April 2023

SUSTAINABILITY REPORT 2022

CEO'S FOREWORD

FOREWORD

Peter Sanderson
Group Chief
Executive Officer

2022 was once again a year of climate extremes with high temperature records, prolonged heatwaves and extreme flooding in many regions. Alongside the energy security and affordability crises sparked by the Ukrainian conflict there was evidence aplenty that the world is changing at a faster rate and in a more profound way than many expected.

At GAM, we believe that understanding environmental, social and governance factors and that developing sustainable solutions are key to helping our clients prosper in this rapidly transforming world. That is why 2022 saw us continue to build our ESG analysis, insights and commitments on core sustainability themes including the net zero transition, deforestation and human rights.

On the ESG integration front, for example, we transitioned our ESG dashboard onto the Bloomberg platform to provide better access and functionality for our investment teams, introduced a new sovereign ESG dashboard and developed our in-house ESGVector framework to support assessments for focus companies that are not covered by standard ESG research.

We were also proud that GAM's Climate Bond strategy won Environmental Finance's Impact Award for its methodical and detailed approach to measuring and reporting its climate impact.

Climate change continues to create both risk and enormous opportunity, and last year we took our Net Zero commitments further by publishing clear and ambitious interim targets for 75% of our investment management equity and corporate fixed income fund assets in material sectors to be aligned to net zero, or on a clear path to aligning by 2030.

Stewardship key to success

Stewardship is a key part of achieving our ambition. In 2022, we used our influence as a steward of capital to engage oil and gas companies on their transition plans and engaged on issues from use of AI to human rights and gender diversity.

We also continued to collaborate with others to achieve our goals. GAM sits on the steering committee of Climate Action 100+, the world's largest and most influential shareholder engagement, to urge the biggest corporate greenhouse gas emitters to take necessary action on climate change. As of October 2022, the collaboration has already encouraged 75% of the 159 highest-emitting focus companies in the world to commit to net zero by 2050. We also joined the PRI Advance collaborative stewardship initiative to take action on human rights and social issues.

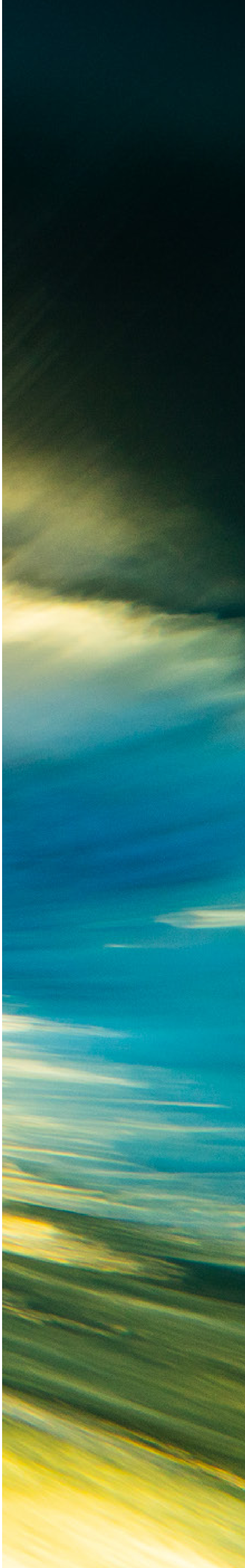
Progress on a net zero and nature positive transition

Two crucial conferences last year – the climate COP27 in Egypt and the biodiversity COP15 in Canada, shone a grave spotlight on the need for urgent action to address both net zero and nature. In March, we signed the Deforestation Pledge, uniting with more than 30 other financial institutions to use best efforts to eliminate deforestation among the biggest commodity culprits - palm oil, soy, beef, pulp and paper - from our investment management portfolios by 2025.

This report reflects our continued efforts in 2022 to create value for our clients by improving our ESG capabilities. As we get closer to 2025 and 2030, years when we are set to achieve key net-zero and nature-positive milestones, the stakes are even higher, and GAM will continue to ramp up sustainability efforts - providing solutions to help our clients navigate the low carbon transition and a fast-changing world.

Yours sincerely

Peter Sanderson
Group Chief Executive Officer



CONTENTS

INTRODUCTION

Overview of GAM

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 at 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.

Scope of report

This is our stand-alone Sustainability Report, which aims to provide an overview of key highlights, opportunities and challenges which we have experienced in 2022, as well as outlining our core focus areas for 2023. A summary version is also published in our Annual Report, where you will find further details of our strategy, governance, risk management and performance.

Data in this report relates to the period 1 January to 31 December 2022, unless otherwise stated. Data from 2021 is provided for comparison where available. The chapters on investing sustainably, sustainable solutions and active ownership relate to our Investment Management business only. In early 2022, we engaged our auditors to conduct a review of our data collection process and documentation. We have responded to their recommendations during 2022 and intend to seek limited assurance on certain key performance indicators in 2023.

Feedback

Sustainability is important to us and to our stakeholders. As a firm, we are committed to continual improvement in our operational and investment activities and strive to achieve best-in-class performance. Feedback from stakeholders is important and welcomed at gri@gam.com.

IN NUMBERS

A few numbers that provide a snapshot of our sustainability activity in 2022:

75%

of our investment management equity and corporate fixed income fund assets in material sectors committed to be aligned to net zero, or on a defined path to aligning by 2030.

1,580 tonnes

of CO_2e avoided – by the projects financed by our climate bonds strategy.

Over 95%

of our equity, corporate debt and sovereign funds by AuM have ESG summary and extended reports[2].

12,515

resolutions voted on in 2022, of which 14.4% were votes against management.

2,033

volunteering hours from our employees in 2022 (up from 1,361 hours in 2021).

57%

of our Board of Directors are women[3].

100%

of electricity for all GAM-managed global offices was from renewable sources by the end of 2022.[4]

200%

carbon offsets for operational carbon emissions, our third year as a CarbonNeutral® company.

7

sustainability-related awards and external achievements in 2022 including:

IMPACT Award 2022	We won the Environmental Finance IMPACT Award for our first Impact Report for our Climate Bond strategy
Inrate Corporate Governance zRating	GAM was recognized as the 4th best financial services provider in Switzerland
Swiss Sustainable Funds Awards	GAM won Best Swiss Equities Fund for our GAM Swiss Sustainable Companies strategy, for the second time in three years running
European Pensions Awards 2022	GAM was shortlisted for ESG or SRI Provider of the Year
Citywire Alpha Female Report 2022	GAM's Jian Shi Cortesi, Investment Director for China, and Asia growth equities, was selected for Citywire's list of the 30 consistently best performing female managers
UK 2021 Stewardship Code	We met the standards of the UK Stewardship Code for the second consecutive year. We were also pleased that our Stewardship Report was shortlisted by the International Corporate Governance Network (ICGN) for prestigious Global Stewardship Disclosure Awards
Investment Week Women in Investment Awards 2022	Our Global Head of Sustainable and Impact Investment was ranked 'highly commended' for Sustainable and ESG Investment Woman of the Year, named in Financial News' inaugural 'Fifty Most Influential' in Sustainable Finance, and Brummell Magazine Inspirational Women 2022

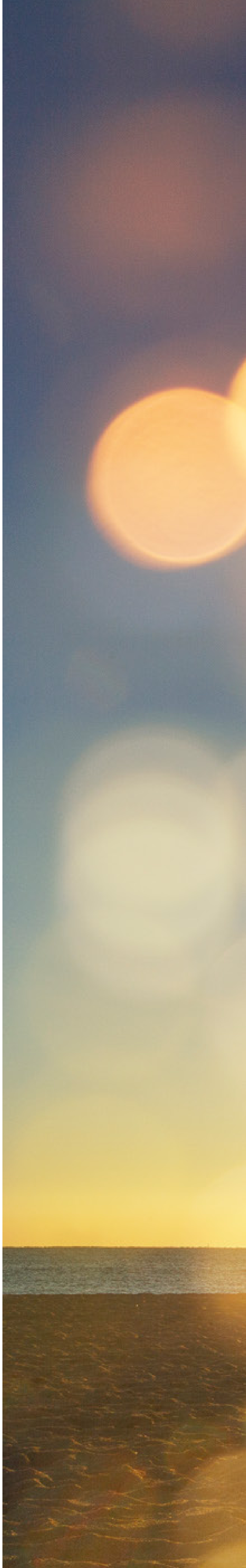
[2] Each ESG summary and extended report for our equity, corporate debt and sovereign funds has at least 70% ESG data coverage by AuM.

[3] This refers to the GAM Holding AG Board

[4] We define 'GAM managed offices' as offices with more than 15 GAM employees in which we have direct control over the supply of utilities, and where our usage is metered and billed separately.

Highlights and goals

	2022 Goals	Progress in 2022	2023 Goals
Commitments	• Publish Net Zero Asset Manager (NZAM) interim targets	• Net zero targets published and accepted by NZAM • Signed deforestation pledge to eliminate deforestation in commodities	• Submit net zero targets to Science-Based Targets Initiative • Disclose deforestation-related engagement in line with deforestation pledge
Embedding ESG	• ESG dashboard roll out • Develop & implement in-house ESG assessment • Further develop climate-risk tools	• ESG dashboard for corporates transferred to Bloomberg • New ESG dashboard for sovereigns developed on Bloomberg • Introduced ESGVector assessment framework	• Enhance sustainable thematic research • Roll-out ESGVector for priority unrated companies • Enhance ESG dashboard
Sustainable solutions	• Build our sustainable fund range • Client reporting – introduce extended ESG reports	• Sustainable thematic framework development - product launches deferred • Climate Bond Impact Report awarded Environmental Finance IMPACT Award • Swiss Sustainable Funds "Best Swiss Equities" Award • Extended ESG reports for 95% of equity, corporate and sovereign fixed income funds	• Launch sustainable thematic strategies • Enhance Fund level climate reporting
Active ownership	• Maintain UK Stewardship Code signatory status • Deliver strategic engagement plan	• Maintained UK Stewardship Code status and shortlisted for ICGN Stewardship Report Award • Engagement on strategic themes through direct & collaborative initiatives	• Maintain UK Stewardship Code signatory status • Deliver net zero and nature engagement framework
Corporate sustainability	• Increase renewable energy use to 100% • Expand reporting on equal pay analysis • All positions to consider Inclusivity candidates • Dedicated coaching for all eligible returners	• 100% renewable energy for GAM-managed offices • Published first UK Gender Pay Gap Report • Any proposed Inclusivity candidates considered • Coaching offered to eligible returners	• Introduce new Human Rights policy • Maintain CarbonNeutral® certification • Targeted ESG and diversity training completed • Encourage uptake of volunteering



CHAPTER 1: STRATEGY AND GOVERNANCE

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Sustainability is a key pillar of our overall business strategy for which the GAM Holding AG Board has ultimate responsibility. Strong governance and transparency are key to our approach, supporting accountability and delivery of our purpose to protect and enhance our clients' financial future. 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.

