

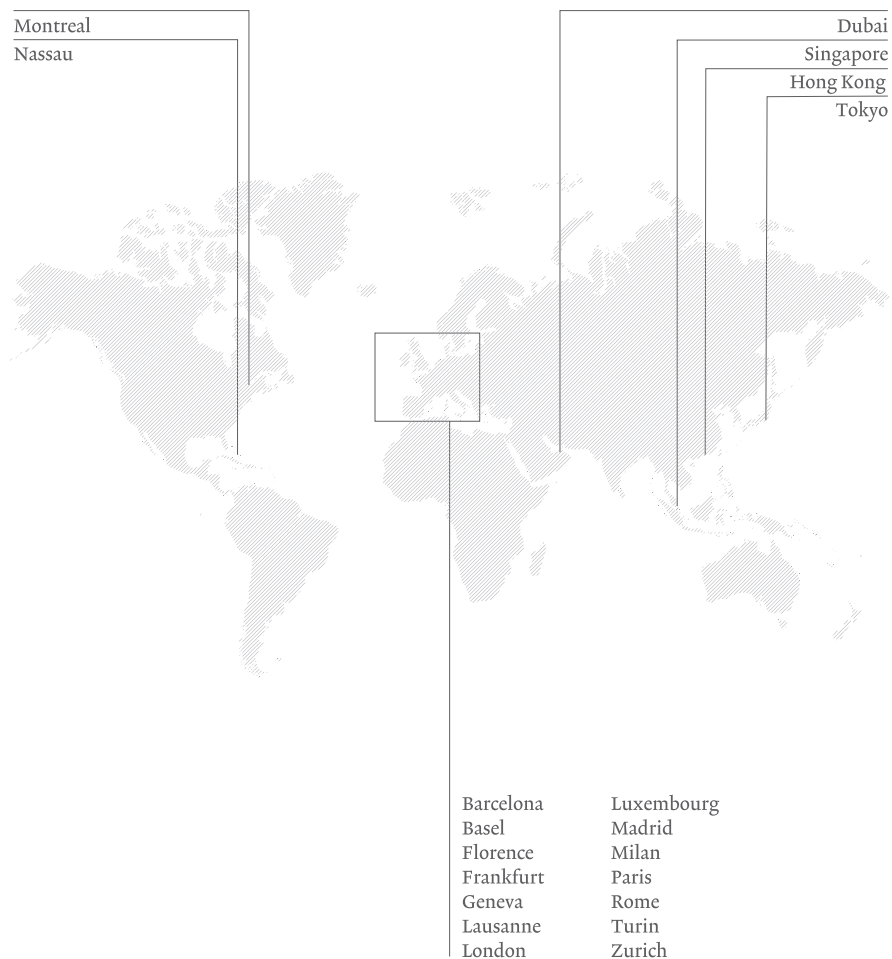
Internal Environmental Management

2010 Technical Report – Pictet Group



The Pictet Group

“In 2010, for the third year running, the Pictet Group achieved its target in terms of limiting its CO₂ emissions.”



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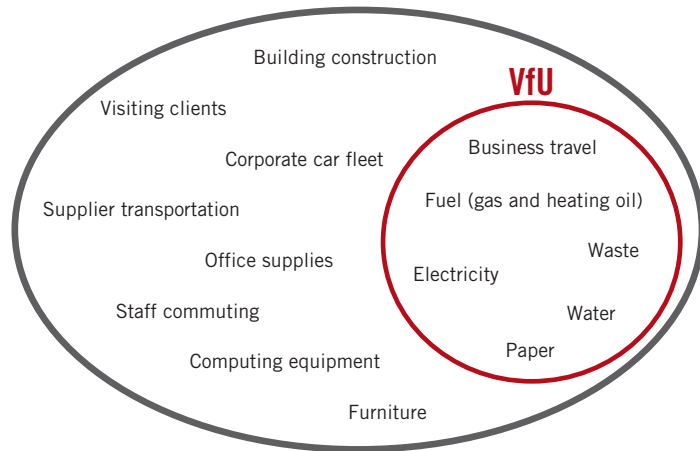
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Carbon footprint - General overview

Trend 2007 to 2010

This year Pictet & Cie presents its fourth carbon balance sheet at Group level, drawn up in accordance with ISO 14064-1 and verified by certification organisation SQS.

Direct carbon emissions are calculated using the VfU method, taking account of the following parameters.



