

CLIMATE CHANGE AND NATURE STATEMENT

June 2024



GAM
Investments

1. Introduction

GAM Holding AG is headquartered in Zurich, Switzerland and listed on the SIX Swiss Exchange. Our employees are located in 14 countries. Our Annual Report and Sustainability Report provide further details on our broader strategy, risks management, corporate governance arrangements and progress on our corporate sustainability strategy.

We are an active, independent global asset manager that thinks beyond the obvious to deliver distinctive and differentiated investment solutions for our clients. Our purpose is to protect and enhance our clients' financial future. We attract and empower the brightest minds to provide investment leadership and innovation, and we strive for a positive impact on society and the environment.

We focus on delivering high-performing and differentiated investment management strategies to over 3,500 wholesale, institutional and wealth clients globally, managed through in-house capabilities and external investment management partnerships.

2. Climate change and nature as systemic risks

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

We support the 2015 Paris Agreement goal of limiting global average temperature increase to well below 2 degrees Celsius (°C) above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C taking into account the imperative of a just transition. Given the speed and scale of the transition that is required to keep within these limits, we recognise climate-related transition risks, for example as the result of policy and technology developments, as well as physical risks and adaptation requirements to address climate-related events and changes that are already increasing in frequency and severity.

Nature and climate are strongly interdependent. Nature loss and degradation exacerbates climate change risks and addressing climate change will be critical for protecting ecosystems and species. Protecting and restoring nature and ecosystems may also present the most effective solutions to adapting to climate change. We recognise the central role of nature and seek to incorporate nature considerations as we address climate risks and opportunities.

3. Our commitments

3.1 Commitment to net zero

In July 2021, we joined the Net Zero Asset Managers (NZAM) initiative and committed to support the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C. Specifically, we committed to:

- Work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net-zero emissions by 2050 or sooner across all assets under management ('AuM').
- Set an interim target for the proportion of assets to be managed in line with the attainment of net-zero emissions by 2050 or sooner.
- Review our interim target at least every five years, with a view of ratcheting up the proportion of AuM covered until 100% of assets are included.

3.2 Position on fossil fuels

We recognise that fossil fuels will continue to play a role in the energy mix, albeit at a necessarily much more limited level. We may therefore continue to hold companies with fossil fuel exposure in our portfolios. We consider engagement to drive effective decarbonisation to be the more impactful approach to deliver real world emissions reductions relative to divestment and, as active managers, we will escalate or exclude where we consider insufficient progress is being made. As signatories to the Powering Past Coal Alliance (PPCA) Finance Principles, we commit to supporting the just transition to managed phase-out or abatement of coal to clean power generation by no later than 2030 in the OECD and European Union, and no later than 2040 in the rest of the world. Our GAM Sustainability Exclusions Policy, which applies to over 80% percent of the in-scope AuM, restricts investments in high impact fossil fuels, including thermal coal and oil sands.

3.3 Commitment to Nature

Resource exploitation, including deforestation, is one of the five main drivers of nature loss. We have focused on this driver since joining the Finance Sector Deforestation Pledge in March 2022. As part of the Finance Sector Deforestation Action (FSDA) initiative we have committed to eliminate deforestation driven by the supply of commodities including palm oil, soy, beef, pulp and paper in our investment management portfolios by 2025. As part of this commitment, we assess our exposure to commodity driven deforestation, using an in-house approach to identify companies that have high exposure to deforestation risk and currently have poor disclosure or performance. We use this to identify focus companies to initiate and support engagement with companies in our investment management portfolios.

4. Governance and Strategy

The Board of GAM Holding AG is responsible for our sustainability and associated climate strategy. The Board Audit and Risk Committee provides oversight of climate-related risks, and the Chair of the Board has taken on specific responsibility for climate-related issues.

Management-level oversight is provided through relevant committees including the Investment Management Oversight Committee, Risk Oversight Committee and Sustainability Committee. Climate risks are embedded in risk and control self-assessments (RCSAs) for relevant functions.

Our strategy focuses on three pillars:

- 1. Investment integration** - using data and analysis to help identify and manage climate and nature-related risks in our investment decisions.
- 2. Active stewardship** - focused direct and collaborative engagement to identify, and where possible mitigate risks and realise opportunities. Our [Corporate Governance and Voting Principles](#) set out our expectations and voting approach regarding climate and nature-related disclosure and performance.
- 3. Collaboration** - we selectively support policy engagement by organisations including IIGCC, and the PRI, to address policy measures alongside specific industry and multi-stakeholder initiatives, and supporting our clients to drive better standards, frameworks, and action.

	Investment integration	Active stewardship	Collaboration
Actions	Data and tools	Direct engagement	Policy and regulation
	Research and analysis	Collective engagement	Standards and frameworks
	Climate solutions	Voting	Supporting clients
2030 targets	Decarbonisation target Primarily through engagement, seek to achieve a 50% reduction in financed carbon emissions (carbon emissions per USD million invested attributed using EVIC)	Engagement target 90% of financed emissions in material sectors are either assessed as net-zero, aligned with a net-zero pathway, or the subject of direct or collective engagement and stewardship actions	Net-zero coverage target 75% of AuM in material sectors considered to be achieving net-zero, 'aligned' to net-zero or 'aligning' to net-zero
Scope	The 2030 targets cover all funds classified as equity or corporate fixed income representing a third (32%) of GAM's Investment Management unit as at 29 December 2023. Asset classes not included in the scope of the targets include sovereign, mortgage-backed and insurance-linked securities, multi-asset and alternatives. This is mainly due to limitations in data availability and methodological developments.		

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

Source: GAM

5. Disclosing our progress

We publicly support the [Taskforce on Climate-related Financial Disclosures \(TCFD\)](#) recommendations as a framework to improve disclosure on climate-related risks and opportunities within financial markets. We are committed to report in line with these recommendations and likewise encourage our investee companies to provide TCFD-aligned disclosures.

Climate-related disclosures and our progress is reported within our annual [Sustainability Report](#). This includes details on our Net Zero Asset Manager commitment and Finance Sector Deforestation Pledge.

Important information

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