UNIGESTION

SUSTAINABILITY REPORT 2023

UNIGESTION GROUP

SUSTAINABILITY REPORT

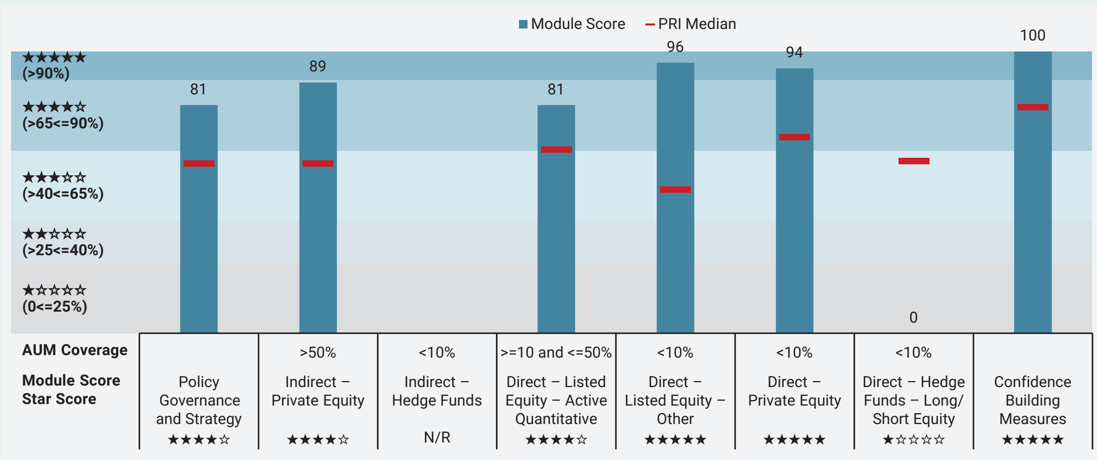
Introduction

2023 can be viewed as a watershed year in our ESG journey. Our activities on that front are now overseen by our newly-created Sustainability Committee: the leaner and more focused successor to the Responsible Investment Committee. As such, this is the first Unigestion Sustainability Report.

During the course of 2023, a number of developments have taken place in order to continue the improvement of our sustainable investment efforts. These are summarised below.

UN PRI Reporting

On 25 March 2013, Unigestion became a signatory of the United Nations supported Principles of Responsible Investment (PRI). In 2023, the PRI launched a slightly modified Reporting Framework. As during the last reporting cycle, all users of the PRI's platform encountered significant technological challenges and delays. Originally slated for the Spring, the reporting cycle did not come to a close until mid-September. As a result, all signatories' 2023 PRI Transparency and Assessment Reports were not released until early 2024. Scoring is now based upon a five-star ranking system, backed up by scores out of 100 for respondents and their peer groups. Our results are benchmarked against the PRI Median and are highlighted in the following graphic:



Our full PRI Transparency Report and Assessment Report can be viewed at: https:// www.unigestion.com/responsible-investment/policies-and-reporting/.

The future for PRI reporting looks cloudy. There is the option to report again in the Spring of 2024, but this falls just over six months since the last reporting point and is not mandatory. It is thought that the next chapter in the PRI's reporting saga will see a more radical change to the approach, bringing it into alignment with the UK Stewardship Code's reporting format, which was launched in 2020 and received positive approval.

SFDR

We continued to enhance our Responsible Investment Policy in 2023 to meet our responsibilities as set out under the Sustainable Finance Disclosure Regulation (SFDR) that came into effect on 10 March 2021. The EU introduced this new package of regulations with the objective of ensuring that financial market participants are able to finance growth in a sustainable manner over the long term while combating "greenwashing". Currently, the various Equities compartments of our Uni-Global SICAV, as well as various of our recently launched Private Equity direct funds, are classified as Article 8 under the SFDR. An Article 8 fund is defined as "a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices."

Meanwhile, our Private Equity offering, the Unigestion Climate Impact Fund, launched at the end of 2022 is classified as Article 9. An Article 9 fund under SFDR is defined as "a Fund that has sustainable investment as its objective or a reduction in carbon emissions as its objective." We expect to achieve this objective in two ways: (i) by investing in companies with enabling activities (i.e. providing a product or service that enables their customers to decarbonise) and (ii) by investing in companies with transitional activities (having a significant carbon footprint at present and focusing on its decarbonisation journey). The Fund taps into Unigestion's 12 years of experience in climate impact investing in private equity. It targets a portfolio of innovative, high growth companies that provide solutions to the climate challenge, offering investors exposure to high impact companies across multiple climate impact sectors, such as energy transition, low carbon industry, green construction, green mobility, land management and circular material.

One such investment is Project Duke, a low carbon heating network in the UK. Duke is a SFDR Article 9 project build-up investment in energy transition, addressing the second largest source of greenhouse gas emissions (GHG) in the UK – heating. The climate impact is achieved via the replacement of gas- based heating solutions with centralised air-sourced heat pumps, enabling ca. 66% of GHG emissions to be avoided. The low carbon heating networks will be built significantly below the EU Taxonomy threshold (65g vs 100g GHG/KWh) and Duke is currently in the process of validating science-based targets (SBT).

