



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on climate change</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on climate change</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on climate change</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on climate change</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

# RI TRANSPARENCY REPORT

## 2020

Pictet Asset Management

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	n/a							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Private	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	✓	Private	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Private		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Private		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	✓	Private	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year`s PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year`s PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	✓	Public							✓
CM1 07	Internal verification	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							



# Pictet Asset Management

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Switzerland

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

990

**OO 02.4** Additional information. [Optional]

Please note data refer to Pictet Asset Management as a whole.

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		201	705	387	182
Currency	CHF				
Assets in USD		202	139	919	293

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 04.5** Additional information. [Optional]

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

OO 06.1	Select how you would like to disclose your asset class mix.
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- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	>50%	0
Fixed income	10-50%	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	<10%	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	10-50%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2	Publish asset class mix as per attached image [Optional].
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**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

**OO 09** **Mandatory** **Public** **Peering** **General**

**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

	Developed Markets
86	
	Emerging Markets
12	
	Frontier Markets
2	
	Other Markets
0	
	Total 100%
100%	

**Asset class implementation gateway indicators**

**OO 10** **Mandatory** **Public** **Gateway** **General**

**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Hedge funds

- We address ESG incorporation.
- We do not do ESG incorporation.

Money market instruments

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12	Mandatory	Public	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Closing module

- Closing module

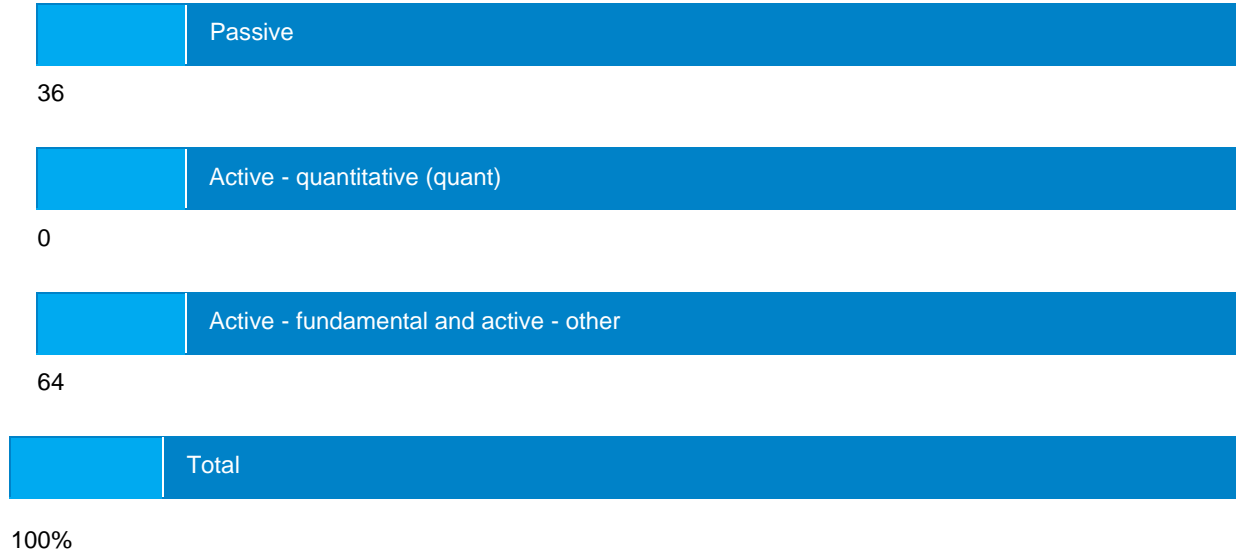
Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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**OO LE  
01.1**

Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

**Percentage of internally managed listed equities**



OO FI 01	Mandatory to Report	Voluntary to Disclose	Public	Gateway	General
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**OO FI 01.1**

Provide a breakdown of your internally managed fixed income securities by active and passive strategies



<b>SSA</b>	<table border="1"> <tbody> <tr> <td data-bbox="496 221 619 282">7</td> <td data-bbox="619 221 1474 282">Passive</td> </tr> <tr> <td data-bbox="496 365 619 425">0</td> <td data-bbox="619 365 1474 425">Active - quantitative (quant)</td> </tr> <tr> <td data-bbox="496 508 619 568">93</td> <td data-bbox="619 508 1474 568">Active - fundamental and active - other</td> </tr> <tr> <td data-bbox="496 651 619 712">100%</td> <td data-bbox="619 651 1474 712">Total</td> </tr> </tbody> </table>	7	Passive	0	Active - quantitative (quant)	93	Active - fundamental and active - other	100%	Total
7	Passive								
0	Active - quantitative (quant)								
93	Active - fundamental and active - other								
100%	Total								
<b>Corporate (financial)</b>	<table border="1"> <tbody> <tr> <td data-bbox="496 808 619 869">26</td> <td data-bbox="619 808 1474 869">Passive</td> </tr> <tr> <td data-bbox="496 952 619 1012">0</td> <td data-bbox="619 952 1474 1012">Active - quantitative (quant)</td> </tr> <tr> <td data-bbox="496 1095 619 1155">74</td> <td data-bbox="619 1095 1474 1155">Active - fundamental and active - other</td> </tr> <tr> <td data-bbox="496 1238 619 1299">100%</td> <td data-bbox="619 1238 1474 1299">Total</td> </tr> </tbody> </table>	26	Passive	0	Active - quantitative (quant)	74	Active - fundamental and active - other	100%	Total
26	Passive								
0	Active - quantitative (quant)								
74	Active - fundamental and active - other								
100%	Total								
<b>Corporate (non-financial)</b>	<table border="1"> <tbody> <tr> <td data-bbox="496 1397 619 1458">6</td> <td data-bbox="619 1397 1474 1458">Passive</td> </tr> <tr> <td data-bbox="496 1541 619 1601">0</td> <td data-bbox="619 1541 1474 1601">Active - quantitative (quant)</td> </tr> <tr> <td data-bbox="496 1684 619 1744">94</td> <td data-bbox="619 1684 1474 1744">Active - fundamental and active - other</td> </tr> <tr> <td data-bbox="496 1827 619 1888">100%</td> <td data-bbox="619 1827 1474 1888">Total</td> </tr> </tbody> </table>	6	Passive	0	Active - quantitative (quant)	94	Active - fundamental and active - other	100%	Total
6	Passive								
0	Active - quantitative (quant)								
94	Active - fundamental and active - other								
100%	Total								

