



# **UNIGESTION (UK) LTD**

UK Stewardship Code 2024-2025



## FOREWORD

We are delighted to submit our UK Stewardship Code report for the twelve months ended 30 June 2025. 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.

During the reporting period Unigestion took the decision at group level to separate its business into separate corporate entities for each individual investment line. As a result, Unigestion (UK) Ltd ceased its Wealth Management and Private Equity activities during Q2 2025 and now focusses solely on its equities business. This report has therefore been prepared on the basis of our equities business activities only.

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.

We hope you enjoy reading our 2024-2025 UK Stewardship Code report.

Alexei Jourovski

Head of Equities



# PURPOSE AND GOVERNANCE

## Principle 1

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**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 – as at 30.06.2025 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 recognise the United Nations' Sustainable Development Goals as a global framework for sustainability and reflect their principles through our ESG integration approach. In particular, our strategies promote environmental and social characteristics consistent with goals such as SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). Sustainability considerations are embedded throughout our investment decision-making and in the way we operate as a responsible 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 in our investment processes, with 100% of Unigestion (UK) Ltd.'s assets covered by ESG considerations as at 30.06.2025. 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 S&P Trucost, to help identify ESG risks, in particular within the SASB-defined ESG materiality framework.

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

In addition to collaborative engagement, Unigestion engages directly with individual portfolio companies 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 (semi-annually), Direct Engagement Reports (semi-annually) as well as ESG Reports (monthly). In addition, we have 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, 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 138 employees across the Unigestion group located in 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 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 2024-2025 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)
- ▶ 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)
- ▶ Maintain or improve our UN PRI scores. (Achieved)
- ▶ Enhance ESG reporting to include factor-based investments I. (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 a dedicated client service team. This team provides a central point of contact for clients and ad hoc support to our investors for operational, legal, compliance, ESG or investment issues. This team also helps with the on-boarding process and maintain an ongoing relationship with clients, particularly in terms of special duties, agreements and reporting.

Its goal is to coordinate stakeholders 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.

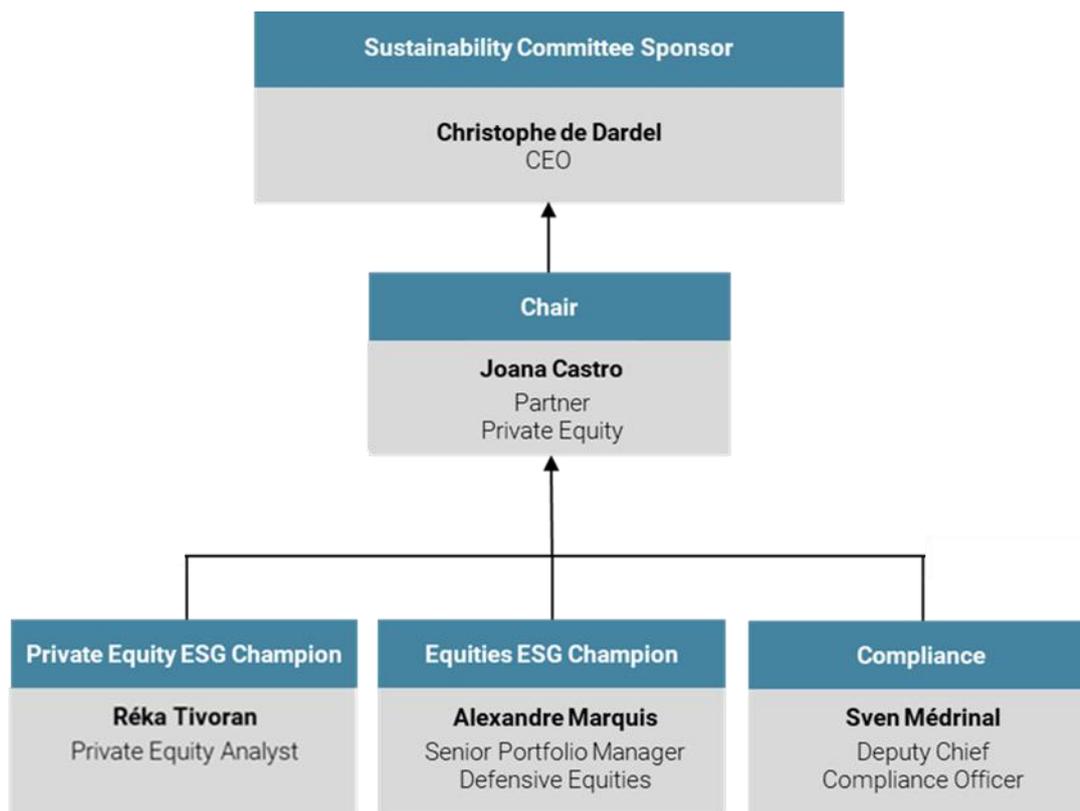
This centralised governance approach is designed to ensure consistency in the application of our Responsible Investment Policy, including firm-wide exclusions and integration strategies, across asset classes and investment teams. Having a harmonised approach also aids in the efficient firm-wide enforcement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

