

The background of the entire image is a high-angle aerial photograph of a person in a red kayak on a body of water. The water is a vibrant turquoise color, and the 底部 is visible through the clear surface, showing various rock formations and sandy areas. The kayak is positioned in the lower-left quadrant of the frame.

APRIL 2020

IMPACT REPORT 2019

UBAM - Positive Impact Equity



UNION BANCAIRE PRIVÉE

Foreword



Anne Rotman de Picciotto

Member of UBP's
Board of Directors

The last few years have seen the financial services industry progressing towards socially responsible investment solutions. Some may argue that progress has been slow, but the understanding is growing that we live in a world of finite resources, with an expanding population, which will lead to some negative outcomes, if not confronted today. Each of us has a role to play for our children, our community and our planet and we are increasingly aware that the status quo is simply not an option. In these troubling times of global pandemic, the importance of this mission becomes increasingly relevant.

At UBP, we are committed to acting responsibly. We know that economic growth and corporate profitability will be difficult to deliver without an adjustment towards sustainability.

As one of our priorities in 2019, we created a Sustainability Board in order to provide a strong framework for UBP's responsible investments and corporate responsibility. As signatories to the UNPRI, we continuously strive to improve our rating through numerous engagements, from sustainable proxy voting, following the Institutional Shareholders Services guidelines, to supporting the initiative for the Amazon forest conservation program. In our commitment to transparency, we will also be publishing the carbon footprint of our investment platforms as of 2020. After becoming members of Swiss Sustainable Finance (SSF) and Sustainable Finance Geneva (SFG), thus strengthening our engagement for a sustainable marketplace, we have also become a founding member of The Big Exchange, a UK mission-led, financial services proposition which will open investing and saving to retail investors.

Today, the standardisation of impact reporting is becoming a crucial strategic challenge for investors. Indeed, finding the most holistic way to translate one's investments into measurable data is key in order to compare and improve investors' engagement in positive impact. We believe that a common measurement approach is one of the main elements needed to address this shortfall, and have therefore joined the Investment Leaders Group, a select network facilitated by the Cambridge Institute for Sustainability Leadership (CISL). We worked closely on the publication of the "In Search of Impact" report, showcasing a dashboard of standards for assessing the impact of an investment.

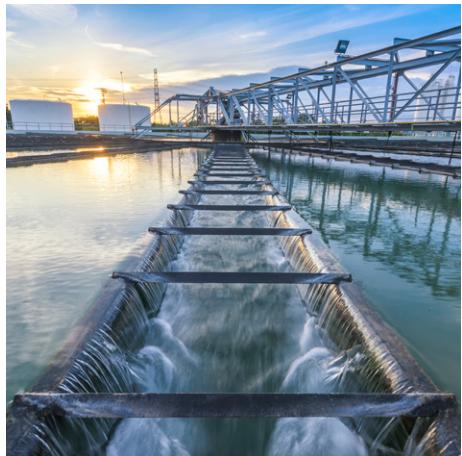
In this quest for a measurement of impact investments, UBP has developed an authentic methodology at the heart of its investment process called IMAP. This unique proprietary scoring system is supported by the Bank's independent Impact Advisory Board, composed of eminent specialists in the fields of academia, environment and community-based impact investment. Our aim is not only to validate our process, but also to shape a holistic positive impact asset allocation solution through our growing investment range.

Focusing on the 17 UN SDGs, UBAM - Positive Impact Equity is the first authentic product to harness an awareness of corporate footprints within the Bank, and we believe the companies we own offer long-term growth potential.

This second Impact Report is a great opportunity for us to take stock of what we have achieved and look to the future. We are firmly committed to improving and measuring responsible investments without compromising on performance for our clients.

A handwritten signature in black ink, appearing to read "Anne Rotman de Picciotto".

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AN EVENTFUL YEAR

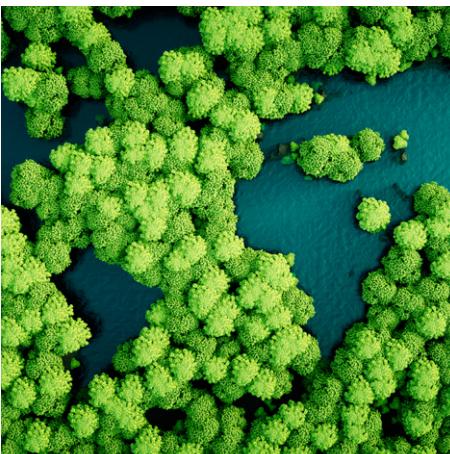
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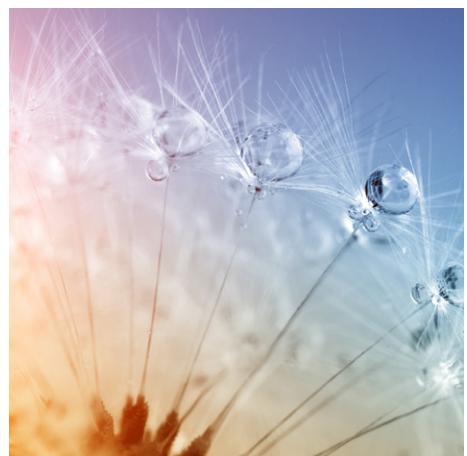
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Introduction

“The economy is a wholly owned subsidiary of nature not the other way around.”

Tony Juniper, Chair, Natural England



Victoria Leggett
Head of Impact Investing
& Co-Manager
UBAM - Positive Impact Equity



Rupert Welchman
Co-Manager
UBAM - Positive Impact Equity

We warmly welcome you to our second impact report. We hope that those of you that have been involved share our sense of achievement in the milestones attained so far. There is, of course, much more to do.

UBP's impact investment philosophy is founded on five principles – **transparency**: all elements of the process should be open to scrutiny; **accessibility**: the Positive Impact funds should be available to the widest possible audience at a reasonable price; **collaboration**: investment managers should join forces wherever it increases understanding and momentum behind the SDGs, because the sum of individual actions is greater than its components; **measurement**: the impact needs to be demonstrated, and we devote a significant portion of our effort here; finally, **value creation**: we connect our impact efforts with our desire to generate market-leading investment returns.

We have taken steps to enhance our proprietary IMAP company assessment system, which we set out in detail in the last annual report. This time, we will focus on our Impact Advisory Board, as well as our Impact Investment Committee which steers the ongoing development of impact investing at UBP. We are fortunate to have a key new recruit in Simon Pickard as head of the Impact Investment Committee.

The universe of stocks assessed through the IMAP lens of Intentionality, Materiality, Additionality and Potential continues to grow each week. The ongoing Covid-19 pandemic is changing human behaviour in the short term, but it will also have long-term consequences. The rich data being collected in this unprecedented period of lockdown will add authority to

the sustainability cause. Policy-makers will be armed with multifaceted results from this real-life stress test as their rationale for future regulatory changes, rather than relying purely on computed scenario analysis. We see many new areas of positive impact opening up to us as investors.

