verification of information in anti-money laundering controls, has contributed to enhancing operational excellence and increasing efficiency. From a sales perspective, our digital onboarding and servicing platform, coupled with the availability of online transaction tools, represent important sustainable growth levers, in line with our local partners' specific requirements and expectations.

In many that we serve, our digital servicing platform *Connect* enables our partners and clients to oversee and manage their policies securely online. This includes secure access to policy servicing and transaction information, online query management, the ability to change client information, beneficiaries and much more. Depending on local regulations, we also provide our partners with a fully digital onboarding process that uses secure electronic signatures. This functionality provides the ability to complete subscriptions to new policies electronically, remotely, and with a safe, compliant and user-friendly onboarding experience.

In addition, we prioritise the use of technology and video conferencing solutions to reduce our carbon footprint linked to business travel.

Embracing digitalisation significantly reduces the distance that employees and clients need to travel, as well as reducing energy costs by increasing the efficient and speed of processes being completed. It further supports employees' well-being by providing them with innovative and collaborative tools.



Supporting environmental causes

We have a strong track record of supporting environmental charities and their work across the world. In partnership with Tree Nation, an international Non-Governmental Organisation (NGO) which supports reforestation programmes across the globe, Lombard International Group planted 1,000 Caucasian Fir Trees on the occasion of the 2022 December festive season. The trees have been allocated to one of Tree Nation's reforestry projects located in Burgundy, France. In 2021, Lombard International Group also planted a *Pyrus Communis* tree for each of the company's 550 employees as part of a reforestation project in the same region.

Lombard International Group also supports the Baltic Sea Foundation, a Finnish non-profit organisation aimed at protecting the environment and wildlife in the Baltic Sea, which is sadly considered one of the most polluted seas in the world. In 2022 we reconfirmed our support on the occasion of our annual event in Helsinki where we hosted an exhibition cocktail focused on the work of the underwater photographer Pekka Tuuri, whose pictures capture the beauty of the Baltic Sea. We took this opportunity to invite our local partners to donate through a secret auction.

Since 2020 we have been supporting 1001 Fontaines, a French NGO with a mission to improve the health of vulnerable populations by providing access to clean and safe drinking water. 1001 Fontaines has pioneered an innovative charitable model, leveraging philanthropy and social entrepreneurship, to ensure a sustainable, lasting impact.

How we're working with our partners

Supply chain oversight and requirements

A fundamental part of understanding and limiting the environmental impact of our business is working with stakeholders to ensure we minimise our up and downstream impact.

Partnerships are at the heart of everything we do and are deep-rooted in our business model. Among the many stakeholders and partners, we deal with on a daily basis, our suppliers play an essential part in the long term sustainability of our business.

Therefore, as we progress along our ESG journey, we want to ensure that there is an adequate level of ESG integration throughout our supply chain.

To better understand our key suppliers' approach to ESG and ensure that our respective agendas are aligned, in September 2022 we launched a specific online questionnaire aimed at capturing key information on where they stand with regards to ESG integration into their own businesses. Consisting of 15 questions, the questionnaire initially focused on our top 20 suppliers, who represent c. 60% of our supply chain total cost volume.

With a 90% completion rate, key findings from the survey evidenced that:

- » 63% of respondents said they publish an annual ESG report.
- » 100% of respondents said they have policies and procedures in place to comply with applicable privacy laws, including the EU Global Data Protection Regulation (GDPR) and data security requirements.
- » 84% of respondents said their company have at least one senior-level employee responsible for ESG/CSR (Corporate Social Responsibility)
- » 84% of respondents said their company has formalized specific targets related to its environmental impact
- » 84% of respondents said their company have a written Diversity & Inclusion policy
- » 100% of respondents said their company requires its significant partners to comply with applicable anti-corruption, labour, human rights, environmental and/or health and safety laws or policies.

Our outsourcing providers are subject to the same duties that are applicable to our business regarding the security and the confidentiality of our client's information and data.



The S: Social

Summary

People are the definitive key to our success and only together we can truly make legacy count. This is why we believe in mutual growth and are committed to investing in our employees as well as our communities.

We want colleagues to feel challenged and supported, valued and rewarded. It is also important that they feel empowered to thrive in an internationally connected, diverse and collaborative work environment that advocates inclusivity, wellbeing, synergy, business excellence and having a positive social and community impact.

