



Impact Asset Management Engagements 2023

General

As part of our ESG investment strategy, we actively exercise our voting rights as institutional investors and also pursue diversified dialog strategies (engagement). We therefore understand the collective term "dialog strategies" to mean the targeted safeguarding of our interests in line with our dogmatic objective as a triple-bottom asset manager. In line with the sustainable orientation of a modern and global civilization, we see it as our responsibility to anchor participation in general meetings and actively approaching companies on specific occasions as fixed components of our investment principles.

Engagement

Our engagement activities are divided into collaborative (via our ESG research partner ISS) and individual engagement. The former focus on both thematic and standards-based topics, while the latter can take place either on an ad hoc basis or through incentives (in the course of achieving a sustainable change in values with the aim of persuading the companies concerned to adapt the I-AM minimum standards). Furthermore, Impact Asset Management is one of the first signatories to the UN PRI in Austria. The six "Principles for Responsible Investment" (UN-PRI) introduced by the UN in 2006 are principles for responsible investment. They require investors and asset managers to comply with financial market-relevant environmental, social and governance criteria (ESG guidelines) in their investment activities.

UN-PRI-Engagement

The PRI Collaboration Platform provides a unique forum to significantly strengthen resource pooling, information sharing and influence on ESG issues through collaboration between UN PRI signatories. It serves as a hub for academics and investors to connect and participate in research. By posting on the Collaboration Platform, signatories can invite others to join or support their initiative and access the services provided by the PRI (e.g. PRI-coordinated collaborations). Contributions to the Collaboration Platform include:

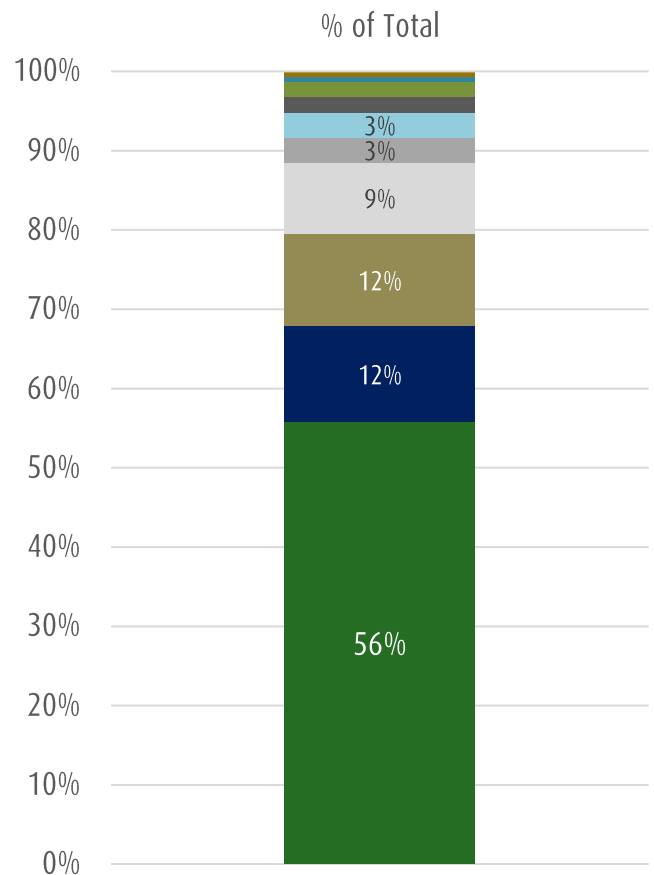
- Opportunities to engage in discussions with current or potential investors;
- Invitations to sign joint investor letters or statements;
- Proposals for in-depth research and investor advice;
- Invitations to engage with policy makers;
- Requests for assistance with upcoming shareholder proposals; and
- invitations to participate in discussion groups and formal PRI working groups and advisory committees.

Overview of Results

Type of Engagement	Companies	% of Total
Individual Engagements	26	17%
Collaborative Engagements	130	83%
<i>of which Net-Zero Engagements</i>	30	19%
<i>of which Norms-Based Engagements</i>	100	64%
Total Engagements	156	100%

Engagements by ESG Area

- Overlapping (Corruption, Human rights, Labour rights)
- Overlapping (Corruption, Environment)
- Overlapping (Environment, Human rights, Labour rights)
- Overlapping (Human rights, Labour rights)
- Corruption
- Overlapping (Environment, Labour rights)
- Overlapping (Environment, Human rights)
- Labour rights
- Human rights
- Environment



I-AM Individual Engagements



Investor Relations Engagement: Adoption of the Science Based Target Initiative (SBTI)

I-AM Individual Engagements

About our Individual Engagement

As part of our approach towards active investments, we seek dialogues with our investees in order to get a better understanding of the way critical Environmental, Social and Governance risks are managed. Thus, we seek to address critical questions on specific topics which go beyond traditional ESG-questionnaires. Our aim is to strengthen the cooperation between the investee and us as investors to generate a more unified understanding of sustainability and impact.

About the Initiative

Science-Based Targets represent a vital component of the global efforts to mitigate climate change. We view this framework as a strategic imperative for all stakeholders, including investors, as it directly impacts long-term sustainability and value. Additional information about SBTi may be found on its website: [Science Based Targets](https://sciencebasedtargets.com)

Why it matters?

Our aim is to strengthen the cooperation between the investee and us as investors to generate a more unified understanding of sustainability and impact. We understand that some companies have not yet adopted SBTi targets, which is why we seek further insights on the rationale behind their decisions.

“Embarking on a visionary journey, our investor-investee dialogues transcend the present, charting a course for tomorrow. In these strategic conversations, we glean insights that extend far beyond the balance sheets — they're keystones to shaping our future decisions and influencing societal impact. The information exchanged today becomes the catalyst for the innovations that will propel us forward, fostering a more sustainable and prosperous world for all.”

Daniel Feix, Managing Director
Impact Asset Management

I-AM Individual Engagements

Overview of Results

Engagement Status	Companies	% of Total
Ongoing ¹	0	0%
Concluded ²	16	62%
Unresponsive ³	10	38%
Contacted	26	100%

¹ Companies which responded but have not yet provided sufficient information.

² Companies which provided sufficient information.

³ Companies which did not respond.

Addressed Questions

- **Background and Awareness:**
 - We would like to know if [Company Name] is aware of the Science-Based Targets Initiative and its significance in mitigating climate change. Understanding your company's perspective and knowledge on this matter would help us comprehend the basis for your decision.
- **Carbon Risk Management:**
 - Science-Based Targets play a crucial role in managing carbon risks. By setting clear, science-aligned targets, companies can better identify and reduce their exposure to regulatory, market, and physical climate risks. We would like to know how [Company Name] mitigates carbon risks.
- **Previous/Ongoing Investor Engagement:**
 - The adoption of Science-Based Targets is a significant factor that influences our investment decisions, as it reflects a company's commitment to sustainability and long-term viability. We are interested in understanding if [Company Name] has engaged with investors or stakeholders on the matter and what feedback or considerations have emerged from such discussions.
- **Potential Substitutes:**
 - If [Company Name] has chosen not to adopt SBTI targets, we would appreciate your insights on any alternative strategies or goals that have been pursued, and the reasons behind their selection. This information will help us strengthen our understanding of you company's approach to sustainability and climate action.

