

PICTET GROUP

EU Sustainable Finance Disclosure Regulation

Sustainability-related product
disclosure

VERSION AS OF MAY 2026

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

The financial product intends to partially invest in economic activities that contribute to at least one of the following environmental and/or social objectives:

- Taxonomy-aligned (climate change mitigation and climate change adaptation).
- Other environmental (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, or protection and restoration of biodiversity and ecosystems).
- Social (inclusive and sustainable communities, adequate living standards and well-being for end users, or decent work).

This is achieved by investing:

- in securities financing fully or partially economic activities that contribute to the environmental and/or social objectives listed above. Eligible securities include equities and bonds issued by companies with a proportion of activities (as measured by revenue, EBIT, enterprise value or similar metrics) derived from such economic activities.
- in funds that invest partially or fully in securities financing economic activities that contribute to the environmental and/or social objectives listed above.

In addition, the financial product considers and, where possible, mitigates adverse impacts of its investments on society and the environment by investing the majority of its assets in best-in-class funds identified using our framework for sustainable funds as well as through a combination of portfolio management decisions, active ownership activities, and for direct investments in securities of corporate issuers, through the exclusion of issuers associated with controversial conduct or activities.

Environmental and Social Characteristics (E/S characteristics)

The financial product “1805 Responsible Multi assets” promotes environmental and social characteristics by adopting a holistic approach combining the monitoring of issuers’ environmental and social characteristics, an analysis of their level of sustainability risks & opportunities, as well as the implementation of clear screening criteria and of portfolio construction rules.

In particular, the financial product seeks to:

- invest in best-in-class funds identified via our framework for sustainable funds combining quantitative and qualitative assessment
- monitor the level of sustainability risks of direct investment in securities of issuers through a broad range of ESG characteristics such as company’s ESG Risk, quality of Corporate Governance and Carbon intensity.
- exclude issuers that are in severe breach of international norms and/or have significant revenues from activities with adverse impacts on society or the environment and actively managed funds with an ESG score¹ of less than 3.

For more details on sustainability indicators used to measure the ESG characteristics, please refer to the section “Methodologies for environmental or social characteristics”.

¹ This indicator is based on the Investment Manager’s own due diligence assessment of the fund and ESG scoring methodology. ESG scores range from 1 to 5 with 1 being “Laggards” and 5 being “Leaders”.

Investment strategy

The objective of the financial product is to provide a balance between capital growth and the preservation of real value in the long term. The investment strategy follows a diversified, actively managed approach that aims at investing responsibly across a wide range of asset classes and currencies while optimising risk-adjusted returns.

The investment process promotes Environmental, Social and Governance (ESG) characteristics. When selecting investments, the financial product adopts a best-in-class approach that seeks to invest in sustainability leaders (securities and funds) whose business models ensure long-term resilience.

. The Investment manager uses our proprietary sustainability scoring to identify leading companies. The scoring assesses companies based on four criteria: the quality of their governance, their preparedness for climate risks, how their long-term growth potential aligns with major sustainable development trends and their ability to address sector-specific challenges. These four criteria are aggregated with equal weighting, and companies are then assigned to one of the following categories: Leader, Performer, Follower and Laggard.

The investment manager only invests in companies that are Leaders or Performers within their sector, based on our sustainability scoring.

The Investment manager uses a dedicated proprietary ESG due diligence questionnaire to support the fund selection process. The questionnaire is reviewed periodically and is based on four pillars: firm level policy, investment process, active ownership and monitoring & reporting.

The investment manager assesses company decision-making processes and controls, as well as how management balances the interests of shareholders, employees, suppliers, customers, the community and other stakeholders. Assessed areas may include:

- the composition of the executive team and board of directors, including the experience, diversity and distribution of roles, along with succession planning and board evaluation
- executive remuneration, including short term and long-term incentives and their alignment with investor interests
- risk control and reporting, including auditor independence and tenure
- shareholder rights, including one-share-one-vote and related-party transactions

When investing in Best-in-class funds, the Investment Manager evaluates the fund's policy on good governance practices, to the extent such policy can be obtained.

The financial product's binding elements include:

Exclusion of actively managed funds that have an ESG score below 3. Exclusion of issuers that:

- are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons;
- derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional oil and gas production, nuclear power generation, conventional weapons and small arms, military contracting weapons and weapon-related products and services, tobacco production, adult entertainment production, gambling operations, genetically modified organisms development/growth, pesticides product/retail; or
- severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.
- Fall into the relative sustainability scoring categories of Follower and Laggard within their sector.

