

# Statement on principal adverse impacts (PAI) of investment decisions on sustainability factors

Vontobel

30 June 2023



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**Financial market participant: Vontobel Holding AG (529900G69W5VR3DDPW23)**


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**Summary**

Vontobel Holding AG (529900G69W5VR3DDPW23) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the following subsidiaries of Vontobel Holding AG:

<b>Financial Market Participants in scope of SFDR:</b>	<b>Legal Entity Identifier</b>
Bank Vontobel AG	549300L7V4MGECYRM576
Bank Vontobel Europe AG	529900KKJ9XOK6WO4426
Vontobel Asset Management S.A.	529900LO1T9ADP03SQ41
Vontobel Asset Management S.A., Munich Branch	-
Vontobel Asset Management S.A., Milan Branch	-
Vontobel Wealth Management SIM S.p.A.	815600EEA65C5119FF38
<b>Financial Market Participants out of scope of SFDR:</b>	
Vontobel Asset Management AG	549300FM29R281J1VG65
TwentyFour Asset Management LLP	R7PBZAZDQSEPF1VM14
Vontobel Asset Management Inc.	29900PRE50EJ9PW6187
Vontobel Swiss Wealth Advisors AG	5299004ZZC5IQFVCK960
Vontobel Swiss Financial Advisers AG	67FTM1PK7URN4JC4C454
Vontobel Wealth Management (Hong Kong) Ltd.	529900HJYEQPKI94ZX03
Vontobel Asset Management Asia Pacific Ltd.	529900RXGFTT3SZOTG70
Vontobel Asset Management Australia Pty. Limited	529900386ZA62ZNOWW30

This document provides information on the regulatory deliverables as required by Regulation (EU) 2019/2088 ("SFDR") and specified by Commission Delegated Regulation (EU) 2022/1288 ("SFDR Regulatory Technical Standards" or "SFDR RTS") Article 4, on how the above listed Vontobel legal entities ("Vontobel") consider principal adverse impacts on sustainability factors (PAI) in investment decisions.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

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Vontobel applies an active multi-boutique asset management approach, whereby each boutique within Vontobel tailors its investment and sustainability (or ESG) approach independently according to the requirements of the asset classes in which it invests and its own sustainability strategy. The degree and the way the PAI are considered depends on factors such as the investment strategy and the availability of reliable data. The approach applied to consider the PAI depends on the nature of the indicator, as well as on the specific context of the investment that is causing the adverse impact.

PAI indicator 1.14 (please see table below) is considered for all financial products by excluding investee companies involved in the manufacture or selling of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).

For financial products in scope of SFDR, Vontobel considers the PAI and reports on them in the financial products' periodic reports, unless stated otherwise in the product legal documentation. Vontobel takes into consideration the information reported by third party collective investments which may be limited and, therefore, the ability of Vontobel to consider PAI for investments into third party collective investments may be limited. Where applicable, PAIs are prioritized given the sustainable objectives or characteristics of the financial product.

The pre-contractual documentation for financial products that have investment strategies designed to promote environmental and/or social characteristics (Art. 8 SFDR) or have Sustainable Investment as their investment objective (Art. 9 SFDR) may contain further information on how such financial products consider PAI of their investment decisions on sustainability factors.

The efficiency of Vontobel's methodology to consider PAI exposure is subject to adequate data quality and sufficient data coverage. Vontobel acquires the necessary PAI metrics from third-party data providers and may use proprietary sources where appropriate to consider negative impacts at the financial product level. Data sources include third-party data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, Vontobel may make reasonable estimates or assumptions.

Where Vontobel identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by Vontobel must be taken. Action mechanisms may include exclusion, active ownership (voting and/or engagement), tilting, or evaluation & on-going monitoring of the issuer where appropriate ("ESG integration").

The PAI figures shown in section 1. are based on data from MSCI ESG and relate to all investments made by Vontobel, regardless of whether they consider PAI in investment decisions or not. The description of the actions taken in the table in section 1. refer to the actions taken by financial products considering these PAI.

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## 1. Description of the principal adverse impacts on sustainability factors

### Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [2022]	Impact [2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	3'933'097.36 tCO2e	n/a	Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
		Scope 2 GHG emissions	1'012'959.33 tCO2e	n/a	Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
		Scope 3 GHG emissions	24'600'745.89 tCO2e	n/a	Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.

