March 2024

SUSTAINABILITY REPORT 2023

FOREWORD

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Antoine Spillmann
Chair of the
Board of Directors

Elmar Zumbuehl
Chief Executive Officer

In December 2023, the COP28 UN Climate Change Conference concluded in Dubai with an agreement to "transition away from fossil fuels", emphasising the need for this transition to be "just" and aligned with the protection and reversal of nature loss and degradation. Closer to home, in June 2023, voters in Switzerland approved the new Climate and Innovation Act, codifying a net-zero target by 2050 at the latest.

Climate and nature will continue to be key themes influencing the investment landscape and market for our clients. As will the importance of sustainable finance and investment in transitioning our economy.

This year marks the ten-year anniversary of Swiss Sustainable Finance, and we were delighted our Global Chief Sustainability Officer spoke at their 2023 annual conference in Bern on the topic of accelerating the transition.

Our commitment to sustainability

The Board is committed to sustainability in the way we operate as a firm and in the products and investment strategies we provide for our clients. We aspire to drive value for our clients, developing and supporting high standards as investors.

We are proud that our GAM Sustainable Climate Bond strategy won Environmental Finance's Best Green Bond Fund award this year, adding to our win last year of the Swiss Sustainable Fund Award for our GAM Swiss Sustainable Companies strategy. We will continue to innovate our sustainable product range.

Our stewardship practices continue to strengthen; we have maintained our UK Stewardship Code status and publicly committed to the new Swiss Stewardship Code launched last year. In 2023, we conducted over 300 engagements with companies on ESG issues. We also voted at over 900 company meetings on around 11,000 unique resolutions.

We also continue to progress on our net-zero commitments, seeking to reduce climate risk through engagement. We have developed an internal net-zero alignment assessment tool to support our engagement prioritisation and effectiveness.

Focus on transparency

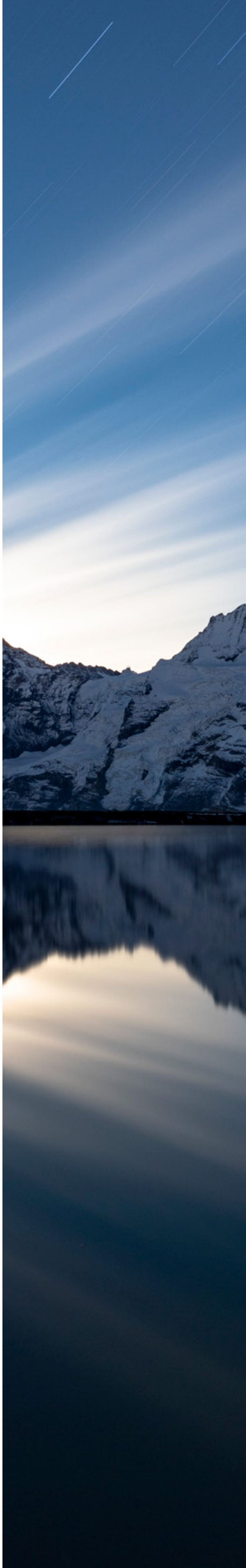
For the last three years, we have published a Sustainability Report on a voluntary basis. This year, in line with Article 964a of the Swiss Code of Obligations, the Board of Directors is submitting the Sustainability Report, which has been reviewed by our Internal Audit function, to an advisory vote at our 2024 Annual General Meeting. We look forward to your support and feedback as we continue to focus on delivering for our stakeholders in 2024.

Yours sincerely,

Antoine Spillmann
Chair of the Board of Directors

Elmar Zumbuehl
Chief Executive Officer

27 March 2024



INTRODUCTION

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

At a glance

CHF 19.3bn
Investment Management
Assets under Management (AuM)

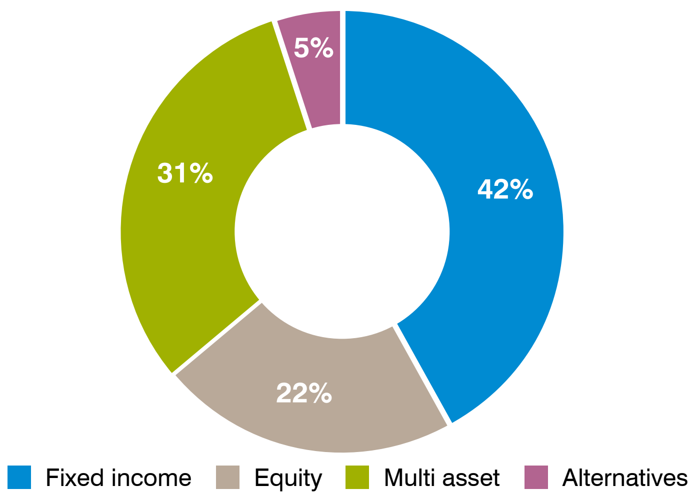
Employees in
14 countries

Over 3,500 clients
globally

SIX Swiss Exchange
Symbol 'GAM'

Source: GAM as at 31st December 2023.

Investment management assets by asset class



Source: GAM

Our business model

Following a challenging period for GAM, the Extraordinary General Meeting on 27 September 2023 gave shareholders the opportunity to elect a new Board. Ninety-nine per cent of all votes were cast in favour of the new Board members. The appointment of Elmar Zumbuehl as CEO reinforced the corporate stability given by the funding commitment of our anchor shareholder NJJ Holding and we moved quickly to appoint a new Group Management Board. Our anchor shareholder NJJ, together with the other participants in NewGAMe, now holds a total of 27.14% of GAM's share capital. NewGAMe is now the largest shareholder in the company following the settlement of the tender offer on 12 January 2024. GAM is an important long-term strategic investment for NJJ. It is committed to restoring the company to a best-in-class global asset management firm and has made a long-term commitment to secure the necessary financial resources to fund GAM's operations and provide stability for the firm.

In June we announced that our Fund Management Services business, which manages day-to-day fund operations for clients, would be sold to Carne Group in an important strategic step for GAM. The transaction was completed on 31 January 2024.

Our business model is now focused on delivering high-performing and differentiated investment management strategies to wholesale, institutional and wealth clients globally, managed through in-house capabilities and external investment management partnerships.

With our renewed governance, financial support and business model, the Board and leadership is committed to delivering sustainable growth and a return to profitability.

Further details of our business strategy, corporate governance, risk management and performance and developments expected in 2024 are outlined in our Annual Report.

Scope of our report

This is our stand-alone Sustainability Report that we are pleased to put to an advisory shareholder vote at our 2024 AGM taking place on May 15th. This report covers disclosure of non-financial matters as required by the Swiss non-financial reporting obligations. An index of disclosures is provided in Chapter 7.

Materiality Assessment – The disclosure in this report was informed by an internal materiality assessment. This assessment comprised three stages:

1. **Identification of actual and potential sustainability issues** – desk-based research reviewing our existing risk register, relevant standards and regulations, peer reports and external benchmarks.
2. **Analysis and prioritisation** – the qualitative assessment, conducted with a small internal group representing key functions, considered financial, customer, reputation, regulatory, business disruption, employee, societal and environmental impact.
3. **Review and validation** – results collated to create a short list of 10 material issues, reviewed by key internal stakeholders, our Sustainability Committee and Group Management Board (GMB).

The preparation of the report was informed by but does not proport to fully comply with IFRS S1 and IFRS S2. This report covers the period from 1 January to 31 December 2023, and data is provided as at year end unless otherwise stated.

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 via Investor Relations or Sustainability.

Independent Internal Audit Assurance Statement

The GAM Group Internal Audit function conducted an audit of the 2023 GAM Group Sustainability Report with an emphasis on the reporting framework and the accuracy and completeness of the data points and disclosures.

The testing performed by the Group Internal Audit function enabled them to confirm GAM had designed an appropriate Sustainability reporting framework comprising of effective internal processes and controls, which were operating as intended. The data points and disclosures within the Report had been collated in a structured manner and were supported by accurate underlying evidence. GAM Group Internal Audit confirmed no exceptions were identified during their testing, and the overall Sustainability reporting framework was deemed to be satisfactory.

