



**PUBLIC TRANSPARENCY REPORT**

**2023**

**Pictet Asset Management**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Human progress and economic development over the last century have come at a cost to our natural environment. Population growth and rising standards of living have led to exponential demand for energy and for other natural resources. The science and data show this is damaging our biosphere; the Earth's capacity to regenerate has also been rapidly overstretched. At the same social issues, such as rising inequalities, human and labour rights, and public health, continue to challenge progress as a society. The interrelationship between environmental and social issues is more evident than ever before. The scale of the challenges humanity now faces requires a transition of economic activities to a more resilient, just and sustainable modus operandi. This requires each part of the system to understand its role and adapt accordingly.

As an investment-led service company, our role and fiduciary duty has always been to manage the long-term savings of our clients, and in doing so to protect and grow their capital. Today, the investments we manage are exposed to growing global and regional economic costs. These costs will manifest in the issuers in which we invest as insurance premiums, regulatory fines, inflated input prices, stranded assets, and the physical costs associated with environmental disasters.

At the same time, prudent capital allocation to investments with low or diminishing externality costs, such as providers of green technologies or companies transitioning from highly carbon-intensive operations towards a net zero state, will provide protection over the long term, and generate better-quality and predictable profitability. In a virtuous cycle, they will benefit from the more resilient system that they help support and build. Our fiduciary role as investors therefore has not changed, but rather the inputs required to deliver optimal risk-adjusted returns have.

Understanding emerging risks and directing capital towards solutions providers and transition players is imperative, and these are transformed when we add active ownership to the mix. The vast majority of our economies and societies need to move from brown to green, and towards better social standards. This is why active ownership, practiced through engagement and voting, is a fundamental pillar of our responsible firm strategy. We have aligned engagement efforts throughout the Pictet Group and identified four key environmental and social themes (climate, water, nutrition and long termism) in which we have long-standing expertise and where we can influence issuers to accelerate positive change.

Given the above, we are focusing our efforts as a Group around three ambitions for 2025:

- I. To significantly reduce the environmental impact of our activities and investments
- II. To fully integrate ESG factors and active ownership into all investment processes

### III. To be a leading provider of responsible products and solutions

Going forward, we are convinced that investment leadership will increasingly be contingent on considering the real-world impact of investment activities, requiring us to incorporate new data and information based on solid science and innovative partnerships. The Pictet Group has prospered for over two centuries by taking a responsible, long-term approach to business and to the management of our clients' wealth - considering not only the interests of the present, but also of future generations. This is reflected in our purpose: to protect, grow and transmit wealth, in every sense, by building responsible partnerships with our clients, colleagues, communities and the companies in which we invest.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

In 2022, the Pictet Group published its Climate Action Plan, outlining our externally validated science-based targets and plans to achieve them. A core pillar of this plan is active ownership and in the same year, Pictet launched a Group Engagement Focus programme, coordinating engagement efforts around our focus themes of climate change, water, nutrition and long-termism. The group contributed financial and expertise resources to Ceres for the design and launch of its investor-led Valuing Water Finance Initiative, a collaborative engagement effort on water stewardship, which Pictet was a founding signatory of. Climate change, water and biodiversity are among the nine planetary boundaries and deeply interlinked. In 2022 the Pictet Group signed the Finance for Biodiversity pledge in recognition of this. As our employees are our greatest asset, we made a Responsible Investing Awareness training available to all and compulsory for most associates, with an ongoing commitment to education and engagement on the topic.

At Pictet Asset Management we remain deeply committed to embracing environmental, social and governance (ESG) factors in the way we do business. In 2022, we put this into action by further enhancing our investment strategies and stewardship efforts, and backing initiatives to help solve the existential challenges we face.

Climate change was high on our agenda during the year. We launched our Climate Action Plan, outlining the path towards achieving net zero emissions by 2050. At the heart of our efforts is persuading portfolio companies to set independently validated 1.5C science-based targets. We also stepped up activity to help address the biodiversity crisis, including signing the Finance for Biodiversity Pledge and supporting a research initiative led by the Stockholm Resilience Center aimed at helping our industry develop strategies to protect natural capital.

On active ownership, we voted at nearly 3,700 shareholder meetings, and supported more than half of shareholder resolutions, including over 140 relating to environmental and social concerns. At Group level, we rolled out an engagement framework that helped increase the number of companies we engaged with by 30% , and broadened our participation in collaborative initiatives, including Ceres' Valuing Water Finance Initiative.

On the regulatory front, we further enhanced ESG disclosures in line with SFDR and MIFID II regulations. Against this backdrop, we also undertook significant work to enhance ESG integration by investment teams and support functions, address greenwashing risk and improve client reporting practices.

Our responsible investment journey is far from over. In a year where ESG investment came under sharp scrutiny, our belief that truly responsible investing is key to supporting the transition to a more sustainable future became only stronger. We are confident that our commitment to ESG has helped and will continue to help us make better investment decisions and, ultimately, serve our purpose to build responsible partnerships with our clients, colleagues, communities and the companies in which we invest.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the next year we will strengthen ESG integration across our investment and risk processes and roll out our plan to systematically engage with companies active in high-sustainability-risk sectors. We will also continue to develop innovative investment strategies that provide capital to companies that have a positive impact on the environment and society. This will mean strengthening our product and advisory solutions across wealth management, asset management and our alternatives offering and expanding our expertise and investment solutions to more adequately account for biodiversity and deforestation-related risks and impact.

Finally, climate change continues to be a key area of focus as it is both an urgent challenge and a unique opportunity to build a better future. As part of our Climate Action Plan, we have set 2030 targets on our own operations (-55% absolute scope 1 and 2 emissions from 2019 levels), our listed equity and fixed income investments (60% AUM with validated science-based targets) and our direct real estate investments (-67% emissions intensity from 2021 levels).

### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Sébastien Eisinger / Laurent Ramsey

Position

Managing Partner Pictet Group & Co-Head Pictet Asset Management

Organisation's Name

Pictet Asset Management

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 236,706,759,570.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

### Additional information on the exchange rate used: (Voluntary)

Note that the AUM refer to all entities which belong to Pictet Asset Management's business line either managed or distributed.



## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>50-75%	0%
(B) Fixed income	>10-50%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	>0-10%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>10-50%	0%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Money Market, Commodities

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity >10-50%

(B) Active – quantitative 0%

(C) Active – fundamental >50-75%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA >0-10%

(B) Passive – corporate >0-10%

(C) Active – SSA >10-50%

(D) Active – corporate >50-75%

(E) Securitised >0-10%

(F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PUBLIC	Asset breakdown: Internally managed hedge fund	GENERAL

**Provide a further breakdown of your internally managed hedge fund assets.**

(A) Multi-strategy >10-50%

(B) Long/short equity >50-75%

(C) Long/short credit 0%

(D) Distressed, special situations  
and event-driven fundamental >0-10%

(E) Structured credit 0%

(F) Global macro >0-10%

(G) Commodity trading advisor 0%

(H) Other strategies 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(4) >20 to 30%
(C) Fixed income – corporate	(3) >10 to 20%
(D) Fixed income – securitised	(2) >0 to 10%
(I) Hedge funds	(4) >20 to 30%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

**Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?**

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes  
 (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Hedge funds
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(11) >90 to <100%
(B) Listed equity - passive	(6) >40 to 50%
(C) Hedge funds	(11) >90 to <100%

# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?**

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(A) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(L) Hedge funds - Multi-strategy	<input checked="" type="radio"/>	<input type="radio"/>
(M) Hedge funds - Long/short equity	<input checked="" type="radio"/>	<input type="radio"/>
(O) Hedge funds - Distressed, special situations and event-driven fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(Q) Hedge funds - Global macro	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Money Market, Commodities	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

Strategies classified under "Other" apply the following approaches to responsible investment:

(i) ESG Integrated (eg Money Market, Commodities):

These strategies integrate material sustainability risks and opportunities into investment decisions to complement financial analysis. However, they may invest in securities with principal adverse impacts.

(ii) ESG Focused (eg Money Market):

- Positive Tilt: these strategies seek to increase the weight of securities with low sustainability risks and/or to decrease the weight of securities with high sustainability risks, subject to good governance practices

- Best in Class: these strategies seek to invest in securities of issuers with low sustainability risks while avoiding those with high sustainability risks, subject to good governance practices

Furthermore, these strategies exclude companies involved in controversial weapons and thermal coal extraction (revenue >25%) and are part of our engagement program.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone

0%

(B) Thematic alone

0%



(C) Integration alone	0%
(D) Screening and integration	>50-75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	>10-50%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>10-50%
(C) A combination of screening approaches	>75%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Screening alone	0%	0%	0%
(B) Thematic alone	0%	0%	0%
(C) Integration alone	0%	0%	0%
(D) Screening and integration	>75%	>75%	>75%
(E) Thematic and integration	0%	0%	0%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	0%	0%	0%
(H) None	0%	0%	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	>10-50%	>10-50%	>50-75%
(C) A combination of screening approaches	>50-75%	>50-75%	>10-50%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

#### Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>50-75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

#### Additional information: (Voluntary)

At Pictet Asset Management we offer the full ESG spectrum. We support and offer options to our clients in embedding ESG, and engage with them to help find the plan to best meet their requirements. Our products are defined according to three main categories, reflecting the variety of approaches to ESG integration implemented by our investment teams.

ESG integrated (eq. to a SFDR article 6): These strategies integrate ESG factors in order to enhance their risk-return profile. Securities of issuers with high sustainability risks and/or principal adverse impacts may be purchased and retained in the portfolio.

ESG focused (eq. to a SFDR article 8): These strategies promote environmental and/or social characteristics.

(i) Positive Tilt strategies seek to increase the weight of securities with low sustainability risks and/or to decrease the weight of securities with high sustainability risks, subject to good governance practices. Principal adverse impacts are reduced by excluding certain categories of issuers (please refer to our Responsible Investment Policy for details on our exclusions framework).

(ii) Best in Class strategies seek to invest in securities of issuers with low/ decreasing sustainability risks while avoiding those with high/ increasing sustainability risks, subject to good governance practices. Principal adverse impacts are reduced by excluding certain categories of issuers.

Positive impact (eq. to a SFDR article 8 or 9): These strategies target economic activities that are environmentally or socially sustainable. The ESG characteristics of issuers are taken into account to increase or decrease their target weight, subject to good governance practices. These strategies aim to deliver a financial return while also achieving a positive and measurable impact, by investing in companies that provide solutions to increasingly complex sustainability challenges.