I-AM Individual Engagements

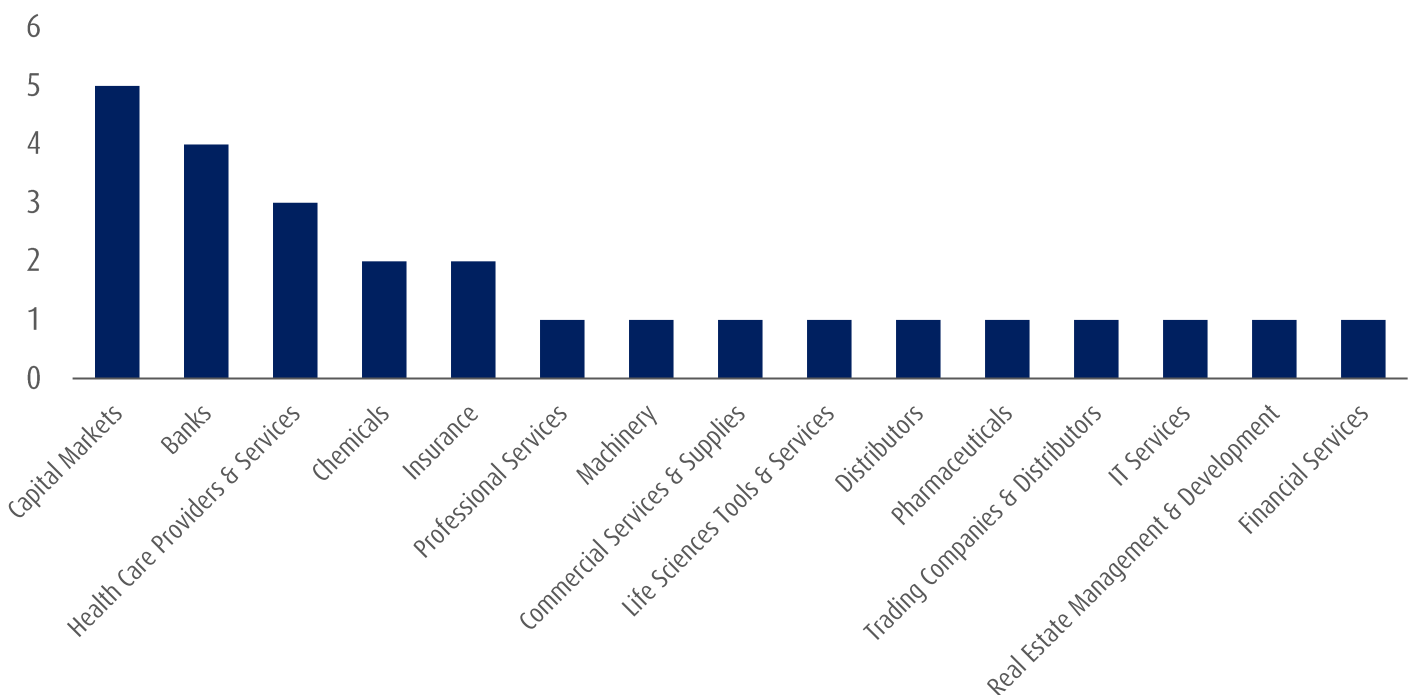
Methodology

Issuers were contacted in the period from 24.10.2023 up to and including 17.12.2023. The list consists of a total of 26 companies which, according to our ESG data providers, had CO2 reduction targets with a status of "Non-Ambitious Target" or "No Target" as of October 23, 2023. The selection of companies was based on current, past and potential investments of the I-AM GreenStars Funds.

Details

Sector	Companies	% of Total	Domicile	Companies	% of Total
Financials	12	46%	United States	16	62%
Health Care	5	19%	Switzerland	3	12%
Industrials	4	15%	Canada	2	8%
Materials	2	8%	Netherlands	2	8%
Consumer Discretionary	1	4%	United Kingdom	1	4%
Information Technology	1	4%	Norway	1	4%
Real Estate	1	4%	Germany	1	4%

Distribution by Industries



I-AM Individual Engagements



Complete List of Companies

Company	Sector	Domicile	Industry	Sub-Industry	Status
XY1	Materials	United States	Chemicals	Industrial Gases	unresponsive
XY2	Industrials	United States	Professional Services	Human Resource & Employment Services	concluded
XY3	Financials	Canada	Banks	Diversified Banks	concluded
XY4	Industrials	United States	Machinery	Construction Machinery & Heavy Materials	concluded
XY5	Industrials	United States	Commercial Services & Supplies	Diversified Support Services	unresponsive
XY6	Health Care	United States	Life Sciences Tools & Services	Life Sciences Tools & Services	unresponsive
XY7	Consumer Discretionary	United States	Distributors	Distributors	unresponsive
XY8	Health Care	United States	Pharmaceuticals	Pharmaceuticals	unresponsive
XY9	Financials	United States	Banks	Diversified Banks	concluded
XY10	Health Care	United States	Health Care Providers & Services	Managed Health Care	concluded
XY11	Financials	Canada	Banks	Diversified Banks	concluded
XY12	Financials	Switzerland	Insurance	Property & Casualty Insurance	unresponsive
XY13	Industrials	United Kingdom	Trading Companies & Distributors	Trading Companies & Distributors	concluded
XY14	Financials	Norway	Banks	Diversified Banks	concluded
XY15	Information Technology	United States	IT Services	Internet Services & Infrastructure	concluded
XY16	Financials	United States	Capital Markets	Asset Management & Custody Banks	concluded
XY17	Financials	United States	Capital Markets	Investment Banking & Brokerage	concluded
XY18	Health Care	United States	Health Care Providers & Services	Managed Health Care	concluded
XY19	Real Estate	Germany	Real Estate Management & Development	Real Estate Operating Companies	unresponsive
XY20	Financials	Switzerland	Insurance	Life & Health Insurance	concluded
XY21	Financials	United States	Capital Markets	Asset Management & Custody Banks	concluded
XY22	Financials	United States	Capital Markets	Financial Exchanges & Data	concluded
XY23	Financials	Switzerland	Capital Markets	Asset Management & Custody Banks	concluded
XY24	Health Care	United States	Health Care Providers & Services	Health Care Facilities	unresponsive
XY25	Financials	Netherlands	Financial Services	Transaction & Payment Processing	unresponsive
XY26	Materials	Netherlands	Chemicals	Specialty Chemicals	unresponsive

I-AM Collaborative Engagements



Time, Insights, Partnership:
Successfully collaborating with Industry Peers & Partners

Signatory of:



Norm-based Engagement via ISS ESG

Under this solution, ISS ESG facilitates engagement with issuers on behalf of participating clients who wish to promote disclosure of companies' efforts to manage or mitigate the environmental and social risks associated with business or operations. Participating clients have the option to opt in or out of participating in each individual company.

