

UBP Asset Management – Engagement Summary 2024

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UNION BANCAIRE PRIVÉE

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Summary

This summary outlines the stewardship activities and efforts undertaken by the Asset Management division of UBP (hereafter “UBP AM”) during the reporting period. As a responsible asset manager, we prioritise responsible investment strategies that align with our clients' values while delivering financial performance.

Throughout the reporting period, we have remained committed to engaging with companies within our investment portfolios to promote best practices in environmental, social, and governance (ESG) matters. Our stewardship process includes proactive engagement with issuers (directly or collaboratively) to encourage best practices, systematically addressing controversies with our engagement partner, and using proxy voting to foster responsible business practices.

Beyond engagement, we have continued to integrate ESG factors into our investment decision-making. By incorporating ESG analysis into our research and risk assessment processes, we aim to identify opportunities that not only generate financial returns but also contribute to positive social and environmental outcomes.

Transparency and accountability are central to our stewardship approach. This report provides detailed overview into our engagement activities, allowing stakeholders to assess our actions and hold us accountable to our commitments.

To enhance the transparency and the quality of our stewardship reports we have partnered with Maanch Ltd., a cloud-based solution for tracking engagement, accessible to all investment teams for data analysis and reporting.

A key highlight of 2024 was the publication of our [engagement & escalation policy](#), which formalised the process for implementing escalation measures.

Additionally, the automated reporting feature from Maanch Ltd. was enhanced, and the ability to track our voting activities within the tool was added, aiding us in our reporting efforts.

Overview of UBP AM's Stewardship Approach

Since becoming a signatory to the United Nations Principles for Responsible Investment (UN PRI) in 2012, UBP AM has significantly advanced its responsible investment approach and stewardship practices.

In line with our fiduciary duty, UBP AM blends traditional investment management methods with responsible investment approaches. These include ESG integration and stewardship, which seek to identify positive investment opportunities and drive positive change in companies engaged with as well as mitigate sustainability risks, and impact investing which strives to contribute positively to the environment and society.

We view stewardship as an ongoing, proactive process, combining the integration of ESG factors into our investment decisions with the active engagement with companies to promote positive change.

Central to our stewardship approach is the systematic, though tailored, integration of ESG considerations into our investment decision-making process. By incorporating ESG factors into our investment models and risk assessment frameworks, we aim to identify companies that exhibit strong sustainability practices and demonstrate a commitment to managing ESG-related risks and opportunities.

In addition to ESG integration, our stewardship approach emphasises active engagement with companies in our investment portfolio, through:

- **direct engagement**
- **collaborative engagement**
- **systematic engagement** with engagement partner
- **proxy voting**¹

By engaging on issues such as climate change, human rights, and corporate transparency, we seek to drive positive change, mitigate risks, and enhance long-term value for both our clients and society.

Responsible Investment Approach

Each of our investment teams conducts its own research and utilises tailored models specific to their asset class. While the teams may share data, inputs, and views, they retain autonomy in their security selection.

Engagement is often asset class dependent. Centralised engagement themes are typically focused on controversies, global ESG themes, such as climate or biodiversity, or sector specific issues. Each team can select the direct engagement topics, based the unique challenges faced by the companies in their portfolios. On the other hand, collaborative engagements are conducted in a more centralised manner and monitored and tracked centrally.

¹ Our annual proxy voting summary and full voting record are published on our [website](#).

Engagement Activities

Throughout 2024 we continued to engage directly and collaboratively with investee companies and utilised our ability of proxy voting.

As part of our engagement strategies, we primarily leverage four interaction methods to communicate and engage with companies.

	Email	Email correspondence is one of the main interaction channels for dialogues with our investment companies, offering efficiency and ease of documentation.
	In person	In-person meetings facilitate direct exchanges and detailed analyses with clear discussions around the outcomes and challenges.
	Phone / Virtual Meeting	Phone/virtual meetings bridge the gap between different locations, providing a seamless and direct connection between stakeholders.
	Roadshow / Investor Calls	Roadshows and investor calls serve as platform for discussions, enabling us to address concerns and gain valuable insights from the company and other investors.