ESG focused and Positive impact strategies are marketed as responsible investment strategies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

- (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>10-50%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)

- (N) Greenfin label (France)
  - (O) Grüner Pfandbrief
  - (P) ICMA Green Bond Principles
  - (Q) ICMA Social Bonds Principles
  - (R) ICMA Sustainability Bonds Principles
  - (S) ICMA Sustainability-linked Bonds Principles
  - (T) Kein Verstoß gegen Atomwaffensperrvertrag
  - (U) Le label ISR (French government SRI label)**
  - (V) Luxflag Climate Finance
  - (W) Luxflag Environment
  - (X) Luxflag ESG
  - (Y) Luxflag Green Bond
  - (Z) Luxflag Microfinance
  - (AA) Luxflag Sustainable Insurance Products
  - (AB) National stewardship code**
- Specify:

UK Stewardship code, Japan Stewardship code

- (AC) Nordic Swan Ecolabel
  - (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
  - (AE) People's Bank of China green bond guidelines
  - (AF) RIAA (Australia)
  - (AG) Towards Sustainability label (Belgium)**
  - (AH) Other**
- Specify:

Nummus (Italy)

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PUBLIC	Passive investments	1

**What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?**

### Percentage of AUM that utilise an ESG index or benchmark

(A) Listed equity - passive	>10-50%
(B) Fixed income - passive	0%

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(L) Hedge funds – Multi-strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(M) Hedge funds – Long/short equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(O) Hedge funds – Distressed, special situations and event-driven fundamental

(Q) Hedge funds – Global macro

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here

Specify:

Definition of sustainability risks

- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

Biodiversity is one of the focus areas of our global engagement framework. In 2022, we developed a set of high-level, issue-specific guidelines to inform our discussions with companies in industries with high impacts and dependencies on biodiversity, including food & agri and materials.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

- (A) Overall approach to responsible investment

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

- (B) Guidelines on environmental factors

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

- (C) Guidelines on social factors

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

- (D) Guidelines on governance factors

Add link:



[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(E) Guidelines on sustainability outcomes**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.pictet.com/uk/en/responsible-vision/climate-action-plan>

**(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(J) Guidelines on exclusions**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

**(P) Other responsible investment aspects not listed here**

Add link:

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

(Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

**(A) Yes**

Elaborate:

Our RI policy includes the following paragraphs in its introduction:

Pictet Asset Management believes in responsible capitalism and takes an enlarged view of the economy and its interactions with civil society and the natural environment. As such, we expect issuers to respect both planetary boundaries and international standards on governance, human rights and ethical business practices. Consistent with our fiduciary duty to act in the best interests of our clients and our adherence to the UN Principles for Responsible Investment (UN PRI), we are committed to integrating material Environmental, Social and Governance (ESG) criteria in our investment processes and ownership practices with a view to enhance returns and/or mitigate risks over the medium to long term. We also aim to include ESG aspects in our risk management and reporting tools in order to maintain high standards of transparency and accountability.

As an active manager, we believe that leveraging the power of investors to trigger positive change across issuers enables us to make better long-term investment decisions for our clients. Indeed, through our active ownership programme, we aim to fulfil our responsibilities as investors and to help shape a more sustainable, prosperous, healthy and equitable society.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation’s policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

(A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

**AUM coverage**

(A) Specific guidelines on climate change

(1) for all of our AUM

(B) Specific guidelines on human rights

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

**(11) 100%**

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(F) Hedge funds

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%

- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(B) **Passively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(C) **Direct listed equity holdings in hedge fund portfolios**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent
- (B) **Senior executive-level staff, or equivalent**  
Specify:

The Group Stewardship & Sustainability Board (GSSB), which reports to the board of managing partners meets quarterly and approves initiatives related to Pictet's Responsible Vision, oversees cross-business line implementation and adherence to these commitments. The GSSB is chaired by a managing partner and includes senior executive-level representatives across Pictet's business lines: Asset Management, Wealth Management, Asset Services, Alternative Advisors and Corporate Functions.

**(C) Investment committee, or equivalent**

Specify:

Pictet Asset Management's Executive Committee approves and reviews on a regular basis but at least annually our RI policy.

**(D) Head of department, or equivalent**

Specify department:

Equity, Fixed Income, Multi Asset, ESG

- o (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>

(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

- (A) Yes
- (B) No

Explain why:

While we do not have a formal policy in place, one of the 10 levers of action of our responsible vision is focused on our advocacy and partnerships (<https://www.pictet.com/ch/en/responsible-vision/advocacy-and-partnerships/our-advocacy-partnerships>). It states that “We strive to encourage all our stakeholders and partners to implement sustainability and responsible investment.” It is in this spirit that we have signed the PRI across all our business lines and committed to the UNPRB. Our political influence, where material, is aligned with this commitment.

- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

ESG team: leads and co-ordinates implementation of our RI policy, including ESG integration into investment and across the firm, active ownership and reporting tools  
 Investment teams: issuer-specific research on material ESG factors is carried out as part of the research process of all investment teams  
 Investment Risk: ESG investment risk and ESG data  
 Investment Controlling: responsible for ensuring that exclusions and other ESG metrics are implemented through pre- and/or post-trade checks

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

**(1) KPIs are linked to compensation**

(2) KPIs are not linked to compensation as these roles do not have variable compensation

(3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Pictet Asset Management Remuneration Policy integrates the consideration of Sustainability Risks. In addition, Pictet employees are held to the Group's general engagement on Sustainability and Responsible Investing, as relevant to their function. For investment teams, as part of the Quality Review process led by our Investment Risk & Performance team, the exposure to companies with poor ESG ratings as well as the evolution of the portfolio ESG rating is discussed during the product quality reviews of investment strategies. Quality Reviews are held twice a year with investment managers, the CIO in charge of the asset class and the Co-CEO. Example ESG KPIs used: corporate governance, controversies, overall ESG rating, carbon footprint, exposure to controversial sectors, exposure to climate risks (physical and transition) etc. These KPIs can vary depending on the investment strategy.

Pictet Asset Management's strategic and integrated approach to performance management includes setting of clear objectives at the beginning of a performance management cycle (typically at the beginning of the year), the monitoring of performance during and at the end of the evaluation period, and the respective development of the staff member.

Performance bonuses and other decisions are implemented based on the outcome of this process, and the overall financial situation of the division and Group. The goal of this approach, which is pursued in the same overall manner across all Group offices, is to encourage all staff members to align individual professional objectives with the Group's business and organisational targets and with those of their business line and function.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

**(2) Senior executive-level staff, investment committee, head of department or equivalent**

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>

(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies

o

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- (A) Yes, including all governance-related recommended disclosures
  - (B) Yes, including all strategy-related recommended disclosures
  - (C) Yes, including all risk management-related recommended disclosures
  - (D) Yes, including all applicable metrics and targets-related recommended disclosures
  - (E) None of the above
- Add link(s):

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

**(A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

<https://documents.am.pictet/library/en/funds?type=funds&query=LU0843168575&sfdrlsin=LU0843168575&sfdrlanguage=en&languages=en>

**(B) Disclosures against the European Union's Taxonomy**

Link to example of public disclosures

<https://documents.am.pictet/library/en/funds?type=funds&query=LU0843168575&sfdrlsin=LU0843168575&sfdrlanguage=en&languages=en>

**(C) Disclosures against the CFA's ESG Disclosures Standard**

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

UK Stewardship Code

Link to example of public disclosures

<https://am.pictet/-/media/pam/pam-common-gallery/article-content/2022/pictet-asset-management/responsible-investment/pictet-asset-management-uk-stewardship-code-report-2021.pdf>

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

SRD II Portfolio Turnover

Link to example of public disclosures

[https://am.pictet/-/media/pam/pam-common-gallery/article-content/2021/expertise/esg/srdii\\_turnover\\_pam.pdf](https://am.pictet/-/media/pam/pam-common-gallery/article-content/2021/expertise/esg/srdii_turnover_pam.pdf)

**(F) Disclosures against other international standards, frameworks or regulations**

Specify:

TCFD

Link to example of public disclosures

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

**(G) Disclosures against other international standards, frameworks or regulations**

Specify:

CDP

Link to example of public disclosures

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement

Add link(s):

<https://am.pictet/-/media/pam/pam-common-gallery/article-content/company/responsible-investment/responsible-investment-report.pdf>

<https://www.pictet.com/ch/en/responsible-vision/advocacy-and-partnerships>

- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

**(A) We incorporate ESG factors into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation**
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

**(B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

**(C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

**(D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns**

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation**
- (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

We exclude several high risk activities through our RI policy.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

	(1) Listed equity	(2) Fixed income	(6) Hedge funds
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

Our systematic approach to ESG integration helps investment teams identify and prioritise companies for engagement. Priorities are usually defined by any number of the following factors:

- Degree of exposure to material ESG risks and opportunities and companies' approaches to managing those
- Companies' involvement in material ESG controversies and their response to them
- Nature and scope of companies' sustainability outcomes in the real world
- Strategic nature and/or size of our holding.

Historically, most engagement opportunities were identified bottom-up by investment teams. This is the process by which a team considers there to be concerns or questions relating to a company's operations, practices or performance and begins a process to seek more information, deeper understanding, better reporting or a change in policy or approach. Bottom-up engagements could relate to any topic, whether related to ESG issues or not, and could often centre on matters of a company's portfolio or returns profile.

To further align our engagement efforts and maximise our impact, we launched in 2022 Pictet's Group Engagement Focus (GEF), a top-down engagement programme coordinated by the ESG Team that focuses on four key themes: climate, water, nutrition and long-termism. We defined more specific angles under each theme to better guide our engagement.

The themes and angles were selected due to the exposure of our investment portfolios to them and the long-standing expertise we have in them. The GEF framework also includes companies exposed to harmful or controversial activities such as gambling, fossil fuels or tobacco, and those in breach of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises.

The ESG Team developed a screening process to systematically identify companies with significant exposure to risks and opportunities within the four key areas, and where there is room for improvement in their management of those.

Our target list comprises over 80 companies across a wide range of industries and countries. The ESG team also developed engagement guidelines for each of the eight angles to help investment teams formulate engagement asks and objectives. The GEF programme is still in its first year, and the scope of engagement targets has been evolving since inception as additional targets were identified during the year.

