



UNIGESTION

UK Stewardship Code 2023-2024



The Unigestion Group (Unigestion) manages assets for a range of institutional clients and a small number of high net-worth families. Unigestion (UK) Ltd. manages assets for segregated mandates, pension funds, investment companies and for some of the Unigestion range of investment funds.

At Unigestion, we aim to act in the best interests of all our stakeholders by engaging with the companies that we invest in and by exercising our voting rights with care. Not only is this in line with good market practice, but it supports our investment philosophy of prudent risk management and responsible investment of our clients' money.

This document explains Unigestion's compliance with the UK Stewardship Code and its principles. It also fulfils our responsibilities under the EU Shareholder Rights Directive (SRD II), complies with FCA requirements and follows SEC guidance. It is publicly available on our website at: <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Unigestion (UK) Ltd. Is a wholly owned subsidiary of Unigestion Holding SA.



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FOREWORD

We are delighted to submit our UK Stewardship Code report for the twelve months ended 30 June 2024. This document highlights our rigorous approach to ESG, which has continuously evolved since we launched our first responsible equity product in 2004. We have implemented many innovations and enhancements to our approach across our key asset classes since our first submission to the UK Stewardship code in 2012. Our overriding objective is to ensure we can always act in the best interests of clients in the area of sustainability, stewardship and ESG integration with innovative, robust investments and processes that meet their needs.

Over the past year, we continued on an ambitious programme of refinements and projects and made excellent progress across the board.

“We believe well-governed businesses with responsible practices can make a positive contribution to our clients’ portfolios over the long term.

Sustainability will be a long-term driver for change in markets, countries, sectors and companies, creating opportunities for fruitful investment.”

Climate change is the defining issue of our time, impacting every one of us, regardless of who or what we are, or where we come from. However, while it may be one of the greatest challenges we have faced, climate change is also an immense opportunity for businesses, industries and governments to come together and build a better world.

As a link between the providers of funding and those who need it, asset managers are in a privileged position to help improve the world we live in as well as grow clients’ assets. The transition to a net zero economy will provide investors with significant opportunities and demand for climate-focused investment solutions will increase. The challenge will be how best to use capital in the real economy while adopting a net zero mind-set.

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 and the climate risk management of companies in the long run.

In addition, we have developed specific products to meet the climate challenge. In late 2022, we launched the Climate Impact private equity fund, which taps into Unigestion’s 12 years of experience in private equity climate impact investing. The Fund, which targets a portfolio of innovative, high growth companies that provide solutions to the climate challenge, offers 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.

The Fund maximises impact by targeting companies that drive specific environmental outcomes such as climate change mitigation and adaptation. Examples include businesses in the green construction sector, land management businesses that seek to restore biodiversity and low waste packaging and waste management companies that support the transition to a circular economy.

We hope you enjoy reading our 2023-2024 UK Stewardship Code report.

Christophe de Dardel, Unigestion Group CEO



PURPOSE AND GOVERNANCE

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

For more than 50 years, Unigestion has pursued the same goal – to offer investors sophisticated and innovative investment solutions that achieve their objectives. At the same time, we recognise the important role we play in supporting the sustainable development of the economy and providing an inclusive and entrepreneurial culture where our employees are empowered to deliver and encouraged to develop their skills.

Purpose and strategy

As long-term stewards of our clients' capital, we believe we have a duty to deliver attractive returns and support the sustainable development of the economy. We strive to accomplish this purpose in both the way we invest and the way we operate our business.

Our ownership structure is aligned with our purpose – our largest shareholder is the FAMSA Foundation, a charitable foundation established by Unigestion's Chairman Bernard Sabrier in 2011, which makes substantial contributions to a wide range of projects in the charitable, educational, cultural and medical fields. Unigestion's management team and other institutions are also shareholders, ensuring both an alignment of interests with clients and high standards of corporate governance. This structure ensures our goals are aligned with society, our people and our clients.

Our vision of success is based on four strategic pillars:

- ▶ The performance and service we deliver to our clients
- ▶ The financial sustainability of our company
- ▶ Providing the best environment to empower our partners and colleagues
- ▶ Our contribution to society

We believe in constantly evolving our investment offering to deliver performance, remaining differentiated and showing value for money to clients. If we can achieve this, we will be able to achieve sustainable growth in our revenues and operating profit, supporting our desire to provide the best working environment to our colleagues and partners, and our aim of making a significant contribution to society. We seek to achieve this both through the responsible allocation of assets to support the move to a sustainable economy, and by paying dividends to the FAMSA Foundation.

We have put the United Nations' Sustainable Development Goals (SDGs) at the very heart of our business. We particularly focus on aligning ourselves with SDG 3 around 'Good Health and Well-being', SDG 5 around 'Gender Equality', SDG 12 around 'Responsible Consumption and Production' and SDG 13 around 'Climate Action'. These considerations are an integral part of the decision-making process across all our investment lines, as well as part of the way Unigestion operates internally as an organisation.

Our investment beliefs

We believe that intelligent risk-taking is key to delivering consistent returns over time. Active risk management is the engine of performance. It allows us to target rewarded risk more precisely, permits us to assess the risk-return profile of each investment and enables us to adapt to different market conditions and tailor portfolios to investors' risk appetite.

By combining mind and machine we can make smarter, faster decisions. We use sophisticated proprietary tools to process market data in a robust, repeatable and scalable way, combining this with the human insight of our experienced investment teams, who use discretionary and forward-looking analysis to assess future risks.

We believe in innovation. Our culture of research, supported by close links with academia, enables us to constantly evolve our processes as the market develops, driving new investment ideas that we can share with clients to meet their requirements as they evolve.

We want to be recognised as an investor that integrates ESG in a responsible manner across all of our investment processes, including how we interact with the companies in which we invest and in the operational management of our own firm. ESG principles are deeply rooted across all our investment lines, with 69% our assets covered by ESG considerations as at 31.12.2023. We believe that investing in well-governed businesses with responsible practices can make a positive contribution to our clients'



portfolios over the long term. Sustainability will be a long-term driver for change in markets, countries, sectors and companies, creating significant opportunities for fruitful investment.

We have honed our approach to ESG since launching our first responsible equity product in 2004, evolving our approach across the asset classes we cover. We integrate ESG considerations throughout our investment processes - from universe screening and investment selection to portfolio construction and active ownership.

Active ownership

We strive to be responsible stewards of our clients' assets within a framework of strong governance and transparency. Effective stewardship benefits companies, investors and the society as a whole.

Our stewardship and direct engagement activities focus on the ESG factors we believe will have the greatest impact for long-term investors. As an active and responsible owner, we incorporate ESG criteria when voting our shares to help drive positive change. Furthermore, we believe that prudent stewardship is of benefit to all constituents and we support a broad definition of fiduciary duty.

We cast votes on all shares under our control and we involve and inform our clients on the results through the services of ISS, a third-party proxy voting specialist firm. Votes are cast based upon a customised policy built upon the ISS International Sustainable Proxy Voting policy, with enhancements to address stricter criteria for Director and Auditor independence, as well as the incorporation of ISS's Climate Voting Services, using its Climate Scorecard. The investment team and the Sustainability Committee monitor the voting guidelines to ensure they are aligned with our approach to stewardship. In the context of segregated portfolios, clients can express their own stewardship and proxy voting requirements which we will endeavour to accommodate.

Incorporation of ESG criteria in investment decision making

We include ESG analysis in all of our equity portfolios at different steps of the process to eliminate stocks with important specific ESG risks such as environmental, excessive carbon emissions, tobacco, thermal coal, producers of adult entertainment, predatory lenders, workforce treatment or corporate governance issues, legal problems or fraud. We also exclude stocks with direct exposure to controversial weapons (cluster bombs, landmines, depleted uranium, and chemical and biological weapons) from all our portfolios. In addition to our proprietary research, we use ESG research provided by Sustainalytics as well as SASB, and carbon emissions data from S&P Trucost, CDP and the Transition Pathway Initiative, to help identify ESG risks.

We require our equities portfolios to maintain an ESG score that is higher than the market reference on an ongoing basis. This is achieved through a positive tilt to equities with better ESG scores and a negative tilt to the ones with the worst ESG scores

We have also participated in collaborative engagements organised by the UN-supported Principles for Responsible Investment (PRI), Climate Action 100+, Plastic Solutions Investor Alliance, FAIRR, Access to Medicine, CDP and Spring for our listed equities business. Meanwhile, for our private equity strategies, we have been active in the ESG Data Convergence Initiative (EDCI) which is focused on creating a critical mass of meaningful, performance-based, comparable ESG data from private companies. We also joined Initiative Climat International (iCI) which aims to leverage tried-and-tested methodologies to analyse and mitigate carbon emissions and exposure to climate-related financial risks in private equity portfolios.

In addition to collaborative engagement, Unigestion engages directly with individual portfolio companies, both publicly listed and private, on a variety of issues.

Reporting

We are committed to continuously increasing transparency of reporting to clients on ESG impacts and our active ownership strategy.

We report on a range of stewardship outcomes, to both clients and the public, through the Responsible Investment section of our website. We provide Proxy Voting Reports (monthly) as well as ESG Reports (monthly). In addition, last year we 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==>

For our UK pension plan clients, we meet the annual transparency reporting required under SRD II.

Furthermore, we have worked with investment consultants on very detailed stewardship reporting for our joint clients, used to enable them to complete Implementation Statements, a regulatory requirement for UK pension schemes.

The positive feedback that we receive from clients satisfies us that we have been able to meet our clients' expectations in providing detailed reporting on stewardship outcomes, particularly addressing their PLSA, LGPS Transparency, Solvency II, and other customised reporting requirements. We are now further enhancing our ability to automate the production and dissemination of this information.



We publish a large number of publicly-available documents on the “Responsible Investment/Policies and Reporting” page of our website: <https://www.unigestion.com/responsible-investment/policies-and-reporting/>. These include the Responsible Investment Policy, Sustainability Annual Report, Corporate Social Responsibility Report, PRI Transparency Report and PRI Assessment Report. Furthermore, we provide the required sustainability-related disclosures as required under the EU’s Sustainable Finance Disclosure Regulation (SFDR).

Culture

At Unigestion, people are valued for their teamwork, passion and ideas, and our ultimate goal is to serve our clients and society. Our commitment to ongoing research and innovation helps create a dynamic environment where new ideas are welcomed and development and learning never stops.

This commitment has helped Unigestion thrive for over 50 years. We take pride in the way we serve our clients and society. We seek to provide a working environment built on trust, respect, support and empowerment in which our employees can thrive and achieve their full potential.

Our Values

With 164 employees located across 10 offices in Europe, North America and Asia, the key to building strong relationships with staff is sharing common values, engaging and developing our employees as well as establishing clear goals and metrics to steer behaviours.

Our values are summarised as Engagement, Conviction and Ownership. These three words act as the ‘compass’ guiding each and every one of us to deliver sustainable growth. For more than 50 years, our values have been deeply rooted in our behaviour, our culture and our way of conducting business. The world may be changing but our values remain constant

Our first value is **Engagement**. We foster engagement toward our clients, our mission to perform and our quest to innovate. Our ultimate aim is to help our clients reach their goals by delivering performance over the long term and providing the best service possible. This mind-set permeates every aspect of what we do and focuses the mind of every colleague within the organisation.

Our second value is **Conviction**. Unigestion was founded by passionate free thinkers and entrepreneurs who have successfully guided the company through several market crashes and numerous bouts of volatility, thanks to a relentless focus on client needs and an emphasis on new ideas. Our independence enables us to consider our clients and colleagues as partners embarked on a journey for the long run. We have the responsibility to our stakeholders, as well as to society, to behave in a way that respects and promotes societal, environmental and economic welfare.

Our third value is **Ownership**. We believe that everyone in the organisation, from the most junior colleague to the CEO, should seize accountability and seek responsibility. Our staff are empowered to take decisions and to solve problems for our clients and partners. Every employee at Unigestion is in charge of their own destiny and contributes to our collective success.

Actions taken to ensure effective stewardship - Our ESG RoadMap – Progress Report

A task force 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 (and monthly in the Sustainability Committee meetings). Our goals for 2023-2024 include:

- ▶ Maximise impact of direct engagements and focus on core holdings. (Achieved)
- ▶ Keep proxy voting level above 95% of votable items. (Achieved)
- ▶ Review ESG and carbon data providers as well as proxy voting advisors to ensure adherence to best practices and value for money. (Achieved)
- ▶ Deliver our second PE ESG Annual Report to investors in 2023. (Achieved)
- ▶ Establish and implement a process for the PE Climate Impact Fund to be compliant with SFDR Art.9. and have it audited. (Achieved)
- ▶ Fully implement an engagement process with every PE fund and direct investee. (Achieved)
- ▶ Review consistency and comparability of downstream Scope 3 emissions to implement productive thresholds and constraints. (Achieved)
- ▶ Enhance, automate and outsource ESG & impact data collection, consolidation and reporting. (Achieved)
- ▶ Implement TCFD reporting for PE. (Ongoing)
- ▶ Maintain or improve our UN PRI scores. (Achieved)
- ▶ Enhance ESG reporting to include factor-based investments I. (Achieved)
- ▶ Improve our Diversity & Inclusion ratios at a firm level. (Achieved & Ongoing)
- ▶ Progress in our Women’s Initiative Network. (Achieved)



How did we serve the best interests of clients and beneficiaries?