Summary:

ISS ESG's standards-based engagement facilitates collaboration with issuers on behalf of participating investors who wish to promote disclosure of companies' efforts to manage or mitigate the environmental and social risks associated with business activities. By working together, participating asset owners and managers can exert more influence than through individual engagement, while saving time and resources.

As part of ISS ESG's norms-based engagement, participating investors can focus on companies that ISS ESG's norms-based research identifies as committing suspected or proven serious, systematic or systemic violations of international norms. The commitments are divided into the four areas of the United Nations Global Compact: Human Rights, Labor Rights, Environment and Anti-Corruption. Each commitment is characterized by one or more specific topics within these areas, e.g. trade union rights, discrimination in the workplace, health and safety, child labour and forced labour within the standard area of labour rights.

Business Case:

The respective business cases and companies contacted can be found in the official ISS ESG Progress Reports and are available quarterly and once a year in their entirety.

We would like to point out that the opt-in solution means that investors' votes are automatically taken into account unless they deny involvement in individual cases.

Accordingly, while the report summarizes the total number of orders executed by ISS ESG on behalf of participating clients for the relevant period, this does not mean that each participating client was actively involved in all of these orders.

Further details on the dates and content are available on request.

Norm-based Engagement über ISS ESG

Complete List of Companies (Q1):

Company	Engagement Cycle	Status	ESG Area Breakdown	Industry
XY1	Q1 2023	Ongoing Dialogue	Human rights	Metals & Mining
XY2	Q1 2023	Suspended	Overlapping (Environment, Human rights)	Metals & Mining
XY3	Q1 2023	Suspended	Overlapping (Human rights, Labour rights)	Electrical Equipment
XY4	Q1 2023	Suspended	Overlapping (Corruption, Environment)	Interactive Media & Services
XY5	Q1 2023	Suspended	Overlapping (Environment, Labour rights)	Metals & Mining
XY6	Q1 2023	Ongoing Dialogue	Overlapping (Environment, Labour rights)	Metals & Mining
XY7	Q1 2023	Suspended	Human rights	Metals & Mining
XY8	Q1 2023	Suspended	Overlapping (Human rights, Labour rights)	Metals & Mining
XY9	Q1 2023	Reminder	Environment	Semiconductors & Semiconductor
XY10	Q1 2023	Suspended	Environment	Independent Power and Renewabl
XY11	Q1 2023	Suspended	Environment	Professional Services
XY12	Q1 2023	Ongoing Dialogue	Environment	Energy Equipment & Services
XY13	Q1 2023	Suspended	Overlapping (Environment, Human rights, Labour rights)	Electrical Equipment
XY14	Q1 2023	Suspended	Overlapping (Environment, Labour rights)	Metals & Mining
XY15	Q1 2023	Suspended	Human rights	Pharmaceuticals
XY16	Q1 2023	Suspended	Environment	Hotels, Restaurants & Leisure
XY17	Q1 2023	Suspended	Labour rights	Automobiles
XY18	Q1 2023	Suspended	Human rights	Diversified Telecommunication
XY19	Q1 2023	Ongoing Dialogue	Human rights	Electric Utilities
XY20	Q1 2023	Suspended	Human rights	Electric Utilities
XY21	Q1 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Oil, Gas & Consumable Fuels
XY22	Q1 2023	Ongoing Dialogue	Overlapping (Human rights, Labour rights)	Communications Equipment
XY23	Q1 2023	Suspended	Corruption	Electric Utilities
XY24	Q1 2023	Ongoing Dialogue	Environment	Health Care Equipment & Suppli
XY25	Q1 2023	Ongoing Dialogue	Human rights	Metals & Mining

Norm-based Engagement über ISS ESG

Complete List of Companies (Q2):