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	54
	Emerging markets	46
	Total	100%

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# Pictet Asset Management

## Reported Information

### Public version

### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 01.1**

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

**SG 01.2**

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) <b>Risk Management</b> <input checked="" type="checkbox"/> Other, specify(2) <b>Reporting to clients</b>	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

We are convinced that Environmental, Social and Governance (ESG) considerations can help us make better long-term investment decisions for our clients.

For decades, sustainability has been central to our way of thinking. Since the Pictet Group was founded in 1805, we have aimed to ensure the prosperity of our clients over the long term. In doing so, we have instinctively considered the interests of future generations.

Pictet Asset Management believes in responsible capitalism and takes an enlarged view of the economy and its interactions with civil society and the natural environment.

Consistent with our fiduciary duty to act in the best interests of our clients and our adherence to the UN Principles for Responsible Investment (UN PRI), we are committed to integrating material ESG criteria in our investment processes and ownership practices with a view to enhance returns and/or mitigate risks. We also aim to embed ESG in our risk management and reporting tools in order to maintain high standards of transparency and accountability.

Our commitment to responsible investment is supported by a set of basic principles covering six domains: Investment process, Active ownership, Exclusion toolbox, Risk management, Portfolio reporting, Marketing & Communication.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Our commitment to responsible investment is supported by a set of basic principles covering six domains:

1. Investment process: Material ESG issues are embedded in research and investment processes with a view to enhance returns and/or mitigate risks. To help integrate ESG factors all investment professionals have access to a wide range of ESG data from various providers. Each provider was selected for its leading edge on specific ESG datasets.
2. Active ownership: Voting rights are exercised systematically in the best interest of our clients. Where appropriate, we engage with corporate and sovereign issuers in order to positively influence ESG performance.
3. Exclusion toolbox: Pictet Asset Management implements an exclusion policy on companies involved in the production of anti-personnel mines, cluster munitions, biological & chemical weapons (including white phosphorous) and nuclear weapons from countries not signatory to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).
4. Risk Management: ESG forms an integral part of risk management. Investment teams monitor ESG news flow of relevant issuers and take action where material changes occur. Investment Risk team provides quantitative information and qualitative comments on portfolio ESG characteristics in Quality Reviews.

5. Portfolio reporting: Relevant ESG metrics and qualitative comments are being included in standard reports of products/strategies that integrate ESG in their investment process.

6. Marketing & Communication: ESG metrics at portfolio level are developed by the Reporting team with the support of the ESG team. ESG features such as Proxy voting activity, Carbon footprint, Governance profile, Controversy profile are included in relevant marketing material and internal & external communications.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
--	-----

<https://www.am.pictet/en/globalwebsite/our-company/about-us>

Attachment (will be made public)

Formalised guidelines on environmental factors

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

Fiduciary (or equivalent) duties

	URL/Attachment
--	----------------

URL

	URL
--	-----

<https://www.am.pictet/en/globalwebsite/our-company/about-us>

Attachment (will be made public)

Sector specific RI guidelines

Screening / exclusions policy

	URL/Attachment
--	----------------

URL

URL

<https://www.group.pictet/about/responsible-investing>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

<https://am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/active-ownership-report>

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

<https://am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/active-ownership-report>

Attachment (will be made public)

Other, specify (1)

Other, specify (2)

We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<https://www.am.pictet/en/globalwebsite/global-articles/2017/pictet-asset-management/sustainability>

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

<https://www.group.pictet/about/responsible-investing>

- Attachment
- ESG incorporation approaches

URL/Attachment

- URL

URL

<https://www.am.pictet/en/globalwebsite/global-articles/2016/pictet-asset-management/sustainability-and-investments-nov2015>

- Attachment
- Active ownership approaches

URL/Attachment

- URL

URL

<https://am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/active-ownership-report>

- Attachment
- Reporting

URL/Attachment

- URL



URL

<https://www.am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/proxy-voting>

Attachment

We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
---------	---

Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
---------	---

Pictet Asset Management has taken reasonable steps to identify potential conflicts of interest. We take all appropriate measures to manage any conflicts of interest arising, which includes the following:

- Separation of the fund management and dealing functions
- Research Commission Governance Committee oversight
- The pre-allocation of orders
- A fair trade allocation policy. Where orders that cannot be executed in full, reduced allocations are normally made on a pro-rata basis, unless this would result in uneconomic allocations to clients
- Fair allocation of investment ideas
- Side-by-side management (performance fee funds vs non-performance fee funds)
- Trading with affiliates only where permitted by clients, and where best execution can be obtained and monitored
- Reconciliation of commission volumes traded via Commission Sharing Agreements
- Periodic review and assessment of services paid under CSA arrangements to ensure eligibility
- No proprietary trading
- A strong Code of Ethics imposing strict rules on staff personal trading and the giving or receipt of gifts or entertainment, including the prior approval of the Compliance department.