You will find hereunder the responsible governance hierarchy:

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

Our Sustainability Committee leads the development and integration of ESG principles at the Unigestion Group Level, and on behalf of all of its subsidiaries, into all key processes including investment and risk management across relevant entities and products. The Committee has published our ESG policy, which establishes the following principles to guide our activities:

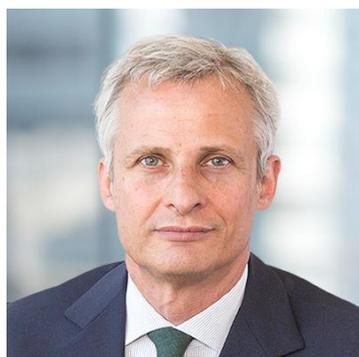
- ▶ We integrate **ESG risks** throughout the organisation, including investment decision-making processes
- ▶ We **actively engage** and exercise investors' rights as shareholders by voting at shareholder meetings through our customised proxy voting policy, and engaging directly and collaboratively 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, among others.



Source: Unigestion as at 30 June 2025.

## 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.



### **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.



### **Réka Tivoran, Private Equity ESG Champion**

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



### **Sven Medrinal, Deputy Chief Compliance Officer**

Sven Médrial, 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.

## **Training**

Every new joiner to Unigestion (UK) Ltd. 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.

## **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.

- ▶ Sustainalytics
- ▶ S&P Trucost
- ▶ ISS
- ▶ SASB

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 (UK) Ltd. 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 interest's 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 (UK) Ltd. must take into account, as a minimum, whether Unigestion (UK) Ltd. or a relevant person, or a person directly or indirectly linked by control to Unigestion (UK) Ltd.:

- ▶ 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 (UK) Ltd. 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 (UK) Ltd. to which the conflict relates. The record will also specify the procedures adopted by Unigestion (UK) Ltd. 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 2024-25 reporting period, however, during the previous year a review of ISS voting instructions highlighted that we were voting against a director nominated to the board of a Swiss listed company due to over boarding. Further, it was learned that the nominated director was a long-time business associate of our chairman. Our policies were applied and we voted according to our ISS guidelines and informed the nominee of our intended vote against his nomination,



as we do in all such situations. The discussions and decision at the Sustainability Committee meeting surrounding this issue were fully minuted.

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 (UK) Ltd.'s standard employment contract requires staff to devote their full time and efforts to Unigestion (UK) Ltd.'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 (UK) Ltd. 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 on our website 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.

As at 30.06.2025 Unigestion (UK) Ltd. Is a wholly owned subsidiary of Unigestion Holding SA. As at 31.12.2024, 43% of our capital is held by FAMSA foundation, a family foundation with charitable goals, and the Unigestion Group's Chairman Bernard Sabrier; 19% is held by Unipartners who are the management team and key Unigestion Group employees; 38% is held by institutional shareholders and external partners. Furthermore, with 62% 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

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

At Unigestion we believe that intelligent risk-taking is key to delivering consistent returns over time and this core conviction underpins our investment approach.

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.

### 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.

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 departments respectively, 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**

## Participating in Global Initiatives

- Expand ESG reporting to include TCFD and PAI Reporting for all accounts **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