	Total GHG emissions	29'546'789.74 tCO2e	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
2. Carbon footprint	Carbon footprint	228.77 tCO2e per EUR million invested	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
3. GHG intensity of investee companies	GHG intensity of investee companies	589.78 (tCO2e / EUR million revenues) per EUR million invested	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	4.13%	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.

5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	50.79%	n/a		Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
6. Energy consumption intensity per high impact climate sector <sup>1</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.94 GWh / EUR million revenue per NACE sector	n/a	NACE A (Agriculture, forestry and fishing)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
6. Energy consumption intensity per high impact climate sector <sup>2</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	2.66 GWh / EUR million revenue per NACE sector	n/a	NACE B (Mining and quarrying)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.

<sup>1</sup> NACE A<sup>2</sup> NACE B

6. Energy consumption intensity per high impact climate sector <sup>3</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.25 GWh / EUR million revenue per NACE sector	n/a	NACE C (Manufacturing)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
6. Energy consumption intensity per high impact climate sector <sup>4</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	3.79 GWh / EUR million revenue per NACE sector	n/a	NACE D (Electricity, gas, steam and air conditioning supply)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
6. Energy consumption intensity per high impact climate sector <sup>5</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1.28 GWh / EUR million revenue per NACE sector	n/a	NACE E (Water supply; sewerage; waste management and remediation activities)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.

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<sup>3</sup> NACE C

<sup>4</sup> NACE D

<sup>5</sup> NACE E



6. Energy consumption intensity per high impact climate sector <sup>6</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.00 GWh / EUR million revenue per NACE sector	n/a	NACE F (Construction)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
6. Energy consumption intensity per high impact climate sector <sup>7</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.01 GWh / EUR million revenue per NACE sector	n/a	NACE G (Wholesale and retail trade; repair of motor vehicles and motorcycles)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
6. Energy consumption intensity per high impact climate sector <sup>8</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	1.60 GWh / EUR million revenue per NACE sector	n/a	NACE H (Transporting and storage)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.

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<sup>6</sup> NACE F

<sup>7</sup> NACE G

<sup>8</sup> NACE H

	6. Energy consumption intensity per high impact climate sector <sup>9</sup>	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.11 GWh / EUR million revenue per NACE sector	n/a	NACE L (Real estate activities)	Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.01%	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.79 metric tons / EUR million invested	n/a		Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.

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<sup>9</sup> NACE L

Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.10 metric tons / EUR million invested	n/a		Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
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## INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.62%	n/a		Please refer to section 2.1.2 for more information.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	46.96%	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.

12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	2.29 (ratio in %)	n/a		Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	38.08 (ratio in %)	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	n/a		Please refer to section 2.1.1. for more information.

**Indicators applicable to investments in sovereigns and supranationals**

Adverse sustainability indicator	Metric	Impact [2022]	Impact [2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period
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Environmental	15. GHG intensity	GHG intensity of investee countries	25.29 tCO <sub>2</sub> e / EUR million GDP per EUR million invested	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	6.5 (count)	n/a		Some or all the following actions were taken for some financial products according to article 8 SFDR and article 9 SFDR in relation to the corresponding PAI indicator:  active ownership, tilting, ESG integration, exclusion.

**Indicators applicable to investments in real estate assets**

Adverse sustainability indicator	Metric	Impact [2022]	Impact [2021]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	n/a	n/a		Not applicable given investment universe of our financial products.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	n/a	n/a		Not applicable given investment universe of our financial products.

**Other indicators for principal adverse impacts on sustainability factors**

**Additional climate and other environment-related indicators**

Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
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**Indicators applicable to investments in investee companies**

## CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Water, waste and material emissions	14. Natural species and protected areas	1. Share of investments in investee companies whose operations affect threatened species 2. Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of high biodiversity value outside protected areas	1. 0.02%  2. No data available	n/a		Please note that the number published in the Impact column is on a best-effort basis and that currently, for this PAI indicator, data availability and/or quality is limited. Vontobel monitors the availability and quality of data for the PAI and might consider the data available while assessing investment risks and opportunities.
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## Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

## INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Adverse impact on sustainability factors (qualitative or quantitative)				Metric	
<b>Indicators applicable to investments in investee companies</b>						
Human rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.01 (count)	n/a		Please refer to section 2.1.2 for more information

**2. Description of policies to identify and prioritizes principal adverse impacts on sustainability factors**

Vontobel's Sustainable Investing and Advisory Policy details how Vontobel integrates Sustainability Risks, and Principal Adverse Sustainability Impacts in its investment decisions.