As we aim to build long-term partnerships with our investors, ensuring they receive exceptional ongoing support is essential.

To this end, we have dedicated client service teams. These teams provide a central point of contact for clients and ad hoc support to our investors for operational, legal, compliance, ESG or investment issues. The teams also help with the on-boarding process and maintain an ongoing relationship with clients, particularly in terms of special duties, agreements and reporting.

The goal of these teams is to coordinate Unigestion's expertise to deliver a highly personalised, proactive service to our clients based on in-depth market knowledge and an understanding of each client's specific requirements.

Furthermore, we have continued to enhance our ESG reports with a substantial degree of detail and depth which can be found on our website at <https://www.unigestion.com/responsible-investment/policies-and-reporting/>.

Principle 2

Signatories' governance, resources and incentives support stewardship.

Governance

ESG is a priority for Unigestion and as a result, we have established a strong governance framework that empowers our sustainable values and beliefs at the highest level of the Group. Therefore, the Sustainability Committee is sponsored by the CEO and reports directly to the Executive Committee (ExCo). As the ExCo is the highest decision-making committee within the Unigestion Group, its decisions then apply at all levels of the companies of the Group, in each area of investment expertise and controlled by the Risk department.

This centralised governance approach is designed to ensure consistency in the application of our Responsible Investment Policy, including firm-wide exclusions and integration strategies, across asset classes and investment teams. Having a harmonised approach also aids in the efficient firm-wide enforcement of ESG portfolio guidelines, constraints, and sustainability risks by our Risk Management function.

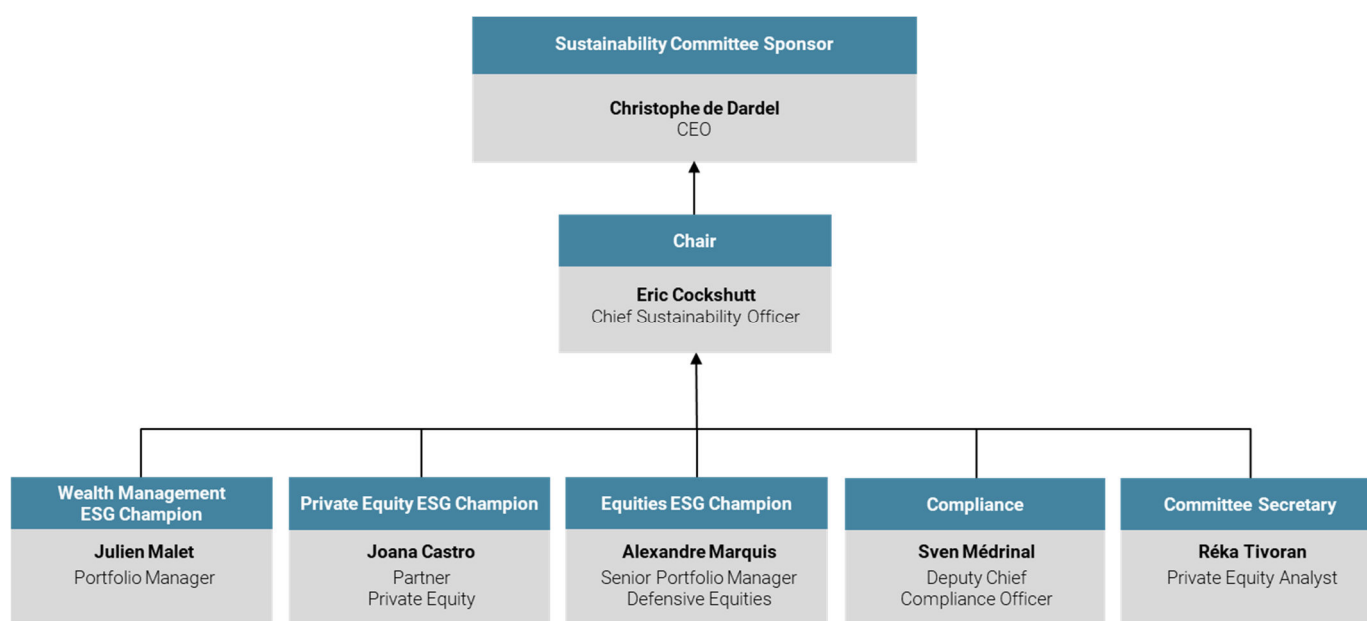
You will find hereunder the responsible investment governance hierarchy:

Function	Role & Responsibilities
Sustainability Committee	<ul style="list-style-type: none"> ▶ Advise the Executive Committee (ExCo) on defining the approach to responsible investment at Group level ▶ Propose ESG strategies and integration methodologies to ExCo and develop the firm's ESG framework ▶ Introduce ESG considerations within investment decision-making processes in a well-structured and aligned way ▶ Responsible for ESG implementation on behalf of ExCo, whether customized or regulatory ▶ Review our proxy voting and corporate engagement activities and portfolio carbon footprints ▶ Adhere to the legal and regulatory aspects of Sustainable Investment
Executive Committee	<ul style="list-style-type: none"> ▶ Ultimate responsibility and oversight of all ESG-related activities ▶ Takes strategic decisions on ESG integration based on Sustainability Committee recommendations ▶ Communicates the final decisions to the Investment Committee (IC) ▶ Monitors IC implementation
Investment Committees / Portfolio Managers (PM)	<ul style="list-style-type: none"> ▶ Implement ExCo decisions according to investment line particularities under consideration of ESG specifics
Risk Management (RM)	<ul style="list-style-type: none"> ▶ Daily monitoring of adherence to investment guidelines implied by the overarching ESG strategy (pre + post trade control) ▶ The ability to alert or block trades, should thresholds be reached or nearing limits ▶ Independent monitoring of sustainability risks at asset level across all strategies



Our Sustainability Committee leads the development and integration of ESG principles into all key processes including investment and risk management across relevant entities and products. The Committee has published our Responsible Investing policy, which establishes the following principles to guide our activities:

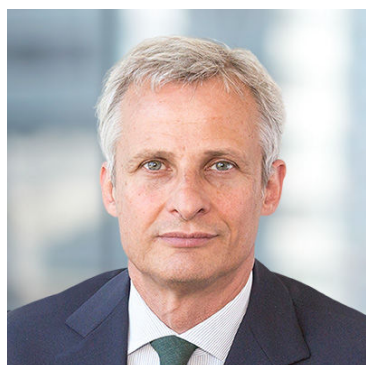
- ▶ We integrate **ESG risks** throughout the organisation, including investment decision-making processes
- ▶ We **actively engage** and exercise investors' rights as shareholders by voting at shareholder meetings through our customised proxy voting policy, and engaging directly and collaboratively with investee companies and relevant stakeholders
- ▶ Where possible, we aim to **increase positive impacts** and to **reduce negative impacts**. However, the scope and nature of these processes are determined at a product level
- ▶ We consider ESG best practices by aligning our investment policy with the philosophy of the UN PRI and by being an active member of industry-wide movements such as the UK Stewardship Code, LGPS Transparency Code, Sustainable Finance Geneva and Swiss Sustainable Finance, among others.



Source: Unigestion as at 30 June 2024.

Resources

Our goal is to achieve a seamless integration of ESG criteria throughout our investment decision making processes, risk management, and reporting functions. As such, all employees embrace these issues, rather than relying on a small sub-set of the firm to implement ESG initiatives. That said, a number of members of the Sustainability Committee spearhead our activities in this regard. Their biographies follow:



Christophe de Dardel, CEO and sponsor of the Sustainability Committee

Christophe de Dardel, CEO, is a member of the Executive Committee, the Risk Committee, the Sustainability Committee and the Private Equity Investment Committee.

Mr de Dardel joined Unigestion in Geneva in 2001 as an analyst covering venture capital. In 2004, he was appointed Head of Investments, responsible for the overall selection of private equity fund investments, secondary investments and direct co-investments. In 2009, he became Head of Portfolio Management, responsible for strengthening Unigestion's partnerships with mandate clients. He served as Head of Private Equity from 2016 to 2022 and was appointed Group CEO in January 2023.

Prior to joining Unigestion, Mr de Dardel spent more than ten years at Société Générale de Surveillance, the global inspection and testing group, on various continents. He then established and ran the Swisscom Venture Fund, a corporate fund aimed at financing the entrepreneurial initiatives of Swisscom collaborators.

Mr de Dardel holds a master's degree in Engineering from the Swiss Federal Institute of Technology in, Zürich, Switzerland and has completed several executive education programs at the IMD Business School in Lausanne, Switzerland.

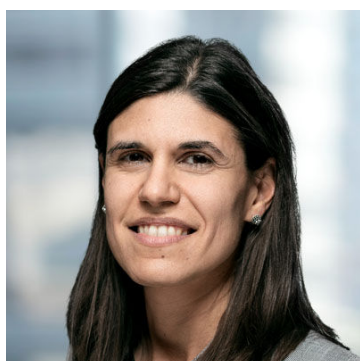


Eric Cockshutt, Chief Sustainability Officer

Eric Cockshutt, Director, is Chief Sustainability Officer and Chair of the Sustainability Committee. He joined the Responsible Investment Committee (the predecessor to the Sustainability Committee) almost ten years ago and chaired the Committee for the majority of that time. In this role, he helped form the firm's ESG capabilities and conducted research on ESG in Alternatives. He leads the firm's Direct and Collaborative Engagements, produces the firm's PRI and UK Stewardship Code reports and has spoken at the PRI in Person and a number of other ESG events. Eric took a leadership role in a working group, in conjunction with the PRI, AIMA and the SBAI, as well as other industry-leading asset managers, asset owners and consultants, to construct a standard ESG due diligence questionnaire that has become the benchmark across the alternative investment industry. He joined Unigestion in October 2013.

Eric began his career in 1985 in Investment Advisory at Financial Concept Group Inc. In 1996, he joined Trimark Investment Management Inc. as Vice President, Sales focusing on independent advisors and became Vice President, Inside Sales at AIM Trimark in 2002. Eric then assumed the role of Vice President, Sales Solutions at Invesco Trimark in 2004 and was responsible for sales positioning and advisor education programs.

Eric chaired the Board of Trustees of the Presbyterian Church of Canada and its Investment Advisory Committee overseeing \$250 million in assets, and was a member of its Pension Board. Eric holds a B.A. (Econ) from Huron College, University of Western Ontario in London, Canada and CSC (Honours) from the Canadian Securities Institute.



Joana Castro, Private Equity ESG Champion

Joana Castro, Partner Private Equity, is Head of Primary Investments, product head for the Climate Impact Fund and responsible for ESG integration in private equity. Joana is a member of the advisory board of several private equity funds and a member of the British Venture Capital Association's Responsible Investment Advisory Group. She joined Unigestion in 2016 as Vice President focusing on primary fund investments in Europe, and in April 2019 became Head of Primary investments. Since 2020, she has been responsible for ESG integration, and was promoted to Partner Private Equity in 2022.

Joana began her career in 2007 in investment banking at Goldman Sachs. In 2010, she joined the European Bank for Reconstruction and Development (EBRD) as Senior Analyst focusing on private equity funds investments and became Principal in 2013.

Joana holds a Bachelor's Degree in Economics from Catolica Lisbon School of Business and Economics, Lisbon, Portugal.

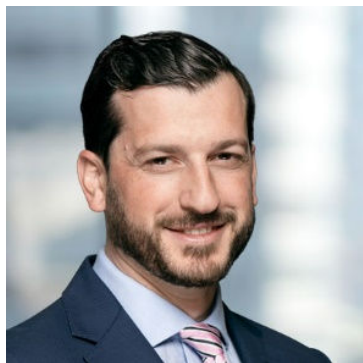


Alexandre Marquis, Equities ESG Champion

Alexandre Marquis, CFA, Executive Director, is Senior Portfolio Manager - Defensive Equities within the Equities team and a member of the Equities Investment Committee and the Sustainability Committee. He joined Unigestion in November 2012.

Alexandre began his career in 2010 in Securitisation at Credit Agricole CIB Paris. In 2011, he joined Credit Agricole CIB New York as Portfolio Analyst focusing on Transaction Modeling and Reporting Automation.

Alexandre holds a Master in Science from Ecole Centrale Nantes in France where he graduated with a specialisation in IT and Finance.



Julien Malet, Wealth Management ESG Champion

Julien Malet, Director, is Portfolio Manager within the Wealth Management team and a member of the Sustainability Committee. He joined Unigestion in December 2010.

During his time at Unigestion, Julien has had the opportunity to evolve internally, holding various positions of added responsibility, including Senior Client Portfolio Manager within the Equities department and Head of Investment Solutions within Cross Asset Solution team, where he was in charge of designing bespoke solutions for institutional and private clients with whom he was working in partnership. In 2022 he was appointed Portfolio Manager for the Multi-asset & Wealth Management division of Unigestion. In this role, Julien is in charge of managing multi-asset portfolios, monitoring daily activity, participating in the Investment Committee meetings, developing customized investment solutions and proposing them to both internal and external clients.

Previously, Julien spent two years as a trading strategist at Société Générale, and one year as client advisor at Barclays in France. He has a master's degree in Applied Mathematics in Finance from the University of Paris La Sorbonne, France.