Our Compliance department undertakes regular monitoring to provide assurance to senior management that conflicts of interest are effectively assessed and managed.

No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
-------	-----------	--------	-----------------------	---------

**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2**

Additional information. [Optional]

Responsible investment objectives and achievements are reviewed twice a year by the Pictet Sustainability Board and Pictet Asset Management ExCo.

## Governance and human resources

**SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
Investment team Heads

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)

#### Other description (1)

##### Risk & Performance and Compliance teams

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

#### Other description (2)

##### Reporting team

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

#### SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Pictet Asset Management's ESG Team leads and co-ordinates implementation of our responsible investment policy, including ESG integration in investment processes, ownership practices, risk management and reporting tools. The ESG Team (3 people) reports directly to Sébastien Eisinger, Managing Partner Pictet Group, Co-CEO Pictet Asset Management and Head of Investments.

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

Number

40

**SG 07.4**

Additional information. [Optional]

Pictet Asset Management's ESG Team leads and co-ordinates implementation of our responsible investment policy, including ESG integration in investment processes, ownership practices, risk management and reporting tools. The ESG Team (3 people) reports directly to Sébastien Eisinger, Managing Partner Pictet Group, Co-CEO Pictet Asset Management and Head of Investments.

Issuer-specific research on material ESG factors is carried out as part of the research process of all long only investment teams based on a combination of third-party research and proprietary assessment. For environmental, social & best-in-class strategies, this is conducted by over 50 investment managers & analysts. For conventional strategies, ESG factors are integrated by over 200 investment professionals.

## Promoting responsible investment

**SG 09****Mandatory****Public****Core Assessed****PRI 4,5****SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

### Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Moderate

Advanced

Asian Corporate Governance Association

Australian Council of Superannuation Investors

AVCA: Sustainability Committee

France Invest – La Commission ESG

BVCA – Responsible Investment Advisory Board

CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

In 2019, Pictet Asset Management actively participated in 4 collaborative engagements with a Swiss mining company, a Russian metals and mining company, a German Utilities company and a German automaker.

- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our Head of ESG is on the steering committee of IIGCC Solution Program .

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
FNG, UKSIF, SpainSIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify  
Swiss Sustainable Finance (SSF), Sustainable Finance Geneva (SFG)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Pictet is a founding member and Board member of SSF.

We are co-leading SSF's working group on wealth and asset management. SSF workgroups are an important instrument to strengthen member relationship and to expand the working capacity of SSF.

We are also a corporate sponsor and board member of SFG.

- Other collaborative organisation/initiative, specify  
EFAMA working group on sustainable investment

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Several ESG training sessions: (i) for existing and potential clients, (ii) for investment managers & analysts

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Description

Provided input to the Certificate of Advanced Studies in Sustainable Finance

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided input and/or collaborated with academia on RI related work

#### Description

Published paper in academic journal: "Towards defining an environmental investment universe within planetary boundaries"

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment

#### Description

Institutional Client conferenes in Zurich, London and Geneva

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Wrote and published in-house research papers on responsible investment

#### Description

Pictet Asset Management Secular Outlook



Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Contributed to IIGCC response to FSB TCFD consultation

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published articles on responsible investment in the media

Description

Sustainability: what investors can learn from the UN and the Nobel prize

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- A member of PRI advisory committees/ working groups, specify

Description

Member of the UNPRI hedge fund working group

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

Swiss Sustainable Finance

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Other, specify

specify description

Open letter to index providers

Description

In August 2018, Pictet spearheaded an initiative to exclude controversial weapons from mainstream indices

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
----------------	---

**Open Letter to Index Providers**

Pictet, together with Swiss Sustainable Finance, is leading an initiative to put pressure on index providers to remove controversial weapon manufacturers from mainstream indices. The initiative, launched in August 2018, secured the backing of 173 signatories controlling over USD 9 trillion and including international asset owners and managers (as of October 2019).

**CFA ESG certificate**

Several members of Pictet participated in the pilot program of the certificate in ESG investing from the CFA Society of the UK and provided feedback.

**Outsourcing to fiduciary managers and investment consultants**

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 12.1</b>	Indicate whether your organisation uses investment consultants.
----------------	---

- Yes, we use investment consultants
- No, we do not use investment consultants.

**ESG issues in asset allocation**

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

**Communication**

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2, 6</b>
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<b>SG 19.1</b>	Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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	Listed equity - Incorporation
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Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

<b>Disclosure to clients/beneficiaries</b>	
	<p>Disclosure to clients/beneficiaries</p> <ul style="list-style-type: none"><li><input type="radio"/> Broad approach to ESG incorporation</li><li><input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used</li></ul>
	<p>Frequency</p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Quarterly or more frequently</li><li><input type="checkbox"/> Biannually</li><li><input type="checkbox"/> Annually</li><li><input type="checkbox"/> Less frequently than annually</li><li><input type="checkbox"/> Ad-hoc/when requested</li></ul>

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	<a href="https://www.am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/active-ownership-report">https://www.am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/active-ownership-report</a>

**Listed equity – (Proxy) Voting**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management
Frequency	<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested
URL	<a href="https://www.am.pictet/en/uk/articles/2016/uk-stewardship-code">https://www.am.pictet/en/uk/articles/2016/uk-stewardship-code</a>
URL	<a href="https://www.am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/proxy-voting">https://www.am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/proxy-voting</a>

**Fixed income**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

<b>Disclosure to clients/beneficiaries</b>	
	<p><b>Disclosure to clients/beneficiaries</b></p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
	<p><b>Frequency</b></p> <p><input checked="" type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>

**Hedge Funds**

**Do you disclose?**

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

# Pictet Asset Management

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 01	Mandatory	Public	Gateway	PRI 1
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**LEI 01.1**


Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)


- Screening alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 2
---	---

- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 88
---	--

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 10
---	--

- We do not apply incorporation strategies

Total actively managed listed equities

100%

**LEI 01.2**

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

At Pictet Asset Management we offer a complete spectrum of investment solution that incorporate ESG factors in multiple ways. These include:

1. ESG Integration into long-only strategies (eg equity & fixed fincome long only strategies). This is driven by our conviction that ESG considerations can help us make better long-term investment decisions.
2. Best-in-class strategies (eg European Sustainable Equities, Emerging Sustainable Equities, Swiss Sustainable Equities, Global Sustainable Credit, Sustainable EMD Blend). These are designed for clients who wish to actively support and benefit from superior corporate responsibility.
3. Environmental/ Social thematic strategies (eg Global Environmental Opportunities, Nutrition, Clean Energy, Timber, Water, Smart City, Biotech, Health). These offer the possibility to invest in products and services that provide solutions to environmental problems. ESG factors are fully integrated into company analysis.

In all three cases we apply a firm-wide exclusion of companies involved in controversial weapons.

**LEI 01.3**

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

**"Screening alone"** include strategies which implement a best-in-class approach. Additionally, we apply a firm-wide exclusion of companies involved in controversial weapons.

**"Screening and integration strategies"** include our conventional strategies which integrate ESG factors into their investment decision process and exclude companies involved in controversial weapons. Additionally, we apply a firm-wide exclusion of companies involved in controversial weapons.

**"All three strategies combined"** include our Environmental & Social thematic strategies. These invest in companies with clear and strategic exposure to companies that contribute to solve environmental / social challenges through innovation, technology and intelligent use of natural resources. ESG considerations are integrated in the fundamental analysis of companies and have a direct impact on the holding weights in the portfolio. Additionally, we apply a firm-wide exclusion of companies involved in controversial weapons.

## (A) Implementation: Screening

LEI 04

Mandatory

Public

Descriptive

PRI 1

**LEI 04.1**

Indicate and describe the type of screening you apply to your internally managed active listed equities.

**Type of screening**

- Negative/exclusionary screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

- All Pictet Asset Management: Exclusions of controversial weapons (anti-personnel landmines and cluster munitions)
- Sustainable equities funds: Armament, nuclear, tobacco, gambling, GMOs, adult entertainment
- Sustainable corporate fixed income funds:gaming, tobacco, alcohol, adult entertainment, defence
- Environmental thematic funds: ad-hoc exclusions depending on strategy (e.g. GMO, coal/oil, weapons)

Positive/best-in-class screening

**Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
-------------

Best-in-class strategies also apply negative/exclusionary screens.

Norms-based screening

**Screened by**

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Description
-------------

We subscribe to controversy analysis of around 12'000 companies. Key areas covered include Environment Supply Chain Incidents, Operations Incidents, Product & service Incidents, Business Ethics Incidents, Governance Incidents, Public Policy Incidents, Customer Incidents, Special Supply Chain Incidents and Society & Community Incidents. Companies with the worst ratings are deemed to be in breach with the UN Global Compact Principles, UN Guiding Principles on Business and Human Rights, International Labor Organization Conventions and United Nations Convention Against Corruption.

LEI 04.2

Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

Screening criteria are reviewed on a regular basis in line with new ESG issues (e.g. Industry standards, policy and regulatory developments) and communicated through our standard marketing material.

LEI 05

Mandatory

Public

Core Assessed

PRI 1

LEI 05.1

Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify  
Whenever we identify a problem we systematically feed it back to our research provider for corrective and preventive action.
- None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.3

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

### (B) Implementation: Thematic

LEI 07

Mandatory

Public

Descriptive

PRI 1

**LEI 07.1** Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

**LEI 07.2** Describe your organisation's processes relating to sustainability themed funds. [Optional]




Our environmental / social theme funds integrate ESG considerations into the investment process in three ways.

1. A strict theme definition by which we only invest in companies with clear and strategic exposure to the underlying environmental/ social theme (typically above 20%).
2. Furthermore, we integrate ESG consideration in our assessment of management quality and business franchise. Investment managers use a variety of sources for this purpose.
3. Systematic and theme-specific exclusions (eg weapons, coal etc.)

### (C) Implementation: Integration of ESG factors

<b>LEI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 08.1** Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

ESG issues	Proportion impacted by analysis
Environmental	 <p>Environmental</p> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>
Social	 <p>Social</p> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>
Corporate Governance	 <p>Corporate Governance</p> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90% </p>

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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**LEI 09.1** Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 09.3**

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.5**

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

# Pictet Asset Management

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<https://www.am.pictet/en/globalwebsite/global-articles/2019/expertise/esg/active-ownership-report>

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)
- (Proxy) voting approach

## Voting

- ESG issues
  - Prioritisation and scope of voting activities
  - Methods of voting
  - Transparency of voting activities
  - Regional voting practice approaches
  - Filing or co-filing resolutions
  - Company dialogue pre/post-vote
  - Decision-making processes
  - Securities lending processes
  - Other; (specify)
  - Other
  - None of the above
- No

## LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes

### LEA 01.5

Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:

- Outline of service provider's role in implementing your organisation's active ownership policy
  - Description of considerations included in service provider selection and agreements
  - Identification of key ESG frameworks which service providers must follow
  - Outline of information sharing requirements of service providers
  - Description of service provider monitoring processes
  - Other; (specify)  
We describe in our Active Ownership Policy how the service provider prioritises candidates for ESG engagement
  - None of the above
- No

## LEA 01.6 Additional information [optional]

Pictet Asset Management's Active Ownership Policy is currently being reviewed and will be available on our website in Q2 2020.

