For educational purposes
For professional / qualified / institutional clients and investors
April 2026

Stewardship Activities & Outcomes 2025

UBS Asset Management

UBS

Contents

Foreword

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UBS Asset Management has been managing sustainable investing strategies for nearly 30 years. Our platform of sustainable strategies and customized solutions seeks to provide investors with both sustainable outcomes and financial returns. We offer active and passive investment strategies across a broad range of asset classes. We understand that each investor has their own distinct investment style and goals so we offer a variety of approaches, including stewardship, impact strategies and transition-focused strategies. We have a long history of integrating data science in our investment offerings as we seek to provide efficiency, innovation and alpha.

> Our stewardship activities intend 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 risks and opportunities that we believe have the potential to affect long-term investment returns, and support well-functioning financial systems.

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 2026.

1 Introduction

Overview of the UBS-AM business

UBS Asset Management, a division of UBS Group AG, is a global large-scale and diversified asset manager, with a presence in 24 markets.

We offer investment capabilities and styles across all major traditional and alternative asset classes – from active to passive including a comprehensive sustainable investing offering – as well as advisory support to institutions, wholesale intermediaries and Global Wealth Management clients. Invested assets for the UBS Asset Management (UBS-AM) division of UBS Group AG totaled over USD 2 trillion as of 31 December 2025.

Active equities

- Extensive offering covers thematic, China and EM, SI-focused and mass customization
- Diversified and growing asset base spans regions, styles, sizes and themes

Fixed income

- Extensive offerings include active, unconstrained, risk-controlled, indexing, liquidity and customized solutions
- Strategies spanning Global, China, Australia, Indexed and high yield capabilities

Alternatives

- Global real assets: access to direct real estate
- UBS Credit Investments Group (CIG) is one of the largest non-investment grade credit managers in US and Western Europe
- Unified Global Alternatives (UGA) brings together our leading alternatives manager selection franchises from Asset Management and Global Wealth Management

Active multi asset

- Leverage the full spectrum of UBS's global investment resources across asset classes ranging from equities to fixed income to alternative investments, and external partners.
- Offer competitive, off-the-shelf funds and strategies in addition to fully customized portfolios

Indexing solutions

The #1 Europe-based index and Swiss based index manager based on AUM[1]

1 UBS Asset Management analysis of AUM from company disclosures, 31 December 2025. "Europe-based" means compared with European-headquartered asset managers. Assets under management referenced are global; Analysis is performed by UBS Asset Management via public and industry reporting of peers with gaps filled from databases to ensure holistic research is performed. This analysis is ran on a quarterly basis.

This configuration shapes our stewardship activities as follows:

We undertake stewardship activities across a variety of the assets we manage, principally in equities and fixed income (some of which support multi-asset solutions) as well as in real estate and private markets.

Shared dialogue initiatives where appropriate limited to non-binding, high-level exchange of views.

For equity and fixed income corporate issuers, the process focuses on the financially material factors in each sector that may impact investment decisions. In equities we also carry out voting activities on behalf of our clients.

In our direct real estate investments we carry out engagement with tenants and maintain dialogue with other key stakeholders such as construction companies, developers and architects, and local communities. For our direct infrastructure equity business, we engage with our portfolio companies and projects.

From a stewardship perspective we approach engagement and voting policy for systematic, indexed or rules-based strategies just as we do for more actively managed investments.

We employ external managers in our Unified Global Alternatives (UGA) business unit, and incorporate stewardship activities in these relationships.

2

Integrating stewardship and investment

Overview

We engage with companies to consider a variety of unique opportunities and risks they face. These issues may come to light based on our research and investment evaluations. Where these represent financially significant sustainability concerns, we seek to methodically integrate addressing them in our investment process.

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. In more detail, when we identify sustainability opportunities or risks through our processes and decide to engage as a next step, we generally obtain additional information and insights directly from the company. We may use this to further engage and ultimately to drive an engagement outcome that will address the opportunities or risks identified earlier in the process. This may in turn also influence our voting decisions.

The combination of sustainability-related data and analysis, as well as direct engagement with a company, can provide us with a more holistic understanding of these opportunities and risks. We can then take a more informed view on the investment and financial implications in our engagement and voting processes.

Listed equity and corporate fixed income

Active equity and fixed income investment teams at UBS-AM conduct fundamental analysis which includes reviewing financially material sustainability opportunities and risks.

For companies, the research process focuses on the financially material factors in each sector that may impact investment decisions. Consideration of financial materiality ensures that our analysts focus on sustainability opportunities and risks that can impact the financial performance of the company and therefore investment returns.

Integrating sustainable investing includes collaboration between our analysts and portfolio teams to determine the potential portfolio-level implications of investment research, engagements and outcomes. This procedure apprises portfolio managers of material sustainability opportunities and risks arising within their investments 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.

A portfolio manager may also choose to invest in a company and initiate an engagement to address and mitigate identified risks with the objective of improving the overall investment outcome.

Global real assets

In global real assets, stakeholders differ depending on the nature of the underlying asset, and the way we invest, including as direct asset owners or indirectly via funds or portfolio companies.

Our direct real estate investments engagement is multi-faceted; one key focus is on assessing tenant satisfaction through regular surveys, identifying areas for improvement, and seeking to implement improvements 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 charitable events, community activities and sponsorships.

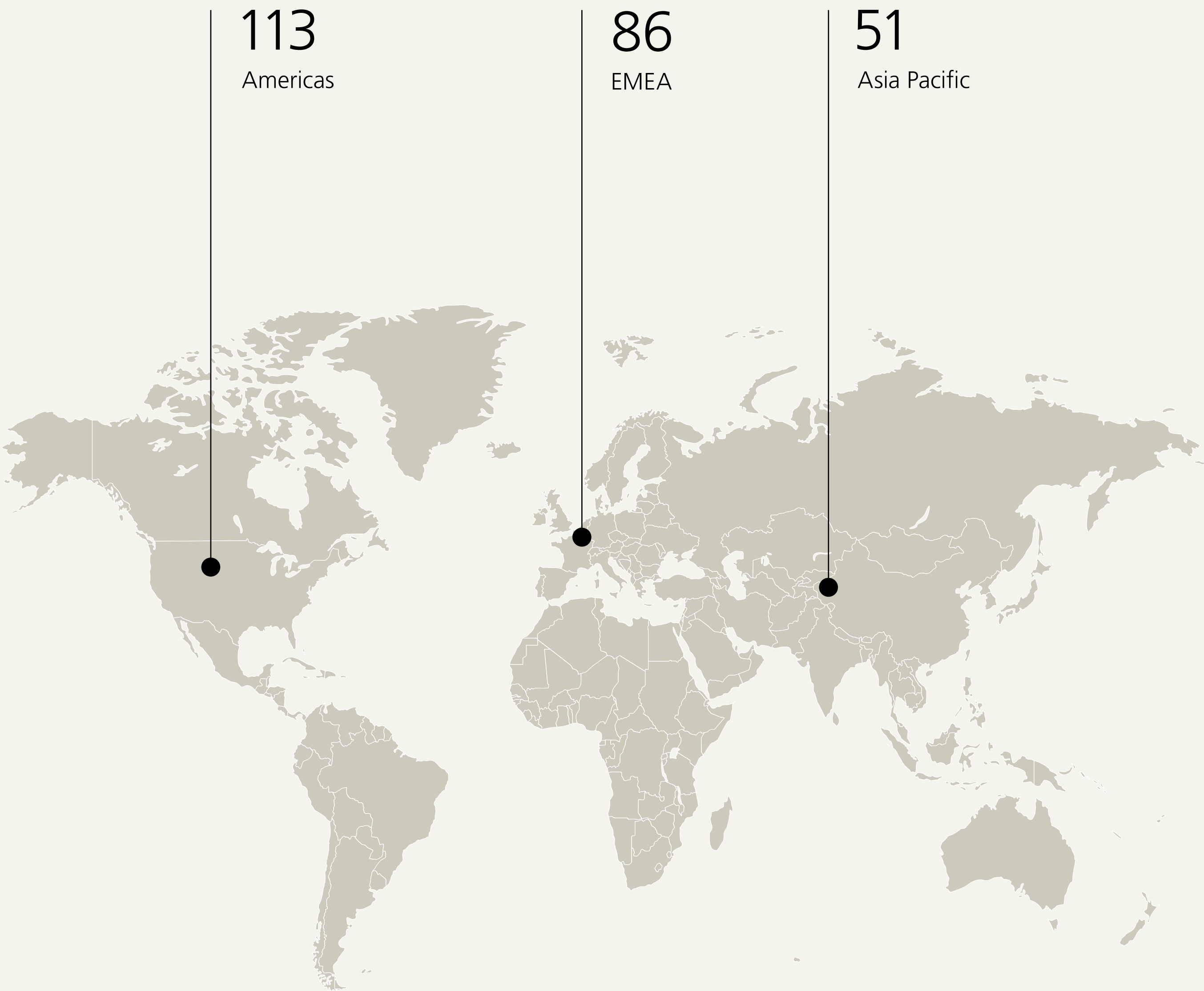
For our direct infrastructure equity business, we engage with our portfolio companies and projects, tracking key indicators and defining and executing asset strategies, including assessing sustainability indicators and objectives.

3

Engagement

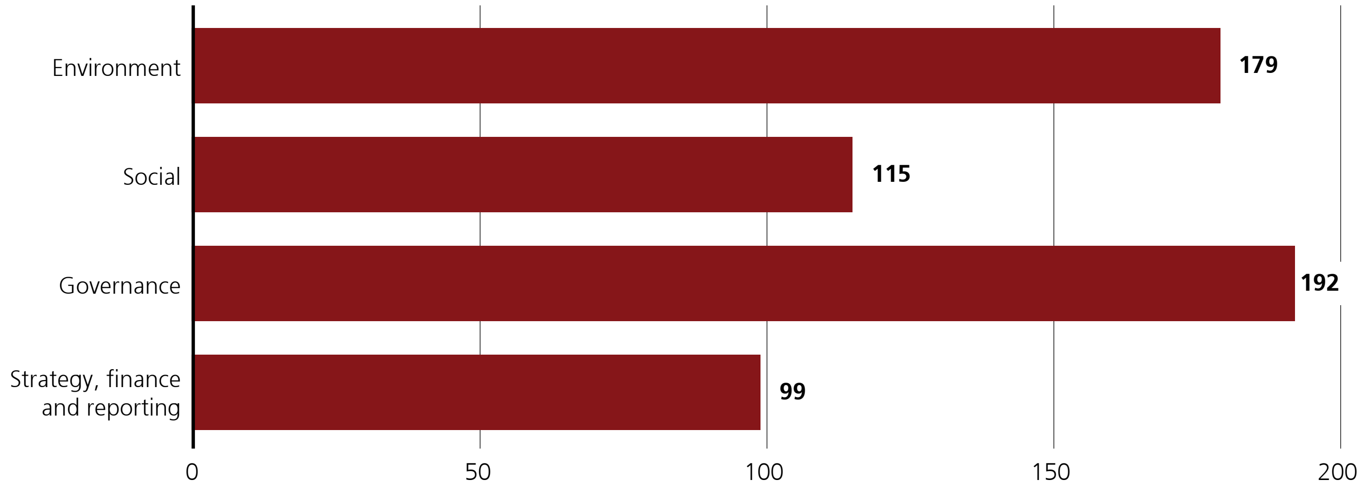
Overview

Companies engaged by region in 2025 — listed equity and fixed income



Source: UBS Asset Management

Engagement interactions across themes in 2025



Source: UBS Asset Management

Companies engaged by sector in 2025

	% of total
Communication services	4.4%
Consumer discretionary	9.6%
Consumer staples	6.4%
Energy	11.2%
Financials	13.2%
Healthcare	10.4%
Industrials	12%
Information technology	11.2%
Materials	10.8%
Real estate	3.2%
Utilities	7.6%

Source: UBS Asset Management

The purpose of our engagements

Our stewardship activities are intended 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 and protect investment returns.

We prioritize our engagements based on several considerations, including:

- The materiality of issues for protecting and enhancing the value of individual investments. For example, we identify potential engagement candidates and topics through a dialogue between our investment teams.
- Focusing on companies with the most significant exposure to an issue. For instance, our climate change engagement addresses companies where business transition and decarbonization trends are expected to have the most effect on the financial performance of the company.
- Where our clients are invested in companies that are significant contributors selected global and regional investment indexes and/or where we have large investing positions.
- Where an engagement supports the stated aims of an investment strategy.

Our corporate engagement approach

Listed equity and fixed income
We engage with companies on financially material issues determined through evidence-based research, and where we have equity or fixed income exposure across portfolios. We seek to be clear in our aims, in setting individual engagement objectives for the company, and in our tracking of progress.

We believe through engagement we can encourage positive outcomes for investee companies' performance.

Corporate governance

We believe that strong corporate governance drives corporate behavior and can lead to effective policies and business practices, including those regarding environmental and social issues, and may lead to both better corporate performance and improved shareholder value over the long term. As we consider poor governance to be an initial indicator of poor performance, we are particularly keen to engage early with companies with the goal of minimizing the risk or potential for loss of shareholder value.

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

Because it can be difficult to judge the quality and effectiveness of board oversight from outside the boardroom, we believe that continual monitoring and communication is an essential component of effective corporate governance. This can help identify areas of concern and provide opportunities for us to give feedback to investee companies.

Our monitoring of corporate-governance-related factors involves the following:

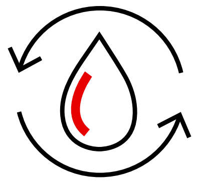
- Use of internal information from our proprietary databases, external specialist sell-side broker research and sustainability rating tools
- Review of the inputs to corporate governance such as board committee structures
- Meetings with company executives and non-executive board members which give us the opportunity to assess the success of the outputs of corporate 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 aim to be engaged shareholders and encourage companies to have strong and effective governance and a high standard of corporate behavior.

These efforts involve reaching out to both executive and, ideally, non-executive board members to understand the company's strategy and to provide our feedback on which measures we believe may be taken to enhance long-term value and mitigate risk, when deemed necessary from an investment perspective.

Environmental

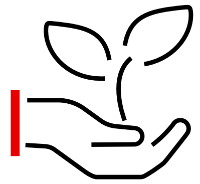
We believe that good management of environmental opportunities and risks is a financially important factor for many companies across a range of sectors. We therefore run an engagement program focusing on climate change, natural capital and other material factors, with a view to improving corporate practice in these areas and ultimately shareholder value.



Climate change

Managing climate risks and opportunities and transitioning to a decarbonized economy will require significant changes in some company operations. We engage with companies where climate change risks, opportunities and the transition to a decarbonized economy are material issues, encouraging and assisting them in adopting transition plans and achieving emission reductions aligned with a net-zero pathway. A successful transition also remains dependent on governments and market participants fulfilling commitments to meet the objectives of the Paris Agreement. We believe that by working with and encouraging investee companies to manage climate transition risk, we are supporting them to protect their business longevity (and consequently future value) against evolving market demands, regulations and environmental changes.

Our engagement is based on our assessment of corporate climate transition plans, which allows us to evaluate and engage an issuer on the alignment of its 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 may pose significant financial risks. Through our environmental engagement program, we are committed to engaging companies on biodiversity loss and restoration of natural ecosystems where these topics are financially material for the company business model.

UBS-AM has conducted extensive research and stakeholder consultations to identify the material natural capital impacts and dependencies for the companies across our investment portfolios. Our engagement on natural capital risks and opportunities focuses on three areas: forests, water and the climate-biodiversity nexus. We believe companies that manage operations and supply chains to minimize environmental harm can offer safer and sustainable alternatives and optimize the use of resources, including water, to enhance business resilience and reduce vulnerability to systemic risks. As such, we engage with companies on management of deforestation risks, water scarcity and quality, chemical safety, and the integration of biodiversity outcomes into transition strategies, recognizing the relationship between nature and climate. Through this engagement, encouraging companies to consider and, where relevant, act upon these natural capital factors, we are supporting them to protect their ongoing business longevity and future value as market demands, regulation and standards continue to evolve.

Social

We believe that good management of social issues can be an important success factor for companies across a range of sectors. We have established a social engagement program covering human capital, human rights, safety, quality, nutrition and AI with a view to improving corporate practice and shareholder value.

Human capital

We believe that good management of human capital enables companies to better promote productivity and innovation. We also believe that good hiring and retention practice is essential to the ability of companies to respond to rapid changes in their competitive environment. We focus our human capital engagements on encouraging businesses to provide and promote decent work and safe workplace conditions. Third-party research has indicated that this can enhance company performance through improved innovation, employee productivity, creativity, problem solving and better decision-making. In our engagements we ask companies to consider the composition of their workforce and to improve related policies, practices and disclosures as needed. We encourage companies to develop the skills that are needed to equip employees for an evolving market environment, and to consider how they reward their people for their performance. Furthermore, we look at how companies improve their practices using the knowledge and skills of their employees on the basis of surveys and external reviews.

