

July 2023 |

JAPAN STEWARDSHIP CODE STATEMENT 2023



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INTRODUCTION

Stewardship and the principles of good governance are central to GAM Investments' ("GAM's") approach to responsible investment. GAM has formally supported the Japan Stewardship Code (the "Code") since 2021. This statement highlights how we use the integration of ESG factors, company engagement, proxy voting and other strategic efforts to be good stewards of our clients' capital in the provision of investment management services. It is structured in response to the 8 principles of the revised version of the Japan Stewardship Code issued by Japan's Financial Services Agency on 24 March 2020. The purpose of this statement is to demonstrate how GAM promotes sustainable growth of companies through investment and dialogue in line with the Code's principles.

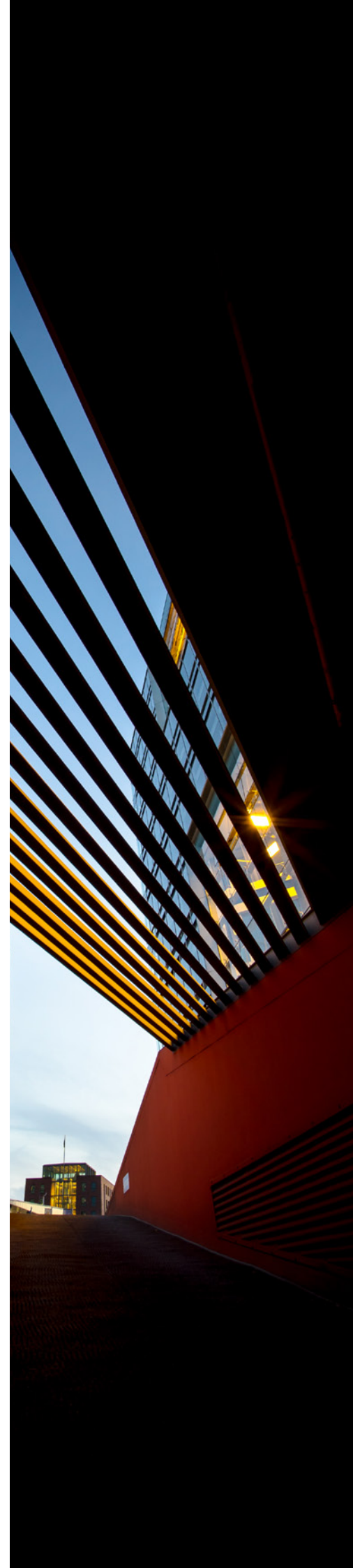
We are an active, independent global asset manager that thinks beyond the obvious to deliver distinctive and differentiated investment solutions for our clients across our three core businesses: Investment Management, Wealth Management and Fund Management Services.

Our purpose is to protect and enhance our clients' financial future. We attract and empower the brightest minds to provide investment leadership, innovation and strive for a positive impact on society and the environment.

Servicing institutions, financial intermediaries, and private investors, we manage CHF 23.2 billion of assets as of 31 December 2022. Headquartered in Zurich, GAM Holding AG is listed on the SIX Swiss Exchange with the symbol 'GAM' and we employ 541 people across 14 countries with investment centres in London, Cambridge, Zurich, Hong Kong, New York and Milan. Our operational centres are in Dublin, Luxembourg and London.

This statement refers to GAM's investment management business specifically. It was updated in June 2023.

Further details on our stewardship activity are available in our Sustainability Report and Stewardship Report.



STEWARDSHIP CODE PRINCIPLE 1

Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

At GAM, our purpose continues to be to protect and enhance our clients' financial future. At the beginning of 2022 we refreshed our language to more clearly reflect how we intend to deliver this for our clients, namely by attracting and empowering the brightest minds to think beyond the obvious, we strive to provide investment leadership, innovation and a positive impact on society and the environment.

As active investors, we believe that understanding environmental, social and governance (ESG) factors, acting on them where appropriate and developing sustainable solutions are key to our ability to deliver better returns for our clients and better real-world outcomes in this rapidly transforming world.

