

“We want to go our own way”

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

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

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

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

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

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

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

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

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

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



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



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

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

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

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

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

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

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