Human rights

We believe human rights protection and enforcement is fundamental to reducing business-related risks and demonstrating responsible business conduct. Our human rights engagement focuses on successful implementation of the UN Guiding Principles on Business and Human Rights and International Labor Organization Core Principles, which provide a framework for fundamental rights and salient risks, as well as the identification, remediation, prevention and mitigation of human rights issues. We encourage investee companies to develop best-in-class human rights policies and practices, and publicly disclose these utilizing third-party assessments such as the Corporate Human Rights Benchmark. We also encourage companies to adopt best-in-class labor rights policies and practices covering health and safety, fair working conditions, living wage and transition issues, to protect workers' rights. An important aspect of this is public disclosure to investors.

Safety, quality and cybersecurity

The safety and quality of products and services provided by companies is a key facet of their competitive positioning and is another topic on which we may engage. Where safety or quality falls short of regulatory, legal compliance or commercial practice, this may result in loss of contracts and consumer trust as well as financial penalties. We also engage with companies where concerns over product quality and safety have emerged through such instances as product recalls, product track record, class actions, regulatory sanctions or litigation. Our engagements with IT firms focus on cybersecurity and our engagements with food and beverage companies focus on nutrition.

Nutrition

We believe nutritious products, supported by responsible marketing practices, can deliver societal benefits by promoting healthier diets, while simultaneously unlocking new growth opportunities for companies in the expanding global healthy food market. In our engagements we aim for investee companies to improve nutrition policies and practices and publicly disclose them, in line with assessment against the World Health Organization, Access to Nutrition Initiative framework, and individual governments' nutrition guidelines. In turn, we believe nutritious products, supported by responsible marketing practices, can deliver societal benefits by promoting healthier diets, while simultaneously unlocking new growth opportunities for companies in the expanding global healthy food market.

Artificial intelligence (AI)

In 2024 we launched an engagement program focused on AI, encouraging companies using AI to transform business models and services with considerations of the associated risks and impacts. We engage with companies and industry initiatives on responsible AI use to encourage the 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 to identify operational business risks and their impact to users and broader society. We are engaging with companies in sectors where we believe AI will potentially have a material impact, such as IT platform companies, pharmaceuticals, healthcare, media and entertainment, data centers and cloud providers, as well as companies where we see business transformation opportunities.

Controversies

We focus our engagements on companies that are identified as not complying with the principles of the United Nations Global Compact (UNGC). These principles cover human rights, labor, environment and anti-corruption.

Compliance demonstrates that a company is adhering to internationally accepted sustainability standards and we believe non-compliance can create investment risk.

We research companies identified as not complying with the UNGC principles and establish whether they are planning or undertaking any form of credible corrective action, including actions taken to remediate controversies and prevent their recurrence.

Our assessment is based on:

01 Company acknowledgment of the issue

02 Commitment to address the controversy, including planned measures and timelines

03 Actions taken to address or mitigate controversy including measures that are verifiable

04 Remediation for people or planet

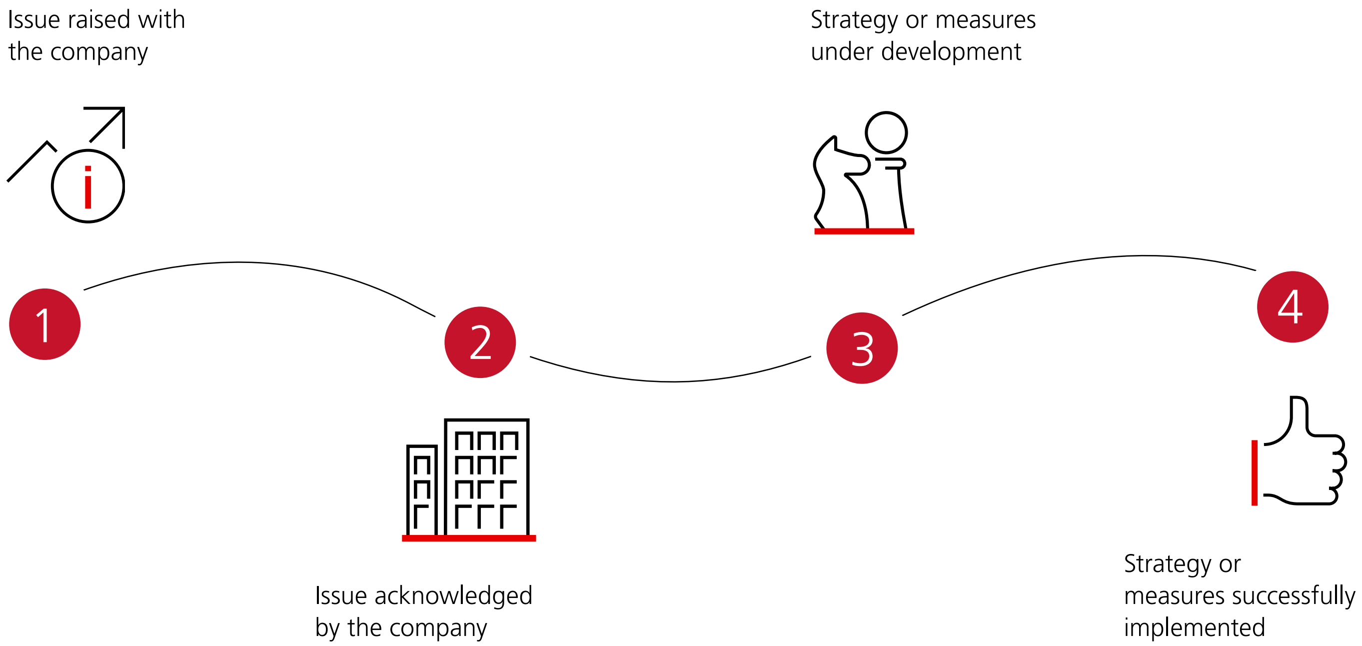
05 Actions taken to prevent future controversies, including governance, policies and processes

06 Lack of controversy history and recurrence

Investment exclusions based on controversy screens may be required to reflect the expected characteristics of portfolios we manage and for specific clients we serve; however, we prefer engagement where possible to encourage the company to take appropriate action to resolve the issue.

Progress of engagements

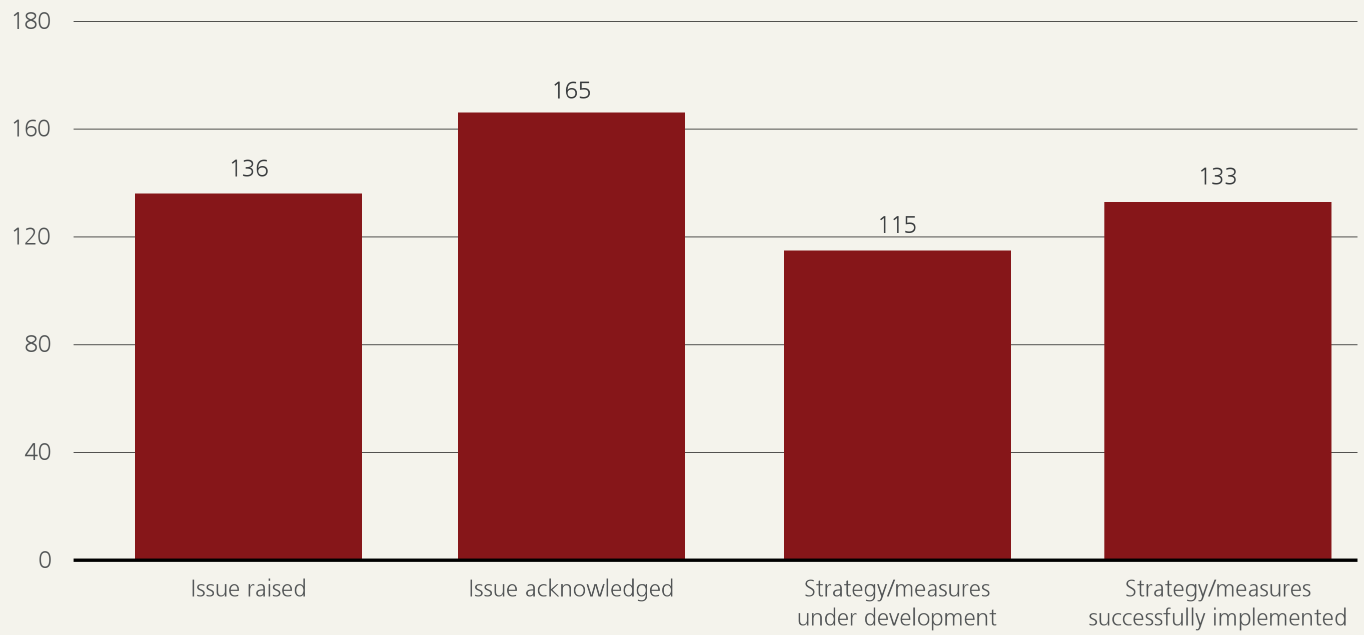
We measure the progress of our engagements by setting specific engagement objectives and recording the status of the engagement against four milestones



We also opt to discontinue engagements based on lack of engagement success and expected low probability of change, or where our reasons for engagement are no longer relevant, i.e., we are no longer invested or because the situation in the company has changed. Over the 3-year period ending 2025, 12 engagement objectives have been unsuccessful.

Overview

Engagement objectives per milestone (549 over the period of 2023-2025)



Source: UBS Asset Management

The high-level measure that we use to record our engagement progress is based on a three-year rolling time frame, reflecting the typical lifetime of an engagement objective (although this may vary depending on the objective).

We measure progress with respect to engagements where we have either received acknowledgement from the company, see developments in progress, or where measures have been successfully implemented.

Highlights of our progress:

Overall, 74% of our engagement objectives were demonstrating progress by the end of 2025.

In 2025 we closed 53 objectives where the company successfully completed them.

- **Governance engagements** accounted for 11 successfully achieved objectives leading to improvements in board quality, effectiveness and remuneration. This included companies improving the composition of skillsets of their board, appointing independent directors to better represent shareholders, and adjustments to remuneration plans to better align with the interests of shareholders.
- **Climate change engagements** accounted for 30 of these successfully achieved objectives, of which 22 related to better communication by companies to investors of their climate transition targets and plans. These included, among others, companies outlining their business plans in specific business areas and providing greater transparency on the effect of energy transition on capital allocation decisions.
- **Social engagements** accounted for 12 successfully achieved objectives, including 6 related to improvements in human capital management. Examples include enhancement of employee engagement, responsible supply chain management and planned changes to product quality.

Escalation

Our engagement approach identifies and seeks to address financially material environmental, social or governance issues that we believe are linked to long-term value creation.

We assess a company's responsiveness and progress in addressing issues of concern and related expectations that we have raised to management and/or the board. Should we observe a lack of responsiveness or progress we may consider escalation beyond meetings with senior executives and board members.

We recognize that change or progress is not always instant or straightforward and we employ escalation only when other methods of engagement have not provided a sufficient level of progress. To determine the form of escalation we consider appropriate private, public and/or portfolio actions determined by the circumstances of the individual engagement, including:

Private actions: Examples include requesting meetings with board members or executives, writing a formal private letter to the board or senior executives, initiating or participating in discussions with other investors.

Public actions: Examples include voting against management proposals or supporting third-party proposals at shareholder meetings (while publicly disclosing the rationale for our voting decisions), statements and questions at shareholder meetings, and the filing/co-filing of shareholder resolutions at annual general meetings.

Portfolio actions: Depending on the financial materiality of the concern, portfolio actions might be utilized as a final step in the escalation process depending on the portfolio strategy. These may include implementing restrictions on new holdings, adjusting positions or potentially exiting a position entirely.

Engagement-related exclusions

The most extreme form of escalation is an engagement-related exclusion; UBS-AM excludes companies it determines are not adequately progressing against set climate objectives after a pre-defined period. These are an extension to the standard exclusions, and apply only to products or services classified as Sustainable Investing under the UBS-AM Sustainable Investing Framework[2], as well as rules-based climate aware strategies. These exclusions are monitored and reviewed annually.

2 The UBS-AM Sustainable Investing Framework is an internal, regulatory agnostic framework and does not correspond to any product specific regulatory product labelling or naming regime.

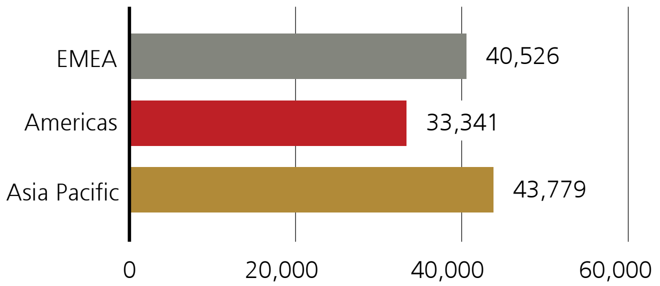
4

Exercising rights and responsibilities

Proxy voting – listed equity

Voting rights have economic value and should be treated accordingly. We exercise voting rights on behalf of our investors to voice an opinion to a company on a broad range of topics, provide support to companies where appropriate as well as to highlight any concerns.

Resolutions voted



Total number of resolutions voted = 117,646
Source: UBS Asset Management

As far as 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. This unified approach strengthens our decision-making and enables us to present a consistent view to companies, taking into account all information available to us. UBS-AM is exploring the viability and practicality of options that would allow clients the opportunity to vote according to their own policies.

Our approach is to vote in all markets, unless we believe 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. In some circumstances we may determine that the voting of a particular proxy would not deliver sufficient benefit to clients, in which case we may abstain or choose not to vote. This can include when the process of voting restricts our ability to manage a portfolio during the voting period. As a result we participated in 95% of all meetings in 2025.

UBS-AM maintains its own Proxy Voting Policy. These guidelines describe the approach of our equities[3], fixed income, multi asset and investment solutions. This defines the requirements and standards upon which we execute voting rights on behalf of UBS-AM clients.

Our voting policy outlines how we reach our voting decisions for listed equities. The policy lists objectives and principles which we follow. Underlying all our voting principles we have two fundamental objectives:

1. To act in the best financial interests of our clients to enhance the long-term value of their investments.
2. To promote best practice in the boardroom and success for investee companies.

While there is no absolute set of standards that determine appropriate governance under all circumstances, and no set of values that will guarantee ethical board behavior, there are certain principles which we consider appropriate to protect the economic value of our clients' investments.

We apply these principles and guidelines globally; however, our Proxy Voting Policy permit us the discretion to reflect local laws or standards where appropriate, and enable us to take into account the diverse nature and investment autonomy of our capabilities. Constituent firms or legal entities may have jurisdictional or entity-specific practices in place where applicable.

3 These guidelines do not cover certain business units of UBS Asset Management (such as the Credit Investments Group or Unified Global Alternatives) which exercise voting rights independently.

Our voting policy Proxy Voting Policy covers the following:

- Board roles and responsibilities, structure and independence, nomination and election processes, and board composition in terms of experience and perspectives
- Shareholders rights
- Capital management
- Audit and risk oversight
- Remuneration
- General corporate governance and environmental and social matters

Our Proxy Voting Policy and our proxy voting records are available *here*.

We retain full discretion when determining how to vote shares held for our clients and funds and do not delegate our voting responsibilities to our proxy voting advisor. Our proxy voting advisory service implements the UBS-AM Proxy Voting Policy in their platform, which means that each vote is made with reference to and in compliance with our own policy. We apply additional voting analysis when UBS-AM's proxy voting advisor is unable to provide a vote recommendation in line with our policy and refers them to us for further consideration. We also apply further voting analysis for a core list of important company meetings which we identify as requiring additional voting analysis, including where we are engaging with the relevant companies.

