

UBS (UK) Pension and Life Assurance Scheme ('the Scheme')

Annual Implementation Statement for the Year Ended 30 June 2024 – DC Sections

Introduction

This statement, written for the benefit of the Members of the UBS (UK) Pension and Life Assurance Scheme (the "Scheme"), sets out how, and the extent to which, the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year running from 1 July 2023 to 30 June 2024 (the "Scheme Year") in the **Defined Contribution ("DC") Sections of the Scheme**. Member AVC benefits invested in AVC policies do not fall within the scope of this Statement.

The DC Sections of the Scheme are the ValueFlex Section and the SBC DC Section.

The SIP is a document drafted by the Trustee in order to help govern the Scheme's investment strategy. It details a range of investment-related policies, a summary of which is included below, alongside the relevant actions taken by the Trustee in connection with each of these policies.

This statement has been produced in accordance with the Pensions Act 1995, the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 / 982 and the Pension Protection Fund (Pensionable Service) and the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 / 988.

Sections 1.1 and 1.2 of this statement set out the investment objectives of the Scheme and changes that have been made to the SIP during the Scheme Year, respectively. Section 1.3 of this statement sets out how, and the extent to which, the policies in the part of the SIP which relates to the DC Sections have been followed.

The Trustee can confirm that all policies in the SIP which relate to the DC Sections have been followed in the Scheme Year.

The Appendix includes engagement examples and key voting activities of the underlying equity investment managers within the DC Sections of the Scheme, and how the voting activities align with the Trustee's Stewardship Priorities.

1. Statement of Investment Principles

1.1. Investment Objectives of the Scheme's DC Sections

The Trustee believes that it is important to consider the policies set out in the SIP in the context of the investment objectives that it has set.

The investment objectives for the DC Sections are as follows:

- The Trustee aims to make available to Members of the DC Sections a range of investment options to offer members the opportunity to make their own investment decisions and select funds to cater to their individual circumstances, taking into account their needs and risk tolerance, in a cost-effective manner.
- In addition to this, in respect of the DC Sections, the Trustee is responsible for investing members' contributions in accordance with each member's investment decision. The contributions of those members who do not make their own choice are invested in the Sections' default investment option. The current Primary Default, Lifestyle Targeting Drawdown, targets an asset allocation suitable for members intending to take income drawdown at retirement. Some members are invested in legacy default strategies, namely Lifestyle Targeting Annuity (the "Legacy Annuity Default") and the Legacy Lifestyle Targeting Income Drawdown (the "Legacy Drawdown Default").

- The objectives, risks and other factors referenced in the part of the SIP which relates to the DC Sections are those that the Trustee considers to be financially material considerations in relation to the DC Sections. The Trustee believes that the appropriate time horizon over which to assess as financially material considerations is based on each Individual member's time horizons i.e. this is dependent on member age and their Target Retirement Date. In designing the three default investment options – Primary Default, Legacy Drawdown Default and Legacy Annuity Default – and the additional lifestyle strategy, Lifestyle Targeting Cash, the Trustee has considered the proximity to Target Retirement Dates as part of their design.

The policies set out in the part of the SIP which relates to the DC Sections are intended to help meet the overall investment objectives of the Scheme. Detail on the Trustee's objectives with respect to the default investment options, the Lifestyle Targeting Cash and the freestyle fund range are outlined in the SIP.

1.2. Review of the SIP

During the year to 30 June 2024, the Trustee reviewed and amended the Scheme's SIP, taking formal advice from its Investment Consultant, Mercer Limited ("Mercer"). This Statement is based on the SIP dated June 2024. The part of the SIP which relates to the DC Sections was subsequently updated further in September 2024, after the Scheme Year end and the current version can be found online at:

<https://epa.towerswatson.com/accounts/UBS/public/scheme-information/>.

In respect of the DC Sections, the SIP was updated to reflect the following changes:

- Addition of Illiquid Policy in respect of the Scheme's Primary Default arrangement
- Updates to the asset allocations of the Primary Default and Lifestyle Targeting Cash.
- Adding a reference to the creation of the temporary lifestyle strategy (Legacy Drawdown Default).
- Updates to the names of the various lifestyle strategies.
- The inclusion of further Technical Defaults wording as a result of the closure of the Scottish Widows unit-linked policy and switch of members and assets invested in the closing policy to the Main DC Funds held through Mobius Life.

1.3. Assessment of how the policies in the SIP have been followed for the Scheme Year

The information provided in this statement highlights the work undertaken by the Trustee during the year, and long term where relevant, and sets out how this work followed the Trustee's policies in the SIP.