Company	Engagement Cycle	Status	ESG Area Breakdown	Industry
XY26	Q2 2023	Suspended	Overlapping (Environment, Human rights, Labour rights)	Biotechnology
XY27	Q2 2023	Reminder	Corruption	Oil, Gas & Consumable Fuels
XY28	Q2 2023	Suspended	Environment	Passenger Airlines
XY29	Q2 2023	Reply Pending	Human rights	Hotels, Restaurants & Leisure
XY30	Q2 2023	Suspended	Corruption	Ground Transportation
XY31	Q2 2023	Suspended	Labour rights	Tobacco
XY32	Q2 2023	Ongoing Dialogue	Labour rights	Consumer Staples Distribution
XY33	Q2 2023	Ongoing Dialogue	Environment	Entertainment
XY34	Q2 2023	Reminder	Environment	Technology Hardware, Storage &
XY35	Q2 2023	Reminder	Overlapping (Environment, Labour rights)	Food Products
XY36	Q2 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Multi-Utilities
XY37	Q2 2023	Ongoing Dialogue	Labour rights	Hotels, Restaurants & Leisure
XY38	Q2 2023	Suspended	Overlapping (Environment, Human rights, Labour rights)	Leisure Products
XY39	Q2 2023	Reminder	Environment	Wireless Telecommunication Ser
XY40	Q2 2023	Ongoing Dialogue	Labour rights	Energy Equipment & Services
XY41	Q2 2023	Suspended	Labour rights	Hotels, Restaurants & Leisure
XY42	Q2 2023	Suspended	Environment	Metals & Mining
XY43	Q2 2023	Suspended	Corruption	Machinery
XY44	Q2 2023	Ongoing Dialogue	Labour rights	Electric Utilities
XY45	Q2 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Marine Transportation
XY46	Q2 2023	Reminder	Environment	Electric Utilities
XY47	Q2 2023	Reminder	Overlapping (Environment, Human rights)	Gas Utilities
XY48	Q2 2023	Reminder	Environment	Automobiles

Norm-based Engagement über ISS ESG

Complete List of Companies (Q3):

Company	Engagement Cycle	Status	ESG Area Breakdown	Industry
XY49	Q3 2023	Reminder	Human rights	Metals & Mining
XY50	Q3 2023	Reminder	Environment	Metals & Mining
XY51	Q3 2023	Reminder	Overlapping (Environment, Human rights)	Financial Services
XY52	Q3 2023	Reminder	Labour rights	Metals & Mining
XY53	Q3 2023	Suspended	Environment	Metals & Mining
XY54	Q3 2023	Suspended	Overlapping (Environment, Human rights)	Health Care Providers & Servic
XY55	Q3 2023	Reminder	Human rights	Metals & Mining
XY56	Q3 2023	Ongoing Dialogue	Labour rights	Electric Utilities
XY57	Q3 2023	Ongoing Dialogue	Environment	Metals & Mining
XY58	Q3 2023	Ongoing Dialogue	Labour rights	Electric Utilities
XY59	Q3 2023	Ongoing Dialogue	Labour rights	Electric Utilities
XY60	Q3 2023	Ongoing Dialogue	Environment	Oil, Gas & Consumable Fuels
XY61	Q3 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Energy Equipment & Services
XY62	Q3 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Electric Utilities
XY63	Q3 2023	Ongoing Dialogue	Environment	Oil, Gas & Consumable Fuels
XY64	Q3 2023	Reminder	Overlapping (Environment, Human rights)	Oil, Gas & Consumable Fuels
XY65	Q3 2023	Reminder	Human rights	Chemicals
XY66	Q3 2023	Reminder	Labour rights	Food Products
XY67	Q3 2023	Reminder	Overlapping (Environment, Human rights)	Metals & Mining
XY68	Q3 2023	Reminder	Human rights	Gas Utilities
XY69	Q3 2023	Reminder	Environment	Entertainment
XY70	Q3 2023	Suspended	Human rights	Oil, Gas & Consumable Fuels
XY71	Q3 2023	Reminder	Environment	Trading Companies & Distributo
XY72	Q3 2023	Ongoing Dialogue	Environment	Oil, Gas & Consumable Fuels
XY73	Q3 2023	Reminder	Labour rights	Metals & Mining
XY74	Q3 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Automobiles

Norm-based Engagement über ISS ESG

Complete List of Companies (Q4):

Company	Engagement Cycle	Status	ESG Area Breakdown	Industry
XY75	Q4 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Construction & Engineering
XY76	Q4 2023	Reminder	Environment	Construction & Engineering
XY77	Q4 2023	Ongoing Dialogue	Environment	Hotels, Restaurants & Leisure
XY78	Q4 2023	Ongoing Dialogue	Environment	Electrical Equipment
XY79	Q4 2023	Reminder	Human rights	Independent Power and Renewabl
XY80	Q4 2023	Reminder	Overlapping (Environment, Labour rights)	Food Products
XY81	Q4 2023	Reminder	Corruption	Food Products
XY82	Q4 2023	Reminder	Human rights	Chemicals
XY83	Q4 2023	Ongoing Dialogue	Labour rights	Construction & Engineering
XY84	Q4 2023	Reminder	Labour rights	Trading Companies & Distributo
XY85	Q4 2023	Reminder	Labour rights	Water Utilities
XY86	Q4 2023	Ongoing Dialogue	Human rights	Gas Utilities
XY87	Q4 2023	Reminder	Environment	Broadline Retail
XY88	Q4 2023	Reminder	Environment	Food Products
XY89	Q4 2023	Reminder	Environment	Capital Markets
XY90	Q4 2023	Reply Pending	Environment	Independent Power and Renewabl
XY91	Q4 2023	Reminder	Human rights	Gas Utilities
XY92	Q4 2023	Reply Pending	Human rights	Chemicals
XY93	Q4 2023	Reminder	Environment	Metals & Mining
XY94	Q4 2023	Ongoing Dialogue	Human rights	Interactive Media & Services
XY95	Q4 2023	Ongoing Dialogue	Overlapping (Environment, Human rights)	Independent Power and Renewabl
XY96	Q4 2023	Ongoing Dialogue	Environment	Energy Equipment & Services
XY97	Q4 2023	Reminder	Labour rights	Health Care Providers & Servic
XY98	Q4 2023	Reply Pending	Overlapping (Corruption, Human rights, Labour rights)	Oil, Gas & Consumable Fuels
XY99	Q4 2023	Reminder	Environment	Chemicals
XY100	Q4 2023	Reminder	Labour rights	Electric Utilities

