

Carbon Footprint 2014

Real Estate & Logistics & Physical Security Group



The Pictet Group, fully aware of those responsibilities incumbent on a business operating internationally, has been implementing concerted measures to offset carbon emissions for several years.

Research conducted in 2013 and 2014 led us to provide backing to South Pole Group, the environmental organisation which runs projects for efficient, sustainable management of natural resources and delivers educational programmes of great benefit to local people in several disadvantaged regions worldwide. Our Group is currently supporting three projects in particular that have been developed in compliance with standards – Verified Carbon Standard (VCS), Social Carbon® and CB Standards – established by independent monitoring and certification bodies.

These projects will receive our support until 2020 at least. This will enable our Group to achieve carbon neutrality by that deadline by virtue of offsetting 100% our carbon emissions.

China, Yunnan Province

Installation of run-of-river hydro power plants

These plants receive the channelled water pressurised solely through gravity. This means they avoid the adverse impact on the environment that can be wrought by having to build dams: flooded areas; relocation of people; destruction of flora and fauna, etc. Supplying electric power to remote areas where heating and cooking have traditionally been done by burning wood helps to avoid deforestation and protects against soil erosion. Getting rid of diesel-fuelled generators enhances air quality. This project delivers other benefits to local communities: new irrigation opportunities; educational programmes related to farming and horticulture; improved infrastructure; jobs being created.

Type of offsetting: VCS + Social Carbon
Quantity offset: 30,000 tonnes



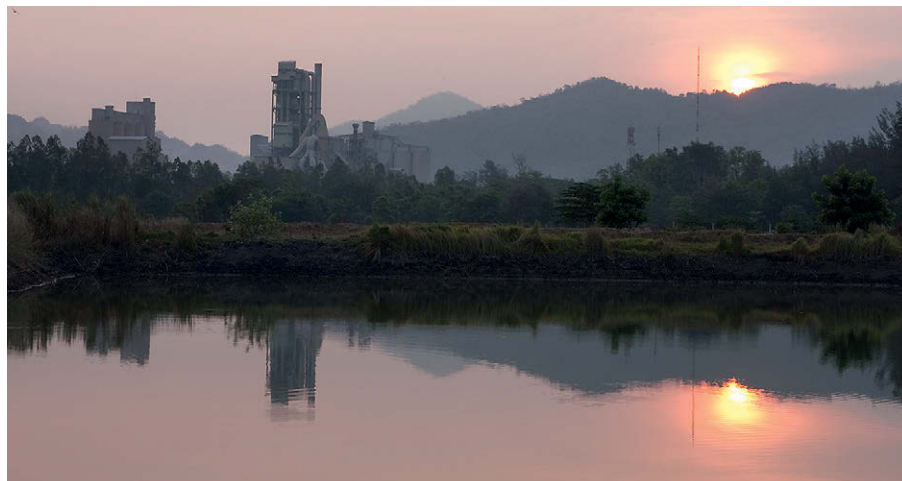
Thailand, Saraburi Province

Cofiring in cement plants using biomass

Cement-making plants are the only industrial operations in this rural region of Thailand primarily geared towards the growing of rice and manioc. Thailand's economic development and the Thai people's mounting awareness of the effects of climate change have been encouraging implementation of eco-friendlier technologies and the use of biomass as a fuel provided by farming waste material. Exploitation of these agricultural leftovers to good use to provide energy for cement plants manages to remove 500,000 tonnes of CO₂ emissions each year. This project is further bolstered through free health-care programmes, study bursaries and grants, and the installation of biogas production units for school canteens.

Type of offsetting: VCS

Quantity offset: 15,000 tonnes



Zimbabwe, Southern Africa

Fostering forest-friendly farming

An expanding population, poverty and the collapse in farming output in Zimbabwe have resulted in serious degradation of the health of the country's forests, more rapid soil erosion and a decline in biodiversity. Support for forest-friendlier farming practices, the supply of basic equipment essential for responsible resource management and protection of species are furthering the development of local initiatives and boosting income levels of local communities.

This project is also providing support for the building of schools, digging of boreholes, prevention of forest fires, assistance with the setting-up of farm-related micro-businesses or preservation of biodiversity corridors connecting various national reserve parks.