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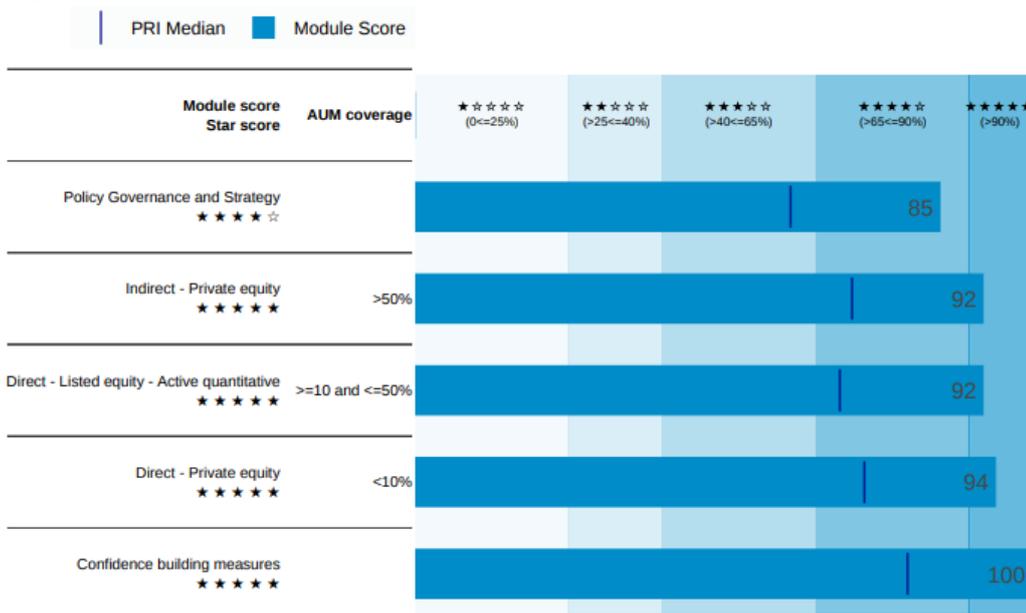
**Signatories review their policies, assure their processes and assess the effectiveness of their activities.**

The Unigestion Group reviews its ESG Investment Policy at least annually, and more often in the case of an external catalyst.

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 2024 assessment which is the most recent available.



## SUMMARY SCORECARD



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 (UK) Ltd.’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 2024, we updated our Responsible Investing and Corporate Engagement policies. We now base the selection of engagement candidates on their financial materiality for our portfolios and four main catalysts:

### I. AGM-based Engagements

We engage with portfolio companies on a variety of issues of most relevance to investors: environmental subjects, climate change, human rights, labour rights, public health & safety, business ethics and corporate governance.

### II. ESG or Controversy Engagements

Within the framework of our ESG integration process, we have defined and incorporated monitoring rules to identify those listed companies which we hold in portfolios involved in significant incidents which may negatively impact stakeholders, the environment or the company’s operations, commonly known as controversies.

We have 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.

### III. Thematic Engagement

The responsibility of companies with respect to Sustainable Development Goals (SDGs) is part of a qualitative research performed by the analysts. For a couple of years now, SDG13 – Climate Action, has been an overriding theme to consider for all of our engagements. As such, we will reach out directly and collaboratively to both publicly listed and privately held investee companies on issues such as their Net Zero and Paris Agreement commitments, and carbon footprints. We use our fundamental knowledge of companies and industries to pick specific topics for engagement and link them with SDG targets.

### IV. Client Specific Requests or Certain Requirements



Finally, certain clients and portfolios require specific engagements in order to meet their stewardship objectives. Also, for some of our funds which have an SRI label, we have predefined certain objectives which may require specific engagements over time.

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.

## INVESTMENT APPROACH

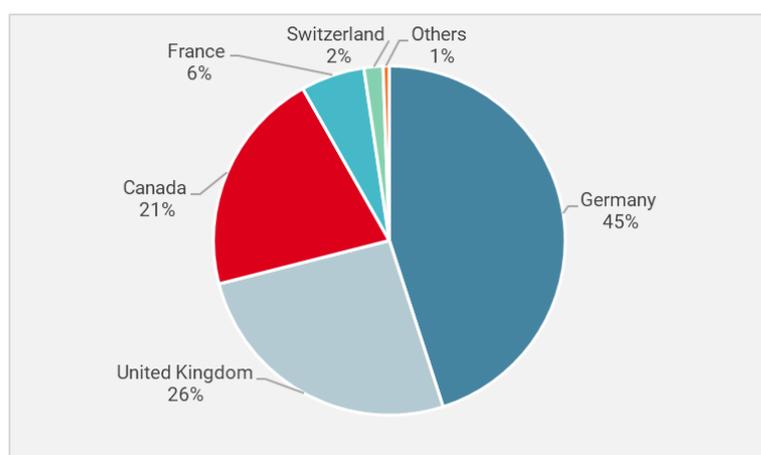
### Principle 6

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

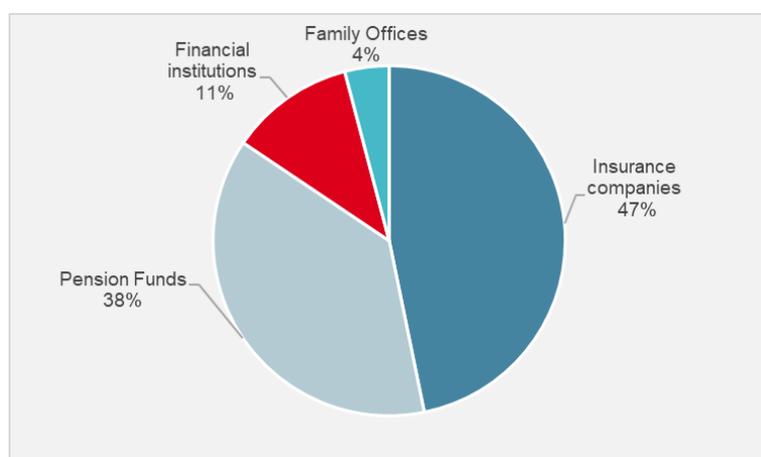
As at 30.06.2025 the Unigestion Equities Group managed a total of GBP 2,518 million.