GAM Group Internal Audit
27 March 2024

CHAPTER 1: STRATEGY AND GOVERNANCE

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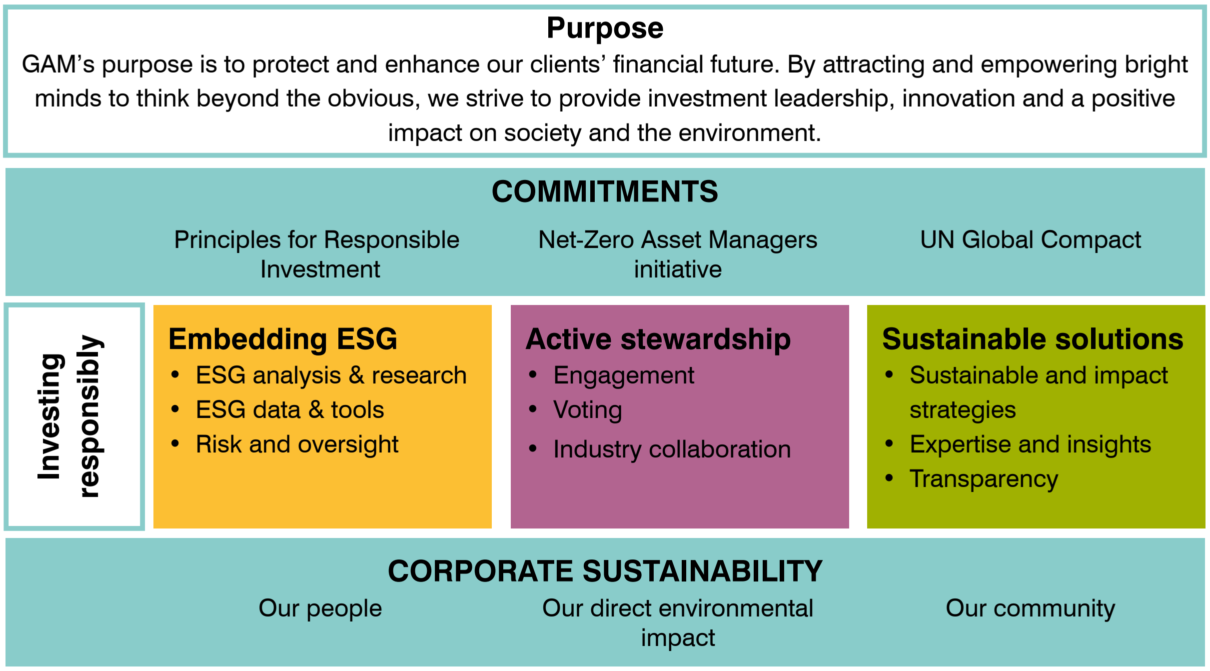
Sustainability strategy and framework

GAM's purpose is to protect and enhance our clients' financial future. By attracting and empowering bright minds to think beyond the obvious, we strive to provide investment leadership, innovation and a positive impact on society and the environment.

Our sustainability strategy supports our firm-wide strategy through our focus on investing responsibly – this includes embedding environmental, social and governance (ESG) considerations into our investment decisions, active stewardship, providing sustainable solutions for our clients – and a focus on our own corporate sustainability.

Sustainability strategy



| Source: GAM

Our strategy is guided by three principles:

- **Driving value for our clients** – we are committed to focusing our ESG integration, stewardship and industry collaboration to support our investment strategies, expertise and insights to best deliver for our clients.
- **Supporting high standards** – we believe high standards in sustainability and transparency are key to a well-functioning company and market. 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. As part of our commitment to sustainable and responsible business practices, we are proud signatories to the UN Global Compact.

Strategic goals and targets

Pillar	2023 goals	Progress in 2023	2024 goals
Commitments We support action and improved standards through public commitments and transparency.	Submit net-zero targets to Science Based Targets initiative	**Net zero** – Progressed on our net-zero interim targets	**Net zero** – Submit net-zero targets to Science Based Targets initiative (deferred from 2023)
	Disclose deforestation-related engagement in line with FSDA initiative	**Nature** – Joined Nature 100 collaborative engagement. Deforestation – Progress against FSDA milestones	**Deforestation** – Continue to report progress in line with Finance Sector Deforestation Action (FSDA) initiative
Embedding ESG We aim to embed ESG risks, opportunities and impacts in our investment analysis and decision-making using leading data, tools and insight.	Enhance sustainable thematic research	**ESG research** – Thematic insights published	**ESG tools** – Develop Deforestation Risk Assessment Tool
	Roll out ESGVector for priority unrated companies	**ESG analysis** – Engaged with unrated companies with our Article 8 strategies	
	Enhance ESG dashboard	**ESG tools** – Developed in-house Net Zero Aligment Assessment Tool	
Active stewardship We seek to use our influence through voting, engagement and industry collaboration to add value to our clients within our investments, and in the broader market.	Maintain UK Stewardship Code signatory status	**UK Stewardship Code** – Maintained signatory status	**UK Stewardship Code** – Maintain signatory status
		Vote disclosure – Enhanced reporting on vote rationales	**Engagement** – Priority engagements on net-zero and nature
	Deliver net-zero and nature engagement framework	**Swiss Stewardship Code** – Became public signatories	**Swiss Stewardship Code** – Report in line with requirements
Sustainable solutions We are committed to developing products and solutions to help our clients navigate, benefit from and drive the transition to a more sustainable economy.	Launch sustainable thematic strategies	**Strategies** – GAM Sustainable Climate Bond strategy wins Environmental Finance Green bond fund of the year award	**Sustainable strategies** – Leverage and build global sustainable thematic strategy
	Enhance fund-level climate reporting	**Fund-level reporting** – Swiss Climate scores available	**Fund reporting** – Enhance fund level climate reporting
Corporate sustainability We deliver our purpose through a commitment to our people, a focus on diversity, equity and inclusion, and striving for a positive impact on society and the environment.	Introduce new human rights policy	**Human rights** – Published new policy	**Diversity** – Progress on targets at Board, Executive and senior manager level
	Maintain CarbonNeutral® certification	**Net zero** – CarbonNeutral® certification for operational Scope 1, 2 and business travel emissions	**Net zero** – CarbonNeutral® certification for operational Scope 1, 2 and business travel emissions
	Targeted ESG and diversity training completed	**Diversity training** – All new employees completed unconscious bias training	**Employee engagement** – Increased engagement via annual survey
	Encourage uptake of volunteering	**Volunteering** – 1,288 hours	

Sustainability governance

The Board of Directors of GAM Holding AG is ultimately responsible for our strategy, the stewardship of the Group's risk management systems and processes, and their governance and control. Antoine Spillman is the Board member responsible for climate and Jeremy Smouha is the Board member responsible for culture.

Board Committees consider those sustainability topics as appropriate and there is individual Board member responsibility for Culture and Climate.

Our Sustainability Committee, chaired by our Global Chief Sustainability Officer, oversees our strategy. The Sustainability Committee reports to the full Board and our Group Management Board on a quarterly basis.

Sustainability governance structure

GAM Holdings Board
Individual Board member responsibility for Culture and Climate

Group Management Board
Day-to-day management, oversight and control

Sustainability Committee
- Directs sustainability strategy
- Oversees responsible investment (RI) framework
- Reviews progress against commitments
- Escalation point for conflicts or exceptions
- Quarterly updates to GMB and Board

Cross-functional: Investments | Risk | Compliance | Product | Marketing | Distribution | Legal | Human Resources | Operations

Quarterly reporting

Global Investment Management Oversight Committee
- Monitors compliance with RI policies
- Oversees integration of ESG considerations
- Reviews voting and engagement
- Monitors external investment managers ESG DD

Key functions: Investments | Risk | Compliance

Risk Oversight Committee – responsible for risk management oversight throughout the Group
Regulatory Oversight Committee – responsible for overseeing compliance with applicable laws and regulations throughout the Group
Conflicts Committee – responsible for overseeing management of conflicts of interest throughout the Group

Source: GAM

Sustainability risk management framework

GAM recognises that the management of risk in all its aspects, including sustainability and climate risk, is essential to support the achievement of our business and strategic objectives. How sustainability and climate risk is managed is relevant to all stakeholders of GAM, including our clients, shareholders, employees, regulators and business partners, and is of interest to the wider financial services sector.

Our risk strategy is based on the belief that risk management is the responsibility of every employee every day, and that it must be integrated into GAM's strategy, capital allocation, decision-making as well as into routine operations. This includes relevant policies, procedures, monitoring and oversight. Risk awareness is at the heart of our strategic planning process and supports decision-making and the formulation and delivery of plans for the achievement of business and strategic objectives. Our risk management framework comprises risk appetite statements, which also include sustainability and climate risk appetite statements.

Dedicated Key Risk Indicators (KRIs) are used to measure and monitor adherence to the sustainability and climate risk appetite statements. The KRIs are tracked and reported through risk reports to various GAM companies' boards and committees. As dedicated research, methodologies and tools become available, and data offerings improve, GAM will further develop its sustainable and climate risk identification and measurement approaches. We are implementing the sustainability and climate risk management framework in line with the multi-year roadmap to which GAM has committed. We therefore consider the development and implementation of the sustainability and climate risk management framework an ongoing process.

Sustainability and climate risks – GAM has established its sustainability and climate risk register, which is periodically discussed, reviewed and updated. The system for monitoring exposure to sustainability and climate risks is focused on the use of indicators to signal a changed risk situation or the materialisation of climatic and environmental events, and therefore the need to assess their impact and possible mitigation measures. Assessment of sustainability and climate risk exposure is being integrated at the functional-level risk and control self-assessments.

We define sustainability and climate risk as any potential impact of an event and its probability of manifesting that result in an adverse effect on the Group's ability to achieve its long-term sustainable objectives, consequently failing to meet stakeholders' and regulators' expectations, and compromising GAM's reputation. We classify risks according to our risk universe, which comprises a range of sustainable and climate-related risks, the most relevant of which are described below.