Our mission is clear - to inspire and enable employees' personal and professional development. Nurturing a continuous learning culture and providing colleagues with the right tools enables them to build their own legacy and provides a solid foundation for sustainable business growth as well.

Lombard International Assurance recognised as a STEP Gold Employer Partner

Lombard International Assurance has been awarded Gold Employer Partner by the STEP Employer Partnership Programme, joining a network of 100 Employer Partners across 500+ accredited offices worldwide. This accreditation further recognises the expertise of Lombard International Assurance's international team of over 450 colleagues, including highly experienced wealth and succession planning specialists, technical experts and client services professionals.



What we're doing as a business

Fostering a culture of inclusion

We nurture an equal and inclusive culture at Lombard International Group whilst championing our diversity - and there's a reason for that. The foundation of our success, and at the heart of our organisation, is our people.

Our Diversity, Equity, and Inclusion (DE&I) vision is to cultivate and nurture an engaging and inclusive workplace that is built on openness, fairness, collaboration and trust, where everyone feels comfortable and empowered to speak up and be a part of the conversation. We respect and champion the diverse experiences and perspectives of our people, valuing the power of each colleague's contribution in collectively delivering the extraordinary.

Our Inclusion Action Pledge is our united commitment to cultivating a sustainable culture of inclusion and continuing to make a difference in the way we conduct business. It is our hope to inspire and motivate ourselves and others to commit towards a more consciously inclusive and equitable social landscape.

We pledge to:

- » **Welcome, respect and value all individuals** with whom we engage or encounter, from our partners and clients, to stakeholders, communities and each other, for their unique characteristics and experiences, across all dimensions of diversity.
- » **Foster a culture of inclusion** that prioritises and cultivates a sense of belonging, empowering open conversations, authentic collaboration and constructive debate.
- » **Empower the individual and collective voice and perspectives of all colleagues**, leveraging the multi-cultural talent opportunities so every individual feels challenged and supported, valued and rewarded, and empowered to thrive through their career journey at Lombard International Group.
- » **Be accountable for our own actions and personal inclusion journey every day**, whilst also holding each other, and our organisation, to account in upholding the tenets and spirit of our Inclusion Action Pledge, realising our collective intent and corporate vision of cultivating a consciously inclusive and equitable social landscape.

LioNexus: engaging our colleagues and encouraging open dialogue

Engaging with employees is crucial. In the post Covid-19 environment we have been able to breathe new life into our colleague engagement programme by launching LioNexus, a new approach aimed at getting colleagues involved in 5 core pillars: ESG & CSR; Internal Events; Awards & Recognition; Health & Wellbeing; and Diversity, Equity & Inclusion (DE&I). Each pillar is managed by a group of volunteers from across various departments whose representatives meet regularly to share ideas, design new initiatives and foster internal engagement.

More than just a social committee, LioNexus serves as the central hub for all cultural clubs, affinity groups, CSR initiatives, after-work events, DE&I programming, well-being actions, awards and more. It also encourages all colleagues to speak up and interact with the business, whilst getting to know each other better and having fun in the workplace.

Pillar 1

ESG & CSR

Embedded in our Corporate Citizenship approach is the drive to develop charitable partnerships and citizenship programming that go beyond simply committing a donation. This includes inspiring, mobilising and engaging our colleagues to have a positive impact on the communities where we operate.

Originally inspired by the philanthropic and charitable endeavours of our employees, the LioNexus team responsible for ESG and CSR designed the LionHeart Challenge which was launched in March 2023.

The LionHeart Challenge is a unique opportunity for our colleagues to take part in a fun and purposeful initiative, by taking on a personal challenge that is dear to their heart, whilst raising funds for a good cause. Lombard International Group is committed to funding the chosen charities of all volunteers who complete their challenge by the end of the calendar year.

Pillar 2

Internal Events

After5 is our LioNexus social group responsible for organising internal events, entertainment and a range of colleague engagement initiatives. Each initiative aims to strengthen our employees' sense of belonging in a relaxed atmosphere and to celebrate the diversity of our communities, with themed events highlighting the various different cultures embodied by our more than 40 different nationalities.

In May 2023 we also launched all colleague survey to hear their views, opinions and better understand what they think about our LioNexus initiatives. In appreciation of their time, for each completed survey, Lombard International Group committed to donating €5 to a Luxembourg-based charity. The results from the survey will be detailed in the next edition of this report.

