Article 10 (SFDR)

Website disclosure for an article 8 fund

Unigestion Direct II SCS-SICAV-RAIF – Asia

Version	Date of publication	Explanation of amendments
1	June 2022	First publication
2	01.05.2022	Update to reflect changes under Delegated Regulation (EU) 2023/363 (notably disclosure on fossil gas/nuclear energy related activities under EU Taxonomy); revised due diligence chart
3	13.08.2024	Update to reflect amendments to ESG Scoring methodology and due diligence process and to clarify screenings

Product name / legal identifier: Unigestion Direct II SCS-SICAV – Asia
549300TS4785EJQCT091

A. Summary

For other languages, use following link: Unigestion Direct II Asia - Summary all languages

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 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 Norm-based 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 an Exclusionary Screening to exclude Portfolio Companies lacking ESG policies, having ESG related litigation or identified as High Carbon Emitters (see below Section D.). In addition, the Investment Manager will engage with Portfolio Companies having low governance scores as part of the ESG Scoring.

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 in the Portfolio Companies directly or through Intermediate Entities. The Compartment does not commit to making any sustainable investments and the investments underlying the Compartment do not contribute to any environmental objective set out in Article 9 of EU Taxonomy. Accordingly, the minimum Taxonomy-alignment of the Compartment's investments is 0%. Portfolio Companies which are not Qualifying Companies will be subject to the Norm-based Screening and 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 SDGs 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 (as defined in Section C. below) and, on a voluntary basis, collecting data

on principal adverse impacts of investment decisions 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 (as described in Section K. below) 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 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 Screening 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:

Norm-based Screening (ESG Pillar I)

The "**Norm-based Screening**" filters out any Portfolio Company that violates any of the following exclusion criteria:

- controversial weapons - businesses that manufacture, distribute or sell controversial arms or ammunitions such as cluster bombs, landmines, depleted uranium, etc;
- tobacco producers - businesses active in the cultivation and production of tobacco;
- adult entertainment producers - businesses principally engaged in the production of pornography which generate > 10% of their total revenue from this activity;
- thermal coal - businesses with more than 10% of their total revenues derived from thermal coal;
- predatory lending - businesses which are directly involved in unethical lending practices that impose unfair, deceptive and abusive loan terms on borrowers and generate > 5% of their total revenue from these activities; and
- companies that are not compliant according to UN Global Compact (UNGC).

Exclusionary Screening (ESG Pillar II)

As part of the "**Exclusionary Screening**", the Compartment also excludes:

- Portfolio Companies with no current ESG policy or no intention to introduce one ("**ESG Policy**" meaning a policy under which environmental and social risks are identified and mitigated, compliance with applicable ESG regulation is ensured and the respective company's environmental and social impacts are assessed);
- Portfolio Companies with significant 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.

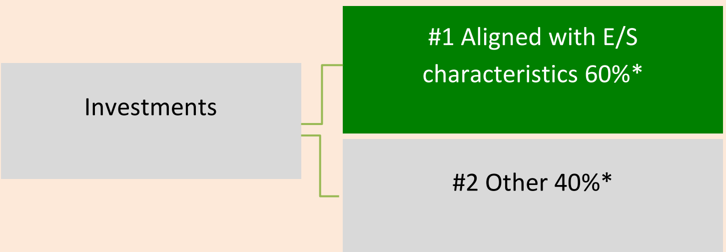
The private equity investment committee of the Investment Manager ("**Investment Committee**") approves the ESG due diligence of a new investment, including the Norm-based Screening and the

Exclusionary Screening. The compliance with these screenings is further reviewed by the risk department, pre- and post-investment.

ESG Scoring (ESG Pillar III)

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 50 qualitative and quantitative criteria ("**ESG Scoring**"). In the context of the ESG Scoring, the Investment Manager uses ESG KPIs such as GHG emissions, recycling quota and emission of pollutants as well as independent board members and percentage of women in senior positions. Based on the information collected in the ESG Scoring process, each Portfolio Company is rated out of 100 % as follows: Under 25% "Lagger", between 25% and 50% "Beginner", between 50% and 75% "Follower" and above 75% "Leader". The outcome of the ESG Scoring is assessed in the due diligence phase by the Investment Committee. As part of this ESG Scoring, the Investment Manager reviews the governance practices of the respective Portfolio Company based on ESG KPIs such as existence of independent board members, implementation of governance committees, existence of key policies (whistleblowing, anti-money laundering, anti-bribery, anti-corruption, corporate code of conduct/ethics) and percentage of women in senior positions. If the Investment Manager considers that the results achieved by a Portfolio Company on governance-related ESG KPIs should be improved it will define steps for a potential improvement in an action plan and implement them via the ongoing engagement with the Portfolio Company (see Section K. below).