We have a clear policy framework which describes how we fulfil our stewardship responsibilities. These are all available on GAM website and include:

- **Responsible Investment Policy:** It outlines our approach to responsible investment and how we deliver on our commitments as signatories to the Principles of Responsible Investment.
- **Engagement Policy:** It sets out GAM's approach to engagement with current and potential investee companies and across other assets. It includes information on the objectives of engagement and how we integrate engagement into our investment processes.
- **Corporate Governance and Voting Principles:** This set of principles outlines our corporate governance expectations for companies, our approach on key voting issues and our procedures.
- **Climate Change Statement:** It describes our commitment to support the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C.
- **Exclusion Policy:** It sets out how GAM applies restrictions with regards to exposure to controversial weapons and is designed to reflect applicable laws and regulations.

Our Governance and Responsible Investment (GRI) team facilitates stewardship and the effective incorporation of material ESG and sustainability-related factors working closely with our investment teams. This team supports our investment teams across our business, by providing ESG data, analysis, research, proxy voting and engagement support.

We believe long-term sustainable returns are dependent on stable, well-functioning and well governed social, economic and environmental systems. Our integrated investment approach evaluates strategic ESG factors alongside asset level and systemic financial, legal, regulatory, market and operational factors, as we believe this is integral to sound investment decisions.

As active investors, we use fundamental analysis, supported by independent ESG data and research, recognised non-governmental organisation sources, and our own engagement with companies, to identify, evaluate and prioritise key sustainability factors. We do this to better identify and manage the risks associated with sustainability factors, such as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. It also enables us to understand the opportunities or potential competitive advantage associated with the management of these factors, supporting the transition to a low carbon economy or delivering on the UN Sustainable Development Goals.

STEWARDSHIP CODE PRINCIPLE 2

Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

GAM has a publicly available [Conflicts of Interest Policy](#), which states that it is essential for GAM to be able to identify and manage conflicts of interest fairly and appropriately, and to prevent any conflicts from adversely affecting the interests of clients. The Policy sets out the framework we have implemented to ensure that appropriate steps are taken by GAM and its employees to identify, prevent, manage and record conflicts of interest.

All employees are required to adhere to the Policy, and failure to do so may result in disciplinary action against the individual concerned, including termination of employment. Annual training on the identification and management of conflicts of interest is provided to all employees, and comprises both interactive workshops and computer-based training. The Policy is reviewed annually by the Global Head of Compliance and was last updated in September 2022.

The key potential conflicts of interest related to stewardship activities that have been identified in the period under review include:

- where a company selected for engagement is a client of GAM or is an associate of a client of GAM
- where GAM has voting rights in a company that is a client of GAM or is an associate of a client of GAM
- where GAM has voting rights in a company that has a significant shareholding in GAM
- where a GAM portfolio manager or a person connected to the portfolio manager (e.g. a spouse) has an outside activity associated with a company held in a client investment portfolio over which the portfolio manager may exercise voting rights
- where during legitimate investment activities, a GAM portfolio manager has gained inside information in relation to a company for which the portfolio manager may exercise voting rights on behalf of a client

- where a GAM portfolio manager has a personal relationship with an employee or a non-executive director of a company over which the portfolio manager may exercise voting rights
- where a team member or other colleague known to an investment portfolio manager holds an external directorship in a company that the portfolio manager proposes to invest on behalf of clients.

In any such circumstances, the conflict of interest will be referred to the COI Committee to ensure that an adequate and effective control is implemented to manage the conflict. This includes steps to be taken in accordance with the Conflicts of Interest Policy, the GAM Corporate Governance and Voting Principles and the Group Proxy Voting Procedures to advance clients' best interests in relation to companies in which GAM invests on behalf of clients.

In relation to vote decisions, particular circumstances may require both the Global Head of Investments and the Global Head of Sustainable and Impact Investment to make the vote decision.

If necessary, a vote decision may be escalated to GAM's Sustainability Committee as final arbitrator. For more information, please refer to the [Conflicts of Interest Policy](#), the [GAM Corporate Governance and Voting Principles](#) and our [Engagement Policy](#), available on our website.

STEWARDSHIP CODE PRINCIPLE 3

Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

The investment teams are ultimately responsible for monitoring their portfolio holdings and integrating ESG considerations in their investment decisions in order to support the sustainable growth of the companies. They are supported in this task by various other functions at GAM, such as the investment risk team and the GRI team.

Our overarching ESG integration process is similar and systematic across all our investment teams, but its implementation will vary greatly based on a fund's asset class, geography, and specific strategy. ESG integration is a continuous process combining data integration, research, engagement and decision-making.