Type of offsetting: VCS + CCBS

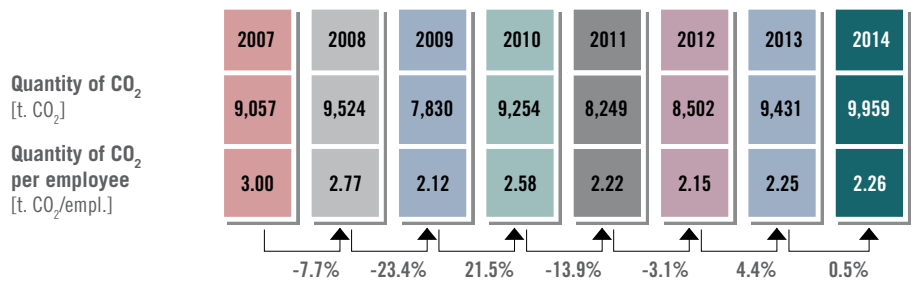
Quantity offset: 25,000 tonnes



The Pictet Group's CO₂ emissions

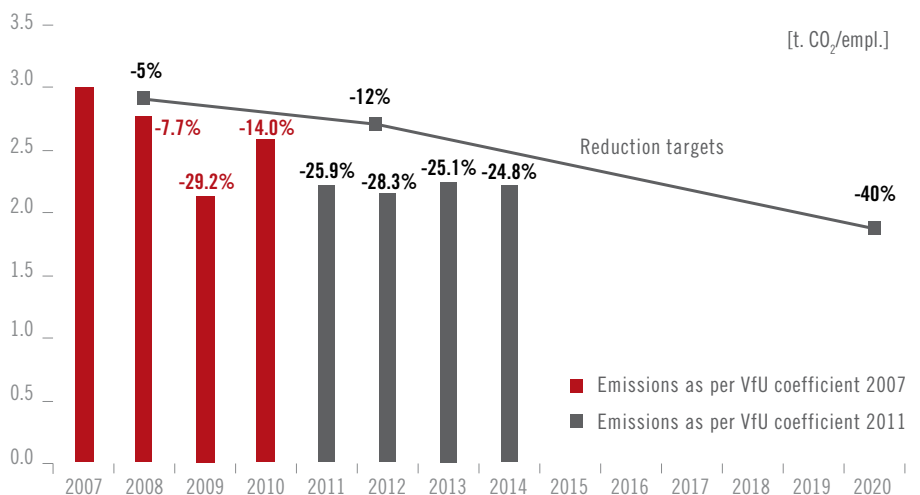
Reducing our Group's CO₂ emissions, at a time when staff numbers are rising and economic circumstances are obliging us to increase our business-related travel, is by no means an easy challenge. In 2014 as in previous years, we have been unstinting in our drive to streamline work processes to reduce our use of all sorts of consumables, to save and produce more energy, and to optimise the recovery and recycling of our waste.

Ongoing expansion of our business operations led to carbon emissions being 5.6% higher than in 2013. Although this rise can primarily be blamed on increased business travel (emissions 17.7% higher), we did have success in cutting CO₂ emissions by 7.2% on all the other variables being measured: energy, paper, waste, water. As a result, we managed to keep the volume of CO₂ produced per employee at virtually the same level as in 2013.



The Pictet Group's situation and reduction targets

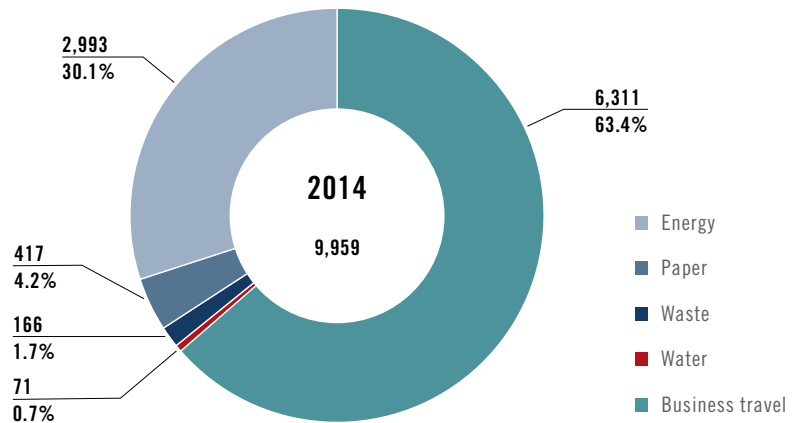
Since 2007, we have systematically managed to reduce our CO₂ emissions by more than our ambitious targets, with the ultimate goal of cutting them by 40% by 2020. Although our figures are running on the good side of the curve, we came dangerously close to erring on the wrong side by end-2014. A number of projects are being formulated or have already been launched to ensure this trend is shifted back into reverse as from 2015. In addition to these projects, some of which are large-scale, all of our staff are making their own individual efforts as the accumulation of all of these personal initiatives ultimately contribute towards achieving genuinely significant results.



Breakdown of the Pictet Group's CO₂ emissions (tonnes of CO₂)

With over 18,000 sessions conducted in 2014, 18.5% up on 2013 levels, use of our telecommunications facilities (videoconferencing, telepresence) has been expanding much to our great satisfaction. In spite of this positive trend, business trips increased yet again in 2014. This naturally feeds through from what has been happening in our business operations, reflecting our Group's robust health and dynamism. The roll-out of additional technical installations and equipment has, however, gone some way towards curbing this increase in business travel.