VfU = Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V. (<http://www.vfu.de>)

- In absolute terms, at slightly over 9,200 tonnes, the Bank’s total carbon emissions for 2010 were up 2.2% on 2007, the baseline year (fig.1). However, in order to draw any useful conclusions from the data, it is important to note that over the same period the number of staff employed by the Group (including those on fixed-period contracts and external consultants working on-site) also increased by 18% and the total office space occupied by the Group rose by 19%.

	2007	2008	2009	2010
CO₂ emissions [tonnes of CO ₂]	9,057	9,524	7,830	9,254
CO₂ emissions [tonnes of CO ₂ /employee]	3.00	2.77	2.12	2.58

Figure 1: CO₂ emissions

Over the past year, the Bank has consolidated the strategies that will enable it to achieve its objectives in the future and to remain competitive.

- Adjusted for the number of employees, these specific emissions fell by 14% with respect to the baseline year (2007) and were below the 8.5% reduction target for 2010 (fig. 2).
- Between 2009 and 2010, the Group’s CO₂ emissions adjusted for the number of employees rose by almost 23%. The main reasons for the increase are the rise in business travel (30%) and the slight (3%) fall in staff numbers (including those on fixed-period contracts and external consultants working on-site). The data for 2010 therefore highlight the extent to which 2009 was an exceptional year.

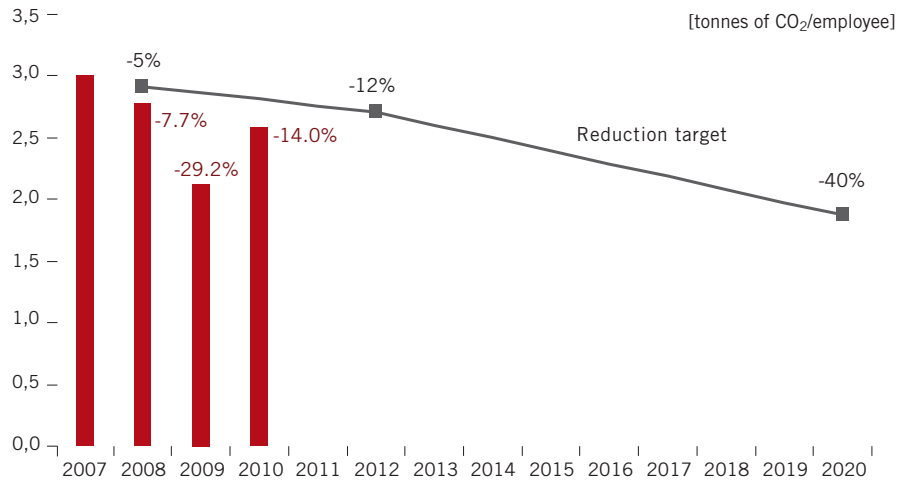


Figure 2: Situation and reduction targets for Pictet Group

Emissions breakdown

- In absolute terms, between 2009 and 2010, the rise in business travel accounts for more than 1,200 additional tonnes of CO₂ emissions. Three hundred additional tonnes of CO₂ were associated with the Group's buildings and technical infrastructure. In contrast, the carbon footprint associated with the Group's use of paper fell by 10 tonnes, and the emissions associated with the waste generated by the Group and its water consumption remained flat.

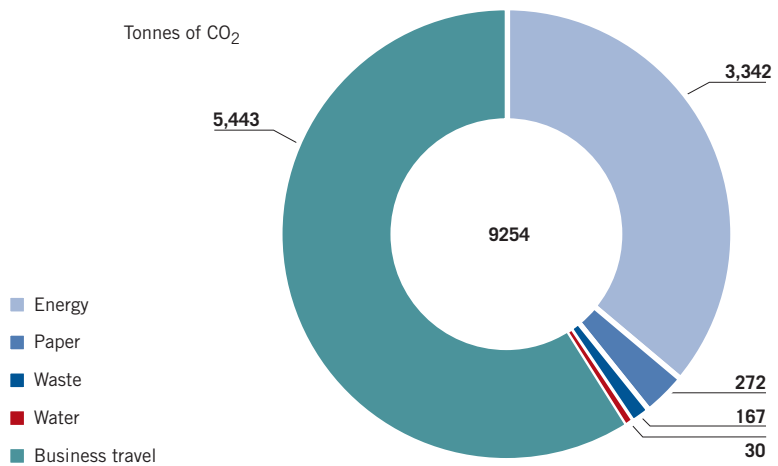


Figure 3: Breakdown of the Pictet Group's 2010 carbon footprint

- Across the board (for 15 out of 20 Group entities), the Group's carbon footprint has grown (fig. 4). Detailed analysis of the data shows that additional efforts must be made, especially at the entities outside Switzerland.