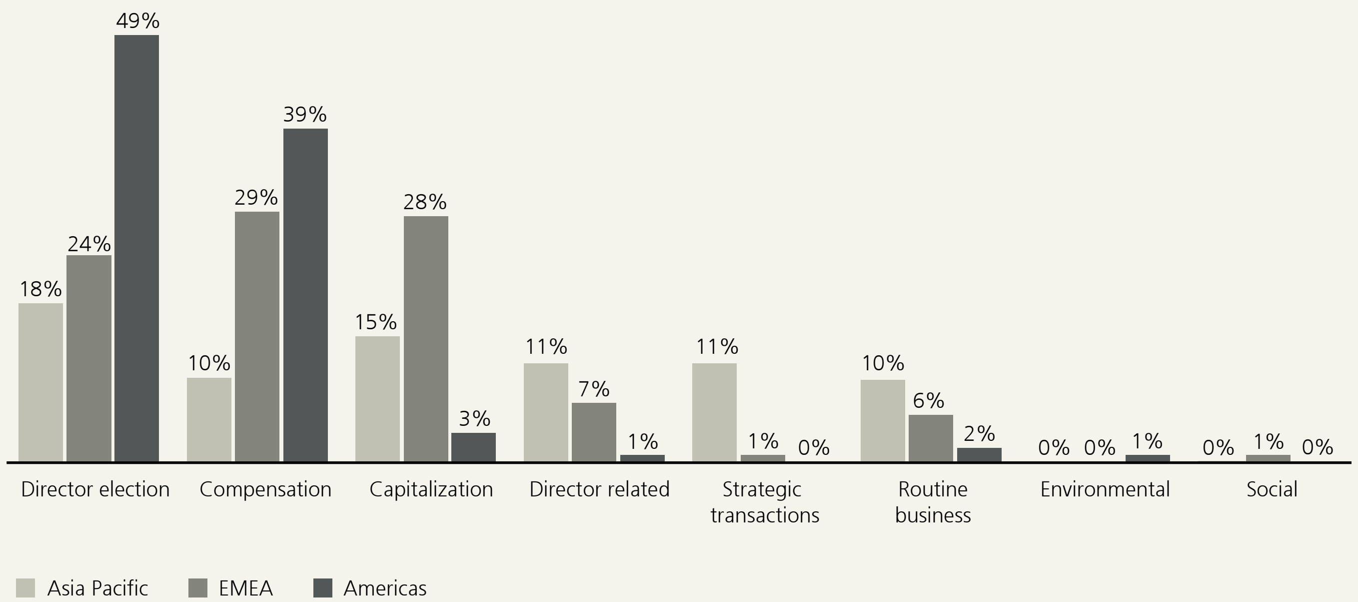
In each case, our voting analysis takes a closer look at how our proxy voting advisor has interpreted our voting policy. We will review the vote recommendation through our policy lens to understand if our policy has been applied appropriately, and if that decision is in the best interest of the company. If we deem this not to be the case, and we see an alternative case for diverging from our voting policy, we may raise a request, including to our Stewardship Committee, for approving a vote against our policy. In 2025 we changed votes from the initial proxy voting recommendation for 258 resolutions.

We only consider proxy voting advisor recommendations that are based on our own Proxy Voting Policy.

Voting activity 2025

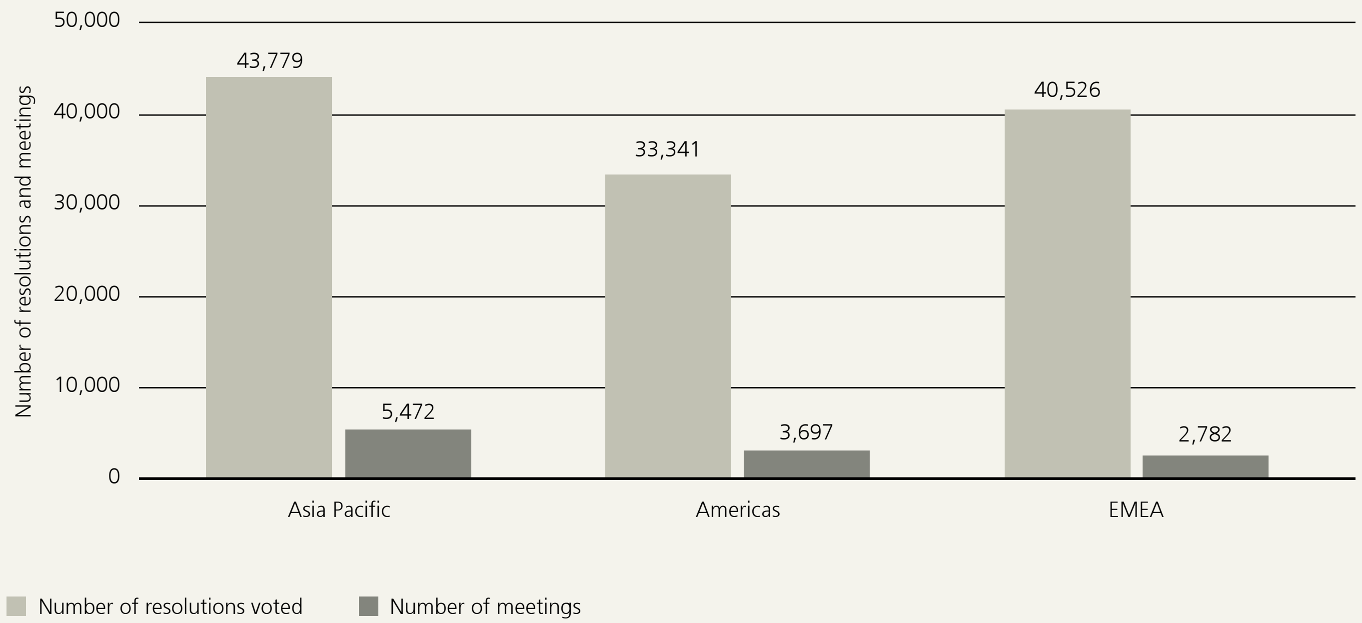
Listed equity

The distribution of votes against management by proposal category



Source: UBS Asset Management 2025

Resolutions and meetings voted by region



Source: UBS Asset Management 2025

18,398

Votes against management

60%

Meetings with at least one vote against management

11,951

Annual general meetings

117,646

Individual resolutions voted

Conflict of interest

We are committed to acting in a consistent and transparent manner. 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.

Under no circumstances will our proxy voting decisions be influenced by our general business, sales or marketing.

Situations where actual and potential conflicts of interest can arise include where:

- A listed company is one of our clients
- There may be different interests between our clients
- UBS-AM invests on behalf of our clients in publicly listed shares of UBS Group AG
- UBS Group affiliates act as an advisor to the company
- We are voting on the election to the board of someone who is also a board member of UBS Group AG
- Interests of a UBS-AM employee directly conflict with the interests of a client

In some instances, we may determine that voting in line with UBS-AM Proxy Voting Policy is not in the best interests of our clients and, as a result, we escalate such matters to the Stewardship Committee.

Consent solicitation events

Consent solicitation events are processes where an issuer asks investors (bondholders or shareholders) for their approval to change the terms of existing securities or agreements. It is most often used in debt restructuring, for changing benchmark or reference rates, or for making corporate changes outside of regular meetings.

These meetings are managed by our Corporate Actions team, who in 2025 participated in events across 182 different securities with 85 different issuers.

Real estate

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 a focus on financial materiality, and the goal of positive, long-term outcomes.

Direct real estate
As a direct manager of real estate assets, we have the potential to influence the operation of our real estate assets both on acquisition and on an ongoing basis through the holding period, 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 managers, facility managers and/or tenants in pursuit of our cited objectives for our properties. For example, we seek to align with property managers, facility managers and/or tenants to improve the energy mix in the property and the coverage and quality of utility data. This alignment can take place in a number of ways, depending on the nature of the asset and market standards, and may include annual objectives set for each property manager as part of the contract deliverables. We also aim to include green lease clauses in all new commercial tenancy agreements, which may cover a number of topics including transparency of data (e.g., energy usage). In residential assets we raise awareness and provide guidance on how users can reduce their energy consumption.

Infrastructure

Direct infrastructure equity
We seek majority or controlling rights over our portfolio companies where possible and ensure that we have board seats (or 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 the value and strategy of our investment.

By exercising our rights wherever possible we can maximize our control and influence on how our portfolios are managed and align this to our own strategy and investment values.

5

Market-wide and systemic risk

Supporting a well-functioning financial system

UBS-AM recognizes that some risks are systemic and require a macro-stewardship approach. To address these, we contribute to regulation-focused industry initiatives, exchanges with policymakers and support the development of global regulatory standards. This wider engagement helps improve market practices and encourages a stronger financial system, while ensuring compliance with relevant regulations and alignment with our clients' long-term interests.

Decarbonization acceleration in Europe
We contributed to the European Commission's Call for Evidence on the proposed Industrial Decarbonisation Accelerator Act. This initiative aims to streamline project permitting and accelerate investment in clean energy infrastructure – addressing key barriers for energy-intensive sectors. Our public submission reflects our commitment to shaping early-stage regulation that supports EU competitiveness and energy security, while reinforcing our role as a proactive steward of systemic risk.

Corporate governance in India
With the aim of improving and supporting the financial system in India, we joined an Asian Corporate Governance Association field trip to India in March 2025. A common message from the larger companies we met with was that they did not expect their reporting standards to drop despite the recent dilution of mandatory reporting standards. The trip also provided insights into corporate governance and regulation in India. The privatization strategy pursued by the Indian government of selling minority 5%-10% stakes in state-owned enterprises accentuates issues of poor adherence to market listing rules, and weak protection for minority shareholders. A further issue is weak investor engagement with companies' independent non-executive directors. The trip opened a communication channel to corporates and key regulators in India.

ISSB Advisory Group
UBS-AM has a seat on the International Sustainability Standards Board 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 Sustainability Accounting Standards Board standards, and we use them as the basis of our sustainability sector materiality frameworks. In 2025, we hosted the annual meeting at our London offices and marked progress toward over 30 jurisdictions advancing climate standards in their legal or regulatory frameworks.

We participated in the consultation of the International Sustainability Standards Board Exposure Draft proposing targeted amendments to IFRS S2 *Climate-related Disclosures* that would provide reliefs to ease application of requirements related to the disclosure of greenhouse gas emissions.

6

External managers and stewardship service providers

External managers

In our Unified Global Alternatives (UGA) business we conduct periodic engagements with underlying investment managers, where applicable, on various sustainability topics ranging from carbon reduction targets, climate risk, diversity, governance, regulatory trends and requirements, and sustainability-related training. Routine engagements with investment managers are recurring and relate to the components of our standard investment process such as the distribution and assessment of sustainability questionnaires, or the review of the annual Global Real Estate Sustainability Benchmark (GRESB) 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 in investor meetings.

Engagement in real estate investments

Within the UGA – Real Estate (UGA-RE) business, stewardship, which comprises both engagement and voting, plays a central role in the investment approach and decision-making process.

UGA-RE communicates the importance of sustainability to existing and prospective external investment managers to ensure that appropriate resources and attention are dedicated to the topic. UGA-RE seeks to raise sustainability topics and concerns in investor-wide environments to enhance manager awareness and prioritization, including providing inputs on sustainability-related topics where UGA-RE is a member of a fund's board, LPAC, advisory body, etc. (if and when they arise) and consistently voting on sustainability -related topics if and when they arise.

The UGA-RE investment team performs the following actions as part of its engagement approach which was developed in line with the platform's nature as an indirect investor:

- Distribution of the UGA-RE ESG Questionnaire on an annual basis (at a minimum) to all underlying managers, including assessment/scoring of ESG Questionnaires as per the UGA-RE business-specific scorecard.
- Communication and discussion of underlying managers' performance with regards to their submitted ESG Questionnaire, and their performance in the annual GRESB Real Estate Assessment.
- Ensuring standalone side letters or contractual clauses (where applicable) related to the adoption of minimum sustainability practices/requirements are in place.
- Ongoing ad hoc engagement on sustainability topics during regular weekly, monthly and/or quarterly meetings with investment managers.

Contractual sustainability

In order to ensure UGA-RE's sustainability requirements and expectations are documented and understood by underlying investment managers, where necessary – and applicable – UGA-RE ensures its standalone sustainability side letter or contractual sustainability-specific clauses are embedded in relevant legal agreements. UGA-RE's standard side letter requirements include but are not limited to the following:

- Completion of the UGA-RE ESG Questionnaire on an annual basis
- Participation in the annual GRESB Real Estate Assessment, and providing UBS UGA-RE with access to GRESB assessment reports
- Submission of asset-level GHG emissions data for transition risk analysis
- Submission of street addresses of underlying assets for physical risk analysis
- Compliance with UBS' exclusion policies and guidelines
- Submission of data required for regulatory reporting requirements
- Establishment of a net-zero carbon policy which aims to achieve net zero by 2050 or sooner
- Continual compliance and alignment with SFDR Article 8 or 9 disclosure requirements (where applicable)

The sustainability performance of underlying investment managers against UGA-RE priority areas (e.g., transition risk, physical risk) are periodically monitored through our ESG Questionnaire, GRESB Real Estate Assessment Results, and sustainability-specific flags in the quarterly red flag assessment (RFA) conducted by an independent risk committee, and the annual buy/hold/sell (BHS) process.

Sustainability flags – rated red, amber or green – are reviewed and considered holistically. Any red flags are escalated to the investment committee (IC) for further review. A poor sustainability score that factors in risks, GRESB scores, proprietary ESG Questionnaire analysis and asset information can lead to a reduction in top-ups and ultimately divestment, as directed by the Investment Committee.

Escalation

UGA-RE applies a staged escalation process which starts with direct engagement and, if necessary, progresses through formal governance channels and internal oversight. UGA-RE's escalation process can be summarized as follows:

01 **Engagement with investment manager**
UGA-RE raises the issue and seeks a clear remediation plan, using our ongoing active ownership framework and (where applicable) our advisory board/LPAC presence to address the matter and to obtain information required to assess progress.

02 **Internal UBS escalation**
Issue escalated internally to relevant investment decision and risk governance forums; UGA-RE monitoring outputs (including periodic red-flag and buy/hold/sell reviews) are presented to independent risk teams and the Investment Committee.

03 **Investment exit**
UGA-RE would consider exiting an investment where UGA-RE believe it is in investors' best interests and manager progress towards mitigating any identified sustainability risks or performance issues has been negligible.

Making progress

UGA-RE has made significant progress with a number of fund managers on sustainability topics as a result of our engagement. Often this happens at the due diligence stage, where UGA-RE works directly in tandem with the general partner (GP) to set the sustainability approach. This is particularly relevant in fund formations and joint ventures where the vehicle is being launched and UGA-RE have a high degree of control.

One recent example was a new UK single-family housing fund formation, where UGA-RE worked directly with the GP's sustainability team and CEO to craft a net zero carbon policy that meets UGA-RE clients' requirements. Another example was a recent US manufactured housing joint venture, where UGA-RE engaged with the GP post-investment to help them appoint sustainability consultants to ensure they could comprehensively complete GRESB submissions required by our clients.

Stewardship service providers

The proxy voting process is supported by our proxy voting advisor. They are responsible for issuing voting recommendations and research to UBS-AM based on the principles and guidelines within the UBS-AM Proxy Voting Policy, with UBS-AM retaining full decision-making authority in all voting execution.

As a large and diversified asset manager, we are an equity holder of most major companies across the world and we require systematic monitoring of the activities of companies we are invested in, including important decision-making deadlines and processes. Our proxy advisory service provider supports this by providing information on upcoming meeting agenda items, vote cut-off dates, key governance data, research, and the implementation of our Proxy Voting Policy to inform our decisions. Our proxy advisory service provider's research also assists with monitoring important issues such as director election, proposals regarding capitalization, and material environmental and social issues in a timely manner.

We update our Proxy Voting Policy annually to reflect new interpretations of fundamental stewardship principles as well as the latest market developments, and work with our advisory service to implement any changes in the custom voting research process that they provide to us. We monitor and interact regularly with the provider to ensure correct implementation of our voting policy. In addition, we hold a semi-annual due diligence meeting with them to assess topics including the service quality and accuracy of delivery.

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Engagement case studies

The examples, engagement activities, voting decisions, and company-specific case studies included herein are **illustrative of UBS Asset Management's stewardship processes and approaches only**. They **do not represent the performance of any client account, investment product, or strategy**, and should not be interpreted as indicative of past or future investment performance.

While stewardship activities, including engagement and proxy voting, are performed to enhance or protect financial outcomes, they **do not guarantee any particular investment outcome**, financial return, risk mitigation, or societal impact. Outcomes described may not be achieved for all issuers, portfolios, strategies, or clients and may vary depending on market conditions, issuer response, and portfolio constraints.

The information presented in the engagement case studies is based on companies' publicly available reports and disclosures and reflects UBS Asset Management's interpretation and assessment of engagement progress, outcomes, and conclusions.

Case studies in this section are selected on the basis that they are topical, meet client interest, and highlight our proxy voting capabilities across various themes.

Alphabet, Amazon, and Meta Platforms

Case study

Sector: Technology

Engagement topics: AI infrastructure, decarbonization

Region: Americas

Summary of objectives and progress milestones

We initiated engagements with three of the largest AI infrastructure companies – Alphabet, Amazon, and Meta Platforms – to assess how their rapid expansion in data center operations aligns with their decarbonization commitments.

Our objective is to:
- Elevate disclosure standards and ensure that infrastructure growth does not undermine climate goals.
- In early 2025, we shared our expectations in our opening dialogues, emphasizing the financial and reputational risks associated with unchecked emissions growth.

