Responsible investment products

The Banque Cantonale de Genève offers responsible investment options

BCGE views responsible investment as a combination of traditional, environmental, social, and governance (ESG) investment approaches. The primary objective of responsible investment is to improve performance over the long term.

The Bank integrates ESG criteria into its investment approach in a progressive, fitting and prudent manner, as part of its fiduciary duty toward its clients and in adherence to the United Nations Principles for Responsible Investment (UNPRI).

This is one way in which managers demonstrate their conviction to act responsibly on behalf of their clients and partners in addition to the companies in which they invest. Observing the principle of double materiality[1], BCGE weighs the positive and negative impacts on the environment and society that could result from their investment decisions.

BCGE's goal is to meet investors' expectations by applying high standards of transparency to its choice of tactics and assets. This document explains how responsible investment practices are implemented.

Examples of ESG-related issues:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Climate change	Respect of human rights	The fight against corruption and against the financing of terrorism
Preservation of resources	The fight against modern slavery	Proportionate remuneration of governing bodies
Waste management	The defence of children's rights	Board and management powers and structures
The fight against pollution	Decent working conditions	Anti-money laundering
The protection of bio-diversity	Security	Tax compliance

1 The principle of double materiality aims to jointly study the impact of the environment on businesses and the impact of businesses on the environment

The information contained in this document complies with the October 2023 disclosure requirements of Article 10 of the Swiss Bankers Association (SBA) Guidelines for Financial Services Providers on the integration of ESG preferences and ESG risks in investment advice and portfolio management. This document does not constitute a contract, an advertisement or an investment proposal.

A range of investment products

As part of an overall asset management advisory service, BCGE offers a range of classic and traditional options in addition to two ESG product lines that integrate client ESG preferences. Each product line has distinct characteristics, both in terms of objectives and approaches, making it possible to meet investors' expectations.

Our **Classic** line: investment decisions are mainly governed by financial objectives and criteria, without discrimination.

This line focuses primarily on minimising traditional financial risks to ensure optimal management of the portfolio's risk/return ratio. This does not rule out the inclusion of sustainability criteria if there is a proven impact on financial performance. On the other hand, by not systematically incorporating extra-financial ESG constraints, the line offers broad access to the market and offers the highest diversification.

The **Synthetic** line: BCGE's benchmark for ESG investment. This line takes into account companies' exposure to ESG risks, as well as their ability to manage them. The Bank reserves the right to exclude certain companies.

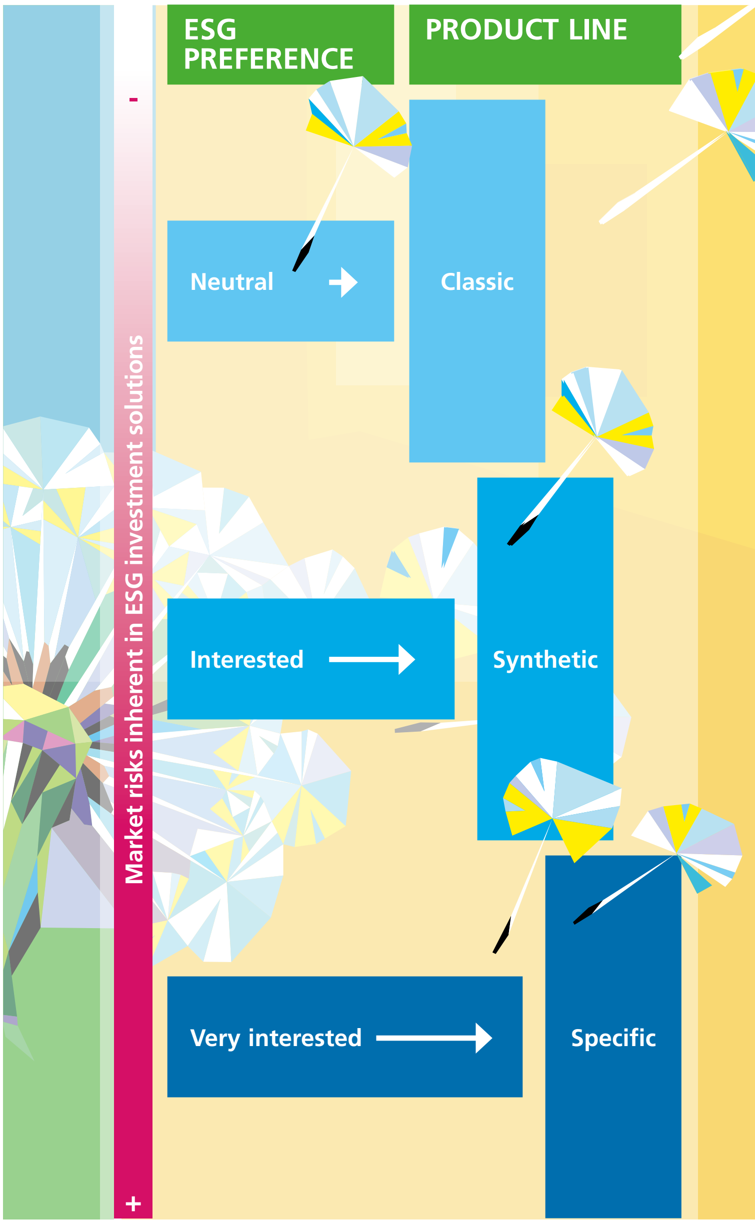
The aim of the Synthetic line is to strengthen the long-term resilience of portfolios against ESG risks. This could be achieved, for example, by excluding companies that still need to improve their environmental, social and governance practices.