The number of professionals focused on impact at UBP has expanded significantly (as can be seen in the photograph on page 26). The result of this growth is a greater sense of conviction that the IMAP process works as a primary tool of stock selection. When we explain our methodology to company managements, most welcome the approach and willingly share a long-term aspiration to improve their business processes, as well as identifying disclosable targets which illustrate their improvements. The emergence of a wide variety of means of measurement (Science Based Targets Initiative, Investment Association, EU Taxonomy etc.) is adding a top-down element to our bottom-up approach with the IMAP assessment at its core.

In the following pages, you will find a review of 2019, including process improvements and growth in our products. We also introduce the Advisory Board members, and report on our updated top-down and bottom-up measurements before focusing on one of our new portfolio holdings which embodies a number of qualities we like in listed impact investing. In the final pages, we cover recent collaboration and the charities we support to address SDG 16.

In this exciting adventure, we should champion the disruptors and help guide the reluctant. After all, who wants to say they are involved in unsustainable finance?

Key milestones in an eventful year

Sept. 2018

Launch of UBAM - Positive Impact Equity

Q4 2018 saw both a market decline and the biggest rotation out of growth stocks in over 7 years. Almost every developed market index experienced double-digit declines. A very difficult backdrop for the launch of a new fund.



Jan. 2019

Launch of “In Search of Impact” Report with CISL

UBAM - Positive Impact Equity is the sample fund in this report. We worked very closely with CISL to develop a dashboard which helps to create a standardised way of assessing the impact of an investment.

May 2019



Became a founding member of The Big Exchange

Mar. 2019



Publication of inaugural annual Impact Report

Jan. 2019



Awarded five stars by 3D investing

Past performance is not a guide to current or future results.

Nov. 2019

Impact Advisory Board's first meeting

Our independent Advisory Board is comprised of experts from across the sustainability community. It challenges the IMAP scores of the fund and provides broader comments and advice to assist with the development of the impact franchise at UBP.

Aug. 2019



Awarded 'Gold' standard by The Big Exchange

One of only 5 funds (out of 40) to be given a gold rating

Nov. 2019



Award for: "European Fund Launch of the Year"

Nov. 2019

Victoria Leggett finalist in 2019 Women in Investment Awards Investment Week

Past performance is not a guide to current or future results.

Process review and development

Impact investment in listed markets treads a sensitive path, drawing its inspiration from the purist roots of philanthropy and private markets and seeking to employ those principles in the mass market world of listed companies.

This process is not without its complications, and an awareness of the many pitfalls in adapting the approach is essential. We have chosen to construct our process on the foundations of the 17 Sustainable Development Goals (SDGs) which, since publication on 1 January 2016, have acted as a call to arms for all stakeholders in society.

The SDGs collected into our six super-themes provide the investment team

with a strong and robust framework to identify impact companies and construct our portfolios. We are directed by the 169 UN SDG sub-goals and informed by the 244 indicators. Our six super-themes are based on a common approach derived from our close collaboration with the Cambridge Institute for Sustainability Leadership. This framework replaces the traditional industrial sector approach and directs our efforts towards areas of greatest need and highest potential growth for investors.

The growth in our team has permitted UBP to take major steps forward in its research. We have built out a process that focuses heavily on a systems-thinking approach, intent on identifying all connected elements within a particular area of focus. For example, our work around the circular economy has shed light on the intricate mesh of blockers and fixers, the active stakeholders and thought-leaders. There is still much to do here but 2019 saw a significant step up in our capabilities.



Impact in emerging markets: from fund to platform

UBP's impact investing aspirations were never limited to a single fund. The expertise invested in creating an authentic and structured approach has delivered a competence which in time will be capable of offering our investors a broad range of funds sharing a common set of principles. In 2020, UBP is taking the exciting step of launching its second impact fund; a move that takes us from a single impact fund to an impact platform. This extension is best explained by its Portfolio Manager, Mathieu Nègre.

It has been over two years since the Emerging Equities team joined the impact investing effort and started to look at the investment universe under this new lens. We started by providing analytical support on specific stocks, but ended up building a research library of stocks, IMAP scores and themes that allow us to have a global view of what impact investing can mean in our markets. Along the way, we have formed the conviction that impact investing in listed emerging equities is a significant investing opportunity for at least two reasons.

First, emerging countries tend to lag behind developed ones when measured against the UN SDGs. That means that the potential for improvement is higher, and the growth runway for companies providing what can sometimes be perceived as "basic" services a lot longer. We have examples of companies in Brazil and the Philippines, for instance, which enjoy significant growth rates by connecting new areas to water or electricity networks, thereby providing important services to previously neglected consumers, and a springboard for future development.

Second, the governance and regulatory environment is generally less robust in emerging countries. At the corporate level, sustainability reporting can be unavailable, or less comprehensive than one would expect in Geneva, Tokyo or New York. That is both a challenge and an opportunity. The challenge is that we sometimes struggle to establish a genuine dialogue about sustainability with the companies we research. We regretfully have to exclude companies with great impact potential as they don't reach our governance standards. On the plus side, it is easier for us to make a difference. Many of the companies we engage with are at an early stage in their sustainability strategy and are happy to take suggestions from investors. In the most extreme cases, we have talked to companies with a genuine positive impact, but who had never thought of it as such.

It is also interesting to keep in mind that the opportunity set in emerging markets is different from that in the developed world. There are more companies listed in emerging markets that target education, clean energy or financial inclusion. If you take the latter as an example, most of the financial services requested by consumers

in, say, Western Europe are offered by banks and trendy fintech companies. But in Latin America, Africa and Asia it is possible to get exposure to companies specialised in microcredit or the financing of very small enterprises. Those companies tend to have a higher Materiality score and a greater impact per dollar invested thanks to the purity of their business models.

Symmetrically, it is more difficult for an emerging market investor to find opportunities in biotechnology and in our healthy ecosystems thematic. As far as biotechnology is concerned, we have to accept that certain research-intensive sectors will, for the time being, be hard to reach for emerging market investors: these sectors require a level of cumulative research and access to capital that is rarely present in emerging markets (with notable exceptions, such as technology hardware or internet services). Regarding ecosystems, we will need to see more local regulation and an increase in consumer demand for sustainability for this sector to develop outside high-income countries. Until then, there is already a lot to do in areas of emerging equities that can offer diversification benefits to the global impact investor.



The UBP Impact Advisory Board

One of the major achievements of 2019 was the establishment of UBP's Impact Advisory Board, made up of six independent impact experts with the purpose of guiding the Bank's investment decisions from an impact perspective.

