

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility for us is about each individual at GAM adhering to the highest ethical standards and demonstrating probity in everything we do, at work and in our local communities.

We seek excellence and sustainability in all that we do: we think about corporate social responsibility in the same way that we think about risk management. We are one of the world's leading active asset managers and we demand of ourselves the same high standards we demand of the businesses in which we invest on behalf of our clients. As such, we believe our ethos as a corporate is fully aligned with our clients, as we work diligently and with integrity to provide our clients with opportunities to advance their capital. We want to provide clients with solutions, whether they are pension funds being challenged by demographics, charities seeking to be as impactful as possible in their chosen area of specialisation, or savers seeking to grow assets. For every client, we want to find a sustainable solution to the challenges they face and as a corporate, do this as responsibly and efficiently as we can.

Responsible investing at GAM

Responsible investing is the area where we have most leverage to make an impact. Through our investments and active ownership, we can make a difference in the underlying companies we are invested in across the globe. This starts with the decision of our

independent investment teams to which companies to allocate capital. While the individual investment teams are truly independent in their decision-making, the separate responsible investing team supports them with regard to proxy voting or by providing additional research and insights that ultimately help them make the best possible decisions.

2017 was an important year in the development of our responsible investment and stewardship activities. GAM's commitment to the UN Principles of Responsible Investment (UN PRI) was strengthened with the establishment of a responsible investment function, with a dedicated team supporting investment managers in the decision-making with regards to environmental, social and governance (ESG) factors.

The importance of ESG and voting activity

GAM's purpose is to advance the potential of our clients' capital – it is our fiduciary duty to actively consider all factors that impact their capital. Alongside the economic, financial and operational aspects which impact a company, we also incorporate significant environmental, social and governance factors. Elements such as the stability and health of economic and environmental systems as well as the evolving values and expectations of the societies which we are a part of provide important contextual pillars for us. We believe that long-term sustainable returns are dependent on stable, well-functioning and well governed social, environmental and economic systems.

As one of the world's leading independent, pure-play asset managers, specialising in active, high-conviction investing, stewardship and governance are important tools in our arsenal. We use our formal rights, including proxy voting, shareholder resolutions and engagement with management, to influence companies and ensure our clients' capital delivers the returns they expect in a responsible manner.

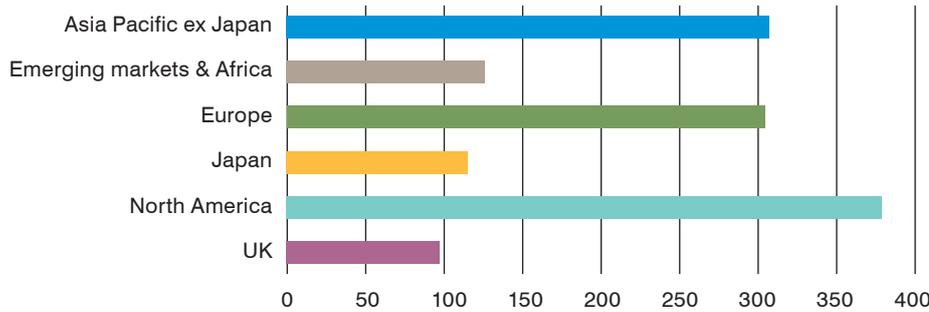
Active ownership is inherent in the investment style of the vast majority of our investment teams. Through regular meetings with members of the senior management teams of companies we are invested in, our investment managers frequently discuss topics such as corporate strategy, business planning and delivery of objectives, capital structure, mergers, acquisitions and disposals, and ESG matters. This is how they gather their in-depth knowledge about the companies and determine our vote at shareholder meetings and possible further engagement.



GAM aims to actively engage with the companies we are invested in. The establishment of a dedicated responsible investment team will drive these very important efforts.”