- **Greenwashing risk** – Greenwashing refers to the inadequate representation of the sustainability profile of the investment solutions offered to clients, misleading them into believing that an investment solution is environmentally friendly or has a positive environmental impact. This risk is mitigated with the establishment of procedures that provide for independent review of how sustainability features are described in relevant investment solutions documents. We address this through a robust marketing governance framework and mandatory greenwashing awareness training for all employees; an updated module will be rolled out in 2024.
- **Non-compliance with sustainable investment objectives** – The risk that investment solutions do not comply with the sustainable investment rules and limits stated in a fund prospectus or in a mandate contract. A dedicated investment compliance monitoring team reviews all managed portfolios and mandates daily to ensure compliance with the existing sustainability investment restrictions.
- **Inadequate employee risk awareness** – Our risk strategy is based on the belief that risk management is the responsibility of every employee every day, and that it must be integrated into routine operations. Sustainability and climate risk is a relatively new field within risk management. Staff may have inadequate knowledge or awareness of the nature of these risks resulting in actions or behaviour not aligned with the Group's long-term sustainable objectives or risk appetite. Employees are required to undertake a minimum number of hours each year in ESG-related training available on the Group learning platform.
- **Climate-related risks** – Physical and transition climate risks could have a financial impact either directly, through the physical assets we operate or indirectly, through the agency relationships with our clients. These risks are varied, and include, but are not limited to, the risk of declines in values and/or liquidity of assets, business risk, decreased assets under management if clients decide to move assets away, increased defaults and reallocation of capital as a result of changes in global policies, and regulatory risk stemming from ongoing legislative and regulatory changes regarding climate risk management and best practices. As part of the ongoing effort to monitor such risk exposures, we are complementing our sustainability and climate risk management framework with specific climate risk measures.

CHAPTER 2: BUSINESS CONDUCT

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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. We seek to conduct our business in accordance with the highest standards – acting with honesty and integrity at all times – and we are committed to fostering and embedding a positive ethical, respectful and client-centric culture at all levels of the organisation.

Our Group Code of Conduct sets out how we do business and interact with our stakeholders, including clients, colleagues, shareholders, regulators and business partners. Compliance with this Code is not optional, and every employee is expected to read, understand and follow it, both in letter and in spirit. Given the importance of culture, Jeremy Smouha is the Board champion responsible for driving culture forward at GAM.

Financial crime prevention

GAM is committed to protecting the integrity of the financial system and society, applying a zero-tolerance approach to all areas of financial crime including, but not limited to, terrorism finance and bribery and corruption. While we recognise that it is not possible to remove financial crime risks in their entirety, we have in place appropriate and proportionate risk-based policies, procedures, systems and other controls to protect our clients, employees and other stakeholders by deterring, detecting and preventing those who would seek to use the Group or a GAM fund to facilitate any form of money laundering, any activity identified as a predicate offence to money laundering or broader financial crimes. This includes a dedicated financial crime prevention team supporting the Money Laundering Reporting Officers (MLROs) and senior staff responsible for local office regulatory positions managing anti-money laundering (AML) and financial crime matters. To ensure GAM staff maintain these standards, periodic training for financial crime-related areas is issued to all employees with 99.5% of employees completing their dedicated training on AML and financial crime prevention within the required time frame. For staff that did not complete training by the specified completion date, this was escalated to their manager to manage the completion of outstanding training.

Anti-bribery and corruption

All employees are expected to adhere to the letter and the spirit of applicable laws and regulations of the countries in which we operate, as well as with our own internal policies and procedures. We have no tolerance for corruption or bribery, and we do not accept or offer any payments, gifts or other advantages in the course of our business in breach of law or regulation. The controls in place ensure GAM maintains our commitment to detecting and preventing money laundering, terrorist financing, sanctions breaches, the facilitation of fraud, bribery, corruption and tax evasion, which support the financial crime framework.

Whistleblowing

A culture of openness and accountability is essential to support the highest standards of business conduct. GAM encourages employees to speak up in the knowledge that they will be listened to and safeguarded from any reprisals, victimisation, discrimination or disadvantage. Concerns can be raised either directly to a Whistleblowing Officer or anonymously via an external facility.

For the year 2023, there were no monetary losses relating to legal proceedings that are associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations.

CHAPTER 3: INVESTING RESPONSIBLY

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Our approach

Sustainability challenges such as climate change, nature loss and inequality, and the social, regulatory and market response to these challenges, continue to influence investment risks and opportunities at a systemic and asset level. We therefore believe that incorporating relevant ESG factors into investment decisions and our stewardship practices is integral to delivering better returns for our clients.

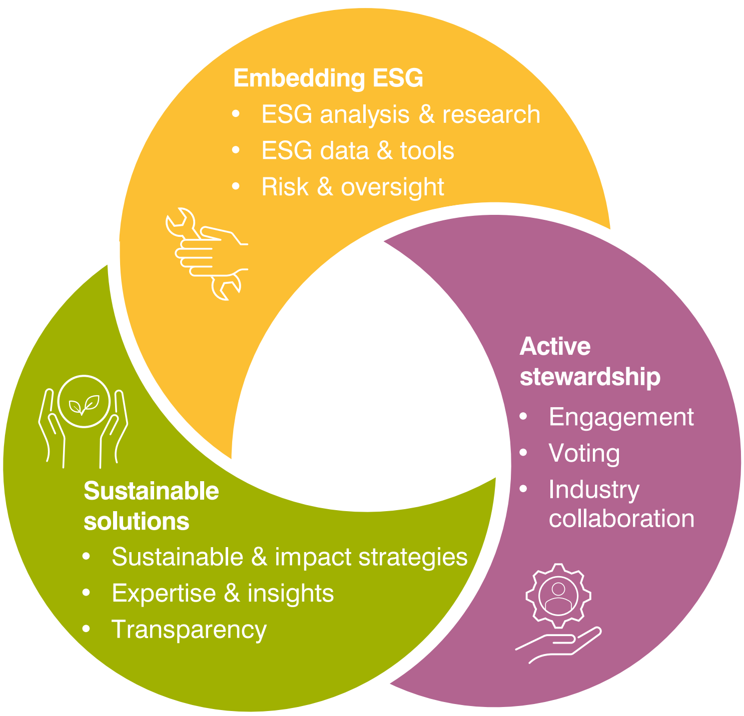
Our responsible investment approach incorporates three pillars that support our investment process and solutions to deliver on our clients' objectives.

We are proud to have been signatories to the Principles for Responsible Investment since 2014. While not directly comparable due to some changes in assessment methodology, we were pleased that our assessment improved for 2022 versus 2020. We have made significant improvements and are assessed as four stars (out of five) for our policy, governance and strategy, and all direct investments capabilities (other than SSA).

Signatory of:

PRI Principles for Responsible Investment

Responsible investment approach



Source: GAM

Embedding ESG

- **ESG analysis and research** – Our Global Responsible Investment (GRI) team acts as a centre of expertise on ESG issues, working alongside investment managers to support ESG research, engagement and voting as appropriate to the strategy and asset class.
- **ESG data and tools** – We source multiple external ESG data sources and third-party assessments to support our ESG analysis and research. We have developed an internal ESG dashboard on Bloomberg, in addition to proprietary tools as frameworks to support with specific analysis of Principal Adverse Impacts, assessing companies with minimal ESG data coverage and on specific themes such as climate (see Chapter 4 for details on our new Net Zero Alignment Tool). These are used by our GRI team and made available to investment managers.
- **Risk and oversight** – For our internally managed strategy, investment risk meetings incorporate a periodic review of ESG metrics where data permits. For external investment managers there is an annual ESG review and monthly reporting of ESG-related key risk indicators.

Active stewardship

Stewardship is a central pillar of our responsible investment strategy, supporting our investment decision-making by building a better understanding of how ESG risks and opportunities are managed and driving for positive change where we consider an issue requires specific action.

Our engagement and voting activities support our ESG integration, and our active collaboration within the investment industry is aimed at supporting a more sustainable investment industry and economy through development of best practise, knowledge sharing and shaping policy and regulation.

We are proud to meet the UK Stewardship Code signatory requirements, and are committed to the Singapore Stewardship Principles for Responsible Investors and Japan's Stewardship Code. In 2023, we committed to the newly launched Swiss Stewardship Code and aligning our reporting to these requirements in 2024.

Our Stewardship Reports can be viewed here and provide further details on our stewardship activities.

Engagement

Our engagement is driven both bottom-up as we identify specific issues at the asset level and top-down as we focus on key themes such as climate, nature, governance and human rights. Our engagement is either direct or part of a broader investor collaboration.

- **Direct engagement** – In 2023, we conducted 1,019 one-to-one or group meetings with 624 individual companies. 390 of these meetings (38%) involved ESG-related topics[1]. The dominant topic was environmental engagements, which represented 57% of all ESG-related engagements. Within those environmental engagements, climate change was the main theme, representing 72% of environmental engagements.
- **Collaborative initiatives** – We continue to actively participate in collaborative engagements where we consider this to be most effective. In 2023, this included CDP, Climate Action 100+, PRI Advance and joining Nature Action 100.

Direct engagement

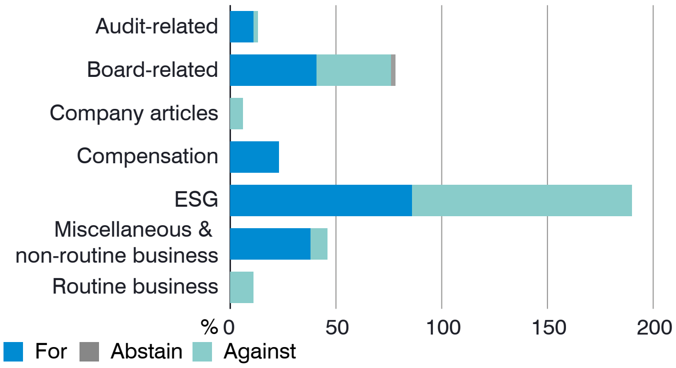
Source: GAM

Voting

Our corporate governance expectations and approach on key voting topics are outlined in our Corporate Governance and Voting Principles, and we aim to make our voting decisions for all our funds publicly available on a monthly rolling basis. In 2023, we introduced additional disclosure of our voting rationale where we voted against management. We take a considered and principles-based approach to our voting, recognising the individual company context and the importance of our vote in signalling our views to the Board. In 2023, we voted at a total of 912 meetings (2022: 1,079) representing 99.6% of all the votable meetings (2022: 99.3%). We voted on 11,216 unique resolutions in 2023, of which 10.8% were votes against management (14.4% in 2022). We supported 50.4% of the 367 shareholder resolutions we voted on in 2023 (2022: 73.1%).