Engagement

At GAM, we define engagement as active and purposeful dialogue with current or potential investment targets, such as companies, government and municipalities with the underlying objective to meet our stewardship obligations to protect and enhance long-term investor value for our clients. It can serve different purposes, such as supporting pre-investment research and analysis, monitoring, addressing specific concerns or advocating for changes. The topics covered during engagement activities will generally include strategic financial, operational or ESG considerations with a clear emphasis on materiality and long-term value preservation and creation.

For more information on our Engagement process, please refer to principle 4 below.

Monitoring tools

Engagement is one of the tools available to monitor our portfolio holdings. The investment teams are ultimately responsible for monitoring their portfolio holdings. They are supported in this task by various other functions at GAM such as the Investment Risk team and the GRI team. We have various tools and processes available to support the systematic integration of material ESG considerations into our investments.

We have various tools and processes available to support the systematic integration of material ESG considerations into our investments and drive our engagement activities:

Monitoring activities:

- **Quarterly investment risk meetings:** Quarterly investment risk review meetings, conducted by our Head Investments and our Investment Risk team, include an ESG risk review. This process flags companies with poor ESG and carbon scores or with controversies. Where concerns are identified, the GRI team will typically support the investment manager with further ESG research and, where appropriate, engagement. Dependent on the outcome, the investment manager may consider an adjustment to their holding.
- **Portfolio ESG reviews:** Our GRI team conducts periodic ESG and voting reviews with investment teams to flag companies with high ESG risks and to drive future engagement activities.
- **Thematic reviews:** We combine our portfolio reviews with top-down thematic reviews of our holdings. GAM has identified systemic risk areas such as climate change, which drive reviews across all our portfolios.
- **ESG Dashboard:** Our proprietary ESG Dashboard also allows the investment teams and the GRI team to monitor changes in third-party ESG scores and in carbon performance to monitor ESG risks

Selection & prioritisation

By its nature, pre-investment engagement is driven by our investment strategy where a potential new investment is identified and routine monitoring engagement is typical for all active holdings, in particular as we review annual or quarterly results. The identification of companies where there is a specific concern or where we have identified an area for improvement will generally be driven by our periodic fund level ESG (now informed by principal adverse impacts as defined under SFDR) and proxy voting analysis (for equities only). We will tend to prioritise based on where we consider the greatest risk to be such as any companies flagged for poor performance, companies that lag their peers on particular topics or where we have overweight or significant exposure. We will also identify thematic engagement priorities, for example on climate change or deforestation, which will be informed by our aggregate exposure or for a particular geography such as diversity on Japanese Boards. Our ESG enhanced reports will also flag companies with particularly low ESG scores or controversies.

STEWARDSHIP CODE PRINCIPLE 4

Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

GAM is an active investment firm and engagement is a core part of our discretionary funds' strategies. It is critical in shaping the way we allocate, manage and oversee capital. By engaging, we not only gain valuable insights into corporate business models or management practices, but we can also use our influence to encourage a focus on long-term, sustainable value creation and to drive positive impact. The integration of engagement into a fund's strategy may vary between investment teams depending on the asset class and specific strategy. There are no formulaic rules which set out how we engage. The specifics of each engagement will depend on the nature and severity of the issue, the company, market, local regulatory requirements and investment team. Engagement activities are carried out by investment teams directly, with the support of the Governance and Responsible Investment (GRI) team as required.

Engagement objective

We have identified different types of engagement, serving different purposes throughout our investment process. To better describe our engagement activities, we have structured our interactions into four categories, which are not mutually exclusive but highlight the main objective of our engagements.

Pre-investment research

As active owners, we not only meet with our portfolio companies but also with potential future investments. Investment teams conduct frequent meetings with issuers with the objective of gathering information ahead of a potential future investment. These meetings do not require a decision to invest but are a critical value-add to our investment process as active investors.

Monitoring

Engagement with the purpose of monitoring is a core part of our investment strategies and due diligence process. We are active stewards of our clients' assets and hold regular routine meetings with the issuers in our portfolios. This allows us to actively monitor our investees and gain valuable insights on the strategic direction of a company, for example.