Our strategy

Our sustainability strategy covers how we invest for our clients and our corporate actions and commitments towards our people, community, environment and broader stakeholders. This covers four core pillars – embedding ESG, sustainable products and solutions, active stewardship and high corporate standards (see Figure 1).

Our approach is driven by three guiding principles:

- **Driving value for our clients** – we are committed to focusing our ESG integration, stewardship, advocacy and insights to support our investment strategies and deliver on our clients' objectives.
- **Supporting high standards** – we believe high standards in sustainability and transparency are key to a well-functioning company and markets. We aim to evidence these in our own actions and commitments and support improving standards in the companies and markets in which we invest.
- **Striving for a positive impact** – we challenge ourselves and the companies in which we invest to improve their performance and outcomes.

Figure 1: Sustainability strategy – four core pillars

Embedding ESG

We aim to embed ESG risks, opportunities and impacts in our investment analysis and decision-making using leading data, tools and insight.

Sustainable products and solutions

We are committed to developing products to help our clients navigate, benefit from and drive the transition to a more sustainable and lower carbon economy.

Active stewardship

We seek to use our influence through voting and engagement to drive positive change at a company level, and in the broader market.

High corporate standards

We deliver our purpose through a focus on the diversity of our people, and striving for a positive impact on society and the environment.

Source: GAM.

Sustainability governance

Sustainability is key to our business, and we therefore seek to integrate it into our existing governance frameworks, at the Board and senior management level, where appropriate.

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 and key sustainability deliverables are 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 the performance assessment of our senior leaders as we progress through 2023. 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.
- **Governance and Nomination Committee** – considers diversity and inclusion to support human capital.

Group Management Board (GMB) and 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.

The 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 defining, communicating and delivering on its sustainability commitments and strategy.

Where sustainability is relevant to a particular activity, this is overseen within the appropriate oversight committee. This includes:

- **Global Investment Management Oversight Committee (GIMOC)** – is responsible for overseeing investment performance and investment operations including the integration of ESG considerations. In 2022, the Global Head of Sustainable and Impact Investment joined the GIMOC as a member.
- **Group Distribution Oversight Committee** – is 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** – is 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** – is responsible for overseeing compliance with applicable laws and regulations throughout the GAM Group.

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 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. 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.

Figure 2: Governance structure for sustainability

Source: GAM

Building capacity

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.

Promoting transparency

- At a corporate level, we take a considered approach to the commitments we make and the standards we follow. Transparency is a key pillar of our strategy, and we seek to disclose our own approach and progress clearly and transparently to promote accountability. The Results Centre, Policies and Disclosures and Responsible Investing sections of our website host our latest policies, reports and disclosures, including:
- Committing to Net Zero
- Stewardship Report (UK)
- Stewardship Report (Japan)
- UK Gender Pay Gap Report
- UK Modern Slavery Statement
- UN Global Compact Communication on Progress

CHAPTER 2: INVESTING RESPONSIBLY

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Our approach

As active investors, we steadfastly believe that understanding environmental, social and governance issues related to our portfolios, and acting on them where appropriate, is integral to our ability to deliver better returns for our clients and better real-world outcomes. This includes identifying and evaluating sustainability risks, opportunities, and impacts. We have been signatories to the PRI since 2014. Our sustainable investment framework is based on five pillars:

- **Strong governance and policy framework**: A robust policy framework with clear governance and commitment from our CEO, Board and senior leadership.
- **Embedding ESG at the portfolio level**: ESG expertise, data, tools and thematic insight to manage risks and drive alpha.
- **Active stewardship**: Dialogue, engagement and voting to support analysis and drive positive change.
- **Risk oversight and transparency**: investment risk meetings include a review of flagged ESG issues, such as poor ESG or carbon scores or controversies.
- **Industry collaboration to improve policy and practices**: Actively leading and participating in key industry initiatives and organisations.

Our Global Responsible Investment team act as a centre of expertise on ESG issues, working alongside investment managers to support ESG research, engagement and voting.

Signatory of:

PRI Principles for Responsible Investment

Figure 3: Sustainable investment framework

Source: GAM

Committing to net zero

Climate change is reshaping the investment landscape. The transition to net zero is the biggest economic transformation since the industrial revolution, creating both increasingly significant risks, but also presenting one of the largest investment opportunities for the coming decade. We are committed to providing solutions to help our clients navigate the low carbon transition and to meet their objectives.

In July 2021, we joined the Net Zero Asset Managers (NZAM) initiative and committed to work in partnership with our clients to support the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with the goals of the Paris Agreement to pursue efforts to limit warming to 1.5°C.

In July 2022, we submitted our interim net zero targets, joining the 169 asset managers[5] that have set initial targets, contributing to the USD 21.8 trillion that is now committed to be managed in line with achieving net zero by 2050 or sooner.

Our 2030 targets cover all funds classified as equity or corporate fixed income, representing more than a third (36% or USD 12.5 billion) of our Investment Management assets under management (AuM) as at 31 December 2021. Our targets are outlined below and further details are available here.

GAM also became a signatory to the Powering Past Coal Alliance Finance Principles, joining investors and governments alike in accelerating the transition from high-polluting coal to cleaner energy.

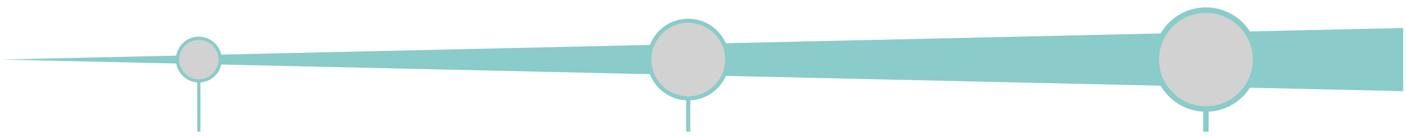
ESG tools

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 proprietary 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.

Figure 4: Net zero 2030 targets



Engagement Target
90% of financed emissions in material sectors are either assessed as net zero, aligned with a net zero pathway, or the subject of direct or collective engagement and stewardship actions by 2030.

Net Zero Coverage Target
75% of AuM in material sectors considered to be achieving net zero, 'aligned' to net zero, or 'aligning' to net zero by 2030.

Decarbonisation Target
Primarily through engagement, seek to achieve a 50% reduction in financed carbon emissions (carbon emission per USD million invested attributed using EVIC*) by 2030.

Source: GAM Committing to Net Zero. There is no guarantee that objectives will be achieved. The views are those of the manager and are subject to change. *EVIC is Enterprise Value Including Cash - used as the apportioning factor for carbon footprint calculations as it is a metric that can be used across different asset classes.

[5] https://www.netzeroassetmanagers.org/net-zero-asset-managers-initiative-announces-initial-targets-for-86-investors-as-total-number-of-asset-managers-committing-to-net-zero-increases-to-291/

CHAPTER 3: ACTIVE STEWARDSHIP

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Active stewardship is a central pillar of our responsible investment strategy, enabling us to build conviction in our investment thesis, enhancing our understanding of how ESG factors impact company valuations, building our awareness of risk and reward and increasing our ability to identify and support sustainable businesses. We seek to use our influence through voting and engagement to drive positive change at a company level, and in the broader market, to support our clients' objectives.

We are committed to the principles of the UK Stewardship Code and in September 2022, were pleased to be confirmed as meeting its requirements for the second consecutive year. We were also delighted that our Stewardship Report was shortlisted for the Global Stewardship Disclosure award by ICGN. We continue to support the stewardship principles outlined in the Singapore Stewardship Principles for Responsible Investors and Japan's Stewardship Code, additionally publishing an annual Japan Stewardship Statement.

Direct engagement

We value both direct collaboration with investee companies and wider collaborative engagement to support our stewardship objectives. In 2022, our investment teams participated in over 800 company engagement meetings including both one-to-one and group meetings. ESG themes were covered in approximately 31% of these meetings.

Collaborative engagement

Investor collaborations can be enormously effective, signalling the importance of a key topic to companies, such as climate change or human rights. We leverage this approach, leading or supporting on selective collaborative engagements. In 2022, this included:

- **Climate Action 100+**: We are members of the Steering Committee of Climate Action 100+, the world's largest and most influential shareholder engagement which urges the biggest corporate greenhouse gas emitters to take necessary action on climate change. As of October 2022, the collaboration has already encouraged 75% of the 159 highest-emitting focus companies in the world to commit to net zero by 2050. This increased from 52% in 2021. The group continues to monitor progress through its detailed net-zero company benchmark. In 2021, we joined Climate Action 100+ investor engagement groups for five companies. Throughout the course of last year we have continued to engage collaboratively with these companies on net zero objectives.
- **Digital Inclusion Collective Impact Coalition (CIC)**: We joined this collaborative engagement, which was organised under the World Benchmarking Alliance. In the digital sector we assessed low levels of evidenced commitment to ethical AI, with only 20 out of the 150 companies included having disclosed their commitment publicly. Therefore, in 2022 we joined the coalition and are part of investor groups for two of the focus digital companies included in the benchmark.
- **PRI Advance**: In 2022, we joined the newly launched initiative focused on human rights and social issues. Forty companies within the metals and mining and renewable sectors have been targeted initially, and we are lead investors for two companies.
- **ACGA**: In October, we signed an open letter co-ordinated by the Asian Corporate Governance Association (ACGA) focused on gender diversity within companies listed on the Tokyo Stock Exchange (TSE). The letter suggested a series of targets for accelerating the improvement of board gender diversity focused on TSE listed rules and the Japan Corporate Governance Code. We believe this will support progress made over many years of engagement and is a key theme for our Japan strategy.
- **CDP**: We participated in both the CDP non-disclosure initiative, contacting 117 companies (33 companies as lead and 84 companies as co-signatory) to complete the Climate, Water and/or Forest disclosure request. We also participated in the Science-Based Targets initiative (SBTi), joining investors to encourage 545 high-impact companies to set science-based net zero targets. Details of other initiatives we are part of can be found here.