In summary, it is the Trustee's view that the policies in the SIP have been followed during the Scheme Year.

2. Investment Mandates

Securing compliance with the legal requirements about choosing investments

Policy

As required by legislation, the Trustee consults a suitably qualified person when making investment selections by obtaining written advice from its Investment Consultant. The policy is detailed in Section 8 (Choosing Investments) of the part of the SIP which relates to the DC Sections.

The Trustee receives advice from its Investment Consultant on any investments prior to implementation. The advice received and arrangements implemented are, in the Trustee's opinion, consistent with the

requirements of Section 35 & 36 of the Pensions Act 1995 (as amended). The Trustee also consults with the sponsoring employer (UBS AG) where appropriate.

How has this policy been met over the Scheme Year?

A number of changes were made to DC Sections' investments, during the Scheme Year, as set out below:

- The underlying composition of the Emerging Markets Equity Fund was changed to reflect the introduction of the Acadian Emerging Markets Equity Fund as an underlying manager, alongside the incumbent Baillie Gifford Emerging Market Equity Fund, in April 2024.
- The at retirement Cash Fund allocation within the Lifestyle Targeting Drawdown strategy was reduced from 30% to 15%, in June 2024.
- The Pre-Annuity Fund allocation within the Lifestyle Targeting Cash strategy was replaced with the Growth Fund in the last eight years prior to retirement, in June 2024.
- The Scottish Widows unit-linked policy was closed and the assets transferred to the Main DC Funds held through Mobius Life. This was as a result of Scottish Widows requesting that the policy be closed.

The Investment Consultant delivered a Section 36 advice letter prior to each investment, with changes made following individual reviews of mandates, taking into account the Trustee's investment objectives set out in the part of the SIP which relates to the DC Sections, the context of the Scheme's overall investment strategy and Members' best interests.

Types of investments that the Trustee can hold

Policy

The investment strategy should take into account the objectives of the Scheme.

The DC Sections' policy is that the Trustee sets the default investment option with the aim of managing investment and other risks through a diversified strategic asset allocation. The Trustee aims to make available a range of investment options to offer members the opportunity to make their own investment decisions and select funds to cater to their individual circumstances, taking into account their needs and risk tolerance, in a cost-effective manner. Further details are set out in Section 3 (Portfolio Construction) and Section 5 (Investment Strategy) of the part of the SIP which relates to the DC Sections.

How has this policy been met over the Scheme Year?

The Global Blended Equity Fund and Growth Fund, which comprise the growth phase of the Lifestyle investment strategies, are reviewed at least annually. The review of these funds took place in May 2024.

The Freestyle Fund Range is reviewed biennially, with the latest review having taken place in February 2024. Whilst no major changes were implemented as a result of this review, the Trustee decided to remove the outperformance target of the Pre-Annuity Fund, due to the nature of the Fund's objective.

The default investment strategies are reviewed triennially, and a review took place between August and November 2023 and the changes made are noted above in the earlier section "**Investment mandates – securing compliance with the legal requirements about choosing investments**".

Realisation of Investments

Policy

The Trustee's policy is that there should be sufficient liquidity within the DC Sections' assets to meet short-term cashflow requirements in the majority of foreseeable circumstances, so that realisation of assets will not disrupt the DC Sections' overall investment policy.

The investment managers have discretion in the timing of realisations of investments and in considerations relating to the liquidity of those investments, within their mandates. They also have responsibility for generating cash, when instructed to do so, as and when required for benefit payments and expenses.

How has this policy been met over the Scheme Year?

The Trustee receives an administration report on a quarterly basis to confirm that core financial transactions are processed within Service Level Agreements (SLAs) and regulatory timelines. As confirmed in the Chair's Statement, the Trustee is satisfied that all requirements were met throughout the year, with over 91% of core financial transactions processed within SLA. The Trustee believes that all core financial transactions were processed promptly and accurately during the Scheme Year.

All funds are daily dealt pooled investment vehicles. The Trustee holds a life assurance policy with Mobius Life and the value of this policy is determined by reference to the value of the investments held within each fund. The Trustee has legal and beneficial ownership of the life assurance policy and not to the investments held within each fund.

These processes were all followed over the Scheme Year.

3. Environmental, Social and Governance (“ESG”)

Financial and non-financial considerations and how those considerations are taken into account in the selection, retention and realisation of investments

Policy

The Scheme's SIP outlines the Trustee's beliefs on ESG factors (including climate change). Further details are included in Section 9 of the part of the SIP which relates to the DC Sections. The Trustee keeps its policies under regular review.