Context

AI infrastructure is driving a surge in energy demand across the technology sector.
- Data centers currently account for an estimated 1%–3% of global carbon emissions, with projections suggesting this could double by 2030.
- In 2025, shareholder proposals at all three companies called for enhanced transparency and revised strategies to address the emissions impact of data center expansion.

Actions taken

We met with all three companies in the first half of 2025. In addition, we used our engagement to inform voting decisions on related shareholder proposals.

Amazon
- Engagement response: Amazon acknowledged that its 2019 net-zero targets anticipated emissions growth, but the pace has exceeded expectations.
- Gap identified: Highlighted capital deployment in nuclear energy and efficiency technologies. However, it could not provide a clear roadmap linking its USD 150 billion data center expansion to its climate goals. The absence of a credible transition plan for such a large capital outlay raises concerns about long-term cost exposure, regulatory risk, and investor confidence.
- Voting action: We supported a shareholder proposal on enhanced climate disclosure.

Alphabet
- Engagement response: Alphabet reiterated its 2030 24/7 clean energy ambition and showcased innovations like the Trillium processor.
- Gap identified: Alphabet lacked clarity on how its USD 75 billion capex plan aligns with its emissions-reduction targets. Misalignment between capital investment and climate strategy could impact Alphabet's ability to meet investor expectations on sustainability-linked performance and cost efficiency.
- Voting action: We supported a shareholder proposal on enhanced climate disclosure.

Meta Platforms
- Engagement response: Presented a renewable energy procurement strategy focused on 'Additionality' – that is, enabling new renewable energy projects rather than relying on unbundled renewable energy certificates (RECs) which do not direct new capital into long-term decarbonization solutions.
- Gap identified: Less than 5% of 2023 renewable energy purchases were unbundled RECs, compared to over 50% at Amazon. Meta has also contracted over 11,700 MW of renewable energy globally. The company acknowledged that 24/7 matching is not yet feasible due to grid data limitations. Meta's disciplined approach to renewable sourcing and infrastructure investment reflects a lower risk profile and stronger alignment with long-term sustainability goals.
- Voting action: We opposed a shareholder proposal that we saw as overly prescriptive and not sufficiently accounting for the progress and technical awareness demonstrated in Meta's current strategy.

Outcomes

We have initiated engagement with the three companies and have ensured that our voting decisions are aligned with the objectives of our engagement and with our assessment of each company's position on the issue.
- For the two shareholder proposals which we supported, at Amazon and Alphabet, we saw overall shareholder support of 20.1% and 8.4%, respectively. We consider these voting results signs of investor concern over the lack of transparency and strategic alignment, which could affect valuation and access to capital.
- For the shareholder proposal which we did not support, at Meta Platforms, we saw overall shareholder support of just 3.3%. We consider this an indication that an engagement that seeks to build on the existing strengths of Meta Platform's current approach is more in tune with the aims of investors than a prescriptive shareholder proposal.

Next steps

We will continue engaging with all three companies to:
- Advocate for credible transition plans that link infrastructure growth to emissions targets.
- Encourage improved emissions transparency and scenario analysis.
- Monitor capital allocation decisions for alignment with climate commitments and long-term shareholder value.

Antofagasta

Case study

Sector:
Diversified mining

Engagement topics:
Decarbonization, governance

Region: EMEA

Summary of objectives and progress milestones

Our engagement with Antofagasta has focused on two areas:
- CEO succession planning – addressing governance risks associated with long executive tenure.
- Decarbonization strategy – seeking transparency on capital allocation and investment planning to support emissions reduction.

In late 2023, we initiated dialogue with the senior independent director regarding CEO succession, given the CEO's tenure exceeding 10 years. The company acknowledged the issue and began developing a succession framework. On decarbonization, we requested disclosure of capital expenditure and multi-year investments underpinning its strategy, which remains an open objective.

Context

Antofagasta is a UK-listed, pure-play copper mining company with operations concentrated in Chile. Our engagement spans three years and has covered water risk, board effectiveness, and climate strategy. Recently, we prioritized two high-impact areas:
- Electrification of mine haulage trucks, which account for up to 80% of Scope 1 emissions.
- Leadership continuity, given the strategic importance of succession planning in a capital-intensive, operationally complex sector.

Actions taken

Decarbonization
We met with the chief decarbonization officer for a deep dive into mining-sector technologies. We emphasized the need for a clear roadmap, interim targets, and mine-specific design constraints that affect feasibility.

Governance
We met with the senior independent director to review progress on CEO succession planning and discussed workforce composition.

Outcomes

Decarbonization
Antofagasta conducted pre-feasibility studies across multiple mines to assess the viability of battery electric vehicle (BEV) haulage trucks.

Findings:
- Smaller trucks are economically feasible; larger trucks face challenges due to battery weight and charging speed.
- Mine depth significantly affects BEV suitability – shallow pits are more adaptable.
- Electrification could double Chile's mining energy demand, prompting collaboration with government and industry peers (e.g., Codelco, BHP) to expand grid infrastructure.
- Interim solutions such as hybrid and trolley-assist systems are being trialed.

These findings directly impact capital planning, operational efficiency, and long-term cost structure. Electrification investments will require significant infrastructure upgrades and coordination with external stakeholders, affecting both timelines and returns.

Governance
- Antofagasta completed a CEO succession planning exercise, identifying internal candidates and implementing a longer notice period and interim leadership protocols.
- The board also reviewed its skill matrix to align with strategic priorities.

Robust succession planning mitigates leadership transition risk, supports strategic continuity, and enhances investor confidence – this is particularly important in a sector where operational disruptions can materially affect performance.

Next steps

We will continue to engage with Antofagasta to:
- Encourage enhanced disclosure of decarbonization-related capital expenditure and investment timelines.
- Monitor implementation of succession planning and board refreshment.
- Assess progress on workforce diversity and governance modernization.

BKW AG

Case study

Sector:
Electric utilities

Engagement topics:
Decarbonization disclosure, biodiversity impact, human capital management

Region: EMEA

Summary of objectives and progress milestones

We initiated the engagement with the company in November 2024, and it is ongoing.

Milestone progression:

November 2024
- Raised the issue of enhancing public disclosures on decarbonization strategy (Scope 1 and 2 intensity targets).
- Raised the issue of conducting biodiversity impact assessments for prioritized action plans.
- Raised the issue of enhancing disclosures on human capital management and health and safety.
- Raised the issue of implementing an annual, group-wide employee engagement survey.

September 2025
- Company acknowledged the need for greater granularity in decarbonization disclosures.
- Company advanced to developing a strategy for biodiversity impact assessments.

Objective description:
- Enhance public disclosures on decarbonization strategy, including detailed contributions of key projects toward interim Scope 1 and 2 intensity targets.
- Conduct biodiversity impact assessments to identify high-risk locations and develop prioritized action plans.
- Improve disclosures on human capital management, focusing on talent management, human capital management, and health and safety metrics.
- Implement a centralized, annual employee engagement survey to improve workforce insights.

Context

Business impact
Climate transition is material for electric utilities due to exposure to carbon pricing, regulatory changes, and stranded asset risks. BKW AG's decarbonization strategy, including net-zero targets and renewable energy expansion, directly addresses these risks. Biodiversity impact assessments are critical for mitigating environmental risks associated with renewable installations. Human capital management and health and safety disclosures are essential for operational continuity, particularly given the increased risks in service-related roles.

Investor materiality
The engagement topics address material sustainability factors: decarbonization impacts regulatory and reputational risks; biodiversity assessments mitigate environmental liabilities; human capital management supports workforce stability and stakeholder trust. Enhanced disclosures improve transparency, aiding investor decision-making.

Actions taken

Meeting frequency and timing: Two engagement meetings were held during the reporting period, in November 2024 and September 2025.

Expectations discussed:
- Enhanced public disclosures on decarbonization strategy, including detailed contributions of key projects toward interim Scope 1 and 2 intensity targets.
- Conduct biodiversity impact assessments to identify high-risk locations and develop prioritized action plans, with methodology examples shared (e.g., Institute of Business Administration and Training).
- Improved disclosures on human capital management, focusing on talent management, employment opportunity and development, and health and safety metrics.
- Implementation of a centralized, annual employee engagement survey.

Company Responses to Expectations:
- Acknowledged the need for greater granularity in decarbonization disclosures and committed to improving reporting.
- Confirmed development of a biodiversity impact assessment strategy, with publication targeted for 2027.
- Recognized the materiality of human capital and health and safety topics, with efforts underway to consolidate health and safety data.
- Considering implementation of a group-wide employee engagement survey.
- The company demonstrated openness and constructive engagement, acknowledging material topics and committing to actionable steps. Progress was noted in strategy development for biodiversity and decarbonization disclosures. Challenges remain in data completeness and regulatory hurdles.

Outcomes

Decarbonization Strategy
BKW AG expanded its net-zero target to cover the entire group, including interim Scope 1 and 2 intensity targets. The company acknowledged the need for greater granularity in disclosures and committed to improving transparency on key projects contributing to these targets. Strategy enhancements are ongoing, with challenges in scope 3 emissions data collection noted.

Biodiversity Impact Assessment
The company is developing a strategy to assess biodiversity impacts at high-risk assets. Methodology analysis is underway, with targets expected in the 2027 sustainability report.

Human Capital Management
BKW AG acknowledged the materiality of human capital and health and safety topics. Efforts to consolidate health and safety data and enhance disclosures are in progress. The company is considering implementing a group-wide annual employee engagement survey.

Next steps

Continued monitoring of progress on decarbonization disclosures, biodiversity strategy development, and human capital initiatives. Follow-up engagement planned to ensure alignment with objectives.

BP Plc

Case study

Sector: Oil and gas

Engagement topics: Capital allocation and returns

Region: EMEA

Summary of objectives and progress milestones

Our long-term engagement with BP, initiated in the launch of our climate program seven years ago, has evolved in response to the company's strategic pivot in 2024. BP reversed several prior energy transition commitments and increased its emphasis on upstream exploration and production. In light of this shift – and the sector's historically low returns and rising risk profile – we reoriented our engagement to focus on capital discipline. Specifically, we sought:
- Adoption of a 15% enterprise-level return on invested capital target
- Implementation of a 20% investment hurdle rate for new projects

These were successfully implemented in early 2025, and we have now closed these specific engagement objectives.

Context

BP's strategic reset followed a ~50% decline in share price, abandonment of key 2030 climate targets, and the emergence of an activist investor with a 5% stake.
- These developments heightened investor scrutiny and underscored the need for disciplined capital allocation and governance reform.
- The company's dual leadership structure – where the chair also served in a leadership role at Novo Nordisk – raised additional concerns about strategic focus and oversight.

Actions taken

November 2024: Engaged with BP's chair to express concerns about strategic direction and capital discipline.

January 2025: Submitted a formal letter recommending:
- A 15% ROIC target at the enterprise level
- A 20% hurdle rate for upstream investments, reflecting elevated geopolitical and transition-related risks
- Review of the governance structure, including the chair's dual role

Outcomes

Capital allocation discipline
- February 2025: At Capital Markets Day, BP announced a strategic reset, including a commitment to a >20% internal rate of return target for incremental investments.
- This shift represents a material improvement in capital discipline, aligning investment thresholds with sector risk and investor expectations.

Potential implications
- Enhanced hurdle rates improve capital efficiency and reduce exposure to underperforming assets.
- This discipline is critical in a sector facing volatile commodity prices, regulatory uncertainty, and transition-related risks.
- The move supports long-term shareholder value and signals a more rigorous approach to capital deployment.

Governance and oversight
- March-April 2025: Engaged with the CEO and chair regarding execution risks and the lack of a shareholder vote on the revised climate strategy.
- Voted against the chair's reelection, citing persistent concerns over culture, performance, and governance.
- April 2025: BP announced the chair would step down once a successor is appointed.

Potential implications:
- Leadership transition offers an opportunity to reset governance and improve strategic execution.
- A refreshed board and clearer management accountability are essential to restoring investor confidence and aligning with long-term climate and financial goals.

Next steps

Our engagement with BP remains active. We plan to:
- Engage with the lead independent director to reinforce the importance of cultural transformation and execution discipline.
- Monitor progress on capital allocation, climate strategy implementation, and board refreshment.
- Advocate for transparent investor communication and governance practices that support sustainable value creation.

Carnival Cruise Line

Case study

Sector:
Consumer discretionary

Engagement topics:
Board refreshment, executive remuneration and sustainability

Region: Americas

Summary of objectives and progress milestones

We have been engaging with Carnival on sustainability topics since 2021 and in the first half of 2025 our engagement focused on five areas.

- **Board:** Advocate for planned and gradual refreshment, especially leadership roles held by long-tenured directors. There were no new board appointments at the 2025 AGM; we will continue to advocate for board refreshment.
- **Remuneration:** Encourage equity-based long-term incentive (LTI) instead of large cash awards for better shareholder alignment. The CEO received significant cash bonuses, with the company citing the need for retention during the COVID pandemic.
- **Emissions:** Monitoring progress on fleet electrification and Scope 3 reduction initiatives: Scope 3 initiatives are underway (supply chain optimization, waste reduction, biofuel trials).
- **Physical risk:** Improve disclosure on climate risk assessment and mitigation, as the company has limited disclosure on physical risk; incremental improvements are expected.
- **Tariffs:** Understand potential cost implications from trade tariffs.

Context

Carnival Corporation is the world's largest cruise operator, with a complex governance structure (five board committees) and significant operational challenges. The company faces sustainability scrutiny due to its carbon footprint, supply chain impacts and governance practices. One of our key engagement focuses was on aligning governance and remuneration with shareholder interests and advancing climate-related actions.

Actions taken

- **Board:** Raised concerns about lack of refreshment and emphasized succession planning.
- **Remuneration:** Questioned cash-based ERA awards; recommended equity-based alternatives.
- **Emissions:** Discussed electrification progress and Scope 3 reduction strategies; requested further goals and collaboration details.
- **Physical risk:** Highlighted need for better disclosure on climate risk assessment and mitigation.
- **Tariffs:** Queried potential cost impacts and resilience measures.

Outcomes

- **Board:** Company acknowledged complexity and value of tenure; no immediate changes.
- **Remuneration:** Company defended ERA structure, citing technical reasons and 90% retention rate; open to dialogue.
- **Emissions:** Significant progress on operational emissions; proactive collaboration with ports; ahead of carbon intensity objectives.
- **Scope 3:** Vendor engagement and waste reduction initiatives launched; biofuel trials ongoing.
- **Physical risk:** Limited disclosure persists; company adapting cruise routes to mitigate risks.
- **Tariffs:** No specific challenges identified; monitoring economic conditions.

Next steps

- Continue advocacy for board refreshment and leadership succession planning.
- Push for equity-based LTI in future remuneration structures.
- Request detailed roadmap for Scope 3 emissions reduction and physical risk disclosure.
- Monitor progress on electrification and biofuel adoption.
- Maintain dialogue on tariff-related risks and resilience strategies.

Ecolab

Case study

Sector: Materials

Engagement topics: Chemicals management strategy, biodiversity

Region: Americas

Summary of objectives and progress milestones

Our engagement with Ecolab over the past two years has focused on improving chemical safety practices and biodiversity-related disclosures.

- After successfully closing an objective related to the company's participation in an independent assessment initiative, we extended our engagement to seek alignment with the Taskforce on Nature-related Financial Disclosures (TNFD), specifically requesting reporting on its 14 core metrics.
- Ecolab's chemicals management strategy is financially material due to increasing regulatory scrutiny and litigation risk – particularly around persistent pollutants such as PFAS. The company has acknowledged the importance of these issues and has begun to respond with enhanced disclosures and strategic commitments.

Context

Ecolab provides water, hygiene, and infection-prevention solutions across industries. Our engagement has focused on four key areas:

- Chemical safety and pollution risk
- Biodiversity metrics and nature-related disclosures
- Climate targets validated by the Science-Based Targets initiative (SBTi)
- Water stewardship in high-consumption sectors such as data centers

Given the company's exposure to regulatory developments – such as the EU's 2024 F-gas Regulation and proposed PFAS phase-out by 2029 – these topics represent material risks and opportunities for long-term value creation.

Actions taken

Between 2024 and 2025, we engaged Ecolab on:

- Chemicals management performance, referencing the ChemScore and Chemical Footprint Project (CFP) benchmarks.
- Biodiversity measurement, encouraging alignment with the TNFD's core metrics.
- Water risk mitigation, particularly in data center cooling, where Ecolab's AI-driven innovations can reduce consumption and improve resilience.

We emphasized the need for transparent disclosures, precautionary product development, and quantification of health and environmental impacts.

Outcomes

Chemicals management

- Ecolab committed to phasing out substances listed on the EU SVHC (Substances of Very High Concern) Authorised List. These currently represent 0.3% of its portfolio, with full phase-out expected within four to five years, pending efficacy and safety testing.
- SVHCs are excluded from new product development, reducing future litigation and regulatory exposure.
- In 2025, Ecolab was named a 'Frontrunner' in the CFP survey and improved by seven points in ChemSec's ChemScore assessment.

