UBS Asset Management

Stewardship Annual Report 2024
UK Financial Reporting Council

UBS

Contents

Introduction

Page 5

Principle 1

Page 6 Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

Principle 2

Page 8 Signatories' governance, resources and incentives support stewardship.

Principle 3

Page 12 Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Principle 4

Page 14 Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Principle 5

Page 16 Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Principle 6

Page 17 Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

Principle 7

Page 18 Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Principle 8

Page 20 Signatories monitor and hold to account managers and/or service providers.

Principle 9

Page 21 Signatories engage with issuers to maintain or enhance the value of assets.

Principle 10

Page 31 Signatories, where necessary, participate in collaborative engagement to influence issuers.

Principle 11

Page 32 Signatories, where necessary, escalate stewardship activities to influence issuers.

Principle 12

Page 34 Signatories actively exercise their rights and responsibilities.

Appendixes

Page 38 1. UBS-AM Stewardship Update 2024
Page 40 2. Schedule of companies engaged with
Page 54 3. Code principles matrix

Introduction

Barry Gill
Head of Investments,
UBS Asset Management

With over 20 years of sustainable investing expertise, we continue to offer a range of strategies and customized solutions that aim to deliver sustainable outcomes alongside financial returns. Our sustainable investing capabilities cover active and passive styles of investing and span asset classes. There is rarely a one-size-fits-all solution for clients, which is why we incorporate a variety of approaches. These include active ownership, impact- and transition-focused strategies. We integrate data science into our sustainable investing processes to drive innovation and create more efficient alpha opportunities.

Our active ownership activities are meant to support our overarching goal to protect and enhance the value of our clients' investment portfolios in line with our fiduciary duty. This means that we will pursue engagement objectives that seek to address issuer specific opportunities and risks that we believe have the potential to enhance investment returns.

This Stewardship Report is our annual publication explaining actions and outcomes achieved and is structured in accordance with the principles of the UK Stewardship Code 2020.

We are proud to be an approved signatory of the UK stewardship code and are supporters of other global stewardship codes.

Barry Gill
Head of Investments,
UBS Asset Management

Principle 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society

Our purpose

Stewardship describes the activities undertaken by investors to monitor and, where necessary, intervene on matters that may affect the long-term value of investee companies. This relates to traditional topics such as strategy, performance and capital management, as well as sustainability-related risks and opportunities we deem financially material.

Our investment beliefs

Effective Stewardship is intended to improve risk management and support investment returns, while providing benefits to stakeholders and society.

We believe a focused, investment-driven approach to stewardship brings benefits to companies, shareholders and society.

We believe that effective stewardship is key to addressing broad externalities across the economy that could cause instability and risk in financial markets, such as climate change and loss of biodiversity.

Effective stewardship provides an opportunity for asset managers to identify and influence some of the most pressing environmental, social and governance issues facing investors and companies.

As a global large-scale investment manager with a broad range of different investment areas and strategies, the extent of Stewardship activities may vary across the firm. Active strategies benefit from the scale and breadth of exposure UBS-AM has to companies across our index strategies, enabling wider corporate access and a greater ability to influence management.

For index and rules-based strategies, stewardship activities often represent one of the most significant ways in which institutional investors can express their views on key topics and influence company performance.

We believe adopting a common approach to engagement enhances our effectiveness. We therefore look at investment exposure across relevant asset classes when selecting companies for engagement.

We believe that to support our clients in achieving their investment objectives over different time horizons and meet regulatory expectations and requirements, we also need to target outcomes that seek to address the drivers of systemic risks. These risks can impact market returns over time, as well as specific companies, potentially enhancing or harming investment returns across portfolios.

Our strategy

We take an active approach to stewardship across relevant asset classes or similar, through a clear and structured program. This encompasses integration of sustainability related factors into investment decision making, engagement, proxy voting, advocacy with standard setters, and collaboration with peers and our clients.

Integrating sustainability factors into investment decision making

– Environmental, social and governance (ESG) factors are monitored using bottom up fundamental analysis and using a proprietary dashboard, which draws upon ESG data to provide a bespoke ESG Risk Signal to the fundamental analysts, supporting and informing the allocation process.

– ESG opportunities are explored through proactive thematic research and interactions between portfolio managers, fundamental analysts and SI dedicated analysts create a full spectrum of strategic risks and opportunities through a sustainability perspective.

Engagement

– Constructive dialogue with issuers based on thorough research, with clear objectives and feedback on company actions, to achieve positive outcomes with improved performance.
– Thematic based engagement on key material topics with a thorough understanding of global value chain dynamics to drive impact in ESG ecosystem.
– Escalation pathways where progress against goals is not achieved.

Exercising shareholder rights through proxy voting

– Commitment to constructive dialogue with companies based upon thorough research, with clear objectives, including feedback on company actions and focused on achieving positive outcomes and solving existing concerns
– Voting policy provides framework for voting in the best financial interest of our clients
– Applied consistently and underpinned with case-by-case reviews and insights obtained through our engagement.

Contributing to industry initiatives and advocacy

– Supporting the enhancement of best practices across the investment industry.
– Advocacy with policy makers and standard setters on taxonomies and regulation.

Collaborating with peers and our clients

– Collective engagement where appropriate.
– Supporting clients with their commitments.

Reporting

– Aggregated global voting record disclosed, including explanations for votes against management, as well as fund level reporting of votes for institutional funds in various markets.
– Stewardship Updates explaining actions and outcomes achieved.
– Client and fund-specific active ownership reporting.

Our culture

Clients remain at the heart of what we do. We therefore remain steadfast in our commitment to be their bank of choice. and support them with offerings that meet their evolving needs. In an evolving macroeconomic and complex regulatory landscape, we help our clients achieve their sustainability and impact objectives. The transition to a lower- carbon economy, including the associated risks and opportunities, continues to be the main focus for many clients. This is driven both by their own ambitions and by regulatory requirements.

Principle 2

Signatories' governance, resources and incentives support stewardship

Leadership and governance

UBS' sustainability and corporate culture activities are grounded in the principles and behaviours outlined in our Code of Conduct and Ethics. Our Code covers our commitment to acting with the long term in mind and creating value for clients, employees, communities and investors. This includes our commitment to protecting the environment and fulfilling our compliance obligations.

The Board of Directors of UBS Group AG (the BoD) has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. The BoD's Corporate Culture and Responsibility Committee (the CCRC) is the supervisory body primarily responsible for corporate culture, responsibility and sustainability.

Within UBS AM, we have established a clear structure for planning and executing our sustainability approach and stewardship responsibilities.

Robust governance architecture in place

Sustainable investment policy	Proxy voting policy	Sustainability exclusion policy	Global stewardship policy
Describes UBS-AM's approach to sustainable investing, highlighting its implementation across the breadth of our business	Describes the approach of our equities, fixed income, multi-asset investment areas (including REPM listed real estate securities) to corporate governance, environmental and social factors during the exercise of voting rights on behalf of our clients	Outlines the company activities which are excluded from the investment universe	States the controls and governance approach with respect to active ownership and details our stewardship strategy

Oversight Forums

SI Methodology Forum
Head of Sustainable Investing (Chair)

Oversight of methodological changes across investments

Stewardship Committee
Head of Investments (Chair)

Oversight of proxy voting standards, process and corporate governance practices

AM Regulatory Forum
Head T&C (Chair)

Oversight of regulatory change lifecycle, including SI regulations

The Stewardship Committee, chaired by our Head of Investments, oversees our approach to stewardship, including process and policies related to proxy voting and engagement program activities. The Committee is the executive forum for all relevant legal entities of the traditional business of UBS-AM globally. The Committee meets quarterly with ad-hoc meetings at the discretion of the Chair should matters arise that warrant Committee review. The Committee can also perform duties on ad-hoc basis via email, as required, in respect of voting approvals that are required to be escalated for Committee review. The core Committee responsibilities and duties are outlined below.

Stewardship committee responsibilities

- Approving proxy votes escalated to the Stewardship Committee in the following circumstances:
  a. where agreement is not reached between voting analyst and relevant investment analyst/PM;
  b. high-profile votes, i.e. likely to attract media or significant client attention;
  c. votes that deviate from policy in specific circumstances listed in the UBS AM Proxy Voting Policy

- Reviewing and approving membership of any organization that UBS AM intends to join in relation to ESG / Stewardship
- Reviewing and approving requests to participate in the filing of a shareholder resolutions, signing of public statements and open letters
- Reviewing and approving the Proxy Voting policy annually, including any changes to scope of country coverage, and approving updates as required
- Reviewing and approving cases where credible corrective action process is proposed or in use
- Reviewing and approving SFDR whitelisting requests where agreement is not reached between fundamental analyst and SI analyst
- Reviewing engagement-based exclusions
- Oversight of severe risk rated issuers in ESG integrated products, approval of severe risk rated issuers exclusions

Resources

SI capability is embedded throughout the organisation. Our SI people model is a combination of dedicated teams and subject matter experts integrated within functional areas.

SI capability is organised around the activities below; the goal of the structure is to provide clear oversight from the President of UBS-AM across all impacted and aligned business and investment areas, including our dedicated SI team.

As of December 2024, the SI team consists of 34 professionals with an average of 13 years' investment industry experience. Team members are located in Zurich, London, Amsterdam, Krakow, Hong Kong, Singapore, New York.

Engagement and proxy voting execution
Analysts focus on driving active ownership outcomes for portfolios through evidence-based sustainability themed research, corporate engagement, proxy voting and participation in industry standards initiatives. Analysts focus on specific themes such as climate or chemical safety or regions in the case of corporate governance. Analysts within asset class investment teams also conduct research and issuer engagement.

SI portfolio integration
Analysts work closely with investment teams on ESG research, ESG integration process, net-zero portfolio alignment and the implementation of our impact investing framework including measurement and reporting.

SI specialists
Analysts focus on the design of SI characteristics for portfolios and creating customized sustainable investing strategies for clients. The specialists also provide education and training on selected topics to clients and UBS-AM staff to improve sustainability fluency throughout the organization.

SI governance
The focus is on ensuring we are implementing best practice sustainable investing policies and methodologies across asset classes.

SI quant
Analysts combine quantitative and data science skills to support quantitative assessment of ESG risks and opportunities, dashboard and methodology enhancements.

