



# Climate Action Plan UBP Asset Management (Europe) S.A.

Asset Management



UNION BANCAIRE PRIVÉE

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# 1. OUR APPROACH

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## Context

Climate change poses a significant risk to our planet, economy, and society. The latest Intergovernmental Panel on Climate Change (IPCC) report highlights the increasing frequency and severity of weather events, such as floods, droughts, and heatwaves, along with long-term shifts in climate patterns, including rising sea levels.<sup>1</sup> The report also warns that global warming will likely exceed the 1.5°C ambitious threshold set by the Paris Agreement which will negatively impact ecosystems, both food and water security, and human health. To address these global challenges, the IPCC report urges for a shift away from fossil fuels and the adoption of net-zero strategies. The World Economic Forum echoes the IPCC's findings, identifying "Extreme weather events" as the most important risk over the coming decade.<sup>2</sup>

At UBP, we believe that addressing climate change is not only about mitigating risks but also seizing opportunities to build a sustainable future. We recognise the critical role of financial institutions in supporting the low-carbon economy transition as called for by the IPCC.

This climate action plan outlines the actions UBP Asset Management (Europe) S.A., our primary fund management company based in Luxembourg, and its subsidiary UBP Asset Management (France), hereafter referred to as "UBP AM", are taking to achieve net-zero emissions by 2050.

All policies mentioned above and throughout this document can be found [here](#).

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## Strategy

UBP AM has adopted the Net Zero Investment Framework (NZIF) in line with recommendations by the Net Zero Asset Managers (NZAM) initiative, to which it became a signatory in November 2021 and published its initial target disclosure in January 2023. Our commitments, outlined in this document, aim to ensure alignment with the ten NZAM commitments, detailed in the appendix.

As a responsible investment manager, our strategic approach to facilitating the transition to a low-carbon economy is focused on three key action areas, which are further elaborated in Section 4:

1. Decarbonisation of investment portfolios
  - Integration of climate considerations into investment processes
  - Exclusions
  - Investment in Climate Solutions
2. Stewardship
  - Engagement and Escalation
  - Proxy Voting
  - Advocacy and Initiatives
  - Engaging with data providers
3. Risk Management

This strategic framework reflects our commitment to driving meaningful change and contributing to a sustainable future.

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## Progress and Vision

The scope of this Climate Action Plan is limited to UBP Asset Management (Europe) S.A. and its subsidiary UBP Asset Management (France), collectively referred to as "UBP AM". As NZAM signatories, we are committed to achieving net-zero portfolio greenhouse gas emissions by 2050 or sooner, in alignment with the goals of the Paris Agreement. This plan outlines our interim targets for 2030 and 2040 and our ambitions to achieve net-zero by 2050 across our investment portfolios. Other actions taken by the UBP group to fight against climate change, in particular in terms of reducing its operational emissions, are detailed in [UBP's Sustainability Report](#).

Over the past decade (2012-2023), UBP has made progress in adopting sustainable practices and a responsible investment approach. We joined the UN Principles for Responsible Investment (UN PRI), published our first sustainability report, and ensured climate reporting transparency through our TCFD disclosures.







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<sup>1</sup> IPCC, 2023: Synthesis Report of the IPCC Sixth Assessment Report (AR6), [https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_LongerReport.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf).

<sup>2</sup> World Economic Forum (WEF), 2024: The Global Risks Report 2024, 19<sup>th</sup> Edition - Insight Report. [https://www3.weforum.org/docs/WEF\\_The\\_Global\\_Risks\\_Report\\_2024.pdf](https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf).

Our commitment to climate responsibility led us to participate in collaborative initiatives, establish exclusion rules for coal and unconventional oil and gas, adopt a sustainability-focused voting policy and engage with investee companies to encourage them to take on more robust climate strategies. Recognising the link between nature and climate, we developed a biodiversity approach and joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. We also developed a range of sustainable investment products.