Potential implications

- Proactive chemical phase-out and improved benchmarking could reduce reputational and legal risks.
- Enhanced transparency supports investor confidence and aligns with emerging sustainability disclosure standards.

Biodiversity and nature-related disclosures

Ecolab expanded its biodiversity assessment and began evaluating which of the TNFD's 14 core metrics are most relevant, prioritizing operations in water-stressed regions.

Potential implications:

- Biodiversity metrics are increasingly integrated into sustainability ratings and regulatory frameworks.
- Prioritizing water-stressed regions aligns with operational risk management and long-term resource planning.

Water stewardship and AI infrastructure

- Ecolab continues to champion water circularity, especially in high-consumption sectors like data centers.
- AI-driven cooling technologies are positioned to mitigate water risk and enhance cost efficiency and performance resilience.

Potential implications:

- Water-efficient technologies offer competitive differentiation and cost savings.
- Strategic positioning in AI infrastructure supports growth in a rapidly expanding market.

Next steps

We will continue our engagement with Ecolab to:

- Monitor progress on TNFD metric adoption and biodiversity disclosures.
- Encourage further quantification of health impacts and chemicals footprint.
- Support innovation in water stewardship and circularity across high-risk sectors.

Fortum

Case study

Sector: Utilities

Engagement topic: Climate change transition plan

Region: EMEA

Summary of objectives and progress milestones

Our seven-year engagement with Fortum has focused on supporting the development of a credible and transparent climate transition plan. In recent years, our objectives centered on three key areas:
– Coal phaseout strategy
– Feasibility of new nuclear power
– Clarity on Russian asset exposure

Following significant strategic shifts and the publication of a science-based transition plan in early 2025, we have moved all engagement milestones to completion and formally closed our active engagement with the company.

Context

Fortum underwent a major strategic reset over the past three years, driven by:
– The German government's nationalization of Uniper, its former subsidiary
– The Russian government's expropriation of Fortum's assets in Russia

These developments significantly reduced Fortum's operational footprint and refocused its strategy on European assets. In this context, a robust climate transition plan became essential to align with evolving EU policy, investor expectations, and Fortum's revised business model. UBS Asset Management served as a co-lead in a collaborative investor initiative to support this development.

Actions taken

– Encouraged Fortum to develop a climate plan integrated with its corporate strategy and responsive to European disclosure regulations.
– Advocated for technology-specific planning, including coal phase-out and nuclear feasibility.
– Monitored progress throughout 2025, providing investor feedback on strategic clarity and disclosure quality.

Outcomes

Climate transition plan
In January 2025, Fortum published its SBTi-approved climate transition plan, including:
– Net-zero target by 2040 across the full value chain
– Scope 1 and 2 emissions reductions: 85% per MWh by 2030, 90% by 2040 (from a 2023 baseline)
– Scope 3 emissions reductions: 55% by 2033 and 90% by 2040 for fossil-fuel-related retail activities
– Key decarbonization projects include modernization of Polish assets and transformation of the Espoo heat plant in Finland

Potential implications
– These targets align Fortum with the EU's climate policy trajectory and reduce regulatory and reputational risk.
– Clear sub-targets and technology-specific pathways enhance investor confidence in execution and capital allocation discipline.

Nuclear feasibility study
In March 2025, Fortum published findings from its study on new nuclear capacity in the Nordics:
– Determined that merchant nuclear development is not viable in the near term due to moderate power prices and investment barriers.
– Maintaining nuclear as a long-term strategic option, contingent on partnerships and supportive market conditions.

Potential implications:
– Transparent assessment of nuclear feasibility helps investors understand Fortum's capital planning and risk exposure.
– Avoids misallocation of capital in uncertain markets while preserving optionality for future low-carbon capacity.

Next steps

Fortum has successfully implemented a climate transition plan that balances strategic ambition with operational feasibility. With all engagement milestones completed, UBS-AM has concluded its role as co-lead in the climate engagement coalition for Fortum.

Heidelberg Materials

Case study

Sector: Materials

Engagement topic: Climate transition – carbon capture and storage (CCS)

Region: EMEA

Summary of objectives and progress milestones

We have been engaging with Heidelberg for two years on the role of carbon capture and storage (CCS) in its climate transition plan, which addresses the high carbon intensity inherent in the production of cement.

- As a large European cement producer, the company needs to manage its exposure to carbon emissions regulation and position future development of markets in low-carbon cement.
- This year the company has taken a significant step forward with an overview of its investment program for CCS.
- We continue to engage with a view to encourage more transparency regarding the timelines of individual projects.

Context

The cement industry accounts for approximately 7% of global CO_2 emissions, primarily due to the calcination process in clinker production.

- Heidelberg Materials, as a leading European cement producer, faces significant regulatory and reputational pressure to decarbonize.
- With the EU's Carbon Border Adjustment Mechanism (CBAM) phasing out free emission allowances starting in 2026, the urgency to implement scalable low-carbon solutions has intensified.

Actions taken

In May 2025, we attended Heidelberg's Capital Markets Day in Brevik, Norway, where the company unveiled Evo Zero, the first industrial-scale decarbonized cement production facility. This site visit enabled direct engagement with management and provided insights into:

- The technical deployment of CCS at Brevik
- Operational challenges of retrofitting legacy infrastructure
- Heidelberg's broader low-carbon cement strategy

We encouraged Heidelberg to enhance transparency around project-level capital expenditure and implementation timelines, especially for projects outside Europe where policy support is less predictable.

Outcomes

- Heidelberg disclosed a EUR 1.5 billion capex allocation across its CCS portfolio, targeting 10 million tons of CO_2 captured by 2030. The CCS investment is a direct response to regulatory changes under CBAM, which could materially affect Heidelberg's cost structure and market access.
- The company updated its CCS project timelines and acknowledged potential delays in final investment decisions due to evolving market conditions and government support frameworks.
- Heidelberg's positioning as a first mover in CCS has elevated its profile among cement peers, with implications for long-term competitiveness and investor confidence.

Potential implications

- Decarbonization, including regulation, represents a significant challenge to the cement industry, requiring companies to innovate while also maintaining competitiveness.

Next steps

We will continue to engage and monitor progress on:

- Enhancing transparency
- CCS deployment and investment decisions

Landis+Gyr

Case study

Sector:
Electronic equipment, instruments and components

Engagement topics:
Executive compensation, board effectiveness, climate-related metrics in remuneration, sustainability reporting

Region: EMEA

Summary of objectives and progress milestones

We initiated the engagement with the company in June 2024, and it is ongoing.

Milestone progression
- June 2024: The issue of disclosing annual bonus objectives retrospectively was raised during engagement

Objective description
- Disclose annual bonus objectives retrospectively to improve transparency in executive remuneration

Outcome achievement
- Current milestone status: The issue was raised to the company
- Substantive progress: The company was informed of the need to disclose retrospective bonus targets during the engagement meeting in June 2024

Context

Business Impact
Transparency in executive remuneration is material for governance effectiveness, influencing stakeholder trust and alignment with shareholder interests. Retrospective disclosure of bonus objectives addresses investor concerns about accountability and performance alignment. Board effectiveness is critical for strategic oversight, particularly during leadership transitions and strategic reviews, which impact operational continuity and long-term growth.

Investor materiality
Governance topics, including executive compensation and board composition, are financially material due to their influence on leadership stability, strategic execution, and investor confidence. Enhanced disclosure of sustainability metrics in remuneration aligns with evolving sustainability expectations and regulatory frameworks, such as the Corporate Sustainability Reporting Directive.

Collaboration status
Engagement was bilateral, with UBS analysts interacting directly with company representatives, including the board chair and non-executive board members.

Actions taken

Meeting frequency and timing
We held engagement meetings with the company in June 2024 and and February 2025 and proxy voting meetings with the company in June 2024 and June 2025.

Expectations discussed
- Encouraged retrospective disclosure of annual bonus objectives to enhance transparency.
- Recommended reducing the number of sustainability metrics in annual bonuses to focus on 2-3 key objectives.
- Suggested using internally oriented sustainability metrics for LTI, aligned with strategic goals.
- Discussed improving communication between the board and management.

Company responses to expectations
- The company committed to disclosing short-term incentive (STI) and LTI objectives retrospectively.
- Indicated plans to align sustainability-related LTI objectives with the new strategic cycle.
- Acknowledged feedback on reducing sustainability metrics in STI and expressed openness to refining the approach.
- Demonstrated a positive and open attitude toward feedback, with substantive progress on transparency in executive remuneration.
- Enhanced governance practices, including annual board evaluations and external consultancy involvement.
- Continued focus on refining strategy and addressing leadership transitions.

Outcomes

Public announcements
- The company disclosed enhanced transparency on STI outcomes in its sustainability report, including performance ranges for regional businesses (June 2024).
- Commitment to disclose STI and LTI objectives retrospectively was confirmed during the meeting with the Board Chair on 24 February 2025.

Changes to targets, commitments, plans or guidance
- Reduction in metrics for STI from 10 to 7, with plans to further narrow focus to 2-3 key objectives (6 June 2024).
- Introduction of sustainability metrics in LTI from 2025, with a proposed 20% weight, focusing on internally oriented climate-related metrics (June 2024).

Board or management changes
- Appointment of Peter Meinz as CEO, leveraging his extensive US experience and prior leadership at a competitor (February 2025).
- CFO transition announced, with advanced recruitment stages for a replacement (February 2025).
- Audrey Zibelman identified as part of the Board Chair succession plan, bringing regulatory and utility expertise (February 2025).

Next steps

- Monitor retrospective disclosure of STI and LTI objectives in upcoming reports.
- Follow up on sustainability metric implementation in LTI and further reduction in STI metrics.
- Engage on board succession planning and alignment of leadership expertise with strategic goals.

Moderna, Inc.

Case study

Sector: Healthcare

Engagement topics: Executive compensation, shareholder rights

Region: Americas

Summary of objectives and progress milestones

Over the past two years, our engagement with Moderna has focused on two governance priorities:

- Board declassification – addressing shareholder rights by encouraging the removal of staggered board terms.
- Executive compensation reform – advocating for limits on special awards to strengthen alignment with long-term shareholder value.

While the company has acknowledged investor concerns, progress has been limited. We reflected this in our voting decisions at the 2025 annual general meeting (AGM), opposing both a director and the executive compensation report.

Context

Moderna operates in the biotechnology and pharmaceutical sector, with a business model centered on mRNA-based therapeutics and vaccines. Its flagship product, Spikevax, drove rapid growth during the COVID pandemic.

- As the company transitions from a high-growth disruptor to a more mature enterprise, governance structures and compensation practices are under increased scrutiny.
- Moderna's classified board structure and use of large special equity awards present governance risks that may affect investor confidence, strategic oversight, and long-term value creation.

Actions taken

Board classification

- Engaged with the company ahead of the 2025 AGM to revisit concerns first raised in 2023.
- Moderna maintained that a classified board supports strategic continuity during a period of stock price volatility.
- The company acknowledged investor concerns and expressed openness to a sunset provision for future declassification.

Executive compensation

- Discussed the rationale behind large special awards granted to the CFO and chief legal officer in 2024, citing retention risk due to underwater equity and competitive offers.
- Moderna stated that no further one-off awards are expected and that its regular compensation plan is aligned with investor expectations.
- We recommended strengthening the plan to prevent recurrence.

Outcomes

Board governance

- Despite acknowledging investor concerns, Moderna has not committed to a timeline for board declassification.
- We voted against a director at the 2025 AGM due to the continued use of a classified board structure.

Potential implications:

- A classified board can entrench management and limit shareholder influence, particularly during periods of strategic transition.
- Declassification would enhance board accountability and align Moderna with governance best practices among its peers.

Executive compensation

- The company's justification for special awards highlights the tension between talent retention and shareholder dilution.
- We voted against the executive compensation report, citing insufficient safeguards against discretionary awards.

Potential implications:

- Excessive or ad hoc compensation can misalign executive incentives with long-term performance.
- Strengthening compensation governance reduces reputational risk and supports sustainable value creation.

Next steps

While Moderna has shown willingness to engage, tangible governance reforms remain limited. We will continue dialogue with the company to monitor progress on board structure and compensation practices.

Samsung C&T

Case study

Sector:
Diversified
conglomerate

Engagement topics:
Capital efficiency
and governance,
shareholder return
policy, human
capital strategy

Region: Asia Pacific

Summary of objectives and progress milestones

This newly initiated engagement focuses on governance and social objectives that are financially material to Samsung C&T's long-term value creation. Our priorities include:

- Enhancing capital efficiency and transparency in capital allocation
- Strengthening the link between business performance and shareholder returns
- Improving human capital strategy, including talent development, employee engagement, and labor risk management

The company has acknowledged these issues and begun developing responses across all three areas.

Context

Samsung C&T operates across the construction, trading, fashion, and leisure sectors. In May 2025, we engaged with the CEO of the trading business unit. Key sustainability concerns stem from:

- Exposure to volatile trading markets
- Reliance on dividend income from Samsung Electronics, which creates earnings volatility
- A need to attract and retain talent in highly competitive sectors

Our engagement was informed by a comparative analysis with Japanese trading houses – favored by long-term investors for their capital discipline and governance reforms post-Abenomics. In contrast, Samsung C&T's exit from resource development between 2000 and 2020 has increased its exposure to traditional trading volatility and highlighted governance gaps.

Actions taken

We held two meetings in the first half of 2025 – one focused on governance and shareholder returns, and the other on human capital strategy.

Governance and capital efficiency

- Communicated expectations for improved transparency around internal cash reserves and capital deployment.
- Encouraged decoupling of shareholder returns from Samsung Electronics' dividend flow.
- Requested disclosure of payback periods and implementation of the company's 15% internal rate of return investment target.
- Referenced governance practices of Japanese trading houses as a benchmark for capital discipline.

Shareholder return policy

- Advocated for a return strategy that goes beyond buybacks and dividends.
- Emphasized the importance of linking shareholder returns to Samsung C&T's own operational performance.

Human capital strategy

- Raised expectations around employee engagement, including the use of external platforms to monitor sentiment.
- Encouraged transparency in internal communications and benchmarking against peer practices.
- Highlighted the importance of appealing to younger professionals and high-potential talent.

Outcomes

Governance and capital efficiency

- Samsung C&T confirmed plans to announce a 'value-up' program by early next year to enhance business value beyond traditional return mechanisms.
- Internal discussions are underway to improve capital allocation transparency and reduce reliance on Samsung Electronics' dividend income.
- The company is exploring expansion into more operational businesses.

Potential implications:

- Improved capital discipline and transparency support investor confidence and reduce earnings volatility.
- A shift toward operational independence enhances strategic flexibility and long-term value creation.

Shareholder return policy

- The company acknowledged the need to better link shareholder returns to its own performance.
- A review of the dividend policy is underway to reflect operational outcomes rather than affiliate performance.

Potential implications:

- Aligning returns with core business performance strengthens investor trust and reduces dependency risk.
- A more resilient return strategy supports sustainable capital markets positioning.

Human capital strategy

- Samsung C&T is enhancing internal communication and exploring regular employee surveys.
- Benchmarking of talent strategy against peers has begun, with a focus on attracting next-generation professionals.

Potential implications:

- Stronger human capital practices improve retention, reduce operational risk, and support innovation.
- Enhanced employee engagement contributes to productivity and long-term organizational health.

Next steps

We will continue to monitor:

- Implementation of the value-up program
- Progress on capital allocation disclosures
- Evolution of the shareholder return policy
- Effectiveness of employee engagement initiatives

SMC Corporation

Case study

Sector:
Industrials

Engagement topics:
Human capital, corporate governance

Region: Asia Pacific

Summary of objectives and progress milestones

In early 2025, we initiated engagement with SMC Corporation to address two financially material sustainability themes: board governance and human capital management.
- Our governance objective focused on board structure and oversight of capital allocation.
- On human capital, we addressed diversity across management and employees, and remuneration practices in response to a sharp rise in employee turnover.

Effective governance and human capital management are foundational to strategic decision-making, capital allocation, and innovation. SMC acknowledged the relevance of these issues and has begun taking steps to address them.

Context

SMC Corporation is a global manufacturer of pneumatic and automation equipment serving industrial clients across diverse sectors. Following the release of its integrated sustainability report in March 2025, we engaged the company to assess its approach to two material sustainability issues:
- Human capital: Material due to SMC's reliance on skilled engineering talent and demographic headwinds in Japan.
- Corporate governance: Critical given the company's centralized planning model and global footprint, which demand robust oversight and strategic alignment.

Actions taken

We met with the independent director who chairs the board sustainability committee.