### Engagement:

We consider it our fiduciary duty to engage selected corporate issuers in order to positively influence a company's ESG performance and to protect or enhance the value of our clients' investments. We press management to adopt appropriate policies, practices and disclosure in line with established best practice but focus on those that lag behind or where accidents or events bring to light structural weaknesses in their governance and/or management of environmental and social issues.

Where appropriate, we engage companies on material ESG issues, to satisfy ourselves that they fully understand and address them effectively over the short, medium and long term.

We engage on behalf of our equity (active and passive) and corporate debt holdings, through a combination of in-house-led discussions, third-party engagement services and via collaborative institutional investor initiatives.

The foundation of our understanding of corporate issuers is the thousands of regular meetings that our investment teams attend each year with companies' management. Material ESG issues are often on the agenda. These discussions contribute to our understanding of all dimensions of companies' strategies, plans and operations, and inform our investment analysis and decision-making.

In all of our engagement, we set or support specific objectives, we track progress against these objectives and in some cases, if they are not met, we may reduce or sell our holdings.

Our approach to engagement has three tiers.

**Tier 1:** The first tier of our active ownership is a programme of targeted engagement with corporate issuers. These companies were identified jointly by investment teams and our ESG team. Each company was selected because we had significant ESG concerns and the strategic nature or size of our holding was significant enough to indicate that our engagement would likely be effective.

**Tier 2:** Taking part in collaborative engagement with other investors forms the second tier of our approach. The collaborative initiative we have most actively supported to date is Climate Action 100+. Climate Action 100+ is a five-year initiative, launched in December 2017, led by investors. The initiative is designed to implement the investor commitment first set out in the Global Investor Statement on Climate Change in the months leading up to the adoption of the historic Paris Agreement in 2015. It engages systemically with the largest global greenhouse gas emitters, and with other companies that have significant opportunities to drive the clean energy transition and achieve the goals of the Paris Agreement. By the end of 2019, 320 investors with more than USD 33 trillion in assets under management had signed up to this initiative.

In addition, in 3Q 2019 we joined two new investor collaborations:

4. Investor Initiative for Sustainable Forests' which is focused on mitigating deforestation in the Amazon across cattle and soy producers
5. 'Mining & Tailings Safety Initiative' which was launched in the wake of Vale's Brumadinho dam disaster in January 2019 causing c. 270 deaths

**Tier 3:** The third tier of our engagement is conducted by Sustainalytics. This engagement is designed to address issues that arise in relation to companies' failings on governance issues and/or significant deviations from relevant international norms and standards such as the UN Global Compact, OECD Guidelines for Multinational Enterprises, as well as human rights and environmental conventions.

#### **Proxy Voting:**

The overarching purpose of our voting is to protect and promote the rights and long-term interests of our clients as shareholders. We consider it our responsibility to engage with and challenge companies' management to ensure that the issuers we invest in on our clients' behalf are well-run, adhere to their strategy and deliver shareholder value. We aim to support a strong culture of corporate governance, effective management of environmental and social issues and comprehensive reporting according to credible standards.

Our proxy voting guidelines are based on generally accepted standards of best practice in corporate governance including board compensation, executive remuneration, risk management and shareholder rights.

To assist us in performing our proxy voting responsibilities, Pictet Asset Management uses the services of third party specialists to provide research and to facilitate the execution of voting decisions at all relevant company meetings worldwide.

Third party specialists are tasked with collecting meeting notices for all holdings and researching the implications of every resolution according to Voting Guidelines defined by Pictet Asset Management. All recommendations are communicated to relevant Investment teams and the Environmental Social Governance 'ESG' team.

Pictet Asset Management always reserves the right to deviate from third party voting recommendations on a case by case basis in order to act in the best interests of our clients. Such divergences may be initiated by Investment teams[1]: or by the ESG team and must be supported by written rationale.

In instances when consensus cannot be reached between the Investments teams and ESG team, the decision is escalated to relevant CIOs and, if necessary, the Head of Investments.

The following principles are used to define the scope of accounts and securities eligible for proxy voting[2]:

For actively managed funds, we aim to vote on 100 per cent of equity holdings.

For passive strategies, we aim to vote on companies representing 80% by weight of underlying benchmarks. This target may be revised upwards or downwards for specific strategies depending on factors such as portfolio size, geography or market capitalization.

For segregated accounts, including mandates and third-party (i.e. sub-advisory) mutual funds managed by Pictet Asset Management, clients who delegate the exercise of voting rights to us have the choice between Pictet Asset Management's policy or their own voting policy.

[1]The Indexation team retains the right to take part in the decision-making process on a case-by-case basis

[2] This activity does not include indirect investments through third-party funds that we invest in on behalf of our clients, where we expect those managers to exercise their votes according to their own policy and report accordingly to relevant Pictet Asset Management entities.

## Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.
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Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via service providers

LEA 02.2	Indicate whether your organisation plays a role in the engagement process that your service provider conducts.
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Yes

**LEA 02.3**

Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- We discuss the topic of the engagement (or ESG issue(s)) of engagement
- We discuss the rationale for the engagement
- We discuss the objectives of the engagement
- We select the companies to be engaged with
- We discuss the frequency/intensity of interactions with companies
- We discuss the next steps for engagement activity
- We participate directly in certain engagements with our service provider
- Other; specify

Sometimes we will discuss all aspects of an existing engagement with our service provider and we may participate directly in the engagement too.

- We play no role in engagements that our service provider conducts.

No

**LEA 02.4**

Additional information. [Optional]

In addition to our investment in corporates, we also invest in a number of sovereign issuers for our fixed income strategies. In order to do this well, we need to have a comprehensive understanding of factors that could drive or hinder long-term growth prospects for those countries.