We have not yet established a frequency for refreshing the targets, but the programme is being constantly monitored and we may consider updates on a case-by-case basis as we consider, among others, progress achieved in ongoing engagements. As this is a Pictet Group program, some engagements may be conducted jointly by Pictet Asset Management and Pictet Wealth Management.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation’s default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

Taking part in collaborative engagement with other investors forms the second tier of our stewardship approach. Pictet Asset Management recognises that there are occasions when it is better to act collectively rather than individually, particularly if our investment is relatively small in relation to the enterprise value of the company. In order to maximise influence, economies of scale and to pool resources and expertise, we have joined the following initiatives:

- Climate Action 100+
- Ceres Valuing Water Finance
- ATNI Investors in Nutrition and Health
- FAIRR, with a focus on Working conditions in the meat supply chain and on sustainable proteins.

Before committing to any new investor collaboration, we assess the relevance of the initiative, the method of engagement, the credibility of associated partners and any regulatory implications, including acting in concert.

Collaborative engagements with targeted companies are then reviewed on a case-by-case basis by the ESG team in conjunction with relevant investment teams to ensure the objectives are aligned with those of our clients.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- 1
- 5

- (B) External investment managers, third-party operators and/or external property managers, if applicable

- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

Select from the list:

- 3
- 5

- (D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- 4
- 5

(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- 2
- 5

(F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

(A) Example(s) of measures taken when selecting external service providers:

Pictet Asset Management conducts a comprehensive due diligence prior to contracting external service providers. Topics covered include:

- Service quality
- Methodology
- Coverage
- Price
- Organisational set up and team competences
- Systems/IT solutions

(B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:

We do not design engagement mandates for external providers to conduct them on our behalf. However, we subscribe to engagement services of our service provider Sustainalytics. We select engagement services that align with our approach to responsible investment as outlined in our Responsible Investment Policies. For instance, the engagement service we selected, "Global Standards", initiates engagement cases following major incidents or controversies that reveal structural weaknesses in companies' governance and/or management of ESG issues - this is typically the type of situation we are aiming at identifying and addressing in the engagements that we conduct ourselves directly.

(C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:

We undertake due diligence relating to the level and quality of engagements the third party service provider undertakes on our behalf. We believe that overall our approach to due diligence and monitoring of service providers has proven to be robust, as evidenced by the 9+ year old business relationships we have had with some of our key partners.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

### How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

At Pictet Asset Management, the foundation of our understanding of issuers are the regular meetings that our investment teams attend each year with companies' management and sovereign issuers' representatives. These discussions, coupled with ongoing analysis and monitoring, contribute to our understanding of all dimensions of issuers strategies, plans and operations and inform our investment analysis and decision-making.

We engage with corporate issuers through a combination of targeted in-house-led discussions, collaborative investor initiatives, and third-party engagement services. For a meeting to be considered an engagement, there must be clear and measurable objectives which we aim to see achieved by our targeted companies within a pre-defined time horizon. To be clear, we do not consider all routine, or monitoring interactions to be engagement even where those meetings take place with members of senior management or the Board of Directors. Furthermore, all our Tier 1 and 2 engagement activities require investment teams to set specific and, ideally, measurable objectives and establish a pre-defined time horizon for those objectives to be achieved. In the event that progress towards the engagement objectives is not made within that time horizon, investment teams will assess options that include extending the horizon and escalating the engagement. While we are aware that engagements are unlikely to follow a linear path, our engagements are recorded and communicated according to five milestones and a final stage, as follows:

- Milestone 1: Initial engagement outreach conducted
- Milestone 2: Engagement dialogue established
- Milestone 3: Company commits to address issues
- Milestone 4: Company develops a strategy to address issues
- Milestone 5: Company is at an advanced stage of implementing the strategy
- Final stage: Successful completion, or disengage/no longer relevant, or failed engagement

We centralize recording of all our engagement activities in a dedicated research management platform. The platform allows for a structured process for the investment and ESG teams to record and track engagement activities and objectives.

A typical engagement will take up to 3 years to complete and may require multiple interactions before an issue is satisfactorily resolved. Where the initial engagement does not lead to a satisfactory outcome, i.e. our engagement objectives have not been met or a company has been unresponsive, we may choose to adopt a stronger stance by using several escalation tools at our disposal.

The ESG and relevant investment teams will discuss progress and options for escalation when engagement has stalled. Escalation involves internal approval processes and may include:

- Expressing concerns directly to senior company representatives, e.g. senior executives and/or board directors;
- Liaising directly with controlling shareholders in the case of controlled companies;
- Forming or joining investor engagement collaborations;
- Voting against management at company meetings;
- Issuing a public statement or raising questions in AGMs;
- Supporting the filing of a shareholder resolution.

Ultimately, if the various escalation channels have been exhausted and we are not satisfied that appropriate steps have been taken by management to address material ESG issues over the short, medium and long term, we reassess the investment case, which may result in reducing or selling our holdings.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

Investment teams are free to engage on any ESG topics with any company they are invested in. However, to further align our engagement efforts and maximise our impact, we launched in 2022 Pictet's Group Engagement Focus (GEF), a top-down engagement programme coordinated by the ESG Team that focuses on four key themes: climate, water, nutrition and long-termism. We defined more specific angles under each theme to better guide our engagement. The themes and angles were selected due to the exposure of our investment portfolios to them and the long-standing expertise we have in them. The GEF framework also includes companies exposed to harmful or controversial activities such as gambling, fossil fuels or tobacco, and those in breach of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises.

The ESG Team developed a screening process to systematically identify companies with significant exposure to risks and opportunities within the four key areas, and where there is room for improvement in their management of those.

Our target list comprises over 80 companies across a wide range of industries and countries. The ESG team also developed engagement guidelines for each of the eight angles to help investment teams formulate engagement asks and objectives. The GEF programme is now in its second year, and the scope of engagement targets has been evolving since inception as additional targets were identified during the year. We have not yet established a frequency for refreshing the targets, but the programme is being constantly monitored and we may consider updates on a case-by-case basis as we consider, among others, progress achieved in ongoing engagements. As this is a Pictet Group program, some engagements may be conducted jointly by Pictet Asset Management and Pictet Wealth Management. As at end of June 2023, there were 88 engagement candidates across the Group.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases
- (2) in a majority of cases
- (3) in a minority of cases

(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

Select from the below list:

- (1) in all cases
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting

Provide details on these criteria:

Security lending can impair our ability to execute our voting rights. As a result, investment teams wishing to exercise full voting rights have two options: recalling shares on loan on a case-by-case basis, or removing a portfolio from the securities lending pool.

- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

(A) Yes, for all (proxy) votes

Add link(s):

<https://am.pictet/en/luxembourg/global-articles/2023/expertise/esg/proxy-voting>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://am.pictet/en/luxembourg/global-articles/2023/expertise/esg/proxy-voting>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

## How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

Vote tracking as an asset manager is difficult due to the number of counterparties required to get a full audit trail. Therefore, as part of our annual due diligence process with ISS we discussed the issue of vote execution in 2022 to understand their processes in relation to vote execution. They confirmed that there are regular meetings between themselves and a number of other platform providers to pick up any coding issues rapidly and also to discuss performance as mis-communication between ballot providers and agenda mapping teams tend to lead to the majority of vote execution issues. In addition, they confirmed this is something they monitor routinely due to it being such a fundamental part of their business.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

	(1) Listed equity	(2) Direct listed equity holdings in hedge fund portfolios
(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



(G) Litigation	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) **Joining or broadening an existing collaborative engagement or creating a new one**
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) **Not investing**
- (D) **Reducing exposure to the investee entity**
- (E) **Divesting**
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	OO 8, OO 5.3 FI	N/A	PUBLIC	Stewardship: Escalation	2

**Describe your approach to escalation for your internally managed SSA and/or private debt fixed income assets.**

(A) SSA - Approach to escalation

Actively incorporating the assessment of social, governance and environmental factors into our SSA country analysis is a vital part of: 1) understanding the key, often hidden, areas of risk in an emerging country, 2) providing a complete picture of a sovereign's long-term sustainable trajectory in terms of economic and human development, and 3) enabling targeted and informed dialogue with sovereign issuers in areas of importance for the long-term outlook of the country.

These three aspects contribute to fulfilling obligations of responsible stewardship of our clients' investments in this asset class via ultimately creating a positive feedback loop of improving ESG credentials and creditworthiness. Our analysis shows that enhancing human capital boosts a country's productivity and growth, leading to an improvement in its credit rating which has important implications for investors. Just as country trips and links with local economists and strategists are important in our understanding of the economic, political and regulatory backdrop of a country, we also believe that an on-the ground view of social, governance and environmental developments in the countries we cover is essential. One way we're doing this is through careful construction of our country due diligence trips to ensure that we meet with organisations and partners who can give us greater insight into a wider range of issues. For example, we have a partnership with EMpower, a well-respected and innovative global philanthropic organisation focused on youth in emerging economies.

Regarding private debt, the Private Debt team applies a proactive approach to ESG with high levels of engagement and stewardship with portfolio companies, with the support of the ESG Team.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

We actively participated to the Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF) working group on Swiss Climate Scores backed by the State Secretariat for International Financial Matters (SIF)

(D) We engaged policy makers on our own initiative

Describe:

With sovereign issuers, we seek targeted and informed dialogue in areas of importance for the long-term outlook of the country. In 2022, for example, we had discussions with Nigeria’s representative to the IMF about the risk of state fragility significantly deteriorating given inflationary and fiscal pressures, upcoming elections, and challenges of basic service provision across the country. We also met with Uruguayan government officials as they prepared the launch of the country’s first ever sustainability-linked bonds (SLB). Our asks focused on introducing and enhancing coupon adjustment mechanisms. Finally, and as members of a working group within the Emerging Markets Investment Alliance, we wrote a letter to the Colombian government to encourage it enhance its approach to labelled bond issuance in areas such as use of proceeds, project evaluation and selection, and transparency.

(E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers

Add link(s):

<https://am.pictet/-/media/pam/pam-common-gallery/article-content/company/responsible-investment/responsible-investment-report.pdf>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Labour Standards

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Engagement objectives:

- (i) Improve workforce-related transparency and disclosure, including but not limited to employee turnover
- (ii) Set targets to increase proportion of women in managerial roles

Issue:

At a time of rapid change in the labour market, a robust approach to measuring, tracking and reporting workforce-related metrics can help companies improve their overall management of human capital issues. Enhanced disclosure will also demonstrate publicly that their workforce practices are delivering for both the company and its workers. There is room for improvement at Alibaba when it comes to workforce-related disclosures. Regarding gender diversity, representation of women at board (39%) and senior executive (50%) levels is positive. However, only 28% of managerial roles are held by women. We would like the company to enhance the disclosure of any programmes in place to promote workforce diversity and to set diversity targets, including for managerial positions. Setting targets can provide management with the necessary focus to increase the gender balance and clarify accountabilities.

