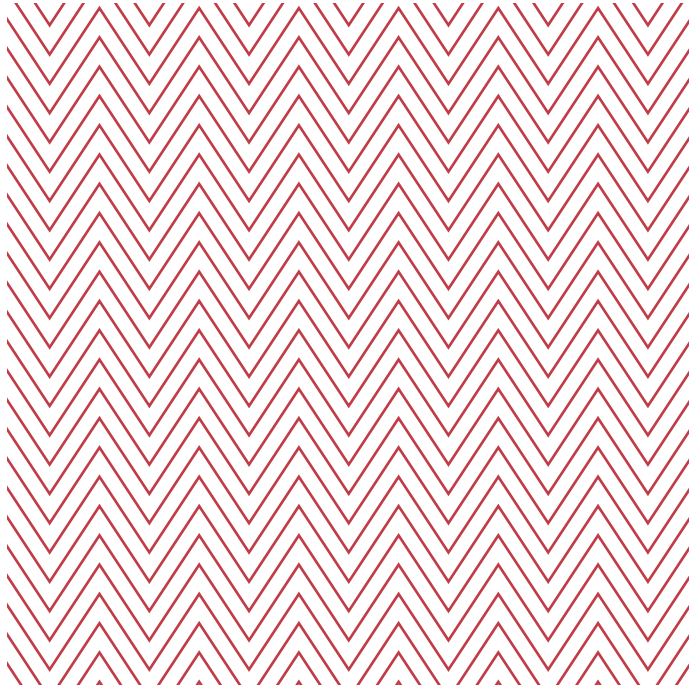

PICTET GROUP

A RESPONSIBLE VISION



A Responsible Vision

This document is part of four brochures that highlight Pictet's efforts in environmental, social and governance (ESG) issues. The brochures focus on investments for institutional, philanthropy, wealth management, as well as corporate and environmental initiatives.

A Prix Pictet portfolio

This brochure showcases the Pictet Group's achievements in tackling ESG issues. It also features the work of Roman Signer, a multiple award-winning Swiss artist and photographer, who was nominated for the 2008 Prix Pictet, with the theme of "Water".

The Prix Pictet is the world's leading award for photography and sustainability. Launched in 2008, the award draws global attention to these issues. There have been eight cycles of the award to date – each of which has highlighted a particular facet of sustainability. The photographers are nominated by a worldwide network of experts.

The photographer

Roman Signer was born in 1938 in Appenzell, Switzerland. He is a visual artist who works in sculpture, photography and video. His action sculptures involve setting up, carrying out, and recording experiments or events that bear aesthetic results. Signer's work has been shown at numerous galleries and museums in Europe, North America and Asia over the last thirty years.

Pictet

Pictet is a partnership of seven owner-managers. Its principles of succession and transmission of ownership have remained unchanged since foundation in 1805. It offers only asset management, alternative investment solutions and related asset services. The Group does not engage in investment banking, nor does it extend commercial loans.

With CHF 576 billion in assets under management at 31 December 2019, Pictet is today one of the leading Europe-based independent wealth and asset managers. Founded and headquartered in Geneva, Switzerland, Pictet today employs more than 4,700 people. It has 28 offices.

I. BUILDING RESPONSIBLE PARTNERSHIPS: OUR AMBITIONS AND BELIEFS

Human progress and economic development over the last century have come at a cost to our natural environment. Population growth and rising standards of living have led to exponential demand for energy and other natural resources. This has not only caused damage to our biosphere; the Earth’s capacity to regenerate has also been rapidly overstretched.

The challenges we face require an accelerated transition to a more resilient and sustainable economy. For the financial system, we believe that this calls for a systemic shift in focus from exclusively maximising financial returns to embracing new models based on solid science, innovative partnerships and systematically considering environmental, social and governance factors in investment decisions and active ownership practices. It also means further developing solutions that redirect capital flows to issuers best positioned to tackle these challenges.

We have three ambitions before 2025:

1



To significantly reduce the **environmental impact** of our activities and investments

2



To fully integrate **ESG factors and active ownership** into all investment processes

3



To be a leading provider of **responsible products and solutions**

10 LEVERS OF ACTION

To achieve these ambitions, we have identified 10 levers of action for conducting our own activities and for managing assets on behalf of our clients.

How we conduct our activities

Responsibility starts with what we do with our own assets.