In addition the SI and investment teams are supported by a number of aligned functions including:
- GRA Sustainability Specialists, who focus on developing and implementing best practice sustainable methodologies and products for Real Assets.
- Risk Analytics and Modelling, responsible to calculate ESG metrics for portfolio management, risk management and reporting.
- Legal and Regulation with dedicated legal and regulatory sustainability teams identifying regulatory requirements, providing legal reviews and partnering with the business in regulatory solution design and implementation
- Our Second line of Defence functions Investment Risk focuses on UBS-AM risk control framework integrating ESG risk alongside other financial investment risk dimensions (Investment Risk), as well as on independently verifying the design and operating effectiveness of division risk management and control frameworks and identifying and escalating ESG risks in due diligence processes (Compliance and Operational Risk Control).
- ESG Data and IT teams provide the database infrastructure, data governance and technical interface to systems to enable sustainable investing activities
- Marketing and Communications function partner with investment teams to produce SI related reporting and thought leadership.
- Group Chief Sustainability Office setting sustainability standards and frameworks at the Group leve.

Training and education

We actively engage in education and awareness raising for employees on corporate responsibility and sustainable investing topics. Through employee onboarding, continuing education and awareness training, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our sustainability commitments.

We offer internal and external training on sustainable investing to all employees across the UBS-AM business areas to support and develop our expertise.

Our goal is to empower the organization to be "SI fluent" whereby every individual in AM can describe the role they play in advancing UBS-AM as an SI leader and has the training and tools to be successful. Our trainings include regular "speaker series" on specific topics and dedicated learning weeks to support foundational and regulatory modules. We offer foundational courses for all employees to understand UBS's approach to sustainable finance and UBS- AM's approach to sustainable investing.

In addition to internal trainings, UBS-AM supports and encourages the attainment of external ESG certificates in particular the CFA ESG Investing Certificate and the Cambridge Institute for Sustainability Leadership (CISL) Certificate in Sustainable Finance. In 2024 we launched a certification program with Berkeley University on Sustainable Investment.

Sustainability disclosure assurance

As part of UBS Group AG's annual reporting, a sustainability report is published with reference to GRI reporting standards and the definitions and methods defined in our Basis of Preparation document. Within this report, UBS-AM discloses information on its engagement activities, with a specific focus on E and S topics. The sustainability report is externally assured. Further information regarding the ISO 14001 certification can be found in the UBS 2024 sustainability report supplement.

UBS Asset Management internal audit
In addition to the Stewardship Committee's oversight, we review our stewardship approach annually, in order to take into account regulatory updates and changes to best practice. An internal audit of our approach took place in 2022.

Incentivizing effective stewardship
Incentives were established to ensure the successful implementation of the sustainable investment integration strategy both in relation to research and engagement with investee companies and portfolio management and, in our real asset business, to seek to drive real change in our underlying assets based on the belief that sustainability is linked to financial returns. In the interest of aligning the objectives of the portfolio managers with the objectives of our clients, there is a strong emphasis on generating long-term sustainable performance.

Principle 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first

Within UBS-AM, our principal objective when considering how to vote, or whether to engage with a company, is to ensure that we fulfil our fiduciary duty by acting in the interests of our clients at all times. UBS and UBS-AM have outlined clear policies for identifying and managing any perceived or actual conflicts of interest. Regular training is provided to all employees in regard to these policies.

Situations where potential or actual conflicts of interest have arisen in connection with our stewardship activities include where:

- The views of one client conflict with those of another client of UBS-AM
- UBS-AM invests on behalf of our clients in publicly listed shares of UBS Group AG
  The listed company whose shareholder meeting is being voted upon is a client of UBS-AM
  Affiliates within the wider UBS Group act as advisor to the company
- Board members of UBS Group AG serve on the Board of an external company, where UBS Asset Management shall be voting upon their election to the Board,
- The interests of an employee of UBS AM directly conflict with the interests of a client of UBS AM.

We have followed the following guidelines to address these potential conflicts of interest:

- We exercise voting rights in line with UBS-AM guidance and principles and retain a record of any deviation from UBS-AM policies.
- Where UBS-AM is aware of a conflict of interest in voting a particular proxy, a vote will be cast in line with UBS-AM policy guidelines, unless it is identified that such a vote would not be in the best interests of our clients. In that event the Stewardship Committee will be notified of the conflict and review whether a vote in line with UBS policy guidelines would be in the best interests of clients and remains consistent with UBS principles. This includes where UBS AM is invested into publicly listed shares of UBS Group on behalf of our clients.
- As it relates to the voting of UBS shares, we will vote in accordance with our internal conflict process, as with all other companies we invest in for clients. We will document the rationale for our vote.
- In the event that UBS-AM is responsible for voting rights over a client portfolio that is invested into units of a publicly traded UBS-AM investment or mutual fund, any such voting rights will not be exercised if the fund announces a meeting of unitholders. In such cases, any voting rights must be exercised directly by the external client or end beneficiary.
- Under no circumstances will our proxy voting decisions be influenced by our general business, sales or marketing, with impacted functions remaining outside of our voting decision process.
- UBS-AM and its affiliates engaged in banking, broker-dealer and investment banking activities ("Affiliates") have policies in place prohibiting the sharing of certain sensitive information. UBS officers are not permitted to discuss voting intentions with an Affiliate, and if they are contacted by an Affiliate, contrary to our policy, this will be referred to our Compliance and Operational Risk group. The chair of the Stewardship Committee will also be advised, who may advise the President of UBS-AM.
- Where UBS Group has provided seed capital to a fund of UBS-AM any voting rights arising from such capital will not be exercised.
- We provide specific and periodic training for employees outlining their responsibilities in relation to conflicts of interest.

In seeking to undertake engagement with a listed company we will follow the factors outlined in our prioritization process. Information about the companies we have targeted within our engagement program and progress of dialogue will not be released to other UBS divisions, with the only exception of cases where a public statement is planned.

In such cases, we have established a process to share the nature of the statement to be released and the company of interest with an identified UBS AG department entitled to receive such information. However, final decisions to make public statements on investee companies remain at the discretion of UBS-AM.

Principle 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system

We recognize that we have a role in shaping market improvements and developments, through collaboration with peers and discussions with policymakers and standard setters. We support the development of regulatory standards globally through interaction with our trade associations, regulators, and other policymakers. The UBS-AM Regulatory Management function stays abreast of regulatory developments, identifies regulatory requirements, conducts impact assessments to identify required business and system changes, and facilitates regulatory implementations with impacted business areas.

The Sustainable Investing team additionally participates in working groups and initiatives aimed at enhancing standard setting related to sustainability, ESG and stewardship topics. This governance structure provides practical insights into the fast-moving regulatory landscape and helps to identify and respond to market-wide consultations, as well as identify systemic risks posed to the financial system.

Policymakers and regulators increasingly require investors and companies to consider ESG in decision-making, operations and value chains with a particular emphasis on disclosure. We continue to support the International Financial Reporting Standards (IFRS) International Sustainability Standards Board (ISSB) standards issued in 2023 as a global baseline for sustainability-related disclosures to enable companies to communicate to investors about sustainability-related risks and opportunities. We continue to actively contribute to market initiatives that support protecting or enhancing value for our client portfolios, for example, by providing access to data and research, or the opportunity to input into the evolution of best practice standards that facilitate sustainability transitions.

We believe a bottom-up company and asset level stewardship approach should be complemented with a macro stewardship approach to address issues that exist across assets, such as consistent disclosure of financially material factors, and systemic risks to portfolios, including climate and nature. When considering how to address such issues and risks we endeavour to take action on particular issues, individually or in collaboration, both at the policy and company level. We continue to be actively involved in industry initiatives and collaborations with our peers and clients.

We also provide our expertise and input to policy development and standard setting processes, benefitting from the resources and expertise we have across the wider UBS group.

We participated in the UK Financial Reporting Council (FRC) consultation on changes to the UK Stewardship Code. A particular focus of our response was on the definition of stewardship, as well as the proposed reorganization of the FRC's guidance. The FRC is now working to respond to its stakeholder consultation.

We co-signed an investor letter to the European Commission on upcoming regulation around persistent chemicals to encourage regulatory certainty. This followed the publication of the European Chemical Agency's (ECHA) registry of restrictions covering >10,000 substances used in more than 14 sectors in 2023. The ECHA continues to assess restriction options alongside a full ban or a ban with time-limited exemptions.

UBS-AM has a seat on an accounting standards investor advisory group. This accounting standards initiative has developed standards for high quality global baseline sustainability disclosures focusing on financial materiality. These are based on the earlier SASB standards, and we use them as the basis of our ESG sector materiality frameworks. In 2024, 30 jurisdictions were making progress towards introducing the standards in their legal or regulatory frameworks, representing approximately 57% of global GDP, more than 40% of global market capitalization, and more than half of GHG emissions.

In order to attempt to address the significant discount in the South Korean market – widely perceived to be driven by poor governance and tax bottle necks – we participated with other members of an Asian permanent collaborative engagement initiative n a discussion with the South Korean Financial Supervisory Service on revisions to the Stewardship Code.

Additionally, as a leading private markets investor we consider it part of our role to share our knowledge and experience with the market and industry associations. Industry memberships and working group or committee representation include, amongst others.

Principle 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities

All policies are reviewed annually via an official review and endorsement process defined by our Group Governance.

Our voting and engagement program activities are overseen by the Stewardship Committee as detailed under Principle 2. In 2025, AM C&ORC has been added to Stewardship Committee as a guest member for selected discussion items.

The UBS AM Proxy Voting Policy defines the requirements and standards upon which UBS will execute voting rights on behalf of UBS-AM clients on investment funds. Stewardship Committee oversees the conduct of our voting including annual review of the voting policy. Specific teams are responsible for the implementation and review of processes relating to both voting and engagement. Assessing the effectiveness of these activities is a regular part of the management of our Sustainable Investing team.

The Compliance & Operational Risk Control AM function (C&ORC) is a 2nd Line of Defense function which independently oversee, challenge and control the non-financial risks arising from UBS's business activities. This includes performing a number of controls to ensure an effective control environment in relation to stewardship activities. proxy voting. In particular, C&ORC AM provides interpretation of regulations, advice, and performs controls to ensure that relevant regulatory, compliance (including conflicts), and operational risks are identified and managed according to the firm's risk appetite.In particular, C&ORC AM provides interpretation of regulations, advice, and performs controls to ensure that relevant regulatory, compliance (including conflicts), and operational risks arising from stewardship activities are identified and managed according to the firm's risk appetite. C&ORC AM is also responsible for addressing any risk escalations raised by the Stewardship Committee and ensuring compliance with the relevant policies. C&ORC AM sets policies, standards and processes to ensure that communications are clear, fair, not-misleading, and presented in a balanced and understandable manner.

Internal audit also continuously assesses the risk of Sustainable Investing framework including stewardship based on qualitative and quantitative risk factors, internal and external developments in addition to the three years cycle audit. Group Internal Audit deems the control environment as effective based on the results of 2022 SI and stewardship audit, and the next audit is planned in 2025.

Principle 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them

UBS AM remains committed to providing our clients with an offering to meet their evolving sustainability needs while ensuring transparent and regular communication of our stewardship and sustainable investing activities and outcomes through:

Client Engagement and Consultation
UBS AM encourages feedback from clients to understand their specific needs, preferences, and goals. This involves regular consultations and feedback sessions to inform our priorities and continuously improve our services.

Customization of Investment Solutions
Based on client's sustainability needs, UBS AM offers customized investment solutions to implement client sustainability preferences.

Transparent Reporting
We aim to ensure our sustainable investing activities and outcomes are transparent and reported in a fair and balanced way through regular disclosures to our clients and the public.
- ESG-related client reporting is provided quarterly. Quarterly ESG reports include details on ESG profile, Controversial Business Activities and Carbon Analytics. We also report through product factsheets where relevant.
- Stewardship activity is reported quarterly and includes details of voting and corporate engagement activities undertaken during the quarter.
- Our aggregated global voting record is disclosed publicly online on a quarterly basis, including explanations for votes against management. In addition, fund level voting information is disclosed for institutional funds in various markets.
- Our stewardship report is published annually, explaining actions and outcomes achieved.

We also adhere to various regional reporting obligations and formats, such as the PLSA disclosure requirements and the Shareholder Rights Directive II, ensuring comprehensive transparency as well as engagement reporting following the guidance of the Investment Consultant Sustainability Working Group (ICSWG).

Furthermore, we are committed to the Principles for Responsible Investment and report on our responsible investment activities as part of their annual assessment. Our environmental impact is disclosed through the CDP environmental disclosure system.

All of our policies and reports related to sustainability standards and commitments can be accessed publicly at www.ubs.com/gri or on our AM website at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html.

For an example of how we share engagement and voting examples with our clients please refer to our Stewardship Update 2024 at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html.

Principle 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities

Listed equity and corporate fixed income

Active equity and fixed income investment teams at UBS-AM conduct fundamental analysis which includes reviewing financially material ESG risks and opportunities. For corporate issuers, the process focuses on the financially material factors per sector that can impact investment decisions. Consideration of financial materiality ensures that analysts focus on ESG risks and opportunities that can impact the financial performance of the company and therefore investment returns. The ESG Material Issues Framework that analysts have access to identifies the three to five most financially relevant factors per sector that can impact the investment thesis and credit recommendation across all GICS sectors. The framework is geared towards the relevant material ESG issues for the sector which are identified with a connection to key value drivers.

As part of the fundamental analysis, analysts leverage the UBS SI Dashboard which includes quantitative ESG data that may act as an indicator of financially material risks and opportunities. Fundamental research capturing ESG risks and opportunities is captured in an SI Assessment template which is part of the overall research note templates used by fundamental equity and credit analysts.

ESG Risk Signals are also visible in the SI Dashboard. In case the ESG Risk Signal is triggered by a controversy signal, the SI team conducts an analysis to provide risk assessment, as well as facilitating any potential engagement with management to better understand financial materiality as well as potential credible corrective action in place.

In this way, ESG integration creates a situation in which equity and credit analysts, SI analysts, and portfolio managers discuss the implications for investment research, potential engagements and outcomes at the portfolio level. This combination ensures that portfolio managers are fully aware of any material sustainability risks that could have a negative impact on portfolio performance. This understanding allows portfolio managers to make informed decisions where their investment convictions are expressed through instrument selection and weightings and embedded in the construction of the portfolio. Within this framework, a portfolio manager may choose to invest in a company with strong net negative impact on performance due to ESGs where this is seen to be adequately compensated by the expected investment return.

Alternatively, the portfolio manager may choose to reduce their exposure to the risks or underweight the position vs. the benchmark.

A portfolio manager may choose to own a company with an engagement initiated to address and mitigate identified ESG risks with the objective of improving the overall investment outcome.

In addition it is important to us that our thematic environmental, social and governance engagement activities support our investment decisions. As a result we incorporate considerations of financial materiality into the selection and design of our thematic engagements, to select the companies we engage with, and in determining the company-specific objectives against which we measure our progress.

Global real assets

Our Global Real Assets business also integrates stewardship with its investment activities. Stakeholders differ depending on the nature of the underlying asset, and the way we invest - either as direct owner of property and infrastructure assets or indirectly into funds or portfolio companies.

In Direct Real Estate, we measure tenant satisfaction through regular surveys, identify areas for improvement, and implement the results as appropriate in accordance with the feedback received. We also maintain dialogue with other key stakeholders such as construction companies, developers and architects. and interact and connect with local communities through programs such as hosting charitable events, community activities and sponsorships.

For our Direct Infrastructure Equity we engage with our portfolio companies and projects with the objective of tracking key sustainability indicators and defining and executing a sustainable strategy. In our Direct Infrastructure Debt business, every portfolio company is assessed and scored during the initial due diligence by the Portfolio Manager according to our proprietary framework. Each investment is reviewed annually using the sustainability scorecard.

Principle 8

Signatories monitor and hold to account managers and/or service providers

UBS Asset Management (UBS-AM) employs a comprehensive risk management framework to monitor and hold accountable its managers and service providers, including conflict of interest management and quality assurance.

Service Providers
We continually review and monitor the quality of services provided to us by third parties via our internal Vendor Management Assessment Program , which is a formal due diligence process focused on the compliance of policies, controls and procedures, and quality of content. This includes a review of how vendors manage any conflicts of interest that may arise through certain affiliations or business practices.

For ESG research and analysis, UBS-AM uses various third-party providers specializing in ESG assessments and thematic research on specific topics and sectors. While UBS AM analysts leverage this third-party research, the final conclusions on a company's ESG profile and areas for engagement are determined internally and may differ from individual service provider opinions. During meetings with management, UBS AM clarifies its use of external research to ensure transparency and understanding.

When selecting ESG service providers, UBS-AM evaluates criteria such as years of industry experience, sector and geographic coverage, researcher expertise, and the transparency and quality of ESG assessment methodologies. The firm also assesses the clarity of conclusions and underlying data, the ability to provide tailored information for UBS AM and its clients, and the complementarity and added value compared to other available offerings.

The proxy voting process is supported by a third-party proxy advisory, Institutional Shareholder Services (ISS). ISS is responsible for issuing voting recommendations and research to UBS AM based on the principles and guidelines within the UBS-AM Proxy Voting Policy. UBS-AM retains full decision-making authority in voting execution. Voting team monitors and interacts regularly with ISS to ensure correct implementation of voting and holds a semi-annual due diligence meeting with ISS.

Multi-Manager Investment
In our Unified Global Alternatives (UGA) business we conduct regular engagements with underlying fund managers on various sustainability topics ranging from carbon reduction targets, climate risk, diversity, governance, regulatory trends and requirements and ESG-related training. Routine engagements are recurring and relate to the components of our standard investment process such as the distribution and assessment of ESG questionnaires, or the review of the annual GRESB Real Estate Assessment results. Ad hoc engagements take place around specific events such as during the due diligence process for a new investment opportunity or participating and voting investor meetings.

We use a proprietary ESG Questionnaire, which is distributed to underlying fund managers on an annual basis and is a mandatory requirement for all investments. The includes questions relating to regulatory classifications, appropriate carbon reduction targets, disclosure and the management of physical and transition risks, and health and safety topics. Responses collected from fund managers are used to identify areas for further discussion or improvement and aligning with industry best practice.

Principle 9

Signatories engage with issuers to maintain or enhance the value of assets

Overview of our engagement with issuers

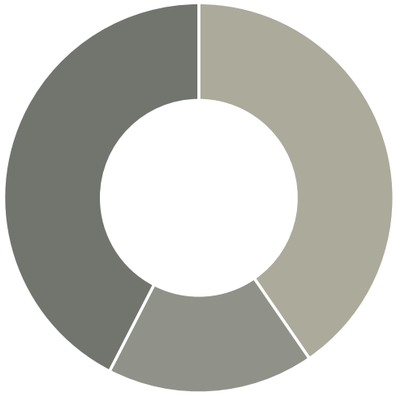
We held	They covered			
473	321	67%	25%	24%
meetings with investee companies which met our definition of engagement	companies across regions and sectors	of our engagement objectives were showing progress	of our engagements were with CEO/CFO and other C-Suite	of engagements were with Chair and non-executive board members

Companies engaged by sector

	% of total
Communication services	5%
Consumer discretionary	7%
Consumer staples	5%
Energy	12%
Financials	9%
Healthcare	9%
Industrials	16%
Information technology	9%
Materials	18%
Real estate	2%
Utilities	8%

Source: UBS Asset Management, as of January 2025. For illustrative purposes only.
Note: Once again in 2024 UBS Asset Management has been affirmed a signatory to the UK Stewardship Code by the Financial Reporting Council (FRC).

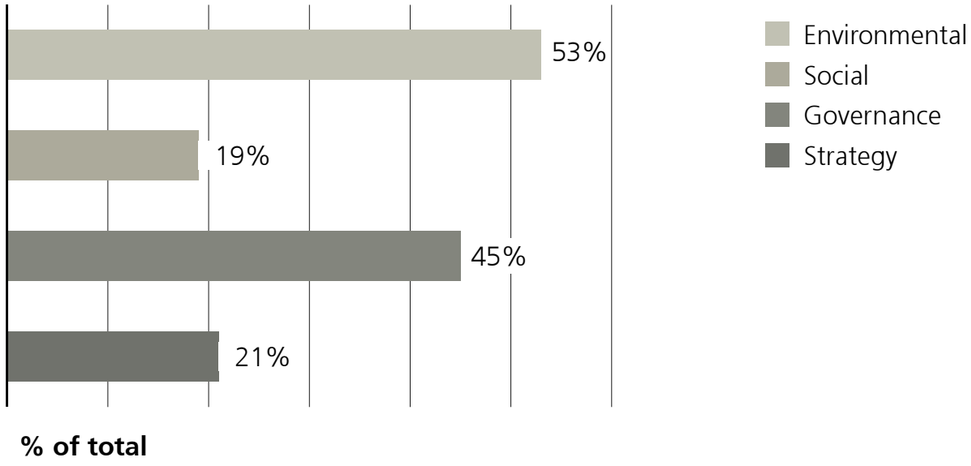
Percentage of companies engaged by region



	% of total
Americas	40%
Asia Pacific	17%
Europe, Middle East and Africa	42%

Source: UBS Asset Management, as of January 2025. For illustrative purposes only.
Note: Once again in 2024 UBS Asset Management has been affirmed a signatory to the UK Stewardship Code by the Financial Reporting Council (FRC).