Engagement action:

This year we engaged with Alibaba for the first time on human capital management issues. Our engagement asks to disclose metrics on training and development, turnover/retention, and health and safety were well received. All these metrics are tracked and monitored, and some disclosure provided in latest ESG report. There is an internal push by the ESG Steering Committee to provide additional disclosure, including on employee turnover – potentially split by business lines. We highlighted that Alibaba is in a good place to be the market leader in workforce-related disclosures and help shape industry standards. On gender diversity, the company told us that their objective is to continue to increase this proportion by focusing on rolling out dedicated initiatives across the firm. However, there is reluctance to set firm-wide targets at this point.

Outcome(s):

We have yet to see positive outcomes from our engagement with the company on these issues, but this is not surprising given that the engagement only started in 2022. Our conversations, however, suggest we might see developments towards achieving our objectives in the near future. We are in regular communication with the company, which allows us to monitor their progress more closely. We plan to have another ESG-focused meeting later this year, as soon as the new ESG report is published.

(B) Example 2:

Title of stewardship activity:

Deforestation

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Engagement objectives:

Enhance approach to reversing and preventing deforestation from cattle sourcing, including by developing and implementing comprehensive measures to identify non-compliant suppliers, and intensifying collaboration with peers and other relevant stakeholders.

Issue:

As the world's largest beef producer operating in Brazil, JBS is highly exposed to deforestation risks. The company has developed and implemented robust solutions to achieve full traceability of its direct supply chain; however, there have been several NGO reports linking JBS with deforestation within its indirect supply chain. The company committed to eliminate illegal deforestation in the Amazon from its entire, i.e. direct and indirect, cattle supply chain by 2025. However, the lack of sufficiently strong law enforcement mechanisms makes it incredibly challenging to ensure the entire supply base is free from illegal deforestation. Where loopholes currently exist, this needs urgent and innovative solutions.

Engagement action:

Our engagement service provider started engaging with the company on this issue back in 2019. Since then, it has had several interactions with the investor relations team and, more recently, with the newly appointed Corporate Sustainability Officer (CSO) for JBS Brazil. Engagement discussions have addressed progress in deforestation-related commitments, policies and practices, whilst calling for stronger efforts to meet the challenge of eliminating deforestation within the indirect cattle supply chain. We took the opportunity of the CSO's appointment to meet him directly and reiterate this message. We highlighted the need for mechanisms that would lead to more attractive financial incentives for small cattle farmers, and asked the company to consider requiring suppliers to re-forest areas previously deforested.

Outcomes:

JBS' actions in the past couple of years to manage deforestation risks in its supply chain have been substantial and address most of our engagement asks. Actions include investing in blockchain technology platforms and satellite imagery systems, rolling out programmes to build capacity for both direct and indirect suppliers, setting up a more robust sustainability governance structure, providing better transparency and disclosure, and actively lobbying for industry-wide solutions. Importantly, and as part of its 2040 Net Zero commitment, the company brought forward its zero illegal deforestation target for upstream suppliers in biomes other than the Amazon, including the Cerrado to 2025, from 2030 previously. The effectiveness of JBS' stronger approach in tackling deforestation has been hampered by the Bolsonaro presidency. However, positive developments such as the growing number of suppliers joining the company's blockchain technology platforms, and actions to block suppliers involved in deforestation, are reason for optimism. We expect that, with Lula at the helm, JBS is now in a much better position to advance on its zero deforestation commitments. There are still significant challenges ahead as well as room for improvement in the company's approach. As such, we will continue engagement on this issue – both on our own and via our engagement provider.

(C) Example 3:

Title of stewardship activity:

Deforestation

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) **Fixed income**
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

In 2022, we met with representatives from WWF Brazil to discuss challenges related to deforestation.

(D) Example 4:

Title of stewardship activity:

Climate change mitigation

(1) Led by

- (1) **Internally led**
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) **Environmental factors**
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) **Listed equity**
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Engagement objective:

Legal ring-fencing of coal assets

Issue:

Germany plays a key role in the EU's energy transition strategy. However, its main electricity producer, RWE, is one of Europe's largest coal plant operators and CO2 emitters, and Europe's largest lignite producer. Lignite, or brown coal, generates significantly more carbon dioxide than regular coal for the same power output. Lignite represented 31% of the total energy generated by RWE in 2022. Considering potential future liabilities linked to the continued use of coal to generate energy, we believe that ring-fencing coal assets constitutes an appropriate mechanism to protect shareholders.

Engagement action:

Our targeted engagement with RWE started in early 2019. The initial objectives focused on ensuring that the company's decarbonisation plan was aligned with the Paris Agreement and that management incentives were aligned to the plan. The engagement was successful with the company moving rapidly to provide a clear coal phase-out plan in partnership with the German Government, and set a net zero goal supported by SBTi-verified emissions reduction targets. Conversations around the ring-fencing of the coal assets with company representatives, including the CEO and the Chairman, have been challenging yet constructive. RWE understands our point of view and has advanced in setting up for a potential separation of the assets. However, it must also deal with political and economic realities that have become harder to address as a result of the energy crisis brought upon by the war in Ukraine.

Outcome(s):

The energy crisis has drastically changed the priorities of the German Government as they look to diversify the country's energy mix away from gas. This has led to a short-term increase in the use of coal generation, offset by an acceleration to 2030 from 2038 of coal plant closures, and an acceleration in renewable capacity. We consider these extraordinary circumstances as cause for a justified delay in the achievement of our engagement objective. Now that the energy markets are returning to more normal conditions, we will continue our engagement with management to ensure that the legal ringfencing of coal-generating assets remains a priority.

(E) Example 5:

Title of stewardship activity:

Board functioning & composition

(1) Led by

(1) Internally led

(2) External service provider led

(3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

(2) Social factors

(3) Governance factors

(3) Asset class(es)

(1) Listed equity

(2) Fixed income

(3) Private equity

(4) Real estate

(5) Infrastructure

(6) Hedge funds

(7) Forestry

(8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Engagement objective:

CEO/Chair split as part of an orderly transition

Issue:

The Executive Chairman and CEO has been a board member of Iberdrola since 2001. While we continue to be highly supportive of his role at the company, the overall performance and the strategy looking forward, we are also mindful of the potential issues from a combined Chairman/CEO role, e.g. it can deny the company talent at the top and lead to blind spots that undermine its ability to manage risks and opportunities.



Engagement action:

We have talked to management and board members multiple times over the past 18 months, strongly encouraging the company to develop and roll out a transparent succession planning process that would include splitting the roles of Chairman and CEO.

Outcome(s):

We were pleased to learn about the promotion of an internal executive to the role of CEO in October 2022, following his promotion to Business CEO in October 2021. We held a number of conversations with the company to better understand the process that had been followed, and the governance architecture supporting the split from a single Executive Chair-man/CEO to the new model of Executive Chairman and CEO. We consider that this is evidence of a thoughtful and measured transition plan supported as it is by the Board and the Lead Director. The next phase will be to further draw up remuneration to help support the split in the roles and more clearly define success for both.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Risk 1 – Transition - Physical / 0-3 year

It is our fiduciary duty to manage the risk/return profile of our clients' investments. If a significant climate transition risk materialises (e.g. policy changes enforced sooner than expected for transition risk or severe flooding for physical risk), leading to a material negative impact on an investment's financial value, it means the risk was inadequately managed. This could result in portfolio underperformance that drives client outflows, as well as potential negative press for Pictet.

Risk 2 - Reputational risk / 0-3 years

Increasing scrutiny around the negative climate impacts of investments by activist non-profit organisations and the media, particularly around fossil fuels and GHG emissions, poses a risk that Pictet clients and prospects negatively perceive the institution, potentially resulting in client outflows

Risk 3 - Regulatory risk / 0-3 years

In light of the growing regulatory requirements (e.g. disclosure), updated resource budgets are required to comply with new requirements. An additional complexity is that Pictet's international presence requires responding to multiple regulations with potential definition inconsistencies.

(B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Opportunity 1 – Products and services / 10+ year

Pictet has identified three key opportunities to invest in alignment with the transition:

1. Invest in the climate solutions that will enable and accelerate the transition to a low-carbon economy.
2. Invest in the companies across sectors with leading transition plans and pathways
3. Engage with the laggards across sectors that can gain from putting a robust climate strategy and plan in place

(C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**(A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Our investment process integrates climate criteria based on proprietary and third-party research to evaluate investment risks and opportunities. Investment teams have a set of indicators for each type of climate risk to help identify and monitor climate risk exposure and magnitude. We consider climate risks to be relevant for the majority of asset classes. Risk assessment may be quantitative, qualitative or a combination of both. Once identified, these risks must be assessed at the inherent risk and residual risk levels, in order to account for certain factors that may exist to reduce the impact of materialisation.

Climate-related risks and opportunities have influenced our financial planning mainly through: Indirect costs (anticipated requirements for ESG related activities and full-time employees to carry them out), capital expenditures (Pictet is building a new, environmentally friendly office building) and capital allocation (stress testing of our capital and liquidity using simultaneous adverse events, including the negative impact on net business that resulting reputational damage could have). Going forward, we will further evaluate how we can evolve our financial planning to better include climate-related risks.

On the opportunity side, Pictet is growing and launching new investment solutions that foster the low-carbon transition. A pioneer of thematic equities, Pictet launched the Pictet Water strategy over 20 years ago and its first clean energy strategy in 2007, as well as an investment framework based on the planetary boundaries. More recently, we launched environmental strategies in private equity and real estate and our first climate sovereign bond strategy.

(B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

**Which sectors are covered by your organisation's strategy addressing high-emitting sectors?**

**(A) Coal**

Describe your strategy:

Actively managed SFDR Article 6 strategies (or equivalent) apply level 1 exclusions and exclude companies that receive more than 25% revenue from thermal coal extraction. Passively managed strategies apply such exclusions on a best effort basis. Strategies that apply level 2 and 3 exclusions exclude companies that derive a significant portion of their revenue from activities detrimental to the environment, such as thermal coal extraction (> 25% revenue). For more information on exclusions please refer to Pictet Asset Management's RI policy (Appendix B): [https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM) Furthermore, we engage a range of high-emitting companies in the context of our Group Engagement Focus program and of our Climate Action Plan.