1. **How we invest our balance sheet:** This includes our corporate treasury as well as seed investments. As we have full control over our balance sheet, we have committed to portfolio decarbonisation and investing in activities that contribute to accelerating the transition to a low-carbon economy.
2. **Employee engagement to foster responsibility:** Our employees are our most crucial asset and a key amplifier when it comes to sustainability and responsible behaviour. We will continue to engage with our colleagues on sustainability topics and encourage them to be involved in local actions, especially where we have a strong presence.
3. **How we manage our direct environmental impacts:** In our own business activities we are taking every possible step to cut our carbon footprint by employing the most advanced building technology, reviewing every aspect of our operations and reducing the environmental impacts of our infrastructure and employee mobility.
4. **Philanthropy for environmental and social benefit:** As the ultimate “risk capital”, philanthropy can be an important part of tackling some of the world’s most intractable problems. Through our initiatives and supported projects, we seek to stimulate action on environmental and social issues.
5. **Advocacy and partnerships:** We strive to encourage all our stakeholders and partners to implement sustainability and responsible investment. We have therefore signed the UN Principles for Responsible Investment for all business lines, including our pension fund, and committed to the UN Principles for Responsible Banking.

How we manage client assets

Our biggest impact lies in what we choose to do when managing assets on behalf of clients.

6. Sustainable products and solutions: We will continue to develop investment strategies that provide capital to companies which help to make a positive impact on society or the environment, as well as to those that have a plan to successfully mitigate the negative externalities of their products, services, operations and supply chain.
7. ESG integration into investment processes and risk management: Across research, investment decisions, risk management and advisory services, we will continue to boost the integration of material and emerging environmental, social and governance factors in our evaluation of corporate and sovereign issuers.
8. Active ownership: We will strive to engage with issuers that fall short of our expectations – either directly or through collaborations with other investors. Where necessary, we will escalate to Board representatives, vote against management or support shareholder resolutions. Depending on the severity of the concern and the issuers' capacity or willingness to adopt generally accepted standards of best practice, we may choose to sell the investment.
9. Client engagement: Where relevant data are available, we will strengthen reporting on the ESG characteristics of client portfolios and the impact of active ownership activities. Where data are missing, we will encourage issuers to report according to international standards.
10. Thought-leadership and research on sustainability: We will use our substantial experience across key environmental and social themes to publish targeted research and help raise awareness and capital for a sustainable transition.

We are convinced that these 10 levers of action will make us better investors and corporate citizens and help us play our part in designing a thriving system for future generations. Ultimately, they align us with our purpose:

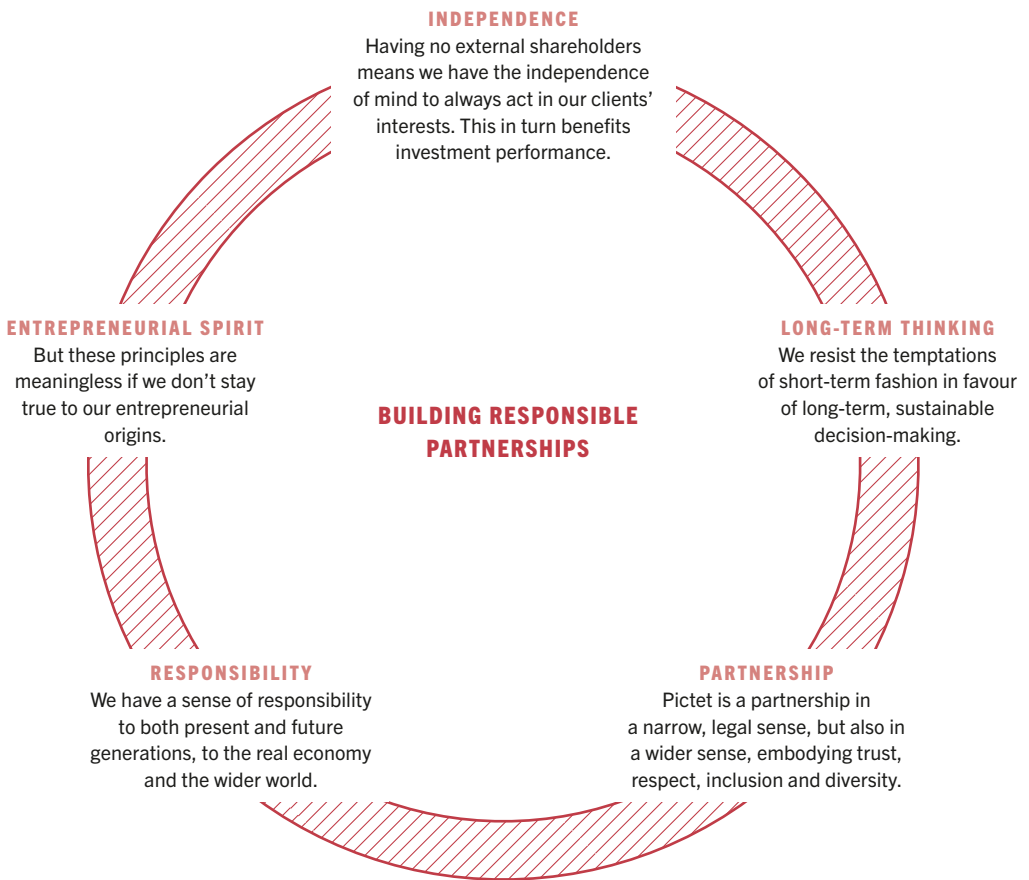
“To protect, grow and transmit wealth, in every sense, by building responsible partnerships with our clients, colleagues, communities and the companies in which we invest.”