Looking ahead, our roadmap outlines ambitious targets:

2012 - 2022	2023	2030	2040	2050
 <p><b>Emerged on our Sustainability journey</b></p> <ul style="list-style-type: none"> <li>• Joined UN PRI</li> <li>• First Sustainability report</li> <li>• First TCFD report</li> <li>• Joined collaborative initiatives to mitigate climate change</li> <li>• Fossil fuel exclusion rules</li> <li>• Sustainability-conscious voting policy</li> </ul>	 <p><b>Published our net-zero targets</b></p> <p><b>Baseline: 2019</b> WACI (Scope 1+2): 144.6tCO<sub>2</sub>e/\$m revenue</p> <p><b>Baseline: 2021</b> Initial alignment: 19% of AuMs in material sectors considered aligning or committed to align</p>	 <p><b>Reduce WACI by 50%</b></p> <p><b>Reduction of 50% or 72.3tCO<sub>2</sub>e/\$m revenue by 2030 compared to baseline</b></p>	 <p><b>Asset alignment target</b></p> <p>Aim for <b>100%</b> of investment in material sectors at least <b>aligned with net-zero</b> by 2040</p>	 <p><b>Reach Net Zero portfolio emissions</b></p> <p><b>Reduction of 100% / net-zero by 2050 compared to baseline</b></p>
 We are committed to reviewing the process and revising the targets periodically and at least every five years.				

We are committed to review the process and revising the targets periodically review and at least every five years. By 2030, we are dedicated to reducing our Weighted Average Carbon Intensity (Scope 1+2) by 50%, reaffirming our commitment to carbon reduction. As we progress towards 2040, our aim is to allocate 100% of our investments in material sectors to issuers aligned with or achieving net-zero goals, thereby contributing to the global sustainability agenda.

Ultimately, our destination is a net-zero portfolio by 2050, where our investments will no longer contribute to portfolio emissions. This comprehensive roadmap reflects our dedication to sustainability and our commitment to facilitating the transition to a more sustainable future.

## 2. GOVERNANCE

Both UBP Asset Management (Europe) S.A. and UBP Asset Management (France) are fully integrated in the Sustainability Governance structure of the UBP Group.

UBP's sustainability approach is founded on a dedicated governance structure that enhances our credibility, accountability, and strategic decision-making in this critical area. The Board of Directors and Executive Committee (ExCo) of the UBP Group play pivotal roles in the development, monitoring, and implementation of sustainability-related topics.

The Board of Directors receives quarterly updates on the Bank's sustainability efforts. Two of its members sit on the Board's Risk Committee, which plays a key role in developing and overseeing the Bank's strategy for managing sustainability risks.

The Executive Committee's role is to implement the businesses strategy and the objectives defined by the Board of Directors. It checks that in-house and external regulations, as well as the decisions and directives of the Board of Directors and the Board's Risk Committee are properly applied. Reflecting our group-wide sustainability approach, we have set up two committees, the Responsible Investing Committee (RICO) and the Corporate Social Responsibility Committee (CSRCO), to oversee responsible investing and CSR respectively. Both committees report regularly to the Sustainability Steering Committee (SSCO), chaired by the Group's Head of Sustainability, which either takes decisions directly or brings up issues to the ExCo if required.

The RICO designs responsible investment principles and policies, drives the implementation of UBP's climate strategy in portfolios and supports on new product developments. Whilst investment teams have developed their own processes to integrate ESG principles into their investment approach, the RICO ensures that processes are in line with our RI policy alongside ensuring the implementation of the Exclusion and Watch List for individual investments.

The CSRCO convenes monthly to define and implement UBP's CSR roadmap regarding its environmental footprint, recruitment efforts and working conditions, as well as social and community engagement.

The SSCO is chaired by UBP's Group Head of Sustainability. Their role is to lead the development and implementation of the Bank's sustainability roadmap, which includes climate-related matters regarding both investments and operations. The Group Head of Sustainability attends both the RICO and the CSRCO meetings and updates the ExCo monthly on the roll out of the sustainability roadmap, escalating matters for ExCo decisions where necessary.



Source: UBP, as at 31.12.2023.

In addition to the abovementioned organisation at Group level, each management company has established its own ESG committee. These committees function as escalation points to address ESG-related issues specific to their respective organisations. Furthermore, the governing bodies of both entities are responsible for overseeing the sustainability and net-zero commitments made by these management companies. To ensure coordination and consistency, UBP's Head of Responsible Investment Asset Management, and co-chair of the RICO, is a board member of UBP Asset Management (Europe) S.A. and participates in the ESG committees of both entities.

# 3. SCOPE AND TARGET SETTING

UBP AM is committed to setting ambitious and achievable targets<sup>3</sup> that align with the goal of reaching net-zero emissions by 2050. Our approach to target setting, based on the Net Zero Investment Framework and in line with *NZAM Principle 1*, encompasses the progressive decarbonisation of our portfolios, the alignment of investments in material sectors with net-zero objectives, and the expansion of our scope as data quality and methodologies improve.