Addressing concerns

Engagement can also be triggered by a one-off event or announcement which raises questions or concerns. This differs from our regular monitoring meetings in that it is triggered as a result of a specific recent controversy, negative news, resolution at a shareholder meeting or any other announcement raising concerns. This may be linked to the specific company or within the sector or market. Such engagement has a clear purpose which is to address a specific issue we consider material to our investments while also understanding the issuer's perspective. If we are not satisfied with an issuer response, this will generally lead to further engagement and potential escalation.

Driving changes

We also proactively engage with issuers with the objective of communicating our expectations as investors (not only on ESG matters) and driving improvements, whether it relates to disclosure or practices. The issuers will often be identified through our monitoring activities described in section 4 below. When encouraging a company to implement changes to meet our expectations, we understand that the engagement process may be long-term and may take several years. However, dependent on the issue, we may also set specific timelines and escalate where companies are unresponsive. We generally maintain close relationships with the issuers in our portfolios and we aim to have constructive discussions with management and boards to help drive improvements. Engagement methods for the purpose of these types of engagement will often combine a mix of direct one-on-one and collaborative activities when other investors share the same perspective.

When engaging, we expect companies, where relevant, to abide by the principle of the Japan Corporate Governance Code regarding the equitable treatment of shareholders. The matters discussed during our engagement are based on publicly available information and GAM staff follow appropriate policies and procedures to mitigate any risks to markets and shareholders associated with the receipt of Material Non-Public Information.

STEWARDSHIP CODE PRINCIPLE 5

Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

Voting is a fundamental part of active asset management. Our Corporate Governance and Voting Principles outline our corporate governance expectations for companies, our approach on key voting issues and our voting procedures. We aim to vote all shares for which we have voting authority.

The main objective of our voting activity is to promote value creation through corporate best practice and to mitigate corporate governance-related risks in our investee companies. Our voting decisions follow a principles-based approach grounded on governance priorities that promote long-term value for stakeholders. The Corporate Governance and Voting Principles outline our corporate governance expectations for companies, our approach on key voting issues and associated procedures. Our voting principles are publicly disclosed on our website. We recognise that corporate governance codes and practices differ between jurisdictions, and therefore take an appropriate approach within the broader context. We support global standards of good governance, including the International Corporate Governance Network (ICGN) Global Governance Principles, the UK Corporate Governance Code and the G20/OECD Principles of Corporate Governance. We implement the guidance from the Principles while accounting for both global and market-specific corporate governance best practices and regulatory and statutory norms and standards, national and international laws, treaties, codes, and policies, in coming to our voting decisions. Due to differences in corporate governance standards and practices globally, we have developed broad geographic and regional guidelines to account for market-specific corporate governance standards. We also recognise that appropriate corporate governance practices can differ according to the company structure, size and nature of operations. We maintain a pragmatic approach in the application of these standards and best practice. We strive to ensure our voting is consistent with our investment process and is executed in our clients' best interest. We review our Voting Principles on an annual basis to reflect changes in regulatory environment, market practice and our approach.

We retain the services of ISS to assist in implementing and administering proxy voting. ISS provides written custom analysis and recommendations for each resolution based on our guidelines, but the ultimate voting decision is made by GAM. In 2022, 874 resolutions (7%) were voted contrary to ISS standard voting policy recommendation. The GRI team will review all the meetings for which we have voting rights. The GRI team is responsible for making our voting recommendations and, for our active holdings, these recommendations are reviewed by the relevant investment manager, as they have strong and often long-standing knowledge of these holdings.

Given each of our investment teams has a unique investment process and may have a regional focus for their strategies, the principles we follow when making voting decisions are applied within the context of the investment strategy and the specific governance practices they consider critical for their portfolio holdings. If controversial, a final voting decision may be escalated to the Global Head of Investments and Global Head of Sustainable and Impact Investment. We believe that this collaborative approach across teams allows us to best fulfil our stewardship duty towards our clients by looking for the best voting outcome.

We publicly disclose our voting decisions for all our funds on a monthly rolling basis on our website. Our voting policy and voting activity is reviewed at least annually by our Sustainability Committee.

STEWARDSHIP CODE PRINCIPLE 6

Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Our purpose is to protect and enhance our clients' financial future. Delivering for our clients by providing high-performing investment opportunities, supported by our infrastructure and risk management, and strong long-term relationships and servicing is key to our business.