Sven Medrinal, Deputy Chief Compliance Officer

Sven Médrinal, Senior Vice President, is Responsable de la Conformité et du Contrôle Interne & Secrétaire Général (RCCI) within the Legal & Compliance team in Paris, France and Deputy Group Compliance Officer as well as being a member of the Sustainability Committee. He joined Unigestion in Geneva in March 2018 as a Compliance Officer.

Sven began his career in 2015 in the Audit & Advisory Department at Deloitte SA.

Sven holds a Master's degree from ICN Business School, France.



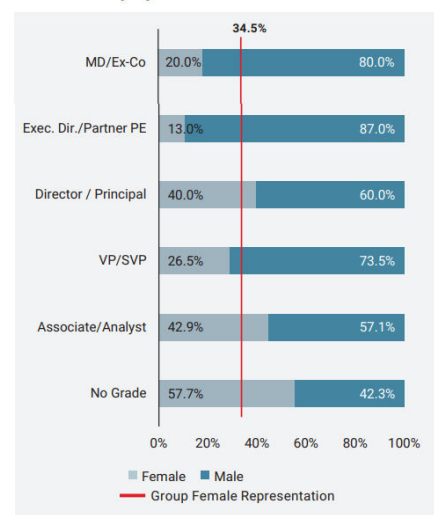
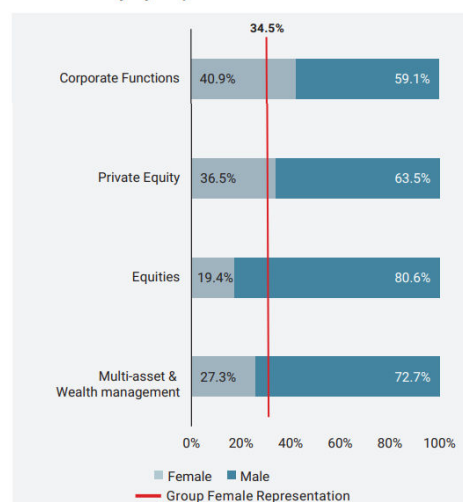
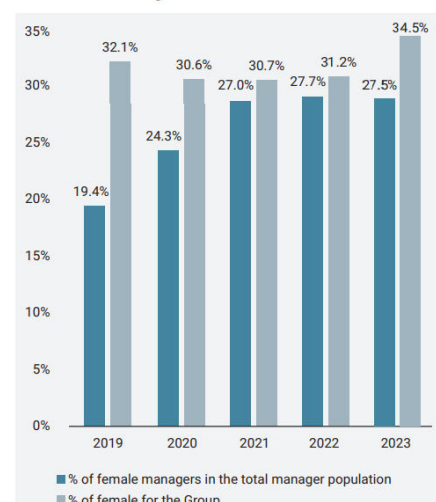
Réka Tivorán, Sustainability Committee Secretary

Réka Tivorán, CAIA, is an Associate in the Private Equity Investment Solutions team, a member of the Sustainability Committee and the primary contact for all ESG matters in private equity. She joined Unigestion in July 2021.

Réka began her career in 2017 in M&A Advisory at KPMG Hungary. In 2017, she joined MyConcept LLC as an Analyst and held an internship in Business Aligned Risk Management at Deutsche Bank Wealth Management (Suisse) in 2019. Most recently, Réka worked for HCP Asset Management as a Junior Analyst in Portfolio Management from 2020 to 2021.

Réka holds a Master of Science in Wealth Management from the University of Geneva, Switzerland, and a Bachelor of Arts in Applied Economics from the Corvinus University of Budapest, Hungary. Diversity

As a firm, Unigestion sets goals regarding diversity and inclusion and monitors progress towards those goals at the monthly meetings of the Executive Committee. The following graphic depicts the current state of gender composition of various functions. In 2023, women represented 34.5% of our population, which is distributed as follows;

**Gender Parity by Title****Gender Parity by Department****% Female at Unigestion**

Source: Unigestion, as at 31 December 2023.

The Sustainability Committee has two of the seven named functions filled by women.

Training

Every new joiner to Unigestion participates in our Induction Days programme. Included in this is a module on Responsible Investment at Unigestion.

We also have an annual learning & development (L&D) plan, which supports our aim to continuously generate a creative and learning environment where employees can grow professionally and personally. The L&D plan and budget is based on needs initially defined in employees' annual performance reviews and during follow-up meetings between HR and managers. Any additional requirements identified during the course of the year are integrated into the plan on an ongoing basis.

In addition, members of the Sustainability Committee complemented their specific ESG knowledge by attending over 60 Conferences and Training Sessions conducted by a variety of establishments such as the UN PRI, the CFA Institute, S&P Trucost, CDP, Ceres, UNGC, Sustainalytics, ISS, Geneva Forum for Sustainable Investment, FAIRR, and Access to Medicine to name just a few. Popular topics over 2023-24 were focused on climate issues, especially surrounding carbon emissions and net zero targets, as well as access to medicine, engagement/voting dynamics, sustainable protein and for the first time, biodiversity.

Research and Analysis

We use external ESG ratings, assessments and KPIs as an input into our internal assessment process. Prior to using external ESG data, we carefully assess the data source and the methodology of the external provider. Once we decide to use the service provider, their external data will never lead to our mechanistic reliance on that ESG assessment. Instead, we use external data as an additional, but not the sole, source for our internal assessments.

We currently work with the following external ESG data sources for our equity and multi-asset strategies:

- ▶ Sustainalytics
- ▶ S&P Trucost
- ▶ ISS
- ▶ TPI
- ▶ CDP
- ▶ IMF
- ▶ World Bank
- ▶ Witch Model
- ▶ SASB
- ▶ FAIRR

For our private equity analysis, we use ESG data provided by SASB which is an independent non-profit organisation that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. SASB standards identify the subset of ESG issues most relevant to financial performance in each of 77 industries. Due to scarcity of the external data, for our private equity strategies, we also access data directly through the investments.



We build our ESG scores for companies and countries internally with the data provided externally as explained above.

The ESG scoring methodology can be downloaded from our corporate website at <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Incentives and alignment

Members of the Sustainability Committee have Key Performance Indicators (KPIs) tied to the achievement of various responsible investment objectives. Furthermore, all Investment Professionals have their variable compensation awarded following the Unigestion Remuneration Policy, which addresses "Performance of the employee and the results achieved from their fixed KPIs including sustainability risks". The Remuneration Policy can also be downloaded from: <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Assessment

We believe that the structures and resources we have put in place are appropriate and robust. We are making significant investments in data, reporting, systems, and training to ensure that we continue to be adequately resourced as the responsible investment bar continues to rise.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Unigestion is under regulatory obligations to identify actual and potential conflicts which may arise during the course of carrying out regulated or ancillary activities or services and to have systems and procedures in place to manage such conflicts.

Principle 8 of the FCA Rules states that "A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another client".

The Firm shall take all appropriate steps to identify and to prevent or manage conflicts of interest across Unigestion and measures have been put in place to manage such conflicts in a way that is fair to clients.

All employees and persons directly or indirectly linked to Unigestion are expected to exercise the highest standards of integrity and ethical business conduct to ensure the fair treatment of clients. All employees are required to avoid situations in which their personal interests conflict with our fiduciary duties to clients. They are also required to manage situations where the interests of clients may conflict.

For the purposes of identifying the types of conflict of interest that arise, or may arise, in the course of providing a service and whose existence may entail a material risk of damage to the interests of a client, Unigestion must take into account, as a minimum, whether Unigestion or a relevant person, or a person directly or indirectly linked by control to Unigestion:

- ▶ is likely to make a financial gain, or avoid a financial loss, at the expense of the client
- ▶ has an interest in the outcome of a service provided to the client
- ▶ has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client
- ▶ carries on the same business as the client
- ▶ receives or will receive from a person other than the client an inducement in relation to a service provided to the client, other than the standard commission or fee for that service.

Unigestion will record each of the conflicts it identifies in its Conflicts of Interest Register. The register will identify each of the circumstances that may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients. Each entry will identify the investment service or ancillary service carried on by Unigestion to which the conflict relates. The record will also specify the procedures adopted by Unigestion to prevent or manage the conflict that has been identified. The Conflicts of Interest Register is maintained, and regularly updated, by the Compliance Officer.

Risks specific to voting are mainly that voting decisions are flawed because of lack of independence. Examples could include:

- ▶ The person taking the voting decision is not independent with regard to the issuer in question;
- ▶ The company to be voted on is also a client of Unigestion;
- ▶ Unigestion directors are acquainted with the board members of the company being voted on; or
- ▶ Resolutions are voted, not in shareholders' best interests, but to the benefit of a third party.

To manage and prevent such risks occurring, and in addition to the regular monitoring & controls of our Compliance department, several measures have been taken:

- ▶ All employees must report their holdings on a quarterly basis as part of the personal dealing policy.



- ▶ All employees and directors must disclose and Unigestion must approve any outside interests or directorships they hold.

Our proxy voting service provider (ISS) establishes voting recommendations based on Unigestion's customised voting policy, which is validated by the Sustainability Committee.

- ▶ In cases where a potential conflict of interest is identified, ISS voting guidelines will be applied without any intervention from the manager in charge of the voting activities.
- ▶ Should we decide not to follow the independent provider's recommendations, the four-eyes principle applies, the Sustainability Committee must approve the decision, and this decision is documented.
- ▶ The ISS Conflicts of Interest Policy is obtained and reviewed by the Sustainability Committee.
- ▶ A post-vote review of our voting decisions is performed by our Sustainability Committee.

No perceived conflicts of interest were identified during the 2023-24 reporting period

Employees are made aware of the policies and procedures in place that are designed to identify and manage possible conflicts through their normal business operating procedures, ad-hoc guidance from the compliance department, training and normal day to day business communications.

Unigestion's standard employment contract requires staff to devote their full time and efforts to Unigestion's business. Employees are prohibited from undertaking any other employment or engage or be involved or interested in any other business without the prior written consent of the Board. The Compliance Officer maintains an Outside Interests Register for this purpose.

All staff and directors are required to sign an annual Interests declaration.

To manage any potential conflicts of interests Unigestion has put in place a number policies and procedures to mitigate and control the risk. Such policies include but are not limited to:

- ▶ Unigestion's Code of Ethics
- ▶ Risk Management Policy providing for the independent performance of the risk management function
- ▶ Market Abuse Policy
- ▶ Bribery & Corruption Policy
- ▶ Personal Account Dealing Procedure
- ▶ Gifts and Benefits Procedure
- ▶ Policy on the use of in-house products
- ▶ Treating customers fairly policy
- ▶ Allocation and Aggregation policy
- ▶ Stewardship Code

General organisational arrangements such as independent valuation committee, risk management committee, four eyes principle, segregation of duties, information security and remuneration structures help to underpin this effort.

Unigestion monitors adherence to these policies and procedures through its compliance monitoring program on an on-going basis.

The full Conflicts of Interest Policy is available at <https://unigestionfile.blob.core.windows.net/public/bb30e945-be54-4927-9900-34a6690fb5a6.PDF>

Unigestion has decided to absorb all investment research costs on its own P&L. This approach is in line with our values and ensures clear and transparent costs and charges delivery of our portfolios. Using this model also safeguards our clients from any potential conflicts of interests in providing best execution.

Unigestion (UK) Ltd. Is a wholly owned subsidiary of Unigestion Holding SA. As at 31.12.2023, 46% of our capital is held by FAMSA foundation, a family foundation with charitable goals, and the Unigestion Group's Chairman Bernard Sabrier; 15% is held by Unipartners who are the management team and key Unigestion Group employees; 39% is held by institutional shareholders and external partners. Furthermore, with 61% of the firm's equity capital held by the Senior Management and with Unigestion Holding's own assets invested alongside our clients', we believe we demonstrate considerable alignment of interest with our clients. Having well regarded institutional investors within the ownership structure reinforces a strong alignment of interest and provides the opportunity for their voices to be heard as members of the board thus ensuring that the long term strategy of the firm is aligned with the evolving needs of investors.

The Firm believes that it does not currently have any conflicts of interest risks to disclose that are not appropriately managed.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Unigestion is an independent, specialist asset management company providing innovative, tailored solutions for investors worldwide. We believe that intelligent risk-taking is key to delivering consistent returns over time. This core conviction underpins our investment approach across our three areas of expertise – private equity, equities, and wealth management.

Our focus on understanding and anticipating risk as a means to outperform sets us apart. By taking risk in a measured, informed way, we aim to deliver the performance our clients expect. Risk management is embedded at every stage of our investment process. It's part of our DNA, our culture and defines everything we do.

We believe that risk is multi-dimensional and is therefore always evolving, and thus so is our risk management approach. Taking a 360-degree perspective, we seek to model, analyse and map the broadest possible spectrum of risks. Our focus on research helps us to identify potential future risks early.



Source: Unigestion

We have responded to market-wide and systemic risk using our 360 degree risk management approach. By looking beyond traditional risk measures such as volatility and correlation, to gain a deeper understanding of financial markets. This allows us to take risks with an asymmetric return profile, where upside potential is greater than downside risk. Our goal is then to combine them to achieve effective diversification and, finally, be able to adapt quickly to changing market conditions.

Identifying risk within equity portfolios

As an example, our equity investment process integrates a broad range of risk factors, such as volatility, correlation, valuation, macroeconomic risks, ESG, liquidity and crowding. We constantly look for new sources of risk that could affect equity markets and adjust our process and portfolios as necessary. By combining both systematic and discretionary analysis, we aim to deliver steady, long-term outperformance with downside protection.

