

Article 10 (SFDR)
Website disclosure for an article 8 fund

Unigestion Direct II - SCS-SICAV-RAIF – Asia

Product name / legal identifier: Unigestion Direct II - SCS-SICAV – Asia



A. Summary

The Compartment promotes environmental and social characteristics by investing 60% of the Capital Contributions (as defined in the Limited Partnership Agreement) allocated to the Compartment ("**Allocated Capital Contributions**") in privately held companies or other entities ("**Portfolio Companies**") classified as "positively contributing" to at least one of the 17 United Nations Sustainable Development Goals ("**UN SDGs**") ("**Qualifying Companies**"). A Portfolio Company is considered to be "positively contributing" to at least one of the UN SDGs if at least 75% of its revenues is classified as "positively contributing" at the time of the initial investment. This "**Positive Contribution Assessment**" is carried out by the Investment Manager. The Compartment will ensure that at least 60% of the Allocated Capital Contributions are invested in Qualifying Companies, based on the Positive Contribution Assessment made by the Investment Manager at the time of the initial investment. This financial product does not have as its objective a sustainable investment.

The Compartment directly invests in Portfolio Companies with enterprise valuations of less than EUR 500 million located in Asia.

The Compartment ensures good governance of Portfolio Companies by applying a Exclusionary Screening to exclude Portfolio Companies active in certain sectors (controversial weapons, tobacco, adult entertainment, thermal coal, predatory lending and UN Global Compact violations) as well as Portfolio Companies lacking ESG policies, having ESG related litigation or identified as high carbon emitters. In addition, the Investment Manager will engage with Portfolio Companies having low governance scores as part of the ESG Scorings.

The Compartment's investments in Qualifying Companies which are aligned with its environmental and social characteristics amount to 60% of the Allocated Capital Contributions of all Limited Partners (as defined in the Limited Partnership Agreement). The Compartment will invest up to 40% of the Allocated Capital Contributions of all Limited Partners in other assets including Portfolio Companies which are not Qualifying Companies, Temporary Investments and derivatives for hedging purposes. The Compartment will invest directly in the Portfolio Companies. The Compartment does not commit to making any sustainable investments and therefore the minimum Taxonomy-alignment of the Compartment's investments is 0%. Portfolio Companies which are not Qualifying Companies will be subject to the Exclusionary Screening. There are no minimum safeguards for Temporary Investments and derivatives.

The Compartment will assess the positive contribution of each Portfolio Company to the UN SDG by defining individual sustainability indicators as part of the due diligence process at the time of the initial investment. The Compartment monitors the attainment of the environmental and social characteristics on an ongoing basis by annually reviewing the Positive Contribution Assessment, performing the ESG Scoring and, on a voluntary basis, collect data on principal adverse impacts on sustainability factors ("**PAI**") of the Portfolio Companies.

The Positive Contribution Assessment is used as methodology to measure how the environmental and social characteristics promoted by the financial product are met. It will be conducted by the Investment Manager in dialogue with the management of the Portfolio Company.

The Compartment uses a combination of in-house data, technical assessments performed by third parties and third-party data providers, each as available for the respective Portfolio Company, to perform the Positive Contribution Assessment and the ESG Scoring. Such data collected is processed and stored via an internal data management system.

Data for privately owned companies underlying the Positive Contribution Assessment may not be available or have an insufficient data quality. In such cases the Investment Manager will use proxy methodology or rely on data received from the Portfolio Companies.

The Investment Manager has set up a dedicated ESG due diligence process which applies to all Portfolio Companies at the time of the initial investment.

The Investment Manager implements an engagement plan per Portfolio Company based on the Positive Contribution Assessment and the ESG Scoring to address material ESG issues.

No index has been designated as reference benchmark to meet the environmental or social characteristics promoted by the financial product.



B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.