N.B. The application of positive and negative ESG filters in investment decisions may introduce management biases, reduce the investment universe and have a negative impact on portfolio diversification.

The **Specific** line: particularly aimed at investors who have a marked preference or expectation for funds whose stated objective is to to generate a positive impact. In the environmental category, this will involve, for example, investing in renewable energies, water treatment or the efficient use of resources. In the social category, it will be rather a matter of investing in education or health care systems.

The Specific line includes instruments that favour companies striving to achieve the United Nations Sustainable Development Goals (SDGs). BCGE has grouped companies around three major themes: climate, biodiversity and quality of life. N.B. Thematic investments entail greater risks in terms of diversification and greater sensitivity to short-term events.

Our various types of investment products



OBJECTIVES	POSSIBLE APPROACHES*
Obtain optimal performance ▪ Investment decisions are mainly governed by financial objectives and criteria, without discrimination ▪ The manager is free to use instruments that integrate ESG criteria	▪ Traditional, based on the investment philosophy of the BCGE Group
Achieve ESG-risk-adjusted performance ▪ The inclusion of sustainability criteria in the decision-making process is intended to strengthen ESG risk management, while reserving the right to exclude certain companies Thresholds: average ESG rating of the portfolio ≥ Synthetic and absence of instruments qualified as laggards.	▪ With ESG integration ▪ Best-in-class and positive filtering ▪ Based on the investment philosophy ▪ Exclusions **Simple materiality**
Seeking a positive impact ▪ Investments made in instruments that aim to bring about positive change in the economy, society or environment Additional thresholds from the Synthetic range: a percentage of tailor-made thematic investments, to be agreed with the client.	Additional to the Synthetic range, and more: ▪ Investment aimed at impact ▪ Investments geared toward sustainable development objectives **Double materiality**

*Examples of applicable responsible investment approaches (not exhaustive)

ESG risks

ESG risks are events or conditions relating to environmental, social and governance factors which, now or in the future, are likely to have a negative impact on, for example, a company's profitability, costs, reputation and hence, value, as well as on the price of its financial instruments.

For more information, please consult the brochure *Risks Involved in Trading Financial Instruments*, available on the Swiss Bankers Association website https://www.swissbanking.ch/en

RESPONSIBLE PERFORMANCE

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Implementing our asset management approaches

This section addresses the main approaches[2] applied by BCGE experts to integrate sustainability factors into the process of selecting securities and managing portfolios.

Exclusions

The exclusionary approach consists of ruling out companies, countries or other issuers deemed to be controversial. Exclusion criteria based on standards and values may refer to product categories (e.g. controversial weapons), activities (e.g. embryo testing) or business practices (e.g. serious human rights violations).

ESG integration

This approach involves the explicit inclusion of ESG risks and opportunities in traditional financial analysis and investment decisions, based on a systematic process and selected documentary sources.

Best-in-class and positive screening

This approach consists of comparing the ESG performance of a company or issuer with that of its peers (for example, companies in the same sector) on the basis of a sustainability rating. All companies or issuers with a rating above a defined threshold are considered suitable for investment (e.g. 30% of companies with the highest ESG performance, or all companies achieving a minimum ESG rating).

Sustainable thematic investments

This approach involves investing in companies that offer sustainable environmental or social options. In the environmental category, this may include investments in renewable energy, energy efficiency, clean technologies, low-carbon transport infrastructure, water treatment, or the respectful use of resources. In the social category, this may involve investments in education, health systems, poverty reduction, or solutions to reduce the impact of ageing.

Impact investing

Impact investing aims to generate a real and measurable social or environmental impact, in addition to a financial return. An impact investment project may be carried out in developed or emerging markets, with the associated increased volatility. The bank cannot, of course, guarantee positive results.

Active ownership

This approach aims to encourage companies to take account of environmental, social and governance criteria within their sphere of influence, through dialogue and/or by exercising voting rights.

For more information, please consult the Swiss Sustainable Finance glossary at:
https://www.sustainablefinance.ch/en/resources/what-sustainable-finance/glossary.html

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Range of products by financial service

PRODUCT LINE	ASSET MANAGEMENT (ADVISORY SERVICE)			
	Best of management mandates	Private Equity mandates	Customised management mandates	"Jonction" advisory mandate
Classic	✓	✓	✓	✓
Synthetic	✓		✓	✓
Specific			✓	✓

Should you have any questions or require further information, please contact your client adviser or call us at 058 211 21 50

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2 Recommendations on transparency and minimum criteria applicable to sustainable investment approaches and products, December 2012, Asset Management Association, Swiss Sustainable Finance