UB United Bankers

Principles for Responsible Investment

Responsibility in Our Investment Activities

Principles for Responsible Investment define the United Bankers Group's approach to responsible investment and set forth the principles and procedures we adhere to.

We at United Bankers want to offer our clients the opportunity to make responsible and profitable investments and to increase our clients' wealth in a responsible and sustainable way. The objective of our investment activities is to attain optimal returns both in the long and short term, at the individual risk level selected by each client.

Sustainability increasingly impacts companies' chances for future success and incorporating sustainability aspects in investment decisions improves expected returns. We believe that analysing environmental, societal, and governance matters alongside key financial figures broadens the understanding of the investment object and related risks and opportunities.

At United Bankers, responsible investment is at the core of investment activities, and investment decisions consider how environmental, social, and governance responsibility materialise in the investment objects and how the investments promote sustainability goals.

Integrating sustainability aspects into United Bankers' products and services also constitutes an integral part of the Group's overall risk management. In the selection of investment objects, sustainability is considered prior to making the investment decision. The materialisation of sustainability is monitored during the investment period and reported to investors on a regular basis. United Bankers is happy to provide information on the sustainability of its investments and incorporates its clients' sustainability preferences in its investment activities.

Scope

These principles apply to the operations of UB Fund Management Company Ltd, UB Asset Management Company Ltd, UB Securities Ltd, UB Nordic Forest Management Ltd, and UB Brokerage Company Ltd. Consequently, the same principles are applied throughout the entire United Bankers Group and below, the name "United Bankers" shall refer to all companies within the United Bankers Group.

The United Bankers Group has adopted these Principles for Responsible Investment as of 28 April 2025.

Organization

Principles for Responsible Investment are approved by the Board of Directors of United Bankers Plc. United Bankers' Responsible Investment Steering Group is responsible for the preparation and regular updating of these principles and for providing practical guidance regarding their application. The company has appointed a Director of Responsible Investment, who steers the work of the Steering Group and makes proposals to the Board of Directors. The practical implementation of these principles is integrated in the appropriate documents and operational processes of the company.

Key Terminology

Sustainability Factor
Sustainability factors refer to environmental, social, and employee matters, such as human rights advancement, anti-corruption, and anti-bribery matters.

Sustainability Risk
Sustainability risks refer to environmental, social, or governance events or conditions that, if realised, could cause an actual or a potential material negative impact on the value of an investment. The occurrence of sustainability risks may impact the performance of individual investments, which in turn impacts fund returns.

Principal Adverse Impacts
Principal adverse sustainability impacts refer to any direct or indirect adverse impacts of investments that result in negative effects on sustainability factors such as the environment, the society, or social factors.

ESG
ESG refers to Environmental (E), Social (S), and Governance (G) factors.

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General Principles for Responsible Investment

At United Bankers, sustainability has been integrated in the investment activities, and investment decisions consider how environmental and social responsibility, as well as good governance materialise in the investment objects and how the investments promote responsibility goals. The activities adhere to the following basic principles:

- United Bankers is committed to following the United Nations Principles for Responsible Investment (UN PRI) since 2012. United Bankers continuously develops its operations in accordance with these principles and reports on its operations to UN PRI annually.

- United Bankers strives in all its activities, in the long term, to minimise the negative impacts of the investments, increase the positive impacts of the investments on the environment, society, and good governance, and promote sustainable operating practices. In its activities, United Bankers seeks to promote the attainment of the United Nations Sustainable Development Goals (SDGs). In addition, United Bankers strives towards identifying and considering the sustainability risks of its investments in its investment activities.

- United Bankers may set impact goals for its funds and investment products. If such goals are set, this information is stated in related fund or investment product materials. The Operating Principles for Impact Management are followed in managing and monitoring investment impacts.

- United Bankers monitors and assesses the sustainability risks of its investments, their principal adverse impacts, and the attainment of the sustainability goals. This information is openly communicated to the clients and stakeholders of United Bankers.

- United Bankers seeks to consider the risks and opportunities caused by climate change in its investment activities. United Bankers reports on the climate risks of its activities and investments in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) initiative.

- United Bankers expects its investment objects and business partners to act in accordance with international practices, norms, and conventions. United Bankers expects respect for human rights, anti-corruption measures, and environmental factors as defined in the United Nations Global Compact corporate responsibility initiative[1], OECD's operating guidelines for multinational enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO Core Conventions on principles and rights at work.

[1] The UN Global Compact is an international corporate responsibility initiative, requiring companies to observe human rights, undertake anti-corruption measures and consider environmental factors. It consists of ten principles based on the UN Universal Declaration of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work, the UN Rio Declaration on Environment and Development, as well as the UN Anti-Corruption Convention.