Precisely calculating the desired event, Roman Signer prepares installations that paradoxically end up escaping from his control in order to produce their effects. The accident that occurs or seems about to occur gives us the fleeting feeling that the existence of things is irreversibly swept away by the flow of time, and that to try to hold it back can be nothing more than an illusion.

Roman Signer
Tisch
Iceland
1994

A VIRTUOUS CIRCLE



II. PRINCIPLES IN ACTION: OUR PEOPLE

CORPORATE CULTURE

Our independence has enabled us to invest and expand our business with the long term in mind. It also allows us to pursue a unique approach to recruiting and managing people.

In 1921, we were one of the first banks in the world to introduce a profit-sharing scheme as an incentive to employees. All employees are eligible and around 60% are currently beneficiaries of the scheme. By giving the majority of our employees a direct stake in Pictet's growth and success, we've aligned employee interests with those of the Group and its owners.

Our employees in Switzerland are also able to enjoy the benefits of a rigorously managed pension fund, with careful attention paid to how the fund's assets are invested at any given time.

These characteristics strengthen the notion of partnership between employees and the company, as well as creating a lasting relationship of trust between the company and clients. This approach provides stability and reinforces the Group's values and corporate culture.



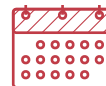
4,700

Number of people working for Pictet at 28 offices around the world. Forty years ago, we employed just 300 people



6.6%

Pictet's employee turnover, one of the lowest in the financial industry



21

In years, the average tenure of our managing partners

FOSTERING EMPLOYEE WELL-BEING

Various initiatives enable our employees to share and pass on their expertise.

Diversity & Inclusion

We are committed to fostering a diverse and inclusive culture. In 2019, Pictet was awarded EDGE level 1 certification after a third-party evaluation that recognised our efforts in building a gender-balanced talent pipeline. We also ensure equal pay and equitable career flows, and have put in place an effective framework of policies and practices to achieve an inclusive culture.

Flexible and modern ways of working

As a responsible and supportive employer, we offer employees several flexible working arrangements that are open to men and women. These include flexible hours, working from home and annualised part-time or unpaid leave; and since January 2020 new fathers have been entitled to 20 days' paternity leave.

Employee restaurants

With a focus on healthy food and sustainable supply chains, our restaurants also support local farmers and strive for near-zero food waste. These restaurants provide a place for people to meet, relax and exchange thoughts and ideas.



1,700

Respondents to the EDGE level 1 survey



20

Number of paternity leave days for new fathers at all our offices



98%

Satisfaction rate for our staff restaurant in Geneva

**DEVELOPING COLLECTIVE INTELLIGENCE:
THREE BEEHIVES AND 50,000 BEES**

In April 2018, Pictet employees installed three beehives on the roof of the Geneva headquarters. This also coincided with the launch of the Beekeeping Club, which is 100% managed by Pictet employees.

Cyril Camilleri, Senior Investment Manager at Pictet Asset Management, who is also responsible for the Beekeeping Club, explains the challenges linked to the project.

Why beekeeping at a bank?

Cyril Camilleri: To create our own apiary, but without external help. The project is primarily educational: we want our employees to be aware of the issues linked to the loss of biodiversity and the decline in the number of pollinating insects. Setting up the club was part of a larger thought process at Pictet, aimed at raising awareness of environmental and sustainability issues within the company.

How is the club doing today?

