

Unicorn



Investing with conviction

Unicorn Asset Management

Environmental, Social and Governance Policy

March 2023

Introduction

Unicorn is an independent asset manager focused on delivering long-term value for investors. Based in the historic Charterhouse, a relative oasis in the City of London, we focus on shutting out the noise in markets and look to deliver superior returns over the long term through fundamental company analysis.

Established in 2000, we specialise in UK Equity investing via a range of actively managed funds, with a structural bias towards the opportunity in small and mid-sized companies. With well over 150 years' collective investment experience, we are well placed to determine the true value of a business and its potential. Unicorn believes a positive and active approach to ESG considerations from management teams is a leading indicator of long-term value creation within our investee companies.

The integration of ESG considerations extends beyond our investment philosophy to Unicorn Asset Management as a company. Unicorn is committed to managing the business in a responsible way which can have a positive impact for our staff, stakeholders and the world in which we live.



Environmental

As a business with a single location in London we are lucky to benefit from some inherent advantages when it comes to our environmental impact, but this doesn't mean we can't do more. We are constantly assessing and expanding our knowledge of the extent of our environmental impact and working to reduce it across all areas of the business.

- ✓ *We have transitioned all energy providers to 100% renewable sources where available*
- ✓ *Energy efficient LED lighting installed to replace energy intensive halogens and fluorescent lamps*
- ✓ *We no longer print presentations for meetings as standard and instead use digital copies wherever possible*
- ✓ *2022 was the first year in the history of Unicorn AIM VCT where applications were made entirely online and the usual large print run of prospectuses did not happen, this was repeated in 2023*
- ✓ *Single use plastic in the office has been phased out where possible, with still and sparkling drinking water bottles being replaced by filter and sparkling water taps. All staff have been provided with reusable bottles*
- ✓ *Internal printing has continued to be reduced in favour of using digital material where possible*
- ✓ *All staff commute using public transport or bike and are encouraged to do so*
- ✓ *We support the cycle to work scheme and have purchased bicycles with staff to reduce individuals carbon footprints further*
- ✓ *We encourage all staff to recycle as much as possible in the office and when travelling for business*

In addition to the initiatives already in place we have since become carbon negative as of October 2022. Through our responsible investment policy we explicitly support the Paris Agreement and the transition to a net zero economy and believe we can help contribute to this aim not just with our allocation of capital but also with our own business decisions.

In addition to our own environmental impact we engage with our suppliers to assess and encourage the use of less carbon intensive practices. The continued monitoring, assessment and improvement of our environmental performance will be reviewed by the conduct committee annually.

Social

From a social standpoint Unicorn has two major considerations:

- i. *Staff, stakeholders, suppliers and clients*
- ii. *All those affected by the companies in which we invest*

Unicorn currently employs 14 staff, and we consider their health, wellbeing, support and development a key responsibility. The Company supports the principle of equal opportunities and opposes discrimination on the grounds of sex, age, sexual orientation, marital status, race, ethnic origin, religious belief or disability. Being a committed equal opportunities employer, the Company will take



every possible step to ensure that employees are treated equally and fairly in respect of these matters. All policies and practices will conform to the principle of equal opportunities in terms of recruitment, selection, training, promotion, career development, discipline, redundancy and dismissal.

Unicorn Asset Management believes that its most valuable resource is its employees. The continued success of the company depends upon having highly motivated people with proper skills in the right job at the right time. With this in mind, we will support further education of employees both in terms of sponsoring qualifications and in the form of paid study leave to help our staff achieve the qualifications they wish to.

We are committed to:

- 1. The wellbeing and development of our employees. Unicorn has engaged with a specialist 3rd party to provide training in mental health and wellbeing to combat depression, anxiety and stress and create a supportive environment*
- 2. Training to provide all employees with health and safety awareness and familiarisation with our business*
- 3. Sponsoring professional qualifications and providing training to support employees in fulfilling their roles and their personal development*

In addition to this training and support for staff all Unicorn employees are provided with comprehensive health insurance, gym membership (if desired) and are able to participate in the cycle to work scheme.

In addition to our employees, we also look to act responsibly for our clients and hold their trust and the security of their information as paramount.

Standards of behaviour and conduct are set out in our code of ethics which has been adopted from the CFA. As a team employing several members of the CFA we agree with and promote the standards to which they aspire.

The social outcomes of our investee companies are covered by the Unicorn Responsible Investment Policy.

Unicorn is engaged with several charitable causes and not for profit organisations important to our team.

Governance

Unicorn is committed to following the principles of the UK Corporate Governance Code ("the Code")

Published by the Financial Reporting Council ("FRC") <https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>. The Code sets out standards of good



practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders.

Internal lines of reporting within the company and the roles and the responsibilities of the team can be seen clearly in the governance organisation chart. The board has conferred several delegated authorities upon its sub committees which each have Terms of Reference setting out their purpose.

Unicorn's corporate governance structure and implementation is monitored on an ongoing basis by independent third-party specialists the TCC Group <https://tcc.group/> This is to ensure our continued adherence to the highest standards

Unicorn's corporate governance policy and the terms of reference of sub committees are available separately.