Over the same period, other sources generating CO₂ experienced a highly encouraging decline in emissions, enabling the Group to achieve a very commendable outcome when put into the wider context of our Group's business expansion.



Technical installations – Key figures

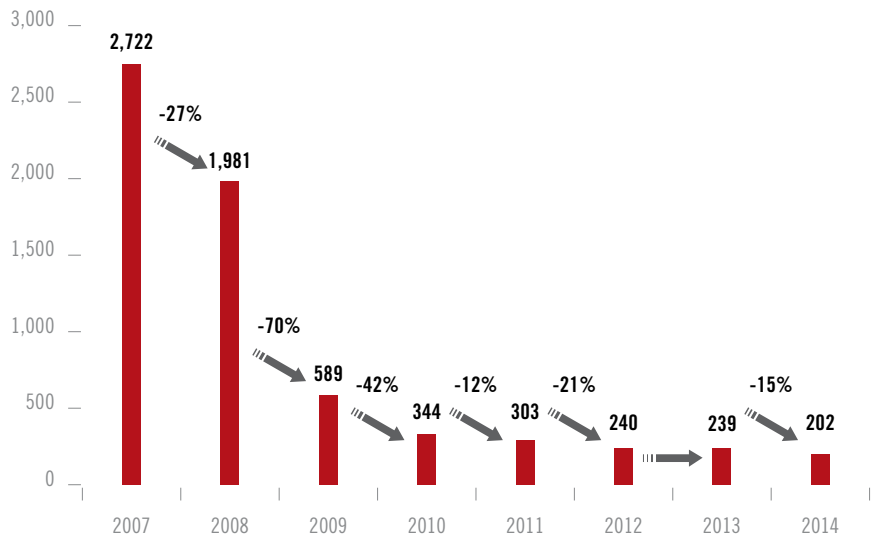
Our efficient thermal and photovoltaic installations have continued to prove their worth, encouraging us to press ahead with rolling out further such infrastructure in all of our office premises. To date, no fewer than 1,538.4 tonnes of CO₂ have been saved, the equivalent of 496,000 litres of heating oil. Since 2010, 245,500kWh of electricity have also been saved thanks to our solar-power installations. These savings together equate to a financial gain of 454,000 francs.

| | Solar thermal cooling from 2008 onwards | AC48 heat transfer from 2009 onwards | Photovoltaic solar energy from 2010 onwards | Total |
|---------------------------------|---|--------------------------------------|---|------------------|
| tonnes of CO ₂ saved | 416.5 66/yr (70/yr) | 1,119.6 206/yr (200/yr) | 2.3 (n/a) | 1,538.4 |
| equiv. in litres of fuel oil | 127,000 20,150/yr (24,000/yr) | 369,000 69,000/yr (60,000/yr) | - | 496,000 |
| electricity in kWh | 53,500 (n/a) | - | 192,000 38,400/yr (33,000/yr) | 245,500 (n/a) |
| financial savings [CHF] | 122,000 | 332,000 | (n/a) | 454,000 |

(estimated values during the project)

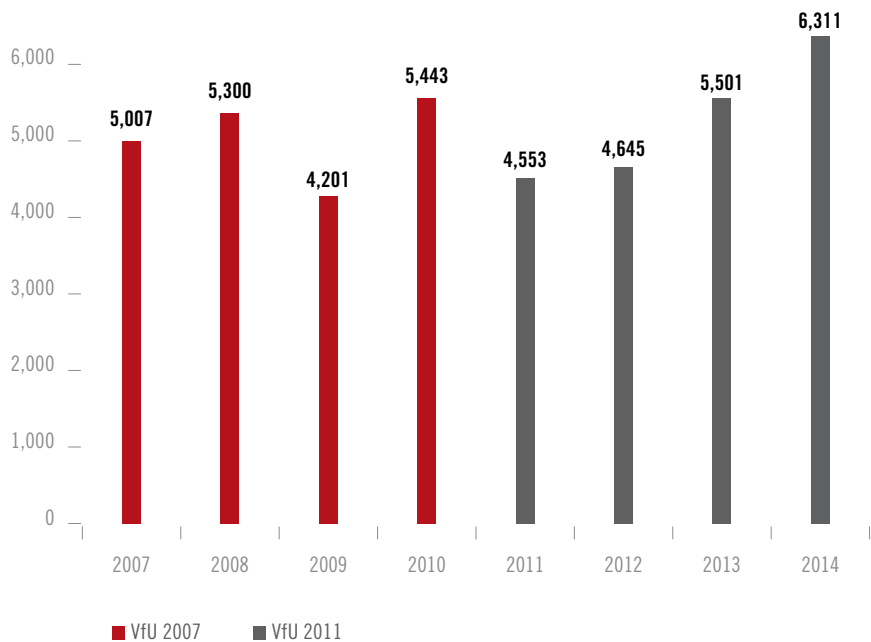
Gas consumption at the Bank's headquarters (MWh)

Although gas consumption at the Bank's headquarters, primarily to provide sanitary hot water during the winter months, had been squeezed to such a low level that it would be hard to economise further, optimisation of some equipment enabled us to achieve a further slight reduction. Since 2007, gas consumption has been slashed by 93%.