Human capital
- Turnover spike: Employee turnover in 2023 exceeded 10%, compared to a four-year average of just over 3%.
- Root causes: The company cited reduced overtime and income levels as contributing factors.

Requested actions:
- Conduct a holistic review of the compensation system.
- Increase international and gender diversity across the board and operations, aligned with the company's overseas revenue exposure (70% generated outside Japan).
- Enhance the board's skill matrix to reflect long-term strategic needs and compensation oversight.

Corporate governance
- Board structure: SMC's two-tier board system offers limited independent oversight.
- Peer benchmarking: Peers are transitioning to more independent governance models with board committees.

Requested actions:
- Strengthen board oversight of capital allocation to improve execution efficiency and strategic responsiveness.

Outcomes

SMC provided detailed responses and outlined several actions:

Human capital
- Introduced a global internal transfer system to improve mobility across subsidiaries.
- Established local leadership in overseas subsidiaries.
- Initiated stock compensation schemes (currently limited in coverage).
- Commenced a review of long-term retention strategies, including enhancements to the employee stock ownership plan and broader stock-based incentives.

Potential implications:
- Effective human capital management is important for companies based on innovation.

Corporate governance
- The board is reviewing capital efficiency metrics and contingency planning in response to increased capital expenditure and pressure on investment returns.
- While maintaining its two-tier structure, the company has increased board diversity and is considering further diversification.

Potential implications:
- Effective human capital management is foundational to strategic decision-making, and capital allocation.

Next steps

We will continue to engage and monitor progress on:
- Board diversity
- Capital efficiency
- Human capital strategy

Straumann

Case study

Sector:
Health care equipment and supplies

Engagement topics:
Board effectiveness, executive compensation, governance structure, sustainability reporting

Region: EMEA

Summary of objectives and progress milestones

We initiated the engagement with the company in February 2024 and it is ongoing.

Milestone progression
– February 2024: The issue of introducing a clawback provision in the compensation scheme was raised to the company.

Objective description
– Introduce clawback provision in executive compensation to enhance governance and accountability.

Outcome achievement
– February 2024: The issue was raised to the company during engagement. Further progress is required to advance toward acknowledgment or implementation.

Context

Business Impact
Governance and executive compensation are critical for Straumann as a health care equipment and supplies company. Effective governance ensures strategic oversight, while compensation structures, including clawback provisions, mitigate risks related to accountability and performance incentives. These factors directly influence investor confidence and long-term value creation.

Governance effectiveness and executive accountability are material due to their impact on strategic execution and risk management. The clawback provision addresses governance risks by safeguarding against potential misconduct or financial misstatements, aligning compensation with investor expectations for robust governance frameworks.

Actions taken

Meeting frequency and timing
We held four engagement meetings: February 2023, February 2024, January 2025 and April 2025.

Expectations discussed
– Raised the need for a clawback provision in executive compensation to enhance governance safeguards.
– Discussed overboarding concerns regarding Marco Gadola and requested reduction in external commitments.
– Addressed broader governance topics, including board independence, succession planning and sustainability reporting.

Company responses to expectations
– Acknowledged feedback on clawback provisions but did not commit to immediate implementation. Indicated plans to socialize the concept in 2025, with potential introduction in 2026.
– Confirmed Marco Gadola would step down from one external board role, meeting overboarding requirements by 2025.
– Demonstrated openness to governance improvements, including board composition and succession planning.
– Engaged constructively on compensation-related topics, though progress on clawback provisions remains gradual.

Outcomes

Changes to targets, commitments, plans or guidance
– February 2024: The company acknowledged feedback on introducing a clawback provision in executive compensation but did not commit to implementation.
– January 2025: The company indicated plans to socialize the clawback provision in 2025, with potential introduction in the 2026 compensation report.

Board or management changes
– Appointment of Petra Rumpf as Board Chair in 2024, succeeding Gilbert Achermann.
– Marco Gadola stepped down from one external board mandate, addressing overboarding concerns.

Next steps

– Monitor progress on clawback provision discussions in 2025.
– Continue engagement on governance topics, including board composition and succession planning.
– Evaluate disclosure improvements in the 2024 compensation report.

Swiss Prime

Case study

Sector:
Real estate management and development

Engagement topics:
Climate change and decarbonization, executive remuneration

Region: EMEA

Summary of objectives and progress milestones

We initiated the engagement with the company in January 2023 and it is ongoing.

Milestone progression
– January 2025: The issue was raised to the company regarding the need for LTI potential to exceed STI potential.

Objective description
– Ensure LTI potential is higher than STI potential to align executive remuneration with long-term shareholder value creation.

Outcome achievement
– Current milestone: The issue was raised to the company.
– Evidence: Discussed with investor relations and the Board Chair in 2023.
– Progress: No further milestones reached; engagement remains at the initial stage.

Context

Business Impact
Executive remuneration is a critical governance factor for real estate companies like Swiss Prime, influencing leadership incentives and long-term shareholder value creation. Ensuring LTI potential exceeds STI potential aligns compensation structures with sustainable business performance.

Investor materiality
Governance effectiveness, particularly in executive remuneration, is financially material as it impacts strategic decision-making and stakeholder trust. Climate change and decarbonization are also material due to regulatory risks and tenant demand for greener buildings.

Collaboration status
Engagement approach was bilateral, involving direct discussions with IR and the Board Chair.

Actions taken

Meeting frequency and timing
We held two engagement meetings: November 2023 and January 2025

Expectations discussed
– Raised the need for LTI potential to exceed STI potential.
– Suggested bonus deferral as a potential mechanism to address STI/LTI imbalance.
– Recommended certification from Science-Based Targets initiative (SBTi) for decarbonization targets.

Company responses to expectations
– Acknowledged feedback and increased LTI in total remuneration, incorporating sustainable components.
– Indicated challenges in committing to further changes but noted potential updates in the compensation report.
– Highlighted ongoing discussions with SBTi regarding real estate-specific norms.
– Demonstrated openness to feedback but maintained a neutral stance on committing to specific changes.
– Engaged in broader stakeholder dialogue, including tenants and suppliers, and on sustainability topics.

Outcomes

Public announcements
– The company disclosed new sustainability components in its LTI remuneration during a December 2023 meeting.
– No public commitments to adjust the balance between STI and LTI were made during the reporting period.

Changes to targets, commitments, plans or guidance
– Increased LTI in total remuneration and incorporated sustainability components, as noted in the 2023-12-11 meeting.
– The company indicated potential commitments in the compensation report but did not confirm changes to STI/LTI balance during the January 2025 call.

Next steps

– Continue monitoring the company's progress on aligning STI and LTI potential.
– Follow up on potential commitments in the compensation report post-2025 AGM.
– Reiterate the importance of Science-Based Targets initiative (SBTi) certification for decarbonisation targets in future engagements.

Tecan Group AG

Case study

Sector:
Life sciences tools and services

Engagement topics:
Executive compensation, board effectiveness, sustainability, human capital strategy

Region: EMEA

Summary of objectives and progress milestones

We initiated the engagement in January 2023 and it is ongoing.

Milestone progression
– April 2025: Advanced to "The company acknowledged the issue" milestone.

Objective description
– Improve compensation disclosure: Request for retrospective disclosure of annual bonus objectives to enhance transparency.

Outcome achievement
– Current milestone: "The company acknowledged the issue."
– Substantive progress: The company acknowledged feedback during pre-AGM engagement with the Board Chair and committed to improving disclosure practices.

Context

Business Impact
Executive compensation transparency is critical for governance effectiveness in the life sciences sector, where alignment of pay structures with performance metrics supports investor confidence. Board refreshment and CEO succession planning address leadership continuity risks, ensuring strategic oversight during periods of transition. Risk oversight, particularly human capital strategy, is material due to its impact on talent retention and operational resilience.

Investor materiality
Compensation disclosure and peer benchmarking mitigate reputational and governance risks, aligning with shareholder expectations. Articulating sustainable priorities, including double materiality and employment opportunity, enhance stakeholder trust and long-term value creation.

Collaboration status
Engagement approach was bilateral, with UBS analysts engaging directly with company representatives.

Actions taken

Meeting frequency and timing
We had three engagement meetings with the company in April 2023, April 2024 and April 2025, and had additional proxy voting discussions in November 2025.

Expectations discussed
– Requested retrospective disclosure of annual bonus objectives to improve transparency.
– Recommended aligning LTI structure with best practices, including full performance-based conditions.
– Communicated expectations for board refreshment and alignment of compensation peer groups with company size and business.

Company responses to expectations
– Acknowledged feedback on compensation disclosure and committed to improvements, including full disclosure of performance objectives and adjustments to LTI structure.
– Confirmed board refreshment plans and alignment of peer groups through regular reviews.
– Demonstrated openness and willingness to address concerns, particularly on remuneration and governance.
– Positive progression noted in compensation framework amendments and board effectiveness assurances.

Outcomes

Compensation disclosure progress
In April 2025, during a pre-AGM meeting, the company acknowledged feedback regarding compensation disclosure and committed to improving transparency. This includes retrospective disclosure of annual bonus objectives and aligning LTI structures with best practices.

Board or management updates
– CEO transition announced: Achim von Leoprechting stepped down in August 2025, succeeded by Monica Manotas, who brings over 20 years of executive experience in the life sciences industry.
– Board refreshment underway: Recruitment of new non-executive directors initiated to address upcoming retirements.

Remuneration framework adjustments
– Simplified LTI structure: Restricted share elements removed, aligning with EU peers.
– Peer group review: Adjusted target pay benchmark to the 25th percentile, ensuring alignment with business size and sector.

Sustainability and human capital strategy
– Enhanced focus on double materiality in sustainable reporting.
– Strengthened employment opportunity and talent retention programs, including senior leader development and expanded LTI plans.

Next steps

– Continued monitoring of compensation disclosure improvements.
– Follow-up engagement on board refreshment and CEO integration progress.
– Assessment of sustainability reporting and human capital strategy implementation.

Tencent Holdings Ltd.

Case study

Sector: Communications services

Engagement topic: Responsible AI governance

Region: Asia Pacific

Summary of objectives and progress milestones

We initiated engagement with Tencent in early 2025 to address emerging risks in responsible AI governance. Our objectives focus on:

– Disclosure of implementation practices for its Responsible AI policies
– Mitigation of algorithmic bias and hallucinations
– Due diligence on third-party AI models integrated into Tencent's platforms

Tencent has acknowledged the safety concerns associated with AI, but has yet to make substantive progress on the specific objectives outlined.

Context

Tencent is a leading Chinese technology conglomerate operating across social media, gaming, cloud services, and AI. Its platforms – including WeChat and QQ – serve over a billion users, positioning Tencent as a central player in China's digital ecosystem.

– AI is deeply embedded across Tencent's business lines, from advertising and gaming to enterprise services.
– As the company expands its capabilities in large language models (LLMs) and generative AI, risks related to algorithmic bias, misinformation, and user harm increase.
– Tencent's role as a gateway for third-party AI models further amplifies the importance of robust governance practices.

Actions taken

Our engagement in Q1 2025 focused on three key areas:

1. Responsible AI governance
   – Encouraged Tencent to move beyond policy statements and disclose implementation mechanisms across the AI lifecycle.
   – Requested publication of model documentation, fairness and safety metrics, and performance data disaggregated by business unit.
   – Raised concerns about due diligence for third-party models, particularly the rapid onboarding of DeepSeek's LLM.

2. Content safety and deepfake mitigation
   – Asked Tencent to clarify internal mechanisms beyond regulatory compliance, including proactive detection tools, labeling practices, and user protection protocols.
   – Emphasized the need for ex-ante detection and a structured cleansing program for synthetic and harmful content.

3. Online safety for minors
   – Explored Tencent's safeguards for minors, including gaming time limits, spending controls, and parental collaboration platforms.
   – Raised concerns about emerging risks from AI companions and dark patterns in gaming environments.
   – Requested assessment of current measures and identification of improvement areas.

Outcomes

Responsible AI governance

– Tencent acknowledged the need for deeper disclosures.
– Confirmed that its open-sourced model, Hunyuan, supports benchmarking and labeling.
– Due diligence for third-party models is in place, but competitive pressure led to limited vetting during DeepSeek's integration.

Potential implications:

– Inadequate governance of AI models poses litigation, regulatory, and reputational risks.
– Transparent implementation practices are essential for investor confidence and long-term value protection.

Content safety

– Tencent outlined a two-layer approach:
  – Mandatory labeling of AI-generated content
  – Annual cleansing campaigns based on internal standards and user complaints
– Developing AI tools to detect deepfakes
– Maintains a '10 commandments' policy for content moderation on Weixin

Potential Implications:

– Effective content safety measures reduce exposure to regulatory penalties and brand damage.
– Proactive moderation supports platform integrity and user trust.

Online safety for minors

– Minor accounts now represent less than 1% of gaming users, down from 19% in early 2023.
– Controls implemented to limit excessive spending and screen time.
– Introduced family collaboration tools and educational initiatives such as AI programming competitions.

Potential implications:

– Strong safeguards for minors mitigate regulatory scrutiny and public backlash.
– Educational initiatives enhance brand reputation and long-term user engagement.

Next steps

We will continue to engage with Tencent to:

– Monitor progress on responsible AI implementation and third-party model governance.
– Track improvements in content safety and deepfake detection.
– Assess the effectiveness of online safety measures and their integration into Tencent's broader sustainability strategy.

Toyota Motor Corporation

Case study

Sector: Automobiles

Engagement topics: Corporate governance, board independence, financial strategy, investor communications

Region: Asia Pacific

Summary of objectives and progress milestones

In May 2025, Toyota Motor Corporation announced its intention to acquire its affiliate, Toyota Industries Corporation (TICO), for a proposed ¥6 trillion (USD 42 billion).

– Given the scale of the transaction and the close relationship between the two companies, we raised concerns about the valuation process and the protection of minority shareholder rights.
– Our engagement focused on improving transparency, governance safeguards, and investor communications.

Context

TMC is a global automotive and mobility company with a complex cross-holding structure and evolving governance model. The proposed acquisition of TICO, combined with broader governance reforms, raised material sustainability concerns around:

– Board independence and oversight
– Valuation transparency
– Minority shareholder protection
– Disclosure practices and investor engagement

We engaged with TMC through the Asia Corporate Governance Association (ACGA) in May and June 2025 to address these issues.

Actions taken

Our engagement focused on five key areas:

1. Valuation transparency
   – Requested detailed disclosure of the valuation methodology, including treatment of synergies and assumptions across business units
   – Recommended a fairness opinion from an independent third-party bank
   – Asked for a formal recommendation from the TICO board to ensure independent oversight

2. Minority shareholder protection
   – Questioned the classification of affiliated Toyota group companies (e.g., Denso, Aisin, Tsusho) as minority shareholders.
   – Advocated for clearer definitions and safeguards to ensure genuine minority representation.
   – Recommended publishing annual securities reports ahead of the AGM to enable informed voting.

3. Conflict of interest safeguards
   – Encouraged stronger governance mechanisms to mitigate risks associated with founding family involvement and affiliated entities.

4. Board structure and skillset
   – Recommended ongoing review of board composition and skill matrix to reflect evolving strategic needs.
   – Suggested adoption of a three-committee structure to enhance independent oversight.

5. Investor communications
   – Requested improvements in timing and transparency of disclosures, particularly around major transactions and governance changes.

Outcomes

Valuation process

– TMC confirmed that special committees were formed at both companies to independently evaluate the deal.
– Executive leadership, including the chair, was not involved in the valuation.
– Synergies were acknowledged but not quantified due to uncertainty.
– Valuation was conducted using discounted cash flow methodology, incorporating cash, shares, taxes, and business unit assumptions.

Potential implications:

– Independent valuation processes and transparency reduce litigation and reputational risk.
– Clear methodologies support investor confidence and fair market pricing.

Minority shareholder protection

– TMC maintained that affiliated companies are independent entities, but committed to escalating investor feedback to management.
– Expressed openness to earlier disclosure of annual reports in future years, subject to regulatory constraints.

Potential implications:

– Strengthening minority protections enhances governance credibility and reduces transaction-related risk.
– Timely disclosures improve shareholder engagement and reduce voting uncertainty.

Board governance

– TMC confirmed annual review of board formation and skillsets.
– Highlighted recent transition to an audit and supervisory committee structure, enhancing strategic discussions and auditor voting rights.

Potential implications:

– Improved board oversight supports strategic agility and capital allocation discipline.
– Governance reforms align TMC with global best practices, enhancing long-term shareholder value.