We have a diversified client base spanning geographies, channels and segments. Institutional clients, including public and corporate pensions, insurers, sovereign wealth funds, endowments, foundations and local authorities, represent 45% of our investment management assets. We maintain a strong network of distribution partners, including financial intermediaries and advisers, whose clients represent 48% of our investment management assets. Our wealth management business, representing 7% of assets under management caters to some of the world's most successful high-net-worth individuals, family offices and charitable institutions. Our client base spans Europe, North America, Latin America and Asia. Europe currently represents our most significant region.

We annually report our stewardship and engagement activities via our annual Stewardship Report, through an update on our ESG activities in our Annual Report and, since 2021, in a standalone Sustainability Report. We publish our voting activity on our website, updated monthly, and we provide clients with detailed stewardship information on request. In 2021, we also introduced fund specific ESG reports to improve transparency. These cover position ratings, ratings distribution, carbon analysis and ratings breakdown by E, S and G factors. These reports help our clients to understand the ESG risks and opportunities associated with their investments. They sit alongside our existing external ESG reporting and communication channels to clients such as our Responsible Investment webpage containing policies, disclosures and voting records.

STEWARDSHIP CODE PRINCIPLE 7

To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

Governance & Oversight

Sustainability is key to our business, and we therefore seek to integrate the relevant aspects into the most appropriate existing governance and process frameworks, where these already exist. We believe this is the most effective approach, sitting within existing areas of expertise and accountability, and will therefore drive the best outcomes for clients.

The governance structure and responsibilities are outlined below:

Board level – The Board of Directors of GAM Holding AG has ultimate responsibility for our business and sustainability strategy. We have named Board members responsible for championing sustainability, climate, culture and diversity alongside key sustainability deliverables incorporated into the activities of Board committees, including:

- **Audit Committee** – reviews Sustainability and TCFD reports as part of the Annual Report approval.
- **Risk Committee** – periodically reviews the sustainability and climate risk registers.
- **Compensation Committee** – reviews how best to incorporate clear ESG targets in performance assessment of our senior leaders as we progress through 2023. Sustainability objectives are a component of the Strategic Objectives that apply to all members of GAM’s Group Management Board (GMB) through the GMB Scorecard, reinforcing the sustainability focus of our most senior leaders.
- **Governance and Nomination Committee** – considers diversity and inclusion to support human capital.

Governance structure for sustainability



Group Management Board (GMB) & Oversight Committees

– the GMB is responsible for the day-to-day management of the Group and its oversight and control. It comprises the CEO, CFO, COO and CRO, as delegated by the Board of Directors of GAM Holding AG. The GMB is supported by ten oversight committees.

- **Sustainability Committee** – consists of senior members across key functions. The group was established as one of the oversight committees in 2020 and was further enhanced by the introduction of two supporting committees in 2021 – the Responsible Investment Committee and Sustainability Operating Committee. Together these committees are tasked with ensuring that GAM is consistent in delivering on its sustainability commitments and strategy. The Sustainability Committee and supporting committees meet at least quarterly and provide a quarterly report and update to the Board of Directors. In 2022, the Sustainability Committee met six times – with agenda items including the annual review of sustainability-related policy documents, including an updated Engagement Policy, Voting and Governance Principles and Climate Change Statement, approval of our Net Zero Interim Targets, review of key reports including the Sustainability and Stewardship Report and review of Sustainable Finance Disclosure Regulation (SFDR) implementation. Our new Global Head of Investments joined as a member of the Committee in Q2. The Responsible Investment Committee met five times in 2022 to review the key responsible investment policies, net zero commitment and SFDR implementation. Following the development of our net zero targets we determined that it would be more appropriate to address climate-related issues in our Responsible Investment Committee going forward, rather than a separate Climate Change Working Group, and this working group was therefore disbanded. The Sustainability Operating Committee met seven times in 2022 to approve our new partnership with Junior Achievement, approve charitable donations, and develop our new Human Rights policy.
- **Global Investment Management Oversight Committee** – responsible for providing oversight of investment performance alongside key risks and controls relating to the Investments Function, including the integration of ESG considerations within the investment process. In 2022, the Global Head of Sustainable and Impact Investment joined the Committee as a member. ESG is a standing agenda item of the regular meetings of the Committee and considers periodic management information, ESG implementation updates as well as relevant escalations.
- **Global Distribution Oversight Committee** – responsible for ensuring that GAM's products are manufactured, marketed and sold in line with client expectations, the Group's risk appetite and industry good practice. The Committee oversees the effective delivery of products and services to clients.