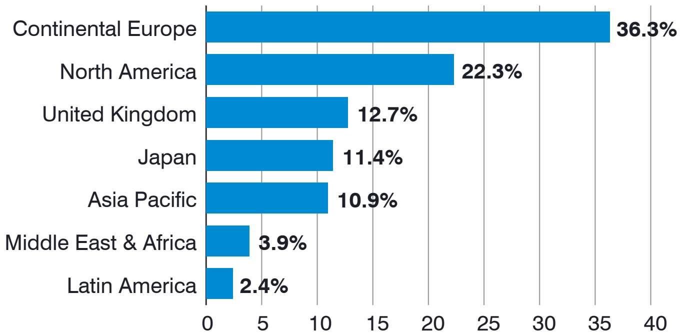
[1]Scope of engagement records includes all internally managed GAM equity funds and those corporate debt engagements conducted by Atlanticomnium (external manager). This covers over 95% of our equity funds and over 95% of our corporate fixed income funds. The data reported is based on recorded engagement data. Engagement themes are allocated based on the primary topic of the engagement. Most engagements will cover multiple ESG topics.

Voting by theme



Source: GAM

Votes by region



Source: GAM

Industry collaboration

GAM actively leads and participates in key industry initiatives and organisations to build knowledge, standards and integrity in the market. In 2023, this included:

- **Sustainable investment regulation** – Providing input on the EU SFDR Consultation and FCA Sustainability Disclosure Regime as part of our membership of the PRI Global Policy Reference Group and UK Investment Association Sustainable and Responsible Investment Committee, where we hold the position of Deputy Chair.
- **Climate transitions plans** – As a member of the UK Transition Plan Taskforce Asset Manager Working Group, we developed sector guidance on transition plans published in November 2023 and set to be finalised in 2024.
- **Industry education** – we piloted the CFA Certificate in Impact Investing. In addition to enhancing the expertise of the three GRI team members who passed the exam, we provided input into the development of this new qualification to build knowledge in impact investing.
- **Improving disclosure** – At COP28 we joined close to 400 organisations in supporting consistent, comparable climate-related disclosures in line with the ISSB Climate Standard.

Sustainable solutions

We are focused on ensuring that our products meet the evolving needs of our clients and are in line with changing sustainability disclosure and labelling regimes as they are introduced. Sustainability characteristics are an increasingly important consideration in our product management and development.

- **Sustainable and impact strategies** – This year we were proud to be awarded the Environmental Finance Green bond fund of the year award for our climate bond strategy launched in 2021; one of the first green bond funds to focus on issuances by European financial institutions. We produce an annual impact report and in 2022 received the Environmental Finance IMPACT award for our first Impact report. The EU Sustainable Finance Disclosures Regulation (SFDR) framework sets out sustainability-related disclosure requirements for financial market participants, financial advisers and financial products. As at year end 2023, 87% of our 'in scope' funds promote environmental or social characteristics and operate in accordance with Article 8 or Article 9 of SFDR[2].
- **Expertise and insights** – Our clients value our support in navigating the increasingly complex sustainability landscape. We launched a 'GAM Explains' series in 2022 unpacking various key sustainability developments, which has been well received. In 2023, this included articles on climate transition plans, Taskforce on Nature-related Financial Disclosures, green bonds and diversity.
- **Transparency** – we pride ourselves on clear and transparent client communication. This is particularly important for sustainability characteristics. We continue to provide clients with monthly ESG Summary and Extended reports. Reports include information on ESG ratings, climate metrics and details on UNGC breaches. These reports are available for over 89% of our equity and corporate debt by AuM[3]. 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' in 2022, which was assigned to our global employee population. This was updated in 2023.

[2]In Scope: Funds that are marketed in the EU. SFDR: Sustainable Finance Disclosure Regulation.

[3]At the time of publication, each ESG Summary and Extended report for our equity and corporate debt funds has at least 78% ESG data coverage by AuM. The funds for which ESG reports are available represent approximately two thirds of our total fund AuM.

CHAPTER 4: CLIMATE & NATURE

CHAPTER 4: CLIMATE & NATURE

A changing investment landscape

The need to decarbonise our economy remains critical if we are to avoid the worst impacts of climate change. Governments and the finance sector are starting to reorientate around this imperative via policy measures such as the US Inflation Reduction Act, the EU Green Deal and the Swiss Federal Climate and Innovation Act. However, navigating this transition, alongside the need for energy security and affordability, will not be straightforward.

As temperatures continue to rise, the physical impact and need to focus on adaptation also increases, alongside a growing understanding of the interconnectedness with halting and reversing nature loss. A failure in one sphere will cascade into the other and attaining net-zero will require addressing both. We know that thriving ecosystems help slow global warming, as oceans and land act as major carbon sinks. Similarly, a warming world exacerbates biodiversity loss, causing animals to move from their habitats and destroying healthy ecosystems.

Our net-zero commitment

The increasing awareness of the impact of climate change on the environment and societies is changing the investment landscape. Transitioning to net-zero is one of the greatest disruptions to the economy since the industrial revolution, and poses several significant risks while also giving rise to opportunities. At GAM we are committed to helping our clients to navigate this transition to a low-carbon economy by providing solutions to meet their objectives.

We joined the Net Zero Asset Managers (NZAM) initiative in 2021, committing to work in collaboration with our clients to reach net-zero greenhouse gas emissions by 2050 or sooner to limit warming to 1.5°C.

In 2022, we submitted our interim NZAM targets along with 169 asset managers who manage the equivalent of USD 21.8 trillion. In 2023, we submitted our first year of progress reporting via the PRI Assessment Report. NZAM now has more than 315 members and USD 57 trillion of assets under management[4].

[4]NZAM The Net Zero Asset Managers initiative. An international group of asset managers committed to supporting the goal of net -zero greenhouse gas emissions.

Climate and nature timeline

2018		Joined Climate Action 100+
2020	**Jun**	Joined the Institutional Investors Group on Climate Change (IIGCC)
2021	**Jan**	Became an Investor Signatory of CDP
	Feb	Became a formal supporters of TCFD (Task Force on Climate-related Financial Disclosures)
	Jul	Joined Net Zero Asset Managers (NZAM) initiative
	Sep	Launched GAM Climate Bond strategy
	Sep	Joined the Climate Bonds Initiative
	Oct	Introduced fund-level ESG summary reports with key climate metrics
2022	**Jan**	Formally support of the Transition Pathway Initiative (TPI)
	Feb	Published first voluntary TCFD-aligned report
	Mar	Joined Finance Sector Deforestation Action (FSDA) Initiative
	Mar	Invited to be Forum Member of the PRA-FCA Climate Financial Risk Forum
	Jul	Submitted out initial NZAM interim targets
	Sep	Became a signatory to the Powering Past Coal Alliance (PPCA) Finance Principles
	Dec	Environmental Finance IMPACT Award for our first Impact Report for our Climate Bond strategy
2023	**Feb**	Supported CDP Green Finance Accelerator initiative
	Mar	Joined IIGCC Net Zero Engagement Initiative
	Mar	Became a member of UK Transition Plan Taskforce (TPT) Asset Management Working Group
	Apr	Environmental Finance Green bond fund of the year award
	Jul	Use of Net Zero Alignment Assessment Tool (NZAAT) for company analysis and engagement
	Sep	Joined Nature Action 100

Our climate plan

	Investment integration	Active stewardship	Collaboration
Actions	Data and tools	Direct engagement	Policy and regulation
	Research and analysis	Collective engagement	Standards and frameworks
	Climate solutions	Voting	Supporting clients
2030 targets	**Decarbonisation target** Primarily through engagement, seek to achieve a 50% reduction in financed carbon emissions (carbon emissions per USD million invested attributed using EVIC)	**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	**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
Scope	The 2030 targets cover all funds classified as equity or corporate fixed income representing a third (32%) of GAM's Investment Management unit as at 29 December 2023. Asset classes not included in the scope of the targets include sovereign, mortgage-backed and insurance-linked securities, multi-asset and alternatives. This is mainly due to limitations in data availability and methodological developments.		

	Minimising direct operational impact		
	Renewable energy	**Business travel**	**Carbon offsetting**
Actions	Offices with excellent sustainability standards	Encouraging more sustainable transport options	GAM has been certified as a CarbonNeutral® company for its operational emissions since 2019
2025 targets	All GAM-managed global offices to be using 100% renewable electricity resources	Maintain our total distance travelled by air at a level at least 25% below our 2019 figures	200% carbon offsetting of our reported operational Scope 1, 2 and 3 emissions. We are committed to ensuring that any offsets meet the Oxford Principles for Net Zero Aligned Carbon Offsetting

Source: GAM

Progress on our plan

Pillar 1 – Investment integration

We believe climate change is a critical issue that will transform the economy, and the drive to decarbonise will 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. Progress this year includes:

- **Climate tools** – We developed our internal Net Zero Alignment Assessment Tool (NZAAT). Based on guidance including the IIGCC Net Zero Investment Framework (NZIF), Net Zero Investment Toolkit and multiple external data sources, the tool is designed to assess progress on net-zero alignment, prioritise and support engagement, and monitor progress against our targets. We incorporate our own data based on our engagements.
- **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. GAM's Sustainable Climate Bond strategy was named Green bond fund of the year at the Environmental Finance Awards in its first full year in existence. We will continue to respond to client demand for new products and solutions to support our clients in aligning to net-zero.