The Impact Advisory Board, which meets twice a year, is chaired by Anne Rotman de Picciotto. Its role is to provide a level of scrutiny for the IMAP scores for fund holdings; review the Impact Investment Committee's activities and portfolio management decisions; and provide the team with guidance and

insight on real-world developments from each member's perspective, depending on their area of expertise. The format of the meeting will centre around five company reviews selected by Simon Pickard, Chair of our internal process steering group (Impact Investment Committee).

Below, Simon introduces the Advisory Board and the thinking behind its creation, followed by some words from three of the board members to explain their decision to join.

Impact investing in listed equities is young and industry standards are still being developed. Investors naturally require assurances that their savings really are furthering the UN's SDGs. The Impact Advisory Board is a key part of that commitment, for its independent oversight and advisory role and for the expertise and experience of the SDGs that its members bring to their role. It is a privilege to be able to call on their knowledge in our journey to create real impact through UBP's impact investment fund platform.

Simon Pickard – Chair, Impact Investment Committee



Tony Juniper – Chair, Natural England, the UK government's official nature conservation agency. Tony is a well-known writer and speaker on conservation and sustainability themes. He has been recognised multiple times for his thought-leadership, throughout a career that has spanned important jobs at WWF, Friends of the Earth and as a special advisor to the Prince of Wales' International Sustainability Unit.

During recent years solutions to environmental challenges have been increasingly prominent in new government policies and in the strategies of many companies across all sectors of the economy, with both of these driven by rising public demand for action. Key to progress, however, will be action from the financial sector. Investors have now begun to see the vital role that they must play and the UBP Impact Advisory Board offers an opportunity for pioneering strategy to allocate capital in ways that can begin to bend back the terrifyingly rising curves of climate-changing emissions, ecological degradation and species extinction. I am delighted to be able to contribute to what I hope will be a leading example of how it will be possible to align profitable business with what are now the most pressing concerns facing our world.

Tony Juniper

The climate emergency that we find ourselves in puts us in a stark position where we must explore all possible alternatives to reduce harm from the investments we make and, more importantly, to be intentional and conscious about how we allocate our private capital. Some still hold the inaccurate view that deep impact is impossible in the public equities market. Whilst it is true that the complexity of traded companies makes it more difficult and complicated to measure impact accurately, we must still make a concerted effort to draw knowledge from the private and debt markets where impact, risk and return have been largely mainstreamed into most asset allocation decisions. UBAM's listed impact platform is at the forefront of this mindset shift and I want to draw and share my experiences from the journey I have had as an impact investor in the private and debt space.

For us to make a positive change on the planet we must extend an impact mindset across broader asset classes and the UBAM impact funds are an excellent signal to the market that this is indeed possible.

Kanini Mutooni



Kanini Mutooni – Managing Director (EMEA) for Toniic, the global action network for impact investors. Kanini was previously Director of Investment at the USAID-funded East Africa Trade and Investment Hub as well as holding leadership positions in London and the US at Bank of America and Dresdner Kleinwort Benson.



Jake Reynolds – Executive Director, Sustainable Economy at the Cambridge Institute for Sustainability Leadership (CISL). Jake is responsible for research at CISL as well as the Institute's Centre for Sustainable Finance which develops thought leadership through long-running collaborations with insurers, banks and investors. His broad set of skills are employed by the Nature Sustainability journal, the Cambridge Conservation Research Institute as well as the UN's Global Environment Outlook for Business programme.

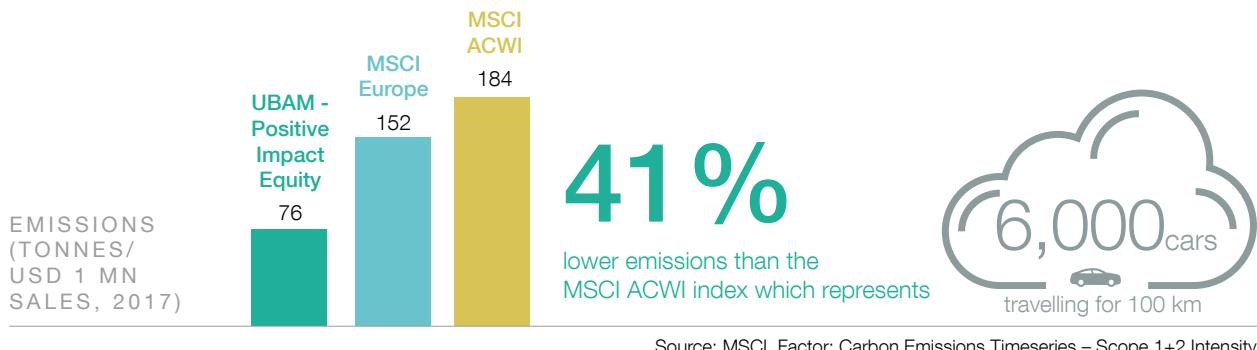
UBP's Positive Impact Equity fund platform is one of a new genre of investment strategies that seek positive results for nature and the environment alongside robust financial returns. How does it do that? By carefully selecting assets among companies which either offer solutions for a sustainable economy directly, such as electrical storage, sustainably produced protein, or microcredit, or which are transitioning strategically to more sustainable models of business.

These companies need to know that investors are willing to come with them on their journey, and the UBP impact fund platform is one way that sentiment can be reinforced. There is every possibility that success here will trigger growth in such funds across the capital markets, with credit due to those who pioneer the space. As an academic with a particular interest in sustainable finance, I strongly value the opportunity to contribute behind the scenes to the funds' success. When done right, cooperation across the academic-practitioner spheres can be highly beneficial to all parties.