The Trustee considers risk from a number of perspectives and believes a number of ESG-related risks may be financially material. The Trustee assesses these risks over the appropriate time horizon for the DC Sections. The Trustee expects that investment managers evaluate ESG factors, including climate change considerations, and exercise voting rights and stewardship obligations attached to investments, in accordance with their own corporate governance policies, taking account of current best practice including the UK Corporate Governance Code, UK Stewardship Code and the General Code. The Trustee expects that ESG considerations are embedded into each investment manager's investment decision-making process and the extent of integration as well as a review of each manager's policies is considered annually by the Trustee.

The Trustee does take account of members' views in the selection, retention and realisation of the investment vehicles underlying the funds and members have a variety of methods (including via periodic member surveys) by which they can make views known to the Trustee. The Trustee will not, however, seek member views in all circumstances in relation to decisions taken.

How has this policy been met over the Scheme Year?

The Trustee has adopted a Climate Change Policy, which sets out its support of the Paris Agreement in order to avoid the worst impacts of climate change by limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit it to 1.5°C within the context of its fiduciary responsibilities. In addition, the Trustee is a member of the Institutional Investors Group on Climate Change.

The Global Blended Equity Fund and Growth Fund comprise the growth phase of the Lifestyle investment strategies. At Scheme Year end, the Global Blended Equity Fund included a 75% allocation to the UBS AM Climate Aware World Equity funds; and the Growth Fund included a 45% allocation to the UBS AM Climate Aware World Equity funds.

ESG ratings are also monitored as part of the annual Value for Members Assessment.

4. Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters)

Policy

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Scheme's investments to the investment managers. Further details are set out in Section 9 of the part of the SIP which relates to the DC Sections (Responsible Investment and Corporate Governance).

In addition, it is the Trustee's policy to obtain reporting on voting and engagement and to periodically review the reports to ensure the policies are being met.

How has this policy been met over the Scheme Year?

Following the DWP's consultation response and outcome regarding Implementation Statements on 17 June 2022, updated guidance was produced, which is effective for all scheme year ends on or after 1 October 2022. The updated guidance requires trustees to include a description of what they believe to be a significant vote within the Implementation Statement. The voting information should also include details explaining why each vote has been categorised as significant, what the vote was, and why the manager voted in the way it did. The Trustee has defined a significant vote as one which meets the following materiality parameter as well as one or more of the following stewardship priorities (where available):

- **Materiality:** for all component funds of the Primary Default, the size of the holding within the relevant fund is more than 1% of that fund, at the underlying fund level. For all other funds the threshold is 5% of that fund, at the underlying fund level.
- **Stewardship priorities:** relates to one or more of the following areas of focus:
 - **Environment:**
 - Biodiversity: addressing the impact of biodiversity loss
 - Climate change: low-carbon transition and physical damage resilience
 - **Social:**
 - Human rights: modern slavery, pay and safety in workforce and supply chains and abuses in conflict zones
 - **Governance:**
 - Diversity, Equity and Inclusion (DEI): inclusive and diverse decision making and ensure equal voting rights
 - Board Governance: Chair tenure, independence, remuneration practices

The Appendix includes examples of engagement activity undertaken by the Sections' equity managers and provides details of the significant votes cast on behalf of the Trustee by these investment managers during the Scheme Year.

The Trustee believes that ESG (including climate change) factors may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee keeps the topic of corporate governance and

responsible investment under periodic review. This policy is regularly assessed to ensure that it is applicable, appropriate and with the aim of keeping it in line with expectations of the majority of the membership. These beliefs underpin the Trustee's policies on voting and engagement and are based on a typical Member's time horizon for the DC Sections and the overall time horizon for the DB Section.

The Trustee expects that voting rights are exercised by the appointed investment managers in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and the UK Stewardship Code. The undertaking of engagement activities in respect of investments is also delegated to investment managers.

The Trustee reviews the investment managers' policies and engagement activities (where applicable) on an annual basis and did so during the Scheme Year.

The Trustee does not use the direct services of a proxy voter. Investment managers may retain proxy voting services for the physical exercise of voting rights and for supporting voting research.

The Scheme does not have a stock lending programme in place. Any activity related to stock lending and its interaction with voting would be at discretion of the specific investment manager.

5. Monitoring the Investment managers

Incentivising asset managers to align their investment strategies and decisions with the Trustee's policies

Policy

The Trustee's policy is set out in Sections 4 (Risk Management and Measurement) and 11 (Manager Arrangement Policies) of the part of the SIP which relates to the DC Sections .

How has this policy been met over the Scheme Year?

