



## Introduction

LGT is a leading international Private Banking and Asset Management Group that has been fully controlled by the Liechtenstein Princely Family for over 90 years. Our long-term focus and sustainable investment principles are a core element in our corporate culture. We believe that we can only invest successfully for our clients by taking a long-term approach, which includes a strong commitment to environmental, social and governance (ESG) factors. This applies both to the investment solutions we deliver to our clients as well as to our business overall.

As an organization, we have a duty to respect human rights. With this Human Rights Statement we aim to share our approach and commitments regarding human rights.

## What are human rights?

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination<sup>1</sup>.

## Why we care about human rights

We believe that financial institutions play an important role in ensuring all human rights are respected. Investors can take an active role and push companies to comply with international human rights laws through research, education, dialogue and divestments.

Some of the more urgent topics that should be addressed include:

- Slavery, which is illegal and banned from our economic system. An estimated 40.3 million people are still living in modern slavery or are victims of human trafficking<sup>2</sup>. That is around 1 in every 185 people currently alive.
- Child labor, which deprives children of their childhood, their potential and their dignity and is harmful to physical and mental development. It must be eliminated. An estimated 160 million children – one in ten worldwide – are victims of child labor<sup>3</sup>.
- Indigenous people, given their dependence on the environment and its resources. Climate change, deforestation, pollution, economic development and biodiversity loss represent serious threats. This risks the loss of traditional knowledge, governance structures and culture.

## Approach

We commit to creating a favorable impact on society by pursuing opportunities to advance human rights in line with the Sustainable Development Goals (SDGs). We also aim to mitigate or actively reduce risks related to human rights and avoid negative impacts.

## External guidance

Human rights form an integral part of the UN Sustainable Development Goals (UN SDGs). We aim to positively contribute to the SDGs. In 2012, we committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption.

We are therefore committed to respecting human rights, as set out in the following initiatives:

- International Bill of Human Rights (including Universal Declaration of Human Rights)
- UN Guiding Principles on Business and Human Rights: Implementing the UN “Protect, respect and remedy” framework (2011)
- UN Global Compact
- International Labour Organization’s Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- Liechtenstein Initiative – Finance against Slavery and Trafficking (Fast Initiative, Blueprint 2019)
- Principles for Responsible Banking (PRB)
- Principles for Responsible Investment (PRI)

<sup>1</sup> [https://www.un.org/en/global-issues/human-rights#:~:text=Human%20rights%20are%20rights%20inherent,and%20education%2C%20and%20many%20more.\(25.10.2022\)](https://www.un.org/en/global-issues/human-rights#:~:text=Human%20rights%20are%20rights%20inherent,and%20education%2C%20and%20many%20more.(25.10.2022))

<sup>2</sup> [https://www.un.org/en/observances/slavery-abolition-day#:~:text=Did%20you%20know%3F,of%20modern%20slavery%20are%20children.\(25.10.22\)](https://www.un.org/en/observances/slavery-abolition-day#:~:text=Did%20you%20know%3F,of%20modern%20slavery%20are%20children.(25.10.22))

<sup>3</sup> <https://www.unicef.org/press-releases/child-labour-rises-160-million-first-increase-two-decades> (25.10.22)

## Internal guidance

Our Group Code of Conduct reflects the ethical and professional standards according to which we hold ourselves accountable. It also underscores our commitment to these principles of conduct towards external stakeholders. Our aim is to make a positive contribution in and support the sustainable development of society and the environment. Human rights present an integral part of this commitment since they are essential to achieving sustainable development. We conduct our business in a manner that respects the rights of all people. This includes considering human rights risk in our risk management.

Human rights guidelines are also embedded in the internal guidance of our legal entities and implemented according to local laws.

## Scope

We manage our business responsibly and act with integrity in all our relationships.

### Employees

We provide our employees with fair working conditions and (adequate) remuneration, a workspace that offers equal opportunities, protection against discrimination and advancement regardless of gender, age, religion, nationality, ethnic background, sexual orientation, family or marital status, physical ability or other characteristics. Our commitment to being a great place to work is the basis for ensuring the health, safety and general well-being of our employees. We offer adequate working hours, which are reflected in employee contracts, and are committed to ensuring the freedom of association and the right of collective bargaining. We carefully safeguard the data security of our employees.

### Clients

We refrain from engaging with investors who do not commit to certain global charters or have high reputational risks regarding human rights.

### Investments

We consider human rights violations a material sustainability risk. Furthermore, the group-wide exclusion policy on controversial weapons and thermal coal applies to all our investments to prevent serious human rights violations and disastrous damage to the environment. In addition, in the Lombard lending business of LGT Private Banking no lending against securities included in the controversial weapons and thermal coal exclusion lists is allowed

### Suppliers

Our Supplier Code of Conduct seeks to ensure that suppliers act in accordance with internal and external guidelines with respect to human and labor rights. It prohibits child and forced labor, mandates a healthy and safe workplace, ensures fair remuneration and working hours including the freedom of association, and lays out zero-tolerance for any kind of discrimination.

### Society at large/communities

We endeavour to make a positive contribution to society and to the promotion of sustainable development in the countries in which we operate. Examples of LGT's contribution:

- A minimum of ten percent of LGT Group dividends are allocated to philanthropic activities.
- LGT Venture Philanthropy partners with organizations for effective, scalable solutions to societal challenges, providing less advantaged people with access to affordable products, services and opportunities to build their livelihood.
- Philanthropy Advisory is an integral part of the UHNWI offering at LGT Private Banking. Its mission is to enhance the impact of strategic philanthropy by helping clients to give back to society.

## Management approach/governance

LGT's approach to human rights is overseen by the Foundation Board, in line with our sustainability governance structure. Various committees have human rights as part of their area of responsibility.

## Reporting and transparency

We report annually on human rights in our Non-Financial Report as well as our Sustainability Report. Our Code of Conduct<sup>4</sup> states that Internal Audit acts as a notification office for whistleblowers. Employees are afforded anonymity and are protected from potential retaliation. As a company, we strive for continuous improvement; the Human Rights Statement will therefore be regularly reviewed and updated accordingly as we engage with our key stakeholders.

<sup>4</sup> [https://www.lgt.com/shared/content/publikationen/nachhaltigkeit/0000\\_-Code-of-Conduct\\_extern\\_en.pdf](https://www.lgt.com/shared/content/publikationen/nachhaltigkeit/0000_-Code-of-Conduct_extern_en.pdf) (15.12.2022)