Pillar 3

Awards & Recognition

Launched in June 2023, the new LioNexus Recognition Program aims to celebrate and showcase outstanding work and achievements of our talented individuals and teams. It recognises and appreciates those colleagues who consistently go the extra mile in championing our values and contributing to a culture of business excellence.

Each month, we recognise either an individual or a team - alternating each month - who have achieved a particular success or milestone. The individuals or team winner(s) receive an award from our Managing Director Europe and are given an opportunity to celebrate their accomplishments together.



Pillar 4

Health and Wellbeing

Employee wellbeing in the workplace is an absolute priority. With this in mind, and in collaboration with the Luxembourg state health association for the financial industry *Association pour la Santé au travail des secteurs Tertiaire et Financier* (ASTF), the LioNexus social group responsible for Health and Wellbeing in the workplace has launched a series of workshops in May 2023. Those workshops aim to raise employees awareness on topics such as stress management, burn out prevention and harassment prevention, with specific sessions for people managers.

In addition, the Company encourages sporting activities and communities such as football teams, the annual Luxembourg Night Marathon, a running club and the use of our corporate fitness room.

Pillar 5

Diversity, Equity & Inclusion (DE&I)

Diversity, equity, and inclusion (DE&I) is rightly becoming more important to society at large. Investors and the wider financial services sector are consistently seeking new ways to tackle these systemic subjects; and Lombard International Group is proactively seeking to be an active voice in these discussions. Launched in early 2023, the LioNexus social group responsible for DE&I has started to reflect on a plan to refresh and articulate our DE&I programming, further engaging our colleagues and the communities we serve, work and live in.

Gender comparison metrics

Our 2022 figures show a balanced distribution of our Male/Female employee population, comparable to our 2021 numbers (53%M/47%F).

Pay gap analysis

To ensure a meaningful and relevant analysis, we compared the average hourly salary rate per gender and job level. As illustrated in the following charts, the data shows limited gaps, ranging from 2 to 4% in favour of the Male population.

Analysis of promotion over the course of 2022 reveals a gender balanced outcome. Despite this, we acknowledge that there is more work to be done. However, it's important to note that these figures show that there is little gender pay disparity at commensurate levels. There is a disproportionate number of men in more highly paid roles.

Pay gap per gender and job level (base 100)

Europe employees



Male (M) / Female (F) population ratio at Boards and Senior Management bodies levels

Whilst our 2022 figures show a balanced distribution of our overall Male/Female employee population, we recognise that there are areas for improvement within our Boards and Executive Committees.

Group Board (LIA Holdings Limited)



Executive Committee (Europe) Members and permanent attendees



European Board (Lombard International Assurance S.A.)



Learning and Development

Accelerated growth across the financial services industry has resulted in the sector needing to strengthen their teams and talent to ensure that they are able to seize the growth opportunities available. In this competitive environment, businesses need to clearly articulate their employee value proposition which, at its core, is about opportunity, learning, personal development and growth.

We are firmly committed to helping intellectually curious and ambitious individuals develop and enhance their skills through learning and development opportunities.

We regularly provide learning opportunities and development training to ensure we are creating a stimulating environment where everyone feels valued and empowered.

Initiatives and training include:

- » **Our LiOnboarding experience programme:** this 6-month course has been created for all our new employees who are starting out in the eCompany. It consists of a full induction day and departmental presentations so that new arrivals are fully equipped and informed about the eCompany. It also helps to create a sense of cohesion between employees who have started together.
- » **Growth Mindset & Positive communications:** regular training sessions for people managers are organised to create a common culture and help promote better results by inspiring trust through integrity, mindset, skills and behaviours
- » **Our membership with IMS (Inspiring More Sustainability) Luxembourg** also allows our employees to attend free trainings related to ESG and Sustainability.
- » **LinkedIn Learning:** in 2022, we continued to encourage the use of the LinkedIn e-learning platform, launched in 2021 with more than 5,000 courses available.

An intranet portal has been created with regular course recommendations sorted by category and regular newsletters are sent with a selection of e-learning on specific topics.

In 2022, 12,570 hours of training were completed by our employees, with a gender breakdown at 56% for male and 44% for female. We invested 1.75% of our total remuneration costs in training.