CASE STUDY: Sector focus: European oil and gas

The transition to a low carbon economy requires significant transformation of the energy sector, presenting both risks and opportunities, as to companies they deliver on their net zero commitments. This challenge is heightened within the context of energy security and affordability. To better assess and engage effectively on this topic, we conducted a detailed review of the climate strategies of four of Europe's largest oil and gas companies.

The analysis focused on key areas including:

- Carbon emission reduction targets (Scope 1/2/3 and carbon intensity)
- Methane emission and routine flaring targets
- Expenditure targets for renewables and transition energy (R&D expenditures, Capex, Opex)
- Ambitions around carbon capture, storage and offsets
- Renewable energy capacity and targets
- Links between climate ambitions and management compensation

We used this review to guide our engagement and voting and met with all four companies during the first half of 2022 to discuss our findings.

We welcomed the large investments in renewable energy that we are starting to see committed and deployed – on average between 30% to 50% of their capex over the next five to 10 years towards renewables and low carbon investments - and the closer link between annual bonuses and share awards and specific environmental objectives.

However, achieving meaningful Scope 3 emissions reductions will depend on a reduction and shift of demand, not just reduction of supply. It is imperative that any decarbonisation is delivered in the real economy and not achieved through disposals to less scrutinised owners. We will continue to engage in 2023, reflecting our views in response to transition plans put to shareholder vote, focusing on how Scope 3[6] emissions are reduced and the strengthening of alignment of net zero targets with incentives.

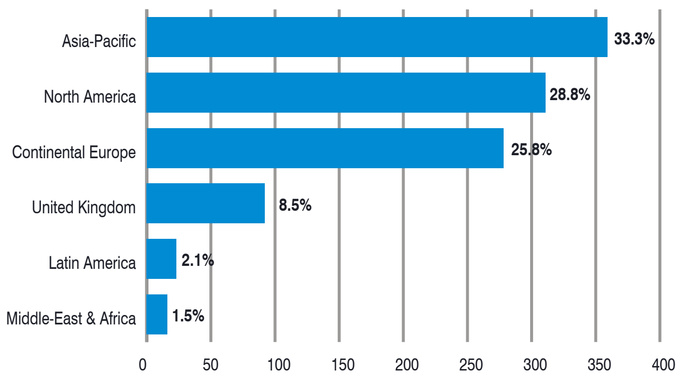
[6]Scope 3 includes all other indirect emissions that occur in a company's value chain and are not covered under Scope 1 (direct emissions from owned or controlled sources) or Scope 2 (indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company).

Voting

Where we hold shares directly as investors, voting rights can be a powerful tool for influencing and holding companies to account. We therefore consider our voting decisions to be a key component of our active ownership approach. Our Corporate Governance and Voting Principles outline our corporate governance expectations for companies, our approach on key voting issues and associated procedures. We aim to vote on all shares for which we have voting authority and make voting decisions for all our funds publicly available on a monthly rolling basis on our website.

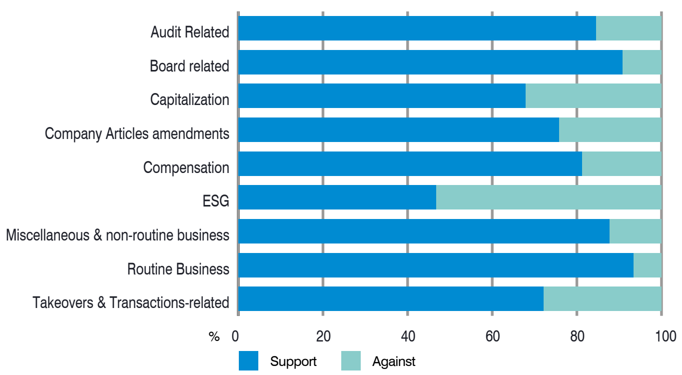
In 2022, we voted at a total of 1,079 meetings (2021: 1,322) representing 99.3% of all the votable meetings (2021: 99.2%). We voted on 12,515 unique resolutions in 2022, of which 14.4% were votes against management (12.0% in 2021). We supported 73.1% of the 420 shareholder resolutions we voted on in 2022 (2021:73.6%).

Figure 5: Shareholder meetings by geography



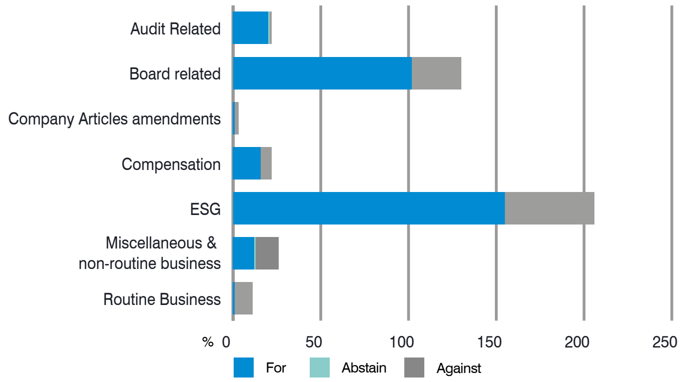
Source: GAM

Figure 6: Votes against management



Source: GAM

Figure 7: Vote instructions by type of shareholder resolution



Source: GAM

Policy and regulatory engagement

Policy and regulation are fundamental to well-functioning markets and play a critical role in setting the appropriate incentives and disincentives to address sustainability challenges such as climate change.

As sustainable finance regulation continues to evolve at pace across multiple jurisdictions, our participation and engagement on shaping the landscape, primarily through participation in industry groups responding to consultations and sharing best practice, continues to play an important role in better understanding the investment landscape and ultimately better serving our clients.

We continue to play an active part in the Principles of Responsible Investment Global Policy Reference Group, and the UK Investment Association Sustainable and Responsible Investment Committee, where we were appointed Deputy Chair in July. In April, we were also appointed to FCA /PRA Climate Financial Risk Forum, which works on mobilising climate solutions and supporting the real economy transition to net zero. At the beginning of the year, we joined the Managed Funds Association (MFA) ESG Working Group based in the US.

We also support public investors' statements, where we consider investor support for adoption or strengthening policy will support better outcomes for our clients. In 2022 this included:

- **Global investor statement on climate change** – in September, over 500 investor signatories managing around USD 39 trillion in assets called on governments to implement policies consistent with a just transition limiting global temperature rise to 1.5°C via policies such as: medium and long-term climate strategies, transitioning energy away from fossil fuels, ending deforestation, bolstering climate finance, and strengthening disclosures.

- **Financial sector statement on biodiversity for COP15** – in December, we joined over 150 investors supporting calls for an ambitious Global Biodiversity Framework at COP15 in Montreal, Canada. We were delighted that the **Kunming-Montreal Global Biodiversity Framework**, made up of 23 ambitious, action-orientated targets, was ultimately signed by almost 200 world leaders.
- **US deforestation legislation** – we signed investor letters supporting three pieces of legislation introduced in the U.S. at the federal and state levels that would work together to reduce deforestation and human rights abuses in U.S. supply chains, namely the FOREST Act at the federal level, as well as public procurement laws in California and New York.
- **Alignment of sustainability disclosures** – in June, we supported a joint WBCSD (World Business Council for Sustainable Development), PRI, and IFAC (International Federation of Accountants) letter calling for stronger alignment of regulatory and standard-setting efforts around sustainability disclosures. New standards and requirements from the International Sustainability Standards Board (ISSB), the US Securities and Exchange Commission (SEC), and the European Commission together with the European Financial Reporting Advisory Group (EFRAG) mean it is critical that we work to enhance and standardise corporate reporting on ESG factors.
- **Engaging directly** – in March, we joined an investor roundtable with the Federal Reserve Bank of New York. The focus of this conversation was on inflation and geopolitical tensions. We were pleased to hear that there was clear attention being paid to how the current environment would affect low-income households. The Federal Reserve believe that tackling inflation to sustain economic momentum will ultimately outweigh the negative impact of higher interest rates on lower income households.

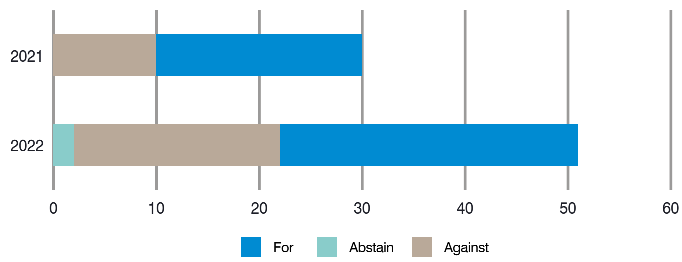
Climate stewardship

Stewardship is key to managing climate risks and delivering on our net zero commitments. Our engagement and voting efforts are focused on climate-related disclosure, setting science-based targets and decarbonisation strategies. We support collaborative engagement, including through Climate Action100+ and the CDP non-disclosure and science-based targets collaborative initiatives (see collaborative engagement details above).

In 2022, there was a significant increase in climate-related resolutions on the ballots. The number of votable resolutions on climate change put forward by both management and shareholders increased by 65% compared to 2021. This trend echoes the shift in awareness that climate risks are a concern for boards and the broader investor community.

In 2022, we supported 41% of shareholder resolutions (43% in 2021). Of these, we supported 75% of the resolutions asking the board to either improve reporting on climate-related strategy or to adopt GHG emissions reduction targets in alignment with the Paris Agreement. In 2022, we did not vote in favour of 38.5% of resolutions put forward by management to approve their climate plan and/or report. This represents a sharp increase compared to 2021, when we only voted against a single climate-related resolution from management, reflecting the heavier scrutiny in assessing the Boards' strategies to mitigate the exposure to material climate-related risks and their commitment to align to a net zero target.

Figure 8: Vote instructions on climate-related resolutions



Source: GAM

CASE STUDY: Focus on nature

Humans are driving a nature crisis on a scale not seen for 10 million years and tackling this global challenge is no easy feat. Cooperation among governments, markets and wider society is key. The new Kunming-Montreal deal is a significant step demonstrating that this is possible and underscoring the need for better disclosure and greater financing.

Halting and reversing deforestation is critical to addressing both the climate and biodiversity challenges. That's why in March 2022, we joined the Finance Sector Deforestation Pledge, committing to using best efforts to eliminate agricultural commodity-driven deforestation from our portfolios by 2025.