- United Bankers seeks to actively identify human rights impacts of its activities in accordance with the UN Guiding Principles on Business and Human Rights.

- United Bankers is committed to act in accordance with tax laws and regulations and has a rejective attitude towards actions seeking, instead of commercial objectives, the obtaining of tax benefits that contravene the purpose of the law. United Bankers does not engage in aggressive tax planning, nor does it participate in investment structures which aim to avoid reporting obligations or which seek to anonymise the true beneficiary of the income.
  The investments are made in compliance with the tax policy of each host country, through the application of international tax rules. In case there is no clear guidance in the tax laws, United Bankers follows the principles of caution and transparency of taxation. United Bankers requires for the state acting as the domicile of the funds to participate in the exchange of tax information between the authorities. International tax regulation and automated exchange of information afford states better preconditions to collect corporate tax.

- United Bankers does not accept corruption and requires an active approach towards anti-corruption and the transparency of operations. United Bankers abides by the legislation of Finland, which includes all international anti-corruption instruments (incl. the United Nations Convention against Corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions).

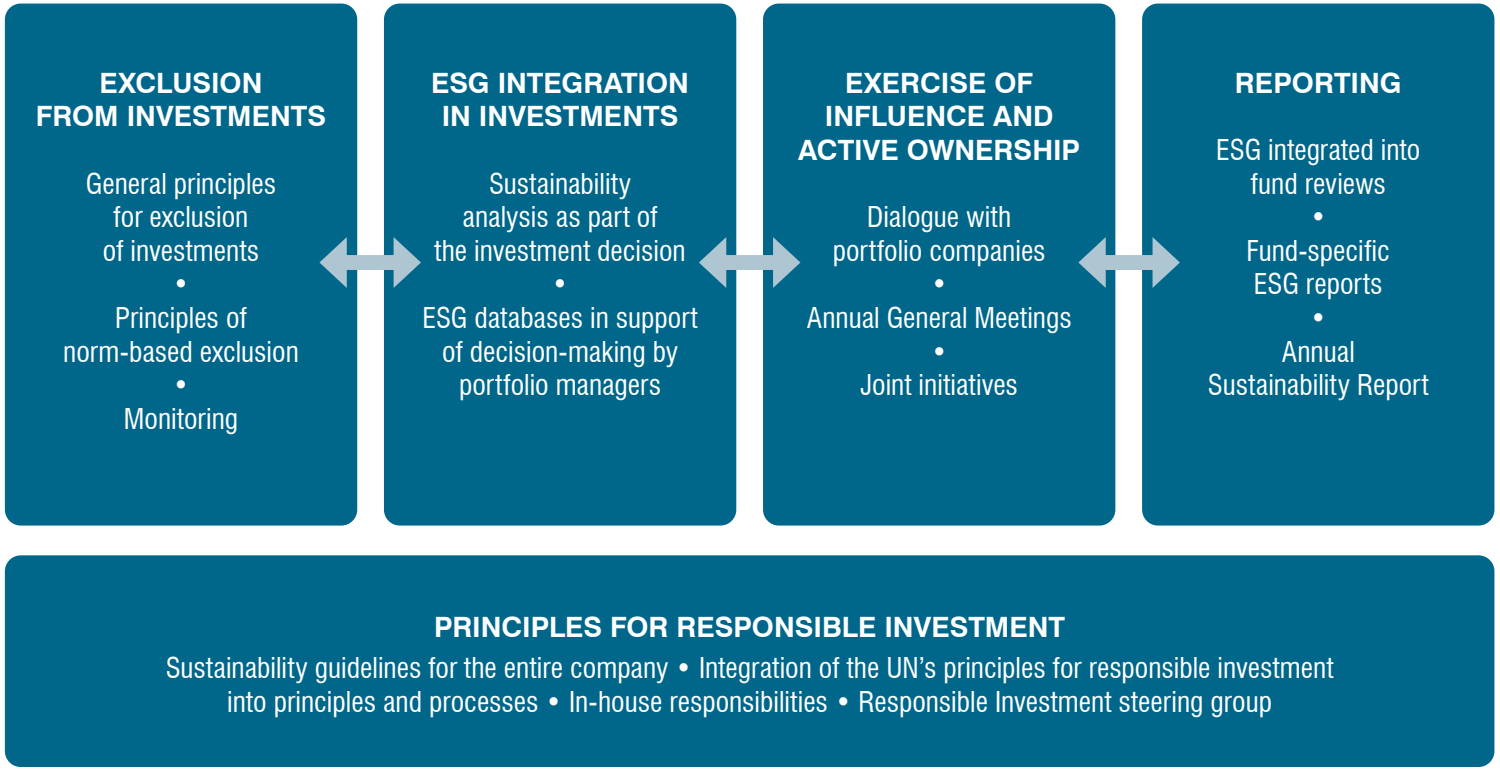
- Our operating procedures involve knowing our customers. We conduct extensive background checks in order to know our customers (KYC, Know Your Customer) to ensure the prevention of money laundering and terrorism.