Engagement meetings by theme[1]



Source: UBS Asset Management, as of January 2025. For illustrative purposes only.
Note: Once again in 2024 UBS Asset Management has been affirmed a signatory to the UK Stewardship Code by the Financial Reporting Council (FRC).
1 Engagement meetings can cover more than one theme. Thus, percentage numbers do not sum up to 100%.

Why and how we engage

Investor Stewardship is also commonly referred to as Active Ownership. It is an integral part of our investment proposition. The UN Principles for Responsible Investment define active ownership as "the use of the rights and position of ownership to influence the activities or behavior of investee companies, markets and economics, and explicitly prioritizes critical systemic goals and collective effort aimed at concrete outcomes, rather than processes and activities".

For listed equity this includes engagement and voting. Under this framework, investors use their influence to shape sustainability outcomes by engaging in more effective and assertive stewardship activities. For other classes such as Fixed Income and Real Estate engagement with the issuer or property partner is the driver to enhance sustainability approaches.

Our active ownership activities are meant to support our overarching goal to protect and enhance the value of our clients' investment portfolios in line with our fiduciary duty. This means that we will pursue engagement objectives that seek to address issuer specific opportunities and risks that we believe have the potential to enhance investment returns.

For engagement examples please refer to our Stewardship Update 2024 at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html

Three ways our dialogue with companies can contribute to our investment processes and decision making

Insights
Investors can identify and better understand relevant risks and opportunities that issuers face. They can also use engagement and other interactions to assess and build relationships with management and boards. These insights can be integrated into investment decision-making.

Accountability
Investors can hold management and boards to account for their work and assess all aspects of an issuer's performance, activities and behaviors. Seeking accountability to investors can drive focus towards material issues.

Outcomes
Investors can constructively work to influence issuer's key decision-makers. This can contribute to changes in the governance (broadly defined), activities or behaviors of companies, helping them to address potential risks and opportunities, with the goal of protecting or enhancing long-term corporate value.

Our definition of engagement

We regard engagement to be a two-way mutually beneficial dialogue with an issuer, with the objective to share information, enhance understanding and help to improve business practices and performance.

These discussions with company boards and corporate management enable us to explain our expectations and to encourage changes to business practices or governance which we believe protect and enhance long-term value. We refer to the latter aspect as outcome focused engagement. It also allows us to hold boards and management to account.

Companies can explain the relationship between their business model, financial performance and sustainability. In our view, it is this two-way dialogue between investors and companies which defines engagement. We believe that providing feedback and challenge are pre-requisites for effective engagement.

For non-corporate debt issuers, such as sovereign or supranational organizations, we believe engagements on targeted issues, such as governance, transparency and disclosure on the use of proceeds are most likely to drive real world positive outcomes.

How we approach corporate engagement

As one of the largest global asset managers we generally have access to management and company boards across most markets. We leverage this to further engagement dialogue with both executive and non-executive board members, as well as other senior executives and subject specialists.

Our engagement activity is coordinated between our Sustainable Investing team (SI), and broader equity and fixed income investment teams in order to coordinate clear messaging to companies on what is expected of them, with the goal of consistency between investment, engagement and voting objectives and activities.

Engagement may take different forms and arise in a variety of ways, including direct one-to-one discussions with companies on routine or more specific topics, or collaborative engagement with other investors, or a combination of both. Such engagements may be in person, via video or conference calls or group discussions.

Our approach to specific engagements and its resourcing will depend on the purpose of a particular engagement and its categorization.

Materiality of engagement issue
We align our engagement activity with key material issues relevant to the issuers we engage with.

Investment exposure
We prioritise our engagements where our clients across our investing activities have the largest investment exposure.

Engagement potential
We look to engage with companies where we can ensure a constructive dialogue.

Investor manager contribution
When engaging, we seek to add tangible value to the conversation, for example, by providing insights derived from our company and thematic research and our understanding of industries and their supply chains and key drivers, as well as sharing our knowledge and connections across the ecosystem and companies in specific sectors.

Joint engagement based on analyst research
Our active ownership leverages the experience and skills across our investment teams to produce company specific and thematic research in order to take a holistic view of a company. These insights inform our engagement objectives and can increase the likelihood for material outcomes.

Systematic approach to engagement selection
We incorporate bottom-up and top-down considerations, such as exposure and related research, when selecting companies for engagement. This allows us to focus on where we see both idiosyncratic and systemic risks and opportunities, which may have an impact investment returns over different time horizons.

Our engagement categories

We categorise our engagements as follows:

Thematic
- Environmental: Climate change / Natural capital
- Social: Human capital, Human rights, Safety & Quality
- Governance

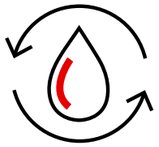
Controversy focused

Impact focused

Engagement across strategies and issues

Global Real Assets
- Real estate
- Direct infrastructure
- Multi-manager

Thematic – Environmental



Climate change

Managing climate risks and transitioning to a net-zero economy will require significant changes in company operations. We engage with the world's most emission-intensive companies, encouraging and assisting them in adopting transition plans and achieving emission reductions aligned with a net-zero pathway. This effort also depends on governments and market participants fulfilling their own commitments to meet the objectives of the Paris Agreement.

Our engagement is based on our assessment of corporate climate transition plans, which allows us to evaluate and engage issuers on the alignment of their plans with a net-zero pathway. This assessment is guided by market-leading standards along with various sector-specific standards. We use our detailed assessments to inform our evidence-based engagements with companies and provide valuable company and sector-level insights to our investment teams.

Natural capital

We believe biodiversity loss and degradation pose significant financial risks. Through our planet program, we are committed to engaging issuers on biodiversity loss and restoring natural ecosystems.

We have conducted extensive research and stakeholder consultations to identify the material natural capital impacts and dependencies of our investment portfolios. Our engagement on natural capital risks and opportunities focuses on three areas: forests, water, and the climate-biodiversity nexus. We believe that companies that manage their operations and supply chains to minimize environmental harm, offer safer and sustainable alternatives and optimise their use of resources, including water, will enhance their business resilience and reduce their vulnerability to systemic risks. As such, we engage with companies on their management of deforestation risks, water scarcity and quality, chemical safety, and the integration of biodiversity outcomes into transition strategies.

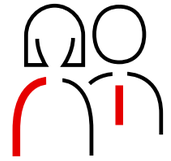
Thematic – Social

Human capital

The focus of our engagement is on businesses providing and promoting decent work. This includes a focus on workforce composition and labor rights.

Through engagement, we encourage global companies to ensure appropriate workforce composition and to make positive change and commit to improve policies, practices and disclosures where needed. Through innovation, employee productivity, creativity and problem solving, better decision- making and identification of opportunities, workforce composition may contribute to enhanced financial performance.

Many companies globally lack policies and practices to protect labor rights, which can impair social progress, equality and standards of living for society. Labor rights protection and enforcement can encourage employee engagement and retention rates, and can also potentially reduce business-related risks. We engage companies to develop best-in-class labor rights policies, practices, and publicly disclose them. We believe policies and practices should focus on three areas of labor rights: health and safety, and fair working conditions, including support for International Labor Organization (ILO) Principles.



Human rights

Human rights protection and enforcement is fundamental to reducing business-related risks and demonstrating responsible business conduct and can reduce business-related risks. Our human rights engagement focuses on successful implementation of the UN Guiding Principles on Business and Human Rights (UNGPs), which provides guidance on how identify, remediate, prevent and mitigate human rights issues. In our collaborative engagement on human rights we use the Corporate Human Rights Benchmark (CHRB) provided by the World Benchmarking Alliance. We want investee companies to develop best-in-class human rights policies, practices, and publicly disclose these, as evidenced by their assessment against the CHRB.

Safety & Quality

The focus of our health engagement is on products and services that contribute to a healthier society. We believe nutritious products and associated marketing practices can not only improve society in general through healthy eating habits, but they can also benefit companies to unlock new opportunities in new markets.

In our engagements we seek companies to acknowledge the benefits associated with enhanced nutrition strategies and commit to improving their nutrition policies, practices, and disclosures. We aim for investee companies to improve their nutrition policies, practices and publicly disclose, as evidenced by the results of their assessment against the Access to Nutrition Index (ATNI) framework.

In 2024 we launched an engagement program focused on AI, encouraging companies to transform business models and services for an inclusive and productive economy with considerations of the associated risks and impacts. We engage with companies and industry initiatives on responsible AI to encourage transformation of business models and services with considerations of the associated risks and impacts, treating it as an opportunity for improved efficiency and greater innovation, as well as an identification of business risk across their operations. We are engaging with companies in high potential impact sectors such as pharmaceuticals, healthcare, media and entertainment, data centers and cloud providers, as well as companies where we see business transformation opportunities.

Thematic – Governance

We believe that strong governance drives corporate behavior and can lead to effective policies and business practices regarding environmental and social issues. Such matters, managed, may lead to both better corporate performance and improved shareholder value over the long term.

We expect companies to provide timely, accurate, and comprehensive reporting on all material governance and business matters, including ESG- and sustainability-related issues. Clear and effective disclosure enables investors to effectively monitor companies and their operations, business practices and policies.

It can be difficult to judge the quality and effectiveness of a board from outside the boardroom and we believe that continual monitoring and communication is an essential component of effective stewardship: it can help identify areas of concern and provide opportunities for us to give feedback to investee companies.