Progress on our Decarbonisation target – Financed carbon emissions (carbon emission per USD million invested attributed using EVIC) are significantly lower compared to our 2019 baseline. However, this does not account for changes in fund AuM or closure of certain funds. We are planning to report progress once there is an established approach to re-baselining.

Pillar 2 – Active stewardship

We consider engagement and voting to be key tools in supporting effective decarbonisation. Our engagement and voting efforts are focused on climate-related disclosure, setting science-based targets and decarbonisation strategies. This year we focused on:

- **Direct engagement** – Climate change was the dominant topic within our ESG engagements (covered in 41% of these engagements). We used our NZAAT to identify 26 priority companies, representing 76% of our financed emissions, as well as an additional 11 companies through our portfolio-level reviews.
- **Collaborative engagement** – This year we joined the CDP Green Finance Accelerator initiative, which aims to encourage greater reporting of SFDR-relevant climate and taxonomy data. Of the 2,200 EU companies that were sent a request, more than 500 companies responded. We also joined the IIGCC Net Zero Engagement Initiative, where we are engaging with four companies, and we continue our participation in Climate Action 100+. We engage through collaborative initiatives in line with our fiduciary duty.
- **Voting** – Our voting principles set expectations for appropriate disclosure and management of climate-related risks. We will also support shareholder resolutions where we consider these are proportionate and additive. In 2023, we supported 41% of climate-related shareholder resolutions (total of 44 resolutions) compared to 55% of 38 resolutions in 2022. We also voted in support of all five management resolutions (62% of 13 resolutions in 2022). While the pressure mounted for those companies looking to reduce Scope 3 emission targets, we preferred to strengthen our dialogue with our investee companies to support their target-setting process and progress against their transition plan, rather than expressing our concerns by supporting shareholder resolutions on this topic.

Progress on our engagement target – Sixty-four per cent of ‘in scope’ financed emissions in material sectors are either assessed as net-zero, aligned with a net-zero pathway (9% of financed emissions) or are the subject of direct or collective engagement and stewardship actions (55% of financed emissions).

Pillar 3 – Collaboration

As a result of our corporate engagement, we know that many of the barriers to driving further decarbonisation and a ‘just transition’ rely on policy and technology levers. We continue to selectively support policy engagement by organisations including IIGCC, the UK Investment Association and the PRI, alongside specific industry and multi-stakeholder initiatives. These include:

- **Powering Past Coal Alliance (PPCA)** – This alliance is formed of national, sub-national and finance sector members that advocate for no new coal investments and coal phase-out. Members include 57 countries, including the US, France and Norway, 51 sub-national governments and 33 finance sector institutions.
- **UK Transition Plan Taskforce (TPT) Asset Management Working Group** – Working with peers to develop sector-specific guidance on transition plans.
- **PRA-FCA Climate Financial Risk Forum** – Member of the Adaptation Working Group developing guidance and best practice.
- **Supporting ISSB standards** – At COP28 we joined close to 400 organisations in supporting consistent, comparable climate-related disclosures in line with the ISSB Climate Standard.

Progress on our net-zero alignment target – Achieving this target depends on our own engagement, that of the wider industry and the changing policy, demand and technology drivers. At the end of 2023, 44% of ‘in scope’ AuM in material sectors are considered to be achieving net-zero ‘aligned’ to net-zero, or ‘aligning’ to net-zero.

Climate disclosures

We voluntarily published our first TCFD-aligned report in 2022. We have continued to develop our disclosure and note the publication of the ISSB IFRS Standard 2, aligned with the TCFD recommendations, and the Swiss Climate Ordinance, which is effective from January this year. Our climate-related disclosure is in Chapter 7.

Nature and biodiversity

An often-quoted statistic from the World Economic Forum is that approximately half of the world's GDP, USD 44 trillion, is either moderately or highly dependent on the proper functioning of nature and its complex web of ecosystems. For investors, therefore, it is increasingly critical to understand the extent to which the companies they invest in are managing the risks posed by the degradation of nature (including biodiversity loss) – and what companies are doing to conserve the ecosystems they depend on.

Finance Sector Deforestation Action (FSDA) Initiative
Resource exploitation, including deforestation, is one of the five main drivers of nature loss. We have focused on this driver since joining the Finance Sector Deforestation Pledge in March 2022. As part of the Finance Sector Deforestation Action (FSDA) initiative, alongside over 30 other investors, we have committed to eliminate deforestation driven by agricultural commodities of palm oil, soy, beef, pulp and paper in our investment management portfolios by 2025, and continue to make progress on our milestones (see Chapter 7 for further details).

In 2023, we engaged with Marfrig, Nike, Oversea-Chinese Banking Corporation, Shiseido and Tesco alongside other investors in the initiative. The responsiveness and availability of disclosure currently differs significantly between companies. We are planning to continue this engagement in 2024.

Taskforce on Nature-related Financial Disclosures
The Taskforce on Nature-related Financial Disclosures (TNFD) recommendations were published in September 2023. In January 2024, over 320 publicly listed companies across multiple geographies and industry sectors, representing USD 4 trillion in market capitalisation, committed to early adoption of reporting against these standards.

Within our voting principles, we will consider voting against the Board Chair or other responsible directors of companies in high impact sectors that do not take proactive measures to address and disclose climate-related risks. We will be reflecting on TNFD-aligned disclosures in 2024.

Nature Action 100 – Engagement
In the summer of 2023, we joined the Nature Action 100 engagement as co-signatories, becoming part of a group of 190 institutional investors with USD 23.6 trillion in AuM or AuA. This initiative aims to address the crisis in nature and the shareholder value impact through engagement based on a set of corporate actions to protect and restore nature and mitigate the financial risk arising from nature degradation. The 100 companies selected for this engagement initiative are worth more than USD 9 trillion and span across eight sectors that were identified as high loss of habitat, resource overexploitation, soil degradation and water and waste pollution.

Developing our approach to nature
In 2023, we developed our in-house approach to identify companies that have high exposure to deforestation risk and currently have poor disclosure or performance. We use this to identify focus companies to initiate and continue engagement with companies in our investment management portfolios. To ensure good coverage of funds and scope of KPIs across different geographies, we include data from different data sources such as Forest 500, MSCI as well as CDP Forest.

Priority companies for engagement include companies with a low score in the Forest 500 ranking, low scores or no disclosure for the CDP Forest questionnaire, and companies with high exposure to biodiversity-sensitive areas. They also include companies who make a direct or indirect contribution to deforestation in sectors covered by Nature Action 100. We will continue to develop assessment tools and engage with priority companies in 2024.

CHAPTER 5: OUR PEOPLE

CHAPTER 5: OUR PEOPLE

Our business is built on the foundation of attracting and empowering the brightest minds to enable us to protect and enhance our clients' financial future. We believe that Diversity, Equity and Inclusion (DEI) are values that attract, develop and retain exceptional colleagues and strengthen our ability to deliver on our purpose.

Diversity, Equity & Inclusion

We believe that DEI is critical to our success and that by embracing it, we will nurture creativity, belonging and collaboration. We are committed to providing everyone at GAM the same opportunities to thrive, no matter their ethnicity, gender, sexual orientation, age, ability, nationality or religion. We want to create a diverse and inclusive workplace where all individuals feel valued, listened to, treated fairly and respected.

We aim to achieve this through leadership and a robust policy framework, building an inclusive culture and aiming for continual improvement.

Leadership and policies
Our CEO is accountable for DEI, supported by the Board, Group Management Board and senior leaders. We have a strong policy framework to support DEI within our Code of Conduct, Diversity and Inclusion policy and Compensation policy. This is also evident in our family-friendly suite of policies covering maternity, paternity and parental leave, group dignity at work and grievance procedures.

Inclusive culture
We strive for an inclusive culture where individuals can thrive as themselves. We support this through our employee-led Equals network, which has senior managment participation, and collaborates with external partners such as Talent Keepers and The Diversity Project to provide wider support and awareness. All new joiners complete unconscious bias training as part of their on-boarding, and for the last three years, there has been a performance objective cascaded from the CEO to all employees to demonstrate at least one action to support DEI at GAM.

Clear commitments
GAM signed the UK Women in Finance Charter in 2018 and joined Ireland's Women in Finance Charter in 2022. While we were on track to meet our previous gender diversity goal of 25% of senior management positions held by women by 2022, the significant changes to our Board and senior management following the Extraordinary General Meeting in September 2023 mean we currently have an all-male Board and Executive Committee.

We are committed to our business representing our diverse client base and the society in which we live and work. We recognise that setting public targets can encourage greater diversity, but it is the actions we take that will determine whether we build a high performing and inclusive culture and workforce.