- United Bankers does not invest in sovereign bonds issued by governments which are subject to broad sanctions and seeks to eliminate parties that are subject to broad sanctions from its investments and client base.

- United Bankers seeks to promote responsible operating practices within the financial industry and in its investment objects. As part of this work, United Bankers participates in joint initiatives, campaigns, and organisations that promote the management of sustainability risks and responsible investment. United Bankers is involved in the following associations and organisations:
  - Finland's Sustainable Investment Forum, FINSIF
  - Finnish Venture Capital Association
  - Finance Finland
  - European Public Real Estate Association, EPRA
  - The Global Listed Infrastructure Organisation, GLIO
  - Carbon Disclosure Project, CDP, which encourages companies to report on the environmental and climate effects of their activities
  - The Montréal Carbon Pledge climate initiative, which encourages investment management firms to monitor and disclose the carbon footprint of their investment portfolios

Responsible Investment Practices

As part of its responsible investment processes, United Bankers integrates the consideration of sustainability factors, sustainability risks, and principal adverse impacts in its investment activities and portfolio management.



These principles are applied in portfolio management both in the active investments made by United Bankers' funds, and in discretionary asset management (excluding index funds and passive ETFs). United Bankers' operating practices can be summarised in the following: exclusion from investment objects, analysis and integration of sustainability factors in investment decisions, analysis of principal adverse sustainability impacts, and active ownership, stewardship, and engagement.

Exclusion

United Bankers does not invest in or exits investment objects it does not deem responsible. United Bankers has excluded certain industries from its investment objects on ethical grounds. All investment activities adhere to a general exclusion list applicable to all investments:

- Companies involved in the production and sale of controversial weapons (landmines, cluster bombs, depleted uranium, and biological and chemical weapons). Companies involved in the development and production of nuclear weapons programs are excluded if their headquarters are not located in the EU, a NATO country, Australia, Japan, or South Korea.
- Tobacco, weapons (excl. the defense industry), coal production, gambling, and adult entertainment. A 5 per cent revenue threshold is applied.

Any company breaching the UN Global Compact Principles may be excluded from the investment objects by a decision made by the Responsible Investment Steering Group. The Responsible Investment Steering Group will consider the action to be undertaken on account of the breach in question. There are two alternative

remedial actions: either to commence engagement measures or to exclude the investment object. The objective of the engagement measures is to correct the breach and to build increasingly responsible business practices.

United Bankers avoids investing in companies, where a minimum of 25 per cent of the company's revenues come from the use of thermal coal in energy production or oil sands extraction. United Bankers may deviate from such exclusion if the company has a clear plan for altering its operations.

United Bankers makes investments in the oil and gas industry only if the investment passes an enhanced ESG analysis, which takes into account, among other things, the climate goals of the investment and potential for green transition.

In addition, some of United Bankers' funds or investment products may exclude different industries more extensively. Any criteria for more extensive exclusion are always described in the information of the relevant fund or investment product.

United Bankers' portfolio managers and ESG team supervise the exclusions followed by all funds.

Analysis and integration of sustainability factors

The purpose of sustainability factors analysis is to recognise material environmental, social, and good governance risks of investment objects that may impact their returns in the short or long term, and to identify their principal adverse impacts. Furthermore, the analysis of sustainability factors involves assessing how the investment

object promotes United Bankers' general and potential fund or product-specific sustainability goals.

Investment decisions incorporate the information generated in the analysis of sustainability risks and principal adverse impacts, as well as the potential of the investment object in promoting sustainability factors.

Analysis of sustainability risks

Fixed income and equity funds valued daily

Sustainability risks are analysed as part of the investment decision and as part of the risk analysis of an investment object. In fixed income and equity funds, the sustainability risks of investments are analysed primarily with the aid of ESG databases. United Bankers utilises the information and analyses generated by ESG service providers regarding the environmental (E), social (S), and governance (G) risks of the investments. If necessary, other sources are also used.

The analysis of sustainability risks involves examining how well the investee companies have considered different sustainability risks. In terms of funds and other investment products, the analysis also includes an overall assessment of their sustainability risks. In addition, key sustainability risks and principal adverse impacts related to each specific investment object and fund are examined in more detail. The analysis considers, to the extent possible, the physical and transition risks caused by climate change, as well as the greenhouse gas emissions and climate-friendliness of investment objects.