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## Portfolio decarbonisation reference target

- Baseline: 2019
  - WACI (Scope 1+2): 144.6 tCO<sub>2</sub>e/\$m revenue
  - Scenario: Based on the P2 emission pathway from the IPCC special report on global warming of 1.5°C
- Targets:
  - By 2030: Achieve a reduction of 50% in WACI (Scope 1+2), targeting 72.3tCO<sub>2</sub>e/\$m revenue
  - By 2050: Reach net-zero WACI across AuMs

We have decided to initially focus on Scope 1 and 2 emissions, given the current reliability and availability of reported data. These emissions are critical for setting meaningful and achievable targets in the short and medium term.

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## Asset alignment target

- Baseline: 2021
  - Initial alignment: 19% of AuMs in material sectors considered aligning or committed to align
- Targets:
  - Aim for 100% of investment in material sectors at least aligned with net-zero by 2040

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## Scope

In line with the recommendations of the Partnership for Carbon Accounting Financials (PCAF), we initially focused on direct investments in listed equities and corporate bonds within our mutual funds, which represented 54% of assets under management (AuM) in 2019. We aim to progressively extend coverage to other asset classes as robust carbon accounting methodologies are developed and become more widely available.

Initially, we did not include investments from dedicated funds and mandates where investment guidelines are determined by end-investors. However, we are committed to gradually incorporating these assets following engagement with investors, encouraging the adoption of more sustainable investment strategies. Starting with our 2023 progress report, we have expanded our scope to include assets within dedicated funds and mandates that comply with SFDR Article 8 or Article 9 requirements.

Our goal is to achieve full coverage, encompassing 100% of our AuMs by 2050. To ensure that our processes and targets are aligned with the latest scientific insights, methodologies, standards, and data, we will periodically review our approach and targets, with a minimum review frequency of every five years.

While we aim to progress in line with our net-zero target pathway, we understand that unforeseen challenges may arise. Should our progress deviate from expectations, we will escalate the issue to the relevant committees and governing bodies of UBP Asset Management (Europe) S.A. and UBP Asset Management (France). In such cases, we will take decisive action, including reassessing and refining our strategies, conducting analyses to identify areas for improvement, engaging with stakeholders to foster collaboration and knowledge sharing, and continuously adapting our investment portfolios to align with the transition to a low-carbon economy.

We do not currently use offsets to meet our investment-related emission reduction targets. Should this change, we will provide transparent disclosure and prioritise carbon removal projects, in alignment with *NZAM Principle 4*.

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<sup>3</sup> We recognise that achieving these targets is contingent on companies also aligning their strategies with a net-zero economy. As it stands, the global economy is not yet on a net-zero trajectory. If the majority of companies continue to fall short in making this transition, our investable universe could significantly shrink, presenting a considerable challenge to fulfilling this commitment.

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### Future inclusion of Scope 3

While Scope 3 emissions are vital to understanding the full carbon impact of our investments, the current limitations in data quality, lack of completeness in reported data and estimation methodologies present significant challenges in setting carbon emission targets that will drive investment decisions.

Still, we recognise the importance of addressing Scope 3 emissions to achieve a comprehensive net-zero strategy, in line with *NZAM Principle 2*. We thus already report Scope 3 financed emissions in our TCFD and NZAM reports. We also monitor developments in methodologies and disclosures and remain committed to integrating these emissions into our target setting process as the quality and availability of Scope 3 improve.

# 4.UBP AM'S ACTIONS

UBP AM has developed a comprehensive set of actions aimed at supporting and contributing to the transition to a low-carbon economy. These actions are organised into three core pillars: Decarbonisation of Investment Portfolios, Stewardship, and Risk Management. Each pillar is supported by specific sub-actions designed to achieve our net-zero targets and broader sustainability goals.

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## Decarbonisation of investment portfolios

To meet our medium- and long-term decarbonisation targets, we have integrated climate considerations into our investment processes, implemented exclusion policies, and invested in climate solutions.

### a. Integration of climate considerations into investment processes

Our investment teams incorporate climate considerations into their analysis when managing ESG-conscious investment products classified under Article 8 or Article 9 of the EU Sustainable Finance Disclosures Regulation (SFDR).