Proportion of Investments

The financial product invests mainly in funds and listed shares. At least 70% of investments are aligned with the financial product's environmental and social characteristics and a minimum proportion of 15% are sustainable investments. The financial product's other investments (not aligned with E/S characteristics) include cash, gold and derivatives. Minimum safeguards are covered by our dedicated proprietary ESG due diligence.

Monitoring of E/S characteristics

To ensure ongoing compliance, the bank monitors E/S characteristics implemented in the investment process by pre- and post-trade checks against the binding elements. Those checks are performed by Portfolio Management as well as Investment Risk teams.

Methodologies for E/S characteristics

The indicators that are used to measure the E/S characteristics promoted by this financial product include:

- exposure to funds aligned with our framework for funds combining qualitative and quantitative assessment
- Exposure to issuers with leading sustainability practices (captured via our sustainability scoring)
- exposure to issuers that severely violate the UN Global Compact principles on human rights, labour standards, environmental protection and anti-corruption.
- exposure to issuers that are involved with nuclear weapons from countries that are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and other controversial weapons or derive a significant portion of their revenue from activities detrimental to society or the environment, such as thermal coal extraction and power generation, unconventional oil and gas exploration and production, conventional oil and gas production, nuclear power generation, conventional weapons and small arms, military contracting weapons and weapon-related products and services, tobacco production, adult entertainment production, gambling operations, genetically modified organisms development/growth, pesticides product/retail.

Data sources and processing

We have developed a proprietary corporate Sustainability scoring that aims to distinguish well-managed companies with good potential for long-term growth. Our sustainability scoring is based on a curated set of the most material data points, from various third-party providers on specific datasets and internal proprietary analysis.

ESG data providers are subject to a regular review of their business model, research process, technical expertise, data coverage, quality assurance mechanisms, and prevention of conflicts of interests.

Similarly for fund manager selection, we have developed a comprehensive ESG questionnaire that includes both firm-and fund-level questions. The completed questionnaires are assessed on four pillars: Management Firm commitment to ESG, Investment Process, Active Ownership, Monitoring and Reporting. Based on this assessment, each fund is then assigned an ESG score ranging from 1 (ESG Laggard) to 5 (ESG Leader).

Once ESG data is integrated into our systems, we conduct quality controls on an on-going basis to detect and address issues that may negatively affect data usage.

Limitations to methodologies and data

Key limitations to our methodologies may include a lack of data coverage and/or quality.

To overcome these issues, the Pictet Group ESG Data Committee reviews periodically current and potential ESG data providers and serve as escalation point for remediation to data quality issues or issues related to lack of coverage.

The Investment Manager relies on various sources of information to analyse and monitor potential investments (including third party data and internal proprietary analysis) and to ensure compliance with defined binding elements and exclusions. The Investment Manager retains full discretion over the implementation of exclusion criteria and reserves the right to deviate from third-party information on a case-by-case basis in instances where it is deemed incorrect or incomplete, for example in the case a company is undergoing a sustainable transformation. In such cases, exemptions to the exclusion criteria may be initiated by investment teams, must be supported by a written rationale and is subject to validation by senior members of the investment platform. Once validated, the exemption needs to be monitored on an on-going basis.

Due diligence

Our due diligence process of issuers covers the following areas:

- The clarity and robustness of the issuer's long-term strategy
- The functioning and calibre of governance structures and effective leadership
- The financial strength and performance of issuers and the fair valuation of underlying securities.
- Sustainability risks & opportunities and adverse impacts of potential investments on society and/or the environment.

Our due diligence process for fund selection covers:

- robustness of responsible investing policy
- coherence of policy adherence and implementation across the whole value chain
- scoring with our proprietary scoring methodology and comparison with peer-group.

Engagement policies

Active ownership through engagement and proxy voting is intended to improve the long-term sustainability of the businesses the bank invests in on behalf of investors in discretionary portfolios.

The bank considers 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. Similarly, for fund manager selection we systematically address ESG issues with our investment partners and encourage improvements of current practices. At this stage engagement is not promoted as part of the E/S characteristics of this financial product.

Please refer to [Wealth Management Responsible Investment Policy](#) for more information on our active ownership activity.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics.