

# SUSTAINABILITY POLICY

**JUPITER FUND MANAGEMENT PLC**

December 2023

Jupiter Fund Management Plc (Jupiter) is a specialist, high-conviction, active asset manager committed to helping our clients achieve their long-term investment objectives.

## Sustainability strategy

Our approach to sustainability has two objectives:

- i. Support the transition to a sustainable, low-carbon economy through our operations and our investments.
- ii. Meet the needs of our clients, shareholders, employees, and wider society.

We are committed to reducing our operational emissions in line with the Paris Agreement. As described in our [Group Environmental Policy](#), our operational targets include near-term and long-term net zero targets in line with our portfolio alignment targets and the latest science.

We value our people and we believe in the benefits of collaboration, inclusion and diversity of thought as described in our [Diversity and Inclusion Statement](#).

We apply the same high standards to our business and operations as we do to the companies in which we invest.

As a signatory to the UN Global Compact (UNGC), we support its ten principles on human rights, labour, environment, and anti-corruption and we reflect the principles in our approach to investment stewardship.

## Sustainability policy

Jupiter has a long-standing commitment to acting as a responsible business and a sustainable investor. This Policy outlines our approach to sustainability through:

- Our oversight and sustainability governance structure
- Our investment approach to material sustainability issues
- Our operational approach to managing sustainability in our business

Throughout this document we refer to other Jupiter policies that contain details about our operational and business approach to sustainability and our investment approach covering responsible investment, stewardship, and active ownership and ESG integration.

## Sustainability governance

We made changes to our committees in 2023 to enhance the focus and efficiency of governance and management structures. As part of this re-structure we considered the roles and responsibilities of each committee and how sustainability matters were considered across the Group. Further to this review, and reflecting the fact that sustainability matters are now integrated across the Group's activities, we have transferred the responsibilities of the Sustainability Committee to various governance and management committees, aligned with each committee's core activities. For example, sustainability reporting will be reviewed by the Group's Audit and Risk Committee, our Operating Committee will oversee the decarbonisation of our operations, and our Strategy and Management Committee will take responsibility for the Group's sustainability strategy.

Sustainability matters will continue to be challenged and overseen by the Board of Jupiter Fund Management plc and, where appropriate, subsidiary Boards across the Group.

### Sustainable investment

The Investment Oversight Committee (IOC) reports to the Boards of Jupiter Asset Management Ltd and Jupiter Investment Management Ltd, the Group's regulated investment management entities. The IOC has within its remit accountability for stewardship and active ownership across the investment teams.

We have established the Responsible Investment Forum (RIF) which reports into the IOC and sits alongside the Investment Review Forum (IRF). The RIF, when requested, reviews and opines upon the eligibility of specific investments for mandates which operate restrictions based on frameworks such as the UNGC or controversial business activities. In addition, the RIF will review the use of future proprietary ESG frameworks and methodologies, as applicable to our investment processes to ensure they are fit for purpose.

The IRF, which also reports into IOC, has a broader remit focusing on investment performance and risk management. Within the context of ESG and sustainability the IRF reviews ESG risk, net zero commitments, UNGC violations, as well as monitoring voting and company engagement activities across investment strategies. If required, matters are escalated to, and overseen by, relevant boards and committees within the Group's governance structure.

### The Sustainability Advisory Council

The Sustainability Advisory Council (SAC) is an advisory body of external experts with complementary expertise in the fields of academia, environmental policy, and climate and carbon finance. The SAC provides wider advice, insight, and guidance on material sustainability issues for the stewardship and ESG research and integration teams, our dedicated labelled sustainability funds, and across our investment strategies.

### Reporting and disclosure

We provide updates via the Jupiter website on our sustainability strategy and performance by means of:

- Annual Report and Accounts
- Annual Sustainability Reports
- Annual Stewardship Reports
- Task Force on Climate-related Financial Disclosures (TCFD)
- Online proxy voting report disclosure

## Active ownership

As a specialist, high-conviction, active asset manager, we believe that responsible investment is not only a societal responsibility, but also an important element of long-term value creation. Our individual investment teams adopt an active ownership approach that reflects their asset class and investment strategies, identifying extra-financial information to enable them to make better-informed and relevant investment decisions. Our investment teams define their individual investment processes and the materiality of ESG issues, which are integrated into investment analysis and decision making, influencing asset allocation, security selection, position sizing, stewardship, engagement, and subsequent decisions on whether to remain invested or exit.

## Sustainability issues

We have identified material sustainability issues that underpin Jupiter's corporate and investment strategy and approach. Investment managers incorporate these issues as appropriate for their asset classes and investment processes. The [Responsible Investment Policy](#) sets out how these ESG issues are integrated in our investment process.

### Climate

Climate change represents a material systemic risk for business and for investments. We believe that the scale of climate change will impact all sectors, industries, and asset classes and we acknowledge the positive role that investors can play in tackling it through our investment decisions and capital allocation.

We use our influence as an investor through stewardship and active ownership to encourage companies to identify, manage, and mitigate climate change risks or opportunities. Our investment approach is centred on increasing the alignment of our portfolio companies with net zero over time, using engagement to understand a company's readiness to implement climate-related changes, track progress against goals, and demonstrate impact over time.

We are a signatory to the Net Zero Asset Managers Initiative through the Institutional Investors Group on Climate Change (IIGCC). We have committed to operate our business and manage our assets on a net zero emissions basis by 2050.

We consider climate risk at the enterprise and product levels. Our TCFD reporting describes our internal governance for managing climate-related risks and opportunities, how this is integrated into strategy and risk management, and our use of scenario analysis.

### Biodiversity

Biodiversity underpins healthy societies, resilient economies, and the ability of companies to operate. The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has indicated that 75% of the land-based environment and approximately 66% of the marine environment have been altered significantly by human actions<sup>1</sup>, which indicates value destruction on an extraordinary scale. Financial institutions and investors have a role to play in helping to prevent further biodiversity loss and restoring nature to ensure ecosystem resilience.

We signed the Finance for Biodiversity Pledge in 2021 as a signal of our commitment to protect and value our natural environment. This commits us to protecting and restoring biodiversity through our investments by: collaborating and sharing knowledge, engaging with companies, assessing impact, setting targets, and reporting by 2025.

## Human rights

Human rights are basic rights or freedoms to which all human beings are inherently entitled. As signatory to the United Nations Global Compact (UNGC), we are committed to upholding human rights in our business operations, supply chains, and portfolio companies. We protect the rights of our employees through our employment policies and practices.

Companies with poor management of human rights can face a range of issues including fines, workforce issues, and supply chain challenges which may affect their licence to operate. We monitor potential human rights issues affecting our investee companies using third party data providers. We expect companies to comply with internationally-recognised human rights codes and standards.

## Human capital

Good human capital management supports both value creation and business resilience, and we believe that investing in human capital correlates with longer-term business success. As such, we actively look for ways to bring diverse perspectives into decision-making and we support people with development opportunities and experiences.

As an active owner of assets, we understand that approaches to human capital management, including Diversity, Equity & Inclusion will differ, and we seek to understand an investee company's operating model and we engage to understand and challenge on areas for potential improvements.

## Corporate governance

Corporate governance is the process by which companies are directed and controlled. A description of Jupiter's governance framework can be found in our [Annual Report and Accounts](#).

As active owners, we assess company governance on a range of issues including:

- Boards and executive leadership
- Remuneration
- Protection of minority rights and related party transactions
- Systemic risks
- Conduct, litigation and relations with policy makers and regulators
- Corporate culture
- Audit and control environment

## Jupiter as a responsible business

### Environment

We are committed to reducing our environmental impact and we have set an operational target of achieving net zero for our Scope 1 and 2 emissions by 2050. We are committed to implementing energy saving initiatives at our offices to meet our near-term target of 46% reduction in Scope 1 and 2 emissions by 2030. Our approach is guided by our [Group Environmental Policy](#).