Given that each of our strategies operates within a distinct investment universe, characterised by different sectoral and regional exposures, our teams have developed customised climate integration approaches based on their asset classes and investment styles. While these approaches may differ, a shared fundamental criterion among all teams is the consideration of issuers' climate-related practices, such as greenhouse gas emissions and climate strategies, as a key factor in their ESG analysis. For example:

- Our impact team has identified "Climate Stability" as one of its six investment themes, focusing on companies that contribute to Sustainable Development Goals (SDG) 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).
- The Global and Swiss Equity team, which targets companies with high and stable Cash Flow Return on Investment (CFROI®), assesses how climate risks may impact future cash flows, focusing notably on the risk of stranded assets.
- Our convertible bond team has developed an ESG scoring methodology based on four equally weighted pillars, with Climate treated as a separate pillar alongside Environment, Social, and Governance.

As a result of these climate considerations, many of our strategies are seeking to increase the proportion of investee companies in their portfolios that have science-based carbon emission reduction targets or net-zero commitments. Meanwhile, other strategies focus on mitigating the adverse impact of high emitters by maintaining lower carbon intensity than their investment universe.

### b. Exclusions

UBP AM has implemented exclusion rules that align with our commitment to decarbonisation, and reflect the level of ESG integration of the strategy considered:

- For all open-ended funds, or dedicated funds and mandates (subject to clients' approval): Companies with revenues of 20% or more linked to thermal coal mining are excluded.
- For Article 8 and 9 open-ended funds, or dedicated funds and mandates (subject to clients' approval), the minimum exclusions also cover coal-powered electricity (20% threshold) and unconventional Oil & Gas (10% threshold).
- The above rules set minimum requirements. Some of our funds have adopted stricter guidelines, with some excluding all investments in fossil fuel.

Additionally, we maintain a Watchlist that flags companies involved in severe ESG controversies, including those related to environmental or climate issues. Whilst investment in these companies may be allowed depending on the strategy's guidelines, investment teams must provide a clear rationale for such decisions and obtain authorisation from the relevant committees or end investor for dedicated funds and mandates.

More details on our Exclusion and Watchlist rules can be found in the [Responsible Investment Policy](#).

### c. Investment in Climate Solutions

Investing in climate solutions is a key component of our strategy to support the transition to a low-carbon economy and achieve our net-zero goals, while maintaining attractive long-term returns for our clients. We look to actively contribute to financing climate solutions through our range of impact and thematic strategies as well as investment in green bonds and in environmentally sustainable economic activities aligned with the EU Taxonomy.

We have increased our efforts to develop opportunities to invest in products that contribute to climate-change mitigation and adaptation, including for instance:

- Our Impact Equity franchise, which offers several strategies that aim to contribute to the financing of SDGs, including climate-focused SDG 7 and SDG 13, by investing notably in renewable energy, energy efficiency or sustainable transportation. It also manages a fund focused on biodiversity restoration, which promotes nature-positive investments, recognizing the critical link between climate and biodiversity.
- A Transition Infrastructure Fund, which, alongside digital transition, focuses on financing infrastructure essential for expanding wind and solar capacities, green mobility, or smart grids, among others.
- Green bonds, whose share has been increasing in our fixed income holdings.

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## Stewardship

UBP AM believes that stewardship is essential to driving meaningful change within investee companies and advancing our net-zero commitments. Our stewardship approach, aligned with *NZAM Principle 7*, includes direct engagement, collaborative efforts, proxy voting, and advocacy to influence corporate behaviour and policy.

### a. Engagement and Escalation

UBP's engagement approach is described in our [Engagement and Escalation policy](#). Climate is one of our key focus areas and is addressed through both direct engagement and collaborative initiatives.

**Direct engagements** are initiated by investment teams on a case-by-case basis, as deemed appropriate, depending on the topic's severity and its materiality to their investment objectives. This can address for instance improving sustainability practices, enhancing climate data disclosures, and encouraging companies to adopt ambitious climate strategies.

**Collaborative engagements** enable us to amplify our influence by partnering with other investors. While topics may vary, those relevant to our net-zero commitment have included our participation in the CDP Non-Disclosure and Science-based Target campaigns, as well as collaboration with the University of Cambridge Institute for Sustainability Leadership (CISL) through our membership in the Investment Leaders Group (ILG). In this capacity, we have contributed to several discussions and publications on nature-related topics, including the connection between climate and biodiversity.