C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The Compartment promotes environmental and social characteristics by investing a certain portion of the Allocated Capital Contributions in Qualifying Companies classified as “positively contributing” to at least one of the 17 UN SDGs. A Portfolio Company is considered to be “positively contributing” to at least one of the UN SDGs if at least 75% of its revenues is classified as “positively contributing” at the time of the initial investment. The Positive Contribution Assessment is carried out by the Investment Manager.

The Compartment will ensure that at least 60% of the Allocated Capital Contributions are invested in Qualifying Companies, based on the Positive Contribution Assessment made by the Investment Manager at the time of the initial investment.



D. Investment strategy

What investment strategy does this financial product follow to meet the environmental or social characteristics promoted by the financial product?

The Compartment directly invests in Portfolio Companies with enterprise valuations of less than EUR 500 million located in Asia. The Compartment aims to achieve attractive financial risk adjusted return alongside the promotion of the environmental and social characteristics of the Compartment. The Compartment promotes environmental and social characteristics by investing 60% of the Allocated Capital Contributions in Qualifying Companies (see above Section C.).

What is the policy to assess good governance practices of the investee companies?

The Investment Manager performs a norm-based and exclusionary screening ("**Exclusionary Screening**") of all Portfolio Companies at the time of the initial investment which aims at excluding investments with clearly unsustainable governance practices as follows:

Any Portfolio Company that violates any of the following exclusion criteria is filtered out immediately:

- controversial weapons - businesses that manufacture, distribute or sell controversial arms or ammunitions such as cluster bombs, landmines, depleted uranium, etc;
- tobacco producers - businesses principally engaged in the manufacturing of, or trading in, tobacco;
- adult entertainment producers - businesses principally engaged in the production of pornography;
- thermal coal - businesses with more than 10% of their total revenues derived from thermal coal;
- predatory lending - businesses directly involved in unethical lending practices that impose unfair and abusive loan terms on borrowers; and
- companies that are not compliant according to UN Global Compact (UNGC).

The Compartment will also exclude:

- Portfolio Companies with no current ESG policy or no intention to introduce one;
- Portfolio Companies with ESG related litigation; and
- Portfolio Companies identified as high carbon emitters (i.e. Portfolio Companies from sectors generating substantive carbon emissions (e.g. energy production from thermal coal) or Portfolio Companies which, according to individual or proxy data, have high carbon emissions.

The private equity investment committee of the Investment Manager ("**Investment Committee**") approves the ESG due diligence of a new investment, including the exclusions. The compliance with the exclusions is further reviewed by the risk department, pre- and post-investment.

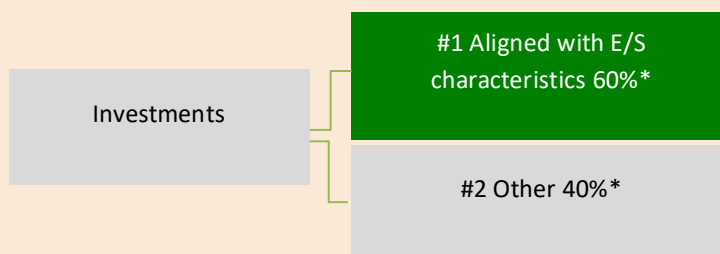
At the time of the initial investment and annually during the Compartment's ownership period, the Investment Manager performs an internal ESG scoring to determine how advanced Portfolio Companies are in integrating ESG matters, based on 20 qualitative and quantitative criteria ("**ESG Scoring**"). As part of this ESG Scoring, the Investment Manager reviews, typically with the support of a third party provider, the governance practices of the respective Portfolio Company, attributing it an ESG score related to good governance (in particular sound management structures, employee

relations, remuneration of staff and tax compliance). The outcome of the ESG Scoring is assessed in the due diligence phase by the Investment Committee.