As noted in the SIP, the Trustee undertakes due diligence to ensure it is aware of the nature of the underlying asset categories within each fund and how the underlying investment manager will allocate capital between them. The due diligence also considers the risks associated with the underlying mix of assets; the expected return targeted by the underlying investment managers; details around realisation of the investments; and the impact of financial and non-financial factors (including but not limited to ESG factors and climate change) on their long-term investment decision-making process. This due diligence was conducted as part of the manager monitoring programme during the Scheme Year.

The Trustee will review an appointment if the investment objective for an underlying manager's fund changes to ensure it remains appropriate and consistent with the Trustee's wider investment objectives.

Evaluation of asset managers' performance and remuneration for asset management services

Policy

The Trustee's policy is set out in Section 11 (Manager Arrangement Policies) of the part of the SIP which relates to the DC Sections.

How has this policy been met over the Scheme Year?

Annual due diligence meetings are held to review, among other things, the investment performance of the Scheme's investment managers.

Over the year to 30 June 2024, the Trustee reviewed the investment performance of the Scheme's underlying investment managers on a quarterly basis. These reviews considered the performance of the funds against their stated aims, objectives and policies.

The Trustee's focus is on long-term performance but it may review an underlying investment manager's appointment under certain circumstances.

The Trustee reviewed the investment managers' fees as part of the annual Value for Members Assessment.

Monitoring portfolio turnover costs

Policy

The Trustee's policy is set out in Section 11 (Manager Arrangement Policies) of the part of the SIP which relates to the DC Sections.

How has this policy been met over the Scheme Year?

The Trustee considered transaction costs as part of the annual Value for Members Assessment and these are also disclosed in the annual Chair's Statement.

As the Scheme invests through pooled funds, the Trustee is unable to define target portfolio turnover ranges for funds. It will, however, engage with an underlying investment manager if portfolio turnover is higher than expected.

The duration of the arrangements with asset managers

Policy

The Trustee is a long-term investor and does not seek to change the investment arrangements on a frequent basis. Further details of the Trustee's policy are set out in Section 11 (Manager Arrangement Policies) of the part of the SIP which relates to the DC Sections.

How has this policy been met over the Scheme Year?

The focus of performance assessments is on longer-term outcomes. The Trustee would not ordinarily expect to terminate a manager's appointment based purely on short-term performance.

Over the period to 30 June 2024, none of the DC Sections' manager appointments were terminated. However, for portfolio diversification reasons, the Emerging Markets Equity Fund was split evenly between two managers having previously been solely invested in a single manager. In addition, the Scottish Widows unit-linked policy was closed at Scottish Widows instigation.

6. Strategic Asset Allocation

Kinds of investments to be held, the balance between different kinds of investments and expected return on investments

Policy

The Trustee's policy on the kinds of investments to be held and the balance between different kinds of investments can be found under the following sections of the part of the SIP which relates to the DC Sections:

- Investment Objectives (Section 2)
- Portfolio Construction (Section 3)
- Investment Strategy (Section 5)

How has this policy been met over the Scheme Year?

A number of changes were made to DC Sections' investments over the Scheme Year. These changes are detailed earlier in Section 2 of this Implementation Statement. In addition, the following change

was made to the Growth Fund's strategic asset allocation and the Trustee undertook a Freestyle Fund Range review.

Growth Fund

On 31 July 2023, Mobius Life, the Scheme's DC investment platform provider, notified the Trustee that the property allocation of the Growth Fund had marginally breached its lower limit of 5%. The Trustee received advice that it would be appropriate at that time to review the strategic allocation to property within the Growth Fund and to revert to its long-term strategic allocation of 5%, noting that this allocation was temporarily increased to 6% as part of the restructuring of the lifestyle strategies in 2021.

The Trustee agreed to this change in August 2023 and it was implemented in September 2023.

Freestyle Fund Range

The Freestyle Fund Range is reviewed biennially, with the latest review having taken place in February 2024. Whilst there were no changes made to the composition of the Fund Range, the Trustee decided to remove the outperformance target of the Pre-Annuity Fund, due to the nature of the Fund's objective.

Risks, including the ways in which risks are to be measured and managed

Policy

The Trustee recognises a number of risks are involved in the investment of the assets of the DC Sections and that the choice of and allocation to investments can help to mitigate these risks. The Trustee therefore provides a range of investment options (including four Lifestyle investment strategies and a range of Freestyle funds) which enables Members to reflect in their investment choices the level of risk they wish to take in light of their own individual circumstances. Details of these risks and how they are measured and managed can be found under Section 4 (Risk Management and Measurement) of the part of the SIP which relates to the DC Sections.