We therefore commit to following goals and actions:

1. **Gender diversity goals**
   - Board – 30% by 2024[5]
   - Executive Committee (GMB) – 20% by 2026
   - Senior Managers – 25% by 2025
2. **Ethnic diversity** – we recognise the value of ethnic diversity in our workforce. To help inform our practices and foster an inclusive culture which recognises unrepresented groups, in 2024 we plan to engage with our employees to measure ethnic diversity at GAM.
3. **Inclusive hiring** – We plan to update our hiring policy to ensure we encourage applications and opportunities for a diverse talent pool.

Gender diversity

	2022		2023		Target
	Male (%)	Female (%)	Male (%)	Female (%)	(%)
Board of Directors	43	57	100	0	30% by 2024
Executive Committee (GMB)	75	25	100	0	20% by 2026
Senior management	78	22	85	15	25% by 2025
Line manager	64	36	68	32	
GAM overall	61	39	61	39	

Source: GAM

[5]The Board intends to recommend to shareholders the appointment of three female Board members at the 2024 AGM.

Talent acquisition & retention

We seek to identify the best candidates from the widest talent pool. This includes a commitment to supporting junior talent. We continued to support apprentice positions in Switzerland, the UK and Ireland, and broadened access to the finance sector through our continued support for the 10,000 Black Interns programme in 2023.

Learning and development opportunities, both to ensure our talent is suitably skilled to carry out their role within the company, and to develop their talents in ways to match the company's strategic objectives plays an important role in retention. We believe the development of an employee's skills, expertise and abilities is paramount to employee engagement and vital to the company meeting its future business goals. In 2023, employees completed an average of 18 hours of learning (25 hours in 2022); on average 2.4 hours focused on sustainability topics (4.6 hours in 2022). Providing career progression for our employees is an important part of retention. We were pleased that 12% of our positions in 2023 were filled through internal applications.

Understanding our employees' views and responding to feedback is central to building and maintaining our culture and engagement. As a result of the significant uncertainty within the business last year, we did not conduct our annual Global Employee Experience survey, as our focus was on regular direct communication with employees. In the first quarter of 2024, we will be partnering with WillisTowersWatson for our employee survey, the results of which we will use to identify focus themes and action for progress within 2024.

Employee health and wellbeing

We are focused on protecting the health, safety and wellbeing of our employees. We keep our workplaces safe by following health and safety rules, and provide support to our employees through our Employee Assistance Programme (EAP). The EAP is a confidential service which gives free unlimited access to GAM employees, their partners or spouses and all other members of their households to specialist information, consultants and counsellors 24 hours a day, 365 days a year. The consultants and counsellors offer information and impartial advice on a wide range of issues via telephone and if need be, face-to-face counselling. We recognise that 2023 presented an increased level of uncertainty for our employees and we are committed to open and transparent communication.

CHAPTER 6: OUR OPERATIONS

CHAPTER 6: OUR OPERATIONS

Human rights and modern slavery

In 2023, we published our human rights policy, committing to adopting responsible business practices consistent with the UN Guiding Principles that promote respect for human rights, including the rights enshrined in the Universal Declaration of Human Rights and eight Core International Labour Organisation (ILO) Conventions. We also adopt business policies and practices that protect the privacy and data security of our employees and clients.

We are also committed to ensuring that our supply chains are free of any slavery, human trafficking or child labour, and will not knowingly support or do business with any supplier who is involved in such activities.

Appropriate due diligence is conducted as part of our procurement process to assess the extent of exposure to the risk of Human Rights violations. This includes measures such as incorporation of questions into procurement documents covering the service provider's or supplier's working practices, or placing a contractual obligation on the service provider or supplier to comply with all applicable laws relating to human rights.

The measures are applied proportionately in accordance with the assessment of the level of risk associated with the supplier. Consideration is given to the nature of products or services and the locations in which those products are made, or services provided. All staff with responsibility for procurement from third-party suppliers receives appropriate training on their obligations and how best to meet those obligations.

Awareness training on modern slavery is also made available to new joiners and, on a biannual basis, to all of GAM's staff globally.

Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour – This regulation requires companies to comply with due diligence and reporting obligations in relation to minerals and metals from conflict-affected and high-risk areas, and in relation to child labour. GAM maintains a robust procurement process and following an assessment of GAM's business activities, country risk assessment and selected supplier risk assessments, GAM assessed that there are no products or services in relation to which there is a reasonable suspicion that they have been manufactured or provided using child labour. It is therefore concluded that no additional reporting obligations arise with respect to this regulation.

Direct environmental footprint

Our operational environmental impact is predominantly the result of the way we use our offices and our business travel. We select and upgrade our office footprint, which at the end of 2023, comprised 15 offices located in 14 countries, to meet high environmental standards. Our main offices in London, Zurich and Dublin where approximately 80% of our employees are located, are all certified to high building standards such as LEED (Leadership in Energy and Environmental Design), and BREEAM, the world's longest-established method of assessing, rating and certifying the sustainability of buildings.

Our actions focus on three areas:

- **Renewable energy** – All our offices with more than 15 employees use only electricity from renewable sources. At the end of 2023, 87% of our employees were based in office buildings which are known to source only renewable electricity (2022: 90%).
- **Business travel** – This is our largest source of operational Scope 3 greenhouse gas (GHG) emissions. We report emissions from business flights; emissions from car hire and rail when booked through our business travel agents are used to estimate our company-wide emissions. In 2023, our total distance travelled by air reduced by 29% and is down by over 80% since our baseline year of 2019.
- **Carbon offsetting** – We look to offsets where we cannot reduce our GHG emissions. 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 2024.

Our operational environmental data is reported in Chapter 7 under KPIs.

Minimising our direct environmental impact

	Minimising direct operational impact		
	Renewable energy	**Business travel**	**Carbon offsetting**
Actions	Offices with excellent sustainability standards	Encouraging more sustainable transport options	GAM has been certified as a CarbonNeutral® company for its operational emissions since 2019
2025 targets	All GAM-managed global offices to be using 100% renewable electricity resources	Maintain our total distance travelled by air at a level at least 25% below our 2019 figures	200% carbon offsetting of our reported operational Scope 1, 2 and 3 emissions. We are committed to ensuring that any offsets meet the Oxford Principles for Net Zero Aligned Carbon Offsetting

Source: GAM

Community impact

We are committed to supporting volunteering opportunities for employees, enabling them to give their time and skills to support the communities in which we live and work. We encourage all permanent employees and full-time contractors to take up to two paid volunteer days per year. The uptake was lower this year (27% of employees, compared to 43% of employees in 2022), in large part due to the challenging corporate backdrop for much of the year. However, over 1,200 hours were spent in total supporting our community, either individually or with colleagues, with activities taking place in almost every office location.

We also support charitable donations for organisations that are important to our employees. Donations decreased significantly last year, totalling CHF 2,480 (2022: CHF 106,135). We also support direct employee donations through a 'Give-As-You-Earn-Scheme' in the UK.

CHAPTER 7: DATA AND DISCLOSURES

CHAPTER 7: DATA AND DISCLOSURES

Swiss Code of Obligations – Index

Section 6: Transparency on Non-Financial Matters		
Article 964b – Purpose and content of the report		
The report on non-financial matters shall cover:		
Environmental matters, in particular the CO_2 goals	**Chapter 4: Climate and Nature** • Our net-zero commitment • Our climate plan • Nature and biodiversity **Chapter 6: Our operations** • Direct environmental footprint **Chapter 7: Data and disclosures** • Climate disclosures	 Page 21 Page 22 Page 24 Page 29 Page 34
Social issues	**Chapter 6: Our operations** • Human rights and modern slavery • Community impact	 Page 29 Page 30
Employee-related issues	**Chapter 5: Our people** • Diversity, Equity & Inclusion • Talent acquisition & retention • Employee health and wellbeing	 Page 26 Page 27 Page 27
Respect for human rights	**Chapter 6: Our operations** • Human rights and modern slavery	 Page 29
Combating corruption	**Chapter 2: Business conduct**	Page 15
The report shall include in particular:		
Description of the business model	**Introduction** • Our business model	 Page 7
Description of the policies adopted	**Chapter 7: Data and disclosures** • Policies and reports	 Page 41
Measures taken to implement these policies and an assessment of the effectiveness of these measures	**Chapter 2: Business conduct** **Chapter 3: Investing responsibly** **Chapter 4: Climate and nature** **Chapter 5: Our people** **Chapter 6: Our operations**	Page 14 Page 16 Page 20 Page 25 Page 28
Description of the main risks	**Chapter 1: Strategy and governance** • Sustainability risk management framework	 Page 10
Main performance indicators	**Chapter 7: Data and disclosures** • Key performance indicators	 Page 39
Section 8: Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour		
Article 964k – Due diligence		
GAM Investments does not import or process minerals or metals from conflict-affected and high-risk areas or offer products or services where there is a reasonable suspicion of child labour. **Further details available in Chapter 6: Our operations.**		

Climate disclosures

Our climate disclosures are based on the report 'Recommendations of the Task Force on Climate-related Financial Disclosures' as outlined in the Swiss Ordinance on Climate Disclosures (effective from 1 January 2024) and noting the ISSB Climate Standard.