We aim to be an active owner of companies and we therefore choose to engage with companies where we believe we have a reasonable chance of positively influencing their behaviour and positioning. This is because we believe that, over the long term, this process will contribute positively to our portfolios' risk/return profile.

Since 2016, we have engaged with companies on a variety of issues relating to directorship, climate, health and environment, and social and corporate governance.

Within the framework of our ESG integration process, we defined and incorporated a rule to identify portfolio companies within the worst decile of our proprietary ESG score that have shown signs of improvement over the long-term. We have decided to keep these companies in our portfolios, while engaging with them based on our internal evaluation of their ESG issues. We believe that engaging with them can be constructive and helps to drive positive change in their behaviours.

ESG in less liquid strategies

Private equity is strategically important to Unigestion, accounting for over two thirds of our total assets under management. In this space, ESG has always played an important role in our investment decision-making process. Today, our approach to ESG is far more sophisticated and proven. Moreover, we recently launched a private equity Climate Impact fund to comply with Article 9 of the SFDR, furthering the work started with our initial Environmental Impact Fund launched in 2011.

In addition, we engage on an ongoing basis with our direct company investments or the fund managers to help ensure the appropriate path to improvement regarding ESG criteria is pursued.



Promoting Improvement in the Functioning of Financial Markets

We believe that climate change is the most pressing issue we face. As such, we made a submission to the US Securities and Exchange Commission (SEC) regarding which extra-financial considerations should be made in corporate Annual Reports. We advocated strongly for the adoption of the TCFD framework as the one universally accepted benchmark. This was adopted by the SEC during 2022 and is now in the implementation phase.

We firmly believe that climate change is a risk that must be measured and managed. As such, we are pleased to support the work of the Transition Pathway Initiative, as its deep analysis, which forms the basis of the Climate Action 100+ benchmarks, aids us in making informed investment decisions and provides a rich background for our engagement initiatives. Similarly, we are supporters of the Task Force on Climate-related Financial Disclosures (TCFD) and the Carbon Disclosure Project (CDP).

We are supporters of the Tobacco-Free Finance Pledge. Signatories are leading financial institutions that have implemented tobacco-free finance policies and encourage others to follow suit, thereby raising awareness among financial institutions of the essential role the finance sector must play to help achieve the SDGs, reduce mortality from tobacco and improve global health.

On the private equity front, we are members of the Initiative Climat International (ICI). Its mission is to leverage tried-and-tested methodologies to analyse and mitigate carbon emissions and exposure to climate-related financial risks in private equity portfolios. Likewise, we are also members of the ESG Data Convergence Initiative (EDCI) which aims to create a critical mass of meaningful, performance-based, comparable ESG data from private companies.

We previously contributed to a working group in conjunction with the PRI, AIMA and the SBAI to construct a standard RI Due Diligence Questionnaire which has become the benchmark across the hedge fund industry.

Market-Wide Risk

Apart from the legal and compliance risk that are under the responsibility of the Legal and Compliance department., the Risk Management function is in charge of monitoring the following:

Risk	Description
Operational Risk	Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk and reputational but excludes strategic risk. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the firm's reputation.
Investment Risk	Defined as the risk of losses in portfolios positions arising from movements in market prices. Asset classes incurring such a risk include investment funds, equities, fixed income and credit instruments, currencies and commodities.
Liquidity Risk	Defined as the risk for an investment vehicle of not being able to, at certain point in time, fulfil its financial obligations or to implement the portfolios' appropriate investment strategy. It can have two sources: (i) Funding risk depends upon the willingness of investors to remain invested in the investment vehicle or the ability of the vehicle to borrow from external lenders; (ii) Asset liquidity risk stems from the inability of the investment vehicle to sell some assets in order to raise cash fast enough and at reasonable prices. In an extreme situation, a mismatch between assets liquidity and liabilities (funding sources) liquidity can result in a failure of the investment vehicle, due to the default of payment.
Counterparty Risk	Defined in its widest sense as the risk of loss for an investor due to a partial or total failure of the opposite side of a contract or a trade. This risk can be direct, coming from the failure of the contracting parties, or indirect, due to the failure of a secondary party of a direct contracting party (for example the failure of an OTC counterparty of a hedge fund invested by a client, of the borrowing entity in a securities lending operation or of a sub-custodian, etc...). Furthermore, the nature of the asset and collateral (cash, securities, fund shares or derivatives) will also impact the nature and the potential severity of an event of counterparty failure.
Business & Strategic Risks	Strategic risk may arise from the pursuit of an unsuccessful business plan. For example, strategic risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment.
Investment Compliance risk	Defined as the risk to Unigestion's reputation, earnings or capital arising from violations of, or non-conformance with investment laws, rules, regulations and contractual restrictions regarding the management of funds and mandates.

Systemic Risk

The implementation of a quantitative model for the assessment of sustainability risks on the value of portfolios is a vast endeavour that will rely heavily on data that may not be available imminently. Therefore, the Unigestion Risk Management Team has decided to adopt a staggered approach, concentrating on the ESG factor of climate change impact in the first stage.

From an investor's perspective, climate change is a threat which could potentially negatively impact economic growth, inflation and investment returns. At Unigestion, we differentiate between two types of climate risk: physical risk and transition risk. Physical risk is the risk of damage to land, buildings and infrastructure because of droughts, storms or flooding. Transition risk is the risk to businesses and assets because of policy, legal and market changes as the world seeks to transition to a lower carbon economy.



The Inter-Governmental Panel on Climate Change (IPCC) has provided four main scenarios for future carbon emissions and associated global warming projections, known as Representative Concentration Pathways (RCPs), which are based on the human production of greenhouse gases from all sources. The IPCC chose to represent a broad range of climate outcomes, from which we have decided to concentrate on the RCP 2.5 and RCP 8.5 scenarios. These scenarios correspond respectively to the expected outcome of the Paris Agreement, which aims to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels, and to an unmitigated scenario in which emissions continue to rise throughout the 21st century.

Climate change does not impact all investment assets in an equal manner. Several recent studies have shown that there is a significant relationship, over long time periods, between temperature change and GDP growth. This can be linked to the expected returns of two factors that we have constructed with the aim at capturing the effect of the transition and physical risks respectively.

We have created a model based on the relationship between the returns of the assets in the portfolios we manage and the expected outcome of the RCP scenarios on the both the transition risk and physical risk factors. This allows us to estimate the impact of the various climate change scenarios on each portfolio's value over various time horizons.

For all of the potential and material non-climate risks, in addition to our norm-based exclusions, we conduct a qualitative assessment on a case-by-case basis.

Portfolio managers perform qualitative reviews of each instrument covering all material ESG aspects, while Risk Management performs independent climate-related stress tests.

Assessment

Our aim is to systematically integrate ESG within the investment processes across all our assets under management, as well as offering bespoke ESG solutions to meet the specific requirements of our clients.

A task force began meeting in the summer of 2018 to prepare the long-term ESG RoadMap for Unigestion highlighted in Principle 1. In order to deliver on the long-term plan, we set shorter-term objectives and review our progress on an annual basis. Our goals and our progress to date are summarised below:

Active Ownership

- Maximise impact of direct engagements and focus on core holdings. **Achieved**
- Keep proxy voting level above 95% of votable items **Achieved**

Equities

- Review ESG and carbon data providers as well as proxy voting advisors to ensure adherence to best practices and value for money. **Achieved**
- Review consistency and comparability of downstream Scope 3 emissions to implement productive thresholds and constraints. **Achieved**

Private Equity

- Seek alignment with Science Based Targets initiative (SBTi) in new PE investments **Achieved**
- Research and begin implementing solutions for measuring contributions of PE portfolio companies and funds to SDGs. **Ongoing**
- Deliver our second PE ESG report to investors in Q2 2023 **Achieved**
- Establish and implement a process for the PE Climate Impact Fund to be compliant with SFDR Art.9. and have it audited. **Achieved**
- Fully implement an engagement process with every PE fund and direct investee **Ongoing**

Participating in Global Initiatives

- Expand ESG reporting to include TCFD and PAI Reporting for all accounts **Ongoing**
- Engagement in line with SDG 13 and SDG 3 for the year 2023 **Achieved**
- Maintain or improve our UN PRI scores. **Achieved** and **Ongoing**
- Enhance ESG reporting to include factor-based investments **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**

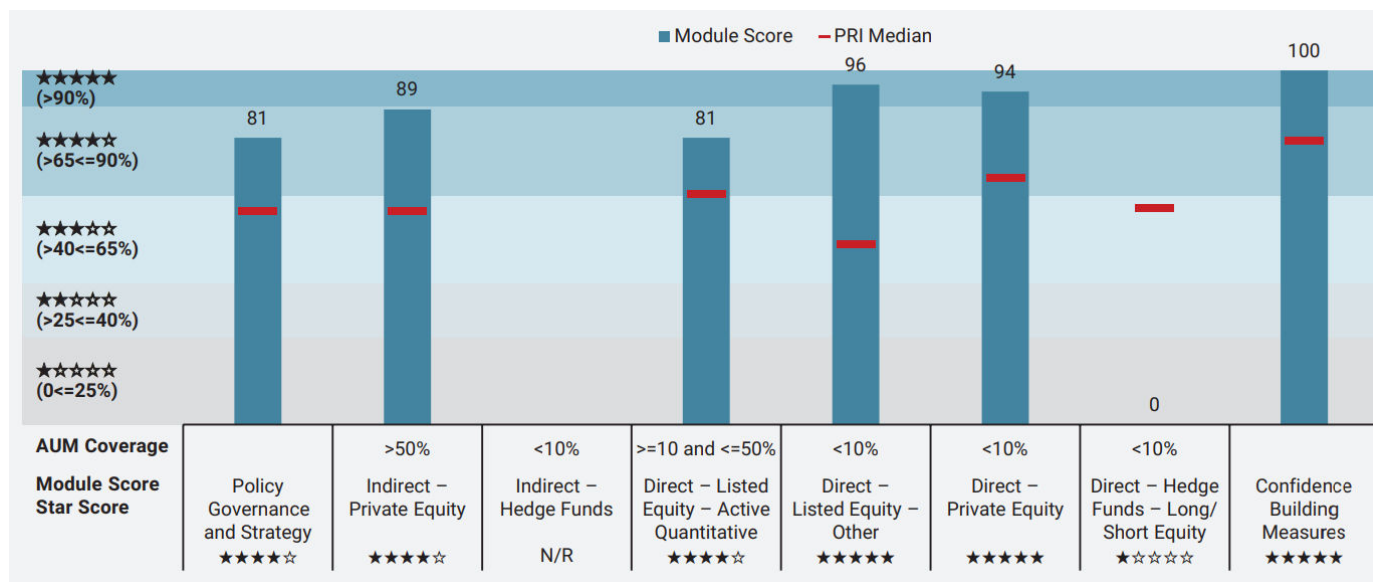


Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Unigestion reviews its Responsible Investing Policy at least annually, and more often in the case of an external catalyst. The most recent review was finalised in June 2024.

The Unigestion Group has been completing the UN PRI Reporting Framework each year since we signed the Principles in 2013. The PRI, in turn, assesses signatories against their peers. The following graphic summarises the results of the 2023 assessment which is the most recent available.



Please see our complete PRI Transparency Report and Assessment Report here: <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Each year, the Sustainability Committee reviews the PRI Report and makes recommendations to further improve our Responsible Investment policies, practices and outcomes. These are captured in the Responsible Investment RoadMap which, as previously highlighted, sets out our long-term vision as well as our specific three-year objectives and our one-year milestones and which is approved by the Group's Board of Directors.

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 their 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 their Climate Scorecard.

In private equity, we actively engage with management/GPs to drive positive change based on their responses to our proprietary due diligence questionnaire.

During the year, we updated our Responsible Investing Policy.

We have an internal working group responsible for our equity engagement initiatives. This working group is responsible for collating feedback and results from engagement, and presenting the information to the Sustainability Committee. We have implemented an internal scale to determine the effectiveness of our engagements from 0 (no acknowledgement of our request) through to 6 (complete implementation of our recommendation). Members of our private equity investment team also provide similar feedback and results to the Private Equity Investment Committee for respective candidate deals or funds.

To monitor our progress in this area, we have created a customised tool that captures the progress of our discussions and summarises next steps.

A summary of engagements and an evaluation according to the above scale is presented to the Sustainability Committee meeting which provides a forum for discussion and monitoring.

Furthermore, the integration of ESG into our investment decision-making processes is reviewed by KPMG in the context of our annual ISAE 3402 review of our Equities and Private Equity activities.