Paris	1.08	➡	Nassau	7.88	↘
Geneva	1.51	↗	Barcelona	8.57	↗
Luxembourg	1.52	↗	Milan	9.40	↗
Basel	1.91	↘	Singapore	9.50	↗
Lausanne	2.33	↗	Madrid	15.18	↗
Pictet Group average	2.60	↗	Rome	15.30	↗
Tokyo	3.82	↗	Hong Kong	15.77	↗
Frankfurt	4.35	↗	Florence	16.66	↗
Zurich	4.43	↘	Turin	17.72	↗
London	5.14	↗	Dubai	18.71	↘
Montreal	6.94	↗			

Figure 4: Carbon footprint associated with the Group entities [tonnes of CO2/employee]

Future plans

Alongside the efforts already undertaken to reduce the Bank's carbon emissions (see detailed analysis on pages 9 – 16), Pictet has also considered ways of attaining its medium-term objectives. Over the coming years, the Bank's strategy for reducing its carbon footprint will comprise four main axes, as shown in Figure 5.

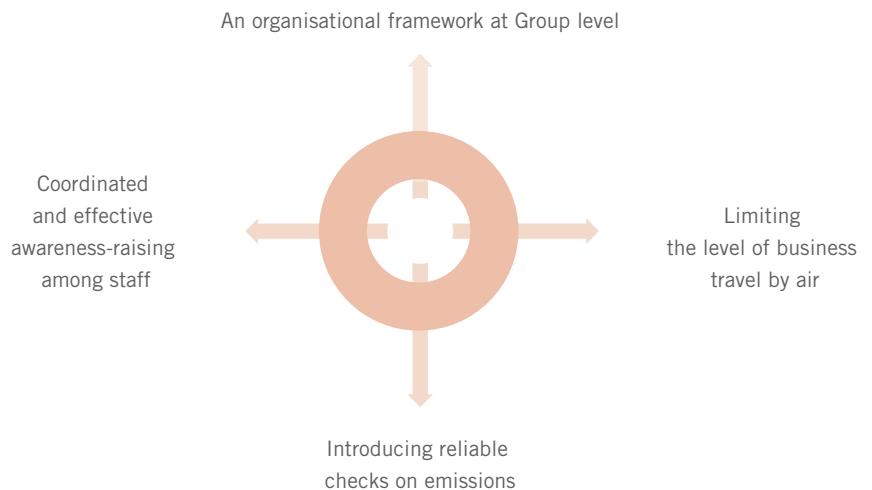


Figure 5: Strategic axes for the future

Four strategic axes

An organisational framework at Group level

As from 2012, an environmental officer will be designated for each Group entity. They will ultimately be responsible for ensuring the Group's environmental policy objectives are met, as well as for coordinating and raising awareness of the validated policy goals.

Limiting the level of business travel by air

After extensive work to ensure the quality and reliability of the Bank's video-conferencing systems and to simplify their use and management (see Transportation), our efforts over the coming years will focus on encouraging staff to use the systems as an alternative to business travel and strategically rolling out new systems.

Introducing reliable checks on emissions

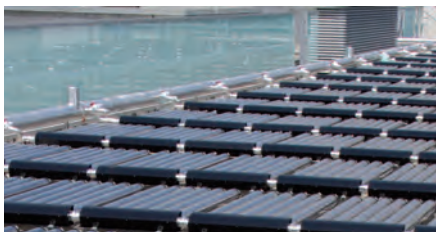
Starting in 2012, a new internal organisational structure and IT tools, including steps to centralise the management of business travel for the Pictet Group as a whole, will significantly increase the reliability of the data used for the analysis and preparing action plans. Work is ongoing to install energy meters at the Group's entities around the world (meters have now been installed at 7 out of 19 entities). The procedures aimed at more accurately measuring paper consumption and the quantities of waste produced will be improved thanks to the environmental officers at each Group entity.