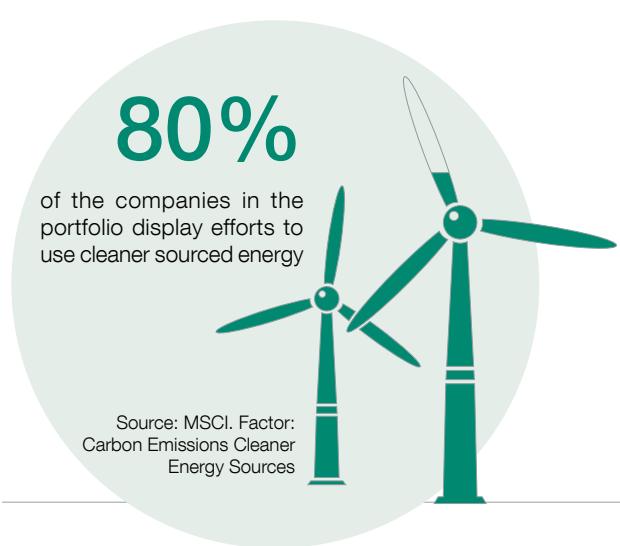
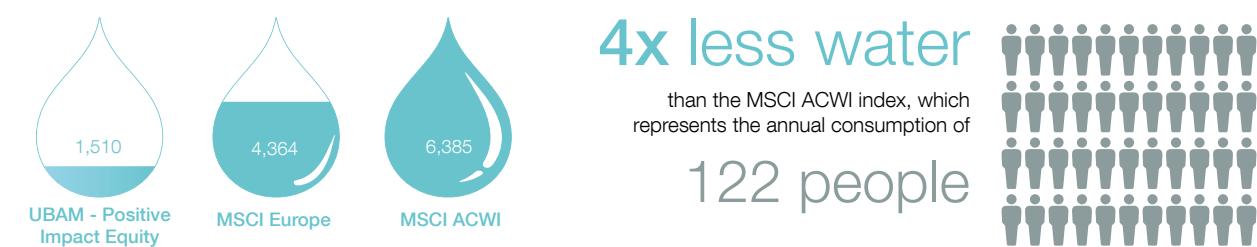
Jake Reynolds

UBAM - Positive Impact Equity's footprint in 2019

Performance* of UBAM - Positive Impact Equity versus the MSCI Europe and MSCI ACWI, per EUR 1 million of sales

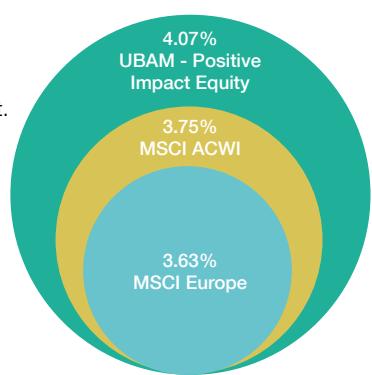


WATER WITHDRAWAL
(CUBIC METRES/USD 1 MN SALES, 2018)



AVERAGE R&D SPENDING
(% OF SALES)

contributed to EUR 40,700 towards research & development. Compared to the previous year, the narrowing gap reflects the new investments from major index constituents (i.e.: oil companies into renewables) while companies in the fund were proactive innovators



*Metrics calculated using relevant MSCI and Factset data points (water withdrawal per USD 1 mn of sales, emissions per USD 1 mn of sales, clean energy sourcing efforts and R&D spending as % of sales). Data was normalised to represent the entire portfolio or index when disclosure was missing for some constituents.

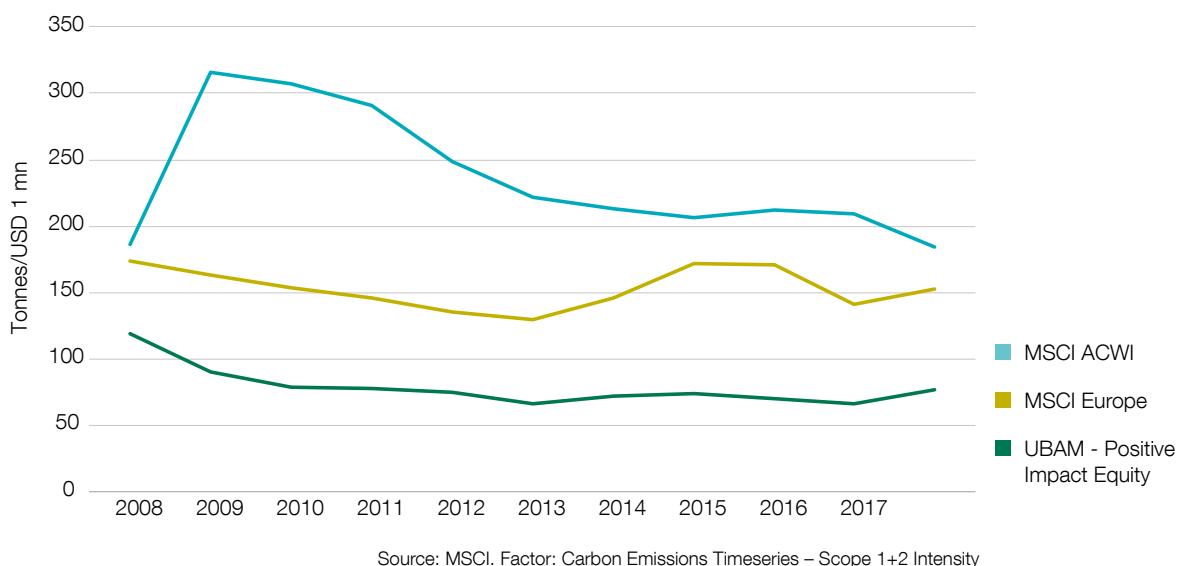
Disclosure levels:

Water Withdrawal: Fund: 18%; MSCI Europe 53%; MSCI ACWI 16% - Emissions: Fund: 85%; MSCI Europe: 96%; MSCI ACWI: 99% - Clean energy efforts: Fund: 85%; MSCI Europe: 100%; MSCI ACWI: 99.90% - R&D spending: Fund: 56%; MSCI Europe 53%; MSCI ACWI 53%

Footprint over time

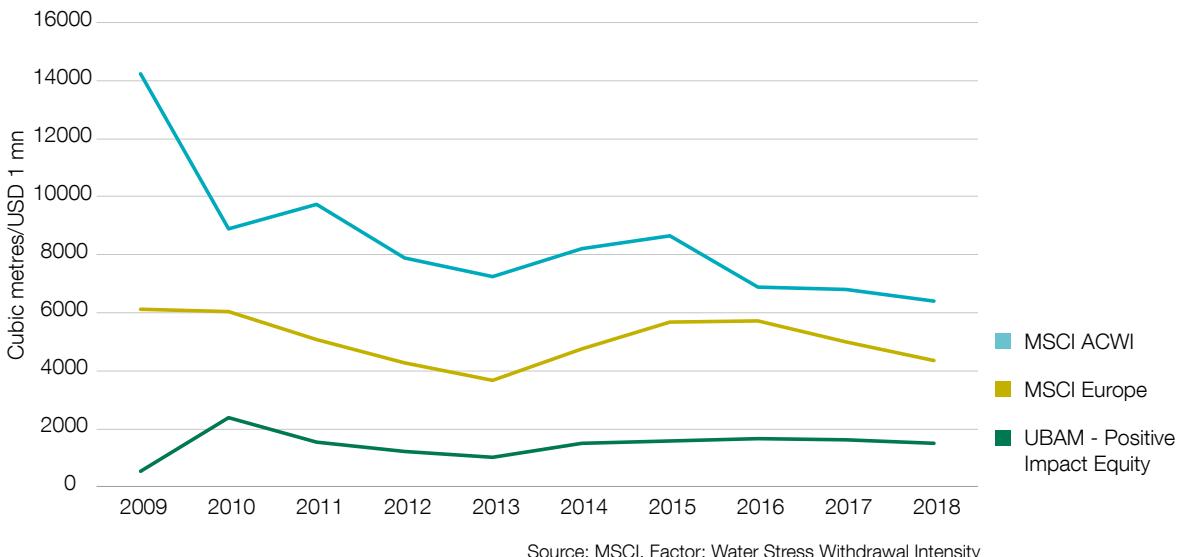
Time-series data* offer valuable insights into how an investment's footprint changes over time and how it compares to others. Current data availability means we are in the foothills of what we can potentially show. In time, we intend to broaden the kinds of data we can illustrate in time-series format. Some illustrations of the target measurements we are building can be found in snapshot form overleaf.