INVESTMENT APPROACH

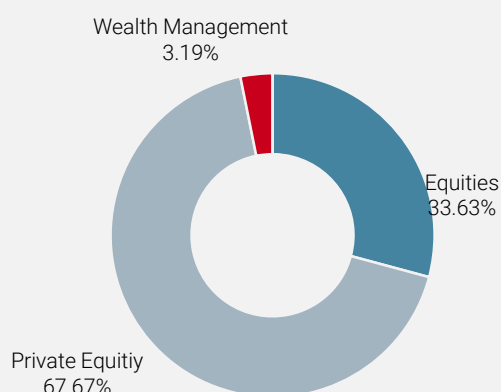
Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

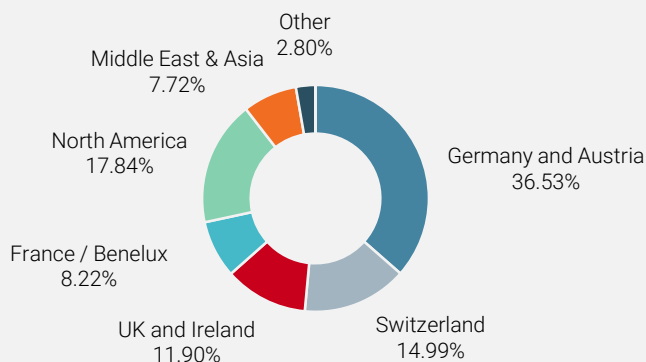
As at 30.06.2024 the Unigestion Group managed a total of GBP 13,069 million.

All assets are managed on a discretionary basis. The following three graphics provide additional detail of Unigestion assets under management at a group level:

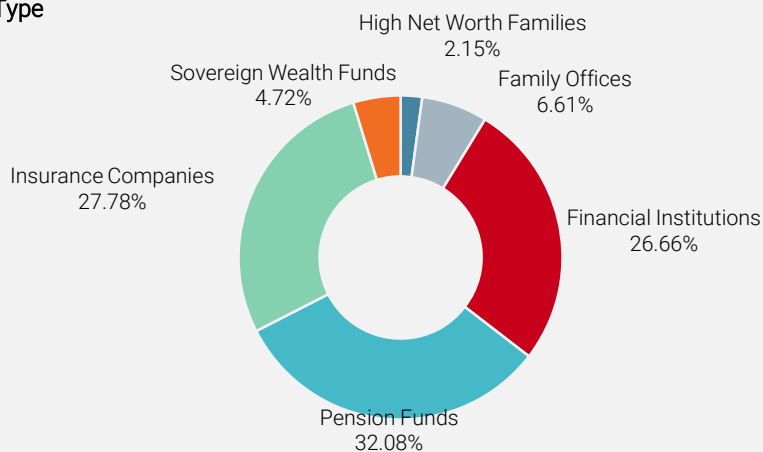
Unigestion AuM by Asset Class



Unigestion AuM by Client Location



Unigestion AuM by Client Type



Source: Unigestion Group of Companies, as at 30.06.2024.



With the majority of our clients being Pension Funds, Insurance Companies and Financial Institutions, a long-term investment horizon and sensitivity to stewardship issues are paramount. As such, a time horizon of at least three to five years, or a complete market cycle, is the minimum recommended period to both assess performance and to benefit from our stewardship efforts.

The need for bespoke investment vehicles amongst our clients has never been greater. In an ever-changing market environment, they are placing more emphasis on achieving specific objectives and targets. Our clients increasingly require different asset allocations and investment approaches that can be tailored to suit their risk appetite more precisely. They are also looking to incorporate new regulatory constraints, as well as specific environmental, social and governance (ESG) criteria.

The Unigestion Group has decades of experience in running bespoke solutions, which today represent more than 60% of our assets under management.

We work in partnership with investors to co-create strategies that meet their specific requirements. We take a 'made with you' rather than a 'made for you' approach. Through open dialogue, and by sharing our research and ideas, we aim to gain a deep understanding of our clients' needs and challenges.

Our dialogue with clients starts with an analysis of their current asset allocation. We work with them to identify any potential dislocation between their portfolio risk profile and their investment goals. We then consider any regulatory or accounting constraints, as well as any ethical considerations, in order to build the optimal portfolio.

As we aim to build long-term partnerships with our investors, ensuring they receive exceptional ongoing support is essential.

To this end, we have dedicated client service teams. These teams provide a central point of contact for clients and ad hoc support to our investors for operational, legal, compliance, ESG or investment issues. The teams also help with the on-boarding process and maintain an ongoing relationship with clients, particularly in terms of special duties, agreements and reporting.

The goal of these teams is to coordinate Unigestion's expertise to deliver a highly personalised, proactive service to our clients based on in-depth market knowledge and an understanding of each client's specific requirements.

Our client services teams regularly seek input from our institutional clients and consultants to determine required enhancements to our reporting capabilities. Through this dialogue, we determined that additional resources to respond to PLSA requirements on voting and engagement outcomes was required. Furthermore, we worked with our UK based Local Authority Pension clients to uncover and respond to their need for LGPS Transparency Code reporting requirements. Since 2017, we have complied with the LGPS Transparency Code to provide industry standard fee transparency to our LGPS clients and prospects.

Similarly, we have had discussions with our insurance company clients both to optimise their capital requirements and to understand and meet their reporting needs under Solvency II.

Reporting Stewardship Outcomes

As highlighted in Principle 1, we report on a range of stewardship outcomes, to both clients and the public, through the Responsible Investment section of our website. We provide Proxy Voting Reports (monthly), as well as ESG Reports (monthly).

Last year, we added a Proxy Voting Portal, that enables both clients and the general public to see item by item votes on every listed position we hold. The portal is available at: <https://vds.issgovernance.com/vds/#/NzYxNA==>

For our UK pension plan clients, we also meet the annual transparency reporting required under SRD II.

Furthermore, we have worked with investment consultants on very detailed stewardship reporting for our joint clients, used to enable them to complete Implementation Statements, a regulatory requirement for UK pension schemes.

Assessment

The positive feedback that we receive from clients satisfies us that we have been able to meet our clients' expectations in providing detailed reporting on stewardship outcomes particularly addressing their PLSA, LGPS Transparency, and Solvency II, and other customised reporting requirements. We further enhanced our ability to automate the production and dissemination of this information, with an example being the above-mentioned Proxy Voting Portal.

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Monitoring listed companies

Unigestion continuously monitors the listed companies it is invested in, whether they are held in dedicated equities mandates, or in our pooled funds. The process is dynamic in the sense that the portfolio is constantly monitored to ensure its risk profile remains stable, without any undesirable qualitative or event-driven risk. A new specific risk, such as a takeover, acquisition, delisting, ESG, or

new of a corporate governance event may affect the risk profile of a stock and trigger the sale of a position. In addition, the fundamental analysts use ESG research provided by Sustainalytics, Transition Pathway Initiative, and CDP, among others, to identify emerging ESG risks within a holding. Furthermore, we monitor the carbon footprints of all of our holdings on a systematic basis using data from S&P Trucost and CDP. The fundamental analysts monitor the investee company's strategy, financial/non-financial performance, risk and capital structure using daily newsfeeds such as Factset and Bloomberg as well as reports from sell side analysts.

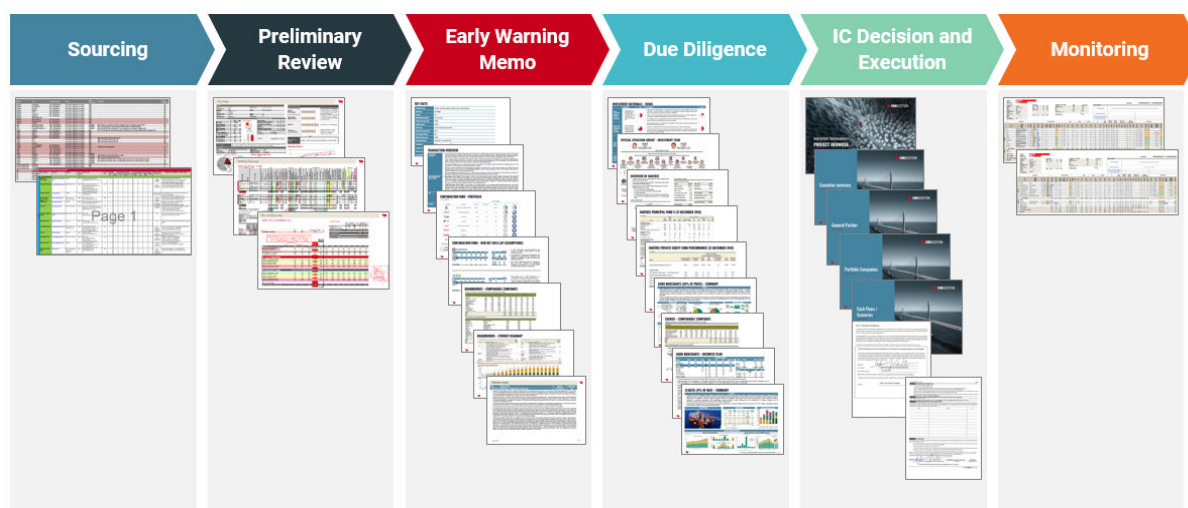
Monitoring Private Equity Funds

When investing in private equity funds, we obtain a seat on the advisory committee and monitor the fund manager and underlying companies within each fund on ESG grounds to ensure that businesses are robust and continue to generate consistent returns for our investors.

Monitoring Direct Private Equity

The direct investment team follows a systematic and disciplined multi-phase investment selection process in addition to their responsibilities for the origination, execution, monitoring, value creation, and exiting of direct investments.

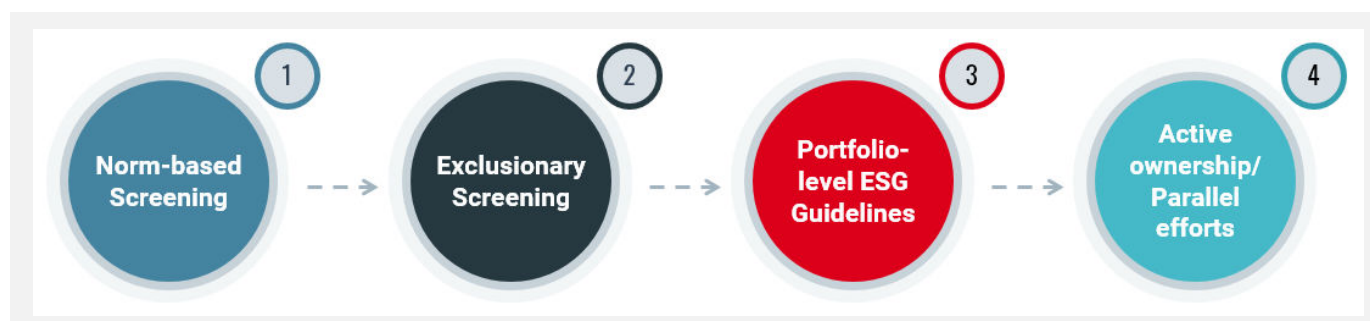
As direct managers, we have a number of investment themes as the basis of our investment activities. ESG considerations are integrated at every stage of the investment process as shown and detailed in the following graphic:



Source: Unigestion

ESG Integration in the Investment Processes

In order to harmonize ESG efforts across all investment lines, our Sustainability Committee has defined a guideline to address ESG considerations across all asset classes. The aim is for ESG considerations to emerge in all of our investment processes in a harmonized approach, starting with our Four Pillars:



Source: Unigestion

We have not employed differentiated investment decision making processes depending upon the domicile of our clients or the jurisdiction of our management entities. That said, we can foresee that the EU's Sustainable Finance Disclosure Regulation (SFDR) may mean that certain portfolios will necessitate differentiated reporting requirements over time.



Pillar I: Norm-based screening (bottom-up/all asset classes)

In addition to guiding and monitoring ESG implementation across all investment activities, the Sustainability Committee is also accountable for validating company-wide policies on sector and activity exclusion.

Norm-based screening is the process of excluding instruments associated with key social or environmental issues. According to the European Sustainable Investment Forum, it is the “screening of investments according to their compliance with international standards and norms”.

We believe such exclusions should be applied across the firm and all direct assets we manage for our clients, excluding investments in funds, which may not control for these subjects.

For indirect exposures, Unigestion supports any initiative to promote the use of indices which do not comprise any of these activities.

Below is a list of exclusions applied across all investment lines since 2020:

Exclusions	Description
UN Global Compact Non-Compliant	<i>Human Rights*</i> Businesses that do not support and respect the protection of internationally recognised human rights or are complicit in human rights abuses
	<i>Labour*</i> Businesses that do not uphold: <ul style="list-style-type: none"> ▶ the freedom of association and the effective recognition of the right to collective bargaining ▶ the elimination of all forms of forced and compulsory labour ▶ the effective abolition of child labour ▶ the elimination of discrimination in respect of employment and occupation
	<i>Environment*</i> Businesses that do not: <ul style="list-style-type: none"> ▶ support a precautionary approach to environmental challenges ▶ undertake initiatives to promote greater environmental responsibility ▶ encourage the development and diffusion of environmentally friendly technologies
	<i>Anti-Corruption*</i> Businesses with any corruption allegation, including extortion and bribery
Controversial Weapons**	Businesses that manufacture, distribute or sell controversial arms or ammunitions such as cluster bombs, landmines, depleted uranium, etc.
Adult Entertainment Producers***	Businesses principally engaged in the production of pornography
Tobacco Producers***	Businesses active in the cultivation and production of tobacco
Thermal Coal***	Businesses with more than 10% of their total revenue derived from thermal coal
Predatory Lending***	Businesses directly involved in any lending practice that imposes unfair, deceptive or abusive loan terms on borrowers. We exclude any business with an overall level of product involvement in that activity of greater than 5%.