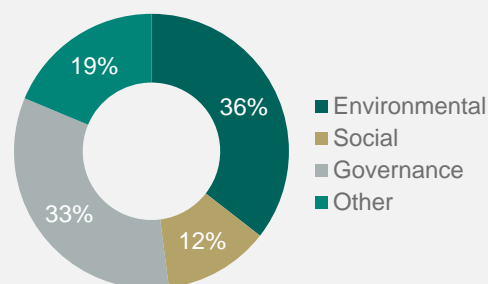
Direct Engagement

Each investment team initiates direct engagement with corporates when deemed appropriate as part of their research process. This forms part of their investment and ESG integration process. For sovereign investments, collaborative engagement is the preferred method.

Before engaging, teams analyse the company, looking at its sustainability metrics and strategy, alongside other factors such as industry dynamics or potential financial impact. Based on this, they work to find common ground with the companies, setting clear and, when possible, measurable objectives in areas such as governance, social responsibility, and environmental impact. They keep in touch with companies throughout the engagement to ensure progress aligns with our expectations.

In 2024 we continued with our stewardship efforts and counted a total number of 250 direct interactions with 166 entities on 67 issues compared to 295 interactions with 158 companies in 2023. The key takeaways are listed as follows:

ESG topic split



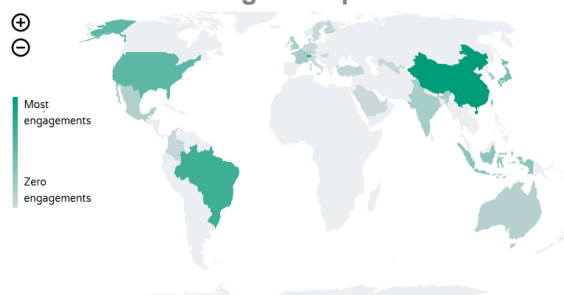
Source: UBP, Maanch Ltd., as of 31 December 2024

There is often an overlap of topics covered in our interactions, however, for 2024, environmental and governance were the key topic covered in our direct engagements.



Out of the 36% environmental interactions, **32%** touched on **climate** topics and issues and **46%** on **biodiversity**.

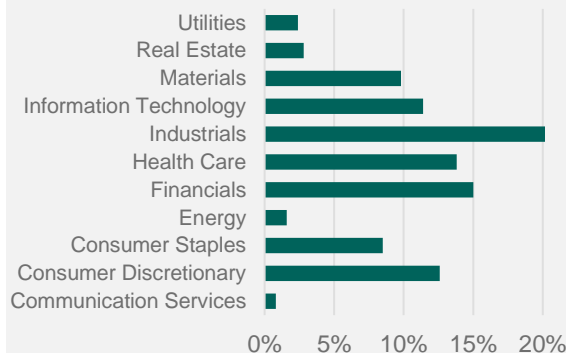
Regional split



Source: UBP, Maanch Ltd., as of 31 December 2024

In line with the previous year, in 2024 most of our direct engagements were with entities from Europe and Asia. Combined these two regions make up more than 70% of our interactions. This is followed by North America with 14% and then Latin America with 10% and Middle East & Africa with 3%.

Sector overview

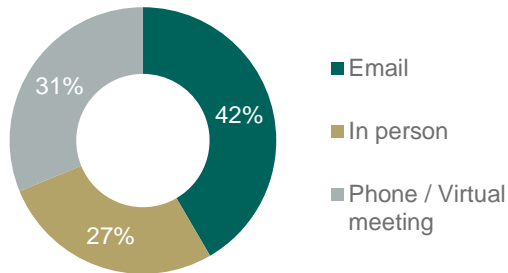


Source: UBP, Maanch Ltd., as of 31 December 2024

In line with the previous years, Industrials was the sector we engaged with the most in 2024. Together with Consumer Discretionary, Financials and Health

Care, the four sectors make up more than 60% of our engagements.