Supporting and encouraging flexible working

Two years of intermittent lockdowns has opened up a much-needed conversation on hybrid working and flexibility in Luxembourg and beyond. The progress that has been made since the start of the pandemic demonstrates that greater flexibility for home/remote working is feasible. Crucially, we believe that companies must clearly and fairly articulate their approach to flexible working together with their wider employee value proposition.

We recognise the importance of work/life balance and the benefits that flexible work arrangements can have for employees, both personally and professionally. We support a variety of flexible work arrangements, with the aim of addressing and/or accommodating employees' personal needs, in line with local regulations.

Supporting charitable initiatives

Our donations, charitable partnerships and volunteering initiatives across the Group are aimed at continuing to drive positive environmental impact, social awareness and community prosperity. Our people are at the heart of our endeavours that help to make a real difference. They proactively give back and get involved in their local communities by organising company-wide fundraising campaigns, participating in charitable events and donating their time, money and skills to causes close to their hearts.

How we're working with our partners



Case study / Institut du Cerveau

As part of its annual flagship event in France, Lombard International Group launched a new concept in 2022 called “La Collab”, where we invited our key partners to an exclusive charity event. For this inaugural edition, we were honoured to hear from Olivier Goy, a well-known French entrepreneur and amateur photographer, who is affected by Amyotrophic Lateral Sclerosis (ALS / *Maladie de Charcot*). Olivier Goy spoke of his disability and advocated for better understanding and recognition of the realities of this disease.

Lombard International Group organised a private auction with a selection of 5 photographs by Olivier Goy, which raised over €10,000 for the Brain Institute (*Institut du Cerveau*) in Paris, which is very active in advancing research into ALS.



Our citizen footprint

At Lombard International Group, Corporate Citizenship is our approach to ensuring we have a positive impact in the communities in which we work and operate. We care about making a meaningful difference today, to safeguard a sustainable future for our colleagues, our clients, our partners, the environment, and society of tomorrow.

In 2022, Lombard International Group supported 14 charities.



1001 Fontaines

In 2022, Lombard International Group reaffirmed its support to 1001 Fontaines, a French NGO, established in Paris, bringing lifelong access to safe drinking water to improve the health of vulnerable populations across the globe.



Baltic Sea Foundation

A Finnish non-profit organisation protecting the environment and wildlife. In 2022, Lombard International Group hosted an exclusive exhibition cocktail focused on the work of underwater photographer Pekka Tuuri, whose pictures capture the beauty of the Baltic Sea, which is sadly considered one of the most polluted seas in the world. Lombard International Group took this opportunity to reconfirm financial support to this purposeful organisation, by also giving our guests the opportunity to donate financial aid through a secret auction.



Christmas in a shoebox

Lombard International Group partnered with Christmas Shoebox Luxembourg to provide children in Ukraine and surrounding Eastern European countries with donations of essential items in time for Christmas. We have organised a company-wide campaign, inviting our employees to contribute to this initiative.



Europa Donna

On the occasion of Pink October, Lombard International Group donated financial aid to Europa Donna, a Luxembourg-based organisation supporting women and men fighting against breast cancer.



Ile aux Clowns

L'Ile aux Clowns is a non-profit organisation whose primary aim is to bring good humour, joy and smiles to people who are facing difficult living conditions. Through their work in hospitals, they also facilitate the work of the supervisory staff and strengthen dialogue and understanding between professionals, patients and their families.



Institut du Cerveau

The Institut du Cerveau (Brain & Spine Institute) is an international brain and spinal cord research centre whose innovative concept and structure makes it the only institute of its kind in the world. The Institut du Cerveau brings patients, doctors and researchers together with the aim of rapidly developing treatments for diseases of the nervous system and bringing them to patients as quickly as possible.



LUkraine ASBL

In 2022, Lombard International Group supported LUkraine ASBL, a Luxembourg-based organisation providing financial aid and support to Ukrainians victims of the war.

Mihingo Conservation Foundation

Lombard International Group donated financial aid to the Mihingo Conservation Foundation in Uganda, supporting a charity trip to the country by one of our employees. The donation was made to buy school uniforms for kids.



MSF Luxembourg

In 2022, Lombard International Group continued to partner with Médecins Sans Frontières Luxembourg, reaffirming its financial support to their many endeavours in Ukraine and in their efforts to provide assistance and care to victims of sexual violence in Congo.



OYA

A Belgian charity which funds research into neuromuscular disease. Lombard International Group continued its partnership with OYA as part of the St Nicolas celebration in Luxembourg by buying a chocolate treat box for each of its employees.