Our monitoring of governance related factors involves the following:
- Use of internal information from our proprietary databases, external specialist sell-side broker research and ESG rating tools.
- Review of the inputs to governance (such as board committee structures).
- Meetings with company executives and non-executive board members give us the opportunity to assess the success of the outputs of governance – such as strategy, acquisitions, capital allocation and operational performance.
- Assessment of deviations from relevant corporate governance codes.
- Monitoring corporate developments through company announcements and market news sources.

We are particularly keen to engage early with companies with the goal of minimizing the potential for loss of shareholder value: our governance engagement also provides a forum for us to give feedback to companies on issues raised at the annual general meeting (AGM) of shareholders.

Controversy focused

We focus on companies that appear to be in violation of any of the 10 principles of the UN Global Compact, as well as companies flagged in the UBS sustainability and climate (SCR) risk watchlist,which identifies companies with potentially higher environmental and socal risks and which is a tool supporting the group-wide initiative to address risks across our firm's business divisions and legal entities.

We believe that these companies represent an investment risk.

When cases are material or represent a systematic management failure our main engagement objectives are for the companies to:
1. Remediate the breach or issue
2. Have defined plans to address and compensate for any negative impacts
3. Identify and implement processes to prevent repetitions
4. Communicate effectively with stakeholders

We track progress through public communications and make contact the companies directly. We recognize that given the nature of issues facing many companies, changes may take time, and that cases may be ongoing.

Impact focused

Active ownership is one mechanism for investors to contribute to a company's positive impact, commonly referred to as additionality in impact investing, and a critical component of impact investment, particularly in public markets.

Impact strategies benefit from stewardship on thematic topics, such as climate and human capital management or governance and controversies, as described in earlier sections. In all of our engagements we focus on achieving specific outcomes, which requires depth and quality, investment centricity and our own contribution to the dialogue with companies.

While we recognize that our engagement will rarely be the only factor driving change at investee companies, we believe it is important to assess the effectiveness of our dialogue with companies alongside the real-world outcomes we are observing. For this purpose we define and track progress against engagement objectives. This also allows us to prioritise our engagement with specific companies depending on the progress we have observed.

Strategy-specific engagement

We also engage with companies on a range of idiosyncratic opportunities and risks, including but not limited to sustainability issues, which are identified during the investment process and not covered in any of the other categories.

These issues are identified during our systematic integration of material sustainability related factors into investment processes and decision making and our monitoring of ESG risks, or during dialogue with a company before or after an investment was made.

Engagement will typically focus on outcomes that seek to address the specific opportunities and risks identified which we believe have the potential to enhance or protect investment returns.

When we identify an ESG risk through our research and processes and decide to engage as a next step, we use engagement to obtain additional information and insights directly from the company and/or to drive an engagement outcome that will address the identified risk.

The combination of ESG related data and analysis and engagement can provide us with a more holistic view of the risks a company faces, its management and potential mitigation. We can then take a more informed view on risk-adjusted returns.

Global Real Assets Engagement

In our Global Real Assets investment activities, we follow a partnership philosophy, engaging with a variety of stakeholders in a constructive, two-way dialogue with the goal of positive, long-term outcomes.

Direct Real Estate
As a direct manager of real estate assets it is in our control to positively influence the ESG credentials of the property, in close collaboration with our tenants, communities and other stakeholders.

Front and center to our activities is a constructive exchange and ongoing cooperation with our property manager, facility managers and/or our tenants in pursuit of our sustainability aims for our properties. We seek to align with property managers, facility managers and/or our tenants to reduce consumption and waste, improve the energy mix in the property and the coverage and quality of data available to use.

We also aim to include green lease clauses in all new commercial tenancy agreements.In residential assets we raise awareness and provide guidance on how users can reduce their consumption and emissions.

Direct Infrastructure Equity
We aim to seek majority or controlling rights over our portfolio companies where possible and ensure we have board seats (or aim to seek control over a project company board as applicable). For minority stakes, we ensure we have governance rights that allow us to protect and enhance our investment.

Direct Infrastructure Debt
We aim to improve sustainability disclosures over time for debt which typically does not report on sustainability metrics. As a lender we naturally have less control and ability to directly drive change at investment level.

Multi-managers
As an indirect investor with no direct control of our underlying investments we periodically engage with fund managers on ESG topics. We consider engagement to be a part of our fiduciary duty on behalf of our clients and seek to maximize our influence in this respect, through advisory board membership for example.

Principle 10

Signatories, where necessary, participate in collaborative engagement to influence issuers

The significant nature of many of our investments provides us with access to the management and boards of companies and as a general rule our preference is to engage privately and directly with our investee companies.

However, we recognize that we have a role in shaping market improvements and developments through collaboration with peers and discussions with policymakers and standard setters. It is our ambition to support the development of regulatory standards globally. We undertake this through interaction with trade associations, regulators, and other policymakers.

Underpinning our commitment to the wider financial market infrastructure is our view that there can be a clear benefit to working with other investors and stakeholders, including collective engagement with investee companies. Where we believe the effectiveness of engagement and the chance of success can be increased, we are keen to work both formally and informally with collective bodies, or with other shareholders. By speaking to companies with a unified voice, investors can communicate their views more effectively while allowing the companies to focus on a smaller and more coordinated number of requests from the financial community.

Collaboration with peers and our clients, we can build knowledge and skills, pool resources and focus the attention of corporate management. However, there is a chance that negotiation and coordination costs might hamper the advantages of collaboration.

We also want our collaborative engagements to support dialogue with the companies we invest. We avoid any behaviour that could be construed as acting in concert or which is anti-competitive and ensure we follow applicable regulations and UBS internal policies and rules.

Therefore, at the outset, we always confirm that:
- Working with other investors is permitted by law and/or regulation
- A general alignment of views, and agreement on issues of concern and potential solutions
- Dialogue will be undertaken privately
- We have the resources to effectively contribute to the research and dialogue

We assess the outcomes of the collective engagements we participate in using the same criteria we apply to our individual engagements. These assessments focus on progress against agreed engagement objectives.

For engagement examples please refer to our Stewardship Update 2024 at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html

Principle 11

Signatories, where necessary, escalate stewardship activities to influence issuers

Our active ownership approach considers financially material issues that we believe are linked to long-term value creation. We assess company responsiveness and progress in addressing issues of concern that we have raised to management and/or the board to determine whether escalation is required.

We recognize that change or progress does not happen overnight and is not always straightforward. Successful engagement is typically not a one-time discussion, and encouraging companies to implement improvements or develop in key areas usually requires a series of interactions over time. The effectiveness of engagement can often only be judged over a period of time and for this reason we monitor the progress of our engagements against objectives. We expect companies to demonstrate tangible progress toward meeting our engagement objectives after two years.

In such cases escalation may be necessary. We have a clear process in place for situations where an engagement does not achieve our objectives or if we are not satisfied with the response of the company.

In the first instance, we will seek to highlight and discuss our concerns through further direct interactions with senior executives and non-executive board members, or the board chair. We may also contact the company's advisers.

In making decisions as to whether to further escalate our engagement we will consider the following:

- The circumstances which have led to our concern
- The materiality of the potential negative impact that could arise if we do not address it
- Best practice standards, including where the company has breached established global norms
- Explanations provided by the company
- Any pattern of concerns over a period of time
- The likelihood of future success for our engagement

If a company consistently fails to meet our expectations, if there is a continued lack of response, or if a company's ESG disclosures are insufficient to allow for investors to gain an appropriate understanding of a company's sustainability-related risks, there are further steps we may choose to take.

Our escalation strategies may include:

- Voting against management proposals at the shareholder meeting, including the election of
- board candidates, or items correlating to our concerns, for example relating to climate.
- Supporting shareholder resolutions.
- Writing to senior executives or the board of the company to formalize our concerns.
- Presenting a statement at the AGM.
- Seeking collective engagement, including through industry groups and investment fora.
- Exercising other shareholder rights, such as filing a resolution individually or with
- other shareholders.
- Eventually, decreasing or exiting a position.

In doing so we are acting to protect the value of our client's investment, which is paramount to our approach.

In some cases, the risks identified may have an impact on our ability to invest in the company for specific investment strategies.

Principle 12

Signatories actively exercise their rights and responsibilities

Our approach
It is our belief that voting rights have economic value and should be treated accordingly. As a result we consider voting to be integral to both the investment process and our overall stewardship approach.

Exercising voting rights allows us to voice our opinion to a company on a broad range of topics, provide support to an investee company where appropriate and enables us to escalate any concerns. We engage with boards ahead of general meetings where appropriate, subject to the need to issue voting instructions to fit in with voting deadlines. This approach provides a clear link between our voting decisions and our investment research process.

To the largest extent possible, where holdings are held across different portfolios and strategies, we will vote consistently to maximize the outcome of our voting activities, leveraging the weight of our aggregated holdings. Only in exceptional circumstances will we split our vote for individual strategies, for example where a merger and acquisitions transaction may financially impact one strategy differently to another.

Not only does this unified approach strengthen our decision making, but it also enables us to present a consistent view to companies, as we take into account all information available to us.

Our approach is to vote in all markets, unless we feel that by doing so we will impede our ability to manage a portfolio, or the logistics involved in voting are prohibitive and would not deliver sufficient benefit to clients.

Due to the nature of our investment approach we will not generally requisition an extraordinary general meeting, however, may decide to file, or co-file, shareholder resolutions at pre-announced meetings as part of our escalation strategy. We may also choose to support proposals put forward by other shareholders.

Where we decide not to support the board of companies linked to significant holdings, we may decide to engage the company privately to explain the reasons behind our dissent, and encourage improvement. More generally, we do not disclose our voting intentions publicly, or to third parties, ahead of a shareholder meeting. However, in line with our commitment to transparency, our final voting decisions are published on our public website at the end of each quarter.

Voting policy
The principles outlined in our global Proxy Voting Policy provide the foundation for our voting decisions. We have a single global framework as opposed to regional or strategy-level policies, to encourage all companies to adopt strong corporate governance standards in all markets in which we invest for clients. Our policy is based on best practice outlined in the G20/OECD Principles of Corporate Governance 2023, ICGN (International Corporate Governance Network) Global Governance Principles and requirements of various national and global governance codes.

The policy explains in detail the principles and topics we believe to be important to deliver on good governance across our investments, as well as information on when we might choose to abstain or not vote.

The policy covers topics such as director elections, shareholders' rights, capital allocation and management, audit and risk oversight, remuneration, environmental and social factors, including disclosure and reporting expectations. It also provides details of our proxy voting process, how we use third-party service providers, and how we identify and manage conflicts of interest.