CC: We now have 25 members (with many more on the waiting list) – most of them without any experience in beekeeping. From March to October we meet once a week to watch the beehives and make sure that the bee colonies are doing well. Some of the members are even considering having their own apiaries at home, which will then multiply the positive effect of reintroducing bees.

What impact have you had so far?

CC: The club immediately generated a lot of interest among our colleagues. As a result, there is growing awareness of the importance of pollinators for the preservation of biodiversity and that managing a beehive is anything but a passive activity. In my eyes, this is a concrete illustration of why taking the long-term view always matters. And this principle applies equally to the way we manage our investments and to the preservation of our planet.

“Responsibility means a long-term, partnership approach. It’s not just being responsible and showing integrity towards the present generation, but also towards future generations, the real economy and the wider world.”

RENAUD DE PLANTA
Senior Partner

BUILDING EMPLOYEE AWARENESS AND FOSTERING ACTION

To support our environmental efforts, we organise internal events like “Sustainability Week”. The event, which launched in 2016, aims to influence employees and raise their awareness in order to foster sustainability.

Employees around the world are able to follow talks given by internal and external experts. They can also learn about local flora and fauna, take part in e-bike excursions and visit the installations used to reduce Pictet’s carbon footprint and generate our own clean energy.

Blood doning

Blood donations save lives but only 2.5% of the Swiss population give blood regularly. Pictet has therefore been encouraging its employees to do so since 2007.

Volunteering programme for employees

Through this programme, our employees can take part in social or environmental projects. The activities include lake cleaning or mentoring unemployed people.



20

Talks given by sustainability experts, such as André Borschberg (Solar Impulse pilot) and Peter Bakker (CEO, World Business Council for Sustainable Development)



454

Number of Pictet employees who gave blood in 2019



*Roman Signer
Stiefel (Boots)
River Sitter, Switzerland
1990*

Roman Signer's favourite playing fields are nature, time and space, while objects making up the banal form the core of his "actions-sculptures". Yet despite the obviousness and simplicity of his interventions, confining him to one or another category of art is no easy task. His work is indeed part and parcel of the genealogy of Land Art, with his short-lived actions taking place out in the middle of natural landscapes.



*Roman Signer
Ski
River Sitter, Switzerland
2000*

III. PRINCIPLES IN ACTION: ENVIRONMENTAL STEWARDSHIP

Our environmental approach is driven by the understanding that our activities have an impact on the environment and that we have an obligation to reduce this impact wherever possible. Because you can only change what you measure, we began to calculate the Group's CO₂ emissions in 2007. An ambitious objective

was set at the time to reduce the average carbon footprint per employee by 40% by 2020. Reducing our footprint further, especially in absolute terms given our growth, will require stronger ambitions regarding our infrastructure, mobility and consumption as a firm.

THREE MAIN PILLARS



1 Use an efficient infrastructure



2 Support green mobility

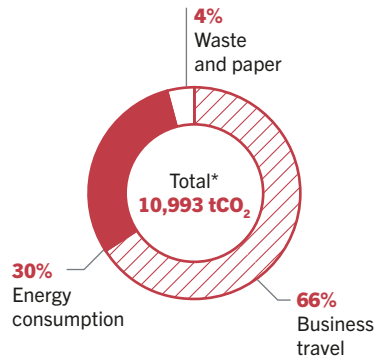


3 Optimise our consumption

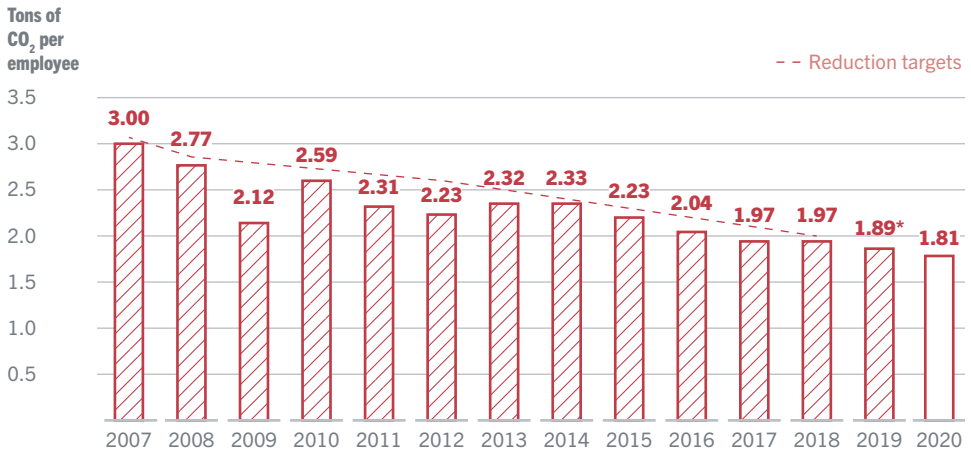
1. INFRASTRUCTURE

We built our Geneva headquarters in 2006 with sustainability in mind. At the time – a full nine years before the Paris Agreement of 2015 – this kind of consideration was still rare.