Group-wide business travel (tonnes of CO₂)

Business-related trips and travel, accounting for 63.4% of all the CO₂ generated by the Group, are undeniably the area on which we must focus our most strenuous efforts if we are to achieve a significant reduction in the size of our carbon footprint. In parallel, face-to-face meetings between our clients and our staff remain essential for forging the relationships of trust and confidence we must maintain between them. Although, for our business operations overall, emissions per employee rose by just 0.5% last year, particular care must always be paid to ensure any such travel is both necessary and efficiently organised.

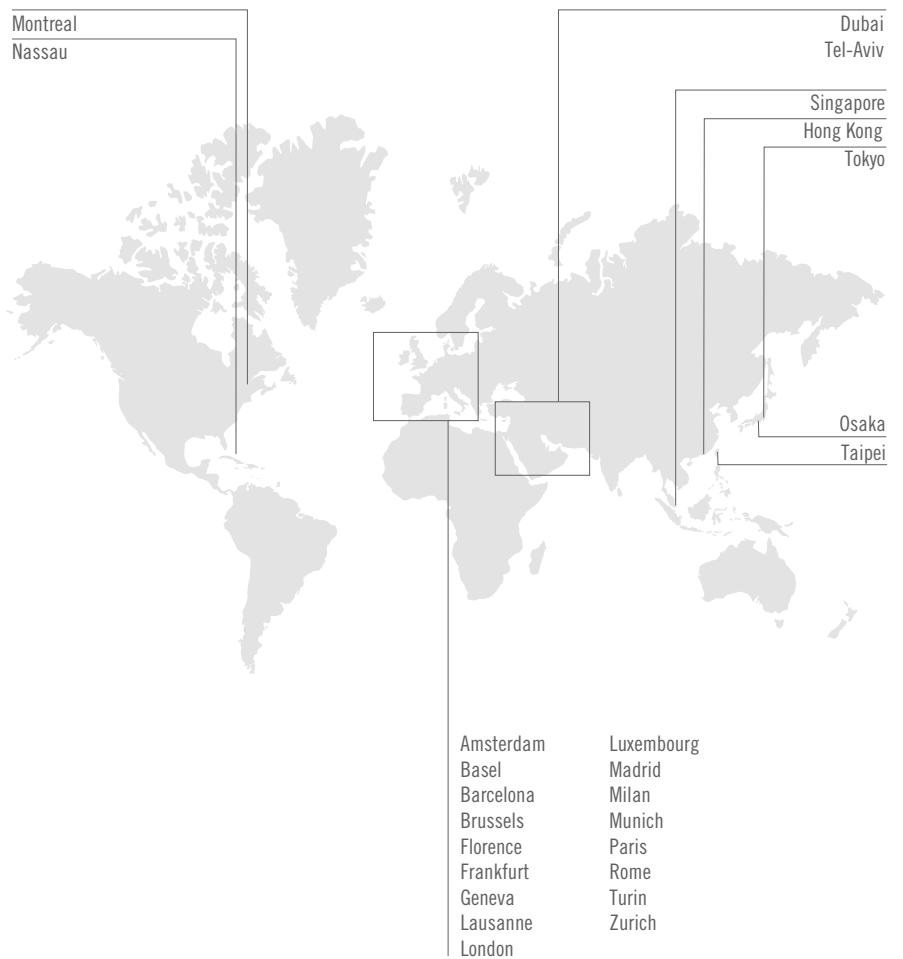


Carbon offsetting

In order to make a contribution over and above the results we can hope to achieve through our own efforts, our Group also decided to support, at least up to 2020, three local initiatives associated with carbon-offsetting programmes. These are run by South Pole Group (www.thesouthpolegroup.com), with details outlined on the inside cover of this leaflet.

Founded in Geneva in 1805, the Pictet Group is today one of the leading independent wealth and asset managers in Europe, with funds under management or in safekeeping totalling more than CHF 420 billion as at 30 June 2015. The Pictet Group is owned and managed by seven Partners with principles of ownership and succession that have remained unchanged since its foundation over two hundred years ago.

Today, the Group has a workforce of over 3,700 employees. Pictet is continuing to expand internationally, with offices in 26 of the world's leading financial centres.



The Pictet Group

“Each and every one of us is responsible for the environment. We must all do everything within our means and power to reduce the impact of our activity on the natural world around us.”

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