We monitor changes to best practice on an ongoing basis and perform an annual review of the policy, considering market updates, trends we have identified from our activities during the year, as well as feedback from our clients and other stakeholders. Proposed changes to our voting principles are drafted by our stewardship team and shared with our investment teams for comment and feedback. All final proposed updates are then reviewed and approved by our Stewardship Committee.

Our latest proxy voting policy is available on our dedicated webpage: https://www.ubs.com/uk/en/assetmanagement/capabilities/sustainable-investing.html

Our voting records are available on our dedicated webpage: https://vds.issgovernance.com/vds/#/MjU0

Voting on positions where securities lending activity takes place
Stock lending can be beneficial to a fund or portfolio by providing an additional income stream. It can also benefit the market by providing liquidity. Many of our mutual funds include the provision for stock lending, in some cases with a specific limit on the percentage of the fund's holdings which can be used for lending purposes at any given time. However, we recognize that there can be a trade-off, particularly when it comes to exercising voting rights.

Voting rights linked to equity positions are not retained by the lending party and are transferred to the control of the borrower: we are contractually unable to exercise voting rights on loaned positions. Through our voting process we monitor eligible share positions where a loan position impacts an upcoming shareholder meeting.

If we judge an upcoming vote to be particularly contentious, or if we believe it is in our client's best interests to do so, we may choose to recall stock out on loan to vote the maximum position available to us. This is generally in exceptional cases. We do not borrow shares for the purpose of gaining additional voting rights and do not vote on any equity collateral positions that are held due to a lending agreement.

The decision to recall shares to vote a larger position is generally dependent upon the following criteria:
– The issuer represents a significant holding; and/or
– The issuer is subject to our focused proxy voting/ engagement program; and/or
– The agenda for the shareholder meeting contains a proposal regarded as controversial according to our Proxy Voting Policy or other circumstances, particularly where we believe shares on loan may cause a risk to the long-term value of the holding.

In adopting this approach, we seek to maximize our voting positions alongside the additional income stream, balancing the benefits of lending alongside our stewardship commitments.

Proxy voting advisors
Our proxy voting process is supported by a third-party proxy advisor, Institutional Shareholder Services (ISS). ISS is responsible for issuing voting recommendations to UBS-AM based on the principles and guidelines within the UBS-AM Proxy Voting Policy.

We use the research and recommendations provided to supplement the assessments undertaken by our dedicated stewardship team; we do not delegate our voting responsibilities to ISS. We retain full discretion when determining how to vote shares held for our clients and funds.

ISS deliver their services through their dedicated online research and voting execution tool, ProxyExchange. This enables us to view research alongside client voting positions. Our voting decisions are executed via the platform.

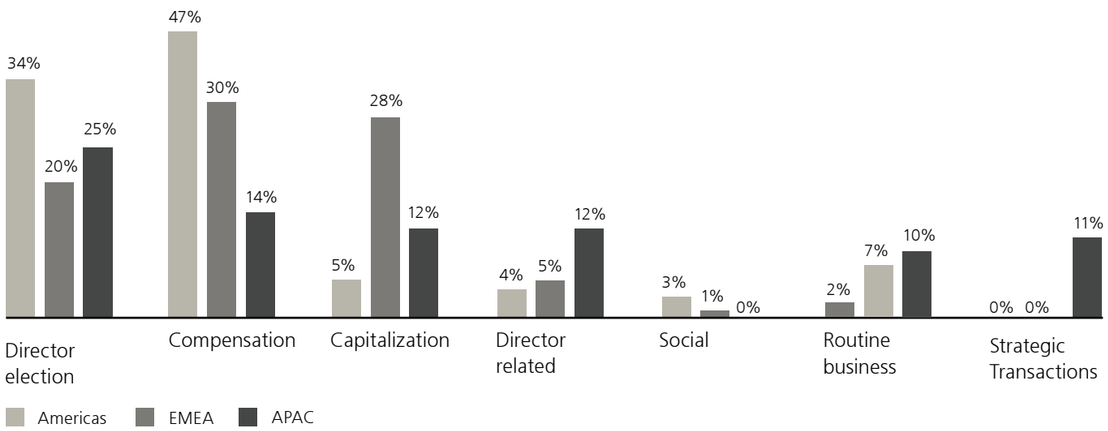
Attendance at shareholder meetings
Given the nature of our global investments, it is generally impractical for us to physically attend a shareholder meeting. However, where we believe it is in our clients' best interests we may occasionally attend, choose to speak, or vote directly at a shareholder meeting.

Supporting clients exercise of voting rights

- Delegate voting rights to UBS-AM, in which case voting decisions will be based upon UBS-AM voting policy. Voting will be performed consistently, as part of UBS-AM stewardship activities, with regular reporting and insights. Arrangements may be put in place to enable to instruct UBS-AM on how to vote for their portfolio for particular companies or topics that are of interest, on a case-by-case basis.
- Clients can manage voting rights directly with their selected custodian, based on their own policy, or a selected market policy.
- Clients may appoint a 3rd party specialist provider to vote in line with their guidelines, or the policy from the provider.

We recognize that some of our clients with directly managed portfolios, or clients for whom we provide single investor mutual funds, may prefer to implement a consistent voting outcome across different investment managers. We offer a number of different options to support these clients.

Votes against management by region and category



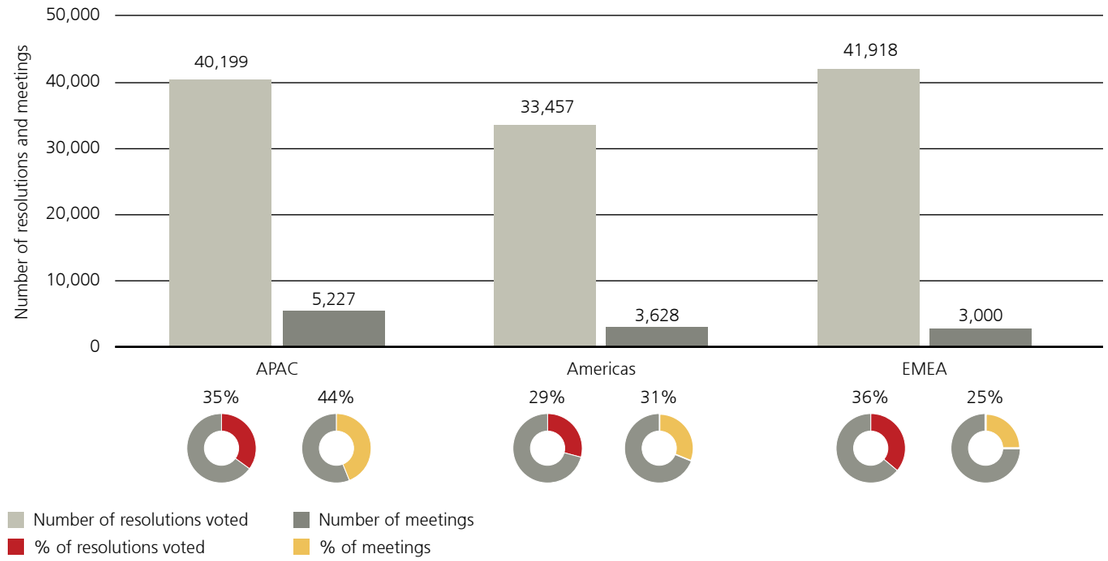
Source: UBS Asset Management 2024

2024 Voting activity

11,885	115,574	14,508	57%
Annual general meetings	Individual resolutions voted	Votes against management	Meetings with a vote against management

For voting examples please refer to our Stewardship Update 2024 at https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html.

Meetings and resolutions voted by region



Source: UBS Asset Management 2024

Appendix 1

UBS-AM Stewardship Update 2024

UBS Asset Management's Stewardship Update 2024 is an overview of our engagement and voting activity together with outcomes in the form of engagement and voting case examples.

A copy of the Stewardship Update 2024 can be found here: https://www.ubs.com/global/en/assetmanagement capabilities/sustainable-investing/stewardship-engagement.html.

Appendix 2

Schedule of companies engaged with

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
2019 Bulkers Ltd.	1	x																							x				
3i Group plc	1														x														
A.P. Moller - Maersk A/S	1	x																					x						
Aalberts N.V.	2													x			x										x		
ABB Ltd.	2	x													x														
Abbott Laboratories	1															x													
Accelleron Industries AG	1															x													
Adecco Group AG	2														x	x													
Adecoagro S.A.	1	x																											
Advanced Drainage Systems, Inc.	1		x			x																							
Advantage Energy Ltd	1	x																							x				
AES Corporation	1	x																											
AIB Group plc	2		x		x	x									x									x			x		
Air Liquide SA	1	x																											
Air Products and Chemicals, Inc.	1	x																											
Alcoa Corporation	1	x																											
Alcon AG	2								x																				
Alibaba Group Holding Ltd.	3				x			x									x						x						
ALLREAL HOLDING AG	1															x													
Alphabet Inc.	1													x	x	x							x						
Amazon.com, Inc.	2	x		x	x										x	x							x						
American Electric Power Company, Inc.	1	x																											
Analog Devices, Inc.	1															x			x			x							
ANDRITZ AG	1															x													
Anglo American plc	3	x													x				x				x						
Antofagasta plc	2	x												x	x				x										
Aptiv PLC	3	x			x						x				x								x				x		x
ARC Resources Ltd.	1	x																											
ArcelorMittal SA	1	x			x											x							x	x					
Archer-Daniels-Midland Company	1																												
Ascom Holding AG	1															x													
AstraZeneca PLC	2								x							x													
ASX Ltd.	1															x													
Autodesk, Inc.	2					x									x	x							x				x	x	
Avance Gas Holding Ltd.	1	x																											
AXA SA	1														x	x													
Axis Bank Ltd.	1															x													
Aya Gold & Silver Inc.	1	x																						x					
AZEK Co., Inc.	1															x													
Bachem Holding AG	1														x		x												
Baiksan Co., Ltd	1																										x		
Baloise-Holding AG	2														x							x							
Banco Santander, S.A.	1															x													
Bank of Ireland Group Plc	1															x								x	x				
Barclays PLC	1	x																											
Barry Callebaut AG	1															x													
BASF SE	3	x	x	x																									
BAWAG Group AG	2														x	x													
Baytex Energy Corp.	1	x																											
Befesa SA	2	x													x	x	x		x										