GOVERNANCE

Requirement	Disclosure
Describe the board's oversight of climate-related risks and opportunities.	The Board of Directors of GAM Holding AG is ultimately responsible for our strategy, the stewardship of the Group's risk management systems and processes, and their governance and control. Climate-related risks are considered within the Board-level audit. Our Board Chair has individual responsibility for climate.
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). Dedicated Key Risk Indicators (KRIs) are used to measure and monitor adherence to the climate risk appetite statements. The KRIs are tracked and reported through risk reports to various GAM companies' Boards and Committees. As dedicated research, methodologies and tools become available, and the data offering improves, GAM will further develop its climate risk identification and measurement approaches. We consider the development and implementation of the sustainability and climate risk management framework an ongoing process.

STRATEGY

Requirement	Disclosure
Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.	Our business model focuses on delivering high performing and differentiated investment management strategies to wholesale, institutional and wealth clients globally, managed through in-house capabilities and external investment management partnerships. Climate-related risks are varied and include, but are not limited to, the risk of declines in values and/or liquidity of assets, business risk, decreased assets under management if clients decide to move assets away, increased defaults and reallocation of capital because of changes in global climate policies, and regulatory risk stemming from ongoing legislative and regulatory changes regarding climate risk management and best practices.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Physical and transition climate risks could have a financial impact either directly, through the physical assets we operate or indirectly, through the agency relationships with our clients. Our climate plan focuses on investment integration, active stewardship, industry collaboration to inform our investment and product development, and managing our operational impact.
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 following 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 and appropriate), and largest carbon emitters on a relative and absolute basis. These metrics are predominantly available for equity and corporate and sovereign fixed income asset classes. Periodic scenario analysis is conducted using MSCI Climate Value and Risk Analysis. These figures are reported below, however, we would highlight significant uncertainty with regard to the scenarios and the accuracy of the Value at Risk measurement. Details of the MSCI methodology are outlined in 'Additional Notes'. • **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 continue to integrate into our business continuity planning (BCP) specific BCP events linked to physical climate-related risks.

RISK MANAGEMENT

Requirement	Disclosure
Describe the organization's processes for identifying and assessing climate-related risks.	Climate-related risks are identified and assessed within our Climate Change Risk Register, which is reviewed annually by RIOC. The system for monitoring exposure to sustainability and climate risks is focused on the use of indicators to signal a changed risk situation or the materialisation of climatic and environmental events, and therefore the need to assess their impact and possible mitigation measures. Assessment of sustainability and climate risk exposure is being integrated at the functional-level risk and control self-assessments.
Describe the organization's processes for managing climate-related risks.	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. 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.
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 is 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, regular risk meetings are held with business departments to ensure any operational risks, incidents/issues are discussed and escalated appropriately, including any climate-related topics.

METRICS AND TARGETS

Requirement	Disclosure

Requirement: Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Disclosure:

We use several KPIs and metrics[6] to measure our exposure to risk:

- **Carbon Footprint Analysis** – we have selected the three most prominent carbon footprint calculation approaches to measure our exposure on an aggregate basis. We continue to use these three methodologies to track our year-on-year changes.
  These are the Weighted Average Carbon Intensity, Financed Carbon Emissions, which measures carbon footprint per million invested, and Financed Carbon Intensity, which measures the carbon intensity in the context of/ according to revenue. For 2023, we report on Scopes 1, 2 and 3 (separately) for equity and fixed income corporate credit and GHG intensity for fixed income sovereign, with coverage of more than 75%[7] across the three in scope asset classes[8].
- **Scenario Analysis** – climate scenarios can be a useful tool to identify and understand possible physical and transition to low carbon economy risks and opportunities over different time horizons. To stress test the portfolios, we selected two 1.5 NGFS transition scenarios and the IPCC RCP 8.5 physical risk scenario, which corresponds to a mean of 4.3°C global temperature increase. We report Climate Value at Risk (VaR) as calculated by MSCI. This approach has significant limitations but presents a quantitative value for those assets where there is coverage.
- **Operational** – we disclose energy-related emissions and renewable energy use (Scopes 1 and 2), and business travel by air (Scope 3). This data is provided in the KPI table on page 39.

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

Disclosure:

Operational emissions cover onsite natural gas heating (Scope 1), electricity from the grid (Scope 2) as well as business travel (Scope 3). A summary is provided in Table A below. Additional details are in the KPI table on page 39.

Table A: Operational GHG emissions

OPERATIONAL GHG EMISSIONS		2023	2022
GHG emissions (tCO_2e)	Scopes 1 and 2	107	186
	Scope 3	266	219

GAM investment-related emissions cover those emission associated with the investment management equity, corporate credit and sovereign credit assets (approximately one third of total assets) across Scopes 1, 2 and 3.

Tables B1 and B2 show the emissions using the WACI methodology for Equity and Fixed Income Corporate Credit in tCO_2e/CHFm sales, and Fixed Income Sovereign in tCO_2e/CHFm nominal GDP respectively.

Table B1: Equity and Fixed Income Corporate Credit WACI

WEIGHTED AVERAGE CARBON INTENSITY		2023		2022	
Allocation Base: EVIC		Equity	Fixed Income Corporate Credit	Equity	Fixed Income Corporate Credit
WACI (tCO_2e/ CHFm sales)[9]	Scope 1[10]	55	10	Scopes 1 and 2 reported on aggregate only in 2022	
	Scope 2	38	13		
	Scopes 1 and 2	93	23	67	31
	Scope 3[11]	639	657	547	473

Table B2: Fixed Income Sovereign WACI

FIXED INCOME SOVEREIGN		2023	2022
WACI (tCO_2e/ CHFm sales)[12]	GHG Emissions	909	754

We also calculate the emissions using footprint metrics based on investor allocation presented in Table C for Equity and Fixed Income Corporate Credit.

[6]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.

[7]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 collect or derive, and are generally better reported, than Scope 3. Furthermore, financial information such as EVIC may 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.

[8]In scope funds include Investment Management Funds classified as Equity, Fixed Income Corporate Credit and Fixed Income Sovereign reflecting holdings as at 29 December 2023. The funds in scope for 2023 exclude any funds closed during 2023. Mandates and other asset classes are also excluded.

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

[10]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).

[11]Indirect emissions are produced as a result 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).

[12]Measures the exposure of the funds to GHG-intensive economies using the weighted average intensity of the funds' sovereign constituents normalised by GDP.

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

Table C: Footprint Metrics Based on Investor Allocation

FOOTPRINT METRIC BASED ON INVESTOR ALLOCATION		**2023**		**2022**	
Allocation Base: EVIC		Equity	Fixed Income Corporate Credit	Equity	Fixed Income Corporate Credit
Financed Carbon Emissions (tCO_2e / (CHF)M invested)	Scope 1	26	9	Scopes 1 and 2 reported on aggregate only in 2022	
	Scope 2	13	3		
	Scopes 1 and 2	39	12	25	16
	Scope 3	270	152	218	124
Financed Carbon Intensity (tCO_2e / (CHF)M sales)	Scope 1	74	31	Scopes 1 and 2 reported on aggregate only in 2022	
	Scope 2	37	10		
	Scopes 1 and 2	111	40	80	60
	Scope 3	766	512	690	460
Total Financed Carbon Emissions (tCO_2e)	Scopes 1 and 2	30,246	10,401	109,281	78,324
	Scope 3	226,523	124,139	939,930	605,409

Table D: Climate Value at Risk metrics for aggregate Equity and Fixed Income Corporate Credit

SCENARIO ANALYSIS	**2023**		**2022**	
Scenarios	Equity	Fixed Income Corporate Credit	Equity	Fixed Income Corporate Credit
Transition Risk Scenario NGFS 1.5 Orderly	-9.10%	-0.50%	-2.61%	-0.57%
Transition Risk Scenario NGFS 1.5 Disorderly	-11.00%	-0.70%	-23.30%	-3.84%
Physical Risk Scenario IPCC RCP 8.5	-3.90%	0.00%	-16.36%	-3.96%

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

We joined the Net Zero Asset Manager (NZAM) initiative in 2021, committing to work in collaboration with our clients to reach net-zero greenhouse gas emissions by 2050 or sooner to limit warming to 1.5°C. We submitted interim targets for 2030 for decarbonisation, engagement and net-zero coverage for approximately one third of our investment management AuM.

The targets have not been externally validated but we plan to submit our targets to the Science Based Targets Initiative in 2024.

We have set operational targets for renewable energy use, business travel and carbon offsetting.

Further details on our net-zero commitment and progress on our climate plan are in Chapter 4. Details of progress on our operational targets are in Chapter 6.