Team Rynkeby

Team Rynkeby is a Nordic charity cycling team who cycle to Paris every year for the benefit of children suffering from critical illnesses. Team Rynkeby consists of 2,250 cyclists and 360 volunteers distributed across 65 local teams in nine countries.



The Blevins Franks Charitable Foundation

The Blevins Franks Charitable Foundation supports over 150 separate causes including organisations that provide care to disadvantaged children, foodbanks, community projects, cancer and other healthcare support, animal rescue, homelessness charities and specialist medical treatment for individuals in need.



Tree Nation

Tree Nation is an international NGO which supports reforestation programmes across the globe. Lombard International Group continued its partnership with Tree Nation in 2022 and committed to plant 1,000 Caucasian Fir Trees for the December festive season. The trees will be planted in Burgundy, France. This is one of Tree Nation's agroforestry projects which focuses on combining agriculture with forestry that helps revitalise the local ecosystem.



WeWorld

WeWorld Onlus promotes and safeguards the rights to inclusion of women, children and teenagers in Italy and throughout the world. It helps to prevent violence against women fostering their economic, social and educational inclusion.



Priorities & objectives

Embed in the business

- » Align our Corporate Citizenship approach to our business strategy, operations, employer brand, and leadership
- » Engage our colleagues in our approach to Corporate Citizenship at Lombard International Group
- » Ensure charitable initiatives and Citizenship are fully aligned with and reinforce Lombard International Group's values, strategic priorities and value proposition to protect, preserve and pass on wealth.

Partnerships beyond donations

- » Develop charitable and influential partnerships and Citizenship programming that goes beyond simply committing a donation. This includes thought leadership, inspiring and mobilising colleagues, providing community giving and engagement opportunities, and leveraging appropriate business capabilities including technology, tools or skill-based volunteerism.

Measure impact

- » Our measure of success is to see long-term value in our philanthropic investments
- » Work collaboratively and creatively across business and functional units to set appropriate, achievable impact goals.



The G: Governance⁶

Lombard International Group entities operate under a comprehensive and solid corporate governance structure which defines responsibilities, risk appetite and ensures independent oversight and control.

Understanding the “G” in ESG is critical, as governance risks and regulations will likely increase as social, political, and cultural attitudes continue to evolve.

Underpinning all of that work is our commitment to implementing and sustaining an approach to risk

management and business governance that is cohesive, comprehensive, as well as coordinated across our European jurisdictions.

In addition, as ESG continues to be one of our business imperatives and our ESG framework builds out, Lombard International Group leadership’s involvement and oversight over ESG matters is increasing. ESG factors and sustainability risks are gradually becoming more and more considered at all levels of our corporate governance, which is of paramount importance to our legacy.

Our approach to ESG

Lombard International Group is committed to incorporating ESG factors into its strategy, stewardship and operations in order to contribute towards implementing the UN 2030 Agenda for Sustainable Development. Our approach to ESG sets out the high level principles and targets for the implementation of ESG related actions and initiatives within Lombard International Group and its entities. It guides us in executing our ESG agenda and defining our ESG priorities.

⁶ Our ESG Governance structure is outlined on page 23.