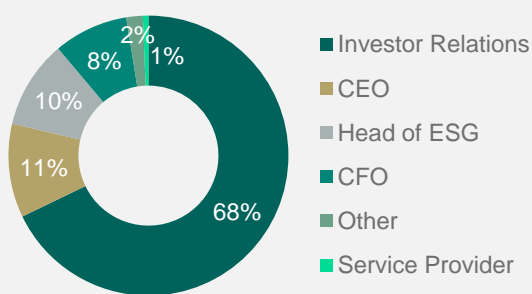
Interaction methods



Source: UBP, Maanch Ltd., as of 31 December 2024

In 2024, almost half of the interactions were based on emails. Emails are typically used for a first point of contact when reaching out to the company and then at a later stage, when possible, virtual or in person meetings are set up. The average number of contact points per company in 2024 was 1.5 interactions per company.

Point of contact



Source: UBP, Maanch Ltd., as of 31 December 2024

For a lot of our engagements we interacted with more than one person and more than one team, however, almost 60% of the times the main person of contact is from the investor relations team. This is followed by the CEO and the Head of ESG, who make up more than 20% of our point of contact.

Collaborative Engagement

UBP is a member of several global and local initiatives, in which it aims to take an active role. These platforms are particularly powerful for collaborative engagement when we believe that combining forces with other investors can increase our impact in influencing behaviour or increasing disclosure of such companies.

The choice of these collaborative engagement may vary but reflect UBP's priorities. For instance, given our focus on climate, we participate in CDP's non-disclosure engagement campaign. We also have a particular focus on biodiversity for our impact strategies

and participated in working groups led by Cambridge Institute for Sustainability Leadership (CISL) and an engagement trip in Brazil organised by Morningstar Sustainalytics on deforestation and biodiversity loss.

CDP Non-Disclosure Campaign (NDC)

CDP launches an annual Non-Disclosure Campaign (NDC) in collaboration with financial institutions engaging with companies on data disclosure across three themes (climate change, forest, and water). As part of the 2024 campaign, 276 participants, including UBP, and representing \$US21 trillion in assets, took part.

The NDC runs at the same time as the regular CDP disclosure request, as participants of the campaign aim to engage with companies to encourage them to disclose through CDP their impact on climate, water, and forests. Each target company receives a letter drafted by the CDP, sent by lead participants with the support of the co-signers, which states the aim for the company to disclose to CDP.

To assess the impact of the campaign, each year CDP monitors a control group with the same characteristics as the target companies that are not included in the campaign and do not receive a letter. Following the campaign, the disclosure rate of the two groups is compared to estimate the difference.

Case study: 2024 CDP NDC

For 2024, CDP assessed that due to the targeting by financial institutions, companies were 2.5 times more likely to disclose than companies not included in the NDC campaign.

Partnerships with NGOs, Academia, and Other Stakeholders

Furthermore, we interact with several partners and associations on various topics to build a responsible financial system. Other campaigns and initiatives we take part in include **FAIRR** on sustainable aquaculture as well as waste and pollution, Forum pour l'Investissement Responsable (**FIR**), Cambridge Institute for Sustainability Leadership (**CISL**) and the UN Principles for Responsible Investment (**UN PRI**) platform.

A full list of engagements completed as part of these initiatives and the case studies with more details are included in our annual UK Stewardship Code Report

available [here](#) for 2023². In the meantime, more information on our collaboration efforts and the full list of our memberships can be found [here](#).

Case study: CISL

In 2024, UBP participated in two working groups from the CISL exploring sustainability topics, which each led to the publication of a report.

The first report investigated the misalignment between capital flows and international goals on nature, to ultimately bridge the biodiversity finance gap: [Scaling finance for nature: Barrier Breakdown](#)

The second report focused on the integration of physical climate risks into investment decision-making, providing practical tools and strategies to address climate adaptation and resilience: [Investing in tomorrow: A guide to building climate-resilient investment portfolios](#)

Case study: FIR

In line with previous years, UBP participated in the 2024 engagement campaign organised by the Forum pour l'Investissement Responsable (FIR), engaging with the companies listed on the French Index CAC 40.