Mark Harland, head of responsible investment

Meetings voted by geography



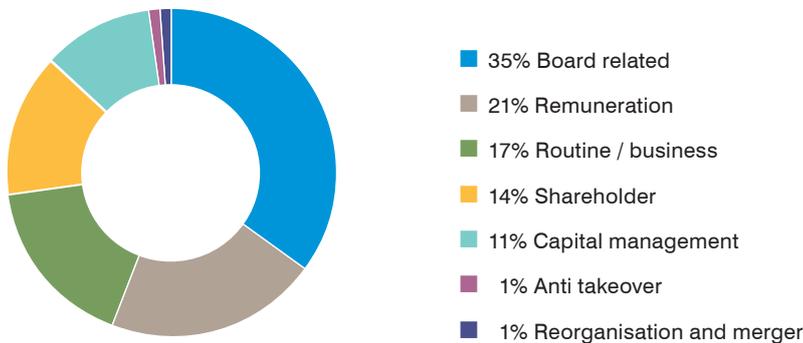
Proxy voting analysis 2017

GAM voted at 1,325 company meetings across all markets.

11% of all votes were against management. Of those votes, 35% related to the board, 21% were linked to remuneration and 17% related to issues including auditors, articles of association and reports and accounts. These are aggregated under routine/business. In all these cases we initiated an active dialogue with the respective companies.

Votes against management by resolution category

Within the 11% of votes against the proposals set forth by management, the following split shows what issues they related to.

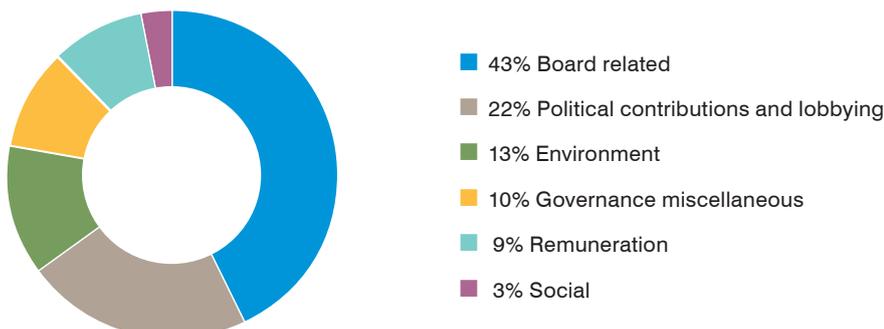


Investment performance for our clients is driven by the consistent application of the independent investment processes across our asset classes. Our holistic approach to active asset management means that investments are also assessed from an ESG perspective.”

Matthew Beesley, head of investments

Shareholder proposals supported by GAM

Within the 38% of shareholder proposals supported by GAM, the following split shows what issues these proposals related to.



In 2017, GAM supported 38% of all proposals made by shareholders of companies we are invested in. Of those proposals, 43% related to the board, 22% were linked to political contributions and lobbying and 13% related to environmental issues.

Group code of conduct

Laws, rules and regulations

We observe applicable laws, rules and regulations of the countries in which we operate and comply with our own internal policies and standards.

We always interpret and apply them in the best interests of our clients, employees and shareholders.

Fairness

We deal fairly, honestly and in good faith with clients, business partners, the public, our competitors, third-party service providers and each other.

Responsibility

We apply the highest of all ethical standards to all our activities and decisions. Within our sphere of influence – be it in our local communities or our business activities and relationships – we promote responsible business practices, respectful of the environment and human rights.

Conflicts of interest

We are alert to potential conflicts of interest. We seek to identify and avoid them or where this is not possible to manage them fairly and openly.

Transparency and clarity

We make accurate, timely and clear disclosure in all our communications including those with our clients, regulatory authorities and the public.

Client relationships

We treat all our clients fairly and with integrity, acting as a good steward of their interests.

Confidentiality

We respect the rights and expectations of our clients and employees to have their personal information kept confidential and secure.

Integrity and diligence

We carry out our professional duties with integrity, without taking improper advantage of the assets and proprietary information which may be available or entrusted to us in our professional roles.

We treat these assets with care and take all reasonable steps to ensure their protection against loss, theft, damage or misuse.

Professionalism

We ensure a level of professional competence appropriate to our responsibilities, to promote the development of others and continue to update our knowledge and skills.

We accept only engagements for which we are competent, unless we have access to advice and assistance that enables us to carry out the work competently.

Diversity and equal opportunity

We provide equal employment and advancement opportunities for all individuals regardless of race, ethnicity, gender, sexuality, religion or professional background.

We treat each other fairly and respectfully, support each other and collaborate in order to achieve the Group's objectives.

Independent thinking, different opinions and perspectives are valued and respected.

Health and safety

We are committed to protecting the health, safety and wellbeing of our employees.

