



RESPONSIBLE INVESTMENT STRATEGY FRAMEWORK

Picard Angst Group
Swiss Strength. Traditional Values. Sustainable Future.



The Principles for Responsible Investments

Sustainability is a fundamental component of Picard Angst Group (PAG). As an active Manager, it is our goal and our responsibility to support our clients in achieving their investment goals in the best possible and sustainable way.

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 Environmental, Social and Governance (ESG) criteria in our investment processes and ownership practices.

Signatory of:



Through our stewardship programme, we aim to fulfil our responsibilities as investors and to help shape a more sustainable, prosperous, healthy and equitable society.

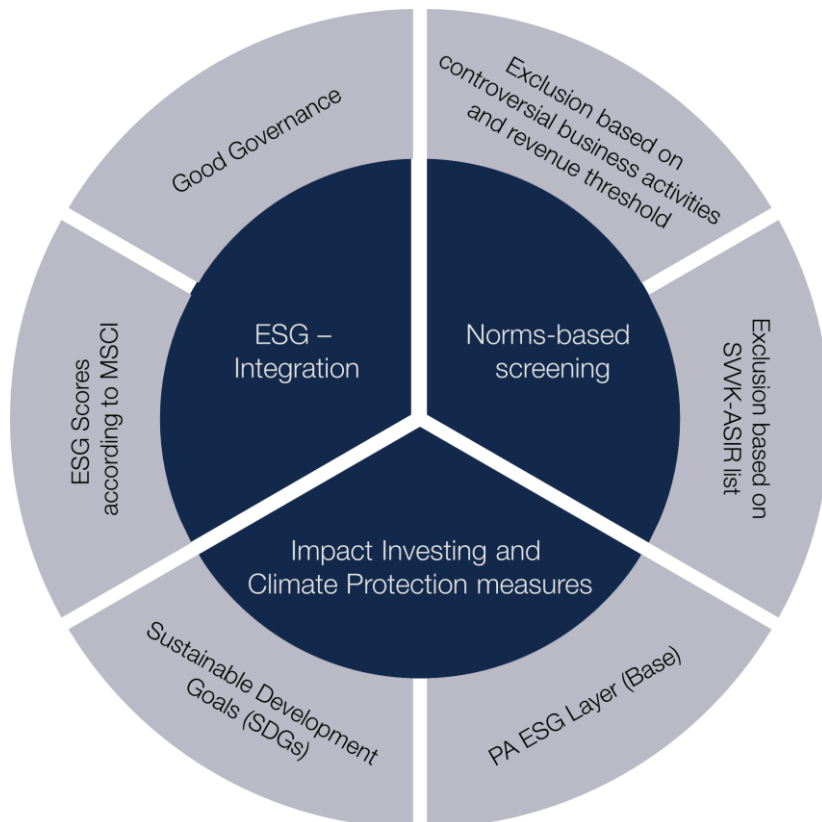



Responsible Investment Strategy Framework

The Sustainable Investment Strategy Framework prescribes the principles applicable to investment processes and portfolio construction in order to integrate ESG considerations and risks along the pillars of:

- Norms-based Screening
- ESG Integration
- Impact Investing
- Climate Protection measures

It should be noted that some Responsible Investment Principles may not be applicable to certain asset classes (e.g., commodities). Furthermore, certain types of products or mandates may impose additional restrictions, more stringent exclusion or integration requirement, or deviate from some principles subject to client requirements.





NORMS-BASED EXCLUSIONARY SCREENING

Exclusions based on controversial business activities and revenue threshold and based on SVVK-ASIR list.



ESG INTEGRATION

We are committed to integrating Environmental, Social and Governance (ESG) criteria in our investment processes.



IMPACT INVESTING

Companies that are harmful or unethical to society, the climate or the environment due to their controversial business activities, will be excluded.



CLIMATE PROTECTION

We are working on an ongoing basis to assess climate change effects and the impact of the low-carbon transition on sectors and companies.