Commercial agriculture is the single largest cause of deforestation and forest degradation globally. The supply-demand imbalance of key forest risk commodities also accounts for 10-15% of greenhouse gas emissions. As signatories to CDP Forests, we encourage better disclosure and progress in the supply chains of key agricultural commodities. We have used WWF and CDP to conduct an initial assessment of exposure to deforestation risk and are engaging with research providers to improve actionable data and analysis on biodiversity risk and impact. We will further evaluate and engage where appropriate with those holdings identified during 2023.

We also support stronger policy and regulation to prevent further deforestation and destruction of biodiversity. In 2022, we signed investor letters supporting three pieces of legislation introduced in the US at the federal and state levels, working to reduce deforestation and human rights abuses in US supply chains as well as public procurement laws in California and New York. In December, we joined over 150 investors supporting calls for an ambitious Global Biodiversity Framework as part of the financial sector statement on biodiversity for COP15.

We were also supportive of resolutions such as the one put forward by shareholders of Home Depot to report on efforts to eliminate deforestation in its supply chain. As shareholders, we welcome additional information on the company's strategy to manage its supply chain's impact on deforestation. Home Depot is a major purchaser of wood products and, as such, we believe that the company needs to manage and mitigate any deforestation risk in its supply chain. This resolution was approved by the majority of shareholders at Home Depot's AGM in 2022.

CHAPTER 4: SUSTAINABLE SOLUTIONS

CHAPTER 4: SUSTAINABLE SOLUTIONS

Investing for impact

We are committed to developing and evolving our products and solutions to support our clients in successfully navigating, benefitting from and driving the transition to a more sustainable and lower carbon economy, in line with their objectives.

This year we were pleased to receive awards for two of our sustainable strategies – an IMPACT Award from Environmental Finance for our first Impact Report for our Climate Bond strategy (see case study) and Best Swiss Equities Fund for our Swiss Sustainable Companies strategy, for the second time in three years. Development for our Sustainable Thematic and Sustainable Core Macro strategy continued during 2022, but launches were deferred due to the market conditions.

EU Sustainable Finance Disclosure Regulation

The EU Sustainable Finance Disclosures Regulation (SFDR) sets out sustainability-related disclosure requirements for financial market participants, financial advisers and financial products. Its aim is to improve sustainability-related disclosures and support the comparability of disclosures for end investors, and to reduce the occurrence of adverse sustainability impacts and greenwashing.

In April 2022, the additional guidelines were published – including updated templates for the sustainability information to be disclosed. The new requirements mean financial market participants must provide detailed information on how they are considering principal negative sustainability impacts within portfolios.

As at year end 2022, 80.6% of our 'in scope' funds promote environmental or social characteristics and operate in accordance with Article 8 or Article 9 of SFDR. Our in house ESG assessment and processes were enhanced to more explicitly incorporate the consideration of principal adverse impact for these funds. We recognise that further guidance, regulatory requirements, and market practice may evolve, and we continually review our products to ensure they remain relevant and compliant, while meeting the needs and objectives of clients.

Ensuring all our communication with clients is clear, fair and not misleading is pivotal to how we conduct our business. Given the introduction of new regulatory definitions for sustainability terms, and the increased client interest and disclosure, we developed a core mandatory learning module 'Understanding the Risks of Greenwashing', which was assigned to our global employee population.

ESG reports

To support our clients in better understanding the ESG and climate characteristics of their funds, we introduced ESG Summary reports comprising ESG rating and carbon intensity metrics in 2021. In 2022, we introduced a new Extended ESG Report – which includes a more granular breakdown of ESG ratings, UN Global Compact Compliance, Controversies, and carbon exposure. Over 95% of our equity, corporate debt and sovereign funds by AuM have ESG summary and extended reports[7]. We are continually looking to improve our reporting and are focused on improving climate-related reporting, as well as the introduction of the periodic reports for the funds in scope for the SFDR.

[7]At the time of publication, each ESG Summary and Extended report for our equity, corporate debt and sovereign funds has at least 70% ESG data coverage by AuM. The funds for which ESG reports are available represent approximately two thirds of our total Fund AuM.

CASE STUDY: Our award-winning climate bond strategy and impact reporting

Addressing the climate challenge will require considerable investment and innovation and in 2021 we launched our first strategy with dual investment and sustainable investment objectives. The GAM Sustainable Climate Bond strategy is one of the first green bond funds to focus on issuances by European financial institutions.

We recognise that banks have a pivotal role in driving the environmental transition, as they support both large and small companies and invest across the economy. It therefore offers attractive investments in a wide range of climate-friendly opportunities from solar farms to green skyscrapers, wastewater to wind power.

The strategy adopts an active, bottom-up, high-conviction approach, providing significantly higher yields and spreads compared to equivalent European investment grade bonds. And it takes its 'green' commitment seriously. In order to identify investments that will deliver meaningful environmental impact, the team applies its proprietary green bond assessment framework. The framework is split into three layers of analysis – issuer, bond and green asset level – which are interwoven into the team's overarching, longstanding process. Each layer is assessed individually, using both proprietary research and data from external third parties.

The strategy is transparent in its reporting of the positive environmental impacts of the green assets financed. When reporting on the net emissions saved from a solar farm in Spain, for example, GAM's strategy will not simply generate 'a big number' by comparing it to coal power. The calculation instead compares the emissions savings with the actual average energy mix in Spain – a smaller but more credible number. In its first year the projects financed by the green bonds in the portfolio helped avoid 1,580 tonnes of CO_2e. They also helped install 2.8MW of renewable energy capacity and to finance around 1500m^2 of green buildings.

Relating this robust methodology in an impact report[8] helped the strategy to win the Environmental Finance IMPACT Awards in 2022.

As an investor in green bonds, rather than an issuer, GAM's report caught the judges' attention as it is relatively rare for green bond investors to report on impact. We are pleased to be bucking that trend.

[8]GAM Sustainable Climate Bond Annual Impact Report 2022

CHAPTER 5: CORPORATE SUSTAINABILITY

CHAPTER 5: CORPORATE SUSTAINABILITY

Just as we encourage our investees to have a positive impact on society and the environment, we also strive towards high sustainability standards and levels of transparency in our own organisation. As part of our commitment to sustainable and responsible business practices, we are proud signatories to the UN Global Compact and seek to embed the Ten Principles of the UN Global Compact into strategies and operations, and commit to respecting human and labour rights, safeguarding the environment, and working against corruption.

WE SUPPORT

Our culture

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. By fostering an environment that embraces diverse perspectives we believe we become better investors and better problem solvers. An inclusive and diverse environment makes us better placed to identify with and be empathetic to the needs and aspirations of our clients.

To successfully develop and protect our culture, we must be able to measure, monitor and manage our culture journey. We first introduced our Culture Scorecard in 2019. Our Scorecard serves to take a snapshot of culture at a global and regional level. Measuring where we are on our culture journey, allows us to track areas where initiatives have been successful in promoting a healthy culture and points to areas where we may need to work harder or to address emerging themes. Culture indicators include governance and senior leadership, conduct, collaboration, innovation and ideas, the employee lifecycle and experience, diversity, inclusion and belonging, sustainability and client experience and perception.

Our people

Diversity, equity and inclusion

We believe a high-performance culture requires a ‘speak up, listen up’ environment in which all colleagues are included and can bring their whole selves to work. GAM offers equal employment and advancement opportunities for all individuals regardless of age, race, ethnicity, gender, sexuality, disability, religion or other characteristics. 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, which is fully supported by GAM’s Dignity at Work Grievance policies.

We also offer enhanced family policies across all our locations. We value the skills, expertise and knowledge of our colleagues, supporting each other to fully leverage our strengths.

GAM has an employee network called Equals, sponsored by members of our Senior Leadership Team, which is open to all employees and actively champions diversity, equity and inclusion initiatives throughout our business. In 2022, Equals organised a range of events including celebrating Black history month and International Women’s day. We offer and encourage training for all employees on topics related to diversity.

GAM is an active member of several industry-level diversity and inclusion initiatives and partnerships to increase gender diversity at board and senior management levels. This includes The Diversity Project, the 30% Club in Ireland and Talent Keepers. We continue to offer executive one-to-one coaching, through our Talent Keeper partners, to support colleagues preparing for and returning from extended maternity leave. The individual’s line manager also takes part in the coaching to ensure they can provide the right kind of support. To support and promote employment of women who are looking to return to work or reignite their careers after a career break or sabbatical, we partnered with Inclusivity. We continue to support Inclusivity by offering interviews where appropriate candidates are shared with us.

GAM has also 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 were women.

Figure 9: Employee split by gender

	2022		2021	
	Male (%)	Female (%)	Male (%)	Female (%)
Permanent employees	61	39	63	37
Joiners - permanent only	40	60	61	39
Leavers - permanent only	67	33	71	29

Source: GAM

Gender pay analysis and action

GAM's commitment to diversity across the firm is reflected in its focus, among other areas, on ensuring both equal pay for men and women doing comparable work and on tracking and seeking to improve diversity of representation across functions and seniority levels. That commitment applies across our global business, with additional specific reporting commitments – both mandatory and voluntary – in some of our larger locations.

In our Swiss business we conduct a triennial equal pay evaluation, last undertaken in 2021 when we found no equal pay discrepancy. The next review will be undertaken in 2024.

In the UK, GAM voluntarily undertook its first Gender Pay Gap review and public disclosure, published in 2022 in respect of the combined group of UK employees across its four UK employers[9], based on April 2021 'snapshot' data. GAM's overall mean Gender Pay Gap was 22.8%, comparable with its peer firms in the UK where the gap generally ranged from 16% to around 40%. We know there is more to do in continuing to improve female representation in more senior levels and in our front-line investments and sales roles. The disclosure report can be found here. For 2023's report, based on April 2022 data, the intent is to report earlier, in line with GAM's UK peers.

In Ireland, employers with more than 250 employees were required to publish a Gender Pay Gap for the first time in respect of a June 2022 'snapshot'; that threshold will reduce to 150 employees for 2023 and 50 or more employees in 2024. Disclosure is required by December of the same year. GAM would be required to publish the disclosure by December 2024, based on June 2024 data, but our current intent is to disclose voluntarily in 2023.

Building talent in the finance industry

Increasing diversity in our industry and business means creating opportunities for underrepresented talent to access and experience our industry. We participate in a number of initiatives designed to provide these opportunities. These include:

- **Apprenticeship scheme (Ireland)** – GAM Ireland has been offering International Financial Services Apprenticeships since 2020 and currently has four individuals in the programme, combining paid on-the-job training with academic study delivered at National College of Ireland. The scheme is targeted at leaving certificate students or those with an equivalent qualification.
- **Apprenticeship scheme (Switzerland)** – the national apprenticeship combines a part-time apprenticeship at a host company with part-time classroom training at a vocational school. Each year GAM offers one school leaver a three-year commercial apprenticeship (the so-called EFZ E-Profile) with a six-month rotation across different departments. Since 2017, all of our apprentices have been permanently employed by GAM upon completion of the scheme, supporting the individuals to continue developing their talents.
- **10,000BlackInterns Programme (UK)** – we have been a proud participant in this programme, which addresses the under-representation of black talent within the investment industry, since 2021. It is now a registered charity working with over 700 companies across 25 different industries. GAM hosted six interns last year in London and has committed to taking on a similar number in 2023.
- **IntoUniversity (UK)** – a leading UK-wide charity that provides young people from disadvantaged backgrounds with a range of support through programmes to help them succeed in school, improve their employability and achieve their ambitions. We support their 'Big City, Bright Futures' scheme, an annual three-week paid work experience programme. In the summer of 2022, we hosted ten Year 13 students across a number of business areas to provide them with an insight into asset management.
- **Investment20/20 (UK)** - is designed for both UK school and college leavers and offers paid year-long placements in a variety of different roles across the entire business. We have participated in the programme since 2017. Of the 2021 cohort, 73% were offered permanent roles with GAM in 2022. While we significantly scaled back new placements in 2022, we remain committed to this partnership.

[9]UK Gender Pay Gap reporting is mandatory for employers with 250 or more employees. None of GAM's employing companies meets this threshold and some are far smaller, so the data reported amalgamates all of GAM's UK employers. The methodology applied to the statistics reported is otherwise consistent with the UK's mandatory reporting standards in order to be comparable to peers.

Talent and development

Our employees' skills and knowledge are key to delivering for our clients. We are committed to supporting personal development and creating an environment where learning and development of colleagues is encouraged.

The Talent Capital Committee, launched in 2021 to enhance career progression and personal development, met five times in 2022 addressing subjects such as Job Profiles, Competency Framework and the Engagement Survey. In 2022, in response to feedback shared through the employee engagement survey, we launched our High Potential Talent Programme to encourage individuals to take greater ownership of their learning and development and to develop our future leaders and brightest minds. The cohort of 14, worked on key business challenges, such as optimising employee communication channels, developing a toolkit for employee engagement and creating a skills matrix, with recommendations to be presented in Q1 2023.

Training is provided by GAM's in-house Talent and Development team; content is accessible either on the in-house Learning platform or directly through external courses and seminars. Subscription to the LinkedIn Learning Platform provides employees with access to a broad range of training content. In 2022, employees accessed learning via this platform on topics ranging from diversity and inclusion to Power BI, supporting employees to develop in their roles. In addition to the extensive amount of LinkedIn Learning content, managers are also supported with bespoke training, including Handling Difficult Conversations workshops, coaching via the Good Boss Questionnaire and a Management Essentials Programme.

We also have a specific focus on building ESG and sustainability knowledge. In 2021, we partnered with the PRI (Principles for Responsible Investment) to provide e-learning and certification on 'Foundations in Responsible Investment', for all our sales and client-facing employees. 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, predominantly for employees in investment-related roles, as well as delivering internal training through micro-seminars on topical sustainability subjects. In 2022 employees were encouraged to build on their ESG knowledge and on average 4.59 hours of ESG-related training was completed per employee (4.92 hours in 2021).

Mentoring

In June 2021 GAM launched a Global Mentoring programme to further support employee development. As at the end of 2022 we had 17 mentors and 20 active mentoring partnerships. The programme is open to all employees wishing to become mentors or mentees and is designed to be 'self-service' in its approach, with support from the Talent and Development team.

Engaging our people

Employee engagement is a key focus for our leadership. Our global and regional CEOs hold regular on-line town halls, and now that Covid-19-related restrictions have been lifted, we have returned to periodic in person events. We also use micro-seminars and the Idea Drop platform to share information, ideas and foster innovation and collaboration.

Our annual Global Employee Experience survey provides an opportunity to gauge employee views on key topics such as our values, diversity and inclusion, client centricity and psychological safety, alongside an opportunity for narrative responses to gather more general feedback. Following the 2021 survey we held additional focus groups to build the dialogue and dig into the details. In response, we introduced a series of SLT micro seminars to better connect this group with all GAM employees as well as launching job profiles; a toolset to aid development within GAM with an accompanying competency framework. The 2022 survey had a 60% response rate (2021: 80%). We attribute this lower response rate in large part to the significant uncertainty and challenges that we and the sector faced in 2022. The results continue to show strong scores (over 80/100 favourable responses) for client centricity, our values, commitment to diversity and inclusion and psychological safety. Those areas with lower scores, including employee engagement, will be the focus in 2023.

Our community

As a business and as individuals we are part of the communities in which we live and work, and we are committed to supporting these communities through our time, and donations.

Volunteering

We encourage all permanent employees and full-time contractors to take up to two paid volunteer days per year. We support skills-based volunteering through our partnerships with Junior Achievement and IntoUniversity, in addition to encouraging a range of volunteering activities.

We are delighted that this year, 43.3% of employees took advantage of opportunities to volunteer (2021: 26%), totalling 2,310 volunteering hours.

Volunteering provides opportunities to support the community and strengthen relationships with colleagues. In 2022, activities included providing CV support and school 'young enterprise' days in London, preparing edible surplus food to serve to underprivileged communities at Food Angels in Hong Kong, taking part in a city cleanup in Tokyo, and working on an eco-vineyard in Switzerland with WWF.

Charitable donations

We support charitable donations to organisations that are important to our employees. In 2022, we donated a total of CHF 106,000 (2021: CHF 140,455). We also support direct employee donations through a 'Give-As-You-Earn-Scheme' in the UK. In May 2022, we hosted our first charity day for GAM globally – with employees participating in activities to raise money for good causes. Activities took place in Dublin, Hong Kong, London, Luxembourg, New York and Zurich, with employees raising over CHF 22,000 through sponsorship for NSPCC, Run4Kids and other charities.

Our suppliers

A wide range of suppliers provide our goods and services. We strive to work with those suppliers that support our sustainability standards and, where possible, support local suppliers. We are committed to ensuring that our operations and supply chains are free of modern slavery and human trafficking. This forms part of our risk-based supplier due diligence and all our employees have undertaken training to raise awareness.

Our environment

Our most significant operational environmental impacts are associated with our office facilities, which consisted of 16 offices located in 14 countries as at the end of 2022, and our business travel.

Reducing and upgrading our office footprint – 2022 can be characterised as a year of significant change for our global office portfolio. The shift to hybrid working in most locations has led to reduced demand for desk space in our offices. We have therefore taken the opportunity to downsize our office footprint – primarily in Ireland, Switzerland and the US.

In Dublin, we relocated to a newly redeveloped office building in the heart of Dublin's International Financial Services Centre. The property sets a new benchmark for green standards in the city's business district and has been awarded LEED (Leadership in Energy and Environmental Design) Platinum accreditation for scoring high marks for positively addressing carbon, energy, waste, water, transport, materials, health, and indoor environmental quality.

Renewable energy – all our offices with more than 15 employees use only electricity from renewable sources. At the end of 2022, 90% of our employees are based in office buildings which are known to source only renewable electricity (2021: 83%).

Business travel – we measure our Scope 1 and 2 emissions, and business travel as our largest source of operational Scope 3 greenhouse gas (GHG) emissions[10]. In 2022, we achieved the target we set ourselves to maintain our total distance travelled by air at a level at least 25% below our 2018 figures and are setting a target to maintain 50% reduction of GHG emissions from measured travel in 2023 (compared with the 2019 baseline). We continue to encourage the use of videoconferencing where possible, and in 2022 completed the deployment of full videoconferencing facilities to all major offices globally.

Carbon offsetting – GAM has been certified as a CarbonNeutral® company, for its operational emissions, since 2019. We voluntarily offset 200% of the GHG emissions generated by our business operations and travel that we cannot yet reduce, through a combination of certified emissions reductions certificates and carbon removal projects. We intend to maintain our target of purchasing carbon offsets to cover 200% of our Scope 1, 2, and 3 emissions as reported in 2023.

Water and waste – our ability to monitor waste and water consumption continues to be limited, as it is not differentiated from that of other building occupants in most of our office locations. Our London office is, however, fitted with a greywater system that recycles non-contaminated wastewater.

[10]We measure flights, car hire and rail when booked through our business travel agents, but data for taxis, and other road transportation used for business purposes is not available for all locations and are therefore estimated.

CASE STUDY: Junior Acheivement Partnership

GAM first established its partnership in 2021. Junior Achievement Europe is the largest European provider of education programmes for entrepreneurship, work readiness and financial literacy, preparing young people for employment and entrepreneurship. In 2022, 45 volunteers delivered 348 hours of financial education to students in Switzerland, Germany, Italy, and the United Kingdom.

As part of the partnership, GAM also sponsored the GAM Financial Sustainability and Growth Award of the Gen-E 2022 European competition in Tallinn, Estonia, one of Europe's largest entrepreneurship events. Thousands of European students aged 15 and over pitched their innovative business ideas online and on-site. The award went to a young Greek team with their start-up 'Drug n Drop', which promotes sustainable use of pharmaceutical products. The team was also ranked among the 30 most successful entrepreneurs in the Forbes 30 under 30.

GAM has also supported Junior Achievement's initiative to help a total of over 350,000 Ukrainian students with financial education programmes, learning platforms, translation and teaching tools.

CASE STUDY: Supporting Forest Conservation in Indonesia

Through our partnership with Climate Impact Partners, the leading experts on carbon neutrality and climate finance, we are supporting a number of impactful emission reduction projects, one example being forest conservation in Indonesia.

Based on the island of Borneo, this Reducing Emissions from Deforestation and Forest Degradation (REDD+) project preserves carbon-dense tropical peat swamp by helping to halt deforestation of roughly 65,000 hectares of forest which was originally slated for conversion to palm oil plantations.

The project focuses on both community development – encompassing 2,500 households living within the project area – and biodiversity conservation, particularly the protection of the 105,000 endangered Borneo Orangutans. In order to deliver on its goals, the project actively engages local communities to improve food security, income opportunities, health care, and education – all with the support of carbon finance.

This is the first project to have been validated as contributing to all 17 of the Sustainable Development Goals.

Figure 10: Environmental indicators

Energy	2022[11]	2021	2020	Change in % 2022 vs 2021
Scope 1				
Heating natural gas (MWh)	602	556	564	8.3%
Scope 2				
Electricity consumption (MWh)	979	911	1,704	7.5%
Percentage of which renewable electricity	86%	72%	60%	19.4%
Scope 1&2				
Total energy consumption (MWh)	1,581	1,467	2,268	7.8%
Scope 3				
Business travel – flights (km)	1,454,235	236,408	845,190	515.1%
Homeworking (tCO_2e)[12]	96	143	137[13]	(32.9)%
Greenhouse gas emissions				
Scope 1 & 2	182	237	490	
Scope 3	219	78	343	
Total activities (tCO_2e)	401	315	1,833	27.3%
Total per FTE	0.74	0.52	1.16	42.3%
Double carbon offsetting commitment (tCO_2e)	802	630	1,666	-
Percentage of carbon offsetting	200%	200%	200%	-

[11]The 2022 Annual Report includes some estimated data and will be independently verified when actual data becomes available.
[12]2021 and 2022 homeworking emissions data are estimated based on 2020 emissions, scaled for headcount, and adjusted according to estimated office occupancy.
[13]2020 data has been revised. The 2021 Annual Report included homeworking emissions of 127t CO_2e.

CHAPTER 6: CLIMATE-RELATED DISCLOSURES

CHAPTER 6: CLIMATE-RELATED DISCLOSURES

We believe climate change is a critical issue that will transform the economy, and that the drive to decarbonise is already, and will continue to shape the investment landscape and how our clients choose to invest. We consider managing climate risks, at an investment and systemic level, as part of overall risk management, and we are committed to providing solutions to help our clients navigate the low carbon transition and to meet the net zero commitments they have made.

Following our formal support for the Task Force on Climate-related Financial Disclosure (TCFD) in 2021, we published our first TCFD aligned report in 2022. The disclosure below covers 2022. Our disclosures are prepared on a best efforts basis, recognising the limitations of existing data and methodologies. We continue to work within our business and broader industry to develop these.

Task Force on Climate-related Financial Disclosures

GOVERNANCE

TCFD disclosure recommendation	Approach and progress in 2022
Describe the board's oversight of climate-related risks and opportunities.	The Board is responsible for our sustainability and associated climate strategy. The Board Risk Committee provides oversight of climate-related risks and the Chair of the Risk Committee has taken on specific responsibility for climate-related issues. Chapter 1 includes additional details on our Sustainability Governance.
Describe management's role in assessing and managing climate-related risks and opportunities.	At a Management level, Key Risk Indicators (KRIs) are provided to the Group Risk and Oversight Committee (RiOC). These will continue to evolve over time. Additionally, applicable risk areas are overseen within the relevant Investment Management and Distribution Oversight Committees. Risk and control self-assessments (RCSAs) will continue to embed climate-related risks for relevant functions where relevant. The Risk Team schedules regular risk meetings with business departments to ensure any operational risks, incidents/issues are discussed and escalated appropriately, including any climate-related topics.

STRATEGY

TCFD disclosure recommendation	Approach and progress in 2022
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	The impact of climate-related transition risks, including policy and legal, technology, market and reputational risk associated with the transition to a low-carbon economy, and climate-related physical risks, including acute risks such as increase in severity of extreme weather events and chronic risks such as increase in mean temperature, are considered in the short, medium and longer term and reviewed through the lens of three risk types: • **Market risks** – potential impact on client asset values as a result of higher costs or lower profits linked to climate-related policies, regulations, standards or stranding of underlying assets • **Business risks** – potential decreased demand for products if they are not considered 'fit for purpose' from a client or regulatory perspective. There is also the potential for increased operational costs, e.g. for energy or travel, resulting from climate-related regulation • **Operational risks** – potential impact on business continuity of a result of physical climate-related event
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Our climate strategy is designed to support our business strategy - focused on growth, excellence and transparency - and build resilience by addressing and mitigating the risks identified. This includes: • **Committing to net-zero** – implementing targeted stewardship and policy advocacy in support of achieving global net-zero emissions by 2050 or sooner • **Building out climate analytics** – to better incorporate climate risks and opportunity into our investment decisions and help our clients understand their climate exposure • **Developing new climate products and solutions** – to facilitate the decarbonisation of client portfolios and increase investment in climate solutions • **Minimising our operational footprint** – by achieving the CarbonNeutral® certification, reducing our emissions where possible and offsetting remaining emission through verified carbon credits or other instruments

Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	For our investment management business, we review resilience in the follow ways and are continuing to build out appropriate Key Risk Indicators (KRIs): • **Investment resilience** – climate-related risks are reviewed at the portfolio level by reviewing weighted average carbon intensity (relative to benchmark where available/ appropriate), and largest carbon emitters on a relative and absolute basis. These metrics are predominantly available for equity, corporate and sovereign fixed income asset classes. Periodic scenario analysis is conducted using MSCI Climate Value and Risk Analysis. • **Product set resilience** – we review our product set on an annual basis and review any climate-related issues as part of the new product development process. • **Operational resilience** – we will continue to integrate into our business continuity planning (BCP) for specific BCP events linked to physical climate-related risks.

RISK MANAGEMENT

TCFD disclosure recommendation	Approach and progress in 2022
Describe the organization's processes for identifying and assessing climate-related risks.	In 2022, at a firm level, we assessed climate-related risks through a Climate Change Risk Register. The Climate Risk Register, including the status of mitigating actions, was also reviewed and presented to the RiOC. We continue where possible to seek to embed at a functional level the appropriate climate-related risks through our departmental risk and control self-assessment (RCSA) process owned by the head of the relevant functions as part of the Group Risk Framework
Describe the organization's processes for managing climate-related risks.	**Risk appetite statements** – these are determined for all material risk areas. Climate-related risk is considered in a number of material risk areas that are monitored by the firm. Key Risk Indicators (KRIs) can be qualitative and quantitative indicators used to measure and monitor adherence to the risk appetite and will continue to evolve. The KRIs are tracked and reported through risk reports to the various company Boards and Committees to identify and escalate any issues outside of the firm's risk appetite. **Risk and control self assessments (RCSAs)** – Climate risks will continue to be embedded where applicable in the relevant Operational RCSAs for teams that manages those risks. The risk owner is required to take action to reduce the risk or request a formal risk acceptance if any risk assessment goes above a certain threshold. Regular risk meetings are in place with the risk department with each relevant department to ensure any operational risks, incidents/issues are discussed and escalated appropriately, including any climate-related topics. The standard incident process is in place to ensure that any climate-related incidents arising are entered in the firm's incident management system. **Climate-related investment risks** – the Climate Change Statement outlines our approach to managing our organisation's climate-related investment risks. This approach includes ESG integration, company engagement and broader policy advocacy engagement, voting and oversight of ESG risks. **Product-related risks** – these are managed as part of the product strategy and development process and overseen by our Product Strategy and Product Development Committees. **Operational footprint** – Facilities management manage, monitor and measure progress of operational emission reduction, increase renewable energy use and purchase credible carbon offsets where we are unable to further reduce emissions.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The standard risk management structures aim to embed climate-related risks across the relevant functions. One of the keys for effective risk management is a risk governance structure that provides appropriate senior level oversight, segregation of duties, as well as adequate, effective, and independent control within a risk-conscious culture. The delivery of the organisation's strategic objectives are supported by a set of Group policies and a Policy Management Framework. These establish GAM's operating principles and standards for managing risk across the organisation. Our Risk Management Framework is underpinned by a three lines of defence/control model, with defined accountabilities and responsibilities for risk management which are designed to deliver the standards of conduct that our stakeholders expect. This provides structure around our risk management and control by defining roles and responsibilities in different areas and the relationship between those different areas. As outlined above, climate-related risks will continue to be integrated into the risk and control self assessments (RCSAs) of each relevant function where applicable.

METRICS AND TARGETS

TCFD disclosure recommendation	Approach and progress in 2021
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Analysis of carbon exposure across investment management business assets, where data is available, provides the foundations to better understand our climate-related risks and opportunities. While there are notable data and methodological limitations, we use several data and metrics[14] to measure risk and track our impact across our key areas of risk: **Carbon Footprint Analysis** – we have selected three of the main carbon footprint calculation approaches to measure our exposure on an aggregate basis. These include the Weighted Average Carbon Intensity as recommended by TCFD, Financed Carbon Emissions, which measures carbon footprint per million invested and Finance Carbon Intensity, which measures the carbon intensity per revenue. We report on scopes 1 2 and 3 for equity and fixed income corporate credit and GHG intensity for fixed income sovereign with coverage of more than 75% across all asset classes[15]. **Scenario Analysis** – climate scenarios are a helpful tool to identify and understand possible physical and transition to low carbon economy risks and opportunities at different time horizons. To stress test the portfolios, we decided to choose the most aggressive transition scenario as well as the most aggressive physical risk scenario. We report on an aggregate basis for the investment management assets classified as equity, fixed income corporate credit and sovereign funds. **Operational** – we disclose energy-related emissions and renewable energy use (Scope 1 and 2) and business travel by air (Scope 3). We aim to expand the scope of our Scope 3 operational emissions to include train and car. This data is provided in the 'Our environment' section.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	See Table 1 below.

Table 1: Weighted Average Carbon Intensity

		2022[17]			2021		
WEIGHTED AVERAGE CARBON INTENSITY[16]		Equity	Fixed Income Corp. Credit	Fixed Income Sovereign	Equity	Fixed Income Corp. Credit	Fixed Income Sovereign
WACI (tCO_2e/CHFm sales[18] or CO_2e/CHFm nominal GDP[21])	Scopes 1 and 2[20]	67	31	745	97	56	798
	Scope 3[17]	547	473		596	487	

[14] All carbon data and analysis for the Metrics and Targets section is sourced from MSCI ESG Research. This data provider was selected following a review of multiple providers. We will continue to review the most appropriate data providers.