Partnerships, alliances and memberships

Over the course of 2023, we joined a new collaborative initiative called Votes Against Slavery. Modern slavery is a widespread, criminal activity which has a significant economic impact globally. It is estimated to be a $150 billion trade which involves approximately 50 million people facing a form of modern slavery and human trafficking globally. This includes 28 million in forced labour. The exploitation of people through forced labour and sexual slavery has been fuelled by a growing number of global migrants in search of prosperity, more complex supply chains (brought about by globalisation) and weak enforcement by regulators. The 2015 Modern Slavery Act was a landmark piece of legislation, requiring all companies over a certain size operating in the UK to report in detail on their approach to finding and eliminating modern slavery within their supply chains. We expect the members of the FTSE 350 and FTSE AIM indices to take the lead in this area, and to implement substantial changes to address the prevalence of slavery within their supply chains.

Climate Initiatives

From a corporate perspective, we are focused on infrastructure efficiency, optimising our consumption and supporting green mobility. At the investment level (where most impact will be had) we are focused on the climate risks that entities are exposed to in their decision-making processes within the short- and medium-term, as well as the climate risk management of companies in the long run.

During the third quarter of 2023, we again undertook a survey of the commuting habits of our employees to better understand what measures we could implement to reduce our carbon footprint. We use 2019 as the baseline from which to measure progress - the pandemic and the impact of people working from home for prolonged periods meant 2020 would not provide a good baseline from which to measure improvements. Over the past three years since establishing this baseline, we have observed a total reduction in emissions from commuting of 52% through the combined efforts of our colleagues.In a similar vein, a number of energy saving initiatives have meant a total reduction in emissions from electricity usage in our offices of 26% since setting the baseline in 2019.

The results of the carbon footprint calculation show that emissions from our operations have been reduced significantly between 2019 and 2022. Overall, our emissions have decreased by 30%.

However, during 2023 we also made a decision to step back from the Net Zero Asset Managers Initiative. While we believe integrating ESG criteria into our investment process is essential, our asset mix has changed since we signed the initiative in 2021, with a greater proportion in Equities mandates which are driven by client requirements, and in Private Equity where the adoption of the net zero initiative would currently lead to undue constraints on the breadth and quality of our investment universe. Despite stepping back from our commitment, we remain strong supporters of the concept of Net Zero and continue to support clients on their own Net Zero journey given our expertise in this area and sustainability more generally.

Voting & engagement

The listed Equities corporate engagement team has been participating in constructive dialogues with the companies we own for over seven years. Most interactions have been through video calls and it wasn't until early September that the team first met face-to-face with a portfolio company. Our team headed out to the Geneva suburb of Meyrin to speak directly with LEM. This companymanufactures variable speed drives for motors, power supplies for industrial applications, AC/DC converters, uninterrupted power supply systems for computers, new innovative energy applications (microturbines, wind and solar power generation), automotive applications (battery management, start/stop applications for conventional cars and electrical motor controls), high-precision medical equipment (such as MRI scanners) and battery pack management and embedded chargers for green cars. As such, LEM is an ideal fit into our Swiss Equities portfolios.

We met with the Company's CFO, Andrea Borla, and its Head of ESG, Quentin Piat. We congratulated them on their many accomplishments in enabling the shift to a green economy. We also advocated for the validation of LEM's GHG reduction targets by the Science Based Target Initiative (SBTi) as the next step to strengthen the credibility of its Climate Strategy, and for increasing the diversity and independence of its Board of Directors. We will continue to closely follow the evolution of its ESG journey.

We, together with over 700 signatories representing USD 68 trillion of investments, are participating in the Climate Action 100+ initiative. This ongoing project by both asset managers and asset owners aims to engage with 170 of the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change. To further deepen our commitment to this initiative, Unigestion has been a lead on the engagement with Canadian oil and natural gas production and distribution company; Enbridge. In June of 2023, Climate Action 100+ announced that Enbridge, and a number of mid-stream companies, have been removed from its focus list. We continue, however, to be a member of the North American Mid- Stream Working Group. Furthermore, we have joined the Climate Action 100+ engagement with Unilever, Carrefour, Walmart, Nestlé and Hon Hai as a Supporting Investor in the second phase of the initiative.

In 2022, we voted and engaged with BP Plc on its Net Zero - From Ambition to Action Report. Subsequently, in February 2023, BP surprised investors by scaling back plans to reduce the amount of oil and gas it produces by 2030, therefore weakening its Climate Strategy. The company had previously promised that emissions would be 35% - 40% lower by the end of this decade. However, it said it was now targeting a 20% - 30% cut, saying it needed to keep investing in oil and gas to meet current demand. As we previously engaged with them regarding their climate strategy, we were surprised by this move and decided to escalate our engagement by voting against the re-election of the chair of the committee responsible for climate risk oversight at the AGM on April 27th.