Lombard International Group

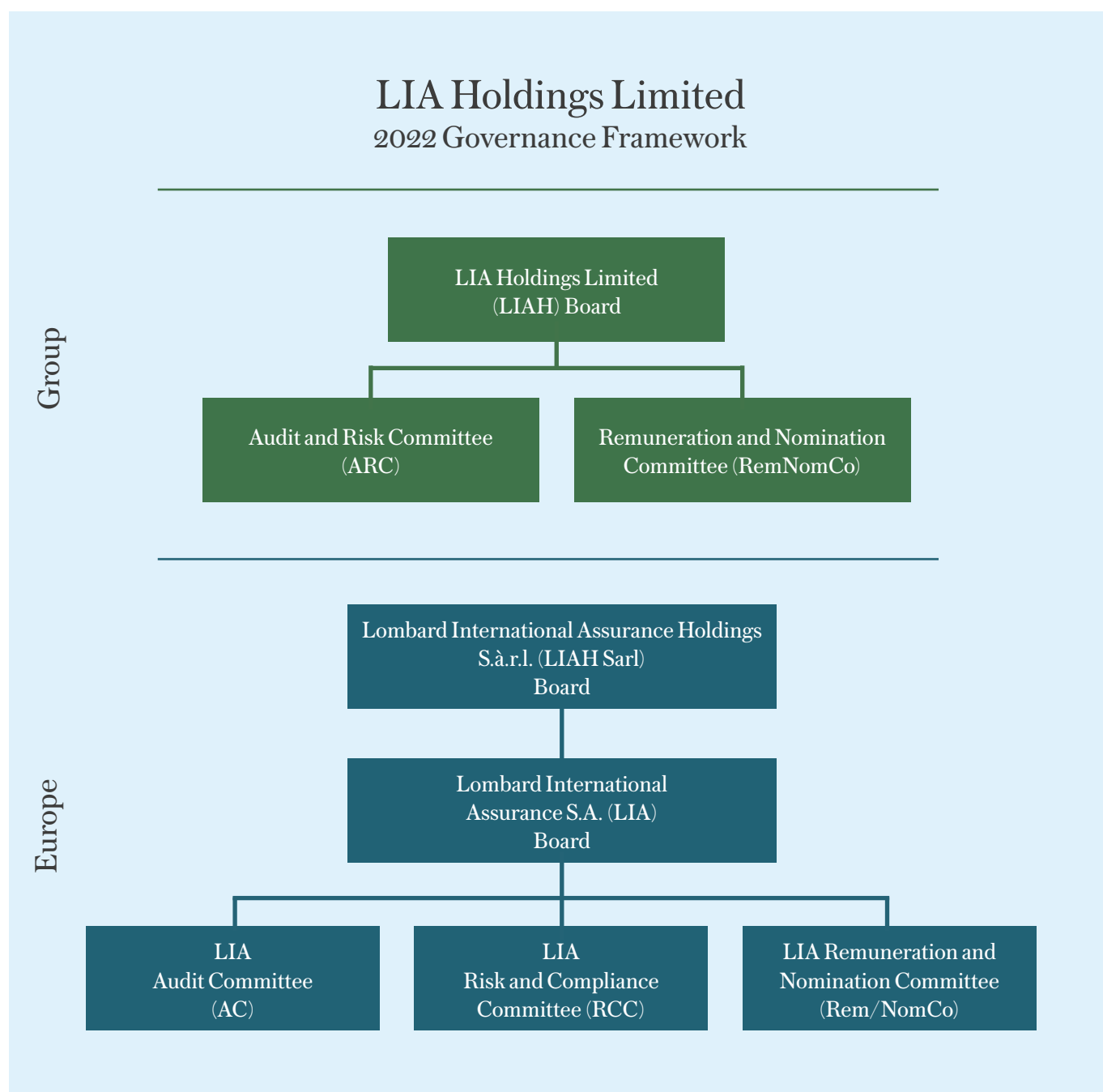
Ownership and Corporate Governance

Ownership

As at December 2022, Lombard International Group was wholly owned by funds managed by Blackstone, whose representatives also sit on Lombard International Group's Board (the "Group Board"). Blackstone is one of the world's leading investment firms which seeks to create positive economic impact and long-term value for their investors, the companies in which they invest and communities in which they work.

Corporate governance

A strong corporate governance is one of Lombard International Group's fundamental mechanisms in ensuring its business sustainability and integrity, as well as in pursuing its business goals and delivering sustainable value to its shareholders.



Board and Board Committees at Group and Regional level

Note: At the time of writing, the Group is undergoing some organisational changes and the Board Committees are subsequently evolving in 2023 to reflect these changes. This document reflects the situation as at 31 December 2022.

The Group Board plays a key role in the overall direction and business strategy of Lombard International Group as well as in ensuring the implementation of this strategy. It has responsibility for oversight of the direct and indirect subsidiaries of LIA Holdings Limited. The Group Board and subsidiary regional boards for Luxembourg entities and the Distribution entities (the “Regional Boards”) include non-executive directors who provide independent oversight and the benefit of their expertise in supporting the Executive Directors and wider Management team.

The Group Board is also responsible for providing counsel and strategic input to the Management, for reviewing the financial performance and for overseeing the risk and controls framework across the Group. In addition, it receives and reviews updates from across the business to satisfy itself regarding direction, strategy and performance of the Group, which may include sales performance data, executive management updates and specific functional updates across the business.