* As described by UN Global Compact (UNGC), Source: Sustainalytics or other publicly available sources

** Sources: Norges Bank Investment Management (NBIM), Sustainalytics or other publicly available sources

*** Source: Sustainalytics

Norm-based screening implementation:

These standards are implemented on a best-effort basis, taking into account local regulation and both a client’s as well as a fund’s best interests, with a transition period following their initial implementation for the funds/mandates in scope, and following periodic revisions of the exclusion lists. If the application of this standard dictates divestments, portfolio managers shall disinvest at their discretion within this transition period taking into account the portfolio impacts based on market conditions, liquidity and portfolio construction constraints. In practice, some targeted instruments could remain in the funds or mandates for a period if deemed in the best interest of clients.

Portfolio Managers perform the initial analysis, Risk Management reviews the framework initially and implements pre- and post-trade checks on a daily basis.

Pillar II: Exclusionary screening (bottom-up/asset class specific)

Unigestion considers four exclusions with regards to additional ESG-related risks: non-covered companies, worst-in-class companies, high carbon emitters and companies with high levels of ongoing controversial events.

We exclude from the investment universe companies that are not covered by our ESG score – see our website for a full methodology. Hereafter, ‘ESG score’ refers to Unigestion’s score.



We favour companies with good or improving ESG scores. In general, we aim to exclude companies with ESG scores below a global level of 60 (ESG scores are from 0 to 100, the higher the better). However, we value the efforts made by these companies if they are improving their ESG score and we do not exclude such companies that show improvements over the last two years.

International mobilisation against climate change is leading to growing public and regulatory pressure to limit carbon emissions. Excessive carbon emitters are likely to face regulatory and pricing headwinds, and some activities may simply not be viable under strict scenarios.

Unigestion recognises Climate-related risks as part of each company's risk profile and excludes any company with a GHG intensity of more than 3,000 tons of CO₂ equivalent per million USD in revenues, unless they are aligned on an emissions trajectory below the 2°C scenario. Our GHG intensity measure includes Scope 1, 2 and upstream Scope 3 emissions.

Companies with ongoing severe controversial events:

A controversy occurs when a company's activity results in a negative environmental and/or social impact which will result in reputational risks for stakeholders and sometimes it will negatively impact the share price of a company.

Controversies are usually extraordinary events, or a series of incidents, which are associated with public news and, in many cases, market reaction. The severity of controversial events is different and Unigestion uses Sustainalytics' methodology for evaluating the severity. There are six categories: No evidence, Low, Moderate, Significant, High and Severe.

At Unigestion, we exclude any company with severe controversies from our investment universe. The other levels and the number of remaining controversies will penalise our internal ESG score to impact our company selection process.

Pillar III: Portfolio-level ESG guidelines (top-down/asset class specific)

Portfolio construction is then performed through an optimisation process on the remaining, stable universe to produce a candidate portfolio that aims at minimising risk while considering a range of top-down guidelines. These guidelines reflect investment views such as country and sector risks as well as the ESG score of the aggregated portfolio. At this stage, by effectively favouring investments with higher ESG scores, we ensure an overall ESG score rank that is higher than the market reference whose stocks in the worst quintile have been removed. based on rankings from our internal scoring methodology. This is one of the methodologies suggested when acquiring SRI label. In case of mandates, if an ESG index is appointed, we follow the ESG index Score rank as the determining level.

In addition, at the aggregated portfolio level, we ensure that the total GHG intensity is, at least, 20% better than that of the market reference.

Our fundamental analysts cover all major positions held within the portfolios, as well as any stocks that may present certain risks over time. When a stock is a candidate from a quantitative point of view, they conduct a fundamental review of the stock in order to have a forward-looking view of the risk profile. The in-house methodology is based on a SWOT analysis where the intention is to identify any risks a business may face. Risks as opportunities are diverse by nature but ESG risk and opportunities are getting more impactful and thus have a growing influence on the SWOT analysis. They assign a rating to these positions, which determines a maximum weight of the position in the portfolio. The analysts then closely monitor where a company stands relative to its peer group. They also pay close attention to corporate governance and communication transparency.

The ESG risk assessments and stress tests we mentioned above are considered based on the materiality approach, i.e. material ESG risks are assessed in more detail than those considered immaterial.

Pillar IV: Active ownership/parallel efforts (all asset classes)

Unigestion aims to be an active owner of companies on ESG issues where we have a reasonable chance of influencing their behaviour and positioning positively.

We believe that in the long term, this process will contribute positively to our portfolios' risk/return profile.

When the process doesn't involve companies, we have other parallel considerations such as investing in green bonds in the case of sovereign investments which is considered relevant to the asset class.

Overall, our Pillar IV comprises all of our efforts and activities beyond an ESG score. For certain asset classes, we have additional elements beyond scoring considerations such as investing in green bonds for our sovereign strategies, or investing in responsible precious metals for commodities.

Detailed Process for Sovereign Bonds within Multi Asset Portfolios

For our sovereign investments, we first define an investable investment universe, which is comprised of all government bonds held in the Bloomberg Barclays Global Aggregate Government Bonds Index (Bloomberg Ticker LGAGTRUU Index).



Prior to applying ESG related exclusionary screenings, we filter the index universe based on liquidity measures and exclude the countries having a below average liquidity score. We use Bloomberg's Liquidity Assessment (LQA) score as a measure, which assesses positions' liquidity risk by quantitatively estimating a security's liquidity.

Liquidity is measured in terms of the security's liquidation cost (i.e., the deviation of the liquidation price from fair value price), liquidation horizon (i.e., the estimated number of trading day to liquidate an associated volume), and level of uncertainty for both the liquidation cost and liquidation horizon. LQA's methodology combines traditional market impact models with machine learning techniques to account for all the relevant factors influencing liquidity.

The resulting list of countries composes the Universe on which Pillar II (Exclusionary screenings) and Pillar III (ESG guidelines) will subsequently be applied.

Pillar II: exclusionary screening

Similar to equities, negative or exclusionary screening is the process of excluding countries from an investment universe based on our expectations regarding specific ESG risks. Unigestion considers three such exclusions: non-covered countries, worst in class countries and high carbon emitters. The exclusions are applied to the applicable universe in the first step of the investment process, resulting in the remaining, investable universe.

Non-covered countries

We exclude from the investment universe countries that are not covered by our proprietary ESG score.

Worst-in-class countries

We prefer countries with better or improving ESG scores. Therefore, we exclude from the investment universe countries with ESG scores in the worst decile of the universe. The result changes over time.

High carbon emitters

In an attempt to limit carbon emissions in our investments, we exclude any country with a carbon emission of more than 40% (KG/PPP \$ of GDP) in revenues.

Pillar III: ESG guidelines

We require our portfolios to maintain an ESG score higher than the Benchmark on an ongoing basis. This is achieved through a positive tilt to countries with better ESG scores and a negative tilt to the ones with the worst ESG scores.

The global country allocation is then determined through an optimisation process on the investable universe. The objective is to maximise the overall ESG score while maintaining a diversified allocation across countries by controlling the tracking error versus the initial allocation. At this stage, by effectively favouring countries with higher ESG scores, we ensure that the overall ESG score is above the Benchmark Index while the allocation across countries is not distorted by too many exclusions.

Target allocations resulting from Pillar I and Pillar II will be reviewed on a bi-annual basis on June 30th and December 31st and changes, if applicable, will be implemented in the first 15 days of the following month.

Pillar IV: parallel process

Green bonds

Investing in green bonds is one way to promote commitment to climate and responsible investment and we have decided to favour them over other government bonds. We implement our allocation such that:

- ▶ If government green bonds are available for a country, we will allocate at least 50% of the targeted country weight to government green bonds.
- ▶ We exclude green bonds issued by supranational and regional entities or government backed companies.

New issues of green bonds by countries eligible in the final investment universe will be invested, based on availability, during the semi-annual re-allocation process.

Outcomes

The results of the application of our firm wide four pillar approach are encouraging. Across all investment lines, we see improvements in the ESG criteria that we measure, however, there is some variation based on geography.

Private Equity

One important KPI is the measurement of GHG emissions. As expected, European companies have a strong lead, with 69% of them measuring and reporting on their GHG emissions. It is becoming a cliché nowadays that North American companies are lagging behind on environmental topics, while leading the way in social questions. To underpin this, the weighted average reported absenteeism rate is lowest in our North American portfolio. It seems that all regions are considering the protection of data and IT security as key initiatives, resulting in 95% of our companies implementing specific procedures to protect personal / sensitive data or a security policy for their information systems or both. Across the board in private equity, 29% of companies improved their score since 2022 despite the tightening of the ESG scoring methodology.

Listed Equities

Paying attention to ESG risks has been beneficial to our strategies in the past, allowing us to identify risks before they materialised in the market.

A recent example is that of Tingyi (Cayman Islands) Holdings Corp. Tingyi is a Chinese based investment holding company mainly engaged in the production and sales of instant noodles and beverages.



Source: Bloomberg, Unigestion

Sovereign Bonds

Our filter on high carbon emitters described above results in the current exclusion of the sovereign debt of China, Russia and Estonia from our portfolios.



Principle 8

Signatories monitor and hold to account managers and/or service providers.

As highlighted previously, we believe in the importance of being an active shareholder and 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 based upon 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, using its Climate Scorecard.

The proxy voting activities are reviewed on a monthly basis by the Sustainability Committee.

Portfolio managers are in charge of monitoring proxy voting on a monthly basis. As of today, the monitoring is performed on accounts using the ISS proxy voting service.

Portfolio managers issue a Proxy Voting Report which is sent to Compliance, portfolio managers, the Sustainability Committee and Head of Equities, which shows the following statistics:

- a. ISS Check List
- b. Accounts without votable meeting for more than two months
- c. ISS General Meeting Statistics
- d. ISS General Voting Item Statistics
- e. ISS Meeting Statistics by Account
- f. ISS Meeting Statistics by Country
- g. ISS Meetings Not Voted (Last Month)
- h. Accounts without ISS Setup

The check list shows PASS/FAILED status for the following items

- a. Account with no votable meeting recently 2 months
 - b. Drop in the % of meetings voted] (month over month) -25%
 - c. Drop in % of items voted] (month over month) -25%
 - d. Account with a % of meetings voted] (last month) 80%
 - e. Account with a drop in % of meetings voted] (month over month) -25%
 - f. No vote on a particular account] (last month) 0
 - g. Country with a % of meetings voted] (last month) 80%
 - h. Country with a drop in % of meetings voted] (month over month) -25%
 - i. No vote on a particular country] (last month) 0

If any item of the Check List is in status Failed, investment managers will investigate the reason for this exception. Any exception will be documented and communicated by email to compliance, other investment managers as well as to the Head of Equities.

Through applying this checklist, we uncovered the need to put in place a new protocol to ensure that expiring Power of Attorney documents are renewed on a timely basis for all of the various jurisdictions in which we vote.

We carry out annual due diligence on ISS and our other outsourced ESG providers to ensure that there are no unaddressed conflicts of interest, operational or cyber security issues.

Furthermore, members of the Sustainability Committee perform a detailed review of the ISS Reports and Proxy Voting Recommendations for between 70 and 80 of the roughly 600 positions held. This is done in order to validate that ISS's recommendations are free of error and in accordance with our proxy voting policy and to satisfy ourselves that these recommendations are not subject to a conflict of interest on the part of ISS.

These reviews of ISS' rationales and recommendations uncovered no instances of bias or conflict of interest.

We also perform significant due diligence, both before and after engaging our other research partners: Sustainalytics, S&P Trucost, SASB and TPI. For example, we employed a post-graduate intern to dissect the scoring methodology of Sustainalytics, uncovering some underlying biases, in creating our proprietary scoring based on the inputs of the various ESG data providers. These observations were shared with Sustainalytics while our manipulation of their data points to create our own proprietary ESG scoring meant that our parameters were consistently applied according to our weightings with no data quality issues.

Similarly, we conduct ongoing due diligence on our proxy voting advisor, ISS, and benchmark it versus its peers. Furthermore, we are constantly reviewing and assessing our carbon intensity data providers.



ENGAGEMENT

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets.

There are four catalysts for our direct engagement initiatives, in line with our Responsible Investment beliefs and investment approach, outlined below.



Source: Unigestion

We are mindful of position weightings on both an absolute and relative basis.

We also aim to align our activities with these beliefs:

"We believe that well-governed businesses with responsible practices can make a positive contribution to our clients' portfolios over the long term.

Our stewardship and direct engagement activity focuses on the ESG factors we believe will have the greatest impact for long-term investors."

We have chosen to conduct our own direct engagements, rather than using a service provider, in order to have greater control, flexibility and feedback mechanisms throughout our stewardship activities. Furthermore, as a global investor, we want to reach out to investee companies first in writing (acknowledging language and time-zone issues), and then to follow up with emails and conference calls once the appropriate stakeholders and resources are identified at the investee company.

Before beginning an engagement, we set specific objectives. We also record each engagement with: corporate entity, issue, date of engagement, response, and outcome. We have created a proprietary engagement effectiveness rating from 0 (no acknowledgement) to 6 (our recommendation fully adopted). In 2023, we engaged directly with 37 listed companies. Thanks to follow-up emails and in-depth communication with invested companies, over the year we continued to increase the percentage of engagements resulting in a constructive dialogue and providing satisfactory explanations to our concerns.

We have the ability to customise our engagement themes to meet the specific priorities of our institutional clients. For example, we have engaged on specific Social issues on behalf of a particular pension fund client. In the context of our Europe, Global and Emerging Markets funds we have targeted companies based on their Fairness Ratios and level of Board independence.