Coordinated and effective awareness raising among staff

As was the case in previous years, in 2011 information sessions will be organised to report to staff on developments with regard to the Group's environmental policy. However, starting in 2012, with the help of the environmental officers at the Group entities and drawing on the overall improvement in the monitoring tools, the objective will be to provide staff with regular, even continuous, information about the relevant indicators which provide evidence of the impact of behaviour patterns at each entity on its carbon footprint.

From the time the environmental policy was approved, the Bank decided that one of the objectives would be to complete one internal technical project each year. Each project would be aimed at reducing the Bank's carbon footprint and improving its energy efficiency. The project would also be associated with a clear message.

Internal technical projects



2008

Solar thermal heating and air conditioning

Regardless of profitability, Pictet wanted to show that it is committed to sustainable development.



2009

Heat recovery and transfer between buildings

Pictet wanted to demonstrate that preserving the environment can deliver financial benefits.



2010

Partnership with the *Services Industriels de Genève*

Pictet has shown that it aims to promote the development of renewable energy sources.

For 2011, Pictet & Cie aims to study the feasibility of using hydrogen to store solar energy.

The previous technical reports (available at http://www.pictet.com/fr/home/about/sustainability/sri_reports.html) provide details of these projects and their objectives.

Assessment of previous projects (2008-2010)

This new section will be used to consolidate the results achieved each year and to compare the total to date with the targets that were initially set (the values in brackets).

	Solar thermal cooling system since 2008	Heat transfer to AC48 since 2009	Solar energy since 2010	Total
Tonnes of CO2 saved	156,5 t (80 t/year)	300 t (200 t/year)	0,4 t (n/a)	456,9 t
Equivalent in litres of heating oil	47,000 l (24,000 l/year)	95800 l (60,000 l/year)	-	142,800 l
kWh electricity	24,100 kWh (n/a)	-	32,500 kWh (33,000 kWh/year)	56,600 kWh
financial	CHF 39,500	CHF 73,100	(n/a)	CHF 94,400

Figure 6: Summary of results in figures

Carbon offsetting

Rather than systematically striving for the “Carbon Neutral” label, Pictet & Cie’s efforts are focused mainly on reducing the Bank’s carbon footprint, as part of a consistent and effective environmental policy.

However, in spite of all these efforts, the Bank has come to realise that it will not be able to reduce its carbon emissions below a certain baseline. The Bank has therefore decided to offset at least 50% of its carbon emissions for the period from 2008 to 2013 by buying 34 000 tonnes in verified and validated (VER+) carbon credits from an exemplary project in India (see 2009 Environmental Management Report).

Business travel and video-conferencing

2007	2008	2009	2010	Business travel
26,520,751 km	29,449,200 km	22,922,620 km	30,165,323 km	1.66 t. CO ₂ /empl.
8,789 km/empl.	8,568 km/empl.	6,212 km/empl.	8,414 km/empl.	1.54 t. CO ₂ /empl.
				1.14 t. CO ₂ /empl.
				1.52 t. CO ₂ /empl.

Between 2009 and 2010, the total distance covered by employees for business travel rose by more than 31%. Adjusted for the number of employees (km/employee), the increase was greater still at 35%.

Without wishing to minimise the significance of this finding, a comparison with previous years shows that 2009 was an “exceptional” year in terms of the small number of business trips made. A similar conclusion can be drawn if you look at the trend in the Bank’s carbon footprint for business travel adjusted for the number of employees. In contrast, with respect to the baseline year (2007), a detailed analysis at Group level shows an 8,5% decrease in emissions associated with business travel, which is entirely in line with the average reduction target for the Group. Nevertheless, more effort is needed especially from the Group entities outside Switzerland (fig. 7).



Figure 7: Carbon footprint associated with business travel [kg CO₂/employee] outside Switzerland (fig. 7).

A breakdown shows that the carbon footprint associated with each of the different modes of transport varies very little from year to the next. At the same time, the data clearly show that medium-haul flights account for the largest share of the carbon footprint associated with business travel and provide an indication of the locations where a targeted promotion of video-conferencing is required.

The number of video-conferences rose by 47% between 2009 and 2010, and there has been a four-fold increase vis-à-vis the baseline year (2007).

