



UNION BANCAIRE PRIVÉE

## Principal Adverse Impacts

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UBP acknowledges the responsibility of the financial industry to limit the adverse impacts that may result from investment decisions on sustainability factors, such as the environment, social and employee matters, the respect of human rights as well as anti-corruption and anti-bribery matters.

UBP's EU-based asset management entities (herein UBP AM\*) thus seek to consider and manage the adverse sustainability impacts of their investment decisions, in line with the EU regulation 2019/2088, or Sustainable Finance Disclosure Regulation (SFDR).

To assess and manage these adverse sustainability impacts, UBP AM\* relies primarily on its Responsible Investment Policy, which outlines the key principles applicable to all our funds as well as to mandates\*\*, subject to the end investor's approval. These principles include the negative screening of controversial activities or practices, the promotion of ESG integration in investment processes, as well as active ownership through engagement and voting.

These principles already help us to mitigate some of the principal adverse impacts (PAI) that may result from our investment decisions.

Considering climate for instance, all our funds exclude companies heavily involved in coal extraction, while several of our products are committed to offer a lower carbon footprint than their investment universe, helping us to manage our potential impact in terms of greenhouse gas emissions (mandatory PAI n° 1-3). Also, as a signatory to the Net Zero Asset Management Initiative, UBP Asset Management (Europe) S.A. is committed to reducing the carbon emissions of its portfolios and to encouraging investments in climate solutions to reach net zero emissions by 2050 or sooner.

Our biodiversity approach also aims to help our investment teams identify and manage the potential adverse impact of their investments on nature and ecosystem services, such as those resulting from activities negatively affecting biodiversity-sensitive areas (mandatory PAI n°7).

On the social and human rights front, UBP AM manages its exposure to companies in breach of international norms (mandatory PAI n° 10) through different approaches such as exclusion or systematic engagement via a third-party engagement services provider, depending on the product's strategy. Also, all our funds exclude investment in companies involved in controversial weapons (mandatory PAI n°14).

Furthermore, we have developed a sustainable and impact product range which applies even stricter ESG considerations to help reduce exposure to activities that may damage the environment or the society as well as to favour companies with sound ESG practices or those providing solutions to environmental and social challenges.

As an active investor, UBP exercises its voting rights and promotes sustainability principles through its proxy voting policy. Moreover, we engage either collaboratively or directly with investee issuers to address environmental or social concerns and encourage companies to improve their ESG practices. To that end, we have developed some thematic engagement questionnaires, addressing issues like biodiversity or climate strategy for energy and utility companies.

UBP AM also believes that the financial sector should work together with other stakeholders such as investors, the corporate world, NGOs or academia to tackle the world's sustainability challenges. Accordingly, UBP has partnered with, is a signatory to, or supports an array of global and local initiatives and associations, such as the UN Principles for Responsible Investing (UN PRI) and the UN Global Compact (UNGC).

We are conscious that the consideration and mitigation of the principal adverse impact of our investment decisions is a long-term objective as it may initially be constrained by the limited availability of data on some of these PAI indicators. UBP AM\* thus commits to putting every effort into obtaining the necessary information from its investee companies as well as from external data providers and to enhance its PAI consideration approach overtime.

Finally, in line with the SFDR, UBP AM\* is committed to report annually on the principal adverse impacts resulting from its investment decisions as well as on actions taken and planned to mitigate such impacts.

Further details can be found in the Responsible Investment Policy.

\*The present statement is the consolidated principal adverse sustainability impacts statement of UBP Asset Management (Europe) S.A. and UBP Asset Management (France).

\*\* only applies to UBP Asset Management (France)