Our people

GAM's corporate culture

We believe in the importance of maintaining an open culture and honest communication avoiding bureaucracy and encouraging a flexible, accessible and hands-on working style across the Group. GAM's culture is one of high-performance, designed to bring out the best of every single employee working toward the overall goal of the Group, which is to unlock and advance the potential of capital by making the right decisions to achieve our clients' aspirations.

A key priority in this high-performance culture is the continuous investment in and development of our top talents. Providing a stimulating and attractive place to work – one where talent is recognised, nurtured and developed – is essential to achieving this goal. Our employees share a common set of values rooted in teamwork, integrity, entrepreneurial flair and professional excellence. Their efforts and their achievements are recognised in their advancement within the Group as well as in their remuneration.

Remuneration policy

The Group's compensation policies are based on four overarching principles: pay for performance, alignment of incentives with long-term shareholders' interests, transparency and the importance of sound risk management. We aim to provide competitive total compensation in order to attract and retain experienced and talented individuals. Compensation awards, particularly discretionary bonus payments, are designed to align the interests of employees with those of the company's shareholders. Annual bonus deferrals have been introduced for employees outside the Group Management Board (GMB) with effect from the 2017 performance year, and the proportion of annual bonus to be deferred will be up to one-third of any annual bonus over CHF 75,000. Deferred shares or units will be released in equal tranches over three years. Employees may receive long-term incentive plan (LTIP) awards that are structured on a consistent basis to those granted to GMB members.

For further details on our remuneration policy, please refer to the 'Compensation report' section on pages 76–103 of this annual report or visit: www.gam.com/compensation.



Our employees are our greatest resource and the backbone of our company. We remain committed to building GAM as the best possible home for motivated, talented people who thrive on teamwork and respect diverse points of view.”

Teresa Riggin, group head of human resources

Headcount by region (in FTEs)	2017	2016
Switzerland	279	299
UK	428	431
Rest of Europe	143	170
Rest of the world	77	79
Total headcount	927	979

Managing performance

Effective performance management is the foundation for the success of individual employees, their teams and the company as a whole. Our group-wide performance management framework provides regular opportunities for dialogue between managers and their direct reports. It includes the setting of mutually agreed development and performance objectives. It also allows us to assess to what extent and how these objectives have been achieved, linking performance with behaviour and compensation. This evaluation is performed at least once a year and begins with each employee providing a self-assessment, which their line managers, and potentially other relevant reviewers in the company, can use as a starting point for a 360-degree review.

The final assessment is formally recorded and discussed between line managers and their direct reports. Our human resources teams oversee the process, ensuring participation across the company, and provide training on objective setting and management skills throughout the year.

Employee engagement and development

Our employees' drive, skills and insights are essential in creating value for our clients and shareholders. Ensuring they understand and are actively involved in the evolution of the company is a prerequisite of their engagement. We want our employees to feel encouraged to attain a level of professional competence appropriate for their responsibilities, to promote

the development of their colleagues, and to continue to update their own skills and knowledge.

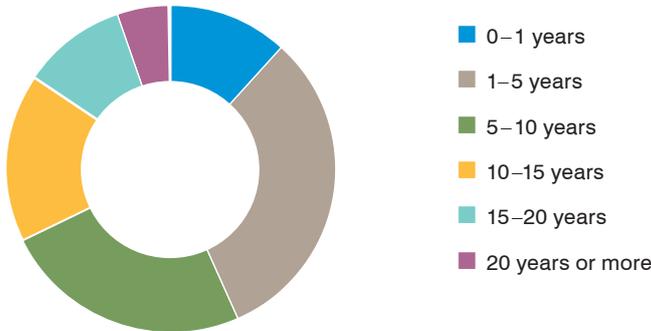
In 2017, GAM launched a group-wide learning management system (GAM Learn), which helps all employees enhance their knowledge base. GAM Learn provides a centralised repository for all learning and development needs and can be used to book internally-led courses or webinars, complete mandatory compliance refreshers, source external trainings, access user guides or catalogues of e-learning resources.

To ensure our employees are supported and provided with the appropriate knowledge for complex regulatory requirements, we provide mandatory and non-mandatory regulatory training workshops and lunch and learn sessions for all staff. Providing our people with the opportunity to develop themselves professionally and personally enables us to develop an engaged and knowledgeable workforce.