**(B) Gas**

Describe your strategy:

Strategies that apply level 2 exclusions exclude companies that derive a significant portion of their revenue from activities detrimental to the environment, such as unconventional oil and gas (> 25% revenue). In addition, strategies that apply level 3 exclusions exclude companies that derive > 25% revenue from oil & gas production and > 10% revenue from unconventional oil and gas.

For more information on exclusions please refer to Pictet Asset Management's RI policy (Appendix B): [https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM) Furthermore, we engage a range of high-emitting companies in the context of our Group Engagement Focus program and of our Climate Action Plan.

**(C) Oil**

Describe your strategy:

Strategies that apply level 2 exclusions exclude companies that derive a significant portion of their revenue from activities detrimental to the environment, such as unconventional oil and gas (> 25% revenue) and off-shore arctic oil & gas exploration (> 10% revenue). In addition, strategies that apply level 3 exclusions exclude companies that derive > 25% revenue from oil & gas production and > 10% revenue from unconventional oil and gas.

For more information on exclusions please refer to Pictet Asset Management's RI policy (Appendix B): [https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM) Furthermore, we engage a range of high-emitting companies in the context of our Group Engagement Focus program and of our Climate Action Plan.

**(D) Utilities**

Describe your strategy:

Strategies that apply level 2 and 3 exclusions exclude companies that derive a significant portion of their revenue from activities detrimental to the environment, such as thermal coal power generation (> 25% revenue).

For more information on exclusions please refer to Pictet Asset Management's RI policy (Appendix B): [https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM) Furthermore, we engage a range of high-emitting companies in the context of our Group Engagement Focus program and of our Climate Action Plan.

- (E) Cement
- (F) Steel
- (G) Aviation
- (H) Heavy duty road
- (I) Light duty road
- (J) Shipping
- (K) Aluminium
- (L) Agriculture, forestry, fishery
- (M) Chemicals
- (N) Construction and buildings
- (O) Textile and leather
- (P) Water
- (Q) Other
- (R) We do not have a strategy addressing high-emitting sectors

Provide a link(s) to your strategy(ies), if available

[https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI\\_POLICY&dla=en&bl=PAM](https://documents.am.pictet/?cat=marketing-permalink&dtyp=RI_POLICY&dla=en&bl=PAM)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

**(D) Yes, using other scenarios**

Specify:

We use scenarios integrated in our Risk engine to obtain climate-informed stress tests. We use 3 reference scenarios recommended by the Network for Greening the Financial System:

- Average temperature increase of 1.5 °C - Orderly Net Zero by 2050 (early and smooth transition with market pricing-in dynamics in the first 4 years)
- Average temperature increase of 1.5 °C - Disorderly Net Zero by 2050 (sudden divestment in 2026 to align portfolios to the Paris Agreement goals)
- Failed Transition Pathway (the main focus of this pathway is physical risk, average temperature increase of 4.3°C by 2100)

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

**(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

Our investment process integrates climate criteria based on proprietary and third-party research to evaluate investment risks and opportunities. Investment teams have a set of indicators for each type of climate risk to help identify and monitor climate risk exposure and magnitude. We consider climate risks to be relevant for the majority of asset classes. Risk assessment may be quantitative, qualitative or a combination of both. Once identified, these risks must be assessed at the inherent risk and residual risk levels, in order to account for certain factors that may exist to reduce the impact of materialisation.

Climate risks are managed consistently with other risks, mainly through hard limits, internal thresholds and escalation protocols. Limits are subject to regular reviews. Residual risks are mapped according to two dimensions: likelihood and impacts. Impacts can be financial or non-financial (reputation, regulatory). Materiality is defined in the same fashion for all categories of risk. In addition, we actively engage with relevant issuers and systematically exercise our voting rights to further mitigate climate risk exposure. At the Group level, decisions to escalate risks are made through Group governance and reported through the Group risk report. Committees involved include, the Business Risk Committee, Investment Risk Committee and the Risk & Compliance Committee. Furthermore, climate risks and topics are discussed at the GSSB (Group Stewardship & Sustainability Board) on a regular basis.

(2) Describe how this process is integrated into your overall risk management

Climate risks are included in the Group Risk taxonomy under Financial (own) and Investment (fiduciary), split by transition and physical, creating consistency across the Group. This allows all organisational units to map their risks and controls to the appropriate climate risk taxonomy, as part of their overall risk management.

At the business-line level, Investment Risk / Controlling teams (first line of defence, 1st LoD) provide a first level of oversight on investment risks, including climate risks, by monitoring and performing dedicated risk analysis on specific exposures and doing ex-post investment controlling (e.g. exclusions). They also provide the portfolio managers with dedicated dashboards on sustainability risks, including climate. A dedicated Group climate change dashboard resource supports risk functions at both the business-line and Group levels in monitoring exposure to climate risks.

The 2nd LoD oversight teams (either within the business line or at Group level, depending on the legal entity) oversee this framework and ensure independent controls of investment controlling, to ensure adherence to the principles set out in prospectuses and investment risks, to monitor and oversee climate risk indicators. For Group Risk, this includes controlling risks to Group exclusions, including thermal coal extraction and our balance sheet de-fossilisation.

The Group monitors, challenges and reviews the climate risks identified by the business lines. This includes climate risk stress testing, which provides an additional tool to help assess the impact of transition and physical risks on Group AuM and credit book – over both short- and long-term time horizons. To further aid this, a set of high-ESG-risk activities has been determined at the Group level. This includes revenue exposure to thermal coal extraction or power generation, oil & gas production, oil sands extraction, shale energy extraction, offshore Arctic oil & gas exploration and nuclear energy. This list will evolve over time.

**(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Climate risks are managed consistently with other risks, mainly through hard limits, internal thresholds and escalation protocols. Limits are subject to regular reviews. Residual risks are mapped according to two dimensions: likelihood and impacts. Impacts can be financial or non-financial (reputation, regulatory). Materiality is defined in the same fashion for all categories of risk. In addition, we actively engage with relevant issuers and systematically exercise our voting rights to further mitigate climate risk exposure. At the Group level, decisions to escalate risks are made through Group governance and reported through the Group risk report. Committees involved include, the Business Risk Committee, Investment Risk Committee and the Risk & Compliance Committee. Furthermore, climate risks and topics are discussed at the GSSB on a regular basis.

(2) Describe how this process is integrated into your overall risk management

Climate risks are included in the Group Risk taxonomy under Financial (own) and Investment (fiduciary), split by transition and physical, creating consistency across the Group. This allows all organisational units to map their risks and controls to the appropriate climate risk taxonomy, as part of their overall risk management.

At the business-line level, Investment Risk / Controlling teams (first line of defence, 1st LoD) provide a first level of oversight on investment risks, including climate risks, by monitoring and performing dedicated risk analysis on specific exposures and doing ex-post investment controlling (e.g. exclusions). They also provide the portfolio managers with dedicated dashboards on sustainability risks, including climate. A dedicated Group climate change dashboard resource supports risk functions at both the business-line and Group levels in monitoring exposure to climate risks.

The 2nd LoD oversight teams (either within the business line or at Group level, depending on the legal entity) oversee this framework and ensure independent controls of investment controlling, to ensure adherence to the principles set out in prospectuses and investment risks, to monitor and oversee climate risk indicators. For Group Risk, this includes controlling risks to Group exclusions, including thermal coal extraction and our balance sheet de-fossilisation.

The Group monitors, challenges and reviews the climate risks identified by the business lines. This includes climate risk stress testing, which provides an additional tool to help assess the impact of transition and physical risks on Group AuM and credit book – over both short- and long-term time horizons. To further aid this, a set of high-ESG-risk activities has been determined at the Group level. This includes revenue exposure to thermal coal extraction or power generation, oil & gas production, oil sands extraction, shale energy extraction, offshore Arctic oil & gas exploration and nuclear energy. This list will evolve over time.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?**

**(A) Exposure to physical risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

- (2) Metric or variable used and disclosed**

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

**(B) Exposure to transition risk**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

- (3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

(C) Internal carbon price

**(D) Total carbon emissions**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

- (3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

**(E) Weighted average carbon intensity**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

**(3) Metric or variable used and disclosed, including methodology**

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

**(I) Proportion of assets or other business activities aligned with climate-related opportunities**

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used

**(2) Metric or variable used and disclosed**

- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

<https://am.pictet/-/media/pam/pam-common-gallery/article-content/2020/expertise/thematic-equities/planetary-boundaries/planetary-boundaries.pdf>

(J) Other metrics or variables

- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

**(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

**(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

**(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

o (1) Metric disclosed

**(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

<https://www.pictet.com/ch/en/responsible-vision/progress-on-climate-change>

o (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

**(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

o (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

**(A) The UN Sustainable Development Goals (SDGs) and targets**

**(B) The UNFCCC Paris Agreement**

**(C) The UN Guiding Principles on Business and Human Rights (UNGPs)**

**(D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**

**(E) The EU Taxonomy**

(F) Other relevant taxonomies

(G) The International Bill of Human Rights

(H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(I) The Convention on Biological Diversity

(J) Other international framework(s)

(K) Other regional framework(s)

(L) Other sectoral/issue-specific framework(s)



- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons

- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

**During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?**

- (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

As part of our ESG integration activities, we will seek to identify and assess actual and potential human rights impacts/risks from our investments. Our assessment covers a number of areas, including country/region and industry in which companies operate, the degree of influence/leverage that we have as investors, the materiality of the human rights-related issues to companies' long-term performance, and the role of other stakeholders, including governments.

- (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm
- (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts
- (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

Specify:

We used our rights and responsibilities as shareholders and/or debt holders to engage investee companies and ask them to manage effectively the actual and potentially negative impacts on human rights from their activities. In some cases, we also sought to hold management and the board accountable for their responsibility to respect human rights through our votes.

Explain how these activities were conducted:

- (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?**

**(A) Workers**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

**(B) Communities**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

**(C) Customers and end-users**

Sector(s) for which each stakeholder group was included

- (1) Energy
- (2) Materials
- (3) Industrials
- (4) Consumer discretionary
- (5) Consumer staples
- (6) Healthcare
- (7) Finance
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

**(D) Other stakeholder groups**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?**

**(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

We used corporate disclosures to inform our assessment of the human rights management practices and performance of investee companies.