Most in depth engagements are conducted via conference call with senior management, board directors, subject matter experts and investor relations. Our Direct Engagement Team is comprised of our Chief Sustainability Officer and members of our Fundamental Research team.



In private equity, we engage with our portfolio companies at the initial investment date. We focus our engagement efforts on three key areas: (i) ESG policy & processes; (ii) carbon footprint; and (iii) gender diversity. These engagements are systematic and begin with clear engagement objectives. On an annual basis, the progress of such engagements is reviewed and discussed at the Private Equity Investment Committee.

Most of our engagements are direct individual engagements, alongside our investment partners. On fund investments, we know from experience that the collaboration with other fund investors is the most effective way to engage. We will pursue this approach whenever possible.

Similarly, in our management of private equity holdings, we score our GPs annually. Those that fall into the “laggards” category are then subject to engagements to remediate the shortfalls uncovered in the assessments.

In private equity, we engage with all our portfolio companies. However, there is higher potential for engagement with the ones that score lower in accordance with our proprietary methodology.

In most cases, we secure a seat on the advisory boards for the private equity funds we invest in. This is a key part of our post-investment monitoring as we are privy to fund governance and can influence decisions on how funds are managed, including measures to address key person risk and conflicts of interest.

In private equity, the investment team remains informed about the activity of the portfolio companies on a regular basis via regular interactions with our investment partner or company’s management. We assess the evolution of our engagement on an annual basis. We seek this evolution to be positive and focus special attention to any portfolio companies that would show deterioration. We currently do not have a system to determine the effectiveness of our engagements.

We do not engage with the issuers of sovereign or corporate debt as we view our exclusionary screening to be effective in avoiding major ESG risks, the AUM managed in this asset class is not significant in absolute or relative terms, and the likelihood of success is, in our estimation, minimal.

In certain cases, we are proactively approached by portfolio companies in advance of making changes to their practices that may have an impact on ESG issues. We welcome these constructive dialogues.

Reasons for our chosen approach

“We believe that well-governed businesses with responsible practices can make a positive contribution to our clients’ portfolios over the long term.

Our stewardship and direct engagement activity focuses on the ESG factors we believe will have the greatest impact for long-term investors.”

Unigestion is committed to engaging and voting proxies as ways of enhancing value, including by encouraging issuers to mitigate material ESG risks as appropriate.

We have further refined our engagement methodologies by including more measurable KPIs aligned with our pre-defined objectives. This, in turn, allows us to monitor the progress of company engagements on a more quantitative basis within the pre-determined timelines. Furthermore, we have formalised the inclusion of our Fundamental Equity Analysts into our engagement activities. Finally, we have begun to implement a spectrum of stronger escalation strategies to clearly signal the implications of unsuccessful responses to our requests.

Listed Equities Engagement Examples

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 2023, however, 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. They manufacture 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 their CFO, Andrea Borla, and their 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 their GHG reduction targets by the Science Based Target Initiative (SBTi) as the next step to strengthen the credibility of their Climate Strategy, and for increasing the diversity and independence of their Board of Directors. We will continue to closely follow the evolution of their ESG journey.

We voted against the election of Directors at Oracle and engaged with them to express our rationale, further escalating the issue. Concerns about insufficient Board responsiveness to low say-on-pay vote results was the catalyst. Further concerns about substantial pledging activity and significant concerns regarding risk oversight added to our case. As did a shareholders proposal



requesting the company to report on median and adjusted gender/racial pay gaps for which we have voted against Management. We therefore withheld votes for non-independent nominees Lawrence (Larry) Ellison, Safra Catz, Michael Boskin, Jeffrey Berg, Bruce Chizen, George Conrades, Jeffrey Henley, Renee James, Naomi Seligman and Vishal Sikka are warranted for lack of a two-thirds majority independent board, lack of independence on key board committees and multiple consecutive years of insufficient responsiveness to low say-on-pay vote results. Furthermore, we wrote to them voicing our concerns. We received no feedback from them on our letter and request to discuss further. Further evidence on an overall lack of responsiveness.

After the release of the General Mills' 2023 Global Responsibility Report, we followed up with a letter requesting more details on the plastic packaging issue, a topic that we engaged on in 2022. The Company replied on 30 August and acknowledged our letter. We had a call with the Investor Relations team on 5 September and discussed the matters mentioned in our original email. We stressed that the brief mentions of plastic in their Global Responsibility Report focussed on their **recycling** efforts rather than what was requested and passed at the AGM, namely: a report covering absolute plastic **reduction** targets. We will continue to follow this theme upon receipt of their report in 2024. It is puzzling that the firm continues to ignore the wishes of the majority of shareholders.

Customised and detailed engagement reports are created for a number of our UK based institutional clients on a quarterly basis. We also provide the public with engagement summaries in our Sustainability Annual Report found on the Responsible Investment section of our website.

Our team of fundamental analysts participate in our direct engagement activities and the outcomes of our actions further inform their views.

Private Equity Engagement Examples

In general, our objective is to engage with all fund managers, on a materiality basis, especially those with a lower classification and thus with greater potential to improve. We prioritise managers that appreciate our support in their ESG journey, maximizing our impact across our portfolios. For each fund manager, we actively identify ESG topics for potential engagement, adapting our approach to their situation and phase of development.

LEA Partners first entered Unigestion's portfolio as an emerging manager. The GP was founded in 2016 and is headquartered in Germany. It targets building leading B2B digital businesses across DACH with diverse end markets. Unigestion recognised the team's proven approach to source and create value in the B2B technology software industry. The GP successfully graduated from our Emerging Manager program allowing one of our mandate clients to commit to their Fund III.

We began our engagement by setting up initial targets, communicating our ESG beliefs and expectations. Based on that, LEA then hired a Head of ESG, responded to our enhanced ESG questionnaire and began industry networking for ESG best practices. We met again to discuss updates, ESG KPIs and evaluation, and their future priorities. They committed to the roll-out of ESG data collection and reporting for all portfolio companies on PAI and EDCI aligned metrics. Furthermore, they agreed to implement the following future priorities: become a UN PRI signatory, introduce a DEI policy, increase percentage share of renewable energy usage (fund & portfolio companies), and implement a cyber security policy for 100% of portfolio companies.

As with our fund managers, we also engage on ESG topics with our directly held private equity companies, using a customised approach. Below, we provide one example from our more mature direct portfolio, UDO15, and one from UD III - our most recent direct program. Accordingly, in the example of Areas (UDO15) we focus on what has been achieved, while in the case of Skolae (UD III) we show the current status and the identified engagement priorities.

For Areas, our objective for the engagement was to reduce the biodiversity impact of the investment. The key steps taken were: the management of greenspaces on motorways (ex. forestation of road shoulders, establishing small gardening areas, creating eco-bridges); the preservation of local species against invasive ones; waste and water management for efficiency, circularity and preservation purposes, in addition to the controlling of discharged waste water. The resultant outcome was that no key biodiversity areas were directly negatively impacted by the sites and activities of Areas.

The company is currently performing a double materiality assessment as part of their CSRD alignment, which will embed biodiversity amongst other key environmental topics, and will be considered within the updated group sustainability strategy that will stem from this exercise.

Skolae is a French private higher education platform providing tuition and qualifications to c. 17,000 students through a network of 21 schools across France. Skolae allows all students to access higher education levels regardless of their own resources and enables high employment rates upon graduation mainly thanks to a strong placement network. We began our engagement by setting up initial targets and again communicating our ESG beliefs. They started to measure their GHG emissions and designated an ESG officer (part-time). They have furthermore agreed to the gradual introduction of the following ESG related initiatives: formalise their ESG Policy, adopt the SBTi to set emissions reduction targets, calculate their gender pay gap and report absenteeism, and introduce ethics, whistle-blower and human rights policies. In addition, they are in the process of B Corp certification.



Assessment

In regards to the private equity holding cited above, Skolae, over the course of 2023, our internal assessment of their ESG practices increased from 35% to 41%. Meanwhile, for Areas, we view their adoption and management of biodiversity risks as a successful outcome

On the listed equity front, we view our engagement with LEM as achieving a scoring of 4, "Satisfactory explanation". We will follow their path on the adoption of the SBTi to measure their GHG emissions. With this, and all engagements, there is a cumulative effect that benefits from the actions of numerous players over time to result in the progress achieved.

We have constructed a proprietary engagement tracking tool that looks at constructed KPIs and measures progress towards meeting them. This tracks both public and private companies and our engagement activities as well as the specific KPIs and outcomes expected. Together with our updated engagement policy and its relevant escalation strategies, we expect this to continue to evolve and influence companies in ways that will help our funds and our clients meet their long-term stewardship goals.

Principle 10

Signatories, Where Necessary, Participate in Collaborative Engagement to Influence Issuers.

Part of our stewardship activities may include discussions and collaborations with relevant stakeholders of investee companies such as industry bodies, investor networks and initiatives, civil society organisations and regulators.

Over the reporting period, we joined a collaborative initiative called Votes Against Slavery coordinated by our friends at Rathbones. Modern slavery is a widespread, criminal activity which has a significant economic impact globally. It is estimated to be a USD 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. We joined two new collaborative initiatives.

In 2024 we joined Spring; a PRI stewardship initiative for nature, convening investors to use their influence to halt and reverse global biodiversity loss by 2030. We are a supporting investor in the engagements with Banco Bradesco, L'Oreal S.A., Reckitt Benckiser Group plc, and Toyota.

The Access to Medicine Foundation stimulates and guides pharmaceutical companies to do more for the people living in low- and middle-income countries without access to medicine. As pharmaceutical companies are a mainstay of many of our defensive equities portfolios, this initiative is of particular interest and will further colour our discussions with core holdings such as Roche, Novo Nordisk and Johnson & Johnson among others.

We also joined the Carbon Disclosure Project (CDP) which is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action.

We, together with over 657 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 166 of the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change. We are a supporting investor in the engagements with Nestlé, Carrefour, Unilever, Walmart and Hon Hai in the second phase of the initiative.

We have continued our support for the Tobacco-Free Finance Pledge. Signatories are leading financial institutions that have implemented tobacco-free finance policies and encourage others to follow suit, thereby raising awareness among financial institutions of the essential role the finance sector must play to help achieve the SDGs, reduce mortality from tobacco and improve global health.

In 2021, we drafted a submission to the SEC, asking that they adopt the TCFD framework for mandatory GHG Reporting in Annual Reports. This was adopted by the SEC during 2022 and is now in the implementation phase. We have seen the ebb and flow and politicization of ESG initiatives in the United States and will continue to follow and support this issue as it arises.

In 2022, we signed up to FAIRR's Sustainable Protein Collaborative Engagement. The Sustainable Proteins engagement is the world's first and largest investor engagement focused on encouraging global food companies to systematically transition product portfolios to facilitate healthier, more sustainable diets. Furthermore, companies must complement their supply chain interventions with a systematic transition to ensure that their protein portfolio improves public health in line with planetary boundaries. A key area



of focus of the engagement is to ask companies to set time-bound commitments to increase the share of nutritious alternative proteins in their portfolios.

Outcomes

By its nature, Votes Against Slavery had a fairly immediate and measurable set of outcomes, as illustrated below.

For FTSE 350:

- 32 FTSE 350 companies written to
- 26 are now fully compliant
- 3 have committed to make changes
- 2 require further engagement
- 1 failed engagement

For AIM listed:

- 126 AIM companies written to
- 64 are now fully compliant
- 23 have committed to make changes
- 10 require further engagement / we are monitoring
- 20 have yet to respond
- 2 have now delisted (but 1 of these has committed to become compliant)
- 2 has confirmed that they do not fall under the threshold of the Act but both have committed to improve the transparency in the next Annual Report
- 1 has confirmed they follow the Canadian Act for modern slavery reporting
- 1 has confirmed they follow The Constitution of South Africa, Act 108 of 1996 for modern slavery reporting
- 3 failed engagement

In addition, the Votes Against Slavery initiative won the ESG engagement initiative of the year from Environmental Finance. Created in 2020 to coordinate and engage investors with the reporting requirement of the UK's Modern Slavery Act of 2015, Votes Against Slavery this year began including Alternative Investment Market (AIM) companies in its engagement scope. The coalition also grew to 154 investors, with £2 trillion in assets under management. The initiative was created to coordinate the response of the investment community and provide the necessary accountability for compliance with the Modern Slavery Act given its minimal enforcement powers.

Climate Action 100+ is our most important collaborative effort to date. It was originally envisaged to be a five-year initiative but, sadly, there appears to be need for it to become a quasi-permanent fixture. As the 170 corporate entities engaged with through this initiative emit more than 80%+ of the world's Greenhouse Gases, having an impact on them can make a real difference to our climate. Progress on an initiative of this scale requires the efforts of countless asset managers and asset owners and a long term time horizon. That said, between 2022 and 2024 the percentage of engaged companies that had a Net Zero plan for 2050 rose from 51% to 80%. Both percentages compare well to 2017 when CA 100+ was launched and just 3% of firms had Net Zero by 2050 plans.

Seven years ago, we subscribed to a class action recoveries service provided by Securities Class Action Services, LLC (a subsidiary of our proxy voting services provider, ISS). The adoption of class action recoveries is considered a best practice in maximising value for investors. During the reporting period, we realised recoveries on four holdings on behalf of unitholders for a total of USD 31,000. The most significant settlements were from Advance Auto Parts, Inc., Oracle Corporation, Teva Pharmaceutical Industries Limited, and Spectrum Brands.