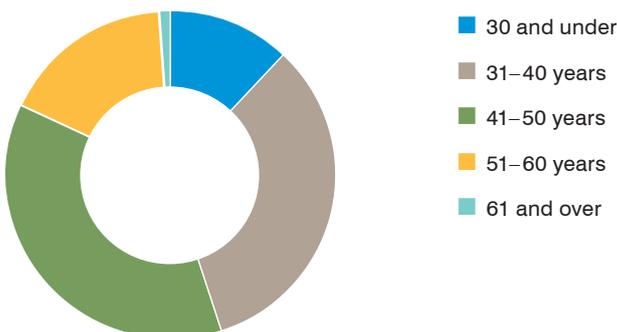
In addition to in-house training, we also support external education to help our employees gain qualifications relevant to their roles and that will advance their skills and careers. The development of our employees remains a cornerstone for employee engagement and sustainable business success.

On a corporate level, supported by GAM's flat structure and approachable senior leadership team, employees are informed about strategic business decisions and initiatives openly and transparently. We hold regular town hall meetings, where senior management shares updates, views and insights and engages in active conversations with staff.

Years of service



Diversity of ages



Supporting research and education

The Cantab Capital Institute for the Mathematics of Information sits with the University of Cambridge's renowned faculty of mathematics and aims to galvanise and accelerate progress in the mathematics of information. The institute draws on techniques from mathematical sciences to tackle the challenge of deciphering meaning in the realms of data which surround us. Bringing together some of the world's leading academics in various related disciplines, the institute will ultimately help ensure all available information is used when, for example, doctors make clinical diagnoses, financial institutions make sensible evaluations of risk, or planners build the cities of the future.

Inclusive workplace

GAM's culture is grounded in mutual respect and non-discrimination irrespective of age, disability, gender, race, religion, sexual orientation or educational background.

In 2017, GAM joined the Investment20/20 trainee initiative in order to attract talent, who would not necessarily consider a career in investment management, and offer them the opportunity to join our industry. The programme supports our current apprenticeship programmes and is aimed at school and college leavers and graduates, with no minimum educational qualification requirement. Since launching in London in April 2017 we have provided opportunities to 13 individuals across many business areas, with further intakes due in 2018 and thereafter.



Through the Investment20/20 trainee position at GAM I gained a comprehensive overview of the investment management industry. It gave me the tools to excel in my career and showed me how valuable teamwork and people's foresight are to be successful."

Rupert Tripp, Investment20/20 trainee

Snapshot 2017

Split male/female



Average age of employees



Average experience of investment professionals



Average length of service



Average hours of training per employee



Global presence



In Switzerland, GAM has offered apprenticeship opportunities to young talents for a number of years, giving them the chance to learn about all aspects of a profession in the financial industry.

In 2018 we will sign up to the Women in Finance Charter, an initiative by Her Majesty's Treasury committed to building a more balanced and fair financial services industry, as well as to the Diversity Project, a UK-focused initiative to accelerate progress towards an inclusive culture in the investment industry across all levels and spanning the whole range of professions.

Supporting our employees' wellbeing

We strive to provide our employees with a work environment that protects their health and safety and supports their wellbeing. We offer all our employees a comprehensive suite of additional benefits that are competitive in their respective local markets. In addition, depending on the location, we offer employees flu vaccinations and health screenings as well as dedicated employee assistance programmes for employees and their families. We are committed to supporting employees by providing them with a family-friendly and flexible working environment wherever possible, in order to assist with caring for and supporting family members and employees' personal lifestyles.

We support informal get-togethers, which in our larger offices are organised by local, company-sponsored social committees. Through these events, which can be social, educational, charitable, cultural or sporting events, our employees have the opportunity to get to know each other outside a business environment, which in turn helps to strengthen collaboration. Past events include a wide range of teambuilding events and activities.

Wellbeing was a key objective in the selection of our new London office, 8 Finsbury Circus. The office will provide an open and modern environment with natural light and space to enable open interaction with colleagues.

We will provide employees with an increased number of cycle and shower facilities, informal breakout areas and collaboration hubs to promote and further encourage wellbeing within the work environment.