CO₂ EMISSION INTENSITY OVER TIME (TONNES/USD 1 MN SALES) OVER TIME



Source: MSCI. Factor: Carbon Emissions Timeseries – Scope 1+2 Intensity

WATER WITHDRAWAL



Source: MSCI. Factor: Water Stress Withdrawal Intensity

*Metrics calculated using relevant MSCI data points (water withdrawal per USD 1 mn of sales, emissions per USD 1 mn of sales) over time.

Data was normalised to represent the entire portfolio or index when disclosure was missing for some constituents

Historical performance of indices uses constituents as of January 2020 which are then backtested

Despite being normalised, the index performance values change over time as disclosure of constituents increases

Timeframe subject to company disclosure date and MSCI data point availability, causing representation lag of most recent years.

Beyond financial performance,
EUR/m investment reflects
the following*:

“

Sometimes it is better to do a bad job of measuring something important than a good job of measuring something irrelevant

Mike B-L

55

users provided with easier finance access in Kenya

20 tonnes

of steel dust recycled

1,100

tonnes of CO₂ displaced*

USD 7,000

worth of scholarships provided to students in Latin America

303,000

cans and bottles recycled

165 kg

of ghost fishing nets recovered and recycled into fibre and textile

500

new e-bikes powered every year

68

loans provided to financially challenged female entrepreneurs

210

litres of wastewater treated and redistributed

20 patients
receiving ground-breaking allergy medication

*based on disclosure by 8 companies held in the fund and only considering relevant business lines.

Metrics calculated using company-disclosed non-financial key performance indicators. Investment in the company from a EUR 1 mn investment is derived using the fund weight/total market capitalisation x KPI to obtain a fund-attributable figure.

Example: This year, ASA International provided 2,300,000 loans to financially challenged female entrepreneurs. At current weight, every EUR 1 mn investment allocates EUR 9,400 to ASA which has a EUR 320 mn market cap. Therefore, (0.0094/320) x 2,300,000 = 68 loans.

Positive impact in listed markets

A pure-play poster child

The holy grail in the impact world is the discovery of a credible disruptor whose solution offers a meaningful improvement to the footprint of an economically important industry. Vested interests have often suppressed innovation in the past, but as carbon pricing becomes more visible, industries like cement are being forced to confront their polluting habits.

When we were approached by a small regional French broker to take a look at a promising new flotation in the materials sector, we agreed whilst reserving a healthy degree of scepticism. The global cement industry is highly consolidated and slow to innovate, explaining why its 8% of global CO₂ emissions is stubbornly high. It is also, somewhat unfairly, the poster child for polluting industries. Infrastructure needs throughout the globe are significant, and the number of buildings is expected to double by 2060 – the equivalent of one New York City every 30 days. We are simply unable to achieve the necessary urban planning without cement and its derivatives.

Disruption of the incumbent players is a daunting challenge. Taking just the five largest cement players listed in Europe, a would-be challenger is faced with a combined EUR 76 bn market cap, and an equal level of revenues. These five players have proven themselves more than capable of tapping into the fixed income market too, with some EUR 35 bn worth of outstanding debt. Scale is all-important, but this is a nuanced industry where scale at regional level can only be delivered by scale at local level. This is also the chink in the armour and the opportunity for this newcomer we are championing, Hoffmann Green Cement.

David Hoffmann approached Julien Blanchard to industrialise a patented technology he had developed in low-emission cement in 2014. After the completion of proof of concept, Hoffmann Green Cement raised EUR 75 mn worth of new capital in its Paris IPO in October to fund the construction of a second and third production plant in the Vendée area.

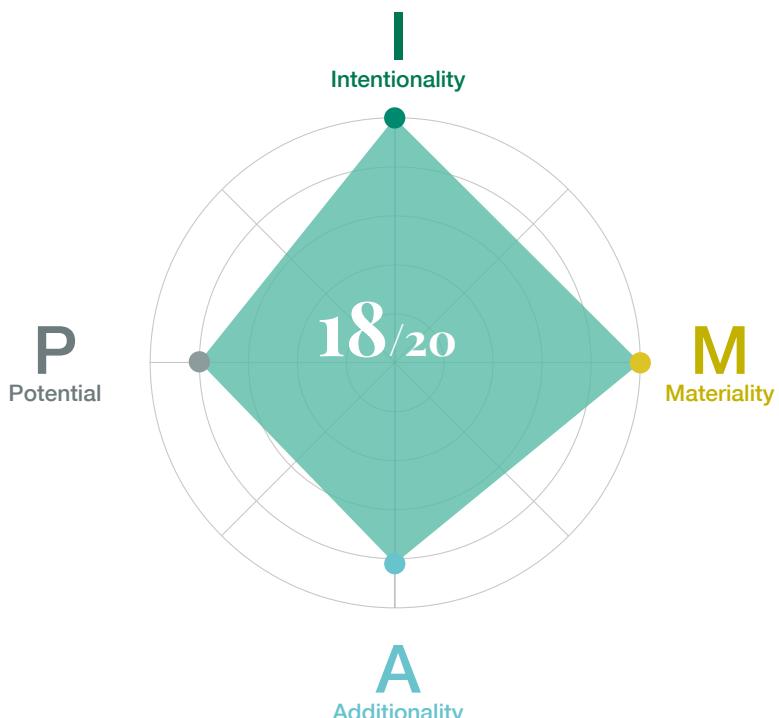
The clincher for us, as impact investors focused on generating attractive returns for our clients, was the knowledge that the technology has already been significantly de-risked and commercial partners (in particular Bouygues Construction) have already contractually agreed for 80% of the 2021 planned capacity.

Hoffmann Green's cement production process has achieved more than an 80% reduction in CO₂ emissions, at a time when the carbon transfer system (for trading CO₂ credits in Europe) is becoming increasingly punitive for polluters.