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 theenvironmental or social characteristics, nor are qualified as sustainable investments.

calculated on the basis of the Allocated Capital Contributions

The share of investments in Portfolio Companies held indirectly through Intermediate Entities (as defined in the Private Placement Memorandum) may be up to 100%.

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 and the investments underlying the Compartment do not contribute to any environmental objective set out in Article 9 of EU Taxonomy. Therefore, there will be no economic activities that qualify as environmentally sustainable under Article 3 of EU Taxonomy (also designated as Taxonomy-aligned economic activities). Accordingly, the minimum Taxonomy-alignment of the Compartment's investments measured by all available key performance indicators (turnover, capital expenditure ("**CapEx**") and operating expenditure ("**OpEx**")) is 0% and this will not be subject to an assurance provided by an auditor or a review by a third party.

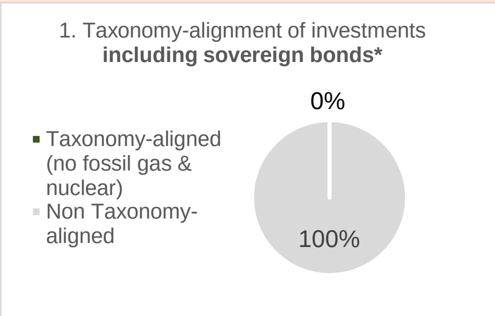
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

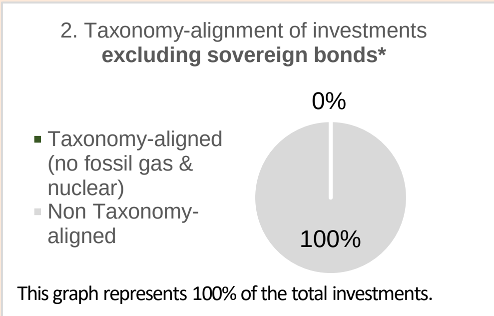
☐ **Yes:**

☐ **In fossil gas** ☐ **In nuclear energy**

☒ **No**

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?

The minimum share of investments in transitional activities is 0% (measured by turnover, OpEx and CapEx) and the minimum share of investments in enabling activities is 0% (measured by turnover, OpEx and CapEx).

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 (as defined in the Private Placement Memorandum) including cash, certain securities, deposits and other receivables and (iii) derivatives for hedging purposes. Temporary Investments will be required

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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 Norm-based Screening and 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 Commission Delegated Regulation (EU) 2022/1288. 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 relevant 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 60% (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:

Sourcing	Preliminary Review	Scoring and Early Warning Memo	Modelling and Due Diligence	IC Decision and Execution	Portfolio Management and Engagement
Promotion of environmental and social characteristics • Growth underpinned by long-term trends • Assessment of positive contribution to at least one SDG **Supporting assessment** • Where possible: Link to SDG target	**ESG Screening** *(Pillars I & II)* • Norm-based Screening: controversial business activities, PRI *(Pillar I)* • Exclusionary Screening: no ESG policy or no intention to develop one, ESG related litigations, High Carbon Emitters *(Pillar II)*	**Preliminary ESG Analysis** • Qualitative assessment of material sustainability risks • Material sustainability risks documented in Early Warning Memo for consideration by the Investment Committee (IC)	**ESG Due Diligence** • Completion of ESG questionnaire and calculation of ESG Scoring *(Pillar III)* • Quantitative assessment of material sustainability risks, incl. financial impact • Engagement potential analysis • Determination of Engagement Plan (path to "best in class")	**Final ESG Validation** • Approval of ESG due diligence outcome, ESG Scoring and Engagement Plan by IC	**Ongoing ESG Engagement** • Implementation of Engagement Plan • Ongoing monitoring • Annual update of ESG Scoring • Annual report to investors

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 ("**Engagement Plan**") 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 the 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.