



Independent  
Financial Group

## Integration of Sustainability Risk into Remuneration Policies

### Introduction

This document sets out the approach of the GWM Group in respect of the integration of sustainability risk into its remuneration policies where required by the EU Sustainability Finance Disclosure Regulation (“SFDR”).

In this document when we refer to the “GWM Group” or “GWM” or “we”/”us”/”our” we mean GWM Group Holdings SA and our group entities, including GWM Capital Advisors LLP in London (regulated by the FCA) and GWM Asset Management Limited in Malta (regulated by the MFSA).

Where required, GWM Group entities have separately implemented a remuneration policy (the “Policy”), which governs the processes concerning the payment of remuneration to relevant in-scope employees and other in-scope members of staff (“Identified Staff”) as defined in such Policy.

Such Policy has been amended where appropriate to reflect the integration of sustainability risks, as required by SFDR. The Policy reinforces GWM’s commitment and approach to developing and integrating Environmental, Social and Governance (“ESG”) within GWM’s ethos, culture and its investment risk management framework.

GWM fully embraces the growing importance of assessing and engaging on ESG and sustainability in its investment processes and wider activities. GWM will, to the best of its ability, comply with the relevant regulations and appropriate best practices governing the protection of human rights, occupational and public health and safety, the environment, and the labour and business practices of the jurisdictions in which we conduct business. For more information on the commitment of GWM to encouraging equality, diversity and inclusion among its workforce, and eliminating unlawful discrimination, please refer to our Diversity and Inclusion Policy.

## **Risk Alignment**

GWM acknowledges that the Policy, and the remuneration of Identified Staff, must be consistent with and promote sound and effective risk management and not encourage risk-taking that exceeds the level of tolerated risk set by GWM.

The risk-limiting features of the Policy include (amongst other things) the application of non-financial metrics, such as an assessment of compliance by Identified Staff with GWM's ESG Policy, where applicable.

## **SFDR Principles**

SFDR requires information to be provided on how such Policy is consistent with the integration of sustainability risks.

As outlined in the Policy, all Identified Staff are remunerated with a fixed remuneration. No variable remuneration shall be paid to Identified Staff unless it is determined to be justified by the relevant governing body following a performance assessment based on quantitative (financial) as well as qualitative (non-financial) criteria. Qualitative criteria include, but are not limited to, adherence with the relevant GWM entity's compliance, risk, regulatory and client fiduciary responsibilities, including adherence to the GWM ESG Policy. Considering the very limited likely impact of the variable remuneration of the Identified Staff on the risk profile of the Funds managed or advised by GWM and the nature of the businesses of the relevant GWM entities, including, where applicable, the delegation of the investment management function of some Funds to other third-party entities, GWM deems that there is no risk of misalignment with the integration of the sustainability risks in GWM's investment decision making process in respect of the Funds.

In the event that a GWM entity delegates its portfolio management activity to a third-party investment manager (the "Delegate"), such Delegate shall ensure that it adopts remuneration policies and procedures which are consistent with the integration of sustainability risks, provided that sustainability risks are integrated into the investment decision-making process. The relevant GWM entity shall seek periodic confirmations from each Delegate that these policies are being complied with and the remuneration structures are not encouraging excessive risk-taking with respect to sustainability risks and remuneration is limited to risk adjusted performance.

GWM believes that, where portfolio management is retained, its existing structures are sufficient to prevent excessive risk taking in respect of sustainability risks.

## **Contact**

For ESG related matters and information regarding ESG at GWM please contact: [ESG@gwmholding.com](mailto:ESG@gwmholding.com)