The Trustee recognises that, under a DC arrangement, Members bear the investment risk. The Trustee has considered risk from a number of perspectives in relation to the DC Sections, including the default options.

How has this policy been met over the Scheme Year?

The Trustee provides a range of investment options (including four Lifestyle investment strategies and a range of Freestyle funds) which enables members to reflect in their investment choices the level of risk they wish to take in light of their own individual circumstances. In Member-facing communications, the Trustee highlights a number of risks that a member may face as a result of investing in any particular fund.

The Trustee also received updates from the Investment Consultant on developments concerning the investment managers. Following a review of individual manager mandates in the last Scheme Year, the Trustee implemented changes to a number of the DC Section funds. Further information on these changes can be found in the above section "**Investment mandates – securing compliance with the legal requirements about choosing investments**".

Within the Global Blended Equity Fund, which is the sole fund in the earlier years of all Lifestyle investment strategies, climate change risk was substantially managed through a 75% allocation to the UBS AM Climate Aware World Equity Funds.

Other risks were managed during the year as described in the DC Section of the SIP.

Appendix

Examples of Engagement Activity by the Scheme's Equity Investment Managers

As the Trustee invests the DC Sections' assets via an investment platform, the voting rights attaching to the underlying assets are owned by the investment platform and not the Trustee. Therefore the Trustee is not able to direct the underlying managers' votes and the Trustee does not use the services of a proxy voter. The Trustee monitors the underlying managers' voting and engagement activities. Particular focus is placed on UBS Asset Management (UBS AM) as the underlying manager of the majority of the equity funds offered in the DC Sections. Below are two examples of engagement activity undertaken during the Scheme Year.

UBS AM engaged with Starbucks

Starbucks has experienced on-going allegations and strikes from its US workforce in connection with infringements of their rights to unionize and participate in collectively bargain practices. The National Labour Relations Board (NLRB) have outlined that complaints have included that the company has adopted an anti-union approach and used retaliation against individuals or stores. UBS AM encourage companies to fully respect the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including freedom of association and the effective recognition of the right to collective bargaining.

To get a clearer understanding of the current status, UBS AM engaged with the company and also attended a meeting held by a group of shareholders that had filed a resolution at the AGM that was seeking the company to commission a third-party assessment on its commitment to worker rights. The company outlined in dialogue with UBS AM that even though they fully honour the NLRB process, they disagree with the allegations.

After careful review of both the company and shareholder viewpoints on the subject, UBS AM decided to support the proposal. UBS AM expects board members to protect and enhance the brand and reputation of the company, and feels that the allegations around anti-union practices toward employees are a clear reputational risk to the company. UBS AM believes that a third-party assessment would benefit shareholders in understanding where the implementation of company policies is falling short and how they can be remedied moving forward. The proposal passed at the AGM held on 23rd March, with majority support of 53%. Following this outcome, UBS AM will continue to engage with the company on this topic and monitor what steps management is taking to eradicate practices that do not align with policies.

Baillie Gifford engaged with Tesla

Baillie Gifford engaged with Tesla to learn about the company's supply chain management strategies in China, with an aim of gaining insight into how Tesla mitigates risks associated with upstream forced labour and human rights abuses and the company's ongoing union issues affecting its Nordic operations.

Upon meeting with the company, the Vice President of Global Supply Chain Management outlined Tesla's approach to managing its supply chain in China, highlighting the challenges of ensuring transparency and traceability amid stringent Chinese regulations. The company's proactive measures include investing in its supply chain team and insisting on international standards for direct suppliers outside China. It is also exploring alternatives to reduce reliance on high-risk regions by nearshoring critical mineral procurement and setting up refining operations in the US.

In terms of the labour union issues, the company remains focused on direct communication with employees, with local management taking the lead in resolving problems ongoing in the Nordics. Baillie Gifford were told that the majority of Tesla's workforce in Sweden doesn't want to strike or unionise, reflecting confidence in the company's employee relations approach.

The discussion provided valuable insights into Tesla's approaches to supply chain management in China. It reinforced Baillie Giffords belief that the company is committed to operating responsibly by finding solutions to regulatory and manufacturing challenges. The manager believes these issues are material for the long-term investment case and plans to monitor progress in the future.

Voting Activity during the Scheme Year

Set out below is a summary of voting activity for this reporting period relating to the investment managers and their funds used by the DC Sections of the Scheme.