**Systematic engagement**, through our partnership with Morningstar Sustainalytics, which screens companies and engages with those assessed as breaching international norms. Although this engagement is less directly related to our net-zero efforts, it may occasionally address environmental and climate-related controversies.

### b. Proxy Voting

We use ISS ESG for proxy voting, and have selected their Sustainability Voting Guidelines, which integrate material ESG and climate considerations, including the following, which are relevant to our net-zero commitment:

#### Support for Shareholder Climate Proposals

We generally vote in favour of shareholder proposals requesting information about the financial, physical, or regulatory risks associated with climate change. This includes how these risks affect the company's operations and investments, and how the company identifies, measures, and manages these risks. Shareholder proposals advocating for the reduction of greenhouse gas (GHG) emissions are also generally supported.

#### Assessment of Management Climate Proposals

Management proposals seeking shareholder approval for the company's climate transition action plan (Say on Climate) are evaluated on a case-by-case basis. The assessment considers the following factors, among others:

- Alignment with TCFD Recommendations: The company's climate-related disclosures should align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and adhere to other industry standards.
- GHG Emissions Disclosure: The company should disclose its GHG emissions from operations and supply chain, covering Scopes 1, 2, and 3 emissions.
- Emission Reduction Targets: The company should have comprehensive short-, medium-, and long-term targets for reducing GHG emissions in its operations and supply chain, in alignment with the goals of the Paris Agreement, including Scopes 1, 2, and 3 emissions where applicable.

Investment teams may choose to deviate from ISS recommendations, subject to a formalised override procedure.

More information on our voting approach is available in our [Voting Policy](#).

### c. Advocacy and Initiatives

While we do not directly engage with policymakers, we actively support advocacy efforts through our participation in initiatives led by influential organisations. This includes endorsing letters and statements sent to governments by groups such as the Investor Agenda, of which the UN Principles for Responsible Investment (UN PRI) or the UNEP Finance Initiative are among the founding partners.

Additionally, we support the Taskforce for Climate Financial Disclosure and participate in various initiatives, such as the Institutional Investors Group on Climate Change (IIGCC) or the CDP. We also collaborate with industry stakeholders, like Swiss Sustainable Finance or the Forum pour l'Investissement Responsable, as well as academic institutions, like the Cambridge Institute of Sustainability Leadership, to advocate for sustainable and climate-conscious practices and policies.

The full list of initiatives in which UBP is a member of, supporter or signatory to, is available in our [Sustainability Report](#).

### d. Engaging with data providers

When partnering with service providers for facilitating our responsible investment and stewardship practices and as part of our alignment to policy advocacy, UBP ensures that key service providers' policies and processes are aligned with our requirements. UBP monitors, on an ongoing basis, the performance of the service providers on a risk-based approach via KPIs and engages with service providers on an ad-hoc basis to address data quality issues, methodologies or future developments and reporting requirements to ensure compliance with evolving regulation and industry standards.

More details on data provider review are included in the [UK Stewardship Report](#).

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## Risk Management

At UBP, we recognise that climate-related and broader environmental risks present significant challenges to our investments. As such, effective risk management is a cornerstone of our commitment to sustainability and meeting our net-zero goals.

Our Sustainability Risk Framework outlines our approach to managing sustainability risks across our investment portfolios. Group Risk Management oversees the monitoring and analysis of dedicated Sustainability Key Risk Indicators (KRIs), including a daily review of breaches and potential escalation to the Executive Committee. A consolidated ESG report is produced and sent to senior management monthly, with quarterly reporting to the Board of UBP Asset Management (Europe) S.A. and UBP Asset Management (France).

Climate-related risks are categorised into two main types:

#### Transition risks

These refer to the potential financial impacts on investment portfolios resulting from the shift towards a low-carbon economy. These risks can arise from changes in policy, regulation, technology, and market dynamics aimed at mitigating climate change, which may affect the valuation and performance of assets, particularly those in carbon-intensive industries.

#### Physical risks

These encompass the potential financial impacts on investment portfolios due to the direct effects of climate change. These risks include damage to assets and operational disruptions caused by acute events such as extreme weather (e.g., hurricanes, floods) and chronic changes like rising temperatures and sea levels.