[15] Coverage varies between metrics since different values are needed for each metric approach. Emissions data vary between scopes – Scope 1 and 2 values are easier to be collected or derived than Scope 3. Furthermore, financial information such as EVIC might not be available for all constituents. The WACI approach has the highest coverage (above 80%) as the data collection for this methodology is easier since EVIC value data is not required.

[16] Measures funds' exposure to GHG-intensive companies or economies, defined as the funds' weighted average emissions intensity per revenue or GDP.

[17] In scope funds include Investment Management Funds classified as Equity, Fixed Income Corporate Credit and Fixed Income Sovereign reflecting holdings as at 30 December 2022. The funds in scope for 2022 exclude any funds closed during 2022. Mandates and other asset classes are excluded.

[18] Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' carbon intensity (emissions/sales).

[19] Measures the exposure of the fund's to GHG intensive economies using the weighted average intensity of the fund's sovereign constituents normalised by GDP.

[20] Direct greenhouse gas (GHG) emissions derived from owned and controlled business activities (Scope 1) and indirect GHG emissions associated with the purchase of electricity (Scope 2). (GHG Protocol)

[21] Indirect emissions are produced as a consequence of a company's activities that the company does not own or control upstream or downstream of the value chain. These activities can include extraction and processing of raw materials, transportation of goods, use or end of life of sold products or services. (GHG Protocol).

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. (Part II)

Table 2: Carbon Footprint Metrics assessed on investor attribution

		2022		2021	
Allocation Base EVIC:		Equity	Fixed Income Corporate Credit	Equity	Fixed Income Corporate Credit
Financed Carbon Emissions (tCO_2e / (CHF)M invested)	Scopes 1 and 2	25	16	29	27
	Scope 3	218	124	234	148
Financed Carbon Intensity (tCO_2e / (CHF)M sales)	Scopes 1 and 2	80	60	95	78
	Scope 3	690	460	762	429
Total Financed Carbon Emissions (tCO_2e)	Scopes 1 and 2	109,281	78,324	222,351	131,962
	Scope 3	939,930	605,409	1,783,846	727,846

Table 3: Climate Value at Risk metrics for aggregate equity and fixed income credit

	2022		2021	
Scenarios	Equity	Fixed Income Corporate Credit	Equity	Fixed Income Corporate Credit
Transition Risk Scenario NGFD 1.5 Orderly	-2.6%	-0.6%	-4.5%	-1.0%
Transition Risk Scenario NGFD 1.5 Disorderly	-23.3%	-3.8%	-21.3%	-5.3%
Physical Risk Scenario IPCC RCP 8.5	-16.4%	-4.0%	-9.9%	-2.6%

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Investments and product range

A year after we committed to the Net Zero Asset Managers initiative (NZAM) we submitted our interim targets that were approved by NZAM. In line with the Net Zero Investment Framework, we have set three interim targets for 2030 covering our equity and corporate fixed income fund assets:

- Have 75%[22] of AuM in material sectors aligned or aligning with net zero
- Achieve a 50% reduction in financed carbon emissions (i.e. emissions/USD million invested attributed using enterprise value) from a 2019 baseline
- Engage directly or collaboratively with 90% of our financed emissions to ensure they are aligned or in the process of aligning to net zero

Operational impact

We set targets in 2020 relating to the use of renewable energy, business travel and carbon offsetting. Details on progress against our 2021 targets and targets for 2022 are in the 'Our environment' section of this report.

[22]Asset classes not currently in scope include, for example, sovereign, mortgage-backed and insurance-linked securities, multi-asset, and alternatives. This is due to methodological and data limitations. We are actively working with membership bodies such as the Institutional Investors Group on Climate Change (IIGCC), and research providers such as MSCI, to support the development of methodologies and data. We are committed to increasing our in-scope assets as these improve. Client mandates are initially out of scope but we will be engaging with our clients to determine the most appropriate way to support their net zero goals.

Net Zero Asset Managers commitment

In July 2021, we joined the Net Zero Asset Managers (NZAM) initiative and committed 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. Following this commitment, we submitted our initial targets in July. These targets were approved by NZAM and are published on their website as well as the GAM Investor Agenda.

Commitment	Progress
1. Set interim targets for 2030, consistent with a fair share of the 50% global reduction in CO_2 identified as a requirement in the IPCC special report on global warming of 1.5°C	In July we set our interim decarbonisation targets to achieve 50% reduction in financed emissions (CO_2e/USDm invested) attributed using enterprise value including cash (EVIC) by 2030 compared to end of December 2019 baseline.
2. Take account of portfolio Scope 1 & 2 emissions and, to the extent possible, material portfolio Scope 3 emissions	The NZAM targets cover scope 1 and scope 2 GHG emissions, as this is where the data is most robust and comparable when setting the baseline. We will consider Scope 3 emissions as part of our engagement where we consider these material, for example banks. We have set data coverage thresholds for Equity (90%) and, Fixed Income (70%) by market value. We engage with companies and data providers to improve data coverage. The TCFD disclosure includes Scope 3 upstream and Scope 3 downstream as separate to Scopes 1 and 2 due to data completeness and quality.
3. Prioritise the achievement of real economy emissions reductions within the sectors and companies in which we invest	GHG emissions exposure assessments completed across all GAM-managed Equity and Fixed Income Credit and Sovereign funds. We are in the process of identifying companies with high GHG emissions across the portfolios where we prioritise engagement. The prioritisation of the companies for engagement follows the guidance from the Net Zero Investment Toolkit by IIGCC. We consider engagement to be the more impactful approach to deliver real world emissions. We also expanded investments to climate solutions in decarbonisation and mitigation through our Climate Bond Strategy. Furthermore, in 2022 we participated in the IIGCC Climate Solutions Working Group to produce guidance to increase standardisation of calculations and reporting of climate solutions across the industry. GAM became a signatory to the Powering Past Coal Alliance (PPCA) Finance Principles, joining investors and governments alike to accelerate real economy and just transition to clean energy through the phase-out of unabated coal power generation. As PPCA signatories we support the coal phase-out timeframes for a phase out by 2030 for OECD and EU countries and by 2040 for the rest of the world.
4. If using offsets, invest in long-term carbon removal, where there are no technologically and/or financially viable alternatives to eliminate emissions	At GAM we use offsets for the operational emissions. We ensure that all carbon emissions offsets are CarbonNeutral® certified and we aim to adhere to the Oxford Principles for Net Zero Aligned Carbon Offsetting.
5. As required, create investment products aligned with net-zero emissions by 2050 and facilitate increased investment in climate solutions	Our Sustainable Climate Bond strategy invests in green and sustainability bonds with clear use of proceeds linked to climate and other environmental projects. The first impact report was awarded the EnvironmentalFinance IMPACT Award. We continue to respond to client demand for new products and solutions to support our clients in aligning to net zero. See Chapter 3.
6. Provide asset owner clients with information and analytics on net-zero investing and climate risk and opportunity	Following the launch of our ESG Summary Reports in 2021, in 2022 we launched the ESG Long Reports that expand on carbon footprinting metrics as well as top contributors, including WACI, total carbon emissions (Scope 1,2 and 3). These reports are produced on a monthly basis for funds covering 66% of total GAM managed funds AuM to support our clients.
7. Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net-zero emissions by 2050 or sooner	We exercise active stewardship in three ways: voting, direct and collaborative engagements and public policy engagement. In 2022 we were accepted as one of the first signatories to the updated UK Stewardship Code for the second year. The Climate stewardship section summarises actions we have taken in 2022.
8. Engage with actors key to the investment system including credit rating agencies, auditors, stock exchanges, proxy advisers, investment consultants, and data and service providers to ensure that products and services available to investors are consistent with the aim of achieving global net-zero emissions by 2050 or sooner	In 2022, we continue our direct engagement with new and existing data providers in order to ensure we are using the most appropriate data for our analysis and monitoring. Furthermore, we provided feedback and recommendations to improve the quality, type and coverage of data to support our commitment to NZAM. We engaged with several ESG data providers. We continued to work within groups including IIGCC, Climate Action 100+, CDP and NZAM to support better data and methodologies.
9. Ensure any relevant direct and indirect policy advocacy we undertake is supportive of achieving global net-zero emissions by 2050 or sooner	In our effort to manage systemic climate change risk through policy advocacy, we selectively support policy engagement supported by organisations including IIGCC, the Investment Association's Sustainable and Responsible Investment Committee in the UK and the PRI's Global Policy Reference Group. In 2022, we were pleased to again sign the Global Investor Statement on Climate Change. Furthermore, in 2022 we became signatories to the Finance Sector Deforestation Action initiative committing to eliminate agricultural commodity-driven deforestation from our portfolios by 2025.
10. Publish TCFD disclosures, including a climate action plan, annually, and submit them to the Investor Agenda via its partner organisations for review to ensure the approach applied is based on a robust methodology, consistent with the UN Race to Zero criteria, and action is being taken in line with the commitments made here	We are publishing our second TCFD-aligned reporting for 2022. This year's reporting also includes the interim NZAM targets submitted and approved in 2022.

APPENDIX

APPENDIX

1. TCFD additional notes

General

Investment coverage: For carbon footprint analysis (Tables 1 and 2) the selected asset classes for the 2022 reporting are aggregates of investment management assets classified as equity, fixed income corporate credit, and fixed income sovereign funds reflecting holdings data as of the end of December 2022. Mandates or multiple asset class funds are not included. This is investment management only and does not cover the FMS business. This scope covers 33% of the total GAM AuM. For scenario climate value at risk analysis (Table 3), the methodology is only available for our equity and fixed income credit holdings. This scope covers 27% of total GAM AuM. The funds in scope are different compared to 2021, as 2022 scope excludes any funds that have closed during 2022.

Carbon footprint metrics definitions and methodology can be found in CARBON FOOTPRINTING 101, MSCI methodology document.

MSCI Climate Value-at-Risk (VaR): (Climate VaR) is intended to help investors identify and consider any physical and transition risks that might arise through climate and socioeconomic changes. Climate VaR is comprised of Low Carbon Transition Risks Scenario and the Physical Climate Scenarios. For the purpose of this report, we have selected the NGFS Scenarios Orderly and Disorderly for the Low Carbon Transition Risks Scenario and RCP 8.5 for the Physical Climate Scenario. The Climate VaR percentage represents the costs (negative value) or profits (positive value) of the aggregated fund's market value under each scenario. The costs are associated with risks in future policy and extreme weather events while profits are associated with technology opportunities and some extreme weather events.