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
Belships ASA	1	x																											
BHP Group Ltd	3	x		x																									
BioMarin Pharmaceutical Inc.	1													x		x													
Birchcliff Energy Ltd.	1	x																						x	x				x
BKW AG	1	x	x																										
BOLIDEN AB	1																											x	
Bonheur ASA	2	x																											
BP p.l.c.	1	x																											
Broadcom Inc.	1					x	x																				x		
Brookfield Renewable Partners LP	1	x																											
Bunge Global SA	1		x																										
Burckhardt Compression Holding AG	1															x													
Cadeler A/S	1	x																						x	x				
Cadence Design Systems, Inc.	1															x			x			x							
California Resources Corp	1	x																											
Canadian Natural Resources Ltd.	1	x																											
Canadian Pacific Kansas City Ltd.	1	x			x																								
CAPSTONE COPPER CORP	1	x	x													x												x	
CAR Group Ltd.	1														x	x			x										
Carnival Corporation	2	x		x										x		x			x										
Cembra Money Bank AG	1															x													
Cemex SAB de CV	1	x	x																										
Cenovus Energy Inc.	1	x																						x	x				x
Centamin Plc	1	x																							x				
CF Industries Holdings, Inc.	2	x	x			x									x	x													
Chevron Corporation	3	x																						x				x	
China Telecom Corp. Ltd.	2																						x						
Clinuvel Pharmaceuticals Ltd.	1															x													
CMS Energy Corporation	1	x	x																										
COLTENE Holding AG	1																x												
Commonwealth Bank of Australia	1	x																											
Compagnie Financiere Richemont SA	1															x													
CONAGRA BRANDS INC	1								x																				
ConocoPhillips	2	x																											
Constellation Brands, Inc.	1	x			x																								
Covestro AG	2	x	x																										
Crew Energy Inc.	1	x																						x	x				
CRH public Ltd. company	1	x																											
Currys PLC	1														x														
Daimler Truck Holding AG	2																							x			x		x
Danone SA	1			x					x																		x		
Deutsche Telekom AG	1																							x					
DexCom, Inc.	1			x					x																				
Dexus	1															x													
DocMorris AG	1															x													
Dominion Energy Inc	1	x																											
Dow, Inc.	3		x																										
Drax Group plc	2	x	x																						x				
DS Smith	1		x																										
Duke Energy Corporation	3	x	x																										

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
Eastman Chemical Company	1	x																							x				
Ecolab Inc.	1	x	x	x																									
Ecopetrol SA	1		x		x			x								x											x		
Ecora Resources PLC	1	x																											
EDP-Energias de Portugal SA	1	x																											
Elevance Health, Inc.	1															x													
Eli Lilly and Company	1					x			x																				
Elkem ASA	1	x																											
Enbridge Inc.	1	x																											
Enel SpA	2	x																				x							
Enerplus Corp.	1	x																											
ENGIE S.A.	1	x																											
Eni S.p.A.	4	x	x																			x		x					
Enphase Energy, Inc.	1	x		x			x								x	x						x							
Equinor ASA	4	x																						x					
Eurofins Scientific SE	1														x							x							
Expand Energy Corporation	1	x																											
Exxon Mobil Corporation	6	x												x	x	x	x		x			x							
Ford Motor Company	1			x										x		x	x		x	x		x				x			
Fortive Corp.	1															x													
Fortum Oyj	2	x																											
Freeport-McMoRan, Inc.	1		x		x											x			x										
Galp Energia, SGPS S.A.	3	x																						x	x				x
GCL Technology Holdings Ltd.	3	x			x																								
Generac Holdings Inc.	1														x														
Georg Fischer AG	2															x													
Gerdau S.A.	1	x																											
Givaudan SA	1															x													
Glencore plc	6	x			x											x						x			x				
Golden Ocean Group Ltd	1	x																						x	x				
Gram Car Carriers ASA	1	x																											
Grupo Financiero Banorte SAB de CV	2																										x		
Guardant Health, Inc.	1														x							x							
Hana Financial Group Inc.	1																x			x				x					
Hayward Holdings, Inc.	1																					x							
Heidelberg Materials AG	1	x																											
Hewlett Packard Enterprise Co.	1															x					x								
Hexagon AB	1														x	x	x												
Hindustan Unilever Ltd.	1														x														
Holcim Ltd	2	x																											
Hon Hai Precision Industry Co., Ltd.	1				x										x	x													
HSBC HOLDINGS PLC	1																						x						
Hudbay Minerals Inc	1		x	x	x																								
HUGO BOSS AG	1															x													
HUHTAMAKI	1		x																										
HYUNDAI GLOVIS Co., Ltd.	1	x																											
Hyundai Motor Company	2														x		x			x		x							x	
IAC Inc.	1													x		x	x			x		x							
Iberdrola SA	1	x													x	x	x		x					x					
IGO LTD	1	x																											

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
Imperial Oil Ltd.	1	x																											
Ina Invest Holding AG	1					x									x		x												
Indofood Agri Resources Ltd.	1		x																										
Infineon Technologies AG	1		x		x																								
ING Groep NV	1	x																											
Inner Mongolia Yili Industrial Group Co., Ltd.	1				x				x																				
Intel Corporation	3	x	x			x	x	x							x	x	x		x										
International Flavors & Fragrances Inc.	1															x								x					x
International Workplace Group PLC	1														x														
Interroll Holding AG	1															x	x												
Johnson & Johnson	1															x	x												
JPMorgan Chase & Co.	1							x							x	x			x										
JSW Energy Ltd.	1															x													
JSW Steel Ltd.	1	x	x																										
Julius Baer Gruppe AG	2	x													x														
KB Financial Group Inc.	1															x								x					
Kerry Group Plc	1																							x					
Kia Corporation	1	x			x	x	x				x			x					x					x					
Kingspan Group Plc	1														x												x		
KION GROUP AG	1														x														
Klaveness Combination Carriers AS	1	x																											
Knife River Corporation	1	x							x							x													
Knorr-Bremse AG	2																							x					
Koito Manufacturing Co., Ltd.	1	x												x			x	x				x					x		x
Koninklijke Philips N.V.	2							x																			x		
Korea Electric Power Corporation	2	x																											
KT Corporation	1													x	x				x	x									
Labcorp Holdings Inc.	1													x		x	x												
Lam Research Corporation	1							x						x	x	x													
Landis+Gyr Group AG	1															x													
LANXESS AG	3	x	x												x	x				x				x					
Lendlease Group	1														x	x													
LG Chem Ltd.	2	x	x												x				x					x					
LG Corp	1																			x		x		x	x				
Lifestance Health Group, Inc.	1															x	x												
Linde plc	1	x																											
LivaNova Plc	1					x									x	x													
Lloyds Banking Group plc	1	x																											
Logan Energy Corp	1	x																											
Lonza Group AG	3														x	x			x									x	
LVMH Moet Hennessy Louis Vuitton SE	1															x													
LyondellBasell Industries NV	2	x																											
Madison Square Garden Sports Corp.	1													x		x	x												
Magna Mining Inc	1	x																											
Marathon Petroleum Corporation	1	x		x																									
MEG Energy Corp.	1	x																											
Micron Technology, Inc.	1	x	x					x							x	x												x	
Microsoft Corporation	1				x											x												x	
Mondelez International, Inc.	1		x		x				x																				
Montrose Environmental Group Inc	5														x	x	x		x			x			x			x	x

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
MSA Safety, Inc.	1	x								x																			
Musashi Seimitsu Industry Co., Ltd.	1																					x						x	
Nestle S.A.	6		x						x		x			x	x	x	x		x						x				x
Netflix, Inc.	1						x						x	x		x			x		x	x	x						
NextEra Energy, Inc.	4	x														x													
NIKE, Inc.	1										x																		
NIPPON STEEL CORP	1	x																											
NORDEX SE	1		x																										
Norsk Hydro ASA	3	x										x				x													
Novartis AG	2		x																				x					x	
Novavest Real Estate AG	1														x														
Nutrien Ltd.	3	x	x																										
OBIC Business Consultants Co., Ltd.	3														x	x	x												
Occidental Petroleum Corporation	1	x																											
OCI NV	1	x																											
Old Dominion Freight Line, Inc.	1	x							x							x													
Option Care Health Inc	1															x													
Oracle Corporation	1														x	x	x					x				x			
Origin Energy Ltd.	2	x	x																										
Orron Energy AB	1														x	x													
Orsted	1	x																											
Palo Alto Networks, Inc.	1						x								x	x						x							
Pampa Energia SA	1	x																											
PDD Holdings Inc.	1																				x	x						x	
Petroleo Brasileiro SA	2	x														x									x				
Petroleos Mexicanos EPE	2	x		x	x																								
Peyto Exploration & Development Corp.	1	x																											
Phillips 66	2	x																											
Phoenix Mecano AG	1														x	x													
Pilbara Minerals Ltd.	1															x													
PolyPeptide Group AG	2							x							x		x		x			x			x	x			
POSCO Holdings Inc.	1	x			x											x						x							
Power Assets Holdings Ltd.	1	x																											
Prosus N.V.	1															x													
Prudential plc	3															x								x				x	
Prysmian S.p.A.	1	x				x																							
PSP Swiss Property AG	1															x													
PT Indofood CBP Sukses Makmur Tbk	1														x		x												
Pure Storage, Inc.	1	x																											
Qantas Airways Ltd.	2														x	x			x										
Ralph Lauren Corporation	1														x		x												
Ramaco Resources, Inc.	1	x																											
Recruit Holdings Co., Ltd.	1							x																					
Red Rock Resorts, Inc.	1				x																								
Regal Rexnord Corporation	2	x				x					x					x								x					
Reliance Industries Ltd.	2	x			x											x	x							x	x				
Reliance Worldwide Corp. Ltd.	1													x		x													
Rio Tinto plc	10	x																											
Rivian Automotive, Inc.	5				x										x	x			x			x		x					x
Rubis SCA	1	x																	x					x					

