

CASE STUDY | LOMBARD ODIER

Driving regulatory compliance: Lombard Odier's double materiality assessment for operations and investment portfolios with Impaakt.

KEY FIGURES

PORTFOLIO DMA

45 SUSTAINABILITY MATTERS

202,000 IMPACT
MATERIALITY ASSESSMENTS

91% OF THE PORTFOLIO
CONSTITUENTS COVERED

OPERATIONS DMA

25 SUSTAINABILITY MATTERS

196 DIRECT STAKEHOLDERS

1,007 MATERIALITY
ASSESSMENTS

OVERVIEW

BACKGROUND

Lombard Odier, is a Swiss private bank specialising in wealth and asset management for private and institutional clients, private banking services, and technology for banking. Headquartered in Switzerland with presence in 25+ jurisdictions globally, Lombard Odier is subject to a number of non-financial regulatory requirements. A Double Material Assessment is a crucial step in identifying material topics for reporting.



CHALLENGES

Lombard Odier was in 2024 preparing to comply with CSRD and ESRS standards, as well as Swiss regulatory requirements which increasingly aim to align with CSRD. One of the primary challenges was conducting a Double Materiality Assessment (DMA) that covered both corporate activities and its investment portfolios. Given the firm's diverse operations, this assessment needed to integrate sustainability risks and impacts while balancing regulatory requirements with business priorities.



Another critical challenge was identifying gaps between its current Sustainability Report and the CSRD/ESRS framework. Existing reporting processes were not fully aligned with the new directive, requiring adjustments in data collection, reporting structure, and stakeholder engagement. Additionally, Lombard Odier needed a well-defined transition plan to ensure a seamless shift to CSRD compliance by 2026, including the integration of new data sources, reporting tools, and internal resources.



CHALLENGES

Lombard Odier's diverse investment portfolio, which includes thousands of financial instruments spanning multiple asset classes and industries, also presented another complexity. Assessing the impact materiality of corporate issuers within the portfolio while ensuring methodological consistency required a structured approach.

Stakeholder engagement was a final challenge. While the internal operations assessment required direct input from employees and board members, the investment portfolio analysis required a different approach. Given the vast number of issuers and the indirect nature of investment impacts, the assessment relied on vast data sources alongside direct stakeholder engagement.

EVIDENCE-BASED DATA

- Impaakt collected almost **100,000 verified ESRS data-points** for public companies.
- This **evidence-based approach** allows us to determine - in particular - the Scope of impact without reverting to stakeholder judgement



STAKEHOLDER ASSESSMENT

- Impaakt also conducted nearly **1.3 million materiality assessments** over the last 5 years, engaging **60,000 stakeholders** in the analysis of companies across all sectors and geographies.
- This process is key to determine the Scale and Irremediability of impact

= DMA DONE RIGHT



CLIENT FEEDBACK

TESTIMONIAL



Impaakt's Double Materiality Assessment was essential for aligning with Swiss regulatory requirements and for our CSRD preparation. Their comprehensive analysis covered both our operations and investment portfolio, providing valuable insights. The portfolio DMA tool was particularly effective, giving us a clear picture of our investment impacts. This data-driven approach allowed us to make informed decisions and strengthen our sustainability strategy. We appreciated the fact that we were able to follow the results of stakeholder engagement in real time and felt that we had control of our data.

Ebba Lepage

Group Head of Corporate Sustainability, Lombard Odier Group



SOLUTIONS

Lombard Odier conducted a comprehensive DMA covering both its operations and its investment activities to evaluate the impact and financial materiality of its business.

The first phase of the DMA focused on assessing the firm's internal operations by engaging key stakeholders to identify the most material ESG topics. A robust stakeholder engagement strategy was implemented, ensuring a thorough evaluation of impact materiality. The second phase of the DMA assessed the firm's investment portfolio, which comprised over 20,000 financial instruments. A structured methodology was employed to filter and evaluate the impact materiality of corporate issuers within the portfolio.



SPOTLIGHT: PORTFOLIO DMA

For financial institutions, a significant portion of their impacts come from investment and/or loan portfolios. It is, therefore, recommended to conduct a materiality assessment separate from that of their operations, identifying the most significant impacts that the companies in the portfolio generate for stakeholders and society as a whole. Impaakt's large database of 5,000+ companies and their legacy of materiality assessments (over 1.3 million assessments) allows for financial institutions to upload their portfolios and receive a portfolio DMA instantly.



RESULTS

Through its DMA, Lombard Odier gained strategic clarity on its most material ESG risks and opportunities. As an output, 17 sustainability matters were identified as relevant. The 1,000 assessments on the firm's operations revealed that social topics dominated material concerns. *Business conduct*, *sustainable investments*, and *privacy* were identified as key priorities. While the different stakeholder categories were aligned on most material topics, differences emerged on issues such as the *management of relationships with suppliers* and *biodiversity*, highlighting areas for further stakeholder engagement and alignment.

The financial materiality assessment identified more opportunities than risks, reinforcing the firm's ability to leverage sustainability considerations in its investment strategy. Business conduct was identified as the most significant financial risk, while biodiversity, access to products and services, and the management of relationships with suppliers were highlighted as areas with high-impact materiality but lower financial materiality. These insights provided valuable input for strengthening the firm's internal sustainability policies, enhancing governance practices, and improving stakeholder alignment on key ESG priorities.

For the investment portfolio, the assessment covered nearly all relevant financial instruments, ensuring a comprehensive understanding of sustainability considerations across asset classes. Over 200,000 materiality assessments resulted in 23 key sustainability matters (out of 14,000 IROs), emphasising the importance of social and governance factors. Access to products and services was the most material topic, driven by industry-specific factors, closely followed by environmental issues, with Climate Change being a clear second. The distribution of positive and negative impacts was balanced, highlighting opportunities for enhancing both financial performance and the impact on the planet and society.



CONCLUSION

By leveraging a structured approach and advanced analytics, Lombard Odier successfully positioned itself for Swiss regulatory compliance, as well as CSRD compliance, while gaining deeper insights into sustainability risks and opportunities. The firm's proactive stance ensures that both its operations and investment decisions are aligned with regulatory expectations. Through its collaboration with Impaakt, Lombard Odier has enhanced its sustainability reporting capabilities.



ABOUT IMPAAKT

Impaakt, founded in Geneva in 2018, is a global leader in ESG reporting. Specializing in sustainability, regulation, and technology, Impaakt has conducted 1.3 million materiality assessments and collected nearly 100,000 ESRS data points, analyzing 5,000 companies with input from 60,000 stakeholders.

Impaakt's software empowers clients to independently produce compliant reports, from data collection, double materiality assessments, stakeholder engagement, to the final report generation.



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