All assets are managed on a discretionary basis. The following two graphics provide additional detail of Unigestion Equities assets under management:

Unigestion Equities AUM by Client Location



Unigestion Equities AUM by client type



Source: Unigestion Group of Companies, as at 30.06.2025.

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.

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, Unigestion (UK) Ltd. has a dedicated client relations team. This team is a central point of contact for clients and provides ad hoc support to our investors for operational, legal, compliance, ESG or investment issues. The team also helps with the on-boarding process and maintains an ongoing relationship with clients, particularly in terms of special duties, agreements and reporting.

The goal of this team is to coordinate across Unigestion's stakeholders 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 Relations Team regularly seeks 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.

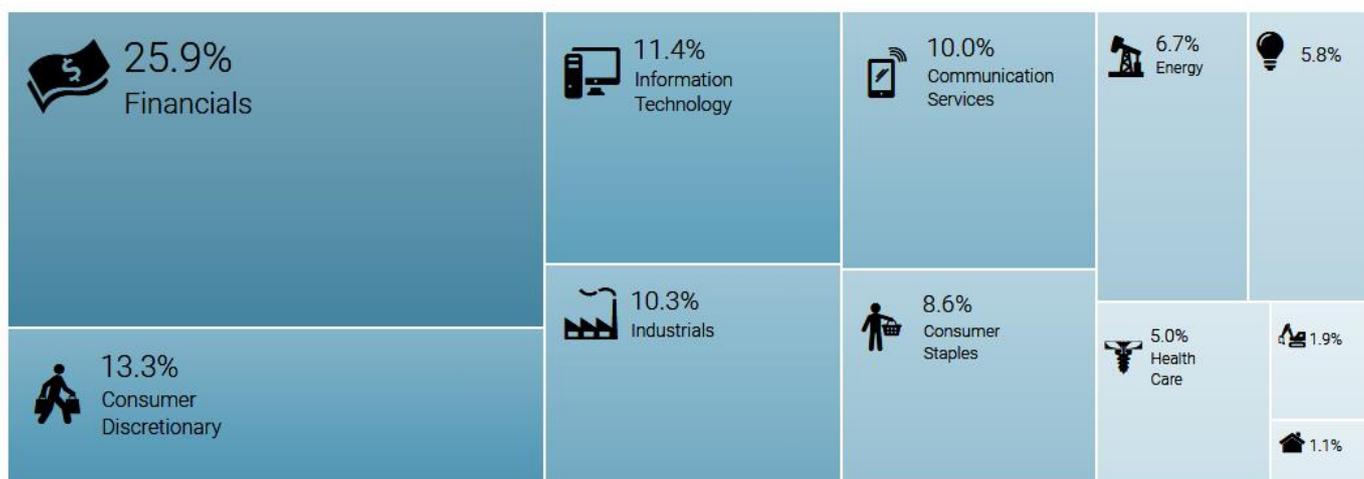
Similarly, we have had discussions with our insurance company clients both to optimise their capital requirements and to understand and meet their reporting needs under Solvency II.

## 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 (semi-annually), Direct Engagement Reports (semi-annually) as well as ESG Reports (monthly).