It builds on internationally recognized standards for due diligence and reporting, in particular the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In addition, Vontobel adheres to voluntary due diligence, and reporting standards, including UN Global Compact principles (UNGC) and GRI's sustainability reporting framework. Local rules may apply as appropriate.

This policy reflects Vontobel current approach, and Vontobel expect that this Policy will evolve over time to reflect changes in business practices, business structures, technology, and the law. However, this policy will be reviewed at least annually. The last iteration of this policy was approved by the governing body of the Vontobel Holding AG on 10<sup>th</sup> March 2021.

### **2.1. Methodology to identify and prioritize principal adverse impacts on sustainability factors**

Vontobel applies an active multi-boutique asset management approach, whereby each boutique within Vontobel tailors its investment and sustainability (or ESG) approach independently according to the requirements of the asset classes in which it invests and its own sustainability strategy. The degree and the way the PAI are considered depends on factors such as the investment strategy and the availability of reliable data. The approach applied to consider the PAI depends on the nature of the indicator, as well as on the specific context of the investment that is causing the adverse impact.

For financial products in scope of SFDR, Vontobel considers the PAI and reports on them in the financial products' periodic reports, unless stated otherwise in the product legal documentation. Vontobel takes into consideration the information reported by third party collective investments which may be limited and, therefore, the ability of Vontobel to consider PAI for investments into third party collective investments may be limited. Where applicable, PAIs are prioritized given the sustainable objectives or characteristics of the financial product.

The pre-contractual documentation for financial products that have investment strategies designed to promote environmental and/or social characteristics (Art. 8 SFDR) or have Sustainable Investment as their investment objective (Art. 9 SFDR) may contain further information on how such financial products consider PAI of their investment decisions on sustainability factors.

#### **2.1.1. Controversial weapons (PAI Indicator 1.14)**

Vontobel prohibits investments in companies that manufacture controversial weapons (weapon systems and core components). The list of prohibited companies is made available to all staff responsible for investments on a quarterly basis.

#### **2.1.2. Severe controversies and breaches of international norms (PAI Indicator 1.10 and 3.14)**

Severe controversies and breaches of international norms (collectively 'Critical ESG Events') are often related to Principal Adverse Sustainability Impacts, such as significant negative impact on the environment, forced labor, or child labor. Moreover, these instances can signal insufficient management of sustainability risks by a company or a government and excessive harm to society or the environment.

To identify and monitor Critical ESG Events, Vontobel investment teams are informed by ESG data and assessment methodologies provided by external ESG data providers such as MSCI or Sustainalytics. The ESG assessment methodology of such providers typically takes into account the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Core Conventions, and the UN Global Compact. A full description of the respective ESG rater's methodology can be found on their webpages.

The data obtained from third-party data providers may be incomplete, inaccurate, or otherwise subject to error/biases. In some instances, the data may not be available from third-party data providers. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security.

To properly understand the impact of Critical ESG Events, investment teams conduct their own research to assess their impact on the relevant portfolio and on wider stakeholders.

Where the investment manager identifies an investment as having a critical and poorly managed impact, and where no signs of remedial action or improvement have been observed, an action by the investment manager must be taken. Action mechanisms may include exclusion, active ownership (voting and/or engagement), and / or tilting.

### **2.2. Responsibility for the implementation of those policies**

Dedicated investment managers within the Vontobel Legal Entities are responsible for the management of investment solutions considering PAI based on their specific investment approaches and processes, including ongoing evaluation and monitoring of ESG factors within their defined risk and investment frameworks. As an active multi-boutique asset manager, each boutique tailors its investment and ESG approach independently according to the requirements of the asset classes in which it invests and its own sustainability strategy.

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### **2.3. Data sources and limitations**

Vontobel investment teams have recourse to a broad range of data sources. Vontobel does not rely on a single source of information, and Vontobel strives to build a holistic picture on trends and companies. On top of data directly made available by issuers and other publicly available data, Vontobel use data from different sources, including leading ESG data providers, like MSCI ESG or Sustainalytics but also insights from sell-side broker services. Where Vontobel identify a need, Vontobel may use local or a specialist ESG data provider to enhance Vontobel insights. ESG data providers are regularly reviewed by the ESG-IF.