Thematic (Net Zero) Engagement via ISS ESG

ISS ESG's thematic engagement solution enables investors to participate in joint conversations and dialogs with companies on material sustainability-related topics. By working together, institutional investors can increase their focus on ESG issues and effectively raise their concerns with company management. ISS ESG acts on behalf of participating clients to promote positive change through active engagement and dialog.

Summary:

The thematic commitment consists of six topics. One of these is "Net Zero" (30 companies) - the aim is to improve companies' commitments to achieving net zero emissions by 2050 by calling for ambitious targets and decarbonization strategies. As part of this, ISS ESG focuses on a target company's ambition to achieve net zero emissions by 2050. Detailed expectations were defined for each company in advance of the engagement cycle. The target companies were asked to accelerate their climate action by setting the following three targets or strategies for net zero emissions:

1. 2050 net zero GHG emissions target
2. Medium-term greenhouse gas reduction target (2026 to 2035)
3. Decarbonization strategy

Business Case:

The respective business cases and companies contacted can be found in the official ISS ESG Progress Reports and are available quarterly and once a year in their entirety.

We would like to point out that the opt-in solution means that investors' votes are automatically taken into account unless they deny involvement in individual cases.

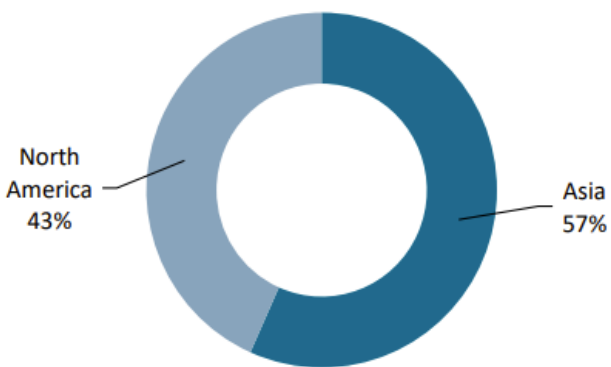
Accordingly, while the report summarizes the total number of orders executed by ISS ESG on behalf of participating clients for the relevant period, this does not mean that each participating client was actively involved in all of these orders.

Further details on the dates and content are available on request.

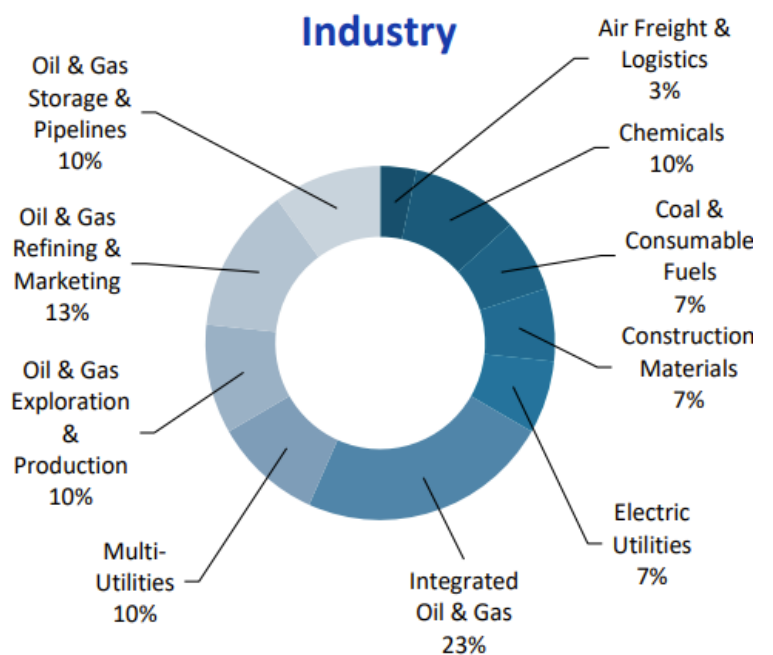
Thematic (Net Zero) Engagement via ISS ESG