SOURCES OF CO₂ EMISSIONS OF THE PICTET GROUP IN 2019



REDUCTION OF CO₂ PER EMPLOYEE BETWEEN 2007 AND 2019*



* Calculated with 2018 data where 2019 are not yet available

ENERGY EFFICIENCY IN 2019

We've employed a range of solutions to increase the energy efficiency of Pictet's head office in Geneva. The three main installations – a solar air conditioning plant, a heat transfer plant and photovoltaic panels – enable us to avoid using fossil fuels and prevent CO₂ emissions, and also to produce clean electricity. Thanks to these three installations, the Pictet Group avoided 295 tons in CO₂ emissions in 2019.



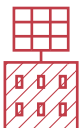
42,703

in kWh of produced energy,
the equivalent of recharging
470 electric cars



103,597

number of litres of fuel oil saved
thanks to the heat transfer system
between our Geneva buildings



600 m²

Size of the solar air conditioning
plant on the roof of Pictet's
headquarters in Geneva



958

In kilogrammes, CO₂ emission per
employee at Pictet's Paris office –
the Group's lowest carbon footprint

2. MOBILITY

PROMOTING VIDEO CONFERENCING AS AN ALTERNATIVE TO BUSINESS TRAVEL

The purpose of business travel is to connect with colleagues and clients. While nothing replaces physical meetings, we encourage the use of video conferencing. In total, 290 video conferencing facilities have been installed across the Pictet Group. Between 2010 and 2019, the number of video conferences has risen drastically.



450%

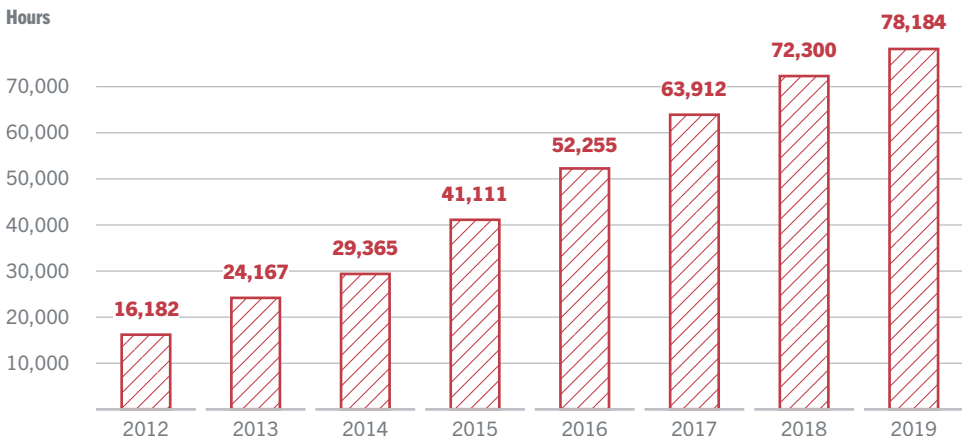
Rise in the number of video conferences between 2010 and 2019



70,000

In tonnes, amount of carbon offset between 2014 and 2020 through the funding of clean-energy projects, allowing Pictet to already achieve its carbon neutrality target

VIDEO CONFERENCES ON THE RISE



PROMOTING SOFT MOBILITY

We encourage our employees to prioritise soft mobility solutions for commuting to and from work.

There are various benefits available to employees at our Geneva head office:

- Free recharging stations for electric bikes and cars
- Free public transport for employees who give up their parking spot
- A partnership with Genève Roule, a local association that provides electric bikes

Daniel Suda Lang, director of Genève Roule, gives more details about the association's partnership with Pictet.

For the past four years, Genève Roule has provided Pictet employees with electric bikes. What's the purpose of this partnership?

Daniel Suda Lang: It's to show Pictet employees the advantages of cycling, whether for short journeys or to get to work every day. As part of the partnership, we have a bike rental station in the courtyard

of the Geneva head office from March to November. Pictet employees can use one of these bikes free of charge during lunch breaks, evenings or even weekends.