Factors that we may raise include education, social reform, health issues, environmental degradation or depletion of natural resources, and inequality. As one can imagine, when we raise some of the more sensitive topics, we wish that it will increase their awareness of such issues and eventually implement policies to address them.

**LEA 03****Mandatory****Public****Core Assessed****PRI 2**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 03.1**

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

**LEA 03.2**

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography/market of the companies</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Client request</li> <li><input checked="" type="checkbox"/> Breaches of international norms</li> <li><input checked="" type="checkbox"/> Other; (specify)</li> </ul> <div style="background-color: #808080; color: white; padding: 5px; margin-bottom: 10px;">specify</div> <p>We may also prioritise companies based on the number of investment teams with exposure as this may enhance the efficacy of our engagement.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> We do not outline engagement criteria for our individual engagements</li> </ul>
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Collaborative engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors</li> <li><input checked="" type="checkbox"/> Ability to have greater impact on ESG issues</li> <li><input checked="" type="checkbox"/> Ability to add value to the collaboration</li> <li><input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration</li> <li><input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Alleviate the resource burden of engagement</li> <li><input type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input checked="" type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Other; (specify)</li> </ul> <div style="background-color: #808080; color: white; padding: 5px; margin-bottom: 10px;">specify</div> <p>We may join collaborative engagements based on the relevance of the collaboration, method of engagement and the credibility of associated partners.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement</li> </ul>

	providers
Service-provider engagements	<div style="background-color: #0070C0; color: white; padding: 2px;">Service-provider engagements</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography/market of the companies</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors</li> <li><input type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input checked="" type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input type="checkbox"/> Follow-up from a voting decision</li> <li><input checked="" type="checkbox"/> Client request</li> <li><input checked="" type="checkbox"/> Breaches of international norms</li> <li><input checked="" type="checkbox"/> Other; (specify)</li> </ul> <div style="background-color: #808080; color: white; padding: 2px;">specify</div> <p>Corporate governance weaknesses</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> We do not outline engagement criteria for our service providers</li> </ul>

No

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration
Service-provider engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by our service providers

<b>LEA 04.2</b>	Additional information. [Optional]
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Engagement objectives are set for all engagement activity at Pictet Asset Management. Progress against these objectives is tracked over time using a milestone system. In case of an unsuccessful outcome, we must consider whether it is in the best interest of our clients to remain invested in the issuer.

<b>LEA 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.
Service-provider engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.

**LEA 05.2**

Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Service-provider engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

**LEA 06**

**Mandatory**

**Public**

**Additional Assessed**

**PRI 2,4**

**LEA 06.1**

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

**LEA 06.2**

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

Supporting a shareholder resolution

No

**LEA 07****Voluntary****Public****Additional Assessed****PRI 1,2****LEA 07.1**

Indicate whether insights gained from your organisation`s engagements are shared with investment decision-makers.

Type of engagement	Insights shared
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Service-provider engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.2** | Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

**LEA 07.3** | Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Service-provider engagements</b>	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.4** | Additional information. [Optional]

Our annual Active Ownership Report for 2019 covering proxy voting, corporate engagement and stewardship will be available in May 2020. In addition, further insights into our engagement activity are made available to all clients upon request.

<b>LEA 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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**LEA 08.1** | Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track
<b>Service-provider engagements</b>	<input checked="" type="radio"/> Yes, we track the number of service-provider engagements in full <input type="radio"/> Yes, we partially track the number of our service-provider engagements <input type="radio"/> We do not track

**LEA 08.2** Additional information. [Optional]

Our external provider provides Pictet Asset Management with regular reporting and full disclosure on the number of engagements conducted and full details on the activity/progress etc of each engagement conducted.

**(Proxy) voting and shareholder resolutions**

<b>LEA 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 12.1** Indicate how you typically make your (proxy) voting decisions.

**Approach**

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

**Based on**

- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients` requests or policies
- Other (explain)

**We use the service-provider's sustainability voting policy and adapt it further to our needs**

- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

**LEA 12.2**

Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

To assist us in performing our proxy voting responsibilities, Pictet Asset Management uses the services of third party specialists to provide research and to facilitate the execution of voting decisions at all relevant company meetings worldwide.

Third party specialist(s) are tasked with collecting meeting notices for all holdings and researching the implications of every resolution according to Voting Guidelines defined by Pictet Asset Management. All recommendations are communicated to relevant Investment teams and the Environmental Social Governance 'ESG' team.

Pictet Asset Management diverges on a case-by-case basis from third-party voting recommendations in order to act in the best interest of our clients. Such divergences may be initiated by Investment teams or by the ESG team and must be supported by written rationale.

In instances when consensus cannot be reached between the Investments teams and ESG team, the decision is escalated to relevant CIOs and, if necessary, the Head of Investments.

<b>LEA 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 15.1**

Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

**LEA 15.2**

Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

Explain

We discuss problematic resolutions on our own initiative or upon request by companies.

<b>LEA 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 16.1**

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

**LEA 16.2**

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

**LEA 16.3**

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

**LEA 17****Mandatory****Public****Core Assessed****PRI 2****LEA 17.1**

For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

86

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

**LEA 17.2**

Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

The majority of non voted meetings refers to passive strategies, where we aim to vote on companies representing 80% by weight of underlying benchmarks.

**LEA 17.3**

Additional information. [Optional]

For actively managed funds, we aim to vote on 100 per cent of equity holdings.  
 For passive strategies, we aim to vote on companies representing 80% by weight of underlying benchmarks. This target may be revised upwards or downwards for specific strategies depending on factors such as portfolio size, geography or market capitalization.