**(B) Media reports**

Provide further detail on how your organisation used these information sources:

We used media reports to inform our assessment of the human rights management practices and performance of investee companies.

**(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

We consulted NGO reports and articles to inform our assessment of the human rights management practices and performance of investee companies, as well as to improve our understanding of the context in which some of those companies operate.

**(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

Provide further detail on how your organisation used these information sources:

We used country reports to improve our understanding of the human rights situation and emerging trends in different jurisdictions.

**(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

We used data provider scores and benchmarks to inform our assessment of the human rights management practices and performance of investee companies.

**(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

We used human rights violation alerts provided by our ESG data and research providers to inform our assessment of the human rights management practices and performance of investee companies, as well as to inform exclusion criteria and lists.

**(G) Sell-side research**

Provide further detail on how your organisation used these information sources:

We used sell-side research to inform our assessment of the human rights management practices and performance of investee companies.

**(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

We used investor networks to inform our assessment of the human rights management practices and performance, and to consider participation in collaborative engagement initiatives

(I) Information provided directly by affected stakeholders or their representatives

(J) Social media analysis

(K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities**

Describe:

Via our engagement with relevant companies, we asked management to remove barriers to and provide effective (i.e. accessible, affordable, adequate and timely) remedy to affected stakeholders. Our asks have included to build internal capacity to provide remedy, establish robust grievance mechanisms, including independent ones where relevant, strengthen stakeholder engagement practices, and improve disclosure.

- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

## LISTED EQUITY (LE)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(1) Passive equity	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(3) for a minority of our AUM

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

**(1) Passive equity**

**(3) Active - fundamental**

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process, but it does not include scenario analyses

(1) for all of our AUM

(1) for all of our AUM

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

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**(B) Yes, we have a formal process but it does not include scenario analysis - Specify: (Voluntary)**

Active equities: The integration of ESG factors and raising ESG trends is a key component of our approach to identifying investment ideas, analysing company performance and potential for long-term value creation, portfolio construction and risk monitoring. Importantly, ESG research and integration help shape our engagement and voting activities. Any information we gather from these, as well as their outcome, feed backs into investment analysis, and hence can have an impact of subsequent investment decisions.

Passive equities: ESG trends are implemented (on a best effort basis) through our firm-wide exclusion framework, engagement framework and proxy voting.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

**(2) Active - fundamental**

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

**(1) Passive equity**

**(3) Active - fundamental**

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors

(3) in a minority of cases

(1) in all cases

(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors

(3) in a minority of cases

(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability

(3) in a minority of cases

(2) in a majority of cases



(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors

(3) in a minority of cases

(2) in a majority of cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

Our environmental & social theme funds only invest in companies with clear and strategic exposure to the underlying environmental and/or social theme (eg. water, clean energy, energy efficiency, pollution control, etc). Company exposure is measured by their % turnover generated from these activities (or "purity factor"). The minimum threshold for company purity is typically 20%, leading to around 90% reduction of the starting investment universe.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(1) Passive equity	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(1) for all of our AUM
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process		
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

For passive strategies that replicate conventional indices, controversial weapons are excluded on a best effort basis such exclusions are compensated by overweighting other stocks in the same country or industry to keep the ex-ante tracking error low and neutralize the impact of exclusions on the ex-post relative performance.

For passive strategies replicating ESG custom benchmarks, individual company weights depend on ESG scores, CO2 emission levels and global warming climate ranking.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

**How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?**

(A) We commission customised indexes

(B) We compare the methodology amongst the index providers available

Explain:

Examining differences in major ESG dimensions like ESG scores, carbon emission measures, climate commitment indicators and exclusion framework

(C) We compare the costs of different options available in the market

Explain:

Proactively asking index providers to submit offers on setup, maintenance and replication costs to create a global level playing fields across main competitors in the passive landscape

(D) Other

Specify and explain:

Offering our independent third party services between end clients and index providers when having to design an investable and replicable custom ESG index

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

(A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks

(B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening

(C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening

(D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(2) Active - fundamental**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion

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(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

To address the material ESG topics which our Thematic portfolios are exposed to, we have developed a proprietary ESG Integration framework. As a first step, a materiality assessment is done at the companies' peer group level to identify material ESG topics by comparing companies with similar business models. Once the most material ESG topics are identified for each peer group, we analyse the quality of management of individual companies with regards to those topics. Resulting ESG scores lead to premiums or discounts (up to +/- 50bps) applied to the target weights of stocks in our portfolios.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens

(C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings

(D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process that includes scenario analyses			
(B) Yes, we have a formal process, but does it not include scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(B) Yes, we have a formal process, but it does not include scenario analyses - Specify: (Voluntary)**

The integration of ESG factors and raising ESG trends is a key component of our approach to identifying investment ideas, analysing company performance and potential for long-term value creation, portfolio construction and risk monitoring. Importantly, ESG research and integration help shape our engagement and voting activities. Any information we gather from these, as well as their outcome, feed backs into investment analysis, and hence can have an impact of subsequent investment decisions.

Furthermore, we have a Fixed Income ESG Committee that meets on a monthly basis where we review and discuss market developments and any implications for our funds. This can include regulatory changes, ensuring our funds remain within ESG risk limits, any changes to our Responsible Investment Policy that affect our holdings, and oversight on any new ESG data providers the firm is using.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**



	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	○	○	○
(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers	○	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?**

- o (A) At both key counterparties' and at the underlying collateral pool's levels
- o **(B) At key counterparties' level only**  
Explain: (Voluntary)
- o (C) At the underlying collateral pool's level only

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM

(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(1) for all of our AUM

(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(1) for all of our AUM

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

All fixed income strategies (including passive strategies) exclude over 60 companies involved in controversial weapons.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations			
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process			
(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process	○	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

○

○

○

(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

○

○

○

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

In our CHF Bonds strategy, we have an example regarding the bonds of issuer Oerlikon.

- Sold Oerlikon bonds beginning in March 2023 throughout CHF funds and mandates
- Reason behind the sale: Politically exposed major shareholder (Viktor Vekselberg through Liwet Holding) who is sanctioned by the US
- Bond has subsequently underperformed (spreads ca. 30bps wider during credit bull market)

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

# HEDGE FUNDS (HF)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1, 4, 6

What activities, practices and/or relationships are covered by your organisation's responsible investment policy(ies) for the majority of your hedge fund assets?

- (A) Our ESG requirements of prime brokers
- (B) Our ESG requirements for administrators and custodians
- (C) Our ESG requirements regarding (proxy) voting service providers (or other third-party providers), where applicable
- (D) How breaches in our responsible investment policy are communicated to clients
- (E) How ESG is incorporated into our long and/or short exposures
- (F) Whether sectors, issuers, equities and/or asset types are excluded from the portfolio due to ESG factors
- (G) How we engage with underlying investees, issuers or real assets
- (H) Our responsible investment policy(ies) does not specifically cover activities, practices and/or relationships for our hedge fund assets

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 2	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your hedge fund strategies?

	(1) Multi-strategy	(2) Long/short equity	(4) Distressed, special situations and event-driven fundamental	(6) Global macro
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(1) for all of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) Yes, our investment process incorporates material ESG factors into risk assessment and the risk profile of the underlying exposures	(2) for a majority of our AUM	(1) for all of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 3	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your hedge fund strategies?**



	(1) Multi-strategy	(2) Long/short equity	(4) Distressed, special situations and event-driven fundamental	(6) Global macro
(A) Yes, we have a formal process that includes scenario analyses				
(B) Yes, we have a formal process but it does not include scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) We do not have a formal process for our hedge fund strategies; our investment professionals monitor and review the implications of changing ESG trends at their discretion	○	○	○	○
(D) We do not monitor and review the implications of changing ESG trends on our hedge fund strategies	○	○	○	○

**(B) Yes, we have a formal process but it does not include scenario analyses - Specify: (Voluntary)**

The integration of ESG factors and raising ESG trends is a key component of our approach to identifying investment ideas, analysing company performance and potential for long-term value creation, portfolio construction and risk monitoring. Importantly, ESG research and integration help shape our engagement and voting activities. Any information we gather from these, as well as their outcome, feed backs into investment analysis, and hence can have an impact of subsequent investment decisions.

## PRE-INVESTMENT

## ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your investment research incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt?**

	(1) Multi-strategy	(2) Long/short equity	(4) Distressed, special situations and event-driven fundamental	(6) Global macro
(A) We incorporate material governance-related risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt	(2) in a majority of cases	(1) in all cases	(2) in a majority of cases	
(B) We incorporate material environmental and social risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt	(2) in a majority of cases	(1) in all cases	(2) in a majority of cases	
(C) We incorporate material environmental and social risks and opportunities that may arise from how listed companies or issuers of corporate debt undertake their operations	(2) in a majority of cases	(1) in all cases	(2) in a majority of cases	
(D) We incorporate material environmental and social risks and opportunities linked to a listed company or issuer or corporate debt supply chain	(3) in a minority of cases	(3) in a minority of cases	(3) in a minority of cases	

(E) Other

(F) Our investment research does not incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt

(G) Not applicable, our strategy does not invest directly in listed companies or issuers of corporate debt

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in research	1

Where you invest in commodities or other asset classes, either directly or through other financial instruments, provide an example of how you incorporate material ESG factors into your research, investment strategy, engagement or portfolio construction.

Not applicable. As of December 2022, our hedge fund strategies did not have exposure to direct commodities or commodity derivatives.

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

	<b>(1) Multi-strategy</b>	<b>(2) Long/short equity</b>	<b>(4) Distressed, special situations and event-driven fundamental</b>	<b>(6) Global macro</b>
(A) Material ESG factors contribute to the selection of individual assets and financial instruments within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets and financial instruments within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM
(C) Material ESG factors contribute to the sector, country or regional weighting of assets and financial instruments within our portfolio construction and/or benchmark selection process	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM
(D) Material ESG factors contribute to determining the construction of short positions	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(E) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process				
(F) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 7	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Describe how information or data on material ESG factors influenced weightings and portfolio construction in each of your main hedge fund strategies during the reporting year.**

**Internally managed hedge fund strategies**

**Example**

(A) Multi-strategy

Our multi-strategy approach involves allocating to a range of internally managed strategies. Alongside ESG integration by all underlying strategies and regular reviews of of ESG integration for each strategy by the Investment Committee of the multi-strategy funds, we continued to allocate to a sustainability-driven segment in 2022 (launched in 2021): the Global Sustainability Equities segment follows a market neutral approach to investing and seeks to provide long-term capital appreciation by investing primarily in liquid and large caps. It aims to generate alpha via a bottom-up process aiming to identify companies exposed to or being disrupted by a set of identified sustainable themes/economic activities.