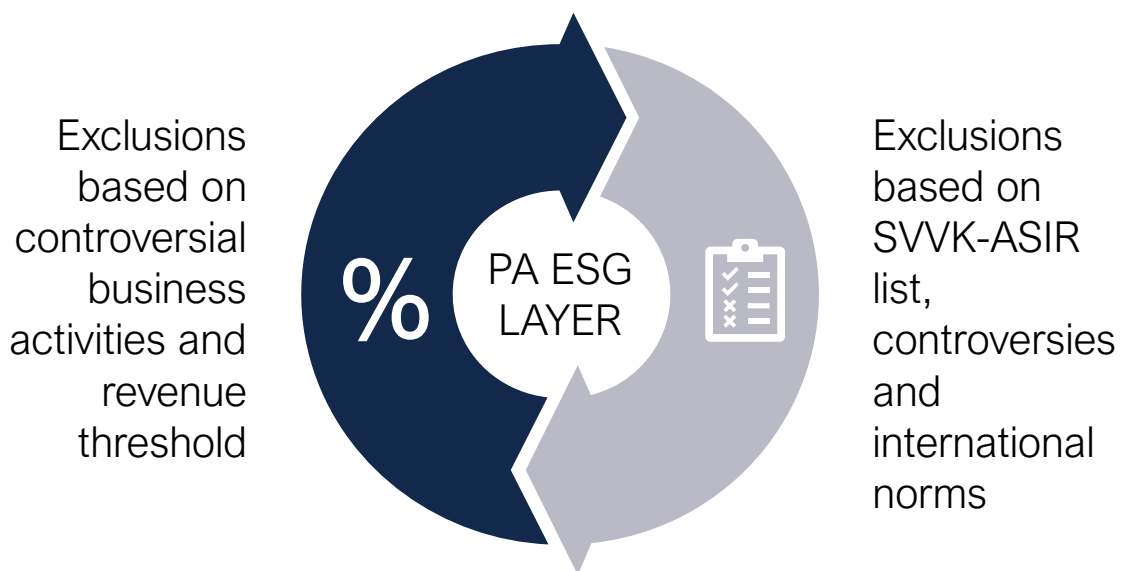


STEWARDSHIP

We aim to support a strong culture of corporate governance, effective management of environmental and social issues and comprehensive reporting according to credible standards.

NORMS-BASED EXCLUSIONARY SCREENING

The key features of our exclusion framework are based on a combination of revenue thresholds derived from controversial business activities that are deemed harmful to society, climate change, and environment, consistent with the full list of Swiss Association for Responsible Investment (SVVK-ASIRE) , very severe breaches to ESG controversies and international norms on human rights, labour standards, environmental protection and anti-corruption. Such exclusions limit the exposure to industries and businesses subject to material sustainability risks.



PA ESG Layer (Base)

Exclusions based on controversial business activities and revenue threshold

Business Activities	Revenue Threshold
Companies engaged in the development, production, stockpiling and distribution of controversial weapons like cluster munitions, antipersonnel mines and nuclear weapons	0%
Companies with a significant portion of their revenues from following business sectors: thermal coal, unconventional oil & gas, adult entertainment, weapons and exposure to potentially stranded fossil fuel assets in combination with bad governance, adult entertainment and weapons	
• Coal - Involvement	10%
• Unconventional O&G – Revenue threshold	>=10%
• Exposure to potentially stranded fossil fuel assets and an inadequate governance	0%
• Adult Entertainment Revenue threshold	>=25%
• Weapons Maximum Percentage of Revenue	>=25%

Exclusions based on SVVK-ASIR list, ESG controversies and International Norms

Breaches of ESG controversies and international norms

- ESG controversies score = Very severe
- UN Global Compact Principles = Fail
- UN Guiding Principles for Business and Human Rights = Fail



ESG INTEGRATION

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 Environmental, Social and Governance (ESG) criteria in our investment processes. ESG factors are an additional relevant source of information, part of portfolio and risk management to identify and exploit investment opportunities and mitigate investment risks.

Companies with the lowest ESG scores and thus highest sustainability risks worsen the return / risk profile of a portfolio over time and are not compatible with our values of Responsible Investing.

In the whole portfolio construction and management process, eligible companies must have a minimum rating of a B (according to MSCI's ESG scoring database)



Minimum Rating
of companies:

B

IMPACT INVESTING

Responsible Investing also means defining a framework to sufficiently address the greatest social and environmental challenges facing society.

In line with our fiduciary duty to act as a responsible asset manager and as a signatory to the UN Principles for Responsible Investment (UN PRI), we support the UN Sustainable Development Goals (SDGs) and see this as an appropriate framework for addressing the most relevant global, social and environmental issues, guiding the implementation



Quelle: UNO (2022)



CLIMATE PROTECTION

Climate change is one of the single largest threats to the global economy and in general to society and the environment. It implies specific risks to the companies and other entities we invest in. To reduce potential climate risk and to address climate protection measures, PAG is working on an ongoing basis to assess climate change effects and the impact of the low-carbon transition on sectors and companies.

Within the PA ESG Layer (Base) we exclude all companies with a substantial exposure to

Companies that derive ten percent or more of total annual revenues from thermal coal

Companies with a significant exposure to unconventional oil and gas with 10% revenue threshold. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane

Exposure to potentially stranded fossil fuel assets and an inadequate governance



STEWARDSHIP

Proxy Voting

The purpose of our voting is to protect and promote the rights and long-term interests of our clients as shareholders. We aim to support a strong culture of corporate governance, effective management of environmental and social issues and comprehensive reporting according to credible standards.

The voting rights process is designed to ensure that voting rights for shares under the responsibility of PAG are exercised on a consistent basis by establishing key principles for decision-making and defining procedures and responsibilities.

Engagement

As part of our active ownership policy, we engage in active dialog with companies on specific or cross-cutting ESG issues through our memberships in industry associations.

As a signatory to the UN PRI, we are involved through the PRI Collaboration Platform and various investor initiatives. Our approach aims to deliver long-term sustainable returns while creating positive environmental and social impact.



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