Finance Sector Deforestation Action (FSDA) Disclosure

In 2022, we signed the financial sector commitment to eliminate commodity-driven deforestation. As part of this commitment, we committed to report on our progress against specific milestones. These are outlined below:

PROGRESS ON MILESTONES

Timeline	Milestone	Progress
2022	Assess exposure to deforestation risk	During the first year of the commitment we carried out an initial assessment of our exposure to commodity-driven deforestation using data from WWF and CDP Forest questionnaires. We also engaged with data providers to improve the availability and quality of data to analyse and assess biodiversity risk.
2023	Disclose deforestation risk and mitigation activities	We assessed investment management portfolios for exposure to deforestation risks using independent data sources, including CDP, Forest 500 and MSCI. This identified 21 companies that have potential exposure to deforestation risk through their supply chains. We have prioritised engagement (directly and through collaboration with FSDA and Nature Action 100) with Marfrig, Nike, Oversea-Chinese Banking Corporation, Shiseido, Nestle, AstraZeneca, L'Oreal and Novo Nordisk. Eight of the 21 companies published biodiversity-related policies in 2023. We will continue to develop assessment tools and engage with priority companies in 2024.
2025	Publicly report credible progress on the milestones	In progress

Key performance indicators

Chapter	Topic	KPI	2023	2022
Investing responsibly	Active stewardship	Votable meetings	916	1,087
		Meetings voted	912	1,079
		% meetings voted	99.56%	99.30%
		Total resolutions voted	11,216	12,515
		Total resolutions voted against management	1,209	1,801
		% of votes against management	10.80%	14.40%
		Shareholder resolutions voted	367	420
		Shareholder resolutions supported	185	307
		% of shareholder resolutions supported	50.40%	73.10%
		Number of engagements (one-to-one or group)	1,019	830
		Number of engagements on ESG themes	390	255
		Number of companies engaged	624	508
		Number of companies engaged on ESG themes	274	New
	Sustainable solutions	ESG Summary report coverage	> 89%	> 95%
Our People	Employees	Total headcount	469	541
		Average tenure of employees	9.7	8.5
		Average age	45	43
		Average experience of investment professionals	19 years	15 years
		Part-time employees	7.9%	7.8%
	Diversity, Equity and Inclusion	Permanent employees - split between men and women	M: 62% F: 38%	M: 61% F: 39%
		Board of directors - split between men and women	M: 100% F: 0%	M: 43% F: 57%
		Gender split GAM overall	M: 61% F:39%	M: 61% F: 39%
		Line manager split	M: 68% F: 32%	M: 64% F: 36%
		Senior management	M: 85% F: 15%	M: 78% F: 22%
		New joiner split	M: 67% F: 33%	M: 40% F: 60%
		Leaver split	M: 59% F: 41%	M: 67% F: 33%
		Family leave	457 weeks (M: 36% F: 64%)	321.5 weeks (M: 41% F: 59%)
	Talent acquisition and retention	Training hours (average per employee)	18.1	25.6
		ESG training hours (average per employee)	2.44	4.6
		Voluntary turnover rate	18%	20.8%
		Involuntary turnover rates	3%	7%
		Retention within 12 months of starting	94%	94%
	Employee health and wellbeing	Health & Safety Incidents (Reported incidents)	All Offices: 0	London: 1 Cambridge: 0 Dublin: 0 Zurich: 0
Our Operations	Direct environmental impact	Energy use (Scope 1) - Heating natural gas (MWh)	350	602
		Energy use (Scope 2) - Electricity consumption (MWh)	596	979
		Percentage renewable electricity	86%	86%
		Energy use (Scope 1 & 2) - Total energy consumption (MWh)	946	1,581
		Business travel – flights (km)	1,031,417	1,454,235
		GHG emissions - Scope 1 & 2 (tCO_2 e)	107	186
		GHG emissions - Scope 3 (tCO_2 e)	266	219
		Total GHG emissions - Scope 1,2 & 3 (tCO_2 e)	373	405
		Total GHG emissions (tCO_2 e) per FTE	0.78	0.74
		Total carbon offsets purchased (tCO_2 e and percentage)	745 (200%)	802 (200%)
	Climate disclosures	Investment related climate metrics	Pages 34-37	Pages 34-37
	Our community	Volunteering (percent employees volunteering)	27% of employees	43% of employees
		Volunteering hours	1,288	2,310
		Total charitable donations (CHF)	2,480	106,000
		Political donations (CHF)	0	0

All data is as at 31 December 2023 unless otherwise stated. Additional notes and definitions are provided in the next section 'Additional notes and definitions'.

Additional notes and definitions

Chapter 3: Investing responsibly

- **Engagement** – At GAM, we define engagement as active and purposeful dialogue with current or potential investment targets, such as companies, government and municipalities, with the underlying objective to meet our stewardship obligations to protect and enhance long-term investor value for our clients. For our internally managed funds, all engagements are recorded in Bloomberg. For our externally managed funds, methods of recording engagement and availability of data varies. We chose to include Atlanticomnuim engagements in our report due to strong data availability.

Chapter 5: Our people

- Total headcount – measured as permanent employees
- Training hours – data includes those employed as at end December 2023

Chapter 6: Our operations

- **Our direct environmental footprint** – Carbon emissions from homeworking - homeworking has reduced substantially and the related emissions are extremely difficult to measure with any accuracy. Once the mitigating factor of a reduction in commuting is taken into account, homeworking is not considered to be a material source of Scope 3 emissions for GAM, and will no longer be reported.

Chapter 7: Data and disclosures

Climate disclosures

General

- **Investment coverage** – For carbon footprint analysis (Tables B1, B2 and C) the selected asset classes for 2023 are aggregate investment management fund assets classified as equity, fixed income corporate credit and fixed income sovereign funds reflecting holdings data as at the end of December 2023. 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 investment management AuM. For scenario climate value at risk analysis (Table D), the methodology is only available for our equity and fixed income credit holdings. This scope covers 28% of total GAM AuM. The funds in scope differ from 2022, as the 2023 scope excludes any funds that closed during 2023.
- **Carbon footprint metrics definitions and methodology** can be found in CARBON FOOTPRINTING 101, MSCI methodology document.
- **EVIC** is Enterprise Value Including Cash
- **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 IPCC RCP 8.5[13] for the Physical Climate Scenario. The Climate VaR percentage represents the costs (negative value) or profits (positive value) of the aggregated funds' 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

- **Data estimation** – our primary carbon data provider is MSCI. Estimations are applied where there are data gaps. A larger proportion of companies report on Scope 1 and 2 emissions while fewer 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** – MSCI is the primary source for carbon emissions data. We are therefore dependent on MSCI for coverage and accuracy of the data. MSCI provides estimates for certain carbon related metrics based on their models. 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 coverage** – 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 illustrate the carbon intensity of a portfolio at the point of analysis, using historic data. Carbon footprint calculations can provide a year-on-year change for the portfolios, but supplementary information such as Climate VaR as well as company engagement is needed for a fuller assessment.
- **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 expressing values in the current market value for a time horizon until the end of 2100. All models are highly dependent on the assumptions made. The potential limitations of the NGFS Orderly and Disorderly scenarios[14] include the reliance on carbon removal technologies that are not yet available or deployed at scale. Physical Risk CVaR is based on IPCC RCP 8.5 and uses different modelled scenarios with different probability distributions, drivers such as modelled outputs or historical data extrapolation[15]. Furthermore, the models used do not take into account the responses from investee companies with regard to their climate-specific actions.

[13] Intergovernmental Panel on Climate Change Representative Concentration Pathway (RCP) 8.5.

[14] NGFS FAQ including limitations and dependencies of scenario analysis.

[15] IPCC RCP Limitations.

Policies and reports

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:

Reports:

- 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

Policies:

- Code of conduct
- Corporate governance and voting principles
- Diversity and inclusion
- Engagement
- Financial crime
- Global talent and development
- Health and safety
- Human rights
- Information security
- Responsible investment framework
- Tax strategy
- Whistleblowing

Memberships and initiatives

Here are selected industry bodies, standards and organisations we support and/or collaborate with to improve sustainability practices across the market.

Access to Medicine	ESG	Supporter Q1 2018
Access to Nutrition	ESG	Supporter Q1 2018
ACGA	ESG	Member Q4 2020
CDP	ESG	Signatory Q1 2021 Participant in collaborative engagement initiatives
Climate Action 100+	ESG	Signatory Q1 2018 Member of the Global Steering Committee
Climate Bond Initiative	ESG	Partner since Q3 2021
30% Club	ESG	Member 2018 (Ireland)
Finance Sector Deforestation Action Pledge	ESG	Signatory Q1 2022
EUROSIF	ESG	Member Q4 2020
FCA Climate Financial Risk Forum	ESG	Member Q2 2022
Human Rights Investor Alliance	ESG	Member Q2 2021
ICGN	ESG	Member Q3 2020
IIGCC	ESG	Co-Chair of the Corporate Programme
UK Investment Association	ESG	Member Q1 2002 Deputy Chair Sustainable and Responsible Investment Committee Member TCFD Implementation Forum Member Product Development and Regulation Committee
Japan Stewardship Code	ESG	Signatory 2021
Know the Chain	ESG	Supporter Q1 2022
Mining and Tailings Safety Initiative	ESG	Signatory Q1 2019
Net Zero Asset Managers Initiative	ESG	Signatory Q3 2021
Powering Past Coal Alliance (PPCA) Finance Principles	ESG	Member Q3 2022
Singapore Stewardship Code	ESG	Signatory Q2 2021
Swiss Stewardship Code	ESG	Supporter Q4 2023
Swiss Sustainable Finance (SSF)	ESG	Member Q4 2019
Task Force on Climate-related Financial Disclosures (TCFD)	ESG	Supporter Q1 2021
Transition Pathway Initiative	ESG	Supporter Q4 2021
UK Stewardship Code	ESG	Signatory since 2021
UKSIF	ESG	Member Q4 2020
UN Global Compact	ESG	Signatory Q3 2021
UN Principles for Responsible Investment (UN PRI)	ESG	Signatory Q4 2014 Member of Global Policy Reference Group Supporting PRI Advance Initiative
US Managed Funds Association (MFA)	ESG	Member ESG working group Q1 2022
Women in Finance Charter - Ireland	ESG	Signatory 2022
Women in Finance Charter - UK	ESG	Signatory 2018
World Benchmarking Alliance	ESG	Supporter of the Ethical AI engagement initiative Q3 2022

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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).

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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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