(B) Long/short equity

Within our catalyst driven long/short strategy, we allocated to building materials, using a market neutral approach, favouring a long position in a company exposed to energy efficiency in addition to bottom-up catalysts, hedged with companies lagging behind in their transformation.

(D) Distressed, special situations and event-driven fundamental

The team previously held a capital structure trade, which converted into new debt/equity post Chp 11, in a North American energy company. The company was a Californian based oil & natural gas producer and courtesy of the tight regulatory environment in that State had developed lower carbon/GHG intensity productions relative to peers. Moreover, subsequent to the filing, where the debt equitization gave the company the ability to pursue broader strategic objectives, the company is heavily focused on delivering on an ambitious carbon capture and storage (CCS) strategy along with other projects aimed at reducing carbon emissions and wider pollution including water.

(F) Global macro

The team have had some exposure to Beninese sovereign bonds. One factor behind this trade was the structural support the credit had following some local social and governance reforms which improved the country's FDI and access to capital. The country eventually issued bonds to finance key environmental, social and governance projects under the Sustainable Development Goals.

The team have also had long some exposure to Romanian local currency government bonds. A key factor here was again due to the structural support the country would get via EU funding following the country's environmental, social, and governance reforms, such as the National Recovery and Resilience Plan aimed at mitigating the long-term socio-economic effects of the Covid-19 crisis. This additional flow of capital would be supportive on the local currency bonds' valuations. On the flipside, we had tended to have a shorter/flat bias in terms of our exposure to other emerging European countries, such as Hungary where there was less of a robust governance anchor, particularly regarding judicial reforms.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 8	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your hedge fund assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens
- (E) Not applicable; we do not conduct negative exclusionary screening on our hedge fund assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 9	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your hedge funds, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) Multi-strategy	(2) Long/short equity	(4) Distressed, special situations and event-driven fundamental	(6) Global macro
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual securities, issuers and financial instruments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other securities, issuers and financial instruments exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their own discretion

○ ○ ○ ○

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

○ ○ ○ ○

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

(2) The UNFCCC Paris Agreement

**(3) The UN Guiding Principles on Business and Human Rights (UNGPs)**

**(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors**

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

**(1) Environmental**

**(2) Social**

**(3) Governance-related**

(4) Other



(3) Sustainability outcome name

Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(B) Sustainability outcome #2

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

NZAM AUM commitment

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

- (C) Sustainability outcome #3
- (D) Sustainability outcome #4
- (E) Sustainability outcome #5
- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals
(1) Target name	Exclusion of companies in severe breach
(2) Baseline year	
(3) Target to be met by	
(4) Methodology	Exclude companies in severe breach of (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption or (ii) OECD Guidelines for Multinationals
(5) Metric used (if relevant)	Controversy level 5 by Sustainalytics
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	
(8) Target level or amount (if relevant)	
(9) Percentage of total AUM covered in your baseline year for target setting	
(10) Do you also have a longer-term target for this?	

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2:	NZAM AUM commitment
(1) Target name	NZAM AUM commitment

(2) Baseline year	2021
(3) Target to be met by	2030
(4) Methodology	SBTI PC
(5) Metric used (if relevant)	% of AuM managed in line with net zero
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	20
(8) Target level or amount (if relevant)	60
(9) Percentage of total AUM covered in your baseline year for target setting	56%
(10) Do you also have a longer-term target for this?	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: NZAM AUM commitment	NZAM AUM commitment	2040	100

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1:

Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals

Target name:

Exclusion of companies in severe breach

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

### (B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: NZAM AUM commitment

Target name: NZAM AUM commitment

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1: Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals

(1) Target name: Exclusion of companies in severe breach

(2) Target to be met by

(3) Metric used (if relevant): Controversy level 5 by Sustainalytics

(4) Current level or amount (if relevant): In compliance with our objective to exclude companies with controversies level 5 from responsible investment strategies

(5) Other qualitative or quantitative progress: Exemptions to exclusions may be granted on a case-by-case basis when the third-party information underlying the exclusions is deemed incorrect or incomplete.

(6) Methodology for tracking progress: Permanent monitoring of investments to ensure companies with controversies level 5 are excluded from responsible investment strategies.

### (B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	NZAM AUM commitment
(1) Target name	NZAM AUM commitment
(2) Target to be met by	2030
(3) Metric used (if relevant)	% of AuM managed in line with net zero
(4) Current level or amount (if relevant)	25.6
(5) Other qualitative or quantitative progress	Setting science-based climate targets became in 2022 the first topic on which we conduct engagement with investee companies: we engaged 56 companies in 2022 on that subject, vs. 31 in 2021.
(6) Methodology for tracking progress	SBTI PC

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (B) Stewardship: engagement with external investment managers
- (C) Stewardship: engagement with policy makers  
Select from drop down list:
  - (1) Individually
  - (2) With other investors or stakeholders
- (D) Stewardship: engagement with other key stakeholders

Select from drop down list:

- (1) Individually
- (2) With other investors or stakeholders
- (E) Capital allocation
  - (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Capital allocation activities used

(2) Explain through an example

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals

(1) Capital allocation activities used

(4) Divestment from assets or sectors

(2) Explain through an example

We exclude from responsible investment strategies companies that are in severe breach of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises.

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	NZAM AUM commitment
(1) Capital allocation activities used	(1) Asset class allocation (2) Sector allocation (4) Divestment from assets or sectors
(2) Explain through an example	<ul style="list-style-type: none"> <li>- Sector Allocation: through our environmental strategies (e.g. Pictet-Clean Energy Transition; Pictet-Global Environmental Opportunities; etc.), we allocate capital to sectors that accelerate the transition to a low-carbon economy, such as renewable energy producer, or renewable energy equipment manufacturer.</li> <li>- Asset class allocation: through our investment in green bonds (e.g. through our Pictet-Global Sustainable Credit fund), we allocate capital to an asset class that accelerate the transition to a low-carbon economy.</li> <li>- Divestment from assets or sectors: all our strategies exclude issuers with significant exposure to thermal coal mining. Furthermore, our responsible investment strategies exclude issuers with significant exposure to other fossil fuel activities such as thermal coal power generation and oil and gas production (up-, mid- and downstream).</li> </ul>

**STEWARDSHIP WITH INVESTEEES**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) Across all sustainability outcomes**

(1) Describe your approach
(2) Stewardship tools or activities used
(3) Example



### **(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:	Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals
(1) Describe your approach	RI policy exclusion framework
(2) Stewardship tools or activities used	
(3) Example	SFDR Article 8 and 9 strategies (and equivalent strategies) exclude companies that severely violate (i) the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption or (ii) OECD Guidelines for Multinationals, including severe social and employee issues.

### **(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:	NZAM AUM commitment
(1) Describe your approach	<p>We consider it our fiduciary duty to engage selected corporate issuers in order to positively influence a company's ESG performance and to protect or enhance the value of our clients' investments. We press management to adopt appropriate policies, practices and disclosure in line with established best practice but focus on those that lag behind or where accidents or events bring to light structural weaknesses in their governance and/or management of environmental and social issues.</p> <p>Where appropriate, we engage companies on material ESG issues, to satisfy ourselves that they fully understand and address them effectively over the short, medium and long term.</p> <p>Historically, most engagement opportunities were identified bottom-up by investment teams. This is the process by which a team considers there to be concerns or questions relating to a company's operations, practices or performance and begins a process to seek more information, deeper understanding, better reporting or a change in policy or approach.</p> <p>Bottom-up engagements could relate to any topic, whether related to ESG issues or not, and could often centre on matters of a company's portfolio or returns profile. To further align our engagement efforts and maximise our impact, we launched in 2022 Pictet's Group Engagement Focus (GEF), a top-down engagement programme coordinated by the ESG Team that focuses on four key themes: climate, water, nutrition and long-termism.</p>

We defined more specific angles under each theme to better guide our engagement. The themes and angles were selected due to the exposure of our investment portfolios to them and the long-standing expertise we have in them. The GEF framework also includes companies exposed to harmful or controversial activities such as gambling, fossil fuels or tobacco, and those in breach of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises.

The ESG Team developed a screening process to systematically identify companies with significant exposure to risks and opportunities within the four key areas, and where there is room for improvement in their management of those. Our target list comprises over 80 companies across a wide range of industries and countries. The ESG team also developed engagement guidelines for each of the eight angles to help investment teams formulate engagement asks and objectives. The GEF programme is still in its first year, and the scope of engagement targets has been evolving since inception as additional targets were identified during the year. We have not yet established a frequency for refreshing the targets, but the programme is being constantly monitored and we may consider updates on a case-by-case basis as we consider, among others, progress achieved in ongoing engagements. As this is a Pictet Group program, some engagements may be conducted jointly by Pictet Asset Management and Pictet Wealth Management.

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(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

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(3) Example

Engagement with RWE AG:

Issue: Germany plays a key role in the EU's energy transition strategy. However, its main electricity producer, RWE, is one of Europe's largest coal plant operators and CO2 emitters, and Europe's largest lignite producer. Lignite, or brown coal, generates significantly more carbon dioxide than regular coal for the same power output. Lignite represented 31% of the total energy generated by RWE in 2022. Considering potential future liabilities linked to the continued use of coal to generate energy, we believe that ring-fencing coal assets constitutes an appropriate mechanism to protect shareholders.

Engagement action: Our targeted engagement with RWE started in early 2019. The initial objectives focused on ensuring that the company's decarbonisation plan was aligned with the Paris Agreement and that management incentives were aligned to the plan. The engagement was successful with the company moving rapidly to provide a clear coal phase-out plan in partnership with the German Government, and set a net zero goal supported by SBTi-verified emissions reduction targets. Conversations around the ring-fencing of the coal assets with company representatives, including the CEO and the Chairman, have been challenging yet constructive. RWE understands our point of view and has advanced in setting up for a potential separation of the assets. However, it must also deal with political and economic realities that have become harder to address as a result of the energy crisis brought upon by the war in Ukraine.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

(A) We prioritise the most strategically important companies in our portfolio.