As part of the campaign, the FIR and the participating investors ask each CAC 40 company ten questions, covering ten major social responsibility themes, and then subsequently analyse and score the responses received.

The full report on the outcomes can be found [here](#).

Case study: Brazil Trip

In 2024, UBP participated in an engagement trip, organised by Morningstar Sustainalytics, aimed at addressing deforestation and biodiversity loss in Brazil. The Amazon and Cerrado savanna – critical for global climate regulation and biodiversity – face growing pressure from agricultural expansions, particularly beef and soy production. The trip convened 30 institutional investors, corporate leaders (including several of the largest beef and soy suppliers in the world), government officials, civil society organizations, and Indigenous representatives from different regions in Brazil.

Key outcomes

- Deeper insights into supply chain transparency challenges and the EU deforestation-free regulation
- Firsthand perspectives on legislative threats to environmental protection and indigenous rights
- Exploration of financial incentives and regenerative agriculture to support more sustainable land use
- Recognition of China's pivotal role in Brazil's agricultural exports

This experience strengthened UBP's understanding of the systemic risks and opportunities in Brazil's agricultural sector and reaffirmed its commitment to collaborative, on-the-ground stewardship.

For further details: [Morningstar Sustainalytics Notes](#)

Systematic Engagement

Morningstar Sustainalytics

UBP AM has partnered up with Morningstar Sustainalytics, a leading global provider of ESG research which offers global engagement services, to maximise the influence of its engagement activities in dealing with controversies. This partnership is essential in facilitating the implementation of our Responsible Investment Policy and in achieving durable change in the selected companies. UBP AM's holdings are shared with our engagement partner on a quarterly basis.

Engagement cases are selected by Morningstar Sustainalytics based on the results of ongoing qualitative screening, which identifies potential breaches of international standards such as the UN Global Compact principles and can include early indications of issues before sanctions are issued by regional or national courts or before the formal recognition of a company's responsibility in an incident. When an investee company is flagged as being non-compliant with the UN Global Compact principles or other international norms, Morningstar Sustainalytics contacts the company to seek additional information and starts the engagement process to discuss potential and adequate corrective actions with set milestones and timelines, aiming at improving companies' business practices to protect and add value to the investment.

² UBP submits its annual UK Stewardship Code to the FRC in October each year. Publication follows the FRC's validation in Q1 of the following year.

2024 Sustainalytics engagements on behalf of UBP AM

In 2024, Morningstar Sustainalytics engaged on 31 cases with 26 companies held in UBP AM portfolios (compared to 30 cases with 28 companies in 2023) linked to potential breaches of international norms. As of 31.12.2024, there were 24 ongoing engagement cases, one case disengaged, and six cases were resolved.

The themes of these cases were split across:

- Environmental: 4%
- Social: 71%
- Governance: 25%

Financials, Consumer Discretionary and Healthcare were the sectors with the highest number of ongoing engagement cases.

UBP AM's Morningstar Sustainalytics 2024 engagement report is publicly available [here](#).

Conclusion

Key takeaways

UBP AM is committed to a robust approach to stewardship. Throughout this report we have demonstrated our approach to stewardship in 2024, where we leveraged three main types of engagement from direct to collaborative to systematic engagement.

UBP AM predominantly engaged with companies via email, and geographically our engagements were concentrated in Europe and Asia.

Looking ahead to 2025, we continue with the focus on the following topics:

- Respecting international norms
- Climate disclosure
- Climate targets / transition plans
- Biodiversity

Forward-looking statements and commitments

Looking ahead, we remain committed to advancing responsible investment practices and driving positive change within the companies in which we invest. By leveraging our influence as responsible asset managers, we aim to foster long-term value creation, mitigate risks, and contribute to a more sustainable and inclusive global economy.

In line with our net zero commitment for UBP Asset Management (Europe) S.A., climate engagements will continue to be an important part of our stewardship efforts.

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