Next steps

We will continue our dialogue with TMC to monitor:

– Progress on the TICO acquisition and valuation transparency
– Implementation of governance reforms and board independence measures
– Enhancements to disclosure practices and investor communications

UnitedHealth Group

Case study

Sector: Healthcare

Engagement topics: Cybersecurity, access to healthcare

Region: Americas

Summary of objectives and progress milestones

Our engagement with UnitedHealth Group began in 2023 and continued through February 2025, focusing on two financially material areas:
– Cybersecurity investment and disclosure – in response to rising data risks and the 2024 cyberattack on Change Healthcare
– Access to health care and equity – addressing systemic barriers and aligning with UHG's mission and long-term growth strategy

UHG has acknowledged both concerns and provided meaningful context and updates on its progress.

Context

UHG operates through two core businesses:
– UnitedHealthcare (health insurance)
– Optum (healthcare services)

As a major handler of sensitive personal health information and financial data, UHG faces elevated cybersecurity risks. The 2024 cyberattack on its subsidiary, Change Healthcare, underscored the urgency of robust digital defenses. Simultaneously, UHG's value proposition depends on delivering affordable, accessible care – making health equity a strategic imperative.

Actions taken

We met with UHG in February 2025 to assess progress on both cybersecurity and access to care.

Cybersecurity
UHG responded to the Change Healthcare breach with a rapid security overhaul, including:
– Deployment of multi-factor authentication
– Enhanced security for newly acquired entities
– Appointment of a seasoned chief information security officer with experience at SAP, GE, and Fidelity
– Increased investment in monitoring, detection, and asset inventory
– Ongoing collaboration with federal agencies (FBI, NSA) to share best practices
– Addition of a strategic advisor to the audit committee to guide board-level oversight on cyber risk

Access to healthcare
Reaffirmed commitment to value-based care, including:
– Increasing pharmacy benefit manager rebates to 100%
– Launching a new communication strategy to engage investors and employees on health equity goals
– Planning to highlight real-world impact stories in the next sustainability report

Outcomes

Cybersecurity
– UHG is positioning itself as a leader in healthcare cybersecurity through proactive investment and governance enhancements.

Potential implications:
– Strengthened digital resilience reduces exposure to regulatory penalties, litigation, and reputational damage.
– Improved board oversight and federal collaboration enhance risk management and stakeholder trust.

Access to health care
– UHG's renewed focus on equity and affordability supports its mission and long-term business model.

Potential implications:
– Expanding access improves customer satisfaction, regulatory alignment, and market penetration.
– Value-based care models support cost efficiency and sustainable growth.

Next steps

We will continue to engage with UHG to monitor:
– Execution of cybersecurity initiatives and disclosure practices
– Integration of health equity goals into strategic planning and reporting
– Effectiveness of investor communications around sustainability priorities

Grand Junction Retail Park

Global real assets – Real estate case study

About the asset and overview

Grand Junction Retail Park is a retail warehouse asset comprising over 220,000 square feet of gross internal area. The fund secured a lease renewal with the existing tenant in situ. Rather than a routine re-gear, the parties engaged in a highly collaborative process, aligning commercial priorities with shared sustainability and community goals. The outcome included 15 years of future contracted income, new onsite renewable energy capability, and the activation of underutilized land to enhance the wider scheme.

Sustainability-focused enhancements

1. **Co-designed energy transition: tenant-funded solar photovoltaic panels**
   A central part of the dialogue focused on how to support the tenant's operational needs as a high energy user while improving the environmental performance of the asset. Through tenant engagement, the UBS real estate fund agreed to support the tenant in installing rooftop solar panels at their own cost. These enhancements showcase a shared commitment to improving energy performance and reducing carbon intensity, long-term operational resilience for the tenant through lower energy costs, sustainability enhancement for the fund and joint work on structural due diligence and governance to ensure safe, responsible deployment. This demonstrates how collaborative problem solving can address both climate objectives

2. **Joint placemaking: transforming redundant land into padel courts**
   The fund explored how the asset could evolve to better serve the local community, and engaged the tenant to consent to the construction of a new padel sports facility on surplus land. Turning underutilized land into an active community amenity has enhanced the retail environment through complementary leisure use, and the initiative showcases engagement between landlord and tenant which has shaped a scheme that benefits customers, staff and the wider location.

Outcomes and impact

For the UBS real estate fund

- 15 years of secure income from a strong national covenant
- Material sustainability uplift via tenant-funded renewable energy
- Enhanced site resilience through community-oriented improvements
- A clear demonstration of stewardship and engagement driving long-term value

For the Tenant

- Greater energy efficiency and lower operating costs
- Improved site amenity for customers and colleagues
- Assurance that the landlord is aligned with their sustainability and operational priorities

Conclusion

This lease extension with the tenant is an example of collaborative stewardship, where open engagement, aligned objectives, and shared sustainability ambition created a strong solution, illustrating how partnership-driven asset management can deliver commercial resilience, environmental progress and meaningful community impact.

Stakehill Industrial Estate

Global real assets – Real estate case study

About the asset and overview

Stakehill Industrial Estate is an industrial asset comprising over 105,000 square feet of warehouse space in Manchester. The fund recently completed a lease renewal with a tenant that had reached a lease expiry, presenting a risk to income continuity but also a meaningful opportunity to enhance the building's sustainability performance.

Through early and collaborative engagement, the fund delivered a 10-year lease extension while aligning significant upgrade works with both the fund's sustainability strategy and net-zero objectives and the tenant's corporate sustainability goals. The tenant has ambitious sustainability objectives, including energy efficiency, fleet electrification and the use of onsite renewables.

The fund has set a 2030 mid-term reduction and 2050 net-zero science-based targets in alignment with the 1.5°C scenario.

The fund, at the property level and collectively, will seek to achieve a long-term target of net zero by 2050 for Scope 1 and 2 emissions and, where feasible, Scope 3 (emissions related to tenants' building use). Recognizing this alignment, the fund engaged proactively with the tenant to structure a renewal that would support its operational needs while advancing the fund's environmental priorities. A new 10-year straight lease was secured for long-term income stability and to create a clear framework for investment into the building's environmental performance.

Sustainability-focused enhancements

The renewed lease incorporates two major commitments designed to significantly improve the unit's sustainability credentials:

1. **Roof over-cladding to enable solar generation**
   The fund agreed to overclad the existing roof, improving thermal efficiency and allowing the tenant to install an 80 kWp photovoltaic system at its own cost. This supports:
   – Onsite renewable energy generation
   – Reduction in operational carbon emissions
   – Lower long-term energy costs for the tenant
2. **Capital contribution for sustainability-led refurbishment**
   A rental incentive, provided as a capital contribution, enables the tenant to carry out a comprehensive refurbishment, including:
   – Installation of double-glazed windows
   – LED lighting upgrades
   – Enhanced air-conditioning systems with improved energy performance
   – EV charging points to support the tenant's evolving fleet requirements

These improvements collectively raise the environmental performance of the building and future-proof it against regulatory and market expectations.

Outcomes and impact

The Stakehill lease renewal illustrates the fund's stewardship in practice:

– Secured long-term income through a 10-year commitment from a major occupier
– Strengthened tenant relationship via constructive engagement and aligned objectives
– Material improvement in asset sustainability, including renewable energy capability and upgraded building fabric and services
– Support for tenant decarbonization, reducing operational emissions and energy costs
– Future-proofing the asset, reducing the risk of obsolescence within the industrial portfolio

Conclusion

This project demonstrates how active stewardship and thoughtful negotiation can deliver strong commercial outcomes alongside meaningful environmental benefits. By aligning investment decisions with the fund's net-zero objectives and the tenant's needs and broader sustainability priorities, the fund continues to enhance portfolio resilience while contributing to the transition toward net zero.

8

Proxy voting case studies

Case studies in this section are selected on the basis that they are topical, meet client interest, and highlight our proxy voting capabilities across various themes.

Bank of America, Bank of Montreal, Goldman Sachs, Toronto-Dominion Bank, Wells Fargo

Case study

Sector: Banking

Region: Americas

Topic: Annual disclosure of Energy Supply Ratio

Background: A shareholder proposal to a number of North American banks requested annual disclosure of an energy supply ratio metric. This is defined as the total financing of low-carbon energy supply compared to the financing of fossil-fuel energy supply (covering equity and debt underwriting, project finance as well as lending). The request also extended to disclosure of the banks' methodologies for the metric and inclusion of lending if methodologically sound. This is in line with our with our Proxy Voting Policy which states: Companies should act and disclose information to their shareholders in a manner as transparent as possible.

Vote: We supported the shareholder proposals.

Key result: Average support across the five AGMs was 22.24%, which we consider to be a material level of shareholder interest.

Rationale: We consider that there is a clear investor use case for the ratio, which would improve transparency for investors by improving risk quantification and capital allocation, and complement existing financed emissions lending disclosures. The usefulness of the ratio is highlighted by the integration of the metric by data providers into their offerings. We also noted that one peer bank already discloses this metric, which demonstrates its feasibility, and that commitments from other US and Canadian peers suggest that this is becoming industry practice.

eBay Inc.

Case study

Sector: Broadline retail

Region: Americas

Topic: Amendment and restatement of the Equity Incentive Plan ("Omnibus")

Background: eBay was seeking approval to increase the number of shares reserved for issuance under the plan. Our proxy advisory service raised concerns that the cost of the plan and the associated burn rate (a measure of the dilution of existing shareholders by a company's stock options and equity grants) were excessive, as well as regarding certain of the vesting conditions. We met with the company ahead of its 2025 AGM to address these concerns over the costs and dilution of the proposed plan. The company explained that equity is an important component of eBay's total pay, beyond its key executives, and plays a key role in the company's ability to retain key talent. This is in line with our Proxy Voting Policy which states: Fundamental to all schemes and pay structures is the underlying principle that compensation should be aligned with the performance, the strategy of the company and the outcomes for shareholders. Companies should seek to design their remuneration policies and practices in a manner that suits the needs of the company given the sector and business environment it operates in.

Vote: At the June 2025 AGM we voted for the proposal to the stock plan.

Key result: the proposal was approved with the support of 54.6% of the shares voted.

Rationale: Omnibus stock option plans are a common feature in the US, designed to attract, retain, and reward employees. In our assessment, we took into account that equity is an important component of eBay's total pay and that almost all of the equity grants were intended for employees below the level of executive management, sustaining competitive advantage and long-term shareholder returns. We also considered that the views of our proxy advisory service were based on comparisons with the consumer sector rather than other software and services companies with whom eBay competes to attract and retain talent. We also recognized the effect of significant share buybacks on the calculation of the historic average burn rate.

JD Sports, Marks & Spencer, Next

Case study

Sector: Retail

Region: EMEA

Topic: Shareholder proposals on living-wage-related disclosure

Background: In 2025, there was a series of shareholder proposals by ShareAction targeting UK retailers to disclose practices and gap analysis regarding "real living wage," a UK measure of incomes based on an aggregation of living costs developed by a non-profit organization.

Vote: We voted in favor of the shareholder proposals at Next Plc and JD Sports, but voted against the shareholder proposal at Marks & Spencer.

Key result: The three proposals received shareholder support in the range of 27%-31% of votes cast.

Rationale: We have assessed the payment practices of each of the companies. This was informed by employee pay practices, human capital management, employee engagement feedback, and controversies relating to compensation. Our conclusion was that the companies were each at different stages on real living wage. At Marks & Spencer, we saw the company providing information about human resources, seeking to pay a real living wage and periodically reviewing and increasing to keep pace with prevailing levels in the UK. For the other two companies, we saw less evidence of such approaches. Next Plc has been involved in a pay controversy, with a UK Employment Tribunal ruling against the company on multiple cases. We viewed JD Sports' explanation about staff investments as insufficiently clear on compensation practices against a background of employees raising more negative feedback on pay practices compared to peers. Given these considerations, it was our view that, in line with our proxy voting policy, improved disclosure would help investors to better assess the practices of the two companies, and in turn mitigate operational and reputational risks.

Meta Platforms

Case study

Sector: Communications services

Region: Americas

Topic: Shareholder proposals on online safety

Background: Meta has faced discussion in a US congressional hearing as well as media relating to its management of online safety. During the congressional hearing in 2023, a whistleblower stated that management was aware of online risks in the development of Meta's 'Digital Companion' AI, which permits sensitive discussions among teenagers, but had proceeded regardless. Subsequent media coverage referenced the alleged inadequacy of safeguards for protecting minors. In 2025, a group of shareholders presented proposals requesting the company report on its measures for child safety harm reduction, and on actions to prevent online child exploitation.

Vote: We voted in favor of both of the shareholder proposals.

Key result: The proposals received 13% and 6% support from shareholders, respectively.

Rationale: Given that Meta's platforms remain the most commonly used for child-related deception, leading to legal actions in the US, we concluded that it was prudent to vote for related proposals to signal concern. Enhanced online safety reduces litigation and regulatory risk, protecting shareholder value. We continue to engage on its online safety issues.

Nutrien Ltd.

Case study

Sector: Chemicals

Region: Americas

Topic: Climate transition

Background: Through our Proxy Voting Policy we have outlined a minimum set of expectations for companies in terms of climate strategy and disclosure in relation to financially material climate-related risks. We apply this to large companies with high carbon intensity and, where we see companies not meeting these expectations, we will vote against the chair of the sustainability committee (or the equivalent).

Vote: We voted against the reelection of the chair of the safety and sustainability committee as the person most responsible for the climate strategy at the board level.

Key result: While the director was reelected with 98% support, we registered our concerns with our vote against.

Rationale: Our expectations for companies in material sectors relating to climate are disclosure of Scope 3 emissions, have a net-zero target for 2050, and an interim decarbonization target for the period 2028 to 2035. When reviewing Nutrien's climate disclosure, we found no evidence of Scope 3 emissions disclosure, and engagement with the company did not reveal a timeline as to when that information would be published. Robust climate disclosure is essential for modeling risk-adjusted returns. Thus, we raised our concerns by voting against the director we believe is most responsible for the climate strategy and disclosure.

NVIDIA Corporation

Case study

Sector: Semiconductors

Region: Americas

Topic: Remuneration, human capital

Background: In addition to the annual advisory vote to ratify executive compensation, the company's annual general meeting also contained a shareholder proposal asking for it to enhance its disclosure on gender and race across the nine US Equal Employment Opportunity Commission-defined job categories. We met with the company to discuss these agenda items.

Vote: We did not support the executive compensation vote or the shareholder proposal requesting enhanced workforce data reporting.

Key result: NVIDIA's executive compensation agenda item received the support of 91.4% of the shares voted. The workforce data disclosure shareholder proposal received support of 18% of the shares voted.

Rationale: On executive compensation, the company highlighted to us that it had extended the vesting timeframe for equity awards. However, our view was that the short vesting schedules of the company's equity awards did not adequately align with the long-term interests of investors. On workforce data disclosure, we took note that NVIDIA already provides information on its global workforce, and provides additional disclosure on its US workforce.

Phillips 66

Case study

Sector: Energy

Region: Americas

Topic: Proxy contest

Background: Elliott Capital launched a proxy contest to replace four members of the Phillips 66 board at its May AGM. This occurred due to the investor disputing the current strategy of the company revolving around its focus on its midstream business. The UBS-AM Proxy Voting Policy states that good corporate governance should, in the long-term, lead towards both better corporate performance and improved shareholder value.

Vote: After meeting with both the management and dissident sides, we decided to back all four of the Elliot Capital nominees.

Key result: The voting on directors highlighted the diverging views among shareholders of the strategic direction of the company, as no director, either nominated by the company or by Elliot Capital, received more than 55% support. Two of the Elliot nominees (Sigmund Cornelius and Michael Heim) received majority votes and gained election to the board.

Rationale: In our view, Phillips 66's plan to grow its midstream business faces challenges from the lack of competitive advantages and the very stiff competition in this business area. While dividend growth has slowed at the company, the planned investment in the midstream business would also further limit future dividend growth. Our voting decision also reflected a concern that the management's focus on the vertical integration of the business were limiting the discussion of alternative strategies. We expect the Elliot nominees to bring fresh eyes to challenge management and bring the necessary additional experience to the board.

Rio Tinto

Case study

Sector:
Basic materials

Region: Asia Pacific

Topic: Climate action plan

Background: Rio Tinto presented its climate action plan for shareholder review at the 2025 AGM. The company has set a net-zero target covering Scope 1 and 2 emissions, comprising an interim target of a 50% reduction between 2018 and 2030. The company has so far achieved a 14% reduction on operational emissions compared to its baseline.

Vote: We voted in favor of the plan.

Key Results: The proposal passed with 93% support from shareholders.

Rationale: Rio Tinto clearly articulates its transition strategy, and has disclosed total capital expenditure plans on decarbonization projects of between USD 5 billion and USD 6 billion by 2030. The company's climate action plan includes a clear six-point plan for achieving its interim target by 2030, centered on the electricity supplying its Australian aluminum smelters, renewable energy supply to selected mining operations, abatement projects in alumina processing, minerals processing, and the first steps toward the substitution of diesel haulage trucks. Nature-based solutions are part of the plan and are constrained to 10% or less of the targeted emissions reductions by 2030. The credible climate action plan strengthens the resilience to regulatory and market changes.