In summary, Hoffmann Green's impact credentials are strong. The intentionality,

materiality and above all additionality scoring using our IMAP methodology are all about as high as we have found in any company we have analysed to date. However, two other features stand out in particular. The P of IMAP (potential) assesses our best-case estimate of the 'total addressable market' of a solution when at scale. In the case of Hoffmann Green, their current investment plans would only deliver a 3% market share by 2024. There is little sense in believing that, if successful, they stop there. In short, this company's IPO is the blueprint for a growing number of impact-orientated IPOs we have witnessed raising new capital in an increasingly welcoming public equity market.

HOFFMANN GREEN'S IMAP SCORE



Engagement

A structured approach yields results

In earlier pages, we acknowledged the complexities involved in measuring impact. For some in finance this complexity creates an insurmountable hurdle blocking any attempt to combine authentic impact investing with funds aimed at publicly listed companies. Our approach is more pragmatic, driven by the belief that public markets can and should be harnessed for good just like their private market relatives. The weight of the money argument combined with a faith in the reverberation effect of creating influential impact champions in listed markets are incentives too attractive to ignore. However, there are two basic elements that we see as non-negotiable in the authentic delivery of impact investing in listed markets: an active approach to voting and a rigorous and uncompromising engagement process.

UBP has taken an important step at group level by moving its ISS voting status from Standard to Sustainability, underlining the bank's driving commitment to improve its responsibility approach. In addition, the Impact team votes against any remuneration report that does not contain sustainability targets. The outcome will mean that we may frequently vote against our companies' boards, but we believe this is a responsible step for us to take.

Over the last twelve months, the UBP Impact team has dramatically expanded its engagement activities. At inception we engaged with companies in search of a deep understanding of the intentionality of management and their measurement disclosure as proof. As we lap those conversations multiple times over, we are building an extensive reservoir of interactions focused on the identification of impact. This is powerful

as it gives UBP's impact team the tools to investigate more searchingly, guide more knowledgeably and report more deeply.

There are some natural battlefields in the sphere of impact, for example, aquaculture. Here, the bridge between science and finance is relatively well-developed and we have found it easier to engage with our target companies with more of a uniform agenda. However, in other areas of our thematic universe, access to insight is less comprehensive. Our Impact Engagement Framework seeks to share an agenda of best practice in twelve complementary fields with all companies we engage with. We explain all twelve areas on the following page. When successfully deployed this framework allows our team to investigate and guide, with the intended outcome of developing meaningful measurement in a joined-up approach for companies of all shapes and sizes.



INVESTIGATION

Impact investment requires deep and regular bilateral engagement with all target companies and holdings.



GUIDANCE

The biggest potential for impact can arise when a business chooses to evolve. A constructive and honest relationship is an agent for positive change.



MEASUREMENT

The absence of top-down aggregated non-financial data means bottom-up measurement is essential. Engagement is the most effective way to achieve this.



DEVELOPMENT

Engagement goes beyond relationships with corporates. Where possible, we collaborate with our peers to create top-down change to disclosure environments.

IMPACT ENGAGEMENT FRAMEWORK 2019

	BASIC NEEDS	HEALTH & WELL-BEING	INCLUSIVE & FAIR ECONOMIES	HEALTHY ECOSYSTEMS	CLIMATE STABILITY	SUSTAINABLE COMMUNITIES
Strength of sustainability strategy	Green	Yellow	Green	Green	Green	Green
Chief sustainability officer?	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Sustainable remuneration?	Orange	Yellow	Orange	Yellow	Yellow	Yellow
Impact targets?	Yellow	Yellow	Yellow	Green	Green	Yellow
Strength of benefit	Orange	Yellow	Yellow	Green	Green	Yellow
Bottom-up measurement	Yellow	Yellow	Green	Yellow	Yellow	Yellow
Emissions measurement	Yellow	Yellow	Green	Green	Green	Green
Emissions target	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Emissions avoided endowment	Orange	Yellow	Yellow	Green	Yellow	Yellow
Charitable projects	Green	Green	Green	Green	Green	Green
Reporting standards (GRI, TCFD, SBTi)	Yellow	Yellow	Yellow	Green	Green	Green
Circular economy value?	Orange	Yellow	Yellow	Green	Green	Yellow

We have conducted a full Impact Engagement Framework review of our portfolio. The 100% response rate from 34 companies gives a valuable snapshot of the state of future fitness among companies we believe to be positive impact fixers. The colours, grouped into themes, are not intended to be punitive; we do not expect twelve green rectangles. No company is the perfect impact name, some of our portfolio companies have been in business for over 100 years and we recognise that it takes time to evolve. The path of travel is more instructive than a snapshot along the journey.

Healthy Ecosystems is the best scoring theme out of both the environmental and the societal themes.

All of the companies of the fund take part in projects outside of their business operations and engage with society

24%

of companies have a Chief Sustainability Officer in place and another 58% display intention or efforts towards creating the role

77%

of companies measure their scope 1 and 2 CO₂ emissions (scope 3 where possible)

67%

of companies have already established or are finalising the development of a carbon emission target

65%

of Croda's raw materials are from renewable sources versus an industry average close to 10%

Kingspan targets net zero carbon manufacturing by 2030

See our Impact Engagement Framework white paper for more detail.



Development case studies

Constructive collaboration

One of the leading principles that drive impact investing at UBP is collaboration. We respect two home truths. First, we don't know everything. We need to reach out for knowledge where we are lacking. Second, we will not change the world alone, nor will anyone else. The problems facing us, both for people and the planet, are global in nature. Embracing these two truths should drive all participants to collaborate. In our 2018 Annual Impact Report, we devoted two pages to our first major collaboration in our work with the Cambridge Institute for Sustainability Leadership and its practitioner body the Investment Leaders Group. In the last 12 months we have joined two other organisations both of which embody all that is best in collaboration, the union of knowledge with intentionality at scale.

**The Big Exchange – in the words of Cam Bourne,
Head of Partnerships, The Big Exchange**

The Big Exchange is the UK's first sustainable-only investment platform, co-founded by the Big Issue Group in 2019 in partnership with a number of established finance firms. Amongst them, UBP is credited with being one of the founding partners without whose support and involvement The Big Exchange would not exist.

The Big Exchange's aim is to make financial services more inclusive, to allow us all to make our society and planet better through our personal finances. Nigel Kershaw, the person behind the idea of The Big Exchange, says to us, "I think if you can say: 'you can invest your ISA (UK savings) in things that give you a financial return but are also good for you, your family, your

community, your country and your planet' – then it's that ability to take control of that decision which is so powerful. That's what has always driven me. Just as The Big Issue does, it's helping people to take control of their lives but in this case we are beginning with their financial lives."