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

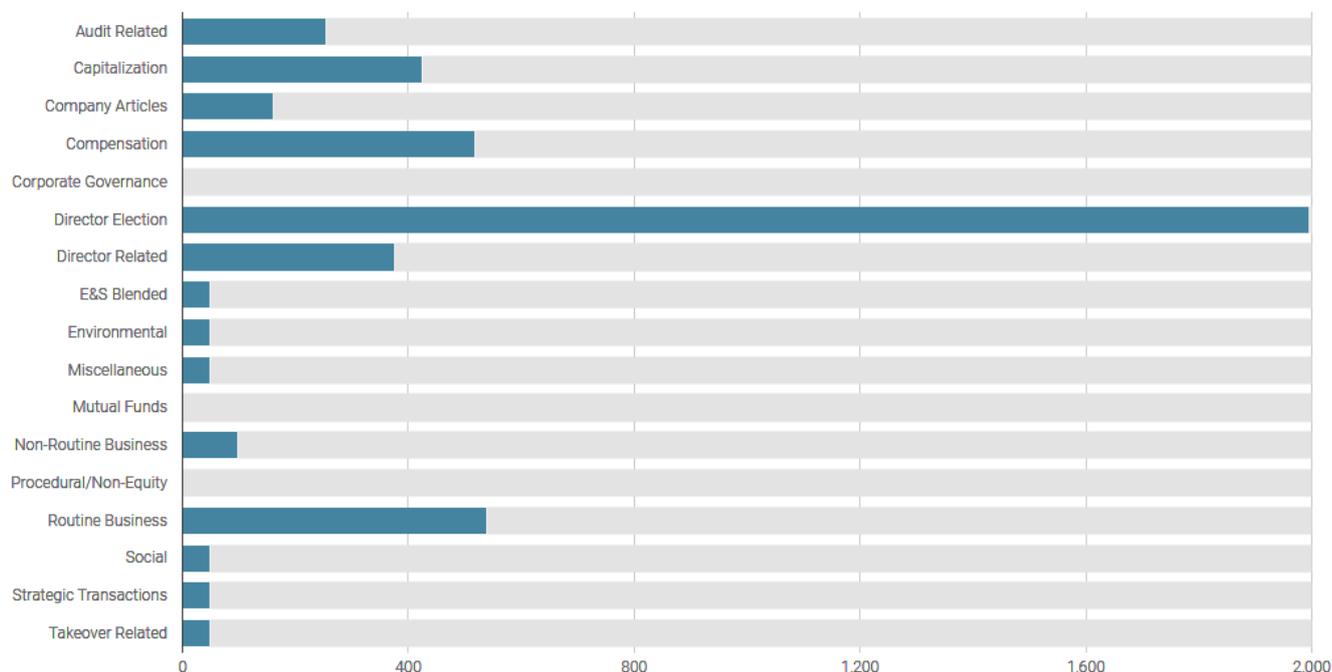
## Meetings by Sector



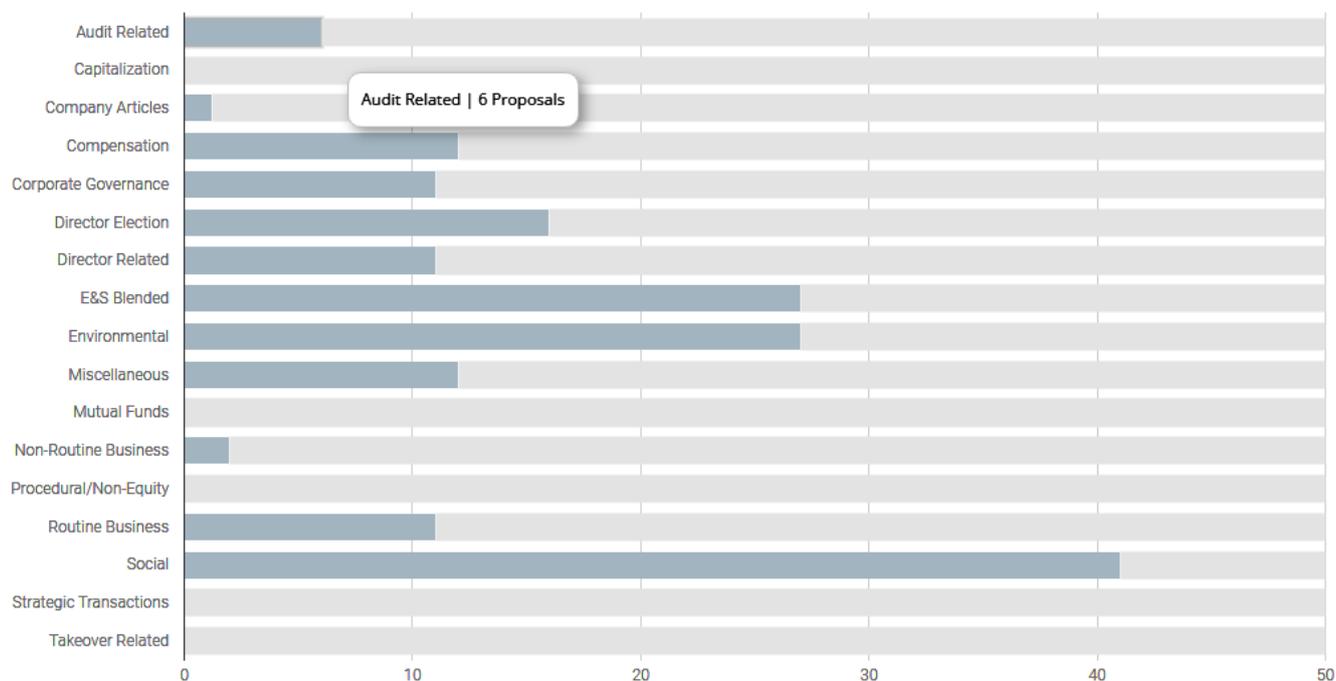


# Votes Cast by Proposal Category

## Management



## Shareholder



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 are now further enhancing our ability to automate the production and dissemination of this information, with an example being the above-mentioned Proxy Voting Portal.