We use renewable energy at each of our offices, through renewable energy tariffs or purchase of renewable energy certificates.

Our hybrid working model and employee access to remote technology encourages employees to reduce non-essential business travel.

## People and culture

Jupiter's business is built upon the value of our people, and we embrace diversity, independence of thought, and individual accountability.

Four cultural pillars describe how we treat each other and how we do business. Each pillar is underpinned by a set of individual behaviours.

- We put clients first
- We value our people
- We succeed together
- We challenge ourselves

We encourage high engagement, involvement, and commitment from our people by supporting them across the employee life cycle. This includes a commitment to flexible working through a hybrid working model, to providing comprehensive support for professional and personal development, and supporting our employees through the 'moments that matter' with our approach to benefits, support arrangements and policies.

Our employee network, Connections, is a vital channel for two-way feedback between employees and management, acting as the company's formal workforce advisory panel. We communicate regularly with our people to gather views on strategy, people, culture, and facilities. The Chair of Connections provides updates to senior management and the Board, and the network acts as the company's formal workforce advisory panel. We also survey our employees at least annually to hear collective views on how employees feel about work, our business, and how we can improve.

Our reward framework is designed to attract, motivate, and retain talent. It creates a tangible link between performance and compensation, while ensuring that our people's interests are aligned with those of our clients. Jupiter's Remuneration Committee determines and agrees with the Board the overarching principles and policies for the remuneration of employees.

## Diversity, Equity and Inclusion

We believe that Diversity, Equity and Inclusion (DE&I) is vital to our business – the freedom to think and act differently is central to our investment approach and to our talent management and recruitment programmes. We aim to employ the best people from the widest pool of applicants and support their career aspirations. We view diversity in its broadest sense – including but not limited to gender, social background, race, sexuality, age, disability, learning style or religion – as key to achieving our long-term goals.

We are committed to promoting mutual understanding and respect amongst our employees and the wider industry by valuing and supporting individuality. We facilitate schemes such as Investment20/20 and offer traineeships and apprenticeships to college leavers and graduates as well as supporting wider social initiatives such as financial education for young people. From an industry perspective, we are signatories of the Women in Finance Charter and a founding member of the Diversity Project.

Jupiter has an active and thriving set of employee resource groups, covering ethnicity, gender, LGBTQ+, and faith, each reporting to a central DE&I Committee which is chaired by the CEO.

## Communities

We contribute to our local communities, both through direct actions and through empowering our people to provide support.

Our employees nominate one lead charity partner each year. Jupiter's Charity Committee runs the selection process and helps coordinate firm and employee fund raising efforts throughout the year. Jupiter provides additional financial support to charitable organisations near to our offices.

Employees are encouraged to take five paid volunteering days each year. Employees can donate to charity from pre-tax salary through Jupiter’s Payroll Giving Scheme and we double-match employee contributions and fundraising activity.

**Working with our suppliers**

The [Supplier Code of Conduct](#) outlines our expectations for suppliers working with Jupiter. We expect suppliers to adhere to the Supplier Code of Conduct as we believe that holding shared values and goals benefits our business, our people, and our planet.

We have due diligence procedures in place to ensure our suppliers uphold human rights in their own organisations and in their supply chains. We also ask certain suppliers about their carbon reduction strategies and the reporting they have in place to measure their greenhouse gas emissions.

We include sustainability criteria when assessing new potential suppliers, and when monitoring the ongoing performance of existing key suppliers using a set of sustainability KPIs.

**Jupiter commitments**

We engage in industry initiatives where we believe we can add value and make a positive contribution.



## Scope of policy and review

This policy relates to all Jupiter operations.

This policy will be reviewed at least annually and approved by the Strategy and Management Committee.

### Reference:

1. *Media Release: Nature's Dangerous Decline 'Unprecedented'; Species Extinction Rates 'Accelerating' | IPBES secretariat.*