- **Risk Oversight Committee** – responsible for advising the GMB and the Board on the Group's risk management strategy, risk appetite and associated limits, establishing and implementing the Group's principal risk and capital management policies, and providing oversight of the operation of the Group's risk management framework.
- **Regulatory Oversight Committee** – The Committee is responsible for overseeing compliance with applicable laws and regulations throughout the GAM Group.

Control functions – the following first- and second-line control functions support the implementation and oversight of our investment strategies, including any sustainability requirements.

- **Investment Controlling** – a second-line risk team which monitors our investment teams adherence to applicable legal and regulatory, prospectus, contractual and internal investment guidelines, including GAM's Exclusions Policy. The team escalates guideline breaches, oversees their timely remedy and reports the details to the relevant committees and boards and as required, applicable external auditors and regulators.
- **Investment Risk Oversight** – the second-line Investment Risk Oversight team produces, reviews, analyses and challenges investment risk and performance. The team produces a range of investment risk information for internal and external stakeholders including a quarterly sustainability risk review.
- **Investments Business Management** – a dedicated first-line team embedded within the Investments business. The team supports the ownership and management of risks within GAM's dedicated investment teams via the identification, assessment, monitoring and control of risk including:
 - Oversight of the implementation of investments-related policies and procedures including the sustainable investment policy framework.
 - Independent oversight and reporting to relevant boards and committees of key ESG-related areas including, but not limited to, investment due diligence and record keeping reviews, delegate investment manager key risk indicator (KRI) reporting and, monitoring of sustainability and climate risks as part of regular Risk Control Self-Assessment Reviews.
 - Monitoring of ESG-related breaches and incidents as part of periodic reporting including exceptions, escalation, and action tracking.
 - Project support as we look to further embed ESG within the investment process, such as the implementation of periodic Principle Adverse Impact reviews and investment team-specific process enhancements via regular desk procedure reviews.

Internal organisation and resourcing

Our Responsible Investment team is a dedicated expert team, partnering with our investment teams to support engagement, voting and ESG research across our strategies. The team is independent of investment teams and is led by Stephanie Maier, GAM's Global Head of Sustainable and Impact Investment, a member of the senior leadership team. She has over 20 years' experience in sustainable investment and research, including senior responsible investment roles at HSBC Global Asset Management and Aviva Investors. She sits on the Steering Committee for Climate Action 100+, the world's largest collaborative shareholder engagement on climate, and co-chairs the IIGCC Corporate Programme.

As at end January 2023, in addition to the Global Head, this team comprised one Senior ESG Manager, two Senior ESG Analysts, two ESG Analysts, one of who is focused on corporate governance and voting, and an ESG Support Analyst, based in London, Singapore and Dublin. We consider this team to have appropriate mix of seniority, experience and qualifications. This includes a range of academic backgrounds and specific experience in corporate governance, climate change, and thematic research. Three team members hold the CFA ESG Certificate, two hold the Investment Management Certificate and one is a CFA Charterholder. The team is 57% female and 43% male.

Training

As we seek to integrate sustainability across the business, building employee understanding and awareness is key. In 2021, we partnered with the PRI (Principles for Responsible Investment) to provide e-learning and certification on 'Foundations in Responsible Investment', which delivers an accredited course for our distribution and client-facing employees who require more specialist knowledge. In 2022, we developed a core mandatory learning module 'Understanding the Risks of Greenwashing', which was assigned to our global employee population. We continue to support external qualifications such as the CFA Certificate in ESG Investing and the new CFA Certificate in Climate and Investing. We further supplemented knowledge with topical micro-seminars on Net Zero, Deforestation, Measuring the impact of our Climate Bond Strategy, Voluntary Carbon Markets, Climate metrics and Key Sustainability Themes for 2023 and encouraged participation in relevant external training modules and webinars. In 2022 an average of 4.59 hours of ESG-related training was completed per employee. In 2023, we will focus on highlighting ESG-related training relevant to specific functions and roles.