#### **ESG data providers used by Vontobel for analysis purposes as of date of publication**

- MSCI ESG
- Sustainalytics
- Refinitiv
- Inrate
- RepRisk
- SynTao Green Finance
- Trucost
- Bloomberg
- ISS ESG
- Ceres
- Carbon4Finance

In some cases, the information Vontobel gather from these conventional data sources are not sufficient. Thus, fact-finding engagement may be conducted directly by Vontobel investment specialists and ESG analysts. This involves actively requesting information on ESG aspects, either where such information is not available at all, or where insufficient information has been provided in response to Vontobel questions.

The data obtained from third-party data providers or companies may be incomplete or inaccurate, and in some instances unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security.

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### **3. Engagement policies**

Vontobel considers engagement to be an important element of its investment activities. Vontobel uses both direct engagements, which are undertaken by Vontobel investment and ESG professionals, as well as indirect engagements, which are undertaken by professional proxy voting and engagement service providers (proxy agents).

Vontobel believes in the direct contact between investee company management teams and investment professionals, such as portfolio managers and analysts who have the specific expert knowledge and understanding of the context in which the company has been selected as an investment. For this reason, Vontobel does not have an engagement team on group level formulating an engagement plan for certain adverse impacts caused by investments made by Vontobel. The investment managers and the management companies can be supported by proxy agents in their engagement activities and decision-making processes. Further information on our voting and engagement approach can be found on: <https://am.vontobel.com/en/esg-investing>

Reasons to engage with an investee company may include: business strategy, corporate governance issues, change in the capital structure, remuneration issues, and identified environmental and social risks.

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Engagement includes ongoing communications between the investment team and / or proxy agent and the management teams of investee companies and can range from ongoing updates and questioning of the current and future business model related to sustainability/ESG risks or factors, to engagement on specific ESG issues of concern, such as PAI caused by the investee company. In certain circumstances, engagement could be escalated through additional meetings with the management and dialogue with the board chairman and non-executive directors. Vontobel investment teams and/ or ESG analysts (or Vontobel proxy agents) may also join collaborative engagement platforms to leverage wider investment pressure on certain topics.

Where these engagements do not progress in the direction that the investment team believe is in the best interests of shareholders or direct engagement has limited prospects of success, other options are considered, including (where applicable):

- Voting against resolutions at shareholder meetings;
- Collaborating with other institutional investors; and/or
- Divesting some or all of the investment.

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#### 4. References to international standards

As a global investment firm, Vontobel aims to empower investors with the necessary knowledge, tools and investment options to consider sustainability in building better futures. We achieve this by contributing to the UN's SDGs and, since 2017, committing to the the UN Global Compact principles. The UN Global Compact is a strategic initiative of the United Nations for companies, such as Vontobel, that commit themselves to aligning their business activities and strategies with ten universally accepted principles covering human rights, labor standards, environmental protection, and anti-corruption.

Through these efforts we aim for our impact to be proportionate to our reach whilst promoting key sustainability principles.

More about in our Sustainability Report on [www.vontobel.com/sustainability-report](http://www.vontobel.com/sustainability-report). Please see below a selection of international standards considered in investment decisions, where as the methodology is described in section 2.1.1., and 2.1.2.:

- UN Global Compact
  - OECD Guidelines for Multinational Enterprises
  - United Nations Declaration of Human Rights.
  - United Nations Declaration on the Rights of Indigenous Peoples.
  - International Labour Organization Convention No. 169: Indigenous and Tribal Peoples.
  - International Labour Organization Convention No. 105: Abolition of Forced Labour Convention.
  - United Nations Minorities Declaration.
  - Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.
  - International Convention for the Protection of All Persons from Enforced Disappearance.
  - International Convention on the Elimination of All Forms of Racial Discrimination.
  - International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.
  - International Covenant on Civil and Political Rights.
  - International Covenant on Economic, Social and Cultural Rights.
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- Convention on the Prevention and Punishment of the Crime of Genocide.
  - Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity.
  - UN Convention on Corruption
  - Convention on Cluster Munitions
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## **5. Historical comparison**

The first historical comparison will be disclosed in June 2024.

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