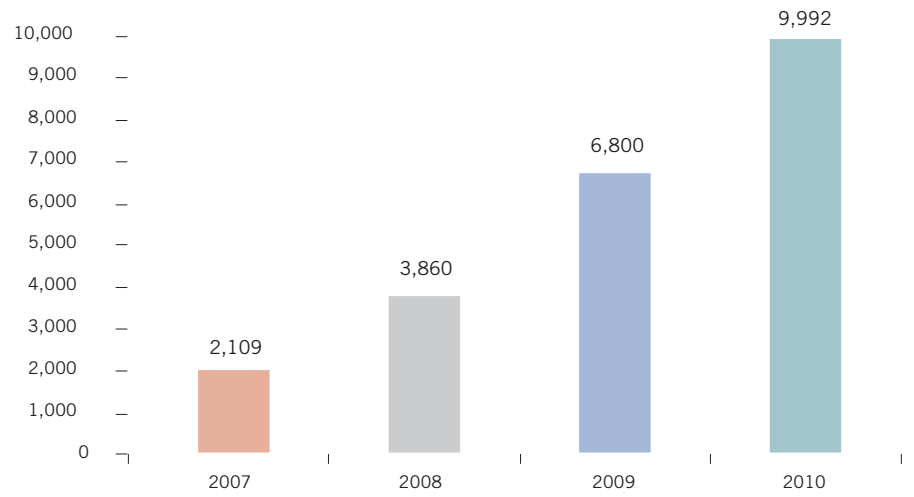
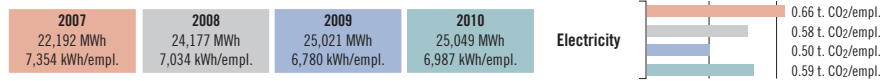


Figure 8: Number of audio and video-conferences within the Pictet Group

In addition to raising awareness among employees, the green light was given for investment in the video-conferencing infrastructure in 2010, with a view to improving the quality and reliability on the systems in place. An IT tool has been available from May 2011, which will make it easier to book and use the video-conferencing systems throughout the Group at the same time as improving the quality of usage data ahead of a strategic roll-out from 2012.

Electricity



In absolute terms, the Group’s electricity consumption was virtually unchanged and rose 0.1% compared with 2010, while the office space used by the Bank increased by 0.8%. However, in the light of the slight (3.0%) decline in staff numbers (including those on fixed-period contracts and external consultants working on-site) over the same period, the Group’s electricity consumption per employee rose by 3.0% in 2010.

In contrast, the carbon footprint per employee associated with this rise in electricity consumption grew much more and rose 17%. The carbon footprint associated with electricity consumption at the Group’s entities in Switzerland shrank (as most of the electricity comes from hydroelectric plants), whereas the carbon footprint associated with electricity consumption at the Group’s entities outside Switzerland grew (fig. 9).

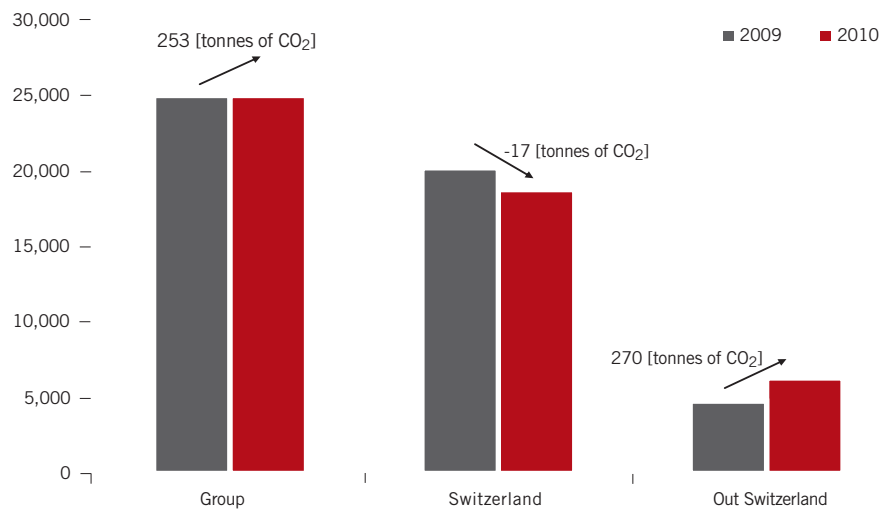


Figure 9: Trend in electricity consumption [in kWh] and the carbon footprint [in tonnes of CO₂]

Previous and planned projects:

In 2010, seven out of the Group's 19 entities had an "online" metering system. The roll-out of the system will continue in 2011 to allow analyses to be performed and suitable suggestions to be made for each Group entity from 2013 onwards.