Diversity, equity and inclusion

We recognise the importance of having the right culture to meet our stakeholder expectations and the continued success of our business. We are strongly committed to our core values of acting with integrity, being driven by excellence, and delivering through collaboration. At GAM, diversity, equity and inclusion are critical to our success. An inclusive and diverse environment makes us better placed to identify with and be empathetic to the needs and aspirations of our clients.

All employees are responsible for fostering an environment that creates a diverse and inclusive workplace, where we all feel valued, listened to, treated fairly and respected.

GAM has signed the UK Women in Finance Charter with the goal of increasing the proportion of women in senior management positions within GAM globally to 25% by 2022. In 2022, we also joined Ireland's Women in Finance Charter where women hold 75% of our senior roles. At the end of 2022, 24% of our global organisational leaders are women.

ESG research, tools and processes

ESG data is becoming increasingly important to our investment analysis and reporting. In 2022, we further developed our corporate ESG dashboard – presenting key ESG, climate, principal adverse impact and trend data from multiple sources – and transitioned this onto the Bloomberg platform. These developments make the ESG data and research more accessible for the investment teams to support integration into the investment decision-making. We also developed a new high-level sovereign ESG dashboard to support country level analysis. These dashboards are available for the majority of our internally managed equity, corporate and sovereign bond funds.

We also developed our in-house ESGVector corporate assessment framework. This is currently predominantly used by the Responsible Investment team to provide a deeper assessment of focus companies and companies where there is limited coverage by ESG research providers. Next year, we plan to work more closely with investment teams to build out and apply this framework.

Incentives

The Group's total compensation approach comprises fixed and variable compensation. Fixed compensation includes base salary, which reflects seniority, experience, skills and market conditions, and customary local practices. Variable remuneration is awarded annually and is dependent on Group, business area and individual performance.

In 2021, our Compensation Policy was updated to reflect the requirements of regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ('SFDR'). Our Compensation Policy operates in a way that is consistent with the integration of sustainability risks. Where appropriate, formula-based bonuses will reflect sustainability risks, as these risks will drive investment performance, as an important component in determining the allocation of formula-based bonuses payable to fund managers. The Group's Compensation Policy is available on GAM's website. Sustainability objectives were a component of the Strategic Objectives that apply to all members of GAM's Group Management Board (GMB) through the GMB Scorecard, reinforcing the sustainability focus of our most senior leaders.

We believe this approach supports our employees to integrate stewardship and investment decision-making.

STEWARDSHIP CODE PRINCIPLE 8

Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.

We are not considered a service provider, such as a proxy advisor or investment consultant, for institutional investors within our investment management business. However, we do use the services from various third parties to support proxy voting and ESG integration in support of our investment process for our clients.

GAM's principal objective when considering how to vote is to ensure that we fulfil our fiduciary duty by acting in our clients' best interests. Our Conflicts of Interest Policy addresses in detail our approach to conflict of interests with third party service providers. We have implemented processes to address potential conflicts of interest and prevent these from influencing our proxy voting decisions. Please refer to Principle 2 above for more information.

We retain the services of proxy advisor (ISS) to assist in implementing and administering proxy voting. ISS provides written analysis for each company resolution based on our Corporate Governance and Voting Principles, but the ultimate voting decision is made by GAM. GAM's funds are set up on our voting platform by our investment services team, which also sets up Power of Attorney in relevant jurisdictions. Effective vote execution is monitored with the support of ISS, informing us of additional administrative requirements we must fulfil to cast our votes.

The GRI team will instruct votes manually across all our portfolios after reviewing ISS vote recommendations based on our custom policy. This process allows us to closely monitor the implementation of our voting policy and ensure it is executed accordingly. If we notice any discrepancy or concerns in the proxy advisory research, we have a direct line of communication with the ISS research team.

In providing proxy recommendations, ISS mainly uses information produced by companies themselves, including, but not limited to, proxy circulars, annual Yuho filings, and corporate press releases. ISS engages with issuers, where necessary, to better understand company disclosures including agenda items and their background. More information can be found on [ISS website](#).

For more information, please visit [GAM.com](https://www.gam.com)

Important legal information:

The information in this document is given for information purposes only and does not qualify as investment advice. Opinions and assessments contained in this document may change and reflect the point of view of GAM in the current economic environment. No liability shall be accepted for the accuracy and completeness of the information. Past performance is no indicator for the current or future development.

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