## Principle 7

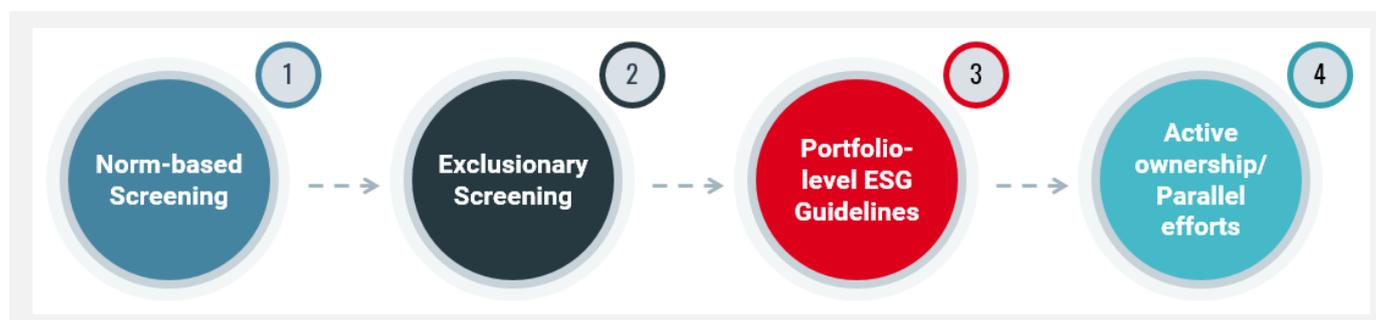
**Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.**

### Monitoring listed companies

Unigestion (UK) Ltd. 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 can use ESG research provided by Sustainalytics, and S&P Trucost 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. The fundamental analysts monitor the investee company's strategy, financial/non-financial performance, risk and capital structure using daily newsfeeds such as Bloomberg as well as reports from sell side analysts.

## 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 (UK) Ltd. 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
<b>UN Global Compact Non-Compliant</b>	<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
	Businesses that do not uphold:
	<i>Labour*</i> <ul style="list-style-type: none"> <li>▶ the freedom of association and the effective recognition of the right to collective bargaining</li> <li>▶ the elimination of all forms of forced and compulsory labour</li> <li>▶ the effective abolition of child labour</li> <li>▶ the elimination of discrimination in respect of employment and occupation</li> </ul>
	Businesses that do not:
<i>Environment*</i>	<ul style="list-style-type: none"> <li>▶ support a precautionary approach to environmental challenges</li> <li>▶ undertake initiatives to promote greater environmental responsibility</li> <li>▶ encourage the development and diffusion of environmentally friendly technologies</li> </ul>
<i>Anti-Corruption*</i>	Businesses with any corruption allegation, including extortion and bribery
<b>Controversial Weapons**</b>	Businesses that manufacture, distribute or sell controversial arms or ammunitions such as cluster bombs, landmines, depleted uranium, etc.
<b>Adult Entertainment Producers***</b>	Businesses principally engaged in the production of pornography
<b>Tobacco Producers***</b>	Businesses active in the cultivation and production of tobacco
<b>Thermal Coal***</b>	Businesses with more than 10% of their total revenue derived from thermal coal
<b>Predatory Lending***</b>	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, MSCI ESG screened indices and other publicly available sources

\*\* Source: Sustainalytics

\*\*\* 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 (UK) Ltd. 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 the Appendix 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 (UK) Ltd. 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 CO<sub>2</sub> 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 (UK) Ltd., 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 (UK) Ltd. 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.

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.

## **Principle 8**

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### **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 quarterly 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 20 and 40 of the roughly 500 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 and SASB. 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.



# 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.



### Catalyst 1 Voting

- ▶ Since 2016, Unigestion has engaged with companies on a variety of issues relating to directorship, reorganisation and mergers, health and environment, and social and corporate governance.
- ▶ Naturally, we raise these issues shortly before the AGMs.