At the Bank's headquarters in Geneva, steps to upgrade the energy generation and ventilation facilities have been followed by projects to optimise the power consumption of electrical appliances. These projects include action to ensure PCs go into stand-by mode when they have not been used for an hour, measures to reduce the length of time for which office spaces are lit and installing LED lighting.

The IT Department is making an active contribution towards cutting the Bank's electricity consumption. First, the energy efficiency of new stock is a crucial criterion when replacing IT equipment. Second, for several years now, the Department has made every effort to work with virtual servers (fig. 10). The objective of these efforts is to run different operating systems on the same computer, thereby saving disk space and electricity.

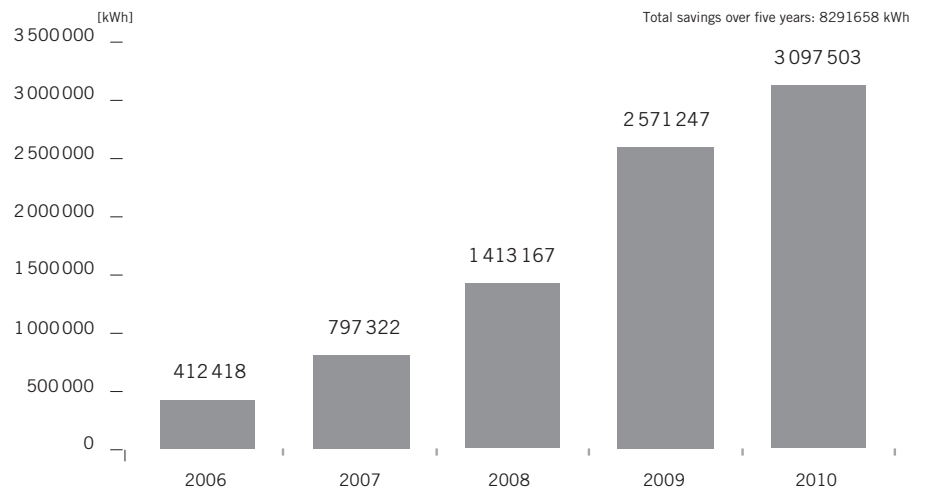


Figure 10: Cumulated electricity savings over the years as a result of virtualisation

Heating



As mentioned above in reference to electricity consumption, in absolute terms the Group consumption of fossil fuels was virtually unchanged in 2010 and was down by 0.5%. However, in the light of the slight (3.0%) decline in staff numbers (including those on fixed-period contracts and external consultants working on-site) over the same period, the Group's fossil fuel consumption per employee, as well as the associated carbon footprint, rose by 2.5% in 2010. A closer look at the data shows that fossil fuel consumption in Switzerland has continued to fall at the Group entities in Switzerland, especially in Geneva. The main reasons for this reduction are the solar thermal installation, the heat transfer system and the steps taken to optimise the automated system use to control the installations (fig. 11). However, the reduction is cancelled out by the increased consumption (up 3.9%) at the Group's entities outside Switzerland.

Previous and planned projects:

Relying on the environmental officers at the Group entities and increasingly reliable data, our efforts to reduce fossil fuel consumption in 2012 will focus on the Group's entities outside Switzerland.