From March 2020, anyone can open an investment account and start investing in funds screened and rated by 3D Investing for as little as GBP 25 a month. The UBAM - Positive Impact Equity fund is one of only 5 gold-medal funds on The Big Exchange. Each fund is rated for the positive contribution it is making to the United Nations Sustainable Development Goals - they can earn a Bronze, Silver or, if they are seen to be going the extra mile, a Gold medal. It is great to make a fund of this quality available to the UK general public through The Big Exchange and to have UBP's experience and credibility on board. We hope to work closely with the team at UBP to improve our impact offering to investors and fundamentally, to make investing more accessible to everyone.



FAIRR

FAIRR's mission is to build a global network of investors who are focused and engaged on the risks linked to intensive animal production within the broader food system. It helps investors to exercise their influence as responsible stewards of capital to engage and safeguard the long-term value of their investment portfolios. FAIRR helps investors to identify and prioritise risk factors through cutting-edge research that investors can then integrate into their investment decision-making and active stewardship processes.

The organisation's flagship output is The Coller FAIRR Protein Producer Index which approaches its report with an acceptance that the world will need to feed an additional 2.2 billion mouths by 2050 and this reality is counter-productive to a movement focused on reducing the impact of humankind on the planet. The index's unique value lies in its ranking of large-scale protein producers through consultation with industry and issue experts to identify the nine sustainability issues deemed most material to the animal protein sector.

FAIRR has also produced a hugely influential report on aquaculture titled 'Shallow Returns, ESG Risks and Opportunities in Aquaculture'. As impact investors in listed markets we approach our investee companies in the knowledge that none will assert 100% positive impact, and all need to mitigate. The aquaculture report highlights 10 key issues common to all fish-farmers (e.g. feed, biodiversity damage, antibiotics use) which give us a

standardised framework to engage with our companies. Our aim is to apply this systems-thinking approach throughout our investible universe of solution providers and the entities they touch, and we view this style of analysis as key to developing meaningful standardised measurements.

CISL and the Investment Leaders Group

In the 2018 Impact Report we highlighted the 'In Search of Impact' paper, its purpose, its methodology and its results. The last of these elements was delivered by using UBAM - Positive Impact Equity as a test fund. The findings were visually impressive and accessibly informative. The impact framework laid out criteria for analysis that all investment fund providers could follow, thereby producing a common set of results for fund selectors to compare. This set of observations is intended to evolve into more ideal measures as disclosure improves. It is by nature a long-term project and in 2019, UBP actively contributed by taking part in educational events across Europe.

But the ILG is dynamic in its scope and in 2019, the group also published a ground-breaking piece of research on investor attitudes towards sustainability. In keeping with its research roots, 'Walking the Talk' focused on the individual's true behaviour when it comes to investing their own money, aiming to discover whether sustainability itself could be described as an investment aim. The results are fascinating and can be found here: www.cisl.cam.ac.uk

OUR PARTNERS



Our approach to SDG 16

Peace, Justice & Strong Institutions



Peace, Justice and Strong Institutions, SDG 16, is the mechanism that makes the other 16 SDGs achievable.

The SDGs are a powerful road map for individuals, businesses, governments or asset owners as well as investment managers. Their strength lies in their collective nature and their accessibility. They are intended by design to touch every facet of human society and its imprint on our shared planet. We would concede that some areas, in particular within the finer details of the UN SDG sub-goals, are

more challenging to fulfil in a traditional investment management approach; such is the case with SDG 16. This is a hugely important goal embedding principles of a fair and equal society and it drives the argument for why the other 15 SDGs are important. We have not yet identified a listed company focused on SDG 16, so instead the fund addresses this crucial goal through a donation of part of the annual management charge to charities that can.

In 2019, UBP made a commendable start in this endeavour, distributing EUR 33,440 to a hand-picked group of charities (rolling to Q3 2019). These organisations were selected on the basis of their close alignment with SDG 16, the efficacy of their operations, and the transparency of their governance. The organisations listed below, much like the companies in our fund, provide a real point of difference, and are making a genuine positive change in their field.

ENGLISH PEN

English PEN is one of the world's oldest human rights organisations, championing the freedom to write and read. EP protects freedom of expression whenever it is under attack, supports writers facing persecution around the world, and celebrates contemporary international writing with literary prizes, grants and events.

In 2019 the charity supported over 120 writers at risk in 35 countries, hosted 3 residencies for international writers in the UK, presented writers at over 30 events, and supported over 30 new publications in translation.

16.10

Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements



When it comes to human rights, the disabled are often abused or forgotten, particularly following a natural disaster or conflict. Handicap International places a focus on helping both with the specific needs of victims and with societal and community integration – for example now rolling out 3D printers capable of producing three prosthetics a day within underserved communities.

16.B

Promote and enforce non-discriminatory laws and policies for sustainable development.



The Exodus Road®

Exodus Road is an organisation which is strategically fighting human trafficking. They conduct rescue missions, equip local law enforcement and educate people to recognise trafficking in their own community.

16.2

End abuse, exploitation, trafficking, and all forms of violence against and torture of children.

Our approach to SDG 16

Case study: Reprieve

16.3

Promote the rule of law at national and international levels and ensure equal access to justice for all.

Reprieve is an international human rights charity supporting some of the most vulnerable people in our society: those facing execution, and those victimised by states' abusive counter-terror policies – rendition, torture, extrajudicial imprisonment and extrajudicial killing. Our work is global but strategic, focusing on areas where we believe we can achieve impact. We help those who have no one else to turn to.

Over the past 20 years, Reprieve has directly helped save the lives of over 550 people from death rows around the world, not to mention the thousands we have supported through our strategic interventions. One of those we have helped is Tyson Kaula.

Tyson was carrying a sick employee down some stairs to help him to the bath and slipped. When Tyson slipped, that man fell and, sadly, died.

Because Tyson slipped, he was found culpable and sentenced to death under

Malawi's mandatory death penalty. He spent 23 years on Malawi's death row, but thanks to a landmark resentencing programme, the work of Reprieve and its partners, he is now free and back home. He now takes care of his mother, who is in her 80s, and works at a halfway house, counselling other prisoners through their transition to life after prison. He says when he lived in prison, he was not himself – now that he is free, he feels that he is truly himself again. He is no longer a number, but Tyson.