The TJX Companies, Inc.

Case study

Sector:
Specialty Retail

Region: Americas

Topic: Board refreshment

Background: The company had multiple directors up for reelection at the 2025 AGM that we considered long tenured, with over 12 years on the board. The UBS vote policy outlines our expectations around board refreshment, where we look for boards to have a balance of short-, medium- and long-tenured directors. We consider boards with a higher proportion of long-tenured directors to have a higher risk of entrenchment with executive management.

Vote: We voted against the chair of the nomination committee due to a lack of sufficient board refreshment.

Key Results: While the director was reelected with 94% support, we registered our concerns with our votes against.

Rationale: We believe that a good balance of board diversity includes a mix of tenure which allows for retaining experience alongside bringing new perspectives that encourage the company to progress its business strategy. To support this, our Proxy Voting Policy may hold the chair of the nominating committee (or the equivalent) responsible for refreshment of board composition and provides for voting against this director if the board has more than one third of its directors with a tenure of more than 12 years. 40% of the TJX board has a tenure of 85% to 93% than 12 years, and includes four directors with a tenure of 18 years or more.

T-Mobile US, Inc.

Case study

Sector:
Wireless telecommunication services

Region: Americas

Topic: Board independence

Background: The UBS Proxy Voting Policy outlines expectations around board independence, both for the entire board and for board committees such as the audit, compensation, and nominating/governance committees. The T-Mobile US board has multiple non-independent directors sitting as committee members, specifically on the nomination/governance committee and the compensation committee.

Vote: We voted against a total of five T-Mobile US non-independent directors who are members of the nomination/governance and compensation committees.

Key Results: While all five directors were reelected with support for each ranging from 85% to 93% we registered our concerns with our vote against.

Rationale: We believe that the implementation of good corporate governance is reflected both in overall board composition and the structure of the supporting board committees. Our view is that independent directors provide sufficient challenge and oversight of decisions made in these committees that affect board and company strategy. The lack thereof exposes the company to governance failures, as independent oversight is essential for effective risk management and protecting shareholder interests. For nominating/governance and compensation committees, our Proxy Voting Policy holds that each committee should comprise a majority of independent non-executive directors. Six of T-Mobile's 12 non-executive directors are not independent, either acknowledged as such by the company or because the director is a shareholder representative, which is a concern with respect to board committees. Two non-independent directors sit on the three-person compensation committee, while three non-independent directors sit on the five-person nominating/governance committee. With each committee falling below our expectations on director independence, we voted against each non-independent director on each committee.

Appendix

Engagement objectives at subtopic level in 2025

This table shows the aggregated engagement sub topic by each company engaged in 2025. For some companies, we had more than one engagement meeting, but for this table we do not distinguish between the sub topics engaged per meeting.

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human Rights	S: Human capital management	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	S: Product/ Services Quality and Safety	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
A.P. Moller - Maersk A/S Class B	1	x						x																					
Aalberts N.V.	1	x																									x	x	
AbbVie, Inc.	1																					x							
Adani Green Energy Limited	1			x													x	x											
Advanced Drainage Systems, Inc.	1		x			x																							
Advantage Energy Ltd	1	x																						x					
AGCO Corporation	1					x				x																			
AIB Group plc	1	x				x	x									x							x						
Air Liquide SA	1	x																											
Air Products and Chemicals, Inc.	1	x																											
Alcoa Corporation	1	x																											
Alibaba Group Holding Limited	1												x																
Allreal Holding AG	1															x													
Alphabet Inc. Class A	1	x													x	x													
Amazon.com, Inc.	3	x				x							x		x	x			x				x						
American Electric Power Company, Inc.	2	x																											
Amgen Inc.	1														x														
Anglo American plc	1	x																							x				
Antofagasta plc	3	x																										x	
APA Group	1	x																											
Apollo Global Management Inc	1	x					x				x															x			
Apple Inc.	2	x				x						x			x	x							x						
Aptiv PLC	1		x										x																
Archer-Daniels-Midland Company	4	x	x																										
Assicurazioni Generali S.p.A.	1														x														
AstraZeneca PLC	1												x						x										
ASX Limited	4														x	x			x		x					x			
Atlassian Corp Class A	2	x				x									x	x				x		x							
Autodesk, Inc.	1					x								x	x	x			x										
AXA SA	1														x	x													
Baloise-Holding AG	1																x		x			x		x					
Baloise-Holding AG	1																x		x			x		x					
Banco Bilbao Vizcaya Argentaria, S.A.	1														x				x					x	x				x
Bank of Queensland Limited	1																		x										
Banque Cantonale Vaudoise	1															x													
Barry Callebaut AG	1															x													
BASF SE	1	x	x													x											x		

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human Rights	S: Human capital management	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	S: Product/ Services Quality and Safety	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
Baytex Energy Corp.	3	x																		x				x	x		x	x	x
BellRing Brands, Inc.	1							x		x																			
BHP Group Ltd	2	x				x													x						x	x			
Bio-Rad Laboratories, Inc. Class A	1													x															
BKW AG	1	x	x																										
Bloom Energy Corporation Class A	1																					x							
Boeing Company	2				x	x	x						x																
Booking Holdings Inc.	1				x								x		x										x				
BP PLC	6	x													x	x	x		x	x				x	x	x	x		x
Broadcom Inc.	1					x	x						x																
Bunge Global SA	1	x	x																										
Cadence Design Systems, Inc.	1	x				x									x	x													
California Resources Corp	1	x																							x				
Cameco Corporation	1	x																											
Canadian Pacific Kansas City Limited	1	x				x																							
Capital One Financial Corp	1														x				x					x	x				
Carnival Corporation	1	x									x				x	x										x			
Carrefour SA	1		x																										
Cemex SAB de CV Cert Part Ord Repr 2 ShsA & 1 ShsB	1	x																											
Cenovus Energy Inc.	1	x																		x							x		
CF Industries Holdings, Inc.	1	x	x	x												x													
Chevron Corporation	2	x																		x							x		
China Mengniu Dairy Company Limited	1							x					x																
Chocoladefabriken Lindt & Spruengli AG	1					x									x	x	x												
Chugai Pharmaceutical Co., Ltd.	1			x																									
Cie Generale des Etablissements Michelin SA	1													x	x	x			x										
Clinuvel Pharmaceuticals Limited	1															x													
CMB.TECH NV	1	x																							x				
CME Group Inc. Class A	1														x	x						x							
CMS Energy Corporation	1	x																											
Comcast Corporation Class A	1															x						x							
Commonwealth Bank of Australia	1	x				x																							
Compagnie Financiere Richemont SA	1															x													
ConocoPhillips	2	x												x	x	x								x			x		x
Consolidated Edison Company of New York, Inc.	1														x				x										
Costco Wholesale Corporation	1				x	x				x			x																
CRH public limited company	1	x																											
CSPC Pharmaceutical Group Limited	1												x																
CVS Health Corporation	1													x		x													
Daimler Truck Holding AG	1																							x					
Danone SA	3			x				x					x			x			x	x				x					
DexCom, Inc.	1			x				x																					
Dexus	1															x													
Digital Realty Trust, Inc.	1	x	x	x										x		x							x						
Dominion Energy Inc	3	x																						x					
dormakaba Holding AG	1															x													
Dow, Inc.	2	x	x	x																									
Drax Group plc	3	x	x																				x	x		x			
Duke Energy Corporation	3	x																											

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human Rights	S: Human capital management	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	S: Product/ Services Quality and Safety	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
Dynatrace, Inc.	1					x									x														
eBay Inc.	1	x				x								x	x	x													
Ecolab Inc.	1		x	x																									
EDP S.A.	1	x																											
Electronic Arts Inc.	1														x	x													
Eli Lilly and Company	1							x																					
Enel SpA	1	x																											
ENGIE S.A.	1	x																											
Eni S.p.A.	3	x	x																	x							x		
Equinix, Inc.	1	x	x																										
Equinor ASA	5	x																		x				x			x		
Erste Group Bank AG	1					x									x		x											x	
Eurofins Scientific SE	1													x		x		x	x										
Exxon Mobil Corporation	4	x																		x							x		
FAST RETAILING CO., LTD.	1				x	x																							
First Horizon Corporation	1	x	x			x																							
Forbo Holding AG	1														x	x													
Freshpet Inc	1	x				x									x	x													
Fuyao Glass Industry Group Co., Ltd. Class A	1															x						x							
Galderma Group AG	1															x													
Galenica AG	1					x									x	x		x		x		x			x				
Galp Energia, SGPS S.A. Class B	2	x									x									x				x			x		x
Geberit AG	1															x													
Gilead Sciences, Inc.	1							x							x	x													
Givaudan SA	2															x													
Glencore plc	2	x													x	x												x	
Grenergy Renovables S.A	1	x																											
Grupo Financiero Banorte SAB de CV Class O	1	x	x			x	x						x																
Guardant Health, Inc.	1														x	x						x							
H&M Hennes & Mauritz AB Class B	1		x																										
Halliburton Company	1																					x							
Hana Financial Group Inc.	2														x							x		x	x				x
HDFC Bank Limited	1	x				x						x	x																
Heidelberg Materials AG	2	x																											
Holcim Ltd	1	x													x				x										
HubSpot, Inc.	1	x				x									x	x													
Hypera S.A.	1					x	x																x						
Hyundai Motor Company	2				x	x				x			x	x						x				x	x	x			x
Iberdrola SA	2	x																	x										
ICICI Bank Limited	1														x	x													
Idorsia Ltd.	1												x			x	x		x							x			x
Implenia AG	1															x													
Ingersoll Rand Inc.	2	x		x		x																							
Inner Mongolia Yili Industrial Group Co., Ltd. Class A	2				x			x		x			x																
Intel Corporation	2														x	x			x			x							
InterGlobe Aviation Ltd	1															x	x												x
International Consolidated Airlines Group SA	1	x																						x	x				
International Flavors & Fragrances Inc.	1	x						x																					
Interroll Holding AG	1															x													
Intesa Sanpaolo S.p.A.	1															x													

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JBT Marel Corporation	1												x																
JPMorgan Chase & Co.	1															x			x										
Julius Baer Gruppe AG	1						x								x				x					x		x			
Koninklijke Philips N.V.	2												x						x										
Korea Electric Power Corporation	1	x																							x				
Kotak Mahindra Bank Limited	1								x					x		x													
Landis+Gyr Group AG	1														x														
Lendlease Group	1														x	x													
Lenovo Group Limited	1													x	x														
Lens Technology Co. Ltd. Class A	1				x	x	x																						
LG Electronics Inc.	1					x														x		x							
Linde plc	1	x																											
Lonza Group AG	1														x	x													
L'Oreal S.A.	1														x	x	x			x									
LVMH Moet Hennessy Louis Vuitton SE	1	x			x		x			x			x												x		x		
LyondellBasell Industries NV	1	x																											
McDonald's Corporation	1												x		x	x													
Meituan Class B	1	x			x								x																
MercadoLibre, Inc.	1									x					x	x													
Meta Platforms Inc Class A	2	x				x							x		x	x					x	x	x						
MHP SE Sponsored GDR RegS	1				x	x																							
Micron Technology, Inc.	1	x				x										x			x										
Microsoft Corporation	1												x		x	x													
Moderna, Inc.	1															x						x							
Montrose Environmental Group Inc	1															x			x										
Morgan Stanley	1					x						x		x	x	x		x											
Nestle S.A.	1			x		x													x	x									
NextEra Energy, Inc.	3	x														x			x										
NIKE, Inc. Class B	1					x				x						x			x										
Novartis AG	1					x		x							x	x								x	x	x			
NTT DATA Group Corp.	2	x	x																										
Nutrien Ltd.	1	x																											
NuVista Energy Ltd.	1	x																						x	x				
NVIDIA Corporation	2	x			x	x										x			x										
OBIC Business Consultants Co., Ltd.	1																							x					
OC Oerlikon Corporation AG	1															x													
Occidental Petroleum Corporation	3	x																		x				x			x		
Oracle Corporation	1					x									x	x		x								x			
ORLEN Spolka Akcyjna	1	x																		x							x		
Ovintiv Inc	1	x																		x							x		
Petroleo Brasileiro SA Pfd	1	x																											
Petroleos Mexicanos EPE	1	x					x																						
Pets At Home Group Plc	1																									x			
PG&E Corporation	3	x									x																		
Phillips 66	1	x													x	x													
Ping An Insurance (Group) Company of China, Ltd. Class H	1																							x					
Pure Storage, Inc. Class A	1														x		x					x							
Qantas Airways Limited	1											x				x													
Recruit Holdings Co., Ltd.	1				x	x																							

Company	Number of Engagement interactions	E: Climate change	E: Natural capital	E: Pollution, Waste	S: Human Rights	S: Human capital management	S: Conduct, culture, ethics	S: Health	S: Inequality	S: Supply chain management	S: Policy Advocacy/ Lobbying	S: Data Privacy	S: Product/ Services Quality and Safety	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
Regal Rexnord Corporation	1																							x					
Reliance Industries Limited	1	x														x						x							
Repsol SA	1	x																		x							x		
Rio Tinto plc	7	x													x				x	x								x	
Rivian Automotive, Inc. Class A	1														x	x	x												
Roper Technologies, Inc.	1					x										x			x								x		
RWE AG	2	x														x			x										
SAMSUNG C&T CORP	2	x			x	x		x						x					x			x		x	x				x
Samsung Electronics Co., Ltd.	3	x				x								x		x													
Samsung Life Insurance Co., Ltd.	1																			x		x		x					
Sanofi SA	1															x			x					x					
Schneider Electric SE	1	x				x																							
ServiceNow, Inc.	1												x																
SharkNinja, Inc.	1	x				x									x	x						x							
Shell Plc	4	x														x				x				x			x		
Shinhan Financial Group Co., Ltd.	1														x														
SK hynix Inc.	1	x			x	x						x		x	x	x													
Skyworks Solutions, Inc.	1	x				x										x			x					x					
SMC Corporation	1					x											x		x					x			x		x
SoftBank Group Corp.	1	x				x							x	x	x		x								x				
Southern Company	2	x																						x					
Sprouts Farmers Market, Inc.	1			x	x	x																							
Straumann Holding AG	1															x													
Sumitomo Realty & Development Co., Ltd.	1																x							x					
Sun.King Technology Group Limited	1														x		x												
Swatch Group Ltd. Registered	1														x		x												
Swiss Prime Site AG	1															x													
Taiwan Semiconductor Manufacturing Co., Ltd.	1	x	x			x				x			x			x											x		
Take-Two Interactive Software, Inc.	1					x									x	x													
Targa Resources Corp.	1	x																	x										
Tecan Group AG	2					x									x	x								x					
Telecom Italia S.p.A.	1															x													
Temenos AG	1															x													
Tencent Holdings Ltd	3	x			x																		x						
Tesla, Inc.	1														x	x						x							
TMBThanachart Bank Public Company Limited	1																			x									
Tokio Marine Holdings, Inc.	3					x								x						x		x		x					
TotalEnergies SE	5	x																	x					x			x		
Toyota Motor Corp.	2														x		x					x		x	x			x	x
TransDigm Group Incorporated	1												x				x												
UBISOFT Entertainment	1														x		x		x										x
UBS Group AG	1					x																							
UniCredit S.p.A.	1															x													
Unilever PLC	2					x		x								x									x			x	x
UnitedHealth Group Incorporated	1							x			x								x		x								
Universal Display Corporation	2			x		x									x	x						x						x	
Vale S.A.	1	x	x	x																								x	
Valero Energy Corporation	1	x																											
Vedanta Limited	1	x		x	x																						x		
Vertex Pharmaceuticals Incorporated	1							x																					

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Vertiv Holdings Co. Class A	**1**	x															x												
VINCI SA	**1**														x														
Vonovia SE	**1**					x									x														
Vontobel Holding AG	**1**															x													
Vulcan Materials Company	**1**	x															x												
Walt Disney Company	**1**					x										x			x							x			
Warner Bros. Discovery, Inc. Series A	**1**					x									x	x						x							
Wells Fargo & Company	**1**														x	x						x				x			
Westlake Corporation	**1**	x	x	x																									
Wise PLC Class A	**2**					x									x	x						x			x		x		
Wizz Air Holdings Plc	**1**	x																						x		x			
Woodside Energy Group Ltd	**1**	x																		x							x		
Yara International ASA	**2**	x																											
Zebra Technologies Corporation Class A	**1**	x				x									x	x						x							
Zijin Mining Group Co., Ltd. Class H	**2**				x																								
Zoom Communications, Inc. Class A	**1**	x				x	x					x	x																

Total number of companies: 250
Total number of engaged interactions: 341