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
RWE AG	7	x																											
Safran SA	1							x																					
SAMSUNG C&T CORP	2														x	x			x			x		x	x				x
Samsung Electronics Co., Ltd.	3	x	x		x									x	x	x							x						
Sandfire Resources Ltd	1	x																											
Sasol Ltd.	1	x																											
Saudi Arabian Oil Co.	2	x																											
Saudi Basic Industries Corp.	1	x	x			x																							
Schneider Electric SE	1							x																			x		
Serco Group plc	1				x																								
Shell Plc	6	x x	x																					x					
Shimano Inc.	1				x																								
Siegfried Holding AG	1															x													
SIG Group AG	3		x												x		x	x	x					x				x	x
SIKA AG	1		x																										
SK hynix Inc.	1	x				x	x	x						x	x	x			x										
Skyworks Solutions, Inc.	1						x				x				x	x	x		x							x		x	
SLM Corp	1						x								x												x		
Smith & Nephew plc	1															x													
SoftBank Group Corp.	1	x	x				x	x						x					x				x		x				
SoftwareOne Holding Ltd.	8						x								x		x		x	x		x		x	x	x			x
SolarEdge Technologies, Inc.	1						x								x	x													
Sonova Holding AG	1															x													
Southern Company	1	x																											
Spartan Delta Corp	1	x																											
St. James's Place Plc	1															x													
Straumann Holding AG	2														x	x													
Suncor Energy Inc.	1	x																											
Suncorp Group Ltd.	1														x								x						
Suzano S.A.	1		x																										
Swiss Life Holding AG	1													x	x	x	x		x	x		x		x	x	x			x
SWISS PRIME SITE AG	1																		x										
Swiss Re AG	2	x													x														
Swisscom AG	1															x													
Taiwan Semiconductor Manufacturing Co., Ltd.	2		x																								x		
Talos Energy, Inc.	1	x																											
Team17 Group PLC	1	x				x	x													x									
Tencent Holdings Ltd.	1												x			x							x					x	
TotalEnergies SE	3	x																											
Toyota Motor Corp.	1								x																	x			
Toyota Tsusho Corp.	1		x																										
TransDigm Group Inc.	1									x						x													
Transurban Group Ltd.	1															x													
Trimble Inc.	1	x																											
Tyson Foods, Inc.	2	x			x																								
Ubisoft Entertainment SA	1														x	x			x										
UBS Group AG	3	x					x								x	x			x	x			x	x	x	x			x
United Parcel Service, Inc.	1					x														x									
UnitedHealth Group Inc.	1																				x								
Universal Display Corporation	2	x		x											x	x	x					x						x	

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human and Labour Rights	S: Diversity, Equity and Inclusion	S: Human Capital	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	G: Board & Management Diversity	G: Board Effectiveness	G: Remuneration	G: Board Independence	G: Audit Effectiveness	G: Board & Management Quality	G: Capital Structure	G: Cybersecurity	G: Shareholder rights	G: Artificial Intelligence	SFR: Capital Allocation	SFR: Strategy/ purpose	SFR: Risk Management	SFR: Impact revenue/opex/ capex/R&D	SFR: Reporting & Disclosure	SFR: Financial Performance
Vale S.A.	1	x																											
Valero Energy Corporation	1	x																											
Vermilion Energy Inc.	1	x																							x				
Vertex Pharmaceuticals Inc.	2						x									x						x							
VESTAS WIND SYSTEMS A/S	1		x																										
Wallenius Wilhelmsen ASA	1	x																											
Walt Disney Company	1														x	x			x										
Warner Bros. Discovery, Inc.	1				x		x						x	x	x	x						x						x	
Wells Fargo & Company	1	x			x			x								x													
Westlake Corporation	1	x																											
Whitecap Resources Inc.	1	x																											
Wilh. Wilhelmsen Holding ASA	1	x																											
Woolworths Group Ltd	1	x			x						x	x	x								x								
XCEL Energy Inc.	1	x																											
Xinyi Solar Holdings Ltd.	2	x			x						x				x	x			x										
Yara International ASA	1	x	x																										
Ypsomed Holding AG	1															x	x												
Zeta Global Holdings Corp.	1															x													
Zijin Mining Group Co., Ltd.	1				x																								
Zoom Communications, Inc.	1					x							x										x				x		
ZURICH INSURANCE GROUP AG	2	x																					x						

Appendix 3

Code principles matrix

International Corporate Governance Network (ICGN) Global Stewardship Principles		Addressed in FRC Report:
Principle 1:	Internal governance: the foundation of effective stewardship: Investors should keep under review their own governance practices to ensure consistency the aims of with national requirements and the ICGN Global Stewardship Principles and their ability to serve as fiduciary agents for their beneficiaries and clients.	Principles 2,5,8
Principle 2:	Developing and implementing stewardship policies: Investors should develop and implement stewardship policies which outline the scope of their responsible investment practices.	Principles 1,3,4,9,12
Principle 3:	Monitoring and assessing investee companies: Investors should exercise diligence in monitoring companies held in investment portfolios and in assessing new companies for investment.	Principle 7
Principle 4:	Engaging companies and investor collaboration: Investors should engage with investee companies with the aim of preserving or enhancing value on behalf of beneficiaries or clients and should be prepared to collaborate with other investors to enhance engagement outcomes.	Principle 9,10,11
Principle 5:	Exercising and protecting voting rights: Investors with voting rights should seek to vote shares held and make informed and independent voting decisions, applying due care, diligence, and judgement across their entire portfolio in the interests of beneficiaries or clients.	Principle 12
Principle 6:	Promoting long-term value creation and integration of environmental, social and governance (ESG) factors: Investors should promote the long-term performance and sustainable success of companies and should integrate material environmental, social and governance (ESG) factors in investment decision-making and stewardship activities.	Principle 4,7
Principle 7:	Meaningful transparency, disclosure, and reporting: Investors should publicly disclose their stewardship policies and activities and report to beneficiaries or clients on how they have been implemented so as to be fully accountable for the effective delivery of their duties.	Principle 6 Appendices 1,2

Singapore Stewardship Principles		Addressed in FRC Report:
Principle 1:	Develop and articulate stewardship responsibilities and governance structures.	Principles 1, 2, 4, 5, 8
Principle 2:	Monitor investments regularly.	Principle 7
Principle 3:	Stay active through constructive and purposeful engagement.	Principle 9
Principle 4:	Uphold transparency in managing conflicts of interest.	Principle 3
Principle 5:	Exercise rights and responsibilities on an informed basis.	Principle 12
Principle 6:	Report stewardship activities periodically.	Principle 6 Appendices 1, 2
Principle 7:	Take a collaborative approach in exercising stewardship responsibilities where appropriate.	Principle 10

Japanese Stewardship Code Principles		Addressed in FRC Report:
Principle 1:	Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.	Principles 1, 2, 4, 5, 8
Principle 2:	Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.	Principle 3
Principle 3:	Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.	Principle 7
Principle 4:	Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.	Principles 9, 10, 11
Principle 5:	Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.	Principle 12
Principle 6:	Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.	Principle 6 Appendices 1, 2
Principle 7:	To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.	Principle 7

Hong Kong Securities and Futures Commission Principles of Responsible Ownership		Addressed in FRC Report:
Principle 1:	Investors should establish and report to their stakeholders their policies for discharging their ownership responsibilities.	Principles 1, 2, 4, 5, 8
Principle 2:	Investors should monitor and engage with their investee companies.	Principle 9
Principle 3:	Investors should establish clear policies on when to escalate their engagement activities.	Principle 11
Principle 4:	Investors should have clear policies on voting guidance.	Principle 12
Principle 5:	Investors should be willing to act collectively with other investors where appropriate.	Principle 10
Principle 6:	Investors should report to their stakeholders on how they have discharged their ownership responsibilities.	Principle 6 Appendices 1, 2
Principle 7:	When investing on behalf of clients, investors should have policies on managing conflicts of interests.	Principle 3

Investor Stewardship Group Framework (USA)		Addressed in FRC Report:
Principle A:	Institutional investors are accountable to those whose money they invest.	Principles 1, 6 Appendices 1, 2
Principle B:	Institutional investors should demonstrate how they evaluate corporate governance factors with respect to the companies in which they invest.	Principle 7, 12
Principle C:	Institutional investors should disclose, in general terms, how they manage potential conflicts of interest that may arise in their proxy voting and engagement activities.	Principle 3
Principle D:	Institutional investors are responsible for proxy voting decisions and should monitor the relevant activities and policies of third parties that advise them on those decisions.	Principle 8
Principle E:	Institutional investors should address and attempt to resolve differences with companies in a constructive and pragmatic manner.	Principle 9
Principle F:	Institutional investors should work together, where appropriate, to encourage the adoption and implementation of the Corporate Governance and Stewardship principles.	Principle 10

Australian Financial Services Council Standard 23 – Principles of Internal Governance and Asset Stewardship		Addressed in FRC Report:
Organisational and Investment Approach:	Asset Managers should clearly state the purpose, values and underlying investment philosophy or approach of their organisation. Asset Managers should be transparent about their organisation's ownership, structure, internal governance and experience and competencies of its key staff.	Principles 1,2,5
Internal governance:	Asset Managers should either publicly disclose their policies or provide a clear description of their approach to key aspects of internal governance and management of business activities which could impact client assets.	Principles 2,5
Asset Stewardship:	Asset Managers should provide a description of their approach to asset stewardship and exercise effective asset stewardship on behalf of their clients.	Principles 1,2,3,4,5,6,7,8 Appendices 1,2
Asset Stewardship:	Asset Managers should encourage the companies in which they are invested to meet the highest standards of governance, as well as ethical and professional practices. They should provide a description of their approach to monitoring and engaging with investee companies and the connection between monitoring, engagement, proxy voting and investment decision-making.	Principles 9,10
Asset Stewardship:	Asset Managers should endeavour to hold boards and management accountable where they fail to maintain acceptable standards.	Principle 9,11,12

Taiwan Stewardship Principles for Institutional Investors		Addressed in FRC Report:
Principle 1:	Establish and disclose stewardship policies.	Principles 1
Principle 2:	Establish and disclose policies on managing conflicts of interest.	Principle 3
Principle 3:	Regularly monitor investee companies.	Principle 7
Principle 4:	Maintain an appropriate dialogue and interaction with investee companies.	Principles 9, 10
Principle 5:	Establish and disclose clear voting policies and voting results.	Principle 12
Principle 6:	Periodically disclose the status of fulfilment of stewardship responsibilities.	Principle 6 Appendices 1, 2

For investor educational purposes only: not an investment recommendation.
Source for all data (if not indicated otherwise): UBS Asset Management.
© UBS 2025. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

For professional / qualified / institutional clients and investors.

ubs.com/am-linkedin

ubs.com/am