### Catalyst 2 ESG Score

- ▶ We identify companies within our portfolios in worst decile of our proprietary ESG scoring but which display a positive trend, which shows they are making an effort to improve.
- ▶ We engage with them based on our internal E, S and G evaluations.



### Catalyst 3 Climate

- ▶ Every year we chose one SDG as an engagement theme, this year the theme is SDG 13-Climate change.
- ▶ We engage with PE managers and PE direct holdings to advocate for the adoption of Carbon Footprint reporting.



### Catalyst 4 Client Specific

- ▶ Many clients have specific issues that are crucial to them.
- ▶ Currently, we engage on issues such as Fairness ratio, Director independence, and Social issues on behalf of specific clients.

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 2024, we engaged directly with 17 companies. Thanks to follow-up emails and in-depth communication with invested companies, over the year we continued to increase the number 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 fund, 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, Corporate Engagement Officer, and members of our Fundamental Research team.



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.

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 (UK) Ltd. 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 set a spectrum of stronger escalation strategies to clearly signal the implications of unsuccessful responses to our requests.

### Listed Equities Engagement Examples

Here are a few examples of direct engagement activity we had in 2024-2025:

In November 2024, we engaged with Pepsico:

Call with Pepsi coordinated by the Plastic Solutions Investor Alliance on the outcome of their 2024 Report. We discussed:

1. How they will meet their ambitious reuse goal of 20% by 2030
2. How will they meet plastic reduction goals (50% by 2030), same for virgin tonnage
3. Flexible packaging, need to get 11% more to meet 2025 goal of 100% recyclable, compostable, biodegradable, or reusable (RCBR)
4. What about The Recycling Partnership funding. USD 2 Mn, vs the USD 17 BN required?
5. What about current lawsuits about extended producer responsibility (EPR)?

In December 2024, we engaged with Visa:

Visa is increasingly subject to anticompetitive and antitrust complaints. This starts to give a bad image of them, especially from an investor standpoint as the first thing investors think about Visa is regulatory matters, and not the tremendous business they run. In that perspective I asked them today if they have thought of remedies to decrease pressure on the antitrust front.

- another big topic about Visa is the high number of share classes, some of them having no voting rights. I took opportunity to ask them whether they intent to simplify the shareholding structure and give all shares same voting rights.

In January 2024, we engaged with Colgate Palmolive about one of their brands: Tom of Maine's:

Colgate has enhanced its quality assurance processes to prevent issues like those experienced by Tom's of Maine, including revamping old water input systems and appointing a new head of quality. Spent 15 minutes during the last employee quarterly webcast discussing quality. In addressing plastic recycling, Colgate collaborates with industry leaders, such as the Ellen MacArthur Foundation and Materials Recovery Facilities, to improve recyclable product acceptance and infrastructure globally, including support for waste-pickers in India, while facing challenges in the U.S. due to limited consumer behaviour shifts and scalability. Stressed the need to work with other US staples companies to move things forward.



## Assessment

On the listed equity front, we view our engagement with Pepsico during 2024-2025 as satisfactory:

Pepsi highlighted that they have been repositioning and transforming their portfolios towards better-for-you products for quite some time now. For example, in lays, they only have 3 ingredients (the cleanest you can get). They mentioned that they will get back to us on the plastic reduction goals change.

The engagement with Kimberly-Clarke is also quite satisfactory: Kimberly-Clark explained that the 16% reduction in its plastics footprint is primarily driven by source reduction—using less material through improved efficiency—which generally results in cost savings without compromising performance. The company is also substituting virgin plastics with recycled or renewable alternatives, though it acknowledges that these come with challenges related to affordability, supply, and functional performance. While these alternative materials typically cost more, Kimberly-Clark conducts cost-benefit analyses as part of its innovation process to manage trade-offs, and it is leveraging partnerships and external manufacturing to support progress. Although a direct impact on gross margins wasn't quantified, the response suggests that efficiency gains may offset some of the added material costs.

Regarding its investments in circularity programs such as nappy recycling pilots and the RightCycle initiative, Kimberly-Clark emphasized that these projects are currently in the exploratory and learning phase. The spending on them is discretionary, with the focus on evaluating the technical and economic viability of various approaches across the value chain. Global inconsistencies in waste management infrastructure and regulation pose scalability challenges. The company did not provide specific SG&A or capital expenditure guidance for the next 2–3 years, noting that return on investment (ROI) will be evaluated as the programs mature and move toward potential commercialization.

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

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### 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.