Preliminary Overview of Results in 2023:

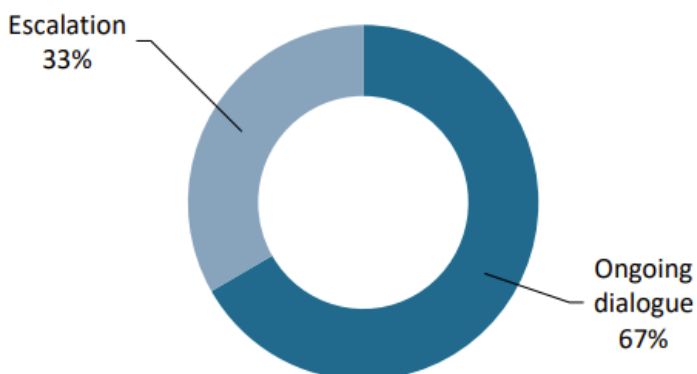
Region



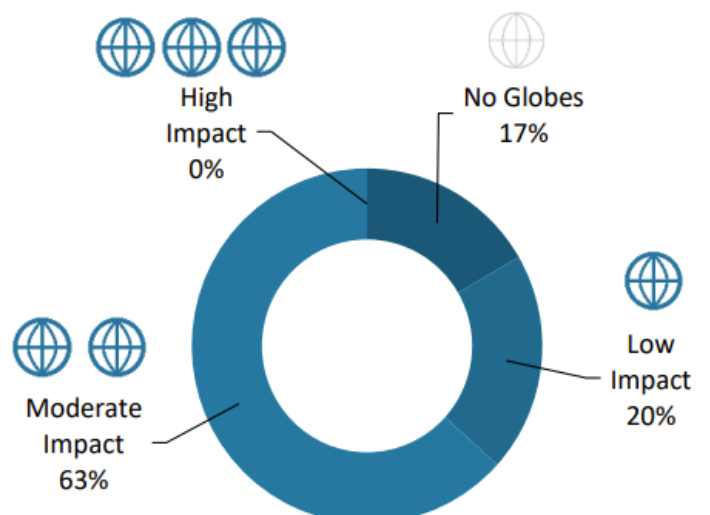
Industry



Engagement Stage



Engagement Success



Thematic (Net Zero) Engagement via ISS ESG

Complete List of Companies in 2023:

Company	Country	Industry	Status	Progress: Objective 1	Progress: Objective 2	Progress: Objective 3
XY1	USA	Multi-Utilities	Ongoing dialogue	Raised Awareness	Partly Achieved	N/A
XY2	China	Construction Materials	Escalation	No Progress	Partly Achieved	Achieved
XY3	Canada	Oil & Gas Exploration & Production	Ongoing dialogue	Raised Awareness	Partly Achieved	Achieved
XY4	China	Integrated Oil & Gas	Escalation	No Progress	Partly Achieved	Achieved
XY5	China	Coal & Consumable Fuels	Ongoing dialogue	Raised Awareness	Partly Achieved	Achieved
XY6	Hong Kong	Oil & Gas Exploration & Production	Escalation	Partly Achieved	No Progress	N/A
XY7	USA	Multi-Utilities	Escalation	Partly Achieved	Partly Achieved	N/A
XY8	USA	Oil & Gas Storage & Pipelines	Ongoing dialogue	Raised Awareness	Raised Awareness	Raised Awareness
XY9	USA	Oil & Gas Exploration & Production	Ongoing dialogue	No Progress	No Progress	No Progress
XY10	USA	Electric Utilities	Ongoing dialogue	Raised Awareness	Raised Awareness	N/A
XY11	Taiwan	Oil & Gas Refining & Marketing	Escalation	Partly Achieved	Partly Achieved	Achieved
XY12	Taiwan	Chemicals	Ongoing dialogue	Partly Achieved	Partly Achieved	Achieved
XY13	Canada	Multi-Utilities	Ongoing dialogue	Partly Achieved	Partly Achieved	N/A
XY14	China	Chemicals	Escalation	No Progress	No Progress	No Progress
XY15	Canada	Integrated Oil & Gas	Ongoing dialogue	Partly Achieved	Partly Achieved	Achieved

Thematic (Net Zero) Engagement via ISS ESG

Complete List of Companies in 2023:

Company	Country	Industry	Status	Progress: Objective 1	Progress: Objective 2	Progress: Objective 3
XY16	USA	Oil & Gas Storage & Pipelines	Ongoing dialogue	Raised Awareness	Partly Achieved	Achieved
XY17	USA	Oil & Gas Refining & Marketing	Ongoing dialogue	Raised Awareness	Partly Achieved	N/A
XY18	USA	Integrated Oil & Gas	Ongoing dialogue	Achieved	Partly Achieved	N/A
XY19	India	Integrated Oil & Gas	Ongoing dialogue	Partly Achieved	Raised Awareness	Raised Awareness
XY20	USA	Oil & Gas Storage & Pipelines	Ongoing dialogue	Raised Awareness	Raised Awareness	Raised Awareness
XY21	China	Integrated Oil & Gas	Ongoing dialogue	Raised Awareness	Partly Achieved	Achieved
XY22	USA	Oil & Gas Refining & Marketing	Ongoing dialogue	Raised Awareness	Partly Achieved	N/A
XY23	Thailand	Integrated Oil & Gas	Ongoing dialogue	Partly Achieved	Raised Awareness	N/A
XY24	India	Oil & Gas Refining & Marketing	Ongoing dialogue	Partly Achieved	Raised Awareness	Raised Awareness
XY25	China	Chemicals	Escalation	No Progress	No Progress	No Progress
XY26	China	Air Freight & Logistics	Ongoing dialogue	Raised Awareness	Partly Achieved	N/A
XY27	Saudi Arabia	Integrated Oil & Gas	Ongoing dialogue	Raised Awareness	Partly Achieved	Achieved
XY28	Saudi Arabia	Electric Utilities	Escalation	No Progress	No Progress	N/A
XY29	China	Coal & Consumable Fuels	Escalation	No Progress	No Progress	No Progress
XY30	India	Construction Materials	Escalation	Partly Achieved	Partly Achieved	Achieved

I-AM Collaborative Engagements

Engagement via UN PRI Network

Issue: Facial Recognition Technology

Participants: 20 Asset Manager

I-AM Leading Investor: 1 Company

I-AM Supporting Investor: 4 Companies

Summary:

The rapid adoption of Facial Recognition Technology (FRT) has raised major concerns about the impact on privacy, data protection and civil liberties. This engagement calls on the companies involved in this technology to disclose more information, demonstrate their awareness of human rights impacts and adopt ethical practices.

Business Case:

Governments, law enforcement agencies and businesses are pushing for the adoption of facial recognition technology to increase security and improve efficiency. It is estimated that 1 billion surveillance cameras will be in operation worldwide by the end of 2022, an average of one camera for every eight citizens in the world. However, the way this technology is deployed and designed poses significant risks to fundamental human rights and has far-reaching social implications.

- We see these risks materialize through important controversies, including:
 - The racial and gender biases observed in these systems, the questionable accuracy and lack of public testing of most of the systems used,
 - possible violations of privacy or the law in obtaining photos for the databases,
 - use by governments, law enforcement agencies or others.
- These controversial practices now lead to serious reputational, operational and financial risks for the companies involved. In a (post-)Covid world, public scrutiny of mass surveillance is increasing and there are more and more reports of bans, fines and blacklisting.

Under the auspices of the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Investor Engagement on Facial Recognition (IEFR) calls on all companies involved in facial recognition technology to act responsibly and proactively. They should be aware of the associated risks and prioritize measures to identify, prevent and resolve these risks.

Legal Disclaimer

Marketing message: This document is only directed to professional clients and not to retail investors.

This marketing document is provided for non-binding information purposes only and does not represent any offering or invitation to purchase or sell units in an investment fund, and nor should it be deemed an invitation to submit an offer for conclusion of any contract on investment services or collateral performance. This document cannot replace the advice of your personal investment advisor.

All details and contents hereof are without guarantee. Any unauthorized use hereof, in particular its reproduction, processing, transmission or publication is forbidden. The author hereof as well as any enterprises affiliated with them exclude herewith all and any liability in full for the correctness, completeness or actuality of the information contained and opinions stated herein.

All performance figures indicated are gross performance figures. These include any costs arising at the fund level and assume the reinvestment of any distributions.

Past performance figures, back test data as well as past or future related simulations contained herein allow no conclusions on any future development of such figures or their underlying financial instruments or indices and are thus deemed no warranty for future developments. This is in particular applicable to the use of back test data which always results in hypothetical, past-related representations. Fund-based investments are subject to general economic risks as well as fluctuations in value which may result in losses – and even the total loss of the capital invested. Express reference is made to the detailed risk notices provided in the prospectus.

Unit classes denominated in foreign currencies entail an additional currency risk. Their performance may rise or fall due to currency fluctuations

©2023 Morningstar. All rights reserved. Please find details of the Morningstar Rating at www.morningstar.de.

This document was prepared by Impact Asset Management GmbH (Stella-Klein-Löw-Weg 15, A-1020 Vienna, sales@impact-am.eu, www.impact-am.eu).