Would you consider this initiative a success?

DSL: Since the launch, we've seen real enthusiasm for this project. In 2019, 7,052 e-bikes were borrowed at the Geneva head office, a 28% increase on 2018. These bikes covered a total distance of 45,207 kilometres, saving 25,3 tonnes of CO₂. The partnership also has a positive social impact, as three or four jobs are created during the rental period, mainly for long-term unemployed people and refugees.

What are the benefits of such a campaign?

DSL: As our urban environments become increasingly dense, we need to diversify our means of transportation. Bikes are a healthy way of getting around, but also a clean one. Our aim is to encourage employees to reconsider the way they commute in the long term.

This is also why we encourage employees who wish to buy an e-bike at the end of each season.

3. CONSUMPTION

UNDERSTANDING AND MANAGING WASTE

In our quest to minimise the direct impact of our business, and that of our employees, we also launched in 2018 a landmark campaign to cut our single-use plastic consumption. We identified two main sources of plastic waste – our employee restaurants and supply offices – and put in place more sustainable alternatives. Thanks to this initiative, the Pictet Group reduced use of disposable plastic by 90% in just 12 months.

Gregory Simonnin, senior consultant at Quantis – a sustainable development consultancy that assisted Pictet through this process – explains how companies deal with plastic waste.

What advice did you give Pictet to reduce their plastic waste?

Gregory Simonnin: Pictet approached Quantis at the end of 2018 with a very detailed inventory of all the plastic objects used daily within the Group. Together, we developed strategies to integrate the use of plastics with a more sustainable approach. While it is important to reduce the use of plastic as much as possible, our role is to ensure that the alternative options are not even worse for the environment. For example, replacing plastic packaging

used for food might not necessarily be positive if it leads to an increase in food waste. That’s why we advocate an approach that avoids single use.

What are Pictet’s main challenges in reducing waste?

GS: Pictet has branches all over the world. Waste treatment varies enormously from one country to another, but the basic concept is that plastic waste must not be allowed to enter the environment after collection. We helped Pictet identify the countries in which plastic leakage is a big challenge. In these countries, a drastic reduction in single-use items, particularly plastic, is required.

Have you noticed a change in the awareness of companies about waste management?

GS: We’ve seen increased interest in waste management, and more particularly of plastics, over the past couple of years. We also exchange with several peers in Geneva to share best practices in this “Cut the plastic” campaign. This topic concerns almost all the sectors we work in, from food producers, to cosmetics or sports events.



The artist's actions play out in three distinct timeframes: the preparation beforehand, the action strictly speaking, and finally the result of that act. Through that action Signer reveals aspects of the surrounding world which we pay little attention to, like the weight of snow or the force of a waterfall, while mirroring the insignificance of our own daily activities, so quickly gone, and the emptiness of our aspirations to dominate the world.

Roman Signer
Kajak (Kayak)
Rhine Valley, Switzerland
1988

IV. COMMITMENTS TO THE BROADER SOCIETY

PHILANTHROPY AND THE ARTS

As a responsible actor, we are involved in societal action through numerous initiatives.

Prix Pictet

Founded in 2008 by Pictet, the Prix Pictet has become the world's leading award for photography and sustainability. To date, there have been eight cycles of the award, each of which has highlighted a particular facet of sustainability. The eight themes are *Water, Earth, Growth, Power, Consumption, Disorder, Space* and *Hope*.

Philanthropy/Charity Foundation

Established in 2009, the Pictet Group Charitable Foundation provides financial support to charitable organisations and public-interest projects, both in Switzerland and abroad.



4,700

Number of artists nominated for the Prix Pictet since 2008



\$42 million

Amount of financial support for charitable projects since 2009



200

Number of Pictet employees worldwide who gave their time to help the community in 2019

ADVOCACY FOR SUSTAINABILITY AND RESPONSIBLE INVESTING

Through a range of memberships and strategic partnerships, Pictet aims to demonstrate leadership in responsible investment, encouraging the financial industry and industry in general to follow its example.

UN Principles for Responsible Investment

Launched in 2006, the UN Principles for Responsible Investment (UNPRI) relate to ESG factors, and provide a global standard for responsible investing. Pictet signed the principles in 2007. Today, almost 2,000 signatories from over 50 countries accept the UNPRI.

Principles for Responsible Banking

In 2019, the Pictet Group also signed the UN Principles for Responsible Banking.