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 firms 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 700 signatories representing USD 68 trillion of investments, are participating in the Climate Action 100+ initiative. This ongoing project by both asset managers and asset owners aims to engage with 166 of the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change. To further deepen our commitment to this initiative, Unigestion has been a lead on the engagement with Canadian oil and natural gas production and distribution company, Enbridge. In June of 2023, Climate Action 100+ announced that Enbridge, and a number of mid-stream companies, have been removed from their focus list. We continue, however, to be a member of the North American Mid-Stream Working Group. Furthermore, we have joined in the CA 100+ engagement with Unilever as a Supporting Investor 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 June 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.

In April 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. We became a supporting investor, along with four asset management firms, on the Nestlé collaborative engagement initiative.

## Outcomes

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. Following a public consultation, Climate Action 100+ released an updated Benchmark framework—Benchmark 2.0—in March 2023 which will be the lynchpin in driving the initiative forward. We have committed to become even more active in this collaborative effort by becoming a Supporter on the engagement with Unilever.

Over the past few years, we had multiple rounds of written engagement with the Canadian electricity transmission and distribution service company, Hydro One, as part of our work on the Carbon Disclosure Project (CDP) taking on a lead role with this company. We pressed for their reporting to the CDP framework. Hydro One indicated that they were focusing on other reporting requirements (SASB and TCFD) and would not be completing the CDP filing in 2023. We then replied with more details on the linkages of CDP to ISSB. They said that they would consider our input in determining which standards to comply with in 2024. This response can be seen as neutral at best. For both of these major collaborative engagements, we are now transitioning from the “measuring” phase to “management”. KPIs and methodologies have been agreed to; we need to know collectively apply pressure to these levers. We assess both initiatives as having the potential for success, however the results to date indicate significant room for improvement of outcomes.

8 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.

## Principle 11

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### 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.

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, as was the case in our discussions a year ago with a Swiss insurer regarding an over boarded director nominee that subsequently rescinded their candidacy ahead of the vote.



# 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 (UK) Ltd.'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.

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.

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 (UK) Ltd.'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 2024-2025

During the twelve-month period ended 30 June 2025, the Unigestion Group voted at 100% of votable meetings. We voted against management on 17,1% of the 4679 votes we cast roughly in line with what we reported last year.

Similarly, during the reporting period, Unigestion (UK) Ltd. voted at 100% of meetings. We voted against management on 32% of the 1,544 votes we cast. Slightly higher rate to the 27.22% reported last year.

The proxy voting activities are reviewed on a quarterly 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 operations. 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

Meeting date: 14 November 2024

We supported a shareholder proposal requesting a Report on Climate Risk in Retirement Plan Options. Management recommended Against; the item failed. We believed the requested disclosure would help assess whether retirement plan investment options systematically account for transition and physical climate risks, which can impact beneficiaries' long-term risk-adjusted returns and, ultimately, employee financial wellbeing (S) and systemic climate resilience (E). Our FOR vote signalled to the board and plan fiduciaries that investors expect climate risk to be integrated into savings plan architecture and accompanying disclosures.

We withheld from multiple non-independent or long-tenured directors, including Lawrence J. Ellison, Safra A. Catz, Jeffrey O. Henley, Michael J. Boskin, Naomi O. Seligman, Bruce R. Chizen, Leon E. Panetta, Jeffrey S. Berg, William G. Parrett, and George H. Conrades, while management recommended For (several items); all directors were nonetheless elected. Our withholds reflected concerns about independence, refreshment and risk oversight depth at a company exposed to human-capital, data/privacy and supply-chain risks (S/G). Strengthening independence and committee structures is foundational to credible strategy execution on sustainability topics over the long term.



## **The Procter & Gamble Company**

Meeting date: 8 October 2024

We supported a shareholder request to Report on Median Gender/Racial Pay Gap. Management recommended Against; the proposal failed. We view consistent, decision-useful workforce-equity metrics as a leading indicator of talent attraction/retention, productivity and brand resilience (S). Enhanced disclosure would allow investors to benchmark progress, assess associated human-capital risks and engage constructively on improvements.

## **Automatic Data Processing (ADP)**

Meeting date: 6 November 2024

We voted Against Ratify Deloitte & Touche LLP as Auditors while both management; the item passed. In line with our audit-quality policy, we will oppose ratification where independence, tenure or non-audit services raise concerns. Robust external assurance underpins the reliability of financial statements and increasingly material sustainability-related disclosures (G/E/S), which is essential to informed capital allocation.

## **Lam Research**

Meeting date: 5 November 2024

We voted Against Ratify Ernst & Young LLP as Auditors and opposed the election of selected directors at the same meeting (management recommended for; the items passed). Our stance sought stronger board accountability and audit independence at a company facing complex supply-chain, safety and environmental compliance exposures. Effective board oversight and high-quality assurance are prerequisites for credible progress on sustainability priorities and long-term value (G/E/S).



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