Limitations

Scope 3 estimates: When reported carbon emissions are not available, data providers such as MSCI can fill in these gaps using estimated emissions where possible. The majority of companies usually report on Scope 1 and 2 emissions while only a few companies report on Scope 3 (upstream and downstream) emissions according to the GHG Protocol. Thus, the majority of Scope 3 emissions provided by data vendors are estimated using assumptions based on sector and geography.

Data availability affecting portfolio coverage: When carrying out portfolio carbon footprint calculations, data such as emissions and company financial information might not be available for all constituents and thus decrease the percentage coverage of the results.

Asset class exclusions: Specific instruments such as futures, options and cash are not covered by the calculations as there are no associated emissions data recorded. These are excluded from the calculations decreasing the portfolio coverage. Furthermore, not all asset classes can be covered by carbon footprint due to a lack of specific methodologies.

Data timeliness: Carbon footprint calculations use backward- looking data, so the results can only showcase the carbon intensity of a portfolio at the time of analysis, i.e. past emissions. Therefore, carbon footprint calculations can provide a year-on-year change for the portfolios, and supplementary information such as Climate VaR as well as company engagement is needed for assessing possible investment decisions.

Climate scenario assumptions: These forward-looking metrics are intended to help investors identify and consider any physical and transition risks that might arise through climate and socioeconomic changes. We use MSCI's Climate VaR models which seek to quantify the impact of various scenarios. All models are highly dependent on the assumptions made. Potential limitations include the reliance on carbon removal technologies that are not yet available or deployed at scale and not considering most recent developments such as Covid-19 and the war in Ukraine.

2. Key performance indicator table

Area	Sub-area	KPI	2022	2021
Our Approach	Sustainable Funds	ESG Summary Report coverage (equity, corporate debt, sovereign funds by AuM)	>95%	-
Sustainable Investment	Proxy Voting	Votable meetings	1,087	1,333
		Meetings voted	1,079	1,322
		% meetings voted	99.3%	99.2%
		Total resolutions voted	12,515	15,125
		Total resolutions voted against management	1801	1,816
		% of votes against management	14.4%	12.0%
		Shareholder resolutions voted	420	392
		Shareholder resolutions supported	307	295
		% of shareholder resolutions supported	73.1%	75.3%
Our People	Employees	Total headcount	541	605
		Average tenure of employees	8.5	8.1
		Average age	43	42.6
		Average experience of investment professionals	17.08 years	16.4 years
		Part-time employees	7.8%	8.6%
Our People	Training	Training hours (average per employee)	25.55	22.4
		ESG training hours (average per employee)	4.6	4.9
Our People	Employee Engagement	Global Employee Experience survey response rate	60%	80%
Our People	Mentoring	Mentors	17	46
		Mentees	20	18
Our People	Diversity and Inclusion	Permanent employees – split between women and men	M: 61% F:39%	M: 63% F: 37%
		Board of Directors – split between women and men	M: 43% F: 57%	M: 43% F: 57%
		Gender split GAM overall	M: 61% F:39%	M: 63% F: 37%
		Line manager split	M: 64% F: 36%	M: 71% F: 29%
		New joiner split	M: 40% F: 60%	M: 61% F: 39%
		Leaver split	M: 67% F: 33%	M: 71% F: 29%
Our People	New Hires and Turnover	Voluntary turnover rate	20.8%	11.9%
		Involuntary turnover rates	7%	10%
		Retention within 12 months of starting	94%	94%
Our People	Family Friendly and Flexible Working	Family Leave	321.5 weeks	384 weeks taken (51% of the population were male)
Our People	Volunteering	Volunteering days	43.3% of employees	26% of employees
		Volunteering hours	2,310 hours	1361.5 hours
Our Community	Charitable Donations	Total charitable donations	106,000	140,455
	Political Donations	Political donations	0	0
Our Environment	Environmental Indicators	Scope 1 & 2	see page 32	
		Scope 3		
TCFD	Metrics & Targets	Carbon footprint metrics for aggregate equity	see page 36 & 37 – tables 1-3	
		Carbon footprint metrics for fixed income credit		
		Carbon footprint metrics for fixed income sovereign		
		Climate value at risk metrics for aggregate equity and fixed income credit		
Appendix	Health and Safety Incidents	No. of incidents in London, Cambridge, Dublin and Zurich	There were no incidents reported in any of our locations during 2022	London: 1 Cambridge: 0 Dublin: 0 Zurich: 0

DISCLOSURE

The information in this Report is given for information purposes only and does not qualify as investment advice or as meeting any particular financial objectives, risk profiles, sustainability preferences or sustainability-related objectives of the recipient. Opinions and assessments contained in this Report 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. There is no assurance that any sustainability-related objectives, if applicable , will be achieved. Further information on GAM's approach to responsible investing can be found here:

https://www.gam.com/en/corporate-responsibility/responsible-investing

https://www.gam.com/en/policies-and-disclosures#sfdr

The investment strategies described in this Report may involve the selection, prevent the acquisition of or require the disposal of securities of certain issuers for reasons other than investment performance or other financial considerations. As a result, the strategies may underperform other strategies with a similar financial objective or policy that do not utilise an ESG-focused investment strategies and may suffer investment losses if it is required to dispose of a security as a result of non-financial considerations.

The investment strategies described in this Report may be reliant on sustainability-related data. The quality, timeliness, completeness and availability of sustainability-related data may not be comparable with the general quality, timeliness, completeness and availability of more standardised and traditional financial data. The implementation of the investment strategies may be adversely impacted as a result and may result in losses (including loss of opportunity) as a result of investment decisions taken in reliance on sustainability-related data which may not be accurate, complete or timely or if decisions are taken which do not correctly assess the impact of such data. Estimates, proxies and subjective judgements may be used when assessing sustainability risk or applying an investment strategy which, if incorrect, may result in losses (including loss of opportunity).

GAM and/or a Co-Investment or Delegated Investment Managers may rely on third parties for inputs used in its investment decisions including data vendors and ESG ratings providers. The data and ratings provided by such third parties may be impacted by the quality, timeliness, completeness, and availability of sustainability related data available to them.

ESG ratings generally assess the impact of environmental, social and governance (ESG) factors on a company and/or a company's impact on the outside world and provide an opinion, expressed as a rating, of such impacts. ESG ratings may not capture all sustainability risks or impacts of a particular company. As different ESG ratings may rely on different data sources and calculation methodologies (including the weightings applied to ESG factors), the ratings applied to one company by a ratings provider may be different to the rating applied to the same company by another provider. The businesses of ESG ratings and ESG data providers are generally unregulated. ESG ratings may be provided by third parties that have an existing relationship with the companies that are being rated (and may have been engaged by that company to provide ESG ratings), which can create a conflict of interest for the ESG ratings provider. ESG ratings providers may also not make timely changes in a rating to reflect changes to the relevant company, sustainability risks or other external events. The investment strategy may suffer losses (including loss of opportunity) and its ESG performance may be different from that intended because of reliance on data or ratings which prove inaccurate, incomplete, or out of date or if the Co-Investment Manager does not correctly assess the impact of such data.

The Portfolio ESG Rating, where applicable, stated in respect of any given strategy is derived from ratings provided by a third party in respect of the investments and is designed to help investors understand the resiliency of the portfolio to long-term ESG risk and opportunities. A strategy with a high Portfolio ESG Rating implies that its investments are perceived to have a strong or improving management of financially relevant ESG risks and may be more resilient to disruptions from ESG events. However, the investments of such a strategy with a high Portfolio ESG Rating may still create significant negative externalities on environmental or social factors such as pollution and poor labour practices. Further, a strategy with a high Portfolio ESG Rating does not necessarily achieve or seek any positive ESG or sustainability impact. There can be no assurance that the Portfolio ESG Rating correctly represents the strategy's exposure to financial loss because of ESG risks.

The strategies described in this Report may invest in economic activities which are aligned with the EU Taxonomy. Alignment of investments with the EU Taxonomy is calculated by specific metrics (such as revenue or expenditure) and determined by data most recently disclosed or provided by investee companies or collected by third parties in relation to those economic activities. Such metrics are calculated and disclosed, provided, or collected as at a point in time for each investee company and are based on the activities of those investee companies which may vary over time or be impacted by external events. As a result, any taxonomy-alignment of the strategies will be indicative only and will not be a true reflection of the taxonomy-alignment of the strategies as at a point in time or over a particular reference period. The strategies may involve investment decisions based on the taxonomy alignment of an investment and the impact of such decisions may result in the strategies generating lower financial returns than if the taxonomy alignment were not considered.

The strategies described in this Report may include sustainable investments as defined in the EU's Sustainable Finance Disclosure Regulation (EU 2019/2088) ("SFDR"). A sustainable investment is an investment in an economic activity which contributes to an environmental or social objective, which does not significantly harm any environmental or social objective and where the investee company follows good governance practices. SFDR does not provide for objective criteria to determine the contribution of an economic activity to a particular environmental or social objective or set thresholds for identifying whether an economic activity causes significant harm to an environmental or social objective. As a result, the definition of "sustainable investments" is not standardised and requires firms to make subjective decisions. Firms subject to SFDR may take different approaches to categorising such investments. There can be no guarantee that a sustainable investment will attain its environmental or social objective or avoid harm to any particular environmental or social objective. The strategies may involve investment decisions based on the whether or not an investment is determined to be a "sustainable investment" and the impact of such decisions may result in the strategies generating lower financial returns than if it did not consider such determination.

The strategies described in this Report may be intended to have an ESG-related impact. Any impact will be calculated based on sustainability-related data, and will be subject to the data limitations outlined above. Any ESG-related impact may not be as expected and there is no assurance that any ESG-related impact will be achieved.

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This Report contains forward-looking statements relating to the objectives, opportunities, and the future performance of the U.S. market generally. Forward-looking statements may be identified by the use of such words as; "believe," "expect," "anticipate," "should," "planned," "estimated," "potential" and other similar terms. Examples of forward-looking statements include, but are not limited to, estimates with respect to financial condition, results of operations, and success or lack of success of any particular investment strategy. All are subject to various factors, including, but not limited to general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting a portfolio's operations that could cause actual results to differ materially from projected results. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties and other factors, and accordingly, actual results may differ materially from those reflected or contemplated in such forward-looking statements. GAM cautions against placing undue reliance on any forward-looking statements or examples. None of GAM or any of its affiliates or principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.

GAM Investments


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