In relation to the areas where the Portfolio Company scores poorly on governance, steps for a potential improvement are defined in an action plan and implemented via the ongoing active engagement during the Compartment’s ownership period. During such period, the Investment Manager monitors the good governance practices via its representation in the board of the Portfolio Company (if applicable) and the Investment Manager annually rates the Portfolio Company’s performance on relevant governance matters – e.g. female participation in executive management, participation of independent members in the board of the Portfolio Company, independence of the Portfolio Company’s audit committee, existence of a succession plan, key policies (whistleblowing, AML, code of conduct) in place. The Investment Manager expects from Portfolio Companies that annual scores on governance show progression during the ownership period unless the respective Portfolio Company has already achieved the best possible rating.



E. Proportion of investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

**calculated on the basis of the Allocated Capital Contributions of all Limited Partners*

The Compartment will only invest directly in the Portfolio Companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Compartment does not commit to making any sustainable investments; this also excludes investments in environmentally sustainable economic activities according to the EU Taxonomy. Accordingly, the minimum Taxonomy-alignment of the Compartment's investments measured by all available key performance indicators (turnover, capital expenditure and operating expenditure) is 0% and this will not be subject to third party assurance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional and enabling activities?

0%

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under "#2 Other" comprise (i) investments in Portfolio Companies which do not qualify as Qualifying Companies (see above Section C.), (ii) Temporary Investments including cash, certain securities, deposits and other receivables and (iii) derivatives for hedging purposes. Temporary Investments will be required for liquidity management purposes. Not all Portfolio Companies will be Qualifying Companies because the Investment Manager will, on a case by case basis, also select Portfolio Companies which are likely to deliver a financial outperformance to enhance the Compartment's returns. Moreover, in some instances Portfolio Companies may, at the time of the initial investment, not be categorized as Qualifying Companies due to lack of data but may do so when the Positive Contribution Assessment is repeated at a later stage.

As minimum safeguard, all investments in Portfolio Companies will be subject to the Exclusionary Screening (see above Section D.). There are no minimum safeguards for Temporary Investments and derivatives.



F. Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and which are the related internal/external control mechanisms?

The Compartment will assess the positive contribution of each Portfolio Company to the UN SDG by defining individual sustainability indicators as part of the due diligence process at the time of the initial investment, such as, for example, efficient water usage, access to information and communications technology, efficiency in health services, use of recycled material in production or access to financial services.

Each Portfolio Company will be monitored on an annual basis in relation to its (i) positive contribution to UN SDGs (see Section C. above and Section G. below) and (ii) ESG Scoring, measuring progresses versus pre-investment assessment. In addition, the Investment Manager will, on a voluntary basis, collect data on PAI of the Portfolio Companies oriented at the indicators defined in Annex I to the SFDR regulatory technical standards adopted on 6 April 2022. Based on the Positive Contribution Assessment (see Section C. above) and the ESG Scoring (see Section D. above) the Investment Manager will implement an engagement plan per Portfolio Company, as described in Section K. below.



G. Methodologies

What are the methodologies to measure how the environmental or social characteristics promoted by the financial product are met?

The Positive Contribution Assessment (see Section C. above) is conducted by the Investment Manager in dialogue with the management of the Portfolio Company. Such assessment is performed through an expert judgement by the Investment Manager based on the available data (such as commercial due diligence reports, market studies, ESG reports). The Investment Manager's Investment Committee approves the assessment made.



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics and the measures taken to ensure data quality, how is data processed and which proportion of that data is estimated?

Due to scarcity of the external data for private equity portfolio companies the Compartment uses a combination of the following data sources (to the extent for each Portfolio Company) with regard to the Positive Contribution Assessment and the ESG Scoring:

- In-house data – notably gathered through questions that are asked during the due diligence process and post-investment engagement;
- Technical assessments performed by third parties; and
- Third-party data providers – selected on a company by company basis.

Such collected data is processed and stored via an internal data management system. For data related with ESG KPIs, the vast majority is currently based on proxy methodology.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources and how do such limitations not affect the attainment of the environmental and social characteristics?