	UBS AM World Ex-UK Equity	UBS AM Europe Ex-UK Equity	UBS AM UK Equity	UBS AM Pacific ex-Japan Equity	UBS AM North America Equity	UBS AM Japan Equity	UBS AM Climate Aware World Equity	Baillie Gifford EM Equity	Baillie Gifford Long Term Growth	Acadian EM Equity	LGIM World Small Cap	LGIM Global Property	HSBC Islamic Global Equity	Fulcrum Diversified Core Absolute Return	Dodge & Cox Global Stock	Wellington Global Impact
Number of meetings eligible to vote	2,087	448	668	436	635	498	1,336	68	39	1,484	4,452	399	72	381	96	72
Number of resolutions eligible to vote	26,608	8,567	9,724	3,069	8,412	6,010	17,927	706	401	10,479	47,291	4,134	1,239	9,829	1,387	846
Number of eligible resolutions where votes cast (%)	97.6%	94.0%	99.7%	99.5%	98.8%	100%	98.6%	91.5%	100.0%	96.7%	99.9%	100%	94.7%	100%	100%	94.2%
Votes with management (%)	89.8%	90.2%	89.7%	83.9%	89.9%	92.7%	88.5%	94.3%	94.5%	83.1%	73.8%	79.2%	77.6%	84.6%	98.1%	95.6%
Votes against management (%)	10.1%	9.7%	10.2%	16.0%	10.1%	7.3%	10.0%	3.7%	5.0%	13.9%	25.9%	20.6%	22.4%	15.2%	2.0%	4.4%
Abstentions (%)	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	2.0%	0.5%	1.1%	0.3%	0.15%	0.0%	0.2%	0.0%	0.0%

Source: Investment managers, data may not sum due to rounding. Number of proposals eligible to vote includes number of votes in favour / against management, number of votes abstained and number of "unvoted" where eligible.

Most significant votes

The Trustee has defined a significant vote as detailed in Section 4 of this Implementation Statement. The following table details the managers votes undertaken during the Scheme year that meet this definition.

DC Sections

Fund	Company	Size of Holding	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
World Ex-UK Equity	Microsoft Corp	5.1%	Report on Risks of Operating in Countries with Significant Human Rights Concerns	07/12/2023	For (Against Management)	No	Human Rights	Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Failed
	Apple Inc	4.7%	Report on Congruency of Company's Privacy and Human Rights Policies with its Actions	28/02/2024	Against (Supported Management)	-	Human Rights	Apple appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.	Failed
	Nvidia	4.5%	Advisory Vote to Ratify Named Executive Officers' Compensation	26/06/2024	Against (Against management)	No	Board Governance	Vesting of performance awards or performance period is less than three years. Lack of a clawback provision.	Passed
Europe ex-UK Equity	Novo-Nordisk B	5.2%	Approve Remuneration of Directors in the Amount of DKK 3.4 million for the Chairman, DKK 1.7 million for the Vice Chairman and DKK 840,000 for Other Directors; Approve Remuneration for Committee Work	21/03/2024	For (Supported management)	-	Board Governance	No concerns identified with regard to the proposal.	Passed
	ASML Holding	4.8%	Approve Remuneration Report	24/04/2024	For (Supported management)	-	Board Governance	No concerns identified with regard to the proposal.	Passed
UK Equity	AstraZeneca	7.7%	Approve Remuneration Policy	11/04/2024	Against (Against management)	No	Board Governance	Excessive pay quantum	Passed
	Shell PLC	7.6%	Approve the Shell Energy Transition Strategy	21/05/2024	Against (Against management)	No	Climate change	Shell has positioned LNG as key to its energy transition plans. But the evidence on LNG as a replacement for coal in emerging markets is open to debate. Shell plans to increase LNG by 20-30% by 2030 to replace coal in emerging markets, but studies of lifecycle assessments contest that LNG may have a larger GHG footprint than coal, and others note that long-term LNG expansion is not compatible with Paris climate targets of 1.5 and 2 degrees. Emissions targets have been diluted and	Passed