Swiss Climate Foundation

In 2008, Pictet was among the founding members of the Swiss Climate Foundation, a non-profit foundation that directly champions the cause of climate protection

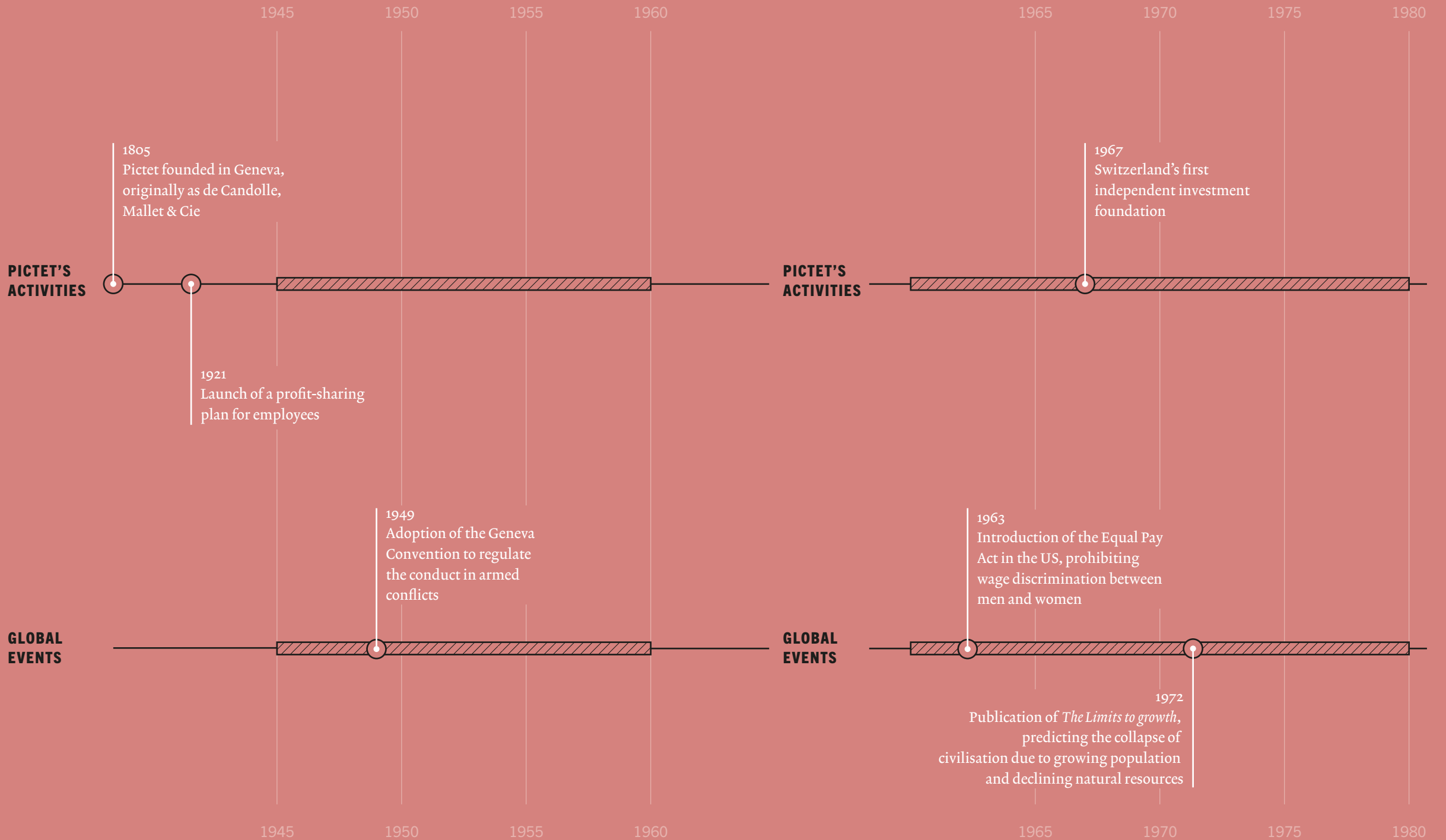
in Switzerland. The Foundation helps to fund small and medium enterprises (SME) that take active steps to reduce CO₂ emissions and provides support for research and development into technologies and products in the field of environmental protection. Through the foundation, Pictet is able to reallocate funds to climate projects, based on its convictions.