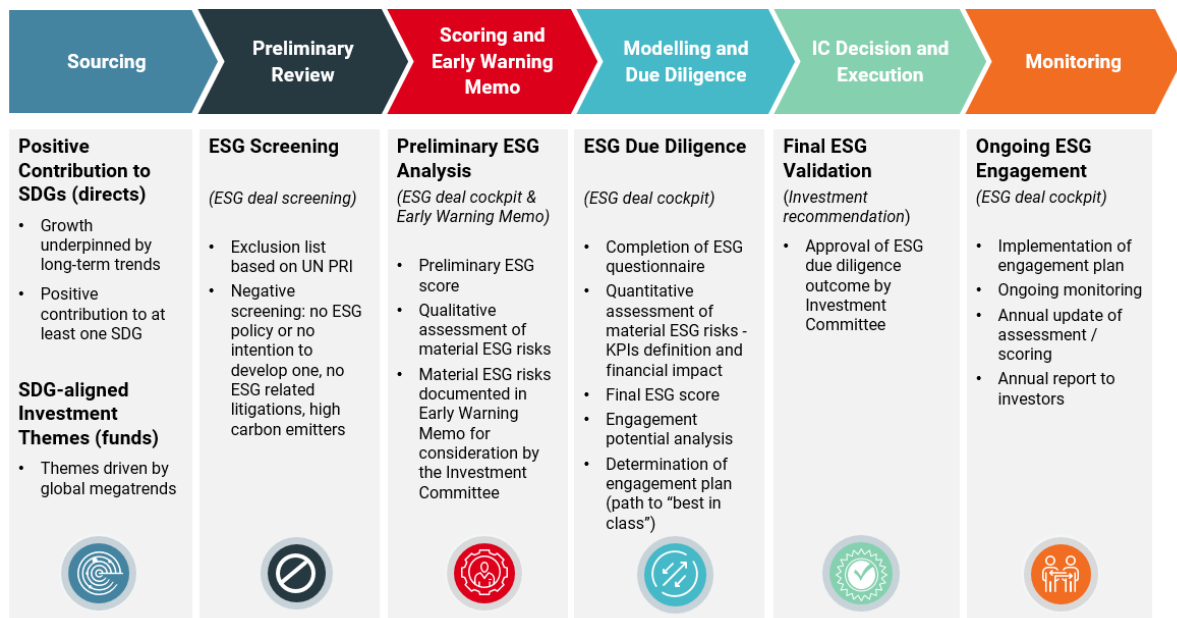
There are limitations around data availability and quality for privately owned companies which need to be considered by the Investment Manager when making the Positive Contribution Assessment. Information from third party data providers is rarely available for privately held Portfolio Companies. In such cases the Investment Manager will use proxy methodology or rely on data from the potential Portfolio Companies under review. The Investment Manager has set the relevant threshold for Qualifying Companies at 75% (see Section C. above) to ensure that, on a case by case basis, the Investment Manager may also invest in Portfolio Companies where the data required for the Positive Contribution Assessment is not yet available.



J. Due diligence

How is the due diligence carried out on the underlying assets of the financial product and which are the internal and external controls on that due diligence?

The below chart illustrates the investment due diligence process applied to any investment opportunity of the Compartment:





K. Engagement policies

Is engagement part of the environmental or social investment strategy and which are the engagement policies? Are there any management procedures applicable to sustainability-related controversies in investee companies?

In order to monitor the environmental and social characteristics of the Compartment on an ongoing basis and in order to drive high ESG standards, the Investment Manager will implement an engagement plan per Portfolio Company based on the Positive Contribution Assessment (see Section C. above) and the ESG Scoring (see Section D. above) and priorities are allocated depending on the scale of the issues identified and the potential for improvement. The Investment Manager will relay back the selected material ESG-related issues to the Portfolio Company to establish a plan for addressing them. The specific level of engagement and the resulting actions will be defined individually for each Portfolio Company.



L. Designated reference benchmark

Has an index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product?

No index has been designated as reference benchmark to meet the environmental or social characteristics promoted by the financial product.