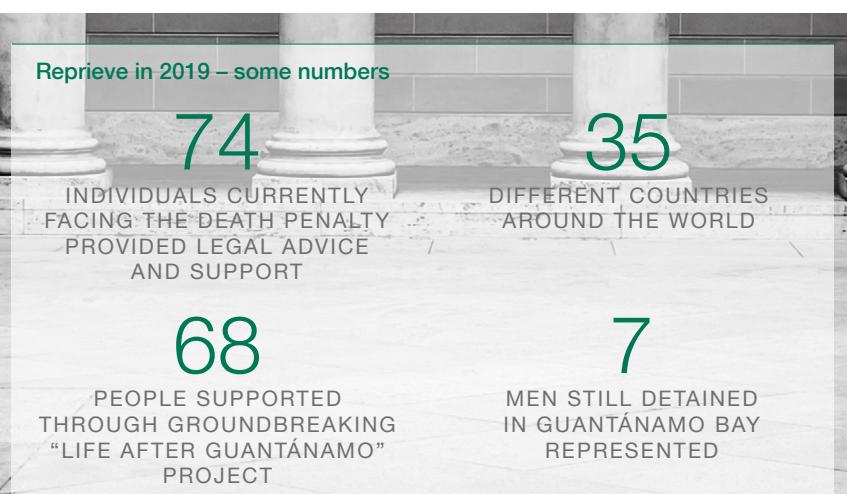
Tyson is only one of many people Reprieve helped get a second chance in Malawi. Reprieve's investigators, lawyers and campaigners started working in Malawi following the repeal of the mandatory death penalty. Thanks to our work, we have secured the release of over 150 men and women on death row in Malawi, giving them a second chance at life.

Tyson's story has a happy ending, but our work is not done yet. The death penalty is

still used in Malawi, and Reprieve continues to work with partners there to prevent new death sentences being handed down and to see the eventual abolition of the death penalty. It is thanks to the support of UBP that Reprieve is able to help people like Tyson and many more like him across the world. Our work is often complex and our cases can take years to resolve, which is why we are incredibly grateful to all those that stand by and support us. Together we can move closer to a world without the death penalty and human rights abuses, one case and strategic intervention at a time.

Written by Anna Yearley, Executive Director at Reprieve

REPRIEVE

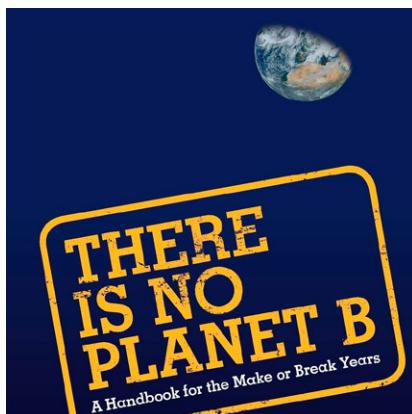


- **Expose:** We carry out in-country investigations into the use of the death penalty and human rights abuses.

- **Litigate:** We take on cases of strategic significance in order to seek some measure of justice for our beneficiaries and create a public record of abuses committed.

- **Highlight:** We tell the stories of those affected by our issues through a tailored communications programme, raising awareness and shifting the debate on the issues.

Sources of inspiration



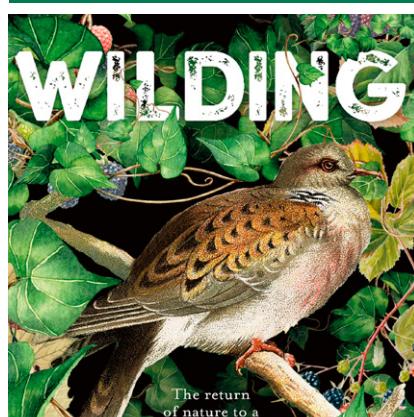
THERE IS NO
PLANET B

By Mike Berners-Lee



“DUURZAAM BELEGGEN
VOOR DUMMIES”
(SUSTAINABLE
INVESTING
FOR DUMMIES)

By Jochen Harkema
& Peter Tros



GLOBAL GOALSCAST

By Claudia Romo
Edelman & Edie Lush

Created by 'We Are All
Human Foundation'



SUSTAINABILITY
DEFINED

By Jay Siegel
& Scott Breen



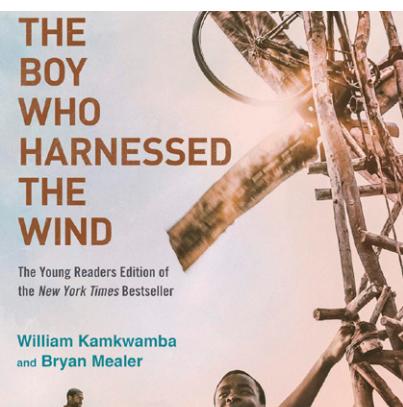
GOOD WITH MONEY

By Smug Money



THE BOY WHO
HARNESSED
THE WIND

By William Kamkwamba
& Bryan Mealer



Fund holdings as at year end

Basic Needs	IMAP Score	%	Health & Well-being	IMAP Score	%
KERRY GROUP-A	15	4.35	GENMAB A/S	18	4.06
SAFARICOM	16	3.37	ALK-ABELLO A/S	18	3.52
LAUREATE EDUCATION	14	3.30	ORPEA	15	3.46
COUNTRYSIDE PROPERTIES	14	3.11	THULE GROUP AB/T	14	3.29
XYLEM INC	15	3.10	THERMO FISHER	14	3.22
HEXAGON COMPOSITES	15	2.67	BASIC-FIT NV	17	3.15
CHRISTIAN HANSEN	14	2.18	HELLA GMBH & CO	13	2.07

Inclusive & Fair Economies	IMAP Score	%	Healthy Ecosystem	IMAP Score	%
INTERTEK GROUP	17	4.99	CORTICEIRA AMORIM	16	3.22
SIKA	15	3.61	NORWAY ROYAL SALMON	15	1.85
PARTNERS GROUP J	14	2.81	AQUAFIL SPA	15	1.66
ASA INTERNATIONAL	18	0.81	MOWI	13	1.34
			LOOP INDUSTRIES	18	0.90

Climate Stability	IMAP Score	%	Sustainable Communities	IMAP Score	%
KINGSPAN GROUP	14	4.10	BEFESA	17	3.49
RED ELECTRICA	14	3.80	ARCADIS	12	3.31
SIEMENS GAMESA R	16	2.41	CRODA INTL.	13	3.15
VALEO SA	14	1.93	DS SMITH PLC	15	3.10
TIANNENG POWER	14	1.09	TOMRA SYSTEMS AS	16	2.95
			HOFFMANN GREEN CEMENT	18	0.63

Average portfolio IMAP score: 15.1

UBP Impact team



From left to right, front to back

Tidjan Ciss, Analyst

Victoria Leggett, Head of Impact

Ruby, newest recruit

Adrien Cambonie, Analyst

Ekaterina Naumova, Intern

Eli Koen, Portfolio Manager Emerging Markets Impact Equity

Mathieu Nègre, Portfolio Manager Emerging Markets Impact Equity

Rupert Welchman, Portfolio Manager Positive Impact Equity

Simon Pickard, Chair, Impact Investment Committee

*Absent: Karine Jesiolowski, Head of Responsible Investment AM,
Charlie Anniss, Portfolio Manager Positive Impact Equity and
Ozgur Goker, Analyst*

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