Alternative investment funds

Sustainability risks are examined as part of investment decisions and as part of individual investment object risk analysis. When investing in real property or unlisted companies, the environmental (E), social (S), and governance (G) risks of investments are analysed prior to making the investment in the due diligence process and monitored during the investment period. Utilised data sources include databases, measurements, site visits, research data, and analyses and reports prepared by experts. The analysis also considers the physical and transition risks caused by climate change, as well as the greenhouse gas emissions and climate-friendliness of investment objects, and information on principal adverse impacts. In due diligence, key sustainability risks relevant for each sector and

investment object are in focus, for which reason the exact content varies depending on the industry and sector in question.

If sustainability risks requiring improved governance are identified in investment objects, an ESG action plan will be compiled, including a list of required actions and a timeframe for carrying out these actions. The execution of this plan is carefully monitored during the investment period.

Analysis of Principal Adverse Impacts (PAI)

According to the EU Sustainable Finance Disclosure Regulation (SFDR), Principal Adverse Impacts (PAI) refer to direct or indirect adverse impacts of an investment decision or investment advice on the environment, the society, or social factors.

United Bankers assesses principal adverse impacts of its investments as part of its investment decisions. An exception to this is presented by investment objects for which data is not yet available from the ESG databases and for which it cannot be gathered otherwise using reasonable efforts. Principal adverse impacts are analysed in connection with sustainability risks and as part of due diligence processes prior to making investment decisions and monitored during the investment period. United Bankers' approach to analysing principal adverse impacts is risk-based. Current information regarding the principles and methods for considering principal adverse impacts is available at United Bankers' PAI information release on the company's website.

Active Ownership and Engagement

In its capacity as an owner and as an investor, United Bankers seeks to promote the responsibility of its investment objects by affording attention to the environmental, social, and governance aspects of its investment objects. The goal is to promote sustainable development of the investment objects in line with the principles of responsible investment, climate principles, and best international practices. In its engagement measures, United Bankers focuses especially on the following matters:

- Specific themes, such as climate change, human rights, energy efficiency, good governance, biodiversity, and water systems
- norm violations
- investment-specific matters
- principal adverse impacts and related deviations

Furthermore, an active ownership and engagement is guided by the ownership policy principles of the funds managed by UB Asset Management Ltd and UB Fund Management Company Ltd, as well as more detailed fund and product-specific sustainability objectives and policies, if any, elaborated in the prospectus and materials for each fund or investment product.

The means employed by United Bankers include exercising our voting right at general meetings, direct engagement with the companies, participation in investors' joint engagement initiatives, stakeholder collaboration, and public debate.

Any company breaching the UN Global Compact Principles may be excluded from the investment objects by a decision made by the Responsible Investment Steering Group. The Responsible Investment Steering Group will consider the action to be undertaken on account of the breach in question. There are two alternative

remedial actions: either to commence engagement measures or to exclude the investment object. The objective of the engagement measures is to correct the breach and to build increasingly responsible business practices.

Reporting

The main principles of United Bankers' responsibility and sustainability reporting are transparency and openness. United Bankers regularly reports on sustainability risks, principal adverse impacts, and results of its responsibility work. United Bankers continuously develops its reporting practices. The reporting follows the UN PRI recommendations, and United Bankers also reports on its operations annually to the UN PRI. Additionally, United Bankers reports on climate risks in accordance with the TCFD recommendations.

United Bankers' sustainability report is published annually. Principle adverse impacts (PAI) are also included in investment product-specific responsibility reports.

Investment Products Prepared by Other Entities

United Bankers only works with reputable and reliable entities. For collaboration involving investment products, United Bankers requires its co-operation partners to adhere to the United Nations Principles for Responsible Investment. In addition to this, United Bankers requires comprehensive and transparent reporting.

In terms of investment products prepared by other entities, each party is for their own part responsible for the consideration of sustainability risks and principal adverse impacts in accordance with their own operating principles. United Bankers analyses its co-operation partners' funds and investment products regularly from the perspective of sustainability factors and risks using ESG databases or requires its co-operation partners to calculate or otherwise provide responsibility scores using an equally accepted method.

Investment Advice

United Bankers provides investment advice on both its own products and services and the products of its co-operation partners. In terms of its own products, United Bankers considers sustainability risks and principal adverse impacts as they have been described in these principles. In terms of the investment products of its co-operation partners, each operator is responsible for their own part for considering sustainability risks and principal adverse impacts in accordance with their own operating principles. United Bankers requires each operator to submit information concerning the principal adverse impacts in relation to each investment product, or an explanation as to why such information is not available.

When providing investment advice, United Bankers presents the available information of the sustainability risks and principal adverse impacts of its investment products to the client.

As of August 2022, in conjunction with offering investment advice, United Bankers will verify the sustainability preferences of each of its clients in relation to investment products and recommend products aligned with their sustainability preferences and goals.

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