Fund	Company	Size of Holding	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
								the new absolute Scope 3 target is unclear on whether it will result in overall absolute emissions reductions. The new Scope 3 target only covers 50% of Scope 3 emissions, abandoned their 2035 target, reduced their NCI 2030 target to 15-20% and does not lay out a clear path to achieve these reductions. The company has not thoroughly discussed their new integrated power business and how they go from their 2.5GW generation base to implement a 40GW pipeline, which is absolutely critical to meet the reduced 2030 target.	
	HSBC	5.4%	Approve Remuneration Report	03/05/2024	For (Supported management)	-	Board Governance	No concerns identified with regard to the proposal	Passed
	Unilever	4.5%	Approve Climate Transition Action Plan	01/05/2024	For (Supported management)	-	Climate change	No concerns identified with regard to the proposal	Passed
Pacific ex-Japan Equity	Samsung Electronics	9.5%	Elect Shin Je-yoon as Outside Director	20/03/2024	For (Supported management)	-	Board Governance	No concerns identified with regard to the proposal.	Passed
	BHP Group	4.9%	Approve Remuneration Report	01/11/2023	For (Supported management)	-	Board Governance	No concerns identified with regard to the proposal.	Passed
	Commonwealth Bank of Australia	4.8%	Approve Grant of Restricted Share Units and Performance Rights to Matt Comyn	11/10/2023	For (Supported management)	-	Board Transparency	No concerns identified with regard to the proposal.	Passed
North America Equity	Microsoft Corp	6.8%	Report on Risks of Operating in Countries with Significant Human Rights Concerns	07/12/2023	For (Against Management)	No	Human Rights	Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Failed
	Apple Inc	6.3%	Report on Congruency of Company's Privacy and Human Rights Policies with its Actions	28/02/2024	Against (Supported Management)	-	Human Rights	Apple appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.	Failed
	Nvidia	6.0%	Advisory Vote to Ratify Named Executive Officers' Compensation	26/06/2024	Against (Against management)	No	Board Governance	Vesting of performance awards or performance period is less than three years. Lack of a clawback provision.	Passed
Japan Equity	Toyota Motors	5.5%	Elect Director Hayakawa, Shigeru	18/06/2024	Against (Against management)	No	Board Governance	Board lacks diversity.	Passed
Climate Aware Equity	Microsoft Corp	5.1%	Report on Gender-Based Compensation and Benefits Inequities	07/12/2023	Against (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	N/A	Failed

Fund	Company	Size of Holding	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
Climate Aware Equity	Microsoft Corp	5.1%	Report on Climate Risk in Retirement Plan Options	07/12/2023	Against (Supported Management)	-	Climate Change	The US Department of Labor has not finalized its rule on climate-related financial risk and the retirement plan offerings appear to be broad enough to accommodate employees' desires to incorporate greater environmental and social considerations than the default plan.	Failed
			Report on Risks of Operating in Countries with Significant Human Rights Concerns	07/12/2023	For (Against Management)	No	Human Rights	Shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Failed
	Apple Inc	4.7%	Report on Median Gender/Racial Pay Gap	28/02/2024	For (Against Management)	No	Diversity, Equity and Inclusion (DEI)	Manager will support proposals that seek the disclosure of the median pay gap.	Failed
			Report on Congruency of Company's Privacy and Human Rights Policies with its Actions	28/02/2024	Against (Supported Management)	-	Human Rights	Apple appears to provide shareholders with sufficient disclosure to assess its management of risks related to its operations in high-risk markets and to have policies and oversight mechanisms in place that seem to address human rights concerns raised by the proponent.	Failed
	Alphabet Inc.	3.0%	Amend Bylaw regarding Stockholder Approval of Director Compensation	07/06/2024	Against (Supported Management)	-	Board Governance	N/A	Failed
			Report on Climate Risk in Retirement Plan Options	07/06/2024	Against (Supported Management)	-	Climate Change	N/A	Failed
			Elect Directors John L. Hennessy and Frances H. Arnold	07/06/2024	Against (Against Management)	No	Diversity, Equity and Inclusion (DEI)	Lack of gender diversity. The board has not added a new appointee in the past year and has multiple long-tenured directors, indicating a lack of commitment to board refreshment.	Passed
			Elect Director Robin L. Washington	07/06/2024	Against (Against Management)	No	Board Governance	The manager opposed as shareholders were not given opportunity to vote on pay.	Passed
	Amazon.com	2.6%	Report on Median and Adjusted Gender/Racial Pay Gaps	22/05/2024	Against (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	The company provides disclosure on pay on equivalent work that point to no meaningful differences in pay.	Failed
			Report on Impact of Climate Change Strategy consistent with Just Transition Guidelines	22/05/2024	Against (Supported Management)	-	Climate Change	While broadening use of AI will have an impact, this is not specific to or driven by their climate strategy. On this basis, we do not see a clear rationale for supporting a resolution asking for impact of their climate plan using JT principles.	Failed
			Report on Efforts to Reduce Plastic Use	22/05/2024	For (Against Management)	No	Climate Change	Shareholders would benefit from additional information on how the company is	Failed