To measure climate-related risks, we utilise external data providers, including ISS ESG and MSCI ESG Research, whose methodologies are robust and consistent with the Partnership for Carbon Accounting Financials (PCAF) recommendations. These resources enable us to assess our portfolios' current exposure to risks, such as carbon emissions and carbon intensity, and to conduct climate scenario analyses. This allows us to evaluate the potential future impact through both transition and physical Value at Risk (VaR) assessments, as well as estimate temperature alignment scores by 2050. Additional information on the methodologies and scenarios used is available in our [Sustainability and TCFD report](#).

We have also integrated climate into our funds' sustainability risk assessment methodology, recognising climate as one of the primary sources of risk. Our Sustainability Risk Score allocates a 30% weight to climate-related indicators, incorporating both a current assessment of issuers' carbon intensity and a forward-looking evaluation through issuers' temperature alignment scores.

For investment strategies with specific climate-related constraints or objectives, these can be tracked directly in our portfolio management system. This approach is also applied to exclusion rules, including those related to fossil fuels, allowing for pre-trade and post-trade alerts.

At portfolio level, climate risks are managed through a combination of approaches tailored to the asset class, investment process, and strategy objectives. These include the integration of climate considerations into ESG analysis, issuer or instrument selection, exclusions, and stewardship efforts aimed at encouraging more ambitious climate strategies and the adoption of science-based carbon reduction targets.

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## 5. BEYOND CLIMATE

At UBP AM, we recognise that climate change and biodiversity are closely interconnected challenges that must be addressed together to achieve a sustainable future. Healthy ecosystems are essential for mitigating climate change, as they provide critical services such as carbon sequestration, water filtration and flood regulation. Also, biodiverse ecosystems appear more resilient to the impact of climate change, such as extreme weather events. Conversely, climate change is a significant driver of biodiversity loss, altering habitats and threatening species survival.

As a result, we see our commitment to biodiversity as a direct extension of our net-zero strategy and participate in initiatives to increase awareness about nature-related risks and support the objectives of increasing nature protection and resilience.

We are engaged in the following biodiversity-initiatives:

- Finance for Biodiversity Pledge
- Member of Taskforce on Nature-related Financial Disclosure (TNFD) forum
- Farm Animal Investment Risk & Return (FAIRR)

UBP also works closely with Academia and collaborated with the CISL on several publications such as:

- University of Cambridge Institute for Sustainability Leadership (CISL, 2021) – [\*Handbook for nature-related financial risks: key concepts and a framework for identification\*](#)
- University of Cambridge Institute for Sustainability Leadership (CISL, 2022) – [\*Integrating Nature: The case for action on nature-related financial risks\*](#)
- University of Cambridge Institute for Sustainability Leadership (CISL, 2022) – [\*Let's discuss Nature with Climate: Engagement Guide\*](#)

We are also keen to address biodiversity risks and seize potential opportunities by investing in companies proactively seeking to protect and restore nature. We have thus developed a specific [Biodiversity Approach](#), which ranges from raising awareness on the issue to joining specific initiatives, gradually integrating biodiversity considerations into our investment processes and promoting engagement to address the issues with our investee companies.

# 6. REPORTING ON PROGRESS

UBP AM is committed to maintaining transparency and accountability as we work towards our sustainability and climate goals. Regular reporting on our climate efforts is essential for tracking our progress, engaging with stakeholders, and continuously improving our practices. Our reporting framework strives to align with recognised industry standards, such as the TCFD or PCAF, ensuring that our stakeholders have access to meaningful information about our commitment to achieving net-zero emissions and advancing broader environmental goals.

We also aim to provide clear and transparent information about our products, services, and operations, including our sustainability practices. By doing so, we help clients and other stakeholders understand the associated risks and opportunities, inform their decisions, and foster fair competition across the market. Our public website includes a dedicated page on responsible investment to support this transparency.

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## Sustainability information and reporting

We provide transparent and detailed reporting on our climate action and sustainability initiatives. This includes:

- **Responsible Investment and Stewardship policies:** All our sustainability-related policies are published on our website, providing transparent information on our exclusion rules, climate and biodiversity approaches as well as engagement, escalation and voting guidelines.
- **Progress on Net Zero Commitments:** UBP AM shares updates on progress toward net-zero emissions, including interim targets for 2030 and 2040, on an annual basis, either as standalone report or through UBP's UN PRI report, as prescribed by NZAM.
- **UBP Sustainability report:** This annual report provides an overview of our sustainability activities as well as climate-related disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It includes key metrics on the financed emissions of UBP's Asset Management division, such as absolute emissions, carbon intensity, and forward-looking metrics like temperature scores and transition and physical VaRs. The report also outlines the climate reporting methodologies, including estimation techniques and the climate scenarios used, to ensure clear, fair, and transparent reporting. This aligns with *NZAM Principle 10*.
- **Voting and Engagement Reports:** UBP's Asset Management division publishes reports on its stewardship activities and voting records, and the reasoning behind key votes related to climate and sustainability issues.