Describe how you do this:

Our systematic approach to ESG integration helps investment teams identify and prioritise companies for engagement. Priorities are usually defined by any number of the following factors:

- Degree of exposure to material ESG risks and opportunities and companies' approaches to managing those
- Companies' involvement in material ESG controversies and their response to them
- Nature and scope of companies' sustainability outcomes in the real world

· Strategic nature and/or size of our holding.

Furthermore, in the context our top-down Pictet's Group Engagement Focus (GEF) which focuses on climate, water, nutrition and long-termism, we defined more specific angles under each theme to better guide our engagement. The GEF framework also includes companies exposed to harmful or controversial activities such as gambling, fossil fuels or tobacco, and those in breach of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises. The ESG Team developed a screening process to systematically identify companies with significant exposure to risks and opportunities within the four key areas, where there is room for improvement in their management of those, and which we are mostly likely to influence. In particular, we focused on companies in which had an active position and a minimum investment size (either in absolute value or in percentage of enterprise value).

Select from the list:

- 2  
 4

**(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Our systematic approach to ESG integration helps investment teams identify and prioritise companies for engagement. Priorities are usually defined by any number of the following factors:

- Degree of exposure to material ESG risks and opportunities and companies' approaches to managing those
- Companies' involvement in material ESG controversies and their response to them
- Nature and scope of companies' sustainability outcomes in the real world
- Strategic nature and/or size of our holding.

Furthermore, in the context our top-down Pictet's Group Engagement Focus (GEF) which focuses on climate, water, nutrition and long-termism, we defined more specific angles under each theme to better guide our engagement. The GEF framework also includes companies exposed to harmful or controversial activities such as gambling, fossil fuels or tobacco, and those in breach of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises. The ESG Team developed a screening process to systematically identify companies with significant exposure to risks and opportunities within the four key areas, where there is room for improvement in their management of those, and which we are mostly likely to influence. With regards to sustainability outcome 1 in particular (Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals): issuers with controversies level 5 by Sustainalytics were identified through our screening process. With regards to sustainability outcome 2 in particular (NZAM AUM commitment): issuers with higher than peer average carbon intensity and weak carbon reduction programs were identified through our screening process, using data from Sustainalytics, the CDP and SBTi.

Select from the list:

- 1  
 4

**(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

Our systematic approach to ESG integration helps investment teams identify and prioritise companies for engagement. Priorities are usually defined by any number of the following factors:

- Degree of exposure to material ESG risks and opportunities and companies' approaches to managing those
- Companies' involvement in material ESG controversies and their response to them
- Nature and scope of companies' sustainability outcomes in the real world

· Strategic nature and/or size of our holding.

Furthermore, in the context our top-down Pictet's Group Engagement Focus (GEF) which focuses on climate, water, nutrition and long-termism, we defined more specific angles under each theme to better guide our engagement. The GEF framework also includes companies exposed to harmful or controversial activities such as gambling, fossil fuels or tobacco, and those in breach of the UN Global Compact Principles or the OECD Guidelines for Multinational Enterprises. The ESG Team developed a screening process to systematically identify companies with significant exposure to risks and opportunities within the four key areas, where there is room for improvement in their management of those, and which we are mostly likely to influence. With regards to sustainability outcome 2 in particular (NZAM AUM commitment): we are using data from SBTi to prioritise for engagement companies that lack a science-based target and represent a sizeable portion of our investments, as this directly supports the achievement of our NZAM AUM commitment.

Select from the list:

3

4

(D) Other

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals

(1) Describe your approach

n/a

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on n/a

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2: NZAM AUM commitment

(1) Describe your approach

(2) Engagement tools or activities used (1) We participated in 'sign-on' letters  
(3) We provided technical input via government- or regulator-backed working groups

(3) Example(s) of policies engaged on

- We signed IIGCC's 2022 Global Investor Statement to Governments on the Climate Crisis.
- We signed FAIRR's investor statement to the Food and Agriculture Organization of the United Nations (FAO) urging them to set a roadmap for how the food system can align with the Paris Agreement goal of limiting global warming to 1.5°C.
- As member of the Asset Management Association Switzerland, Pictet Asset Management has been involved in the development of the Swiss Climate Scores, a climate reporting framework for financial products promoted by Switzerland's State Secretariat for International Finance. The initiative aims at ensuring transparency and comparability of investment products with regards to their climate performance.

**STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

**(A) Across all sustainability outcomes**

(1) Key stakeholders engaged

(6) External service providers (e.g. proxy advisers, investment consultants, data providers)  
(7) Academia

(2) Provide further detail on your engagement

- We exchange regularly with our ESG data providers on an ongoing basis to help them improve data quality and enhance their products. Climate-related data (e.g. GHG emissions and related indicators, exposure to fossil fuel activities, exposure to the green economy) and data compliance with UNGC Principles and OECD Guidelines for Multinational Enterprises were particularly prominent in our discussions with our providers.  
- Some of our ESG practitioners have contributed to training courses organized by Swiss academic institutions. Such interventions would focus specifically net zero, while other would focus engagement in general, including engagement related to climate and to violations of UN Global Compact Principles or OECD Guidelines for Multinational Enterprises.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:

Promote the (i) UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption, and the (ii) OECD Guidelines for Multinationals

(1) Key stakeholders engaged

(2) Provide further detail on your engagement

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

NZAM AUM commitment

(1) Key stakeholders engaged

(1) Standard setters  
(8) NGOs

(2) Provide further detail on your engagement

- As signatory of SBTi since 2021, we have been exchanging with the initiative on its framework for Financial Institutions as well as on its future developments, including making suggestions on how SBTi could improve how they share their data with the market.  
- We have been exchanging with several NGOs on the low carbon transition, to collect feedback on how we could potentially enhance our policies but also to advocate for a better articulation of engagement and exclusion.

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	FAIRR – Working Conditions in the Meat Supply Chain
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p>
(3) Provide further detail on your participation in this collaborative initiative	The purpose of this initiative is to encourage seven global protein producers to improve practices in three key areas: health and safety, fair working conditions and worker representation. Pictet is a signatory to letters to all seven companies, and participant in the dialogue with Tyson Foods

### (B) Initiative #2

(1) Name of the initiative	FAIRR – Sustainable Proteins
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p>
(3) Provide further detail on your participation in this collaborative initiative	The purpose of this initiative is to encourage 23 global food companies to develop a global, evidence-based approach to protein diversification in order to reduce greenhouse gas emissions. Pictet is a participant in the dialogue with Walmart.



**(C) Initiative #3**

(1) Name of the initiative	Climate Action 100+
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	The purpose of the initiative is to ensure the world's 166 largest corporate greenhouse gas emitters take necessary, science-based action on climate change. Pictet is a participant in the engagement with Glencore.

**(D) Initiative #4**

(1) Name of the initiative	Finance for Biodiversity Foundation
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)
(3) Provide further detail on your participation in this collaborative initiative	The purpose of this initiative is to protect and restore biodiversity through our investments. As member of the Foundation, we collaborate and share knowledge with investors and other stakeholders to pursue advocacy efforts, as well as develop and publish guidance reports on assessment methodologies, engagement strategies, and biodiversity-related metrics and targets. Representatives from Pictet Asset Management joined the engagement working group and are co-chair of the impact measurement working group.

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
  - (H) We did not verify the information submitted in our PRI report this reporting year

### THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (C) Listed equity

Select from dropdown list:

- (1) Data assured
- (2) Processes assured
- (3) Processes and data assured

(D) Fixed income

Select from dropdown list:

- (1) Data assured
- (2) Processes assured
- (3) Processes and data assured

(H) Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 3	PLUS	CBM 1	N/A	PUBLIC	Third-party external assurance	6

**Provide details of the third-party external assurance process regarding the information submitted in your PRI report.**

(1) Description of the third-party external assurance process

During the period from February 2023 to June 2023, PwC Switzerland with the support of PwC Luxembourg performed a mock-up audit of Pictet Asset Management sustainable investment concept, including the review of the Do no significant harm (DNSH). As part of this review, PwC assessed the internal and external available documentation, the investment process and the disclosure made by Pictet Asset Management related to the sustainable investment concept according to SFDR requirements.

(2) Assurance standard(s) used by the third-party assurance provider

- (A) PAS 7341:2020
- (B) ISAE 3000 and national standards based on this
- (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
- (D) RevR6 (Assurance of Sustainability)
- (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
- (F) Accountability AA1000 Assurance Standard (AA1000AS)
- (G) IFC performance standards
- (H) SSAE 18 and SOC 1
- (I) Other national auditing/assurance standard with guidance on sustainability; specify:

An external audit was conducted as part of applying to the following labels: French SRI, FNG, Towards Sustainability, Umweltzeichen. For funds that received these labels audits covered topics such as exclusions, ESG research, staff training, investment process, stewardship activities (proxy voting & engagement), reporting.

- (J) Invest Europe Handbook of Professional Standards
- (K) ISAE 3402 Assurance Reports on Controls at a Service Organisation
- (L) AAF 01/20
- (M) AAF 01/06 Stewardship Supplement
- (N) ISO 26000 Social Responsibility
- (O) ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information
- (P) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
- (Q) PCAF
- (R) NGER audit framework (National Greenhouse and Energy Reporting)
- (S) Auditor's proprietary assurance framework for assuring RI-related information
- (T) Other greenhouse gas emissions assurance standard; specify:

(3) Third-party external assurance provider's report that contains the assurance conclusion

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

- (A) Policy, governance and strategy**  
 Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (C) Listed equity**  
 Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (D) Fixed income**  
 Select from dropdown list:
  - (1) Data internally audited
  - (2) Processes internally audited
  - (3) Processes and data internally audited**
- (H) Hedge funds**  
 Select from dropdown list:
  - (1) Data internally audited**
  - (2) Processes internally audited
  - (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

As part of its multi-year audit plan, Pictet Asset Management Internal audit function performs reviews on ESG and sustainable related topics. During 2022, the internal audit function performed an ESG audit focused on the prevention of greenwashing which covered a number of dimensions which include Organisation and Governance, Internal Control System, Product and Services offering, Marketing material and Distribution, Investment process & Reporting, IT and data.

In addition to that, some internal reviews have been performed:

- (i) During 2022, Compliance conducted an independent review of spot checks performed by the ESG team to confirm that our third-party voting recommendations to our accounts comply with our Proxy Voting Policy
- (ii) Strategy specific parts of this report have been reviewed by our "internal" ESG champions
- (iii) The entire report has been signed off by senior management

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
      - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year