Our stance on controversial weapons

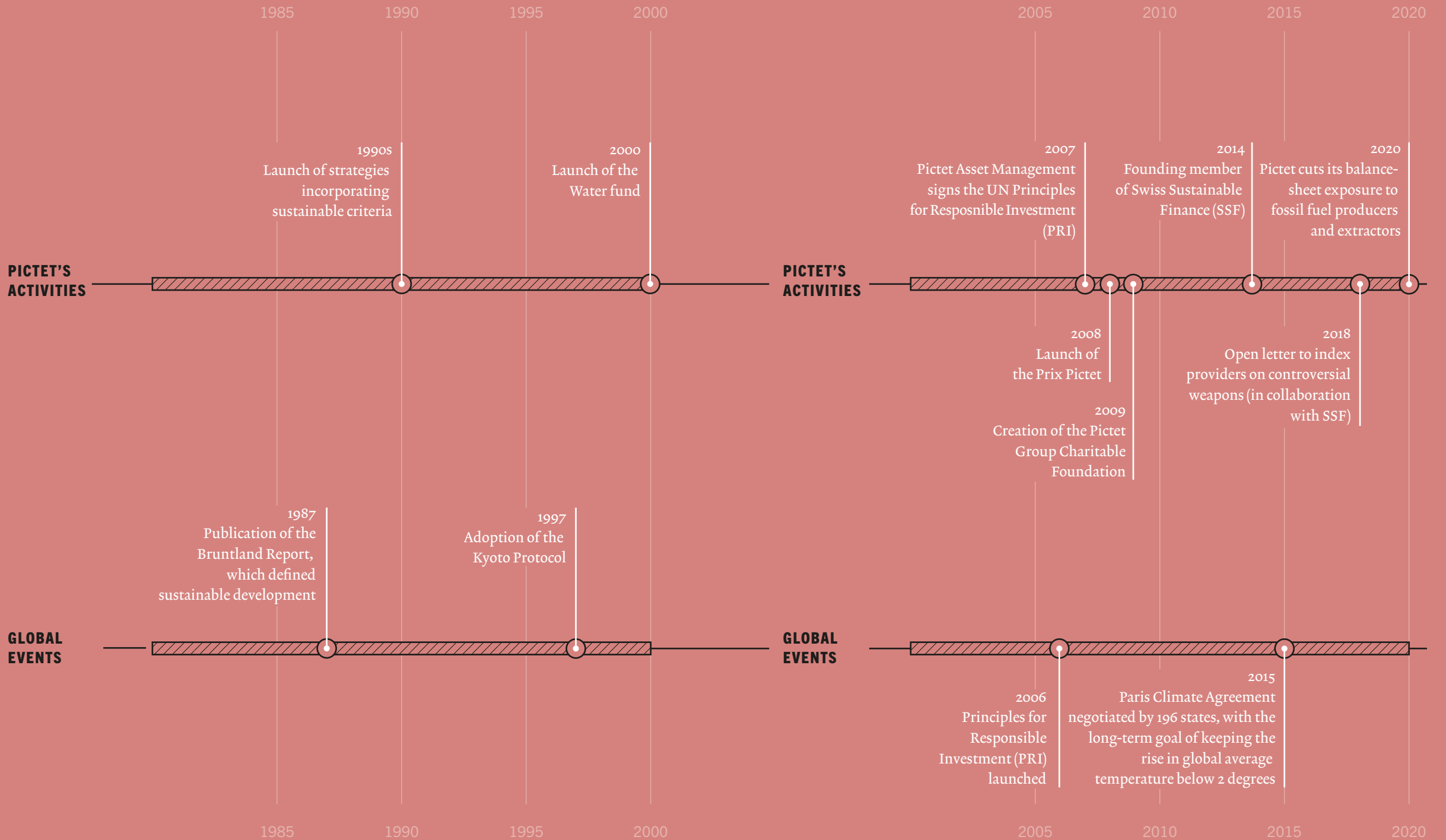
Since 2011, the Pictet Group has enforced a strict exclusion policy on companies involved in controversial weapons across all its actively managed strategies. Such weapons may cause indiscriminate or disproportionate harm and their use is banned or restricted under international conventions.

As part of this commitment, Pictet is spearheading a collaborative initiative with Swiss Sustainable Finance (where we have a seat on the Board), with the aim of removing controversial weapons manufacturers from mainstream indices and benchmarks.

PICTET GROUP MILESTONES



PICTET GROUP MILESTONES



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Sources

All data taken from Pictet Group.

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