<b>LEA 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**LEA 18.1**

Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- Yes, we track this information

**LEA 18.2**

Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 90
Against (opposing) management recommendations	 10
Abstentions	 0

100%

No, we do not track this information

**LEA 18.3** In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

1

<b>LEA 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 19.1** Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

Yes

No



# Pictet Asset Management

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

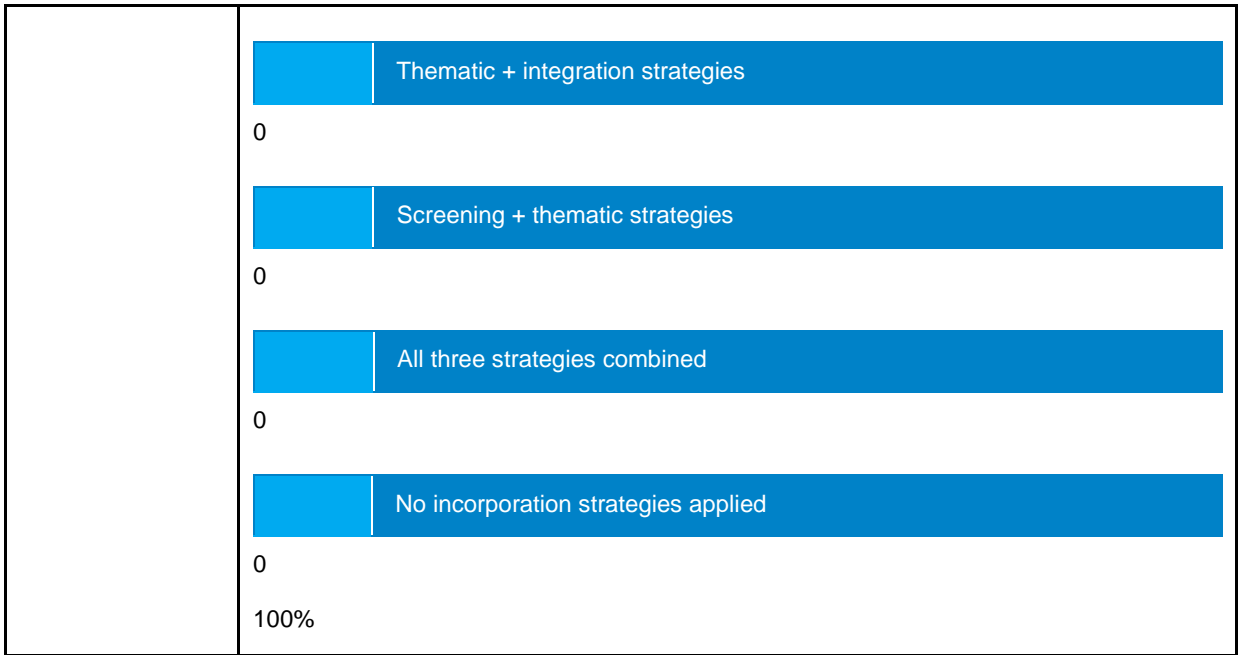
This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	<b>Total</b>	<b>100%</b>
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	100																				
Thematic + integration strategies	0																				
Screening + thematic strategies	0																				
All three strategies combined	0																				
No incorporation strategies applied	0																				
<b>Total</b>	<b>100%</b>																				
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>100</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	100										
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	100																				



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Negative screens (exclusion of controversial weapons and countries under UN sanctions) apply to all actively managed fixed income strategies.

Positive screens (best-in-class) apply to less than 5% of AuM.

ESG integration applies to all our long only Fixed Income strategies.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

We conduct due diligence of selected service providers on an annual basis.

- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	<b>SSA</b>	<b>Corporate (financial)</b>	<b>Corporate (non-financial)</b>	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

<b>FI 04.2</b>	Describe your approach to screening for internally managed active fixed income
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Negative screens (exclusion of controversial weapons and countries under UN sanctions) apply to all actively managed fixed income strategies.

Positive screens (best-in-class) are either developed internally or provided by clients (for segregated accounts).

Norms-based approaches are implemented for certain funds and segregated accounts where we apply internally or externally defined exclusion lists.

<b>FI 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 06.1</b>	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> <p>We have a pre-trade warning system which notifies portfolio managers before investing in companies with poor governance or high ESG controversies.</p> <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> <p>We have a pre-trade warning system which notifies portfolio managers before investing in companies with poor governance or high ESG controversies.</p> <input type="checkbox"/> None of the above

**(C) Implementation: Integration**

FI 10	Mandatory	Public	Descriptive	PRI 1
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**FI 10.1****Describe your approach to integrating ESG into traditional financial analysis.**

Our investment processes currently take into account certain ESG factors. Good companies typically have good business practices in corporate governance, environmental and social issues. Whilst the investment team takes these issues into account as part of the fundamental analysis, these criteria are not the main criteria for the investment team to exclude or include positions in the portfolio. That said, there are certain tools and data sources at the disposal of the team which aid in the decision-making process.

ESG data is available within our proprietary portfolio management tool, PAMFolio. These have been available to the investment team since 2014 and include for example:

- ISS Governance scores and reports
- Sustainalytics Controversy scores, Corporate governance scores, ESG Risk ratings (covering all three of E, S and G), product involvement and respective reports
- CFRA Creative Accounting reports
- Carbon data (direct emissions and fossil fuel reserves)

Rating alerts have been put in place by the Fixed Income Risk Team so that our team is quickly able to detect a deterioration (or improvement) in these scores. These alerts take the form of an automatic daily report sent by email to all investment teams, tailored to their respective universe, and any further investigation can be carried out by examining the historical data in the Fixed Income Risk Team's Tableau database.

In terms of hard exclusions, we systematically exclude companies that are involved in cluster ammunition, anti-personnel landmines, chemical & biological weapons as defined by the Pictet Group Directive on Controversial Weapons. Country exclusions are also defined by a Pictet Group directive and enforced using a pre-trade check in PAMFolio.

**FI 10.2****Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.****SSA**

On the sovereign side we are actively incorporating ESG factors into investment analysis as they help enhance decision making, makes a positive impact on long term performance and help avoid key, often hidden areas of risk.

Our highest convictions are as follows:

- Economic growth which is not inclusive is not sustainable, i.e. look beyond GDP
- "Excessive" natural wealth destruction hurts potential growth, i.e. countries are borrowing against the future
- Quality of institutions and rule of law improves resilience, e.g. during economic downturns, political instability
- Developing a forward-looking view of government stability is key

These convictions helped us develop a proprietary sovereign ESG score, calculated by the Fixed Income Risk & ESG teams, which is accessible to sovereign Portfolio Managers, Analysts and Risk Managers.

Pictet Asset Management has formulated an Engagement process for sovereigns. We believe that pushing for change, including as bondholders, can be a valued part of our investment management offering.

Corporate (financial)

ESG information covering corporate governance, controversies and accounting concerns is held in a central database which is available to all investment staff and monitored by the risk team. Each investment team is responsible for incorporating the ESG data that has been made available to them into their own investment process. As such, there is no standard approach for our Corporate Bond teams and some examples of how this has been applied by different teams can be found in the final FI section of this assessment (FI 18).

Pictet Asset Management has formulated an Engagement process for corporates. We believe that pushing for change, including as bondholders, can be a valued part of our investment management offering.

Corporate (non-financial)

ESG information covering corporate governance, controversies and accounting concerns is held in a central database which is available to all investment staff and monitored by the risk team. Each investment team is responsible for incorporating the ESG data that has been made available to them into their own investment process. As such, there is no standard approach for our Corporate Bond teams and some examples of how this has been applied by different teams can be found in the final FI section of this assessment (FI 18).

Pictet Asset Management has formulated an Engagement process for corporates (non-financial). We believe that pushing for change, including as bondholders, can be a valued part of our investment management offering.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
---------	--

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is used to adjust the internal credit assessments of issuers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio weighting decisions.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input type="radio"/> Environmental <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Social <input type="radio"/> Systematically <input checked="" type="radio"/> Occasionally <input type="radio"/> Not at all	<input type="radio"/> Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

**SSA**

Data is available to investment teams through Tableau and each team integrates ESG into their investment process in their own way. Examples of the ESG factors we consider for sovereign issuers are shown below.

Environmental factors include but are not limited to:

- Air Quality
- Climate Change Exposure
- Water Stress

Social factors include but are not limited to:

- Healthcare Capacity
- Education
- Capacity to Innovate

Governance factors include but are not limited to:

- Government Stability
- Judicial Effectiveness & Independence
- Right to Privacy

**Corporate (financial)**

Governance apply across all issuers. E & S factors are defined at the sector level.

Examples of data considered for Financials includes but is not limited to:

- Products and Services Incidents
- Business Ethics incidents
- Customer Incidents
- Company Data (e.g. % compliance staff out of total workforce, salesforce turnover, % loan book exposed to Community Development)

## Corporate (non-financial)

Governance apply across all issuers. E & S factors are defined at the sector level.

Examples of data considered for sectors includes but is not limited to:

- Utilities: CO2 intensity, % renewables
- Healthcare: Innovation management, Product quality and safety
- Telecom: Labour relations, Privacy and data security

# Pictet Asset Management

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
- Other, specify
- None of the above

**CM1 01.2** Additional information [OPTIONAL]

In 2018/2019, an external audit was conducted as part of applying to the French SRI label for six RI strategies which follow a screening, thematic and integration approach (Pictet-Clean Energy, Pictet-Water, Pictet-Emerging Markets Sustainable Equities, Pictet-European Sustainable Equities, Pictet-GEO, Pictet-Timber).

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme

**CM1 03.2** Which scheme?

- National SRI label based on the EUROSIF Transparency guidelines

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %
- B-corporation
- UK Stewardship code

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %
- GRESB
- Commodity type label (e.g. BCI)
- Social label
- Climate label
- RIAA
- Other

**Specify**

Japan Stewardship Code

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

**CM1 03.5** Additional information [OPTIONAL]

Confidence building measures include third party labels (eg Austrian Umweltzeichen, French SRI label, FNG label).

<b>CM1 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 06.1**

Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

- Data related to RI activities
- RI policies
- RI related governance
- Engagement processes
- Proxy voting process
- Integration process in listed assets
- Screening process in listed assets
- Thematic process in listed assets
- Other

Who has conducted the assurance

ESG team , EY

When was the process assurance completed(dd/ mm/yy)

11/03/2019

Assurance standard used

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

Specify

(i) In 2019, the ESG team conducted ad-hoc meetings with long-only fixed income & equity investment teams to discuss the implementation of ESG factors into their investment decisions, risk management, active stewardship, reporting & marketing material.

(ii) Obtaining the French SRI label included an audit by EY covering 6 strategies( Clean Energy, Water, Emerging Markets Sustainable Equities, European Sustainable Equities, GEO, Timber).

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

CM1 06.2 Additional information [OPTIONAL]

Pictet Asset Management Ltd, Pictet Asset Management SA, Pictet Asset Management (Singapore) Pte Ltd and Pictet Asset Management Hong Kong Ltd are subject to annual ISAE 3402 audits, which were last conducted as at 31 December 2018 by PwC (Type II). There were no significant issues identified in this report, and a copy of this report is available upon request.