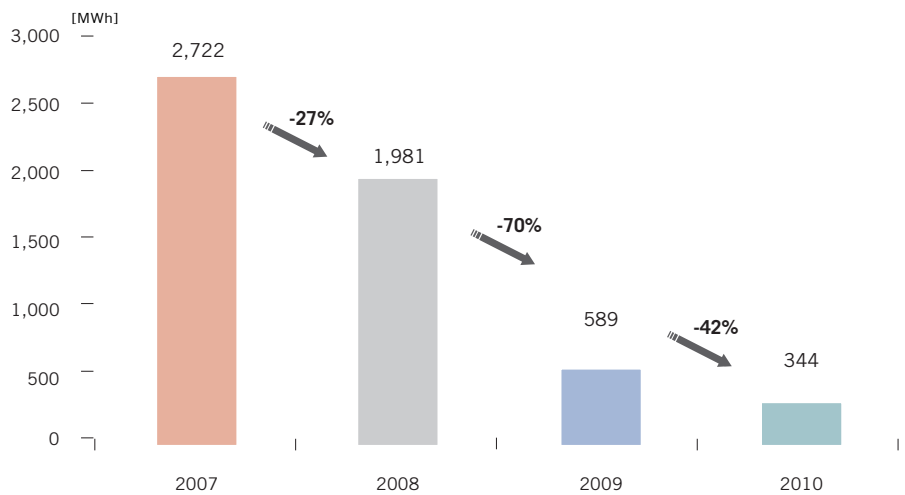


Figure 11: Natural gas consumption at the Bank's headquarter

Paper



The amount of paper used within the Group has fallen significantly, down by 22.4%, for the fourth year running. However, the data has to be used carefully as there is currently no means to gather reliable data on paper use at the Bank, leaving considerable scope for improvement.

Previous and planned projects:

The results achieved owe much to the awareness raised through the environmental survey.

Suggested by a working group on the matter, the main measure put forward and currently being implemented by the IT Department is the roll-out of printers that are configured by default to print on both sides of the paper. The printers will be rolled out throughout the Pictet Group during 2012, in accordance with the printer upgrade schedule.

Regular campaigns will be organised to raise awareness on the issue.

Waste



Between 2009 and 2010, the amount of waste produced within the Group fell by 4.6%. Adjusted for the number of employees, the quantity was unchanged at 185 kg/employee. (Figure 12)

Previous and planned projects:

To further improve the accuracy of the data on waste (for Geneva) a weighing platform was installed at the end of 2010.

Starting in the autumn of 2011, ceramic mugs will be made available to employees in all the break rooms of Pictet's buildings in Geneva, as an alternative to the paper cups currently provided. As is the case for the previous categories, in 2012 the emphasis will be placed on improving further the reliability of the data collected, especially in terms of the data collected from the Group entities.

Paper	279,46	↘	Voluminous waste	1,00	↘
Food waste	30,94	↘	PE	0,80	↘
Coffee grounds	18,96	↗	Oil	0,60	↘
Toner cartridges	4,07	↘	Tin	0,14	↘
Glass	11,68	↗	Discs	1,27	↘
Special waste	0,09	↘	EPS (air foam)	0,24	↘
Computer waste	8,34	↗	Batteries	0,02	↘
PET	1,55	↘	Aluminium	0,02	↘
Neon tubes and bulbs	0,12	↘	Total	359,29	↘

Figure 12: List of the types of waste recycled in Geneva in 2010



Figure 13: Flow of the waste generated in Geneva

Water



In absolute terms, water consumption has increased by almost 11%. Adjusted for the number of employees, total consumption increased by 14% (fig. 13). At the buildings that are owned by the Bank and those of which it is the sole occupant, the water metering systems are reliable. In contrast, at the buildings managed by external service providers, the quality of the data supplied still needs to be improved.

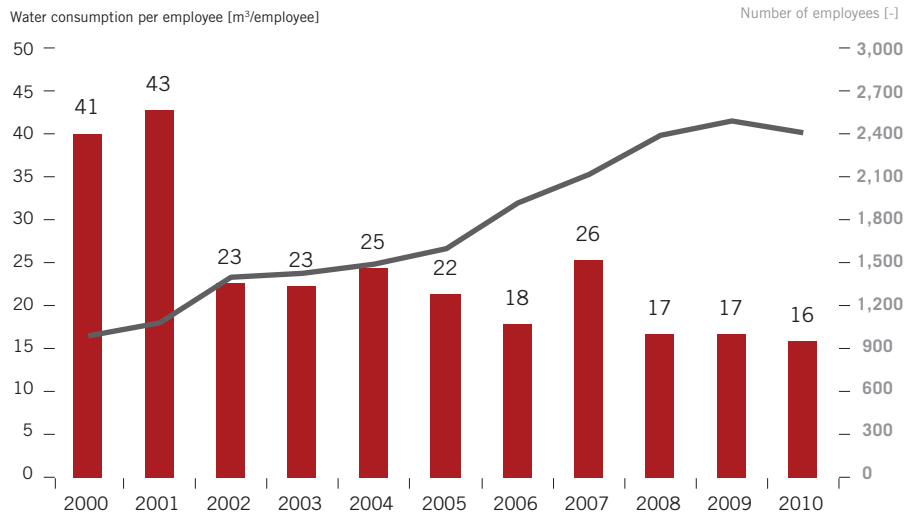


Figure 14: Water consumption per employee in Geneva