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

We believe that engagement is an activity which may take many years to bear fruit. Building constructive relationships over time is crucial, however, retaining the option to escalate plays an important part in our ability to influence issuers.

In line with industry best practice, and rewarded in our PRI Assessment Report, our direct engagements with listed companies have a feedback mechanism that ensures that our fundamental analysts are kept informed of the issues, trends and outcomes of such activities of the companies they research. Furthermore, we have implemented an internal scale to determine the effectiveness of our engagements from 0 (no acknowledgement of our request) to 6 (complete implementation of our recommendation).

The Corporate Engagement Team, acting under the authority of the Sustainability Committee, determines the issues and instances where escalation of our engagement activities are warranted. This determination is made based on the values and guiding principles of Unigestion and is applied consistently across geographies and asset classes.



Escalation

If we are not satisfied with the progress of our engagement objectives or responsiveness of companies we engage with, we will make a case-by-case assessment for escalation.

We have a number of different ways to escalate our engagements:

- ▶ **Collaborative engagement:** collaboration with other investors, asset managers and asset owners as a collective way to pursue change.
- ▶ **Proxy Voting:** Voting against management at company meetings.
- ▶ **Supporting shareholder resolutions:** initiated by third-parties, or joining shareholder groups.
- ▶ **Partial or complete divestment:** Although our preferred method of engagement is through constructive dialogue, if all other escalation channels have been exhausted and we see insufficient improvement over a reasonable time frame, we may reduce our exposure to reflect the rising risk of investment or decide to divest entirely of our holdings.
- ▶ In private equity, if we are not satisfied with the outcome of our engagement discussions, we would downgrade the score of the direct investment or the fund manager accordingly and aim to collaborate with the other investors to put further pressure on the company / fund manager to deliver the desired engagement outcome. Should that approach fail, we could either (i) sell our investment in a fund or a company in the secondary market OR (ii) we could seek the dismissal of the company's CEO, typically.

We have found that building constructive relationships over time bears more fruit than quickly adopting a more adversarial approach. As such, we often reach out to management in advance of casting votes against them on contentious issues at AGMs. This consultative approach may even pre-empt the need for a vote against management.

During the previous reporting period, we escalated our engagement with BP Plc and voted against the re-election of Melody Meyer as Director because under her chairmanship of the Safety and Sustainability Committee the company announced in February 2023 that it will not meet its 2030 net zero commitments. Similarly, we voted against the re-election of Megan Clark as Director that year. She is the incumbent chair of the committee responsible for climate risk oversight and the company is not aligned with investor expectations on Net Zero by 2050 targets and commitments and we used our vote as a means of escalation.

In both these cases, our dissenting votes were unsuccessful but served to continue our dialogue and exert additional pressure on the companies to enhance their climate targets.

We did not, however, employ this escalation method during the most recent reporting period.



EXERCISING RIGHTS AND RESPONSIBILITIES

Principle 12

Signatories actively exercise their rights and responsibilities.

We believe in the importance of being an active shareholder and, as highlighted in previous Principles, 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 based upon a newly created customised policy built upon their 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 their Climate Scorecard. We apply this Policy across all accounts where we have been granted voting discretion. Should we decide not to follow the independent provider's recommendations, the four-eyes principle applies; the Sustainability Committee must approve the decision, and this decision is documented. We voted counter to ISS's recommendations twice over the previous reporting period, but not during the most recent, as a means of escalation. These have been documented.

This customised ISS Policy directs the voting for all listed equities held within our dedicated equities portfolios, multi-asset portfolios, and liquid alternatives. Unigestion (UK) Ltd does not manage fixed income portfolios.

Clients investing through segregated mandates can choose to adopt our customised ISS policy, another policy of their choosing, or direct the voting themselves.

We have not put in place a mechanism that allows clients to direct voting for their pro-rata share of pooled vehicles.

Regarding our investments in private equity funds, in most cases, we secure a seat on the advisory boards for the funds we invest in. This is a key part of our post-investment monitoring as we are privy to fund governance and can influence decisions on how funds are managed, including measures to address key person risk and conflicts of interest. We exercise other shareholders' rights such as corporate actions in the best interest of our investors.

Our Proxy Voting Policy is available at: <https://www.unigestion.com/responsible-investment/policies-and-reporting/>

Portfolio managers have ultimate voting authority, and are therefore able to vote differently from our Proxy Voting policy carried out by ISS if required. Whilst this does not happen often, we believe investment teams should have the ability to make independent voting decisions when they deem it necessary.

Unigestion's goal is to exercise our voting rights at as many meetings, and on as many items, as possible. In rare instances of share blocking, the general policy is to vote on 50% of the shares held.

Portion of shares voted on in 2023-2024

During the twelve-month period ended 30 June 2024, the Unigestion Group voted at 99.55% of meetings. We voted against management on 18.09% of the 5,842 votes we cast which is a small decrease from the 18.57% reported last year.

Similarly, during the reporting period, Unigestion (UK) Ltd. voted at 97.94% of meetings. We voted on 289 of 294, or 98.03% of votable ballots and on 1,499 of 1,551, or 96.65% of votable items. We voted against management on 27.22% of the 1,499 votes we cast. Almost identical to the 27.26% reported last year.

The proxy voting activities are reviewed on a monthly basis by the Sustainability Committee.

As highlighted in Principle 8, portfolio managers are also in charge of monitoring proxy voting on a monthly basis. As of today, the monitoring is performed on accounts using the ISS proxy voting service.

Portfolio managers issue a Proxy Voting Report which is sent to Compliance, portfolio managers, the Sustainability Committee and Head of Equities, which shows the following statistics:

- a. ISS Check List
- b. Accounts without votable meeting for more than 2 months
- c. ISS General Meeting Statistics
- d. ISS General Voting Item Statistics
- e. ISS Meeting Statistics by Account
- f. ISS Meeting Statistics by Country
- g. ISS Meetings Not Voted (Last Month)
- h. Accounts without ISS Setup

The check list shows PASS/FAILED status for the following items

- i. Account with no votable meeting recently 2 months
- j. Drop in the % of meetings voted] (month over month) -25%
- k. Drop in % of items voted] (month over month) -25%



- l. Account with a % of meetings voted] (last month) 80%
- m. Account with a drop in % of meetings voted] (month over month) -25%
- n. No vote on a particular account] (last month) 0
- o. Country with a % of meetings voted] (last month) 80%
- p. Country with a drop in % of meetings voted] (month over month) -25%
- q. No vote on a particular country] (last month) 0

If any item of the Check List is in status Failed, Investment Managers will investigate the reason for this exception. Any exception will be documented and communicated by email to Compliance, other Investment Managers as well as to the Head of Equities.

Risks specific to voting are mainly that voting decisions are flawed because of lack of independence. Examples could include:

- ▶ The person taking the voting decision is not independent with regard to the issuer in question;
- ▶ The company to be voted on is also a client of Unigestion;
- ▶ Unigestion directors are acquainted with the board members of the company being voted on; or
- ▶ Resolutions are voted, not in shareholders' best interests, but to the benefit of a third party.

To manage and prevent such risks occurring, and in addition to the regular monitoring and controls of our Compliance department, several measures have been taken:

- ▶ All employees must report their holdings on a quarterly basis as part of the personal dealing policy.
- ▶ All employees and directors must disclose and Unigestion must approve any outside interests or directorships they hold.
- ▶ Our proxy voting service provider (ISS) establishes voting recommendations based on Unigestion's customised voting policy, which is validated by the Sustainability Committee.
- ▶ In cases where a potential conflict of interest is identified, ISS voting guidelines will be applied without any intervention from the manager in charge of the voting activities.
- ▶ Should we decide not to follow the independent provider's recommendations, the four-eyes principle applies, the Sustainability Committee must approve the decision, and this decision is documented.
- ▶ The ISS Conflicts of Interest Policy is obtained and reviewed by the Sustainability Committee.
- ▶ A post-vote review of our voting decisions is performed by our Sustainability Committee.

Employees are made aware of the policies and procedures in place that are designed to identify and manage possible conflicts through their normal business operating procedures, ad-hoc guidance from the compliance department, training and normal day to day business communications.

The Unigestion Group, and Unigestion (UK) Ltd. specifically, do not participate in securities lending programmes.

Unigestion (UK) Ltd. does not manage fixed income portfolios.

Monitoring and reviews of voting activity

Unigestion has put in place a systematic exercise of voting rights as well as an appropriate monitoring of it. The monitoring of the voting guidelines and process is carried out by the relevant Investment Team and by the Sustainability Committee and is subject to the ISAE 3402 annual control review.

Furthermore, certain elements of the information submitted in this report are based on testing on the control activities made by KPMG in conducting their ISAE 3402 reviews of our Equities and Private Equity operations. For Equities, this included Control Objective 9: Controls provide reasonable assurance that we exercised our proxy voting rights. There was an inspection of selected ISS quarterly reports produced during the period under review and inquiries about exceptions, if any. The Finding was: No relevant exceptions noted.

Outcomes

We provide the following examples of significant votes cast during the reporting period where the issue was particularly contentious, where we used our vote to escalate pressure on the company or where there was a significant portion of votes cast against management.

Oracle

On 15 November, 2023, we withheld our votes regarding the election of all non-independent Directors at Oracle. Concerns about insufficient Board responsiveness to low say-on-pay vote results was the catalyst. We also had concerns about substantial pledging activity and significant concerns regarding risk oversight. We therefore withheld votes for non-independent nominees Lawrence (Larry) Ellison, Safra Catz, Michael Boskin, Jeffrey Berg, Bruce Chizen, George Conrades, Jeffrey Henley, Renee James, Naomi Seligman and Vishal Sikka as there was a lack of a two-thirds majority independent board, a lack of independence on key board committees and multiple consecutive years of insufficient responsiveness to low say-on-pay vote results. Furthermore, we wrote to them with our rationale and voicing our concerns.



Kimberley Clark de Mexico

On February 29, 2024, we voted against the entire slate of Directors at Kimberley Clark de Mexico. In particular, we viewed all non-executive Director candidates on the slate to be non-independent, counter to the firm's view. Most external observers view directors with over 12 years of tenure to be non-independent. In which case all five on the slate are thus viewed as such, with an average tenure of 33 years. We feel that independent investors, such as Unigestion, benefit from a majority independent Board of Directors. Furthermore, with only one female member, and an average age of 72 years, the Board composition does not adequately reflect the broader make up of society. Taking into account the above arguments, votes against all members of the Board were warranted. We also wrote to the Company respectfully requesting that it strengthen the Board's composition and align it to international Governance best practices. The slate of directors was, however, re-elected.

ConocoPhillips

On May 14, 2024, the National Legal and Policy Center (NLPC), an anti-ESG activist shareholder filed a motion that ConocoPhillips request the Board of Directors' Human Resources and Compensation Committee to revisit its incentive guidelines for executive pay, to emphasize legitimate fiduciary goals and consider eliminating greenhouse gas reduction targets and other scientifically dubious goals from compensation inducements. They assert that "The "scientific consensus" claims anthropogenically-driven climate change will result in catastrophic impacts to the environment, to the planet, and to humans. However, research increasingly shows worst-case scenarios are unlikely, and the potential consequences of carbon dioxide emissions (aka "plant food") have been greatly overstated." It was encouraging to see that shareholders broadly dismissed this anti-ESG proposal with only 0.77% support.

International Business Machines

At the meeting of April 30, 2024, shareholders requested the Board of IBM to annually analyze and report to on whether and how IBM is aligning its lobbying and policy influence activities and positions, both direct and indirect (through trade associations, coalitions, alliances, and other organizations) with its target of net zero emissions 2030. In his supporting statement, the proponent raises concern about the lack of disclosure regarding IBM's direct and indirect lobbying efforts as lobbying misalignment could pose a systemic risk for the company and undermine IBM's climate strategy. The filer asserts that lobbying and public policy action that support climate goals has an important role to play in the transition to a low-carbon economy. Trade associations that "say they speak for business but too often present forceful obstacles to addressing climate change" present a particular concern, according to the proponent. The proponent contends that IBM's current disclosures are not sufficient for investors and shareholders to assess if its direct and indirect lobbying activities are consistent with its net zero goals. This motion was narrowly defeated with 31.8% support. Similarly a Shareholder Proposal Requesting the Adoption of Greenhouse Gas Emissions Targets was defeated, with 30.8% of votes in favour.

The Coca-Cola Company

The Annual Meeting of Shareowners of the Company was held on Wednesday, May 1, 2024, as a virtual-only meeting. We voted against the re-election of Director Thomas (Tom) Gayner who is also a CEO of a publicly-traded company and serves on more than three public company boards. Directors with full-time jobs have even less time to devote to outside board directorships. A CEO cannot reasonably be expected to balance the responsibilities of serving on more than three public boards while also fulfilling full-time executive duties. Gayner was appointed to the board in July 2023 and continues to serve as CEO of Markel Group, Inc., while serving on the board of Graham Holdings Company and as chair of Davis Funds. Although a board may benefit from the perspective of an outside CEO as a director, the executive must ensure that his or her duties are balanced and that time is not taken away from their primary responsibilities. Neither role will be afforded the necessary diligence if the CEO is over-committed. 38.9% of votes were cast against his re-election.