Finally, we had a prolonged engagement with Novo Nordisk. Our objective was to influence the company to proactively decrease the cost of monthly insulin supply for people with diabetes in the US market. This affects SDG 3, Good Health and well-being, target 3.4, which calls for reducing premature death from NCDs, including diabetes, by 30% by 2030. The Company's track record of being a laggard in addressing controversies, and increasing pricing and regulatory pressures in the US insulin market, created risk for a key holding. The Company had been under scrutiny for alleged pricing collusion in the US market in recent years. With regulatory pressure aimed at helping Americans gain access to affordable insulin increasing, we therefore decided to engage on this specific KPI over two calls in Q4 2022. In March 2023, the company announced that it will be lowering the U.S. list prices of several insulin products by up to 75% for people living with type 1 and type 2 diabetes. The Company confirmed this decision, as well as additional measures to improve access to insulin, during the call we held with its representatives. These changes come into effect on January 1, 2024.

Our deal teams also engage with companies and funds held in our various private equity portfolios.

For example, at the time of our initial investment, Home Instead was classified as a “laggard” in terms of ESG despite the high social value of its core services (home care for the elderly). An ESG enhancement project was confirmed in June of 2022. Additionally, at the close of 2022, a dedicated ESG officer was chosen who will lead the project along the way. By the close of 2022, the percentage of female executives had increased from 0% to 40%. Its ESG Score had also improved from 2.4 to 5.8 over the course of the year and it was then ranked as a “beginner”. The goal of the ESG strategy roadmap is to improve the ESG score from “laggard” to “leader”. The future milestones will be to track work-related health and safety incidents and to increase the percentage of independent board members during 2024.

We believe in the importance of being an active shareholder and have therefore decided to exercise the shareholders’ rights of our clients through an outsourcing arrangement with a third-party proxy voting specialist firm. Unigestion’s proxy voting is carried out by ISS through a customised policy built upon its International Sustainable Proxy Voting policy, with enhancements to address stricter rules for director and auditor independence, as well as the incorporation of ISS’s Climate Voting Services, which uses its Climate Scorecard. During 2023, Unigestion voted at 99.16% of meetings. We voted against management on 18.42% of the 8,049 votes cast.

In addition, we have recently launched a proxy voting data portal that provides up to the minute voting details, statistics, and rationale on a company-wide or portfolio basis. The portal is available at: https://vds.issgovernance.com/vds/#/NzYxNA==

Our ESG roadmap – progress report

A task force of the Responsible Investment Committee, the predecessor to the Sustainability Committee, began meeting in the summer of 2018 to prepare a long-term ESG Roadmap for Unigestion. Our aim is to systematically integrate ESG within the investment process across all our assets under management, as well as offering bespoke ESG solutions to meet the specific requirements of our clients.

In order to deliver on this plan, we set shorter-term objectives and review our progress on an annual basis. Our goals and progress in 2023 included:

Equities

- Keep Proxy Voting above 95%. (Achieved)
- Increase the scope of Direct Engagements with a focus on core holdings. (Achieved)
- Participate in Collaborative Engagements as Lead or Supporting Investor. (Achieved)
- Develop Low TE Climate Strategy and Decarbonisation Strategy. (Done but on hold)
- Integrate engagements into ESG Report. (Achieved)

Private Equity

- Enhance, automate and outsource ESG and Impact data. (Achieved)
- Engagement progress in quarterlies for Directs and select mandates. (Deferred to 2024)
- Appoint consultant and independent auditor for Climate Impact assessments. (Achieved)
- Perform research on Natural Language Processing in ESG. (Achieved)
- Produce full version of European ESG Template (EET) report. (Achieved)
- Deliver our second PE ESG report to investors in Q2 2023. (Achieved)

Participation in leading global initiatives

- Maintain or improve our UN PRI scores. (Achieved)
- Maintain compliance with the UK Stewardship Code. (Achieved)
- Produce Swiss Climate Scores reporting. (Achieved)

Promotion of ESG initiatives within our company

- Improve our Diversity & Inclusion ratios at a firm level. (Achieved and Ongoing)
- Progress in our Women's Initiative Network. (Achieved)
- Publish the annual Corporate Social Responsibility Report (Achieved)

ESG-INTEGRATED ASSETS UNDER MANAGEMENT

At the close of 2023, Unigestion managed USD 12,3 billion in ESG-integrated assets using a stringent calculation methodology.

Investment Team	AUM Mn USD	ESG AUM Mn USD	ESG as %
Private Equity	11,433	6,755	59%
Equities	5,468	5,423	99%
Wealth Management & Multi Asset	1,043	130	12%
Total Firm AUM	**17,944**	**12,308**	**69%**

Source: Unigestion, as at 31.12.2023.

IMPORTANT INFORMATION