Although it maintains a collective responsibility for decision making, the Group Board delegates authority to its two sub-committees: (i) the Group Audit and

Risk Committee (the “Group ARC”); and (ii) the Group Remuneration and Nomination Committee (the “Group Rem/NomCo”), which assist the Group Board in focusing on specific subjects and dealing with specialised tasks, with a clear scope of responsibilities and reporting procedures. The Group ARC assists the Group Board in fulfilling its responsibility for financial reporting, internal control, internal and external audit, risk management and compliance monitoring; while the Group Rem/NomCo’s role is to support the Group Board in setting the Group’s remuneration strategy and ensuring that oversight and governance of the Group is maintained through function holders with necessary competencies and experience.

At the regional level, the main operating entity is located in Luxembourg and is governed by Regional Boards responsible for supervising the business and financial affairs at local level as well as for implementing the overall direction and strategy of the business as set by the Group Board. Analogous to the Group level, the Regional Boards also carry out their responsibilities by delegating authority and specific tasks to their respective Audit; Risk and Compliance; and Remuneration and Nomination sub-committees.

Group Executive Committee

The Committee usually meets informally on a weekly basis and then formally monthly. It's an opportunity for the Group CEO to discuss strategic, financial, reputational and commercial matters. In addition, the Group Executive Committee ensures the appropriate governance is in place with regards to global standards and conduct and that the Company considers and reviews appropriate outcomes for clients and partners. Each member of the team has accountability for their own business area or function which is subject to oversight of and control by the Group Board.

To ensure robust oversight of the organisational processes and day-to-day business operations and related risks, the Group Executive Committee delegates authority to the respective regional executive committees to focus on specific subjects and to deal with specialised tasks, with a clear scope of responsibilities and reporting procedures. This is all in accordance and consistent with the overall business strategy of the Group.

Group Executive Committee



The European Executive Committee (the “ExCo”), chaired by the Managing Director Europe, is the European senior executive decision-making body responsible for the management and oversight of the main insurance carrier business. The sub-committees of the ExCo are as follows: (i) the Risk Oversight Committee (the “ROC”); (ii) the Investment Oversight Committee (the “IOC”); (iii) the Business Acceptance Committee (the “BAC”); and (iv) the Product Oversight Committee (the “POC”).

The ROC’s main responsibility is to ensure that the critical risks are identified, assessed, managed/mitigated and monitored by the appropriate risk management.

The IOC is responsible for overseeing the risk management processes in relation to client investment risks as well as for the operational set-up related to client investments.

The BAC is responsible for assessing the overall risk of acceptance of particular case files, taking into consideration the overall risk appetite.

The POC is responsible for product lifecycle, from analysis and design to development, launch, maintenance and review.

In order to adequately manage its responsibilities vis-à-vis ESG, the European Executive Committee has a specific agenda item covering ESG matters. Whilst not a formal sub-committee, an ESG Steering Committee comprising subject matter experts and senior leaders from across the business manages and oversees the operational implementation of the various European ESG regulatory requirements. The ESG Steering Committee escalates any matters of importance up to the European Executive Committee.

Our Policies & Procedures

Effective policies and comprehensive procedures help to build and maintain high standards of business conduct as well as a structured work place with well managed day-to-day operations. Our policies and procedures are periodically reviewed and updated to ensure they remain current.

At Lombard International Group we have a number of policies and procedures to support our business. These cover a range of topics and activities and we have focused on three below to provide an overview of what they seek to achieve and the behaviours that they encourage.

Whistleblowing Policy

The whistleblowing policy establishes and regulates a process that allows employees and eligible persons who have any suspicion about a financial malpractice, corporate governance breaches, protection of privacy and personal data, security of network and information systems, bribery and financial crime including fraud, theft, abuse of data and compliance, to report it confidentially and anonymously through the whistleblowing internal channel (a.k.a. Moral Maps) or through the *Commissariat aux Assurances* (CAA) and/or other local national competent authorities external channels.

The confidentiality of the identity of the reporting person and any third party mentioned in the report is protected and prevents access thereto by non-authorized staff members.

The Audit and Risk Committee has responsibility for reviewing arrangements by which staff within the Company may, in confidence, raise concerns about possible wrong-doing in matters of financial reporting or any other matters.

Anti-Financial Crime Policy

Our Anti-Financial Crime (AFC) policy encapsulates the systems and controls Lombard International Group has in place to comply with anti-financial crime, legal and regulatory requirements and industry standards. For the purposes of the AFC Policy, financial crime is considered to include money laundering/terrorist financing, fraud and bribery, insider dealing and market manipulation, and tax fraud.