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## Product information and reporting

Our products are classified according to the EU Sustainable Finance Disclosure Regulation (SFDR), with Article 8 and 9 products accounting for the majority of UBP Asset Management (Europe) S.A. and UBP Asset Management (France) combined assets under management. Pre-contractual disclosures describe how sustainability risks are taken into account and managed. Additionally, a "sustainability-related disclosure" section has been added to the designated fund pages of each Articles 8 and 9 fund, displaying sustainability-related information such as the environmental or social characteristics promoted by the fund, or its sustainable investment objective, methodologies, data sources and engagement approach.

Aligned with *NZAM Principle 6*, we provide information on climate risks and opportunities included in our investment strategies through regular, or on demand, reporting.

- Monthly institutional and retail factsheets include quantitative data and key ESG metrics such as the WACI for our mutual funds compliant with SFDR Article 8 and 9.
- Quarterly reports contain more qualitative comments on portfolio activity and outlook, including ESG and climate-related ones as deemed relevant to the strategy.
- Annual SFDR periodic reports provide an overview of how our SFDR Article 8 and 9 investment products met their ESG and sustainability commitments.
- Annual Impact Reports include insights on the latest trends in impact investing, stewardship activities, the detailed environmental and climate footprint of our impact equity strategies, as well as an overview of holdings, split by investment themes, of which the "Climate Stability" theme encompasses our investments in climate solutions contributing to SDG 7 and SDG 13.
- Tailored, on-demand, ESG reports for institutional mandates.

Our Responsible Investment team is available for client meetings to present UBP Asset Management's approach to responsible investment and provide insights on our net-zero commitments, including how we consider climate risks and pursue climate-related opportunities, to help end investors design their own climate strategy.

# 7. APPENDIX

NZAM commitment	Location in Climate Action Plan
1 Set interim targets for 2030, consistent with a fair share of the 50% global reduction in CO2 identified as a requirement in the IPCC special report on global warming of 1.5°C	3. <i>Scope and Target Setting</i> ; p.6 - 7
2 Take account of portfolio Scope 1 & 2 emissions and, to the extent possible, material portfolio Scope 3 emissions	3. <i>Scope and Target Setting</i> ; p.6 - 7
3 Prioritise the achievement of real economy emissions reductions within the sectors and companies in which we invest	3. <i>Scope and Target Setting</i> ; p.6 - 7
4 If using offsets, invest in long-term carbon removal, where there are no technologically and/or financially viable alternatives to eliminate emissions	3. <i>Scope and Target Setting</i> ; p.6 - 7
5 As required, create investment products aligned with net zero emissions by 2050 and facilitate increased investment in climate solutions	4. <i>UBP AM's Actions: c. Investment in Climate Solutions</i> ; p.8
6 Provide asset owner clients with information and analytics on net zero investing and climate risk and opportunity	6. <i>Reporting on Progress</i> ; p.12
7 Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner	4. <i>UBP AM's Actions: Stewardship</i> ; p.9 - 10
8 Engage with actors key to the investment system including credit rating agencies, auditors, stock exchanges, proxy advisers, investment consultants, and data and service providers to ensure that products and services available to investors are consistent with the aim of achieving global net zero emissions by 2050 or sooner	4. <i>UBP AM's Actions: Stewardship</i> ; p.9 - 10
9 Ensure any relevant direct and indirect policy advocacy we undertake is supportive of achieving global net zero emissions by 2050 or sooner	4. <i>UBP AM's Actions: d. Advocacy and Initiatives</i> ; p.10
10 Publish TCFD disclosures, including a climate action plan, annually, and submit them to the Investor Agenda via its partner organisations for review to ensure the approach applied is based on a robust methodology, consistent with the UN Race to Zero criteria, and action is being taken in line with the commitments made here	6. <i>Reporting on Progress</i> ; p.12

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