Fund	Company	Size of Holding	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
								managing risks related to the creation of plastic waste.	
Climate Aware Equity	Amazon.com	2.6%	Disclose All Material Scope 3 GHG Emissions	22/05/2024	For (Against Management)	No	Climate Change	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.	Failed
			Elect Director Edith W. Cooper	22/05/2024	Against (Against Management)	No	Board Governance	Lack of responsiveness to remuneration concerns.	Passed
	Meta Platforms Inc	1.6%	Report on Human Rights Risks in Non-US Markets	29/05/2024	Against (Supported Management)	-	Human Rights	N/A	Failed
			Report on Human Rights Impact Assessment of Targeted Advertising	29/05/2024	For (Against Management)	No	Human Rights	Request for additional reporting is reasonable.	Failed
			Report on Framework to Assess Company Lobbying Alignment with Climate Goals	29/05/2024	For (Against Management)	No	Climate Change	The proposal would further enable shareholders to determine the strength of company policy, strategy and actions in regards to climate change.	Failed
			Elect Directors Marc L. Andreessen, Andrew W. Houston and Tony Xu	29/05/2024	Withhold (Against Management)	No	Board Governance	Member of the Remuneration Committee and therefore accountable for the several concerns on executive pay and for the absence of yearly "a say-on-pay" proposal on the ballot.	Passed
			Elect Director Peggy Alford	29/05/2024	Withhold (Against Management)	No	Board Governance	The manager opposes as shareholders were not given opportunity to vote on pay.	Passed
	Elect Director Robert M. Kimmitt	29/05/2024	Withhold (Against Management)	No	Board Governance	As Lead Independent Director he also must be held accountable for the persistent and severe concerns over executive compensation and several governance concerns.	Passed		
	Berkshire Hathaway Inc	1.1%	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting, Insuring, and Investing	04/05/2024	For (Against Management)	No	Climate Change	We will support proposals that seek to promote greater disclosure and transparency in corporate environmental policies as long as: a) the issues are not already effectively dealt with through legislation or regulation; b) the company has not already responded in a sufficient manner; and c) the proposal is not unduly burdensome or overly prescriptive.	Failed

Fund	Company	Size of Holding	Summary of resolution	Date of vote	How the manager voted	If against the company, was the intent communicated ahead of the vote?	Why vote is significant	Rationale of manager vote	Vote outcome
Climate Aware Equity	Berkshire Hathaway Inc	1.1%	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	04/05/2024	For (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	Request for additional reporting is reasonable.	Failed
			Elect Directors Thomas S. Murphy, Jr., Stephen B. Burke and Kenneth I. Chenault	04/05/2024	Withhold (Against Management)	No	Board Governance	As member of the Nomination, Remuneration and Governance Committee, the nominee has responsibility for governance concerns at the company.	Passed
			Elect Director Warren E. Buffett	04/05/2024	Withhold (Against Management)	No	Climate Change	Failure to align climate targets with capital expenditure plans, financial statements, policy influence activities, disclosures, and/or compensation incentives.	Passed
	Eli Lilly & Co	1.1%	Declassify the Board of Directors	06/05/2024	For (Supported Management)	-	Board Governance	N/A	Failed
			Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	06/05/2024	Against (Supported Management)	-	Diversity, Equity and Inclusion (DEI)	The company currently discloses their DEI goals, policies and programs, in addition to quantitative statistics on how the company is progressing across various diversity areas. The current level of disclosure allows shareholder to evaluate the effectiveness of DEI efforts and additional reporting would not provide value.	Failed
			Adopt a Comprehensive Human Rights Policy	06/05/2024	Against (Supported Management)	-	Human Rights	The company currently reports their human rights policy for both internal operations and supplier expectations in their ESG Report and Supplier Code of Business Conduct, including their commitment to enabling affordable access to their medicines and adhering to the UNGC principles on Human Rights, which covers all the items the proponent is requesting.	Failed
LGIM Global Listed Property	Prologis, Inc.	6.0	Elect Director Hamid R. Moghadam	09/05/2024	Against	-	Board Governance	A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Passed
HSBC Islamic Global Equity	NVIDIA Corporation	7.8	Elect Director Stephen C. Neal	26/06/2024	Against	No	Diversity, Equity and Inclusion (DEI)	The manager has concerns about insufficient gender diversity of the board.	Passed
	Amazon.com, Inc.	6.3	Elect Director Jonathan J. Rubinstein	22/05/2024	Against	No	Diversity, Equity and Inclusion (DEI)	The manager has concerns about insufficient gender diversity of the board.	Passed

Source: UBS AM, LGIM and HSBC.

* As at 30 June 2024 as holding size at the date of the relevant vote was unavailable