We strictly adhere to global anti-bribery laws, and we have also established a clear framework for the prevention, detection, monitoring and reporting of bribery and corruption. This is set out in our Anti Financial Crime policy, detailed in the Anti-Fraud procedure and Gift and hospitality management procedure, the inducement management policy and the conflict-of-interest policy. The business operates a very strict policy on the receipt or provision of any fee, commission, or non-monetary benefit that might be seen to be an inducement that could conflict (or be perceived to conflict) with our duty to act in the best interest of stakeholders.

Conduct Policy/Code of Conduct

As a purpose-led company, our values are the foundation of our success and define who we are, everywhere that we conduct business. Our culture is how we behave, which supports our workplace environment, and is what makes us unique. Our Code of Conduct brings our values, culture, principles and purpose to life, by governing and guiding our business practices, behaviours and ethics.

We seek to put clients and partners at the heart of what we do and ensure that alongside the delivery of excellent products and services, we treat them fairly and with respect. It also encourages us to support and respect our fellow colleagues to allow us all to operate in a positive work environment. Good conduct also requires us to operate within the laws and regulations prescribed by the various different jurisdictions in which we operate, preserve confidentiality (both for our clients and the company) and be mindful of our commitment to ESG.



How we're working with our partners

Engaging with stakeholders

The relationships with partners and clients have different touch points. We are in contact with them on a daily basis in order to support on queries, requests, and transactions that they may have. Technology is hugely beneficial to the engagement process and we continue to enhance our communication and distribution channels, using technology and digitalisation as enablers of greater global connectivity, service excellence and operational efficiency.

Regarding complaints procedures, the complaints management policy lays the foundation for complaints handling at Lombard International Group. It clearly defines the Company's obligations towards its external stakeholders, emphasises the client's and partner's rights and establishes the following principles while dealing with complaints: accountability, visibility and accessibility, fairness and objectivity/customer focused approach and continuous improvement.

Our client review process

Client acceptance is subject to an escalation and approval process depending on the risks established and linked to the prospect based on a number of factors. Hence, Lombard International Group's risk appetite and Client Acceptance process defines different levels of due diligence and sign-off depending on the risks identified related to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CTF).

In Europe, a standardised and automated risk scoring process was developed and implemented to distinguish between standard, medium and high-risk clients where enhanced due diligence will be required. Standard and medium risk clients and transactions are reviewed and approved within Partner & Client Services (PCS), whereas high risk clients/transactions are escalated to the Compliance function for further enhanced review and approval.

Procurement policy and oversight

The procurement policy aims to reduce risks during the procurement process. Principles and guidelines are defined to obtain appropriate solutions and minimise risks. There are risks in determining needs and planning; developing specifications; selecting the appropriate procurement methods; preparing solicitation documents and calling for offers; evaluating and selecting firms and individuals, negotiating contracts and contract administration.

Purchases of goods and/or services that are classified as outsourcing of services and/or goods are additionally subject to the requirements of the Outsourcing Policy. A list of these outsourcing relationships is available in the Outsourcing Policy.

To better understand our key suppliers' approach to ESG and ensure that our respective agendas are aligned, we launched a specific online questionnaire in September 2022, aimed at capturing key information on where each stand with regards to ESG integration into their own businesses. Consisting of 15 questions, the questionnaire initially focused on our top 20 suppliers, who represent c. 60% of our supply chain total cost volume.

See page 31 to learn more on the key findings from the survey.



About this report

This document on our ESG approach includes information about Lombard International Group (referred to as “the Group”, “we”, “us” or “our” in this Report). We specified where a section relates to a specific entity of the Group.

It provides an overview of our priorities, key performance indicators and highlights from 2022 on ESG factors relevant to our industry/markets. A first step as the business seeks to further develop and solidify its climate targets and roadmap across the geographical footprint of its physical offices, future reports will be updated to take these factors into account.

All information, data and examples in this document reflect activities undertaken during the 2022 fiscal year (1 January 2022 – 31 December 2022), unless stated otherwise.



Disclaimer

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The overview of tax rates is indicative and is directed towards high and ultra-high net worth investors. The tax rates are therefore those levied on substantial portfolios. The rates and bases of taxation are liable to change.

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