Supporting our communities

We encourage our staff to play an active role in the communities they live and work in, for instance by participating in local volunteering activities. We support organisations and causes that are aligned with our own culture and values, in particular those that focus on education and child welfare. In 2017, GAM matched donations submitted by its employees and supported the humanitarian response efforts of UNICEF across the hurricane-affected countries in the East Caribbean.

Supporting Children & the Arts in London

GAM is a proud sponsor of Children & the Arts, whose vision is for brighter, healthier, and happier children through the power of an inclusive and accessible arts sector. The charity works with arts venues across the UK to reach children in disadvantaged communities and hospices, who are missing out on creative and cultural experiences. The ambition of the project is to give those children who are at risk of being left behind a more fulfilled, creative and exciting education, while raising their confidence, educational attainment and aspiration.

www.childrenandarts.org.uk

Our engagement for children in need in New York City

"Operation Backpack" is an initiative by the US human services organisation Volunteers of America. At the beginning of every school year, the organisation distributes several thousand new backpacks filled with grade-specific classroom supplies to children who live in domestic violence or homeless shelters in the city, making them feel and look more like their classmates. In 2017, GAM's US team was able to collect, sort and donate 120 backpacks.

www.voa-gny.org/operation-backpack

Running for good causes in Zurich

In Zurich our employees joined over 700 runners and 25 companies for the 17th annual Run4kids charity event. The proceeds go to Fit4future, the largest health promotion programme for Swiss schools, as well as the Aid Association for the Promotion of Children with Rare Diseases and the junior staff department of TV Unterstrass. The run serves as a welcome opportunity to combine an employee team-building event with a chance to do something positive for a good cause.

www.fit-4-future.ch

Environment

GAM remains committed to measuring and reducing our environmental impact in all the locations we have offices in. During the latter stages of 2017, we started the process of capturing our key carbon emissions data from across our network of offices worldwide. Once this exercise is concluded in 2018, it will provide us with a base line for GAM's carbon usage, from which realistic and measurable carbon reduction goals can be set for subsequent reporting periods.

We concluded our property search for a new London office in the fourth quarter of 2017. During that search environmental factors were one of the key property selection criteria, resulting in the choice of 8 Finsbury Circus in the City of London. The property has received a BREEAM excellent rating (the world's leading sustainability assessment method), an accreditation that GAM will seek to enhance through its building fit-out in 2018. The move to 8 Finsbury Circus will provide a number of operational and environmental efficiencies that will be reported in subsequent reports.

In Zurich, GAM's second largest location where roughly a third of our staff is based, our offices are spread across four floors in Prime Tower. The tower was built in 2011 and offers a modern working environment that has received the LEED Gold label (Leadership in Energy and Environmental Design) as well as Minergie® (a Swiss quality label for low energy-consumption buildings) and greenproperty seals (the Credit Suisse seal of approval for sustainable real estate).

In parallel with the above initiatives, we will aim to reduce the Group's environmental impact by continuing our efforts to reduce energy consumption. For example, in our UK offices we have seen a reduction in our electricity consumption of more than 30% since 2008 through various efficiency initiatives undertaken in partnership with the Carbon Trust initiative.

GAM remains committed to the following six main objectives, which all business units across the Group globally adhere to:

- Complying with regulatory energy and emissions savings targets, and decreasing the use of non-renewable energy resources where commercially viable. This will be achieved by endeavouring to make sure that all buildings operate at optimal efficiency, that energy efficiency and the energy source are key considerations when procuring new equipment, and that all of our maintenance contractors incorporate the use of energy efficient measures in planned maintenance programmes. Where possible, we also commission energy surveys of our buildings and carefully examine all projects that lead to savings over a three-year period or less.
- Monitoring and looking for ways to reduce water consumption.
- Looking for ways to reduce waste across all of our locations and maximise the recycling of office waste.
- Seeking ways to reduce emissions from transport, such as increased use of video conferencing.
- Developing our staff, supply chain, and other stakeholders to support and help us to achieve our environmental goals. We intend to hire a head of procurement in 2018 who will oversee all of GAM's procurement procedures and vendor selection processes.
- Working within our community to help support environmental initiatives through both volunteer days and corporate gift giving.

More about corporate social responsibility at GAM

More information on our commitments and engagements can be found on our website:

Sustainable investing guidelines: www.gam.com/sustainable-investing-guidelines

Code of conduct: www.gam.com/code-